

WIGGINS & VILLACORTA, P.A.

ATTORNEYS AT LAW

POST OFFICE DRAWER 1657  
TALLAHASSEE, FLORIDA 32302

2145 DELTA BOULEVARD, SUITE 200  
TALLAHASSEE, FLORIDA 32303

TELEPHONE (850) 385-6007  
FACSIMILE (850) 385-6008  
INTERNET: wiggvill@nettally.com

ORIGINAL

May 15, 2000

VIA HAND DELIVERY

Ms. Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

RECEIVED-FPSC  
00 MAY 15 AM 8:51  
RECORDS AND REPORTING

Re: Docket No. 000002-EG  
Conservation Cost Recovery Clause

Dear Ms. Bayo:

Enclosed on behalf of Chesapeake Utilities Corporation for filing in the above docket are an original and fifteen (15) copies of the following:

1. Direct Testimony of Beverly A. Bauck;
2. Exhibit BAB-1; and
3. our Certificate of Service.

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this letter and returning same to my attention. Thank you for your assistance.

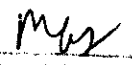
Sincerely,

WFA \_\_\_\_\_  
 WDP \_\_\_\_\_  
 WJP \_\_\_\_\_  
 WNU \_\_\_\_\_  
 WTR \_\_\_\_\_  
WAG \_\_\_\_\_  
 WEG \_\_\_\_\_  
 WAS \_\_\_\_\_  
 WPC \_\_\_\_\_  
 WRR \_\_\_\_\_  
 WEC \_\_\_\_\_  
 WAW \_\_\_\_\_  
 WTH \_\_\_\_\_

  
 \_\_\_\_\_ Wayne L. Schiefelbein

LS:plk  
 Enclosures  
 cc: Ms. Beverly A. Bauck  
 Parties of Record

RECEIVED & FILED

  
 BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

05936 MAY 15 8

FPSC-RECORDS/REPORTING

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Conservation Cost Recovery )  
Clause. )  
\_\_\_\_\_ )

DOCKET NO. 000002-EG

FILED: May 15, 2000

**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that true and correct copies of Chesapeake Utilities Corporation's Direct Testimony of Beverly A. Bauck and Exhibit BAB-1 have been furnished by hand-delivery on this 15th day of May, 2000, to **Donna M. Clemons, Esq.**, Division of Legal Services, Florida Public Service Commission, Gerald L. Gunter Building, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and by regular U.S. Mail to the following:

Norman H. Horton, Jr., Esq.  
Messer, Caparello & Self, P.A.  
P.O. Box 1876  
Tallahassee, FL 32302-1876

Michael A. Palecki, Esq.  
PMB 110-M  
3111-20 Mahan Drive  
Tallahassee, FL 32308

John Roger Howe, Esq.  
Deputy Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 W. Madison Street  
Suite 812  
Tallahassee, FL 32399-1400

Ansley Watson, Jr., Esq.  
MacFarlane, Ferguson & McMullen  
P.O. Box 1531  
Tampa, FL 33601

Debbie Stitt  
St. Joe Natural Gas Co., Inc.  
P.O. Box 549  
Port St. Joe, FL 32457-0549

Lee L. Willis, Esq.  
James D. Beasley, Esq.  
Ausley & McMullen  
P.O. Box 391  
Tallahassee, FL 32302

Charles A. Guyton, Esq.  
Steel, Hector & Davis  
215 S. Monroe Street  
Suite 601  
Tallahassee, FL 32301-1804

John W. McWhirter, Jr., Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson, Decker, Kaufman,  
Arnold & Steen, P.A.  
P.O. Box 3350  
Tampa, FL 33602-3350

Joseph A. McGlothlin, Esq.  
Vicki Gordon Kaufman, Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson, Decker, Kaufman,  
Arnold & Steen, P.A.  
117 S. Gadsden Street  
Tallahassee, FL 32301

Jeffrey A. Stone, Esq.  
Russell A. Badders, Esq.  
Beggs & Lane  
P.O. Box 12950  
Pensacola, FL 32576-2950

James A. McGee, Esq.  
Florida Power Corporation  
P.O. Box 14042  
St. Petersburg, FL 33733-4042

Debra A. Swim, Esq.  
Gail Kamaras, Esq.  
Legal Environmental Assistance  
Foundation, Inc.  
1114 Thomasville Road, Ste. E.  
Tallahassee, FL 32303-6290

  
Wayne L. Schiefelbein

1                                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                                   In Re: Conservation Cost Recovery Clause

3                                   DIRECT TESTIMONY OF BEVERLY A. BAUCK

4                                   On Behalf of

5                                   Chesapeake Utilities Corporation

6                                   DOCKET NO. 000002-EG

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

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

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

14   A.    Yes.

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

16   A.    The purpose of my testimony is to present data and summaries concerning the  
17           planned and actual accomplishments of Chesapeake's energy conservation  
18           programs during the period April 1999 through March 2000. Data related to  
19           calculation of the true-up for this period is also included.

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

22   A.    Yes. Summaries of the seven programs in connection with which Chesapeake  
23           incurred recoverable costs during the period April 1999 through March 2000 are

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05936 MAY 15 8  
FPSC-RECORDS/REPORTING

1 A. contained in Schedule CT-6 of Exhibit BAB-1. Included are our Residential  
2 Home Builders Programs, Appliance Replacement Program, Water Heater  
3 Retention Program, Natural Gas Space Conditioning for Residential Homes  
4 Program, Natural Gas Space Conditioning Program, Residential Propane  
5 Distribution Program and our Conservation Education Program.

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

8 A. Yes. Schedule CT-2 page 1, Exhibit BAB-1 shows actual expenses for the period.  
9 Schedule CT-2, page, 1, shows a comparison of the actual program costs and true-  
10 up with the estimated costs and true-up submitted at the October 1999 hearing in  
11 this docket.

12 Q. What was the total cost incurred by Chesapeake in connection with the seven  
13 programs during the twelve months ended March 31, 2000?

14 A. As shown in Exhibit BAB-1, Schedule CT-2, page 2, total program costs were  
15 \$333,389. This total is \$ 76,210 less than our projection of the program costs for  
16 the twelve-month period.

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

19 A. Yes. Schedule CT-2, page 3, of Exhibit BAB-1 shows these variances. Reasons  
20 for the variance are included in Schedule CT-5 of Exhibit BAB-1.

21 Q. What is Chesapeake's adjusted net true-up for the twelve-months ended March  
22 31, 2000?

23

- 1 A. We originally estimated an underrecovery, including interest of, \$36,075. This  
2 projected true-up amount was based on conservation revenues of \$381,334 for the  
3 period April 1999 through March 2000. However, sales during this period  
4 actually yielded conservation revenues of \$311,754, under projecting by \$69,580.  
5 Reducing expenses by \$76,210 less than projected results in a total difference  
6 including interest, of \$10,463, as shown on Schedule CT-1 of Exhibit BAB-1.
- 7 Q. Is this adjusted net true-up of \$10,463 an overrecovery or an underrecovery?
- 8 A. An overrecovery, as shown on Schedule CT-1 of Exhibit BAB-1.
- 9 Q. Does this conclude your testimony?
- 10 A. Yes, it does.

Exhibit \_\_\_\_\_ (BAB-1)

CHESAPEAKE UTILITIES CORPORATION  
CONSERVATION COST RECOVERY TRUE-UP  
April 30, 1999 through March 31, 2000

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### **Schedule CT-1**

(1 of 1)	Adjusted Net True-up	1
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### **Schedule CT-2**

(1 of 3)	Analysis of Energy Conservation Costs Actual vs. Estimated	2
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### **Schedule CT-3**

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(3 of 3)	Calculation of True-Up and Interest Provision	7

### **Schedule CT-4**

(1 of 1)	Schedule of Capital Investments, Depreciation and Return	8
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### **Schedule CT-5**

(1 of 1)	Reconciliation and Explanation of Differences Between Filing PSC Audit Report for April 1998 through March 1999. Variance Actual vs. Projected	9
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### **Schedule CT-6**

(1 of 7)	Program Description and Progress Residential Home Builder Program	10
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(3 of 7)	Program Description and Progress Residential Water Heater Retention	12



(4 of 7)	Program Description and Progress Conservation Education Program	13
(5 of 7)	Program Description and Progress Gas Space Conditioning	14
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SCHEDULE CT-1

COMPANY Chesapeake Utilities Corporation  
Docket No. 000002-EG  
Exhibit BAB-1  
Page 1 of 16

ADJUSTED NET TRUE-UP  
FOR APRIL 1999 THROUGH MARCH 2000

END OF PERIOD NET TRUE-UP

PRINCIPAL	21,635	
INTEREST	<u>3,976</u>	25,612

LESS PROJECTED TRUE-UP

PRINCIPAL	30,450	
INTEREST	<u>5,625</u>	<u>36,075</u>

ADJUSTED NET TRUE-UP		<u>(10,463)</u>
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( ) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

APRIL 1999 THROUGH MARCH 2000

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	35,970	40,004	(4,034)
MATERIALS & SUPPLIES	4,488	300	4,188
ADVERTISING	38,668	13,910	24,758
INCENTIVES	251,607	352,137	(100,530)
OUTSIDE SERVICES	47	141	(94)
VEHICLES	2,609	2,892	(283)
OTHER	<u>0</u>	<u>214</u>	<u>(214)</u>
SUB-TOTAL	333,390	409,599	(76,210)
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	333,389	409,599	(76,210)
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(311,754)	(379,149)	67,395
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	21,635	30,450	(8,815)
INTEREST PROVISION	<u>3,976</u>	<u>5,625</u>	<u>(1,649)</u>
END OF PERIOD TRUE-UP	<u>25,612</u>	<u>36,075</u>	<u>(10,463)</u>

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

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
FOR MONTHS: APRIL 1999 THROUGH MARCH 2000

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RES. HOME BUILDER	0	23,009	0	36,492	223,832	0	1,621	0	284,955
PROGRAM 2: RES. APPLIANCE REPLACEMENT	0	9,851	0	2,126	8,545	0	777	0	21,299
PROGRAM 3: WATER HEATER RETENTION	0	2,527	0	0	19,230	0	181	0	21,938
PROGRAM 4: CONSERVATION EDUCATION	0	582	4,488	50	0	0	30	0	5,150
PROGRAM 5: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
PROGRAM 6: COMMON COSTS	0	0	0	0	0	47	0	0	47
PROGRAM 7: RES. SPACE CONDIONTING	0	0	0	0	0	0	0	0	0
PROGRAM 8: PROPANE DISTRIBUTION	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>35,970</b>	<b>4,488</b>	<b>36,668</b>	<b>251,607</b>	<b>47</b>	<b>2,609</b>	<b>0</b>	<b>333,389</b>

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
FOR MONTHS: APRIL 1999 THROUGH MARCH 2000

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RES. HOME BUILDER	0	(3,089)	0	29,095	(106,307)	0	(380)	0	(80,680)
PROGRAM 2: RES. APPLIANCE REPLACEMENT	0	(871)	0	(4,388)	(1,903)	0	134	(214)	(7,242)
PROGRAM 3: WATER HEATER RETENTION	0	(191)	0	0	7,679	0	(38)	0	7,450
PROGRAM 4: CONSERVATION EDUCATION	0	117	4,188	50	0	0	1	0	4,356
PROGRAM 5: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
PROGRAM 6: COMMON COSTS	0	0	0	0	0	(94)	0	0	(94)
PROGRAM 7: RES. SPACE CONDIONTING	0	0	0	0	0	0	0	0	0
PROGRAM 8: PROPANE DISTRIBUTION	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>(4,034)</b>	<b>4,188</b>	<b>24,757</b>	<b>(100,530)</b>	<b>(94)</b>	<b>(283)</b>	<b>(214)</b>	<b>(76,210)</b>

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: APRIL 1999 THROUGH MARCH 2000

EXPENSES:	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
PROGRAM 1: RES. HOME BUILDER	28,798	10,579	55,611	26,888	18,368	11,460	27,366	19,186	42,734	222	11,405	32,336	284,955
PROGRAM 2: RES. APPLIANCE REPLACEMENT	1,538	3,406	2,347	1,072	2,160	1,653	1,216	1,260	2,477	618	1,320	2,233	21,299
PROGRAM 3: WATER HEATER RETENTION	2,393	740	1,950	896	1,438	2,002	1,942	1,606	4,420	0	1,500	3,050	21,937
PROGRAM 4: CONSERVATION EDUCATION	42	41	42	42	42	41	59	44	4,574	222	0	0	5,150
PROGRAM 5: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6: COMMON COSTS	0	47	0	0	0	0	0	0	0	0	0	0	47
PROGRAM 7: RES. SPACE CONDIONTING	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 8: PROPANE DISTRIBUTION	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>32,771</b>	<b>14,813</b>	<b>59,951</b>	<b>28,900</b>	<b>22,008</b>	<b>15,156</b>	<b>30,584</b>	<b>22,096</b>	<b>54,206</b>	<b>1,062</b>	<b>14,225</b>	<b>37,619</b>	<b>333,388</b>
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>RECOVERABLE CONSERVATION EXPENSES</b>	<b>32,771</b>	<b>14,813</b>	<b>59,951</b>	<b>28,900</b>	<b>22,008</b>	<b>15,156</b>	<b>30,584</b>	<b>22,096</b>	<b>54,206</b>	<b>1,062</b>	<b>14,225</b>	<b>37,619</b>	<b>333,388</b>

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
APRIL 1999 THROUGH MARCH 2000

CONSERVATION REVENUES	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	(34,178.53)	(27,535.19)	(23,928.11)	(22,151.79)	(21,464.83)	(20,528.03)	(23,126.83)	(27,694.75)	(39,133.76)	(51,022.82)	(48,725.54)	(36,964.93)	(376,455.11)
4. TOTAL REVENUES	(34,178.53)	(27,535.19)	(23,928.11)	(22,151.79)	(21,464.83)	(20,528.03)	(23,126.83)	(27,694.75)	(39,133.76)	(51,022.82)	(48,725.54)	(36,964.93)	(376,455.11)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	5,391.75	5,391.75	5,391.75	5,391.75	5,391.75	5,391.75	5,391.75	5,391.75	5,391.75	5,391.75	5,391.75	5,391.75	64,701.00
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	(28,786.78)	(22,143.44)	(18,536.36)	(16,760.04)	(16,073.08)	(15,136.28)	(17,735.08)	(22,303.00)	(33,742.01)	(45,631.07)	(43,333.79)	(31,573.18)	(311,754.11)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	32,770.59	14,813.43	59,950.78	28,899.56	22,007.78	15,156.27	30,584.05	22,095.67	54,205.63	1,061.77	14,225.00	37,618.65	333,389.18
8. TRUE-UP THIS PERIOD	3,983.81	(7,330.01)	41,414.42	12,139.52	5,934.70	19.99	12,848.97	(207.33)	20,463.62	(44,569.30)	(29,108.79)	6,045.47	21,635.07
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	248.64	220.46	275.14	373.69	401.08	399.87	432.27	451.49	468.43	393.35	195.58	116.46	3,976.47
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	62,349.76	61,190.46	48,689.16	84,986.97	92,108.43	93,052.46	88,080.58	95,970.06	90,822.47	106,362.77	56,795.07	22,490.11	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	(5,391.75)	(5,391.75)	(5,391.75)	(5,391.75)	(5,391.75)	(5,391.75)	(5,391.75)	(5,391.75)	(5,391.75)	(5,391.75)	(5,391.75)	(5,391.75)	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	61,190.46	48,689.16	84,986.97	92,108.43	93,052.46	88,080.58	95,970.06	90,822.47	106,362.77	56,795.07	22,490.11	23,260.30	25,611.54

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: APRIL 1999 THROUGH MARCH 2000

INTEREST PROVISION	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
1. BEGINNING TRUE-UP	62,349.76	61,190.46	48,689.16	84,986.97	92,108.43	93,052.46	88,080.58	95,970.06	90,822.47	106,362.77	56,795.07	22,490.11	
2. ENDING TRUE-UP BEFORE INTEREST	60,941.82	48,468.70	84,711.83	91,734.74	92,651.38	87,680.70	95,537.80	90,370.98	105,894.34	56,401.72	22,294.53	23,143.83	
3. TOTAL BEGINNING & ENDING TRUE-UP	123,291.58	109,659.16	133,400.99	176,721.71	184,759.81	180,733.17	183,618.37	186,341.05	196,716.82	162,764.50	79,089.60	45,633.95	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	61,645.79	54,829.58	66,700.49	88,360.85	92,379.91	90,366.58	91,809.19	93,170.52	98,358.41	81,382.25	39,544.80	22,816.97	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	4.880%	4.800%	4.850%	5.050%	5.100%	5.320%	5.300%	6.000%	5.630%	5.800%	5.800%	6.070%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	4.800%	4.850%	5.050%	5.100%	5.320%	5.300%	6.000%	5.630%	5.800%	5.800%	6.070%	6.180%	
7. TOTAL (SUM LINES 5 & 6)	9.680%	9.650%	9.900%	10.150%	10.420%	10.620%	11.300%	11.630%	11.430%	11.600%	11.870%	12.250%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	4.840%	4.825%	4.950%	5.075%	5.210%	5.310%	5.650%	5.815%	5.715%	5.800%	5.935%	6.125%	
9. MONTHLY AVG INTEREST RATE	0.403%	0.402%	0.413%	0.423%	0.434%	0.443%	0.471%	0.485%	0.476%	0.483%	0.495%	0.510%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	\$248.64	\$220.46	\$275.14	\$373.69	\$401.08	\$399.87	\$432.27	\$451.49	\$468.43	\$393.35	\$195.68	\$116.46	\$3,976.47





Exhibit No. \_\_\_\_\_

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CHESAPEAKE UTILITIES CORPORATION

(BAB-1)

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Schedule CT-5

CHESAPEAKE UTILITIES CORPORATION

Reconciliation and Explanation of Differences Between Filing and PSC Audit Report for April 1999 through March 2000.

NO DIFFERENCES AS OF THE DATE OF THIS FILING

Schedule CT-6  
Page 1 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential Home Builder Program

Program Description:

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

Allowances:

Conservation allowances are currently:

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

Program Projections:

For the twelve-month period April 1999 through March 2000, we estimated that 500 homes would be connected to the system. During this period, allowances were actually paid for building 385 new homes equipped with natural gas appliances.

Program Fiscal Expenditures:

During the twelve-month period, expenditures for this program totaled \$284,955.

Program Progress Summary:

Since the programs inception, 4723 new homes have been equipped with natural gas appliances. Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new homes.

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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential Appliance Replacement Program

Program Description:

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered in the form of allowances to assist in defraying the additional cost associated with the installation of piping, venting and purchase of natural gas appliances.

Program Projections:

For the twelve-month period April 1999 through March 2000, we estimated that 19 residences would qualify for incentives during this period. In actuality, 39 residences qualified for incentives.

Program Fiscal Expenditures:

For this twelve-month period, CUC incurred program costs of \$21,299.

Program Summary:

Since inception, 51 residences have qualified for this program.

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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Residential Water Heater Retention Program

Program Description:  
This program is design to encourage the continued use of natural gas in the home and avoid costly abandonment activities by the Company. This program offers a cash incentive to both the customer and the dealer to promote the retention of the natural gas water heater.

Program Projections:  
For the twelve-month period April 1999 through March 2000, we estimated that 110 natural gas water heaters would qualify for this program. In actuality, 139 natural gas water heaters were installed.

Program Fiscal Expenditures:  
For this twelve-month period, CUC incurred program costs of \$21,938.

Program Summary:  
Since inception, 269 natural gas water heaters have been changed out and natural gas water heaters reinstalled. CUC will continue to work closely with homeowners and dealers to promote the continued used of energy efficient natural gas.

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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Conservation Education Program

Program Description:

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

Program Projections:

Over the next several months we intend to supply conservation education materials to schools in our service area.

Program Fiscal Expenditures:

Program costs totaled \$5,150 for this twelve-month period.

Programs Progress Summary:

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

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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Gas Space Conditioning Program

Program Description:

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

Program Projections:

There were no projections made for natural gas cooling during this period.

Program Fiscal Expenditures:

There were no expenditures during this period.

Program Summary:

Seven natural gas space conditioning units have been installed since this program began.

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CHESAPEAKE UTILITIES CORPORATION

(BAB-1)

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CHESAPEAKE UTILITIES CORPORATION

Program Description and Progress

Program Title:

Residential Space Conditioning Program

Program Description:

This program is designed to convert residential customers from electric space conditioning equipment to energy efficient natural gas space conditioning equipment. The program provides an allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation. The program will also help reduce the summer KW demand and will assist in the conservation of KWH production.

Program Projections:

There has been no activity in this program to date.

Program Fiscal Expenditures:

For this twelve-month period, CUC has not incurred any costs related to this program.

Program Summary:

There has been no activity in this program to date.



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CHESAPEAKE UTILITIES CORPORATION

(BAB-1)

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CHESAPEAKE UTILITIES CORPORATION

Program Description and Progress

Program Title:

Residential Propane Distribution Program

Program Description:

*This program is designed to promote the use of gas within subdivisions that are built beyond existing natural gas lines. This program is designed to provide Builders and developers a cash incentive to encourage the installation of gas appliances in newly constructed homes.*

Program Projections:

There has been no activity in this program to date.

Program Fiscal Expenditures:

For this twelve-month period, CUC has not incurred any costs related to this program.

Program Summary:

There has been no activity in this program to date.