



Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

October 14, 2011

**VIA E-MAIL - MWILLIS@PSC.STATE.FL.US
AND HAND DELIVERY**

Mr. Marshall Willis
Director, Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Florida Public Utilities Company and Florida Division of Chesapeake Utilities
Corporation/Surveillance Reports**

Dear Mr. Willis:

In accordance with Rules 25-6.1352 (3) and 25-7.1352 (3), F.A.C., Florida Public Utilities Company ("FPUC")(All Divisions) and the Florida Division of Chesapeake Utilities Corporation ("CFG") hereby submit an electronic copy the Companies' required 2nd Quarter Earnings Surveillance Reports. Hard copies will follow by hand delivery.

If you have any questions or concerns whatsoever in this regard, please do not hesitate to contact me. Thank you for your consideration of this Request.

Sincerely,

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

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THE FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION

2ND QUARTER EARNINGS SURVEILLANCE REPORT

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2011

SCHEDULE 1

	(1) ACTUAL PER SHARES	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRE-IFORME ADJUSTMENTS	(5) PRE-IFORME ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,753,972	\$25,398	\$2,779,369	\$0	\$2,779,369
AVERAGE RATE BASE	\$47,329,352	(\$1,200,778)	\$46,128,576	\$0	\$46,128,576
AVERAGE RATE OF RETURN	5.82%		6.03%		6.03%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$3,753,972	(\$29,542)	\$3,724,429	\$0	\$3,724,429
YEAR-END RATE BASE	\$43,222,109	(\$966,455)	\$42,255,653	\$0	\$42,255,653
YEAR-END RATE OF RETURN	8.72%		8.82%		8.82%
III. REQUIRED RATES OF RETURN - AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	6.86%				
MIDPOINT	7.35%				
HIGH	7.50%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
			A. INCL COMP RATE ADJ REVENUES		9.65%
			B. EXCL COMP RATE ADJ REVENUES		9.65%

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 official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl Martin
 Director, Regulatory Affairs

Cheryl Martin
 Signature

10/14/11
 Date

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2011

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO-FORMA ADJUSTMENTS	(5) PRO-FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,753,972	\$23,398	\$2,779,369	\$0	\$2,779,369
AVERAGE RATE BASE	\$44,429,252	(\$1,200,776)	\$43,228,476	\$0	\$43,228,476
AVERAGE RATE OF RETURN	6.20%		6.43%		6.43%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$2,753,972	(\$29,542)	\$2,724,429	\$0	\$2,724,429
YEAR-END RATE BASE	\$43,222,109	(\$98,455)	\$43,253,653	\$0	\$43,253,653
YEAR-END RATE OF RETURN	6.37%		6.45%		6.45%

**III. REQUIRED RATES OF RETURN
 AVERAGE CAPITAL STRUCTURE
 (FPSC ADJUSTED BASIS)**

LOW	6.86%
MIDPOINT	7.35%
HIGH	7.59%

**IV. EARNED RETURN ON EQUITY
 (FPSC ADJUSTED BASIS)**

A.	INCL COMP RATE ADJ REVENUES	9.65%
B.	EXCL COMP RATE ADJ REVENUES	9.65%

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 official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Cheryl Martin
 Director, Regulatory Affairs

Signature

Date

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2011
 RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$62,420,478	(\$20,656,935)	\$41,763,544	\$0	\$424,572	\$27,185,115	\$2,741,137	\$44,429,252
FISC ADJUSTMENTS:								
ELIMINATION TO WORKING CAPITAL							(\$819,447)	(\$819,447)
ELIMINATE ACQUISITION ADJ	\$0	\$0	\$0			\$0		\$0
ELIM. FRANCHISE/CONSENT		\$10,231	\$10,231			\$10,231		\$10,231
ELIM. COMMON PLANT	(\$275,992)	\$102,801	(\$173,191)			(\$173,191)		(\$173,191)
FLEXVILLE GAS SERVICE	(\$279,070)	\$70,398	(\$208,672)			(\$208,672)	(\$9,697)	(\$218,369)
TOTAL FISC ADJUSTMENTS	(\$555,062)	\$183,430	(\$371,632)	\$0	\$0	(\$371,632)	(\$829,144)	(\$1,200,775)
FISC ADJUSTED	\$61,865,417	(\$20,473,505)	\$41,391,911	\$0	\$424,572	\$41,816,483	\$1,911,993	\$43,228,476
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$61,865,417	(\$20,473,505)	\$41,391,911	\$0	\$424,572	\$41,816,483	\$1,911,993	\$43,228,476
PRO FORMA ADJUSTMENTS:								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$61,865,417	(\$20,473,505)	\$41,391,911	\$0	\$424,572	\$41,816,483	\$1,911,993	\$43,228,476

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2011
 INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$14,973,951	\$ 217,333	\$6,684,735	\$2,275,274	\$1,201,044	\$1,241,593				\$12,219,879	\$2,753,872
FPSC ADJUSTMENTS:											
1) Interest Synchroization						\$9,791				\$9,791	(\$9,791)
2) Acquisition adjust.						\$0				\$0	\$0
3) Out of Period Adjustments			\$0			\$0				\$0	\$0
4) Elim. Property Tax - Common Plant					(\$3,499)	\$0				(\$3,499)	\$3,499
5) Elim. amort orig costs				(\$424)		\$0				(\$424)	\$424
6) Elim. Economic Dev. Expense			\$0			\$0				\$0	\$0
7) Elim. Depreciation Exp. Common Plant				(\$13,613)		\$0				(\$13,613)	\$13,613
8) Elim. Non-utility O & M			\$0			\$0				\$0	\$0
9) Elim. Ind. Alloc. dem.			\$0			\$0				\$0	\$0
10) Elim. charitable contributions			\$0			\$0				\$0	\$0
11) Elim. Social Activities			\$0			\$0				\$0	\$0
12) Elim. promotional expenses			\$0			\$0				\$0	\$0
13) Elim. Civic Dues			\$0			\$0				\$0	\$0
14) Interest Income	\$5,816					\$0				\$5,816	\$5,816
15) Elim. Rev. Related Taxes	(\$361,882)	(\$361,880)				\$0				(\$361,882)	\$0
16) Elim. Conservation Tax & Exp.	(\$397,728)	(\$455,453)				\$0				(\$455,453)	\$57,725
17) Elim. PGA Expenses		\$0				\$0				\$0	\$0
18) Elim. PGA Expenses	\$0					\$0				\$0	\$0
19) Elim. Flexible Gas Service	(\$185,620)		(\$48,949)	(\$10,946)	(\$4,116)	\$0				(\$64,011)	(\$105,639)
20) Income Tax Effective Rate Adjustment						(\$59,746)				(\$59,746)	\$59,746
TOTAL FPSC ADJUSTMENTS	(\$503,438)	(\$817,333)	(\$48,949)	(\$24,983)	(\$7,615)	(\$45,957)	\$0	\$0	\$0	(\$948,835)	\$13,198
FPSC ADJUSTED	\$14,063,513	(\$0)	\$6,635,786	\$2,250,291	\$1,193,429	\$1,191,638	\$0	\$0	\$0	\$11,271,144	\$2,779,369
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR CDMR RATE ADJ REVENUES	\$14,060,513	(\$0)	\$6,635,786	\$2,250,291	\$1,193,429	\$1,191,638	\$0	\$0	\$0	\$11,271,144	\$2,779,369
PROFORMA ADJUSTMENTS											
TOTAL PROFORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROFORMA ADJUSTED	\$14,060,513	(\$0)	\$6,635,786	\$2,250,291	\$1,193,429	\$1,191,638	\$0	\$0	\$0	\$11,271,144	\$2,779,369

	(1) PARTIAL BALANCE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PROPERTY PLANT & EQUIPMENT	(4) NET PROPERTY PLANT & EQUIPMENT	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET PROPERTY PLANT & EQUIPMENT	(7) WORKING CAPITAL	(8) TOTAL NET PROPERTY PLANT & EQUIPMENT
PERIOD	\$4,483,321	\$28,626,833	\$41,792,288	\$42,216,878	\$4,432,212	\$42,216,878	\$1,058,333	\$43,275,111
FINANCIAL STATEMENTS								
CHRYSLER FINANCIAL GROUP	\$17,643	\$7,897	\$9,807	\$9,807		\$9,807	\$361,247	\$141,054
CHRYSLER GROUP SERVICES	\$225,138	\$18,889	\$219,445	\$219,445		\$219,445	\$1,000	\$220,445
CHRYSLER CAPITAL GROUP	\$32,611	\$12,717	\$37,872	\$37,872	\$0	\$37,872	\$1,131	\$39,003
CHRYSLER FINANCIAL SERVICES	\$4,214,627	\$10,889,218	\$13,113,510	\$13,113,510	\$4,432,212	\$13,113,510	\$451,427	\$17,625,022
CHRYSLER GROUP SERVICES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CHRYSLER FINANCIAL SERVICES	\$25,914,674	\$12,689,218	\$41,113,810	\$41,113,810	\$4,432,212	\$41,113,810	\$451,427	\$45,565,447
FINANCIAL STATEMENTS								
CHRYSLER FINANCIAL SERVICES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CHRYSLER GROUP SERVICES	\$25,914,674	\$12,689,218	\$41,113,810	\$41,113,810	\$4,432,212	\$41,113,810	\$451,427	\$45,565,447

AVERAGE	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$25,862,848	\$0	\$25,862,848	\$0	(\$4,717,752)	\$21,145,096	48.91%	9.80%	4.79%	10.80%	5.28%	11.80%	5.77%
LONG TERM DEBT	\$0	\$0	\$0	\$0	\$9,313,522	\$9,313,522	21.54%	7.03%	1.51%	7.03%	1.51%	7.03%	1.51%
SHORT TERM DEBT	\$0	\$0	\$0	\$0	\$1,601,503	\$1,601,503	3.70%	1.63%	0.06%	1.63%	0.06%	1.63%	0.08%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$2,486,054	\$2,486,054	5.70%	5.99%	0.34%	5.99%	0.34%	1.63%	0.09%
CUSTOMER DEPOSITS	\$976,066	\$0	\$976,066	\$0	\$0	\$976,066	2.26%	6.00%	0.14%	6.00%	0.14%	6.00%	0.14%
DEFERRED INCOME TAXES	\$7,612,993	\$0	\$7,612,993	\$0	\$0	\$7,612,993	17.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$113,241	\$0	\$113,241	\$0	\$0	\$113,241	0.26%	6.70%	0.02%	7.19%	0.02%	7.43%	0.02%
TOTAL AVERAGE	\$34,565,148	\$0	\$34,565,148	\$0	\$8,663,627	\$43,228,475	100.00%		6.86%		7.35%		7.59%

YEAR-END	ADJUSTMENTS							LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$26,897,397	\$0	\$26,897,397	\$0	(\$3,695,148)	\$23,202,249	50.18%	9.80%	4.92%	10.80%	5.42%	11.80%	5.92%
LONG TERM DEBT	\$0	\$0	\$0	\$0	\$11,072,832	\$11,072,832	26.21%	5.83%	1.53%	5.83%	1.53%	5.83%	1.53%
SHORT TERM DEBT	\$0	\$0	\$0	\$0	\$378,425	\$378,425	0.90%	11.48%	0.10%	11.48%	0.10%	11.48%	0.10%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$917,170	\$0	\$917,170	\$0	\$0	\$917,170	2.17%	6.00%	0.13%	6.00%	0.13%	6.00%	0.13%
DEFERRED INCOME TAXES	\$8,579,498	\$0	\$8,579,498	\$0	\$0	\$8,579,498	20.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$103,479	\$0	\$103,479	\$0	\$0	\$103,479	0.24%	6.55%	0.02%	7.05%	0.02%	7.55%	0.02%
TOTAL YEAR-END	\$36,497,544	\$0	\$36,497,544	\$0	\$5,765,109	\$42,253,653	100.00%		6.70%		7.60%		7.70%