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**ANNUAL REPORT OF**  
**NATURAL GAS UTILITIES**

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION  
(EXACT NAME OF RESPONDENT)

WINTER HAVEN, FLORIDA  
(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2008

OFFICE OF  
ECONOMIC REGULATION

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Officer or other person to whom correspondence should be addressed concerning this report:

Name	Thomas A. Geoffroy	Title	Vice President
Address	P.O. Box 960	City	Winter Haven State FL
Telephone No.	863-293-2125	PSC/ECR 020-G (12/03)	



### Independent Auditor's Report

To the Board of Directors  
Chesapeake Utilities Corporation

We have audited the balance sheets of Chesapeake Utilities Corporation - Florida Division as of December 31, 2008 and 2007, and the accompanying statements of income and retained earnings for the years then ended, included on pages 6 through 11 of the accompanying Annual Report of Natural Gas Utilities, as filed with the Florida Public Service Commission. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared in accordance with the accounting requirements of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in the applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chesapeake Utilities Corporation - Florida Division as of December 31, 2008 and 2007 and the results of its operations for the years then ended, in accordance with the accounting requirements of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in the applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the board of directors of Chesapeake Utilities Corporation, management of Chesapeake Utilities Corporation - Florida Division and for filing with the Florida Public Service Commission and should not be used for any other purpose.

Beard Miller Company LLP  
Malvern, Pennsylvania  
May 26, 2009

*Beard Miller Company LLP*

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ECONOMIC REGULATION

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# INSTRUCTIONS FOR FILING THE ANNUAL REPORT OF NATURAL GAS UTILITIES

## GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or Mcf) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page that is not applicable to the respondent, enter the words "Not Applicable" on the particular page.
- V. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement to the page being supplemented on 8 1/2 by 11 inch paper. Provide the appropriate identification information on the supplemental page, including the title of the page and the page number. Do not change the page numbers.
- VI. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- VII. Wherever schedule pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why different figures were used.
- VIII. Report all gas volumes on a pressure base of 14.73 psia and a temperature base of 60° F.

## DEFINITIONS

- I. Btu per cubic foot - The total heating value expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60° F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.665 cm per sec. <sup>2</sup>) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)
- II. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

# ANNUAL REPORT OF NATURAL GAS UTILITIES

## IDENTIFICATION

01 Exact Legal Name of Respondent  CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION	02 Year of Report  31-Dec-08
03 Previous Name and Date of Change (if name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code)  1015 6TH ST. NW, WINTER HAVEN, FL 33881	
05 Name of Contact Person  MARK S. WOODALL	06 Title of Contact Person  ACCOUNTANT II
07 Address of Contact Person (Street, City, State, Zip Code)  909 SILVER LAKE BLVD, DOVER, DE 19904	
08 Telephone of Contact Person, Including Area Code  302-734-6799	09 Date of Report (Mo., Day, Yr)  28-May-09

## ATTESTATION

I certify that I am the responsible accounting officer of

**CHESAPEAKE UTILITIES CORPORATION**

that I have examined the following report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2008 to December 31, 2008, inclusive.

I also certify that all affiliated transfer prices and affiliated cost allocations were determined consistent with the methods reported to this Commission on the appropriate forms included in this report.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in S. 775.082 and S. 775.083.

Beth W. Cooper  
Signature

May 28, 2009  
Date

BETH W. COOPER  
Name

SR VICE PRESIDENT, CHIEF FINANCIAL OFFICER  
Title

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Name of Respondent CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION	For the Year Ended Dec. 31, 2008
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**CONTROL OVER RESPONDENT**

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or	organization. If control was held by a trustee(s), state name of trustee(s). 2. If the above required information is available from the SEC 10K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.
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**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote. 2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.	3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests. 4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
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**DEFINITIONS**

1. See the Uniform System of Accounts for a definition of control. 2. Direct control is that which is exercised without interposition of an intermediary. 3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control. 4. Joint control is that in which neither interest can effectively	control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.
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Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION DOES NOT CONTROL ANY OTHER ORGANIZATIONS, BUSINESS TRUSTS, OR CORPORATIONS. HOWEVER, OUR PARENT COMPANY, CHESAPEAKE UTILITIES DOES DIRECTLY OR INDIRECTLY CONTROL OTHER SUBSIDIARIES. THESE ORGANIZATIONS ARE LISTED IN CHESAPEAKE'S FORM 10-K.			

Name of Respondent CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION	For the Year Ended Dec. 31, 2008
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**OFFICERS**

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policymaking functions.  
 2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.

Title (a)	Name of Officer (b)	Salary for Year (c)
President, CEO	John R. Schimkaitis	\$ 52,144
Senior Vice President	Steven C. Thompson	\$ 65,125
Vice President	Thomas A. Geoffroy	\$ 104,081

Note: The salaries above represent only that portion allocated to the Florida Division of Chesapeake Utilities Corporation.

**DIRECTORS**

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.  
 2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
Ralph J. Adkins, Chairman of Board	909 Silver Lake Blvd. , Dover Delaware 19901	18	\$ 2,174
John R. Schimkaitis, President, CEO	909 Silver Lake Blvd. , Dover Delaware 19901	27	\$ 162
Walter J. Coleman, Director	909 Silver Lake Blvd. , Dover Delaware 19901	3	\$ 432
Richard Bernstein, Director	909 Silver Lake Blvd. , Dover Delaware 19901	15	\$ 2,174
Calvert A. Morgan, Jr., Director	909 Silver Lake Blvd. , Dover Delaware 19901	19	\$ 2,511
J. Peter Martin, Director	909 Silver Lake Blvd. , Dover Delaware 19901	15	\$ 2,174
Joseph E. Moore, Esq., Director	909 Silver Lake Blvd. , Dover Delaware 19901	19	\$ 2,349
Thomas J. Bresnan, Director	909 Silver Lake Blvd. , Dover Delaware 19901	13	\$ 1,904
Eugene H. Bayard, Director	909 Silver Lake Blvd. , Dover Delaware 19901	12	\$ 1,836
Thomas P. Hill, Jr., Director	909 Silver Lake Blvd. , Dover Delaware 19901	16	\$ 2,174
Dianna F. Morgan, Director	909 Silver Lake Blvd. , Dover Delaware 19901	4	\$ 527

Note: The salaries above represent only that portion allocated to the Florida Division of Chesapeake Utilities Corporation.

**SECURITY HOLDERS AND VOTING POWERS**

1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became vested with voting rights and give others important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders.

Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
	Number of votes as of (date):			
	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
TOTAL votes of all voting securities				
TOTAL number of security holders				
TOTAL votes of security holders listed below				
Shareholder information may be obtained through:  Beth Cooper, Treasurer 909 Silver Lake Boulevard Dover, Delaware 19901				

**IMPORTANT CHANGES DURING THE YEAR**

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquires. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions.

2. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required.

3. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased also the approximate number of customers added or lost and approximate annual revenues of each class of service.

4. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

5. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.



**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	12	\$ 53,509,979	\$ 59,237,147
3	Construction Work in Progress (107)	12	\$ 805,282	\$ 65,241
4	TOTAL Utility Plant Total of lines 2 and 3)		\$ 54,315,262	\$ 59,302,388
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	\$ (17,575,316)	\$ (18,756,611)
6	Net Utility Plant (Total of line 4 less 5)		\$ 36,739,946	\$ 40,545,777
7	Utility Plant Adjustments (116)	11		
8	Gas Stored (117.1, 117.2, 117.3, 117.4)	-		
9	<b>OTHER PROPERTY AND INVESTMENTS</b>			
10	Nonutility Property (121)	-		
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-		
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-		
14	Other Investments (124)	-		
15	Special Funds (125, 126, 128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)			
17	<b>CURRENT AND ACCRUED ASSETS</b>			
18	Cash (131)	-	\$ 589,654	\$ 474,732
19	Special Deposits (132-134)	-		
20	Working Funds (135)	-	\$ 1,125	\$ 1,125
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	\$ 4,748,990	\$ 3,330,262
24	Other Accounts Receivable (143)	-	\$ 404	\$ (1,795)
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-	\$ (102,032)	\$ (72,876)
26	Notes Receivable from Associated Companies (145)	-		
27	Accounts Receivable from Associated Companies (146)	-	\$ (10,967,440)	\$ (12,767,430)
28	Fuel Stock (151)	-		
29	Fuel Stock Expense Undistributed (152)	-		
30	Residuals (Electric) and Extracted Products (Gas) (153)	-		
31	Plant Material and Operating Supplies (154)	-	\$ 240,760	\$ 273,902
32	Merchandise (155)	-		
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Underground & LNG Stored (164.1-164.3)	-		
36	Prepayments (165)	18	\$ 211,337	\$ 223,229
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-		
41	Miscellaneous Current and Accrued Assets (174)	-		
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		\$ (5,277,202)	\$ (8,538,851)
43	<b>DEFERRED DEBITS</b>			
44	Unamortized Debt Expense (181)	-		
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18		
47	Other Regulatory Assets (182.3)	19	\$ 76,300	\$ 158,386
48	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)	-		
49	Clearing Accounts (184)	-	\$ -	\$ -
50	Temporary Facilities (185)	-		
51	Miscellaneous Deferred Debits (186)	19	\$ 454,428	\$ 35,606
52	Deferred Losses from Disposition of Utility Plant. (187)	-		
53	Research, Development and Demonstration Expenditures (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	20		
55	Accumulated Deferred Income Taxes (190)	24	\$ 380,987	\$ 634,127
56	Unrecovered Purchased Gas Costs (191)	-	\$ (27,100)	\$ 11,970
57	TOTAL Deferred Debits (Total of lines 44 through 56)		\$ 884,615	\$ 840,089
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		\$ 32,347,359	\$ 32,847,015

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock (201, 202, 203, 205, 206, 207)	-		
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-214)	-		
5	Retained Earnings (215, 216)	10	\$ 21,399,359	\$ 22,842,563
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	10		
7	(Less) Reacquired Capital Stock (217)	-		
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		\$ 21,399,359	\$ 22,842,563
9	LONG-TERM DEBT			
10	Bonds (221)	21		
11	(Less) Reacquired Bonds (222)	21		
12	Advances from Associated Companies (223)	21		
13	Other Long-Term Debt (224)	21		
14	Unamortized Premium on Long-Term Debt (225)	21		
15	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	21		
16	TOTAL Long-Term Debt (Total of lines 10 through 15)			
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)	-		
19	Accumulated Provision for Property Insurance (228.1)	-		
20	Accumulated Provision for Injuries and Damages (228.2)	-	\$ 72,019	\$ 29,416
21	Accumulated Provision for Pensions and Benefits (228.3)	-	\$ 214,846	\$ 238,276
22	Accumulated Miscellaneous Operating Provisions (228.4)	-		
23	Accumulated Provision for Rate Refunds (229)	-		
24	TOTAL Other Noncurrent Liabilities (Total of lines 18 through 23)		\$ 286,865	\$ 267,692
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)	-		
27	Accounts Payable (232)	-	\$ 3,252,581	\$ 1,513,413
28	Notes Payable to Associated Companies (233)	-		
29	Accounts Payable to Associated Companies (234)	-		
30	Customer Deposits (235)	-	\$ 1,510,905	\$ 1,539,007
31	Taxes Accrued (236)	-	\$ (115,587)	\$ (899,997)
32	Interest Accrued (237)	-	\$ 61	\$ 1,140
33	Dividends Declared (238)	-		
34	Matured Long-Term Debt (239)	-		
35	Matured Interest (240)	-		
36	Tax Collections Payable (241)	-	\$ 89,534	\$ 123,033
37	Miscellaneous Current and Accrued Liabilities (242)	22	\$ (57,700)	\$ (54,321)
38	Obligations Under Capital Leases-Current (243)	-		
39				
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		\$ 4,679,794	\$ 2,222,275
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)	-	\$ -	
43	Other Deferred Credits (253)	22	\$ (733,845)	\$ (1,068,231)
44	Other Regulatory Liabilities (254)	22	\$ 1,824,728	\$ 1,824,728
45	Accumulated Deferred Investment Tax Credits (255)	23	\$ 171,813	\$ 152,289
46	Deferred Gains from Disposition of Utility Plant (256)	-		
47	Unamortized Gain on Reacquired Debt (257)	20		
48	Accumulated Deferred Income Taxes (281-283)	24	\$ 4,718,645	\$ 6,605,699
49	TOTAL Deferred Credits (Total of lines 42 through 48)		\$ 5,981,341	\$ 7,514,485
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		\$ 32,347,359	\$ 32,847,015

**STATEMENT OF INCOME**

1. Use page 11 for important notes regarding the statement of income or any account thereof.
2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.
3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year
- which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

Line No.	Account (a)	Ref. Page No. (b)	Total Gas Utility Current Year (c)	Total Gas Utility Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	26	\$ 13,153,832	\$ 13,072,295
3	Operating Expenses			
4	Operation Expenses (401)	27-29	\$ 6,469,227	\$ 6,608,107
5	Maintenance Expenses (402)	27-29	\$ 384,524	\$ 434,262
6	Depreciation Expense (403)	15-16	\$ 1,910,015	\$ 1,781,857
7	Amortization & Depletion of Utility Plant (404-405)	-	\$ 424	\$ 424
8	Amortization of Utility Plant Acquisition Adjustment (406)	-		
9	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	-		
10	Amortization of Conversion Expenses (407.2)	-		
11	Regulatory Debits (407.3)	-		
12	(Less) Regulatory Credits (407.4)	-		
13	Taxes Other Than Income Taxes (408.1)	23	\$ 1,161,232	\$ 832,726
14	Income Taxes - Federal (409.1)	-	\$ (538,437)	\$ 777,466
15	- Other (409.1)	-	\$ (84,126)	\$ 106,585
16	Provision for Deferred Income Taxes (410.1)	24	\$ 1,617,651	\$ 272,980
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	24	\$ (150,116)	\$ (245,819)
18	Investment Tax Credit Adjustment - Net (411.4)	23		
19	(Less) Gains from Disposition of Utility Plant (411.6)	-		
20	Losses from Disposition of Utility Plant (411.7)	-		
21	Other Operating Income (412-414)	-		
22	TOTAL Utility Operating Expenses (Total of lines 4 -21)		\$ 10,770,394	\$ 10,568,588
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		\$ 2,383,438	\$ 2,503,707

Name of Respondent			For the Year Ended	
CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION			Dec. 31, 2008	
STATEMENT OF INCOME (Continued)				
Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 8)		\$ 2,383,438	\$ 2,503,707
26	<b>Other Income and Deductions</b>			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-		
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-		
31	Revenues From Nonutility Operations (417)	-	\$ (53,176)	\$ (13,509)
32	(Less) Expenses of Nonutility Operations (417.1)	-		
33	Nonoperating Rental Income (418)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	10		
35	Interest and Dividend Income (419)	-	\$ 69,251	\$ 66,638
36	Allowance for Other Funds Used During Construction (419.1)	-		
37	Miscellaneous Nonoperating Income (421)	-		
38	Gain on Disposition of Property (421.1)	-		
39	TOTAL Other Income (Total of lines 29 through 38)		\$ 16,075	\$ 53,129
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-		
42	Miscellaneous Amortization (425)	33		
43	Miscellaneous Income Deductions (426.1-426.5)	33	\$ (2,179)	\$ (15,969)
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		\$ (2,179)	\$ (15,969)
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-		
47	Income Taxes - Federal (409.2)	-	\$ 126,013	\$ 27,039
48	Income Taxes - Other (409.2)	-	\$ 20,954	\$ 4,496
49	Provision for Deferred Income Taxes (410.2)	24	\$ (152,563)	\$ (50,602)
50	(Less) Provision for Deferred Income Taxes - Credit (411.2)	24		
51	Investment Tax Credit Adjustment - Net (411.5)	-		
52	(Less) Investment Tax Credits (420)	-	\$ 19,524	\$ 19,524
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 through 52)		\$ 13,928	\$ 457
54	Net Other Income and Deductions (Total of lines 39,44,53)		\$ 27,824	\$ 37,617
55	<b>Interest Charges</b>			
56	Interest on Long-Term Debt (427)	-	\$ 688,139	\$ 768,475
57	Amortization of Debt Discount and Expense (428)	21	\$ 6,677	\$ 7,579
58	Amortization of Loss on Reacquired Debt (428.1)	-		
59	(Less) Amortization of Premium on Debt - Credit (429)	21		
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-		
61	Interest on Debt to Associated Companies (430)	33		
62	Other Interest Expense (431)	33	\$ 273,242	\$ 263,049
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-		
64	Net Interest Charges (Total of lines 56 through 63)		\$ 968,058	\$ 1,039,103
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		\$ 1,443,204	\$ 1,502,221
66	<b>Extraordinary Items</b>			
67	Extraordinary Income (434)	-		
68	(Less) Extraordinary Deductions (435)	-		
69	Net Extraordinary Items (Total of line 67 less line 68)			
70	Income Taxes - Federal and Other (409.3)	-		
71	Extraordinary Items After Taxes (Total of line 69 less line 70)			
72	Net Income (Total of lines 65 and 71)		\$ 1,443,204	\$ 1,502,221

**STATEMENT OF RETAINED EARNINGS**

- |  |   |
|--|---|
| <p>1. Report all changes in appropriated retained earnings, and unappropriated retained earnings for the year.<br/>                 2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).<br/>                 3. State the purpose and amount for each reservation or appropriation of retained earnings.<br/>                 4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.</p> | <p>5. Show dividends for each class and series of capital stock.<br/>                 6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.<br/>                 7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.<br/>                 8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 11.</p> |
|--|---|

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>			
1	Balance - Beginning of Year		\$ 21,399,359
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439):		
4	Credit:		
5	Credit:		
6	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 4 and 5)		
7	Debit:		
8	Debit:		
9	TOTAL Debits to Retained Earnings (Account 439) (Total of lines 7 and 8)		
10	Balance Transferred from Income (Account 433 less Account 418.1)		\$ 1,443,204
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
15	FAS 133 Other Comprehensive Income		
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		\$ 22,842,563
<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>			
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.		
17			
18			
19			
20			
21			
22			
23	TOTAL Appropriated Retained Earnings (Account 215)		
	TOTAL Retained Earnings (Account 215 and 216) (Total of lines 16 and 23)		\$ 22,842,563

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 8-10, such notes may be attached hereto.

1. Summary of Accounting Policies:

**Nature of Business**

The Florida Division (Florida Division or Chesapeake) of Chesapeake Utilities Corporation (Chesapeake) is engaged in the distribution of natural gas. The Florida Division of Chesapeake serves residential, commercial, and industrial customers in Polk, Osceola, Citrus, DeSoto, Liberty, Hillsborough, Holmes, Jackson, Gadsden, Gilchrist, Union, Washington and Suwannee counties.

**System of Accounts**

Florida Division financial statements are prepared in conformity with the accounting requirements of the FERC as set forth in the applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America ("US GAAP"). The accounting requirements of the FERC are consistent with US GAAP except for: (1) lack of reclassification of certain negative balances on the balance sheets as required by US GAAP (2) the presentation of deferred income tax assets and liabilities separately rather than as a single amount required by US GAAP (3) a statement of cash flows has not been presented US GAAP requires that such a statement be presented when financial statements purport to present financial position and results of operations (4) a statement of retained earnings has been presented for one year. US GAAP requires that a comparative statement of retaining earnings be presented when financial statements purport to present financial position and results of operations (5) Costs of Removal are recorded in Accumulated Depreciation account 108. US GAAP requires that these amounts be shown as a liabilities.

**Property, Plant, Equipment and Depreciation**

Utility property is stated at original costs. The costs of repairs and minor replacements are charged to income as incurred and the costs of major renewals and betterments are capitalized. Upon retirement or disposition of utility property, the recorded cost of removal, net of salvage value, is charged to accumulated depreciation.

The provision for depreciation is computed using the straight-line method at rates that amortize the unrecovered cost of depreciable property over the estimated useful life of the asset. Depreciation and amortization expenses are provided at an annual rate for the Florida Division. Average rates for the past three years were 3 percent for the natural gas distribution assets.

**Cash and Cash Equivalents**

Chesapeake's cash is held in Chesapeake's name. Chesapeake's policy is to invest cash in excess of operating requirements in overnight income producing accounts. Such amounts are stated at cost, which approximates market value. Investments with an original maturity of three months or less when purchased are considered cash equivalents.

**Allowance for Funds Used During Construction**

The allowance for funds used during construction ("AFUDC") is an accounting procedure whereby the cost of borrowed and other funds used to finance construction projects is capitalized as part of utility plant on the balance sheet and is credited as non-cash items on the income statement. The costs of borrowed and equity funds are segregated between interest expense and other income, respectively. AFUDC was capitalized on utility plant construction at the rate of 2.829% and 5.478% for 2008 and 2007 respectively.

**Inventories**

The Florida Division uses the average cost method to value inventory.

**Regulatory Assets, Liabilities and Expenditures**

Chesapeake accounts for its regulated operations in accordance with SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation." This standard prescribes accounting principles for companies whose rates are determined by independent third-party regulators. When setting rates, regulators often make decisions, the economics of which require companies to defer costs or revenues in different periods than may be appropriate for unregulated enterprises. When this situation occurs, the regulated utility defers the associated costs as assets (regulatory assets) on the balance sheet, and amortizes them to expense on the income statement as it collects revenues. Further, regulators can also impose liabilities upon a company for amounts previously collected from customers, and for recovery of costs that are expected to be incurred in the future (regulatory liabilities).

As required by SFAS No. 71, Chesapeake monitors its regulatory and competitive environment to determine whether the recovery of its regulatory assets continues to be probable. If Chesapeake were to determine that recovery of these assets is no longer probable, it would write off the assets against earnings. Chesapeake believes that SFAS No. 71 continues to apply to its regulated operations, and that the recovery of its regulatory assets is probable.

**Income Taxes and Investment Tax Credit Adjustments**

The Florida Division joins in the filing of a consolidated federal income tax return with Chesapeake. Income tax expense allocated to Chesapeake's subsidiaries is based upon their respective taxable incomes and tax credits.

Deferred tax assets and liabilities are recorded for the tax effect of temporary differences between the financial statements bases and tax bases of assets and liabilities and are measured using current effective income tax rates. The portions of Chesapeake's deferred tax liabilities applicable to utility operations, which have not been reflected in current service rates, represent income taxes recoverable through future rates.

Investment tax credits on utility property have been deferred and are allocated to income ratably over the lives of the subject property.

**Financial Instruments and Fair Value of Financial Instruments**

Various items within the balance sheet are considered to be financial instruments because they are cash or are to be settled in cash. The carrying values of these items generally approximate their fair value.

**Operating Revenues**

Revenues for the Florida Division are based on rates approved by the Florida Public Service Commission (FPSC). Customers' base rates may not be changed without formal approval by the FPSC. Chesapeake recognizes revenues based on services rendered, and records an amount for services delivered but not yet billed.

#### Deferred Gas Costs

The purchased gas adjustment (PGA) recovery mechanism was discontinued when the Florida Division exited the merchant function; effective November 2002. The Florida Public Service commission authorized disposition of the remaining PGA balance, which was refunded to customers in March 2004.

#### Certain Risks & Uncertainties

The financial statements are prepared based on the accounting requirements of the FPSC that require management to make estimates in measuring assets and liabilities and related revenues and expenses. These estimates involve judgments with respect to, among other things, various future economic factors that are difficult to predict and are beyond the control of Chesapeake; therefore, actual results could differ from those estimates.

Chesapeake records certain assets and liabilities in accordance with SFAS No. 71. If Chesapeake were required to terminate application of SFAS No. 71 for its regulated operations, all such deferred amounts would be recognized in the income statement at that time. This could result in a charge to earnings, net of applicable income taxes

## 2. Adoption of Accounting Principles

In September 2008, the FASB issued FSP 133-1 and FIN 45-4, "Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161" ("FSP 133-1/FIN 45-4"). FSP 133-1/FIN 45-4 amends and enhances disclosure requirements for sellers of credit derivatives and financial guarantees. It also clarifies that the disclosure requirements of SFAS No. 161 are effective for quarterly periods beginning after November 15, 2008, and fiscal years that include those periods. FSP 133-1/FIN 45-4 is effective for reporting periods (annual or interim) ending after November 15, 2008. The implementation of this standard did not have a material impact on Chesapeake's consolidated financial position and results of operations.

In October 2008, the FASB issued FSP 157-3 to clarify the application of the provisions of SFAS No. 157 in an inactive market and how an entity would determine fair value in an inactive market. FSP 157-3 is effective immediately and applied to Chesapeake's September 30, 2008 financial statements. The application of the provisions of FSP 157-3 did not materially affect Chesapeake's results of operations or financial condition as of and for the period ended December 31, 2008.

Effective January 1, 2008, Chesapeake adopted FIN 39-1, which permits companies to offset cash collateral receivables or payables with net derivative positions under certain circumstances. Based on the derivative contracts entered into to date, adoption of this FSP has not materially affected Chesapeake's consolidated financial statements for the period ended December 31, 2008.

In September 2006, the FASB issued SFAS No. 157, which provides guidance for using fair value to measure assets and liabilities. It also responds to investors' requests for expanded information about the extent to which companies' measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings. SFAS No. 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value and does not expand the use of fair value in any new circumstances. In February 2008, the FASB issued FSP 157-1, "Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement No. 13" ("FSP 157-1"), and FSP 157-2, "Effective Date of FASB Statement No. 157" ("FSP 157-2"). FSP 157-1 amends SFAS No. 157 to remove certain leasing transactions from its scope. FSP 157-2 delays the effective date of SFAS No. 157 until fiscal years beginning after November 15, 2009 for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements

In February 2007, the FASB issued SFAS No. 159, which permits entities to elect to measure at fair value many financial instruments and certain other items that are not currently required to be measured at fair value. This election is irrevocable. SFAS No. 159 became effective in the first quarter of fiscal 2008. Chesapeake has not elected to apply the fair value option to any of its financial instruments.

## 3. Transactions with Parent

At December 31, 2008 and 2007 there were accounts payable to Chesapeake of \$12,767,430 and \$10,967,440 respectively.

## 4. Income Taxes

The components of federal and state income tax expense are:

	2008		2007	
Current	\$	(769,530)	\$	852,515
Deferred	\$	1,620,098	\$	77,763
ITC (net)	\$	(19,524)	\$	(19,524)
	\$	831,044	\$	910,754

Deferred income tax expense results primarily from the use of accelerated depreciation for tax purposes and deferral of purchased gas adjustments.

Deferred tax assets and liabilities recorded on the balance sheet at December 31, 2008 were \$634,127 and (\$6,757,988) respectively.

Deferred tax assets and liabilities recorded on the balance sheet at December 31, 2007 were \$380,987 and (\$4,890,458) respectively.

Deferred tax assets and liabilities are primarily the result of depreciation-related differences.

## 5. Customer Concentration

Chesapeake operated primarily in the natural gas industry. Operations include the transportation of natural gas in intra-state commerce. Chesapeake has no customers that accounted for 10% or more of revenue in 2008 and 2007.

## 6. Environmental Commitments and Contingencies:

The Winter Haven Coal Gas site is located in Winter Haven, Florida. Chesapeake has been working with the Florida Department of Environmental Protection ("FDEP") in assessing this coal gas site. In May 1996, the Company filed with the FDEP an AS/SVE Pilot Study Work Plan (the "Work Plan") for the Winter Haven Coal Gas site. After discussions with the FDEP, the Company filed a modified Work Plan, which contained a description of the scope of work to complete the site assessment activities and a report describing a limited sediment investigation performed in 1997. In December 1998, the FDEP approved the modified Work Plan, which the Company completed during the third quarter of 1999. In February 2001, the Company filed a Remedial Action Plan ("RAP") with the FDEP to address the contamination of the subsurface soil and ground-water in a portion of the site. The FDEP approved the RAP on May 4, 2001. Construction of the AS/SVE system was completed in the fourth quarter of 2002, and the system remains fully operational.

Through December 31, 2008, the Company has incurred approximately \$1.8 million of environmental costs associated with this site. At December 31, 2008, the Company had recorded a liability associated with this site of \$511,000, which partially offset (a) approximately \$268,000 collected through rates in excess of costs incurred and (b) a regulatory asset of \$779,000, representing the uncollected portion of the estimated clean-up costs related to this site.

The FDEP has indicated that the Company may be required to remediate sediments along the shoreline of Lake Shipp, immediately west of the Winter Haven Coal Gas site. Based on studies performed to date, the Company objects to the FDEP's suggestion that the sediment have been contaminated and will require remediation. The Company's early estimates indicate that some of the corrective measures discussed by the FDEP may cost as much as \$1 million. Given the Company's view as to the absence of ecological effects, the Company believes that cost expenditures of this magnitude are unwarranted and plans to oppose any requirement that it undertake corrective measures in the offshore sediments. Chesapeake anticipates that it will be several years before this issue is resolved. At this time, the Company has not recorded a liability for sediment remediation. The outcome of this matter cannot be predicted at this time.

7 Employee Benefit Plans

Retirement Plans

Before 1999, Chesapeake employees generally participated in both a defined benefit pension plan ("Defined Pension Plan") and a Retirement Savings Plan. Effective January 1, 1999, Chesapeake restructured its retirement program to compete more effectively with similar businesses. As part of this restructuring, Chesapeake closed the Defined Pension Plan to new participants. Employees who participated in the Defined Pension Plan at that time were given the option of remaining in (and continuing to accrue benefits under) the Defined Pension Plan or receiving an enhanced matching contribution in the Retirement Savings Plan.

Because the Defined Pension Plan was not open to new participants, the number of active participants in that plan decreased and was approaching the minimum number needed for the Defined Pension Plan to maintain its tax-qualified status. To avoid jeopardizing the tax-qualified status of the Defined Pension Plan, Chesapeake's Board of Directors amended the Defined Pension Plan on September 24, 2004. To ensure that Chesapeake would continue to provide appropriate levels of benefits to their employees, the Board amended the Defined Pension Plan and the Retirement Savings Plan, effective January 1, 2005, so that Defined Pension Plan participants who were actively employed by Chesapeake on that date would: (1) receive two additional years of benefit service credit to be used in calculating their Defined Pension Plan benefit (subject to the Defined Pension Plan's limit of 35 years of benefit service credit), (2) have the option to receive their Defined Pension Plan benefit in the form of a lump sum at the time they retire, and (3) be eligible to receive the enhanced matching contribution in the Retirement Savings Plan. In addition, effective January 1, 2005, the Board amended the Defined Pension Plan so that participants would not accrue any ad

employees during the first week of November 2004.

Chesapeake also provides an unfunded pension supplemental executive retirement plan ("Pension SERP"), formerly called the Executive Excess Retirement Plan. This plan was frozen with respect to additional years of service and additional compensation as of December 31, 2004. Benefits under the plan were based on each participant's years of service and highest average compensation, prior to the freeze. In December 2008, the Pension SERP was amended to allow participants to elect a lump sum payment and to add the other optional forms of benefit payments currently available under the Defined Pension Plan.

In addition to the Defined Pension Plan and the Pension SERP, Chesapeake provides an unfunded postretirement health care and life insurance plan that covers employees who have met certain age and service requirements. The measurement date for each of the three plans was December 31, 2008 and 2007.

In September 2006, the FASB issued SFAS No. 158, which Chesapeake adopted, prospectively, for the Defined Pension, Pension SERP and Other Postretirement Benefits on December 31, 2006. SFAS No. 158 requires that we recognize all obligations related to defined benefit pensions and other postretirement benefits and that we quantify the plans' funded status as an asset or a liability on our consolidated balance sheets.

SFAS No. 158 further requires that we measure the plans' assets and obligations that determine our funded status as of the end of the fiscal year. Chesapeake is also required to recognize as a component of accumulated other comprehensive income ("AOCI") the changes in funded status that occurred during the year that are not recognized as part of net periodic benefit cost, as explained in SFAS No. 87 or SFAS No. 106.

At December 31, 2008, the funded status of Chesapeake's Defined Pension Plan was a liability of \$4.9 million; at December 31, 2007, it was a liability of \$275,000. In order to account for the decrease in the funded status in accordance with SFAS No. 158, Chesapeake recorded a charge of \$2.8 million, net of tax, to Comprehensive Income. In addition, the funded status of the postretirement health and life insurance plan was a liability of \$2.2 million at December 31, 2008 compared to \$1.8 million at December 31, 2007. To adjust for the increased liability for the postretirement health and life insurance plan, as required by SFAS No. 158, Chesapeake took a charge of \$30,400, net of tax, to Comprehensive Income.

The amounts in AOCI for the respective retirement plans that are expected to be recognized as a component of net benefit cost in 2009 are set forth in the following table.

	Defined Benefit Pension	Pension SERP	Other Postretirement Benefit
Prior service cost (credit)	(\$4,699)	\$13,176	-
Net loss	\$268,276	\$59,089	\$158,378

Defined Benefit Pension Plan

As previously described, effective January 1, 2005, the Defined Pension Plan was frozen with respect to additional years of service or additional compensation. Benefits under the plan were based on each participant's years of service and highest average compensation, prior to the freeze. Chesapeake's funding policy provides that payments to the trustee shall be equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974. Chesapeake was not required to make any funding payments to the Defined Pension Plan in 2008.

The following schedule summarizes the assets of the Defined Pension Plan, by investment type, at December 31, 2008, 2007 and 2006:

At December 31,	2008	2007	2006
<b>Asset Category</b>			
Equity securities	48.70%	49.03%	77.34%
Debt securities	51.24%	50.26%	18.59%
Other	0.06%	0.71%	4.07%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

The asset listed as "Other" in the above table represents monies temporarily held in money market funds. The money market fund invests at least 80 percent of its total assets in:

- \*United States Government obligations; and
- \*Repurchase agreements that are fully collateralized by such obligations.

The investment policy of the Plan calls for an allocation of assets between equity and debt instruments, with equity being 30 percent and debt at 70 percent, but allowing for a variance of 20 percent in either direction. In addition, as changes are made to holdings, cash, money market funds or United States Treasury Bills may be held temporarily by the fund. Investments in the following are prohibited: options, guaranteed investment contracts, real estate, venture capital, private placements, futures, commodities, limited partnerships and Chesapeake stock; short selling and margin transactions are prohibited as well. During 2007, Chesapeake modified its investment policy to allow the Employee Benefits Committee to reallocate investments to better match the expected life of the plan.



The following schedule sets forth the funded status of the Defined Pension Plan at December 31, 2008 and 2007.

<b>At December 31,</b>	<b>2008</b>	<b>2007</b>
<b>Change in benefit obligation:</b>		
Benefit obligation — beginning of year	\$11,073,520	\$11,449,725
Interest cost	593,723	622,057
Change in assumptions	267,953	-
Actuarial loss	83,704	282,684
Benefits paid	(426,652)	(1,280,946)
<b>Benefit obligation — end of year</b>	<b>11,592,248</b>	<b>11,073,520</b>
<b>Change in plan assets:</b>		
Fair value of plan assets — beginning of year	10,798,781	12,040,287
Actual return on plan assets	(3,683,183)	39,440
Benefits paid	(426,652)	(1,280,946)
<b>Fair value of plan assets — end of year</b>	<b>6,688,946</b>	<b>10,798,781</b>
<b>Reconciliation:</b>		
Funded status	(4,903,302)	(274,739)
<b>Accrued pension cost</b>	<b>(\$4,903,302)</b>	<b>(\$274,739)</b>
<b>Assumptions:</b>		
Discount rate	5.25%	5.50%
Expected return on plan assets	6.00%	6.00%

Chesapeake reviewed the assumptions used for the discount rate to calculate the benefit obligation of the plan and has elected a rate of 5.25 percent in 2008, reflecting a reduction of 25 basis points in the interest rates of high-quality bonds in 2008, and reflecting the expected life of the plan, in light of the lump-sum-payment option. In addition, the average expected return on plan assets for the Defined Pension Plan remained constant at six percent due to the adoption of a change in the investment policy that allows for a higher level of investment in bonds and a lower level of equity investments. Since the Plan is frozen with respect to additional years of service and compensation, the rate of assumed compensation rate increases is not applicable. The accumulated benefit obligation was \$11.6 million and \$11.1 million at December 31, 2008 and 2007, respectively.

Net periodic pension benefit for the Defined Pension Plan for 2008, 2007, and 2006 include the components as shown below:

<b>For the Years Ended December 31,</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Components of net periodic pension cost:</b>			
Interest cost	\$593,723	\$622,057	\$635,877
Expected return on assets	(629,432)	(696,398)	(690,533)
Amortization of prior service cost	(4,699)	(4,699)	(4,699)
<b>Net periodic pension benefit</b>	<b>(\$40,408)</b>	<b>(\$79,040)</b>	<b>(\$59,355)</b>
<b>Assumptions:</b>			
Discount rate	5.50%	5.50%	5.25%
Expected return on plan assets	6.00%	6.00%	6.00%

#### Executive Excess Defined Benefit Pension Plan

As previously described, this plan was frozen with respect to additional years of service and additional compensation as of December 31, 2004. Benefits under the plan were based on each participant's years of service and highest average compensation, prior to the freeze. The accumulated benefit obligation for the Pension SERP, which is unfunded, was \$2.5 million and \$2.3 million at December 31, 2008 and 2007, respectively.

The following schedule sets forth the status of the Pension SERP:

<b>At December 31,</b>	<b>2008</b>	<b>2007</b>
<b>Change in benefit obligation:</b>		
Benefit obligation — beginning of year	\$2,326,250	\$2,286,970
Interest cost	124,771	123,361
Actuarial (gain) loss	39,227	5,123
Amendments	118,580	-
Benefits paid	(89,204)	(89,204)
<b>Benefit obligation — end of year</b>	<b>2,519,624</b>	<b>2,326,250</b>
<b>Change in plan assets:</b>		
Fair value of plan assets — beginning of year	-	-
Employer contributions	89,204	89,204
Benefits paid	(89,204)	(89,204)
<b>Fair value of plan assets — end of year</b>	<b>-</b>	<b>-</b>
<b>Reconciliation:</b>		
Funded status	(2,519,624)	(2,326,250)
<b>Accrued pension costs</b>	<b>(\$2,519,624)</b>	<b>(\$2,326,250)</b>
<b>Assumptions:</b>		
Discount rate	5.25%	5.50%

Chesapeake reviewed the assumptions used for the discount rate of the plan to calculate the benefit obligation and has elected a rate of 5.25 percent, reflecting a reduction of 25 basis points in the interest rates of high-quality bonds in 2008 and a reduction in the expected life of the plan. Since the Plan is frozen in regard to additional years of service and compensation, the rate of assumed pay-rate increases is not applicable. The measurement dates for the Pension SERP were December 31, 2008 and 2007.

Net periodic pension costs for the Pension SERP for 2008, 2007, and 2006 include the components as shown below:

For the Years Ended December 31,	2008	2007	2006
<b>Components of net periodic pension cost:</b>			
Interest cost	\$124,771	\$123,361	\$119,588
Amortization of actuarial loss	45,416	51,734	57,039
<b>Net periodic pension cost</b>	<b>\$170,187</b>	<b>\$175,095</b>	<b>\$176,627</b>
<b>Assumptions:</b>			
Discount rate	5.50%	5.50%	5.25%

#### Other Postretirement Benefits

Chesapeake sponsors a defined benefit postretirement health care and life insurance plan that covers substantially all employees. The following schedule sets forth the status of the postretirement health care and life insurance plan:

At December 31,	2008	2007
<b>Change in benefit obligation:</b>		
Benefit obligation — beginning of year	\$1,755,564	\$1,763,108
Retirees	551,684	56,123
Fully-eligible active employees	(19,329)	21,012
Other active	(109,852)	(84,679)
<b>Benefit obligation — end of year</b>	<b>\$2,178,067</b>	<b>\$1,755,564</b>
<b>Change in plan assets:</b>		
Fair value of plan assets - beginning of year	-	-
Employer contributions	39,598	243,660
Plan participant's contributions	103,572	100,863
Benefits paid	(143,170)	(344,523)
<b>Fair value of plan assets - end of year</b>	<b>-</b>	<b>-</b>
<b>Reconciliation:</b>		
Funded status	(\$2,178,067)	(\$1,755,564)
<b>Accrued OPRB costs</b>	<b>(\$2,178,067)</b>	<b>(\$1,755,564)</b>
<b>Assumptions:</b>		
Discount rate	5.25%	5.50%

Net periodic postretirement costs for 2008, 2007 and 2006 include the following components:

For the Years Ended December 31,	2008	2007	2006
<b>Components of net periodic postretirement cost:</b>			
Service cost	\$2,826	\$6,203	\$9,194
Interest cost	114,282	101,776	93,924
Amortization of:			
Transition obligation	-	-	22,282
Actuarial loss	289,838	166,423	144,694
<b>Net periodic postretirement cost</b>	<b>\$406,946</b>	<b>\$274,402</b>	<b>\$270,094</b>

The health care inflation rate for 2008 used to calculate the benefit obligation is assumed to be five percent for medical and six percent for prescription drugs. A one-percentage-point increase in the health care inflation rate from the assumed rate would increase the accumulated postretirement benefit obligation by approximately \$347,300 as of January 1, 2009, and would increase the aggregate of the service cost and interest cost components of the net periodic postretirement benefit cost for 2009 by approximately \$20,000. A one-percentage-point decrease in the health care inflation rate from the assumed rate would decrease the accumulated postretirement benefit obligation by approximately \$282,500 as of January 1, 2009, and would decrease the aggregate of the service cost and interest cost components of the net periodic postretirement benefit cost for 2009 by approximately \$18,000. The measurement dates were December 31, 2008 and 2007.

#### Estimated Future Benefit Payments

The schedule below shows the estimated future benefit payments for each of the years 2009 through 2013 and the aggregate of the next five years for each of the plans previously described.

	Defined Benefit Pension Plan <sup>(1)</sup>	Pension Supplemental Executive Retirement <sup>(2)</sup>	Other Post- Retirement Benefits <sup>(2)</sup>
2009	\$1,116,199	\$87,810	\$224,683
2010	936,064	805,978	237,850
2011	441,760	84,623	215,670
2012	1,351,260	82,833	226,548
2013	491,266	80,911	220,874
Years 2014 through 2018	3,643,521	585,796	1,201,769

<sup>(1)</sup> The pension plan is funded; therefore, benefit payments are expected to be paid out of the plan assets.

<sup>(2)</sup> Benefit payments are expected to be paid out of the general funds of the Company.

#### Retirement Savings Plan

Chesapeake sponsors a 401(k) Retirement Savings Plan, which provides participants a mechanism for making contributions for retirement savings. Each participant may make pre-tax contributions of up to 80 percent of eligible base compensation, subject to Internal Revenue Service limitations. These participants were eligible for the enhanced matching described below, effective January 1, 2005.

Effective January 1, 1999, Chesapeake began offering an enhanced 401(k) Plan to all new employees, as well as existing employees who elected to no longer participate in the Defined Pension Plan. Chesapeake makes matching contributions on up to six percent of each employee's eligible pre-tax compensation for the year, except for the employees of our Advanced Information Services segment. The match is between 100 percent and 200 percent of the employee's contribution, based on the employee's age and years of service. The first 100 percent is matched with Chesapeake common stock; the remaining match is invested in Chesapeake's 401(k) Plan according to each employee's election options.

Effective July 1, 2006, Chesapeake's contribution made on behalf of the Advanced Information Services segment employees, is a 50 percent matching contribution, on up to six percent of the employee's annual compensation. The matching contribution is funded in Chesapeake common stock. The Plan was also amended at the same time to enable it to receive discretionary profit-sharing contributions in the form of employee pre-tax deferrals. The extent to which the Advanced Information Services segment has any dollars available for profit-sharing is dependent upon the extent to which the segment's actual earnings exceed budgeted earnings. Any profit-sharing dollars made available to employees can be deferred into the Plan and/or paid out in the form of a bonus.

On December 1, 2001, Chesapeake converted the 401(k) fund holding Chesapeake stock to an Employee Stock Ownership Plan.

Effective January 1, 1999, Chesapeake began offering a non-qualified supplemental employee retirement savings plan ("401(k) SERP") open to Chesapeake executives over a specific income threshold. Participants receive a cash-only matching contribution percentage equivalent to their 401(k) match level. All contributions and matched funds can be invested among the mutual funds available for investment. These same funds are available for investment of employee contributions within the Retirement Savings Plan. All obligations arising under the 401(k) SERP are payable from the general assets of Chesapeake, although Chesapeake has established a Rabbi Trust for the 401(k) SERP. As discussed further in Note F – "Investments," to the Consolidated Financial Statements, the assets held in the Rabbi Trust had a fair value of \$1.6 million and \$1.9 million at December 31, 2008 and 2007, respectively. The assets of the Rabbi Trust are at all times subject to the claims of Chesapeake's general creditors.

Chesapeake's contributions to the 401(k) plans totaled \$1.55 million, \$1.48 million, and \$1.61 million for the years ended December 31, 2008, 2007, and 2006, respectively. As of December 31, 2008, there are 42,656 shares reserved to fund future contributions to the Retirement Savings Plan.

#### **Deferred Compensation Plan**

On December 7, 2006, the Board of Directors approved the Chesapeake Utilities Corporation Deferred Compensation Plan ("Deferred Compensation Plan"), as amended, effective January 1, 2007. The Deferred Compensation Plan is a non-qualified, deferred compensation arrangement under which certain executives and members of the Board of Directors are able to defer payment of part or all of certain specified types of compensation, including executive cash bonuses, executive performance shares, and directors' retainer and fees. At December 31, 2008, the Deferred Compensation Plan consists solely of shares of common stock related to the deferral of executive performance shares and directors' stock retainers.

Participants in the Deferred Compensation Plan are able to elect the payment of benefits to begin on a specified future date after the election is made in the form of a lump sum or annual installments. Deferrals of executive cash bonuses and directors' cash retainers and fees are paid in cash. All deferrals of executive performance shares and directors' stock retainers are paid in shares of Chesapeake's common stock, except that cash shall be paid in lieu of fractional shares.

Chesapeake established a Rabbi Trust in connection with the Deferred Compensation Plan. The value of Chesapeake's stock held in the Rabbi Trust is classified within the stockholders' equity section of the Balance Sheet and has been accounted for in a manner similar to treasury stock. The amounts recorded under the Deferred Compensation Plan totaled \$1.5 million and \$1.4 million at December 31, 2008 and 2007, respectively.

#### **8. Other Commitments and Contingencies**

The Florida Division is involved in certain legal actions and claims arising in the normal course of business. The Florida Division is also involved in certain legal and administrative proceedings before the various governmental agencies. In the opinion of management, the ultimate disposition of these proceedings will not have material effect on the Florida Division's financial position, results of operations or cash flows of Chesapeake.

#### **9. Subsequent Event**

On April 20, 2009, Chesapeake and Florida Public Utilities Company ("FPU") (NYSE AMEX: FPU) announced that they had entered into a definitive merger agreement pursuant to which FPU will merge with a wholly owned subsidiary of Chesapeake with FPU being the surviving corporation and operating as a wholly owned subsidiary of the Company after the merger. The merger was unanimously approved by both companies' Board of Directors on April 17, 2009. Under the merger agreement, holders of FPU common stock will receive .405 shares of Chesapeake's common stock in exchange for each outstanding share of FPU. Based on the number of FPU shares outstanding at March 20, 2009, Chesapeake would issue approximately 2.5 million shares of its shares in exchange for the outstanding FPU shares. The merger intended to qualify as a tax-free reorganization and is subject to various regulatory approvals, approval by the shareholders of both companies, and other conditions. The merger is expected to close during the fourth quarter of 2009. Although Chesapeake believes that its expectation as to timing for the closing of the merger is reasonable, no assurance can be given as to if or when all closing conditions will be satisfied, including obtaining

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
 FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)	Gas (c)
1	UTILITY PLANT		
2	In Service		
3	101 Plant in Service (Classified)	\$ 59,237,147	\$ 59,237,147
4	101.1 Property Under Capital Leases		\$ -
5	102 Plant Purchased or Sold		\$ -
6	106 Completed Construction not Classified		\$ -
7	103 Experimental Plant Unclassified		\$ -
8	104 Leased to Others		\$ -
9	105 Held for Future Use		\$ -
10	114 Acquisition Adjustments		\$ -
11	TOTAL Utility Plant (Total of lines 3 through 10 )	\$ 59,237,147	\$ 59,237,147
12	107 Construction Work in Progress	\$ 65,241	\$ 65,241
13	Accum. Provision for Depreciation, Amortization, & Depletion	\$ (18,756,611)	\$ (18,756,611)
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	\$ 40,545,777	\$ 40,545,777
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	\$ 18,724,112	\$ 18,724,112
18	111 Amort. and Depl. of Producing Nat. Gas Land & Land Rights		\$ -
19	111 Amort. of Underground Storage Land and Land Rights		\$ -
20	119 Amortization of Other Utility Plant	\$ 32,499	\$ 32,499
21	TOTAL in Service (Total of lines 17 through 20)	\$ 18,756,611	\$ 18,756,611
22	Leased to Others		
23	108 Depreciation		\$ -
24	111 Amortization and Depletion		\$ -
25	TOTAL Leased to Others (Total of lines 23 and 24)		\$ -
26	Held for Future Use		
27	108 Depreciation		\$ -
28	111 Amortization		\$ -
29	TOTAL Held for Future Use (Enter. Tot. of lines 27 and 28)		\$ -
30	111 Abandonment of Leases (Natural Gas)		\$ -
31	115 Amortization of Plant Acquisition Adjustment		\$ -
32	TOTAL Accum. Provisions (Should agree with line 14 above) (Total of lines 21, 25, 29, 30, and 31)	\$ 18,756,611	\$ 18,756,611

**Annual Status Report**

**Analysis of Plant in Service Accounts**

**Company: CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION**  
**For the Year Ended December 31, 2008**

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	CIAC / AFUDC	Transfers	Ending Balance*
374	Land-Distribution		\$ 153,278						\$ 153,278
389	Land-General		\$ 98,285						\$ 98,285
<b>Amortizable General Plant Assets:</b>									
301	Organization	3.000%	\$ 23,328	\$ 1,223					\$ 24,551
302	Franchise and Consent	3.000%	\$ 14,132						\$ 14,132
303	Misc Intangible Plant	0.000%	\$ 1,251,625						\$ 1,251,625
<b>Subtotal</b>			\$ 1,540,848	\$ 1,223	\$ -	\$ -	\$ -	\$ -	\$ 1,541,871
<b>Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>									
375	Structures & Improvements	0.420%	\$ 362,316	\$ 23,059	\$ -	\$ -	\$ -	\$ -	\$ 385,375
376.1	Mains (Plastic)	3.300%	\$ 16,066,893	\$ 2,328,257	\$ (2,410)	\$ 98,756	\$ 6,304	\$ -	\$ 18,497,800
376.2	Mains (Steel)	3.300%	\$ 13,435,023	\$ 7,954	\$ (454,125)	\$ (98,756)	\$ -	\$ (1,115,117)	\$ 12,890,096
378	M & R Equipment - General	3.500%	\$ 928,947	\$ 9,566	\$ (4,325)	\$ -	\$ -	\$ -	\$ 932,188
379	M & R Equipment - City	3.325%	\$ 2,781,101	\$ 559,561	\$ (18,837)	\$ -	\$ -	\$ -	\$ 3,321,826
380.1	Dist Plant - Services (Plastic)	3.600%	\$ 7,146,821	\$ 470,357	\$ -	\$ -	\$ (16,778)	\$ -	\$ 7,600,400
380.2	Dist Plant - Services (Steel)	3.500%	\$ 965,291	\$ 66,836	\$ -	\$ -	\$ -	\$ -	\$ 1,032,127
381	Meters	4.000%	\$ 2,242,881	\$ 1,130,462	\$ -	\$ -	\$ -	\$ -	\$ 2,258,026
382	Meter Installations	3.400%	\$ 1,579,675	\$ 81,401	\$ (7,877)	\$ -	\$ -	\$ -	\$ 1,653,198
383	Regulators	3.300%	\$ 1,181,588	\$ 72,639	\$ -	\$ -	\$ -	\$ -	\$ 1,254,207
384	Regulator Install House	3.200%	\$ 3,637	\$ (3,637)	\$ -	\$ -	\$ -	\$ -	\$ -
385	M & R Equipment - Industrial	3.895%	\$ 1,538,823	\$ 117,404	\$ (255)	\$ -	\$ -	\$ -	\$ 1,655,972
387	Other Equipment	5.600%	\$ 432,578	\$ 27,527	\$ (1,960)	\$ -	\$ -	\$ -	\$ 458,145
390	Structures & Improvements	2.000%	\$ 566,926	\$ 34,380	\$ -	\$ -	\$ -	\$ -	\$ 591,306
391	Data Processing Equipment	12.500%	\$ 73,108	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,108
391	Office Furniture	5.000%	\$ 157,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,682
391	Office Equipment	7.300%	\$ 268,767	\$ 89,900	\$ -	\$ -	\$ -	\$ -	\$ 358,667
392	Transportation Other	5.000%	\$ 18,202	\$ 1,314	\$ -	\$ -	\$ -	\$ -	\$ 19,516
394	Tools and Work Equipment	3.100%	\$ 153,592	\$ 51	\$ -	\$ -	\$ -	\$ -	\$ 153,644
396	Power Operated Equipment	7.700%	\$ 482,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 482,061
397	Communication Equipment	7.100%	\$ 511,841	\$ 711,878	\$ -	\$ -	\$ -	\$ -	\$ 1,223,819
397.1	Communication Equipment	5.000%	\$ -	\$ 487,705	\$ -	\$ -	\$ -	\$ 1,115,117	\$ 1,602,823
398	Misc Equipment	6.700%	\$ 60,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,058
392	Transportation Equip - Autos	12.700%	\$ 1,023,758	\$ 128,860	\$ (77,162)	\$ -	\$ -	\$ (40,203)	\$ 1,033,233
<b>Subtotal</b>			\$ 51,969,331	\$ 6,343,573	\$ (566,951)	\$ -	\$ (10,474)	\$ (40,203)	\$ 57,895,275

**Annual Status Report**

**Analysis of Plant in Service Accounts**

**Company: CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION**  
**For the Year Ended December 31, 2008**

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
<b>Capital Recovery Schedules:</b>									
<b>Total Account 101*</b>									
<b>Amortizable Assets:</b>									
114	Acquisition Adjustment								
118	Other Utility Plant								
	Other								
	<b>Total Utility Plant</b>		\$ 53,509,979	\$ 6,344,796	\$ (566,951)	\$ -	\$ (10,474)	\$ (40,203)	\$ 59,237,147

**Note: \*** The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 12.

**Annual Status Report**

**Analysis of Entries in Accumulated Depreciation & Amortization**

Company: CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION  
For the Year Ended December 31, 2008

Accl. No.	Account Description	Beginning Balance*	Provision	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>										
301	Organization	\$ (23,328)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (23,328)
302	Franchise and Consent	\$ (8,747)	\$ (424)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,171)
303	Misc Intangible Plant	\$ (1,251,625)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,251,625)
		\$ (1,283,700)	\$ (424)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,284,124)
<i>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</i>										
375	Structures & Improvements	\$ (108,600)	\$ (10,279)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (118,880)
376.1	Mains (Plastic)	\$ (3,173,125)	\$ (551,576)	\$ -	\$ 2,410	\$ -	\$ (211,978)	\$ -	\$ (556,153)	\$ (4,490,423)
376.2	Mains (Steel)	\$ (6,137,242)	\$ (442,780)	\$ -	\$ 454,125	\$ -	\$ 411,937	\$ -	\$ 566,224	\$ (5,147,736)
378	M & R Equipment - General	\$ (293,994)	\$ (32,625)	\$ -	\$ 4,325	\$ -	\$ 2,325	\$ -	\$ (33,692)	\$ (353,651)
379	M & R Equipment - City	\$ (790,232)	\$ (105,738)	\$ -	\$ 18,837	\$ -	\$ -	\$ -	\$ (4,352)	\$ (881,485)
380.1	Dist Plant - Services (Plastic)	\$ (1,260,415)	\$ (267,035)	\$ -	\$ -	\$ -	\$ 115,508	\$ -	\$ 41,779	\$ (1,370,162)
380.2	Dist Plant - Services (Steel)	\$ (663,977)	\$ (34,078)	\$ -	\$ -	\$ -	\$ (89,216)	\$ -	\$ (25,792)	\$ (813,062)
381	Meters	\$ (744,061)	\$ (114,245)	\$ -	\$ -	\$ -	\$ 1,895	\$ -	\$ 21,332	\$ (835,279)
382	Meter Installations	\$ (403,751)	\$ (55,161)	\$ -	\$ 7,877	\$ -	\$ 19,831	\$ -	\$ (84,719)	\$ (516,122)
383	Regulators	\$ (436,103)	\$ (39,642)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (16,338)	\$ (492,083)
384	Regulator Install House	\$ (781)	\$ (24)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 810	\$ (5)
385	M & R Equipment - Industrial	\$ (426,220)	\$ (63,701)	\$ -	\$ 255	\$ -	\$ 74,105	\$ -	\$ -	\$ (415,562)
387	Other Equipment	\$ (301,397)	\$ (24,953)	\$ -	\$ 1,960	\$ -	\$ -	\$ -	\$ 104,861	\$ (219,539)
390	Structures & Improvements	\$ (109,004)	\$ (11,663)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (120,666)
391	Data Processing Equipment	\$ (79,026)	\$ (9,139)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,679	\$ (58,486)
391	Office Furniture	\$ (88,934)	\$ (7,884)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (46,818)
391	Office Equipment	\$ (102,806)	\$ (23,561)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (126,367)
392	Transportation Other	\$ (14,344)	\$ (968)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,312)
394	Tools and Work Equipment	\$ (126,299)	\$ (4,762)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (131,061)
396	Power Operated Equipment	\$ (340,088)	\$ (37,119)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,463)	\$ (422,670)
397	Communication Equipment	\$ (216,907)	\$ (59,459)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,400	\$ (260,966)
397.1	Communication Equipment	\$ -	\$ (9,571)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,841)	\$ (31,412)
398	Misc Equipment	\$ (44,228)	\$ (4,024)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (136)	\$ (48,388)
392	Transportation Equip - Autos	\$ (480,073)	\$ (133,619)	\$ -	\$ 77,162	\$ (12,905)	\$ -	\$ -	\$ (6,898)	\$ (556,333)
		\$ (16,291,617)	\$ (2,043,635)	\$ -	\$ 566,951	\$ (12,905)	\$ 324,008	\$ -	\$ (15,289)	\$ (17,472,487)
	<b>Subtotal</b>									

**Annual Status Report  
Analysis of Entries in Accumulated Depreciation & Amortization**

Company: CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION  
For the Year Ended December 31, 2008

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
	(Continued)									
	Capital Recovery Schedules:									
	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 8.									
	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Grand Total	\$ (17,575,317)	\$ (2,044,059)	\$ -	\$ 566,951	\$ (12,905)	\$ 324,008	\$ -	\$ (15,289)	\$ (18,756,611)

Note: \* The grand total of beginning and ending balances must agree to Line 17, Page 12.



Name of Respondent CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION	For the Year Ended Dec. 31, 2008
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**CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)**

- |   |  |
|---|--|
| 1. Report below descriptions and balances at end of year of projects in process of construction (107).<br>2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, | Development, and Demonstration (see Account 107 of the Uniform System of Accounts).<br>3. Minor projects (less than \$500,000) may be grouped. |
|---|--|

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Miscellaneous	\$ 65,241	
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15	<b>TOTAL</b>		

**CONSTRUCTION OVERHEADS-GAS**

- |   |   |
|---|---|
| 1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.<br>2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed | and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.<br>3. Enter on this page engineering, supervision, administrative,, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs. |
|---|---|

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12	<b>TOTAL</b>		

**PREPAYMENTS (Account 165)**

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Prepayment (a)	Balance at End of Year (In Dollars) (b)
1	Prepaid Insurance	\$ 124,804
2	Prepaid Rents	\$ 83,333
3	Miscellaneous Prepayments: Industry Dues	\$ 15,092
4	<b>TOTAL</b>	<b>\$ 223,229</b>

**EXTRAORDINARY PROPERTY LOSSES (Account 182.1)**

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	N/A					
2						
3						
4						
5						
6						
7						
8						
9						
10						

**UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)**

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	N/A					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

**OTHER REGULATORY ASSETS (Account 182.3)**

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includible in other amounts).

2. For regulatory assets being amortized, show period of amortization in column (a).  
 3. Minor items (amounts less than \$25,000) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amounts (e)	
1	109 Reg Asset - Rev Requirement - Depr	\$ 35,984	\$ -			\$ 35,984
2	Reg Asset - Federal Tax to 35%	\$ 21,123	\$ -			\$ 21,123
3	Deferred TCR Res Unbundling	\$ 19,193	\$ 79,258			\$ 98,451
4	Deferred Rate Case	\$ -	\$ 2,828			\$ 2,828
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17	<b>TOTAL</b>	<b>\$ 76,300</b>	<b>\$ 82,086</b>			<b>\$ 158,386</b>

**MISCELLANEOUS DEFERRED DEBITS (Account 186)**

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.  
 2. For any deferred debit being amortized, show period of amortization in column (a).

3. Minor items (amounts less than \$25,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amount (e)	
1	Cashier Over/Under	\$ (787)	\$ 787			\$ -
2	Environmental Regulatory	\$ 850,594			\$ (71,114)	\$ 779,480
3	Conservation Cost Recovery	\$ (395,379)			\$ (348,495)	\$ (743,874)
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17	Misc. Work in Progress					
18	Deferred Regulatory Comm. Expenses					
19	<b>TOTAL</b>	<b>\$ 454,428</b>				<b>\$ 35,606</b>

**SECURITIES ISSUED AND  
SECURITIES REFUNDED OR RETIRED DURING THE YEAR**

- |  |  |
|--|--|
| <p>1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses.</p> <p>2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded.</p> | <p>and gains or losses relating to securities retired or refunded.</p> <p>3. Included in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.</p> |
|--|--|

1. On October 31, 2008, Chesapeake Utilities Corp issued \$30 million of 5.93% Unsecured Senior Notes to two institutional investors (General American Life Insurance Company and New England Life Insurance Company). The terms of the Senior Notes require principal repayments of \$1.5 million on the 30th day of April and 31st day of October in each year, commencing on April 30, 2014. The Senior Notes will mature on October 31, 2023. The proceeds of the Senior Notes were used to refinance capital expenditures and for general corporate purposes.
  
2. As of February 1, 2008, Chesapeake Utilities Corp made its final principal and interest payments on 7.97% Unsecured Senior Notes as the Senior Notes matured on February 1, 2008.

**UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)**

- |  |  |
|--|--|
| <p>1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.</p> <p>2. In column (c) show the principal amount of bonds or other long-term debt reacquired.</p> <p>3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with</p> | <p>General Instruction 17 of the Uniform Systems of Accounts</p> <p>4. Show loss amounts by enclosing the figures in parentheses.</p> <p>5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debit-Credit.</p> |
|--|--|

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	N/A					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

**LONG-TERM DEBT (Accounts 221, 222, 223, and 224)**

1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Recquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated

companies from which advances were received.

3. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

4. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Original Amount Issued (d)	Interest for Year		Total Amount Outstanding (g)
					Rate (in %) (e)	Amount (f)	
1	Convertible Debentures	2/15/1989	3/1/2014	\$ 5,000,000	8.25%	\$ 147,386	\$ 1,655,000
2	Senior Note	1/15/1993	1/1/2008	\$10,000,000	7.97%	\$ 39,850	\$ -
3	Senior Note 2	10/1/1995	10/1/2010	\$10,000,000	6.91%	\$ 172,750	\$ 1,818,182
4	Senior Note 3	12/15/1997	1/1/2012	\$10,000,000	6.85%	\$ 274,000	\$ 3,000,000
5	Senior Note 4	12/29/2000	1/1/2015	\$20,000,000	7.83%	\$ 1,096,200	\$ 12,000,000
6	Senior Note 5	10/31/2002	10/31/2017	\$30,000,000	6.64%	\$ 1,810,909	\$ 24,545,455
7	Senior Note 6	10/12/2006	10/12/2020	\$20,000,000	5.50%	\$ 1,100,000	\$ 20,000,000
8	Senior Note 7	10/31/2008	10/31/2023	\$30,000,000	5.93%	\$ -	\$ 30,000,000
9	Promissory Note	7/27/2005	1/31/2011	\$ 120,000	5.25%	\$ -	\$ 60,000
10							
11	Allocation to Florida Division	\$ 688,139					
12	Allocation to Other Jurisdictions	\$ 3,952,957					
13							
14	Total Chesapeake Utilities Corp.	\$ 4,641,095					
15							
16							
17							
18							
19							
20	TOTAL					\$ 4,641,095	\$ 93,078,637

**UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)**

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.

2. Show premium amounts by enclosing the figures in parentheses.

3. In column (b) show the principal amount of bonds or other long-term debt originally issued.

4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.

6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.

7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period		Balance at beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
				Date From (d)	Date To (e)			
1	Convertible Debentures	\$ 5,000,000	\$ 98,488	2/15/1989	3/1/2014	\$ 38,456	\$ (9,899)	\$ 28,557
2	Senior Note	\$10,000,000	\$ 25,055	1/15/1993	1/1/2008	\$ 162	\$ (162)	\$ (0)
3	Senior Note 2	\$10,000,000	\$ 22,408	10/1/1995	10/1/2010	\$ 2,649	\$ (1,388)	\$ 1,261
4	Senior Note 3	\$10,000,000	\$ 41,645	12/15/1997	1/1/2012	\$ 10,282	\$ (4,113)	\$ 6,169
5	Senior Note 4	\$20,000,000	\$ 84,896	12/29/2000	1/1/2015	\$ 33,613	\$ (7,563)	\$ 26,050
6	Senior Note 5	\$30,000,000	\$ 132,375	10/31/2002	10/31/2017	\$ 68,766	\$ (12,678)	\$ 56,088
7	Senior Note 6	\$20,000,000	\$ 79,566	10/12/2006	10/12/2020	\$ 70,644	\$ (9,923)	\$ 60,721
8	Senior Note 7	\$30,000,000	\$ 39,518	10/31/2008	10/31/2023	\$ -	\$ 38,886	\$ 38,886
9	Unamortized Issuance Costs		\$ 73,186			\$ 35,117	\$ 36,800	\$ 71,917
10								
11	Exp Allocation to Florida Division		\$ 6,677					
12	Exp Allocation to Other Jurisdictions		\$ 40,545					
13								
14	Total Chesapeake Utilities Corp.		\$ 47,221					
15								
16	A Establish unamortized debt expense on new security.							
17	B Unamortized Issuance Costs							
18								
19								

Name of Respondent CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION		For the Year Ended Dec. 31, 2008
<b>MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)</b>		
1. Describe and report the amount of other current and accrued liabilities at the end of year.		2. Minor items (less than \$50,000) may be grouped under appropriate title.
Line No.	Item	Balance at End of Year
1	Competitive Rate Liability	\$ (107,943)
2	Accrued Commissions	\$ 1,122
3	Self Insurance	\$ 52,500
4		
5		
6		
7		
8		
9		
10		
11		
12		
13	<b>TOTAL</b>	<b>\$ (54,321)</b>

<b>OTHER DEFERRED CREDITS (Account 253)</b>						
1. Report below the particulars (details) called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor items (less than \$25,000) may be grouped by classes.						
Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	DEBITS		Credits (e)	Balance End of Year (f)
			Contra Account (c)	Amount (d)		
1	Unearned Interest Income	\$ 86,612		\$ (60,450)	\$ 39,034	\$ 65,196
2	Deferred Revenues-Long Term	\$ 144,400		\$ (317,400)	\$ 328,350	\$ 155,350
3	Deferred Environmental Costs	\$ (964,857)		\$ (358,444)	\$ 34,524	\$ (1,288,777)
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	<b>TOTAL</b>	<b>\$ (733,845)</b>				<b>\$ (1,068,231)</b>

<b>OTHER REGULATORY LIABILITIES (Account 254)</b>						
1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).						
2. For regulatory liabilities being amortized, show period of amortization in column (a).						
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	Debits		Credits (d)	Balance End of Year (e)
			Contra Account (b)	Amount (c)		
1	Environmental Regulatory Liability	\$ 1,800,000		\$ -	\$ -	\$ 1,800,000
2	FAS 109 Regulatory Liability	\$ 24,728		\$ -	\$ -	\$ 24,728
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	<b>TOTAL</b>	<b>\$ 1,824,728</b>				<b>\$ 1,824,728</b>

**TAXES OTHER THAN INCOME TAXES (Account 408.1)**

	Name of Taxing Authority	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environmental, Excise	Franchise	Other*	Total
1	Various Florida Counties								\$ 176,642		\$ 176,642
2	Various Florida Counties		\$ 743,821								\$ 743,821
3	Florida Public Service Commission						\$ 69,622				\$ 69,622
4	Payroll Taxes									\$ 171,146	\$ 171,146
5											\$ -
6											\$ -
7											\$ -
8											\$ -
9											\$ -
10											\$ -
11											\$ -
12											\$ -
13											\$ -
14											\$ -
15	Less: Charged to Construction										\$ -
16	TOTAL Taxes Charged During Year (Lines 1-15) to Account 408.1	\$ -	\$ 743,821	\$ -	\$ -	\$ -	\$ 69,622	\$ -	\$ 176,642	\$ 171,146	\$ 1,161,232

Note: \*List separately each item in excess of \$500.

**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)**

Report below the information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment to the account balance shown in column (f).

Line No.	Account Subdivisions (a)	Balance Beginning of Year (b)	Amount Deferred for Year (c)	Allocations to Current Year's Income		Adjustments (f)	Balance End of Year (g)	Average Period of Allocation to Income (h)
				Acct. No. (d)	Amount (e)			
1	Gas Utility							
2	3%							
3	4%							
4	7%							
5	10%	\$ 171,813		420	\$ (19,524)		\$ 152,289	
6								
7								
8								
9								
10	TOTAL	\$ 171,813			\$ (19,524)		\$ 152,289	

Notes

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. At Other (Specify), include deferrals relating to other income and deductions.  
2. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided.

Line No.	Description	Balance at Beginning of Year	Changes During Year		Debits Account No.	Credits Account No.	Balance at End of Year
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1			
1	GAS						
2							
3							
4							
5							
6							
7							
8							
9							
10	TOTAL Gas (Lines 2 - 10)						
11	Other (Specify)						
12	TOTAL (Account 190) (Total of lines 11 and 12)						

Notes

ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, 283)

Line No.	Description	Balance at Beginning of Year	Changes During Year		Debits Account No.	Credits Account No.	Balance at End of Year
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1			
1	Account 281 - Accelerated Amortization Property						
2	Electric						
3	Gas						
4	Other						
5	TOTAL Account 281 (Lines 2 thru 4)						
6	Account 282 - Other Property						
7	Electric						
8	Gas						
9	Other						
10	TOTAL Account 282 (Lines 7 thru 9)						
11	Account 283 - Other						
12	Electric						
13	Gas						
14	Other						
15	TOTAL Account 283 - Other (Lines 12 thru 14)						
16	GAS						
17	Federal Income Tax						
18	State Income Tax						
19	TOTAL Gas (Lines 17 thru 19)						
20	OTHER						
21	Federal Income Tax						
22	State Income Tax						
23	TOTAL Other (Lines 22 and 23)						
24	TOTAL (Total of lines 5, 10 and 15)						
25							

Notes

Line 8 Credits: reclass ADIT from FERC account 2832 to 2822 of (\$132,437.00) and reclass ADIT on unregulated vehicles of (\$13,815.71).  
Line 13 Debits: reclass ADIT from FERC account 2832 to 2822 of \$132,437.00 and reclass ADIT on unregulated vehicles of \$4,224.00.



**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME  
 FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 9)	\$ 1,443,204
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Less: Federal Taxes (Current Year)	\$ (631,917)
6	Less: Federal Taxes (Prior Year)	\$ (32,533)
7	Less: ITC Amortization	\$ (19,524)
8	Add: Deferred Tax Expense	\$ 1,620,098
9	Deductions Recorded on Books Not Deducted for Return	
10		
11		
12		
13		
14		
15		
16		
17		
18	Income Recorded on Books Not Included in Return	
19		
20		
21		
22		
23		
24		
25		
26	Deductions on Return Not Charged Against Book Income	
27	Timing and Permanent Differences	\$ (4,185,415)
28	Not Deductible for Tax - Other	\$ 612
29		
30		
31		
32		
33		
34	Federal Tax Net Income	\$ (1,805,475)
35	Show Computation of Tax:	
36	Federal Taxable Income	\$ (1,805,475)
37	x Tax Rate	35.00%
38		
39	Current Federal Income Tax	\$ (631,916)
40		

**GAS OPERATING REVENUES (Account 400)**

1. Report below natural gas operating revenues for each prescribed account in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
3. Report quantities of natural gas sold in therms (14.73 psia at 60 F).
4. Report gas service revenues and therms sold by rate schedule.
5. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues		Therms of Natural Gas Sold		Avg. No. of Natural Gas Customers Per Mo.	
		Amount for Year (b)	Amount for Previous Year (c)	Current Year (d)	Previous Year (e)	Current Year (f)	Previous Year (g)
1	<b>Gas Service Revenues</b>						
2	<b>Firm Sales Service</b>						
3	480						
4	481						
5	481						
6	481						
7	481						
8	481						
9	<b>Interruptible Sales Service</b>						
10	481						
11	481						
12	<b>Firm Transportation Service</b>						
13	489	\$ 11,517,600	\$ 11,285,394	132,443,284	131,323,792	14,520	14,367
14	489						
15	489						
16	<b>Interruptible Transportation Serv.</b>						
17	489						
18	489						
19	482 Other Sales to Public Authorities						
20	484 Flex Rate - Refund		\$ 4,602				
21	TOTAL Sales to Ultimate Consumers	\$ 11,517,600	\$ 11,289,996	132,443,284	131,323,792	14,520	14,367
22	483 Sales for Resale						
23	Off-System Sales						
24	TOTAL Nat. Gas Service Revenues	\$ 11,517,600	\$ 11,289,996				
25	TOTAL Gas Service Revenues	\$ 11,517,600	\$ 11,289,996				
26	<b>Other Operating Revenues</b>						
27	485 Intracompany Transfers						
28	487 Forfeited Discounts						
29	488 Misc. Service Revenues		\$ 162,691				
30	489 Rev. from Trans. of Gas of Others						
31	not included in above rate schedules)						
32	493 Rent from Gas Property	\$ 5,208	\$ 5,213				
33	494 Interdepartmental Rents						
34	495 Other Gas Revenues						
35	Initial Connection	\$ 137,110					
36	Reconnect for Cause						
37	Collection in lieu of disconnect						
38	Returned Check	\$ (300)	\$ 332				
39	Other	\$ 1,494,214	\$ 1,614,063				
40	495.1 Overrecoveries Purchased Gas						
41	TOTAL Other Operating Revenues	\$ 1,636,232	\$ 1,782,299				
42	TOTAL Gas Operating Revenues	\$ 13,153,832	\$ 13,072,295				
43	(Less) 496 Provision for Rate Refunds						
44	TOTAL Gas Operating Revenues Net of Provision for Refunds						
45	Sales for Resale						
46	Other Sales to Public Authority						
47	Interdepartmental Sales						
48	TOTAL	\$ 13,153,832	\$ 13,072,295				

Notes

**GAS OPERATION AND MAINTENANCE EXPENSES**

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Account	Amount for Current Year	Amount for Previous Year
1	<b>1. Production Expenses</b>		
2	A. TOTAL Manufactured Gas Production (Total of Accounts 700-742)		
3	B. TOTAL Natural Gas Prod. and Gathering (Total of Accts. 750 - 769)		
4	C. TOTAL Products Extraction (Total of Accounts 770 through 791)		
5	D. TOTAL Exploration and Development (Total of Accts. 795 through 798)		
6	E. Other Gas Supply Expenses		
7	Operation		
8	800 Natural Gas Well Head Purchases		
9	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
10	801 Natural Gas Field Line Purchases		
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases		
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases		
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)		
17	TOTAL Purchased Gas (Total of Lines 8 to 16)		
18	806 Exchange Gas		
19	Purchased Gas Expenses		
20	807.1 Well Expenses--Purchased Gas		
21	807.2 Operation of Purchased Gas Measuring Stations		
22	807.3 Maintenance of Purchased Gas Measuring Stations		
23	807.4 Purchased Gas Calculations Expenses		
24	807.5 Other Purchased Gas Expenses		
25	TOTAL Purchased Gas Expenses (Total of lines 20 through 24)		
26	808.1 Gas Withdrawn from Storage--Debit		
27	(Less) 808.2 Gas Delivered to Storage--Credit		
28	809.1 Withdrawals of Liquefied Natural Gas for Processing--Debit		
29	(Less) 809.2 Deliveries of Natural Gas for Processing--Credit		
30	Gas Used in Utility Operations--Credit		
31	810 Gas Used for Compressor Station Fuel--Credit		
32	811 Gas Used for Products Extraction--Credit		
33	812 Gas Used for Other Utility Operations--Credit		
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)		
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supply Exp. (Total of Lines 17, 18, 25, 26 through 29, 34, 35)		
37	TOTAL Production Expenses (Total of Lines 2, 3, 4, 5 and 36)		
38	<b>2. Natural Gas Storage, Terminaling and Processing Expenses</b>		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)		
40	B. TOTAL Other Storage Expenses (Total of Accounts 840 through 843.9)		
41	C. TOTAL Liquefied Nat Gas Terminaling & Processing Expenses (Total of Accounts 844.1 through 847.8)		
42	TOTAL Natural Gas Storage (Total of lines 39, 40, and 41)		
43	<b>3. Transmission Expenses</b>		
44	TOTAL Transmission Expenses (Total of Accounts 850 through 867)	\$ 6,317	\$ 110,504
45			
46			

**GAS OPERATION AND MAINTENANCE EXPENSES (Continued)**

Line No.	Account	Amount for Current Year	Amount for Current Year
47	<b>4. Distribution Expenses</b>		
48	Operation		
49	870 Operation Supervision and Engineering	\$ 253,505	\$ 219,577
50	871 Distribution Load Dispatching		
51	872 Compressor Station Labor and Expenses		
52	873 Compressor Station Fuel and Power		
53	874 Mains and Services Expenses	\$ 345,455	\$ 247,378
54	875 Measuring and Regulating Station Expenses--General	\$ 30,147	\$ 8,518
55	876 Measuring and Regulating Station Expenses--Industrial	\$ 56,634	\$ 44,903
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	\$ 19,489	\$ 30,375
57	878 Meter and House Regulator Expenses	\$ 355,347	\$ 293,344
58	879 Customer Installations Expenses	\$ 15,286	\$ 20,026
59	880 Other Expenses	\$ 84,412	\$ 108,006
60	881 Rents	\$ 15,240	\$ 121,165
61	TOTAL Operation (Total of lines 49 through 60)	\$ 1,175,514	\$ 1,093,292
62	Maintenance		
63	885 Maintenance Supervision and Engineering		
64	886 Maintenance of Structures and Improvements		
65	887 Maintenance of Mains	\$ 176,895	\$ 198,851
66	888 Maintenance of Compressor Station Equipment		
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	\$ 20,931	\$ 29,335
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	\$ 41,118	\$ 56,453
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station	\$ 36,532	\$ 32,477
70	892 Maintenance of Services	\$ 17,534	\$ 8,157
71	893 Maintenance of Meters and House Regulators	\$ 65,905	\$ 90,360
72	894 Maintenance of Other Equipment	\$ 13,577	\$ 10,234
73	TOTAL Maintenance (Total of Lines 63 through 72)	\$ 372,492	\$ 425,867
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	\$ 1,548,006	\$ 1,519,159
75	<b>5. Customer Accounts Expenses</b>		
76	Operation		
77	901 Supervision	\$ 79,040	\$ 56,470
78	902 Meter Reading Expenses	\$ 159,049	\$ 160,586
79	903 Customer Records and Collection Expenses	\$ 721,085	\$ 640,928
80	904 Uncollectible Accounts	\$ 40,445	\$ 68,962
81	905 Miscellaneous Customer Accounts Expenses	\$ -	\$ -
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	\$ 999,618	\$ 926,946
83	<b>6. Customer Service and Informational Expenses</b>		
84	Operation		
85	907 Supervision	\$ -	
86	908 Customer Assistance Expenses	\$ 948,889	\$ 1,429,403
87	909 Informational and Instructional Expenses	\$ 117,023	\$ 2,276
88	910 Miscellaneous Customer Service and Informational Expenses		
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	\$ 1,065,913	\$ 1,431,679
90	<b>7. Sales Expenses</b>		
91	Operation		
92	911 Supervision		
93	912 Demonstrating and Selling Expenses	\$ 209,323	\$ 174,597
94	913 Advertising Expenses	\$ (9,123)	\$ 67,310
95	916 Miscellaneous Sales Expenses	\$ -	
96	TOTAL Sales Expenses (Total of lines 92 through 95)	\$ 200,200	\$ 241,907
97			

Name of Respondent		For the Year Ended	
CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION		Dec. 31, 2008	
<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>			
Line No.	Account	Amount for Current Year	Amount for Current Year
98	<b>8. Administrative and General Expenses</b>		
99	Operation		
100	920 Administrative and General Salaries	\$ 993,577	\$ 1,021,596
101	921 Office Supplies and Expenses	\$ 575,200	\$ 516,987
102	(Less) (922) Administrative Expenses Transferred--Credit	\$ -	\$ -
103	923 Outside Services Employed	\$ 494,815	\$ 374,833
104	924 Property Insurance	\$ 15,427	\$ 14,463
105	925 Injuries and Damages	\$ 219,435	\$ 230,760
106	926 Employee Pensions and Benefits	\$ 535,256	\$ 447,459
107	927 Franchise Requirements	\$ -	\$ -
108	928 Regulatory Commission Expenses	\$ -	\$ -
109	(Less) (929) Duplicate Charges--Credit	\$ -	\$ -
110	930.1 General Advertising Expenses	\$ 34	\$ 429
111	930.2 Miscellaneous General Expenses	\$ 121,457	\$ 130,537
112	931 Rents	\$ 66,464	\$ 66,715
113	<b>TOTAL Operation (Total of lines 100 through 112)</b>	<b>\$ 3,021,665</b>	<b>\$ 2,803,779</b>
114	Maintenance		
115	935 Maintenance of General Plant	\$ 12,032	\$ 8,395
116	<b>TOTAL Administrative and General Expense (Total of lines 113 and 115)</b>	<b>\$ 3,033,697</b>	<b>\$ 2,812,174</b>
117			
118	<b>TOTAL Gas O&amp;M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)</b>	<b>\$ 6,853,751</b>	<b>\$ 7,042,369</b>
119			
120			

<b>NUMBER OF GAS DEPARTMENT EMPLOYEES</b>	
	1. The data on number of employees should be reported for payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
	2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
	3. The number of employees assignable to the gas department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.
1	
2	1. Payroll Period Ended (Date) <span style="float: right;">October 31, 2008</span>
3	2. Total Regular Full-Time Employees <span style="float: right;">49</span>
4	3. Total Part-Time and Temporary Employees <span style="float: right;">0</span>
5	4. Total Employees <span style="float: right;">49</span>
6	
7	
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13	

Name of Respondent		For the Year Ended		
CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION		Dec. 31, 2008		
<b>GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1)</b>				
1. Provide totals for the following accounts: 800 - Natural Gas Well Head Purchases 800.1- Natural Gas Well Head Purchases Intracompany Transfers 801 - Natural Gas Field Line Purchases 802 - Natural Gas Gasoline Plant Outlet Purchases 803 - Natural Gas Transmission Line Purchases 804 - Natural Gas City Gate Purchases 804.1- Liquefied Natural Gas Purchases 805 - Other Gas Purchases 805.1- Purchases Gas Cost Adjustments		The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote. 2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in prior years. 3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b). 4. State in column (d) the average cost per Therm to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)		
Line No.	Account Title (a)	Gas Purchased-Therms (14.73 psia 60 F) (b)	Cost of Gas (In dollars) (c)	Average Cost Per Therm (To nearest .01 of a cent) (d)
1	800 - Natural Gas Well Head Purchases			
2	800.1 - Natural Gas Well Head Purchases, Intracompany Transfers			
3	801 - Natural Gas Field Line Purchases			
4	802 - Natural Gas Gasoline Plant Outlet Purchases			
5	803 - Natural Gas Transmission Line Purchases			
6	804 - Natural Gas City Gate Purchases			
7	804.1 - Liquefied Natural Gas Purchases			
8	805 - Other Gas Purchases			
9	805.1 - Purchased Gas Cost Adjustments			
10	<b>TOTAL (Total of lines 1 through 9)</b>	N/A	N/A	N/A
<b>Notes to Gas Purchases</b>				

<b>GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)</b>				
1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.		4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).		
2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.		5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.		
3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.				
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas Amount of Credit (d)
1	812 Gas used for Other Utility Operations Credit (Report separately for each principal uses. Group minor uses.)			
2	N/A			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18	<b>TOTAL</b>			

Name of Respondent							For the Year Ended		
CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION							Dec. 31, 2008		
REGULATORY COMMISSION EXPENSES (Account 928)									
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.				3. The totals of columns (c), (f), (h), and (i) must agree with the totals shown at the bottom of page 19 for Account 186					
2. Show in column (h) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.				4. List in Column (d) and (e) expenses incurred during year which were charged currently to income, plant, or other accounts.					
				5. Minor items (less than \$25,000) may be grouped.					
Line No.	Description (Name of regulatory commission, the docket number, and a description of the case.) (a)	Total Expenses to Date (b)	Deferred in Account 186 Beginning of Year (c)	Expenses Incurred During Year		Deferred to Account 186 (f)	Amortized During Year		Deferred in Account 186 End of Year (i)
				Charged Currently to Account No. (d)	Amount (e)		Contra Account (g)	Amount (h)	
1									
2									
3	No regulatory commission expenses currently amortized to account 928.								
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17	TOTAL	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	
2	Experimental and General Research Expenses: (a) Gas Research Institute (GRI) (b) Other	
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the Respondent.	\$ 32,170
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown.)	
5		
6	Misc Corporate Adjustments	\$ -
7	Board Meetings and Director Fees	\$ 87,944
8	Misc Board of Director Expenses	\$ 1,343
9	Misc Investor Relations Expenses	\$ -
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	TOTAL	\$ 121,457

**DISTRIBUTION OF SALARIES AND WAGES**

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	<b>Electric</b>			
2	<b>TOTAL Operation and Maintenance - Electric</b>			
3	<b>Gas</b>			
4	Operation			
5	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing			
6	Transmission			
7	Distribution	\$ 632,601		
8	Customer Accounts	\$ 486,486		
9	Customer Service and Informational			
10	Sales	\$ 77,407		
11	Administrative and General	\$ 989,028		
12	<b>TOTAL Operation (Total of lines 5 through 11)</b>	<b>\$ 2,185,522</b>		
13	Maintenance			
14	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing			
15	Transmission			
16	Distribution	\$ 144,592		
17	Administrative and General			
18	<b>TOTAL Maintenance (Total of lines 14 through 17)</b>	<b>\$ 144,592</b>		
19	<b>Total Operation and Maintenance</b>	<b>\$ 2,330,114</b>		
20	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing			
21	Transmission (Enter Total of lines 6 and 15)	\$ -		
22	Distribution (Total of lines 7 and 16)	\$ 777,194		
23	Customer Accounts (Transcribe from line 8)	\$ 486,486		
24	Customer Service and Informational (Transcribe from line 9)	\$ -		
25	Sales (Transcribe from line 10)	\$ 77,407		
26	Administrative and General (Total of lines 11 and 17)	\$ 989,028		
27	<b>TOTAL Operation and Maint. (Total of lines 20 through 26)</b>	<b>\$ 2,330,114</b>		
28	<b>Other Utility Departments</b>			
29	Operation and Maintenance			
30	<b>TOTAL All Utility Dept. (Total of lines 2, 27, and 29)</b>	<b>\$ 2,330,114</b>		
31	<b>Utility Plant</b>			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	\$ 241,370		
35	Other			
36	<b>TOTAL Construction (Total of lines 33 through 35)</b>	<b>\$ 241,370</b>		
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	\$ 10,275		
40	Other			
41	<b>TOTAL Plant Removal (Total of lines 38 through 40)</b>	<b>\$ 10,275</b>		
42				
43	Other Accounts (Specify):			
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45				
46				
47				
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49				
50				
51				
52				
53	<b>TOTAL Other Accounts</b>	<b>\$ -</b>		
54	<b>TOTAL SALARIES AND WAGES</b>	<b>\$ 2,581,759</b>		



Name of Respondent		For the Year Ended
CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION		Dec. 31, 2008
<b>CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES</b>		
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including</p> <p>payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities.</p> <p>(a) Name of person or organization rendering services,            (b) description of services received,            (c) basis of charges,            (d) total charges for the year, detailing account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract.</p> <p>3. Designate with an asterisk associated companies.</p>		
	Description	Amount
1	<b>Consulting</b>	\$ 102,001
2	<i>Jeff Householder &amp; Company - per hour general consulting - (923</i>	102,001
3	<b>Legal</b>	\$ 22,833
4	<b>Other</b>	\$ 569,835
5	<i>TECO Partners - commission payments - (912).</i>	\$ 86,775
6	<i>United Utility Service - Services, Mains, Fabrication, CP Survey, Facilities Maint. - (874, 878, 893, 902, 903).</i>	\$ 134,560
7	<i>The Mailhouse - mailing services - (903).</i>	\$ 37,933
8	<i>Pipeline Maintenance &amp; Service - 1/2 Services, Meter Changes, Turn on/off, Misc Maintenance- (874, 887, 891, 892).</i>	\$ 79,954
9	<i>Falcon Utility Service - meter reading - (902).</i>	\$ 120,694
10	<b>Allocated from Parent</b>	\$ 389,135
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<b>PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS</b>	
<p>Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.</p> <p>(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charges, the total of amortization charged for the year, and the period of amortization.</p> <p>(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.</p> <p>(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.</p>	
	Amount
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**Reconciliation of Gross Operating Revenues**

**Annual Report versus Regulatory Assessment Fee Return**

For the current year, reconcile the gross operating revenues as reported on Page 26 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).

Line No.	(a) Description	(b) Gross Operating Revenues per Page 26	(c) Interstate and Sales for Resale Adjustments	(d) Adjusted Intrastate Gross Operating Revenues	(e) Intrastate Gross Operating Revenues per RAF Return	(f) Difference (d) - (e)
1	Total Sales to Ultimate Customers (480-482, 484)	\$ 13,153,832		\$ 83,419	\$ 13,237,251	\$ (83,419)
2	Sales for Resale (483)	\$ -			\$ -	\$ -
3	Total Natural Gas Service Revenues	\$ -			\$ -	\$ -
4	Total Other Operating Revenues (485-495)	\$ -			\$ -	\$ -
5	Total Gas Operating Revenues	\$ 13,153,832	\$ -	\$ 83,419	\$ 13,237,251	\$ (83,419)
6	Provision for Rate Refunds (496)					
7	Other (Specify)					
8						
9						
10	<b>Total Gross Operating Revenues</b>	<b>\$ 13,153,832</b>	<b>\$ -</b>	<b>\$ 83,419</b>	<b>\$ 13,237,251</b>	<b>\$ (83,419)</b>

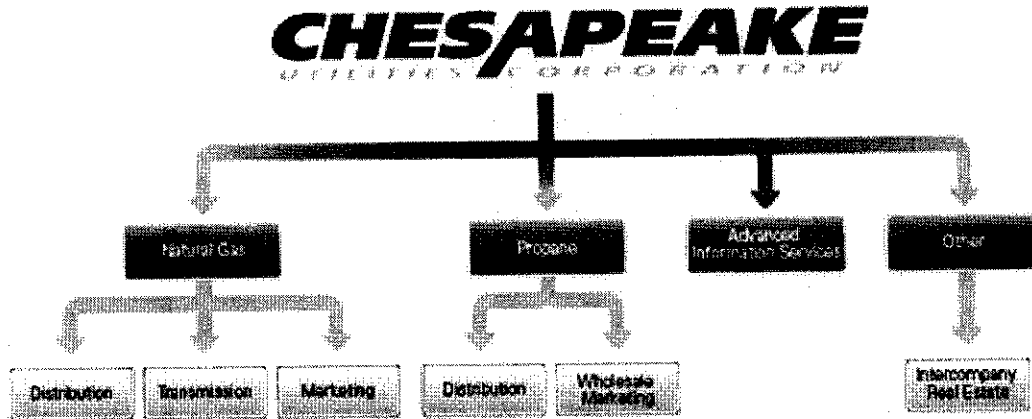
Notes:

Add: Environmental Recovery	\$ 83,755
Add: Competitive Rate Adjustment	\$ 82,341
Less: Competitive Rate Adjustment - Interest	\$ (2,930)
Less: Franchise Taxes	\$ (177,074)
Add: Competitive Rate Recovery not in Operating Revenues	\$ 97,327
Ending Variance:	\$ -

**CORPORATE STRUCTURE**

Provide an updated organizational chart showing all affiliated companies, partnerships, etc.

Effective Date: 12/31/08



**Natural Gas**

**Distribution**

- Chesapeake Utilities
- Central Florida Gas

**Transmission**

- Peninsula Pipeline Company
- Eastern Shore Natural Gas Company

**Marketing**

- Peninsula Energy Services Company, Inc.

**Propane**

**Distribution**

- Sharp Energy, Inc.
- Treasure Coast Propane
- Shargas, Inc.

**Wholesale Marketing**

- Xeron, Inc.

**Other**

- Bravepoint, Inc.

- Skipjack, Inc

- Eastern Shore Real Estate, Inc.

**SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS**

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

(a) Enter name of affiliate.  
 (b) Give description of type of service, or name the product involved.  
 (c) Enter contract or agreement effective dates.  
 (d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent.  
 (e) Enter utility account number in which charges are recorded.  
 (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
N/A					

Name of Respondent CHESAPEAKE UTILITIES CORPORATION - FLORIDA DIVISION		For the Year Ended Dec. 31, 2008
<b>NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES</b>		
Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.		
Name of Affiliate	Synopsis of Contract	
N/A		

<b>INDIVIDUAL AFFILIATED TRANSACTIONS IN EXCESS OF \$25,000</b>		
Provide information regarding individual affiliated transactions in excess of \$25,000. Recurring monthly affiliated transactions which exceed \$25,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.		
Name of Affiliate	Description of Transaction	Dollar Amount
Peninsula Energy Services	2008 Imbalance Settlements	\$ 401,405

**ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES**

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.

Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
<b>Purchases from Affiliates:</b>							
N/A		\$	\$	\$	\$	\$	
<b>Total</b>						\$	
<b>Sales to Affiliates:</b>							
N/A		\$	\$	\$	\$	Sales Price	
<b>Total</b>						\$	

**EMPLOYEE TRANSFERS**

List employees earning more than \$50,000 annually transferred to/from the utility to/from an affiliate company.

Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
N/A				