



Public Service Commission

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RECORDS AND REPORTING

DATE: JUNE 29, 2000

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (MERTA, D. DRAPER, *MB* BRINKLEY, L. ROMIG, KUMMER, GING, C. ROMIG) DIVISION OF COMPETITIVE SERVICES (BULECZA-BANKS, MAKIN) DIVISION OF LEGAL SERVICES (C. KEATING) *WOL*

JD CW JS DM ALM

RE: DOCKET NO. 000108-GU - REQUEST FOR RATE INCREASE BY FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION.

AGENDA: 07/11/00 - REGULAR AGENDA - DECISION ON INTERIM RATE - PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF

CRITICAL DATES: 60-DAY SUSPENSION DATE: 07/14/00
8 MONTH EFFECTIVE DATE: 01/15/01

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\000108.RCM
R:\PSC\ECR\123\000108.123
R:\PSC\ECR\123\000108A.123
R:\PSC\ECR\123\000108B.123

CASE BACKGROUND

This proceeding commenced on May 15, 2000, with the filing of a petition for a permanent rate increase by the Florida Division of Chesapeake Utilities Corporation (Chesapeake or the company). Chesapeake requested an increase of \$1,826,569 in additional annual revenues. The company based its request on a 13-month average rate base of \$21,321,700 for a projected test year ending December 31, 2001. The requested overall rate of return is 8.89% based on a 12.00% return on equity.

The company also requested an interim revenue increase of \$830,330. It calculated the interim increase request using a 13-month average rate base of \$18,514,698, at a 7.86% rate of return

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FPSC-RECORDS/REPORTING

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using a 10.00% return on equity. The interim test year is the period ended December 31, 1999.

The Commission last granted Chesapeake a \$780,097 rate increase in Docket No. 891179-GU. In Order No. 23166, issued July 10, 1990, the Commission found the company's jurisdictional rate base to be \$11,635,331 for the projected test year ending June 30, 1991. The allowed rate of return was found to be 9.93% for the test year using a 13.00% return on equity.

DISCUSSION OF ISSUES

ISSUE 1: Should the request for a permanent increase in rates and charges be suspended for Chesapeake?

RECOMMENDATION: Yes. Staff recommends that the requested permanent increase in rates and charges of \$1,826,569 be suspended for Chesapeake. (MERTA)

STAFF ANALYSIS: The Florida Division of Chesapeake Utilities Corporation filed its petition and MFRs on May 15, 2000. Chesapeake requested a permanent rate increase of \$1,826,569 which would produce a 8.89% overall return on its 13-month average adjusted rate base. This overall rate of return was calculated using a 12.00% return on equity. The company also requested interim rate relief in accordance with Section 366.071, Florida Statutes. In order to allow staff time to complete its review of the company's MFRs, staff recommends that the proposed rates be suspended.

The Commission must take action to suspend the permanent rates and act on the interim request within 60 days, on or before July 14, 2000. The permanent rates will take effect January 15, 2001, absent Commission vote.

ISSUE 2: Is Chesapeake's proposed interim test year rate base of \$18,514,698 appropriate?

RECOMMENDATION: No. The appropriate interim test year rate base for Chesapeake is \$18,209,060. (MERTA, L. ROMIG, BRINKLEY, C. ROMIG)

STAFF ANALYSIS: Discussed below are staff's adjustments used to determine the recommended interim rate base of \$18,209,060. Staff reviewed the rate base adjustments made in the company's last case and in the current filing to determine if the current case was filed consistent with the findings in Order No. 23166. Staff finds the company's adjustments to be consistent with the last case except as noted below. These adjustments are shown in Attachments 1 and 1A.

Adjustment 1: Second Story Office Building - In the company's last rate case, the Commission disallowed the investment in the second floor of the company's office building because it was "not used or useful". In this case, the company made an adjustment to its interim filing and the 1999 historic test year to remove only a portion of the second floor by reducing Plant, Accumulated Depreciation, Depreciation Expense and Taxes Other by \$23,702, \$7,407, \$593, and \$512, respectively. The company has taken the position that 38% of the second floor is now used and useful, therefore, that portion should be allowed.

Staff believes that it is appropriate, for setting interim rates, to remove 100% of the second floor consistent with the Commission's decision in the company's last rate case. During the discovery phase of this case, staff will determine what portion, if any, of the second floor is used and useful in utility operations and make its recommendation to the Commission. Therefore, staff recommends that for interim purposes Plant, Accumulated Depreciation, Depreciation Expense and Taxes Other be reduced by \$14,815, \$4,628, \$369, and \$306, respectively. These amounts represent the 38% of the 1999, second floor costs which the company did not remove.

Adjustment 2: Common Plant - Consistent with the company's last rate case, the company adjusted common plant, depreciation expense, and accumulated depreciation for nonutility activities in the 1999 historic test year. However, they did not make these adjustments for interim purposes. Staff recommends that Common Plant Allocated, Accumulated Depreciation - Common Plant, and Depreciation Expense be reduced by \$87,326, \$38,988, and \$3,737, respectively.

Adjustment 3: Cash - The company has a cash management system whereby cash is transmitted to its parent corporation daily and invested in an interest bearing account. The company received \$15,554 in interest and recorded it below-the-line. In Chesapeake's last rate case, cash was included in working capital with no adjustment to revenues, however staff could not determine whether the cash was interest bearing. In prior Commission decisions, interest bearing cash was either removed from working capital or the associated interest earned was moved above-the-line and included as an increase to revenues. (See Order No. PSC-95-0518-FOF-GU, issued April 26, 1995, Docket No. 940620-GU) Therefore, based on prior Commission decisions, staff recommends that cash be included in working capital and that revenues be increased by \$15,554.

Adjustment 4: Materials and Supplies - The company did not adjust interim test year working capital for nonregulated materials and supplies. However, an adjustment of \$58,688 for materials and supplies associated with its nonregulated house piping and appliance repair operations is appropriate. Since these expenses are considered nonutility-related, and nonutility expenses were removed in the last rate case, staff recommends that Plant and Operating Materials and Supplies be reduced by \$58,688.

Adjustment 5: Unamortized Rate Case Expense - The company included \$1,099 in working capital for unamortized rate case expense, representing costs incurred for the current case. Since an adjustment was made in the last rate case to remove unamortized rate case expense, staff recommends a reduction of \$1,099 in working capital.

Adjustment 6: Customer Deposits - Refunds - The company made an adjustment to remove Customer Deposits - Refunds of \$1,231 from working capital with the apparent intention to include the adjustment as an increase to Customer Deposits in its Capital Structure. However, this \$1,231 adjustment to increase Customer Deposits was not included in its Capital Structure. This account includes customer deposits that have been unclaimed and after seven years, escheat to the State. As such, these customer deposits are noninterest-bearing. Therefore, staff believes that this account is more in the nature of a liability than interest-bearing Customer Deposits and should be included in working capital allowance. Staff recommends reversing the company's adjustment which results in the \$1,231 remaining as a reduction to working capital. In the Company's last rate case, this account was included in Customer Deposits at the authorized cost rate, which staff believes was an inaccurate, but immaterial, treatment.

Adjustment 7: Miscellaneous Current Liabilities - The company made an adjustment to remove from working capital and place in capital structure, \$46,880 for the flex rate revenue liability. The correct amount of this adjustment is \$57,184, rather than \$46,880. To correct the error, working capital should be increased by \$10,304. The corresponding capital structure flex rate revenue liability and interest rate is addressed in Issue 4. It is not evident from examination of the last rate case documentation if the company had a flex rate asset or liability or its treatment of its contents, if any.

Adjustment 8: Customer Advances for Construction - The company made an adjustment to remove customer advances from working capital but failed to include it as a deduction to plant, in the calculation of rate base. The company properly included customer advances as a deduction to plant in the 1999 base year and the projected test year. The company included customer advances as a deduction to rate base in the last rate case. Since this item is properly included in rate base as a deduction to plant, staff recommends reducing rate base by \$196,399.

ISSUE 3: Is Chesapeake's proposed interim test year net operating income of \$960,450 appropriate?

RECOMMENDATION: No. The appropriate interim test year net operating income for Chesapeake is \$1,048,947. (MERTA, L. ROMIG, BRINKLEY, C. ROMIG)

STAFF ANALYSIS: Discussed below are staff's adjustments used to determine the recommended interim test year net operating income of \$1,048,947. Staff reviewed the net operating income adjustments made in the company's last case and in the current filing to determine if the current case was filed consistent with the findings in Order No. 23166. Staff finds the company's adjustments to be consistent with the last case except as noted below. These adjustments are shown in Attachment 2.

Adjustment 9: PGA Revenues, Expenses and Taxes Other - The company included PGA revenues, expenses, and related taxes in Net Operating Income in error. Consistent with the company's last rate case, staff recommends that Operating Revenues, Gas Expenses, and Taxes Other than Income Tax be reduced by \$9,433,221, \$9,150,224, and \$282,997, respectively.

Adjustment 10: FNGA-PAC - The company contributed \$2,000 to the Florida Natural Gas Association Political Action Committee for lobbying. The company made an adjustment to remove this in the 1999 historical test year, but did not make this adjustment for interim purposes; the interim test year and the 1999 test year are the same period of time. A similar adjustment was made in the company's last rate case to remove the lobbying portion of American Gas Association (AGA) dues. Therefore, staff recommends that expenses be reduced by \$2,000.

Adjustment 11: Non-Recurring Consulting Fee - The company made an adjustment to the 1999 historical test year reducing expenses \$73,559 for consulting fees related to a Property Tax Audit, a Marketing Study and miscellaneous administrative related costs. A similar adjustment was not made for interim purposes. The interim test year and the 1999 test year are the same period. Also, an adjustment was made in the company's last rate case to remove non-recurring consulting fees. Staff recommends reducing expenses by \$73,559.

Adjustment 12: Relocation Advance - The company advanced funds to an employee for relocation expenses. The company removed this in the 1999 test year, but not for the interim test year. The interim test year and the 1999 test year are the same period. A similar

adjustment was made in the company's last rate case to remove non-recurring recruiting costs related to moving expenses, mortgage payments, and job search services. Staff recommends that Operations and Maintenance Expenses, (O&M) - Accountant Relocation Expense be reduced by \$867.

Adjustment 13: Out of Period - The company made an adjustment increasing expenses by \$11,558 in the 1999 test year for several expenses primarily related to 1998 bonuses. The company did not make the adjustment for the 1999 interim test year. The interim test year and the 1999 test year are the same period. A similar adjustment was made in the company's last rate case. Therefore, consistent with the last rate case, staff recommends that expenses be increased by \$11,558.

Adjustment 14: Nonregulated Plumbing Exam - The company made an adjustment in the 1999 test year to remove \$1,611 for non-regulated expenses associated with the state plumbing exam for house piping certification. No adjustment was made in the interim period. The interim test year and the 1999 test year are the same period. Since these expenses are considered non-utility related, and non-utility expenses were removed in the last rate case, staff recommends reducing expenses by \$1,611.

Adjustment 15: Peake Party - The company removed \$2,441 from expenses for its Peake Party in the 1999 test year, but not for the interim test year. The interim test year and the 1999 test year are the same period. Similar adjustments were made in the company's last rate case to remove Christmas party and picnic expenses. Staff recommends that O&M Expense - Peake Party be reduced by \$2,441.

Adjustment 16: Memberships and Dues - The company made an adjustment for interim purposes to remove \$560 in memberships and dues; in the 1999 historical test year it made an adjustment for \$2,304 - a difference of \$1,744. The interim test year and the 1999 test year are the same period. This discrepancy has not been adequately resolved; staff believes the adjustments should be identical. An adjustment to remove memberships and dues was made in the last rate case. Therefore, staff recommends that expenses be reduced by \$1,744.

Adjustment 17: Charitable Contributions - The company made an adjustment in the interim test year to remove \$14,850 for charitable contributions and \$25,877 in the 1999 test year - a difference of \$11,027. The interim test year and the 1999 test year are the same period. This discrepancy has not been adequately resolved. Staff believes the adjustments should be identical. An

adjustment to remove charitable contributions was made in the last rate case. Therefore, staff recommends that expenses be reduced by \$11,027.

Adjustment 18: Advertising - The company reduced operations and maintenance expense in the test year by \$18,330 for advertising expense. They reduced operations and maintenance expense in the interim test year by \$3,222, a difference of \$15,108. The interim test year and the 1999 test year are the same period. This discrepancy has not been adequately resolved. Staff believes the adjustments should be identical. An adjustment to remove promotional advertising was made in the last rate case. Staff recommends that O&M - Advertising be reduced by \$15,108.

Adjustment 19: Income Tax Expense - The company's adjusted income tax expense is \$266,720. Staff's adjusted income tax expense is \$295,008, an increase of \$28,288. Of this amount, an increase of \$43,946 is staff's adjustment for the tax effect of staff's revenue and expense adjustments. The balance, a decrease of \$15,658, represents staff's corrections to the company's income tax expense based on staff's recalculation and staff's adjustment for interest reconciliation, based on staff's recommended capital structure and cost rates.

ISSUE 4: Are Chesapeake's proposed interim return on equity of 10.00% and overall rate of return of 7.86% appropriate?

RECOMMENDATION: No. Based on staff's adjusted capital structure, the appropriate return on equity is 10.00% and the appropriate overall rate of return is 7.78% for interim purposes. (D. DRAPER)

STAFF ANALYSIS: The last rate case for Chesapeake was addressed in Order No. 23166. Consistent with the last rate case, pro rata adjustments were made over investor sources to adjust the company's per book capital structure ratios to reflect the ratios of Chesapeake Utilities Corporation. In addition, in accordance with the last rate case, staff made a specific adjustment to common equity to remove non-utility investments from the company's capital structure.

In Order No. 14965, issued October 9, 1985, the company was allowed to use a flexible gas rate for some of its customer classes. This was done to help prevent the company's larger fuel-switchable customers from leaving the system when oil prices were lower than natural gas, which would increase the remaining customer's total costs. The flex rate liability is created when the company's gas prices are flexed-up to match oil prices, which creates an amount to be refunded.

For purposes of determining interim rates, the company included a flex rate liability component in its capital structure that was not included in its last rate case. For the flex rate liability component of \$46,880, the company used an effective rate of 6.30% as the cost rate. Due to an error in the company's calculation of the flexible rate liability amount, a \$10,304 specific adjustment was made to the capital structure as a correction, resulting in the effective cost rate decreasing from 6.30% to 5.16%. Removing the flexible rate liability from the capital structure would increase the interim overall cost of capital. Staff believes leaving the flexible rate liability in the capital structure is a conservative approach that is appropriate for interim rates. Staff will conduct a further analysis of the flex rate liability in the capital structure to determine if this is the appropriate treatment.

Staff used a 6.44% cost rate for customer deposits, which is based on Commission Rule 25-7.083(5)(a), Florida Administrative Code, (F.A.C.). The company's last authorized rate of return on common equity was 11.00%, with a range from 10.00% to 12.00%. Using a 10.00% cost of equity and staff's adjusted capital structure, staff calculated an overall weighted cost of capital for the interim test year of 7.78%. A schedule of the interim capital structure is included in Attachment 3.

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DATE: June 29, 2000

ISSUE 5: Is Chesapeake's proposed interim revenue expansion factor of 1.6784 appropriate?

RECOMMENDATION: No. The appropriate interim revenue expansion factor is 1.6114. (C. ROMIG)

STAFF ANALYSIS: In its proposed revenue expansion factor, the company included 2.5% for gross receipts tax. However, following its recent rate restructuring proceeding (Docket No. 971559-GU), the company unbundled its gross receipts tax and continues to bill its customers for the gross receipts tax as a separate line item on the customers' bills. Therefore, it should be excluded from the revenue expansion factor.

Further, the company used a 35% federal income tax rate in its proposed interim revenue expansion factor. However, during the 1999 interim test year, the Florida Division of Chesapeake Utilities Corporation's federal income tax rate was 34%. Staff used the Florida Division's stand-alone rate of 34%. This treatment is consistent with the treatment afforded federal income tax expense in its last rate case. Staff's two adjustments decrease the revenue expansion factor from 1.6784 to 1.6114. These adjustments are shown in Attachment 4.

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ISSUE 6: Should Chesapeake's requested interim revenue increase of \$830,330 be granted?

RECOMMENDATION: No. After making the above adjustments, the interim revenue increase for Chesapeake should be \$591,579. (MERTA)

STAFF ANALYSIS: The company requested \$830,330 in interim revenue relief for the historical base year ended December 31, 1999. Based on the company's calculations and adjustments, this would have allowed the company to earn an overall rate of return of 7.86%. Based on the previously discussed staff adjustments, staff has determined the interim rate base is \$18,209,060, and the net operating income is \$1,048,947. Applying a 7.78% overall rate of return, the company is entitled to \$591,579 in interim relief, as shown in Attachment 5.

ISSUE 7: How should the interim revenue increase for Chesapeake be distributed among the rate classes?

RECOMMENDATION: Any interim revenue increase authorized should be applied evenly across the board to all rate classes based on their base rate revenues, as required by Rule 25-7.040, Florida Administrative Code, and should be collected on a cents-per-therm basis. The interim rates should be made effective for all meter readings made on or after thirty days from the date of the vote and decision herein. (MAKIN, GING)

STAFF ANALYSIS: As shown on Attachment 6, staff has determined the cents-per-therm increases to be applied to the rate classes based on staff's recommended interim increase. The increases were calculated using the methodology contained in Rule 25-7.040, Florida Administrative Code, which requires that any increase be applied evenly across the board to all rate classes based on their base rate revenues. Attachment 7 contains bill comparisons for each class comparing the present rates with the recommended interim increase. Although none of the interim increase was applied to the two customers who take service under approved special contracts, staff believes that these special contracts should be reviewed in the rate proceeding.

The interim rates should be made effective for all meter readings made on or after thirty days from the date of the Commission vote and decision herein. The company should be required to give appropriate notice to customers commencing with the first bill for service which reflects the increase authorized herein, explaining the nature, purpose, and effect of the increase. A copy of the notice should be submitted to the Division of Economic Regulation for approval prior to its use.

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ISSUE 8: What is the appropriate security to guarantee the amount subject to refund?

RECOMMENDATION: A corporate undertaking in the amount of \$345,088 guaranteed by Chesapeake is appropriate. Interim rates are subject to refund with interest, pending final order in the permanent rate relief request. (D. DRAPER, MERTA, MAKIN, GING)

STAFF ANALYSIS: The criteria for a corporate undertaking include sufficient liquidity, ownership equity, profitability, and interest coverage to guarantee any potential refund. The 1997, 1998 and 1999 SEC 10-K reports of Chesapeake were used to determine the financial condition of the Company. Based on the analysis of the Company's financial condition, staff recommends that Chesapeake can support a corporate undertaking in the amount of \$345,088. This is consistent with the Commission's Order in Chesapeake's last interim filing (Order No. 22475, issued January 29, 1990, in Docket No. 891179-GU) and with prior Commission practice.

ISSUE 9: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open to process the revenue increase request of the company. (C. KEATING)

STAFF ANALYSIS: This docket should remain open pending the Commission's final resolution of the company's requested rate increase.

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COMPARATIVE AVERAGE RATE BASES

ATTACHMENT 1
 29-Jun-2000
 INTERIM

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
 DOCKET NO. 000108-GU
 TYE 12/31/99

ADJ. NO.	COMPANY			STAFF	
	TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	STAFF ADJS.	STAFF ADJUSTED
	PLANT IN SERVICE				
	UTILITY PLANT	25,394,961			
1	Remove 2nd story office bldg.		(23,702)	(14,815)	
2	COMMON PLANT ALLOCATED	0	0	(87,326)	
	ACQUISITION ADJUSTMENT	670,185			
	Remove disallowed acquisition adj.		(546,776)		
	PLANT HELD FOR FUTURE USE	0			
	CONSTRUCTION WORK IN PROGRESS	927,693			
	TOTAL PLANT	26,992,839	(570,478)	26,422,361	(102,141)
	DEDUCTIONS				
	ACCUM. DEPR.- PLANT IN SERVICE	8,258,828			
1	Remove 2nd Story Office Bldg.		(7,407)	(4,628)	
	Remove Franchise & Consent		(5,078)		
	ACCUM. AMORT. - ORG.	20,446			
	ACCUM. AMORT. PCNG.	123,009			
	ACCUM. AMORT OLD APP. ACQ. ADJ.	5,543			
2	ACCUM DEPR. - COMMON PLANT	0	0	(38,988)	
	ACCUM. DEPR. - ACQUISITION ADJ.	461,266			
	Remove Disallowed Acquisition Adj.		(461,266)		
8	CUSTOMER ADVANCES FOR CONSTR.	0	0	196,399	
	TOTAL DEDUCTIONS	8,869,092	(473,751)	8,395,341	152,783
	NET UTILITY PLANT	18,123,747	(96,727)	18,027,020	(254,924)
	WORKING CAPITAL ALLOWANCE	(6,591,010)	7,078,688	487,678	(50,714)
	TOTAL RATE BASE	11,532,737	6,981,961	18,514,698	(305,638)

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COMPARATIVE WORKING CAPITAL COMPONENTS

ATTACHMENT 1A
 29-Jun-2000
 INTERIM

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
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ADJ. NO.	COMPANY AS FILED			STAFF		
	TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	STAFF ADJS.	STAFF ADJUSTED	
	WORKING CAPITAL	(6,591,010)				
	Accts. Rec. - Area Exp. Program		(470,142)			
	Accts. Rec. - Service		(93,388)			
	Receivable Assoc. Companies		5,052,965			
4	Materials and supplies			(58,688)		
	Conservation		(83,886)			
	Misc. Deferred Debits		(120,404)			
5	Unamortized rate case expense			(1,099)		
6	Customer Deposits - Refunds		1,231	(1,231)		
	Customer Deposits		627,767			
	Interest Accrued		(99,611)			
7	Misc. Current Liabilities		525,478	10,304		
	Accumulated Deferred Inc. Tax		1,370,750			
	Deferred Investment Tax Credit		346,024			
	Health Insurance Reserve		(44,290)			
	Self Insurance Reserve		(130,205)			
	Customer Advances for Construction		196,399			
	TOTALS	<u>(6,591,010)</u>	<u>7,078,688</u>	<u>487,678</u>	<u>(50,714)</u>	<u>436,964</u>

COMPARATIVE NOIs

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
 DOCKET NO. 000108-GU
 TYE 12/31/99

29-Jun-2000
 INTERIM

ADJ. NO.	COMPANY			STAFF	
	TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	STAFF ADJS.	STAFF ADJUSTED
	OPERATING REVENUES	17,293,932			
	Remove unregulated revenues		(738,010)		
3	Include interest on cash			15,554	
9	Remove PGA			(9,433,221)	
	TOTAL REVENUES	<u>17,293,932</u>	<u>(738,010)</u>	<u>16,555,922</u>	<u>(9,417,667)</u>
	OPERATING EXPENSES:				
	OPERATION & MAINTENANCE EXPENSE	13,464,238			
	Remove unregulated expenses		(361,269)		
	Remove expenses per last rate case		(34,995)		
9	Remove PGA			(9,150,244)	
10	Remove FNGA-PAC			(2,000)	
11	Remove non-recurring consulting fee			(73,559)	
12	Remove relocation advance			(867)	
13	Include out of period expenses			11,558	
14	Remove nonregulated plumbing exam fee			(1,611)	
15	Remove Peake party			(2,441)	
16	Remove additional membership & dues			(1,744)	
17	Remove additional charitable contrib.			(11,027)	
18	Remove additional advertising			(15,108)	
	TOTAL O & M EXPENSE	<u>13,464,238</u>	<u>(396,264)</u>	<u>13,067,974</u>	<u>(9,247,043)</u>

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COMPARATIVE NOIs

ATTACHMENT 2
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FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
 DOCKET NO. 000108-GU
 TYE 12/31/99

29-Jun-2000
 INTERIM

ADJ. NO.	COMPANY			STAFF	
	TOTAL PER BOOKS	COMPANY ADJS.	COMPANY ADJUSTED	STAFF ADJS.	STAFF ADJUSTED
	DEPRECIATION & AMORTIZATION	1,138,653			
2	Remove deprec. common plant			(3,737)	
	Remove amort. acquisition adj.		(33,961)		
1	Remove amort. 2nd story		(593)	(369)	
	Remove amort. of franchises & consents		(424)		
	TOTAL DEPRECIATION & AMORT.	<u>1,138,653</u>	<u>(34,978)</u>	<u>1,103,675</u>	<u>(4,106)</u>
	TAXES OTHER THAN INCOME	1,157,615			
1	Remove property tax 2nd story		(512)	(306)	
9	Remove PGA			(282,997)	
	TOTAL TAXES OTHER THAN INCOME	<u>1,157,615</u>	<u>(512)</u>	<u>1,157,103</u>	<u>(283,303)</u>
	INCOME TAX EXPENSE				
19	Federal & State	375,598		(15,658)	
	Interest synchronization		6,366		
	Remove flex revenue tax adj.		12,780		
	Tax effect of revenue & expense adj.		(128,024)	43,946	
	TOTAL INCOME TAXES	<u>375,598</u>	<u>(108,878)</u>	<u>266,720</u>	<u>28,288</u>
	TOTAL OPERATING EXPENSES	<u>16,136,104</u>	<u>(540,632)</u>	<u>15,595,472</u>	<u>(9,506,164)</u>
	NET OPERATING INCOME	<u>1,157,828</u>	<u>(197,378)</u>	<u>960,450</u>	<u>88,497</u>

Chesapeake Utilities Corporation
Interim Capital Structure for the Florida Division
Year Ending December 31, 1999
Docket No. 000108- GU
13 Month Average

ATTACHMENT 3
29-Jun-2000
INTERIM

DOCKET NO. 000108-GU
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	COMPANY ADJUSTMENTS			RATE BASE ADJUSTMENTS				COST RATE	WEIGHTED COST	
	PER BOOKS	SPECIFIC	PRO RATA	ADJUSTED PER BOOKS	SPECIFIC	PRO RATA	STAFF ADJUSTED			RATIO
COMMON EQUITY	\$11,532,736	(\$2,766,674)		8,766,062	(107,026)	(98,220)	8,560,816	47.01%	10.00%	4.70%
LONG TERM DEBT	0	5,432,487		5,432,487		(61,621)	5,370,866	29.50%	7.78%	2.29%
SHORT TERM DEBT	0	1,805,478		1,805,478		(20,480)	1,784,998	9.80%	5.56%	0.55%
FLEX RATE LIABILITY	0	46,880		46,880	10,304	(649)	56,535	0.31%	5.16%	0.02%
CUSTOMER DEPOSITS	627,767			627,767		(7,121)	620,646	3.41%	6.44%	0.22%
TAX CREDITS - ZERO COST	346,024			346,024		(3,925)	342,099	1.88%	0.00%	0.00%
DEFERRED INCOME TAX	1,370,750	119,250		1,490,000		(16,901)	1,473,099	8.09%	0.00%	0.00%
DEFERRED INC TAX - 109	(119,250)			(119,250)		1,353	(117,897)	-0.65%	0.00%	-0.00%
REG ASSET/LIAB. - 109	119,250			119,250		(1,353)	117,897	0.65%	0.00%	0.00%
	\$13,877,277	\$4,637,421	\$0	\$18,514,698	(\$96,722)	(\$208,916)	\$18,209,060	100.0%		7.78%
				EQUITY RATIO	54.77%		54.47%			

DOCKET NO. 000108-GU
 DATE: JUNE 29, 2000

NET OPERATING INCOME MULTIPLIER

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
 DOCKET NO. 000108-GU
 TYE 12/31/99

ATTACHMENT 4
 29-Jun-2000
 INTERIM

<u>DESCRIPTION</u>	<u>COMPANY PER FILING</u>	<u>STAFF</u>
REVENUE REQUIREMENT	100.0000%	100.0000%
GROSS RECEIPTS TAX RATE	2.5000%	0.0000%
REGULATORY ASSESSMENT RATE	0.5000%	0.5000%
BAD DEBT RATE	0.0000%	0.0000%
NET BEFORE INCOME TAXES	<u>97.0000%</u>	<u>99.5000%</u>
STATE INCOME TAX RATE	5.5000%	5.5000%
STATE INCOME TAX	5.3350%	5.4725%
NET BEFORE FEDERAL INCOME TAXES	<u>91.6650%</u>	<u>94.0275%</u>
FEDERAL INCOME TAX RATE	35.0000%	34.0000%
FEDERAL INCOME TAX	32.0828%	31.9694%
REVENUE EXPANSION FACTOR	<u>59.5823%</u>	<u>62.0582%</u>
NET OPERATING INCOME MULTIPLIER	<u>1.6784</u>	<u>1.6114</u>

COMPARATIVE REVENUE DEFICIENCY CALCULATIONS

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
 DOCKET NO. 000108-GU
 TYE 12/31/99

ATTACHMENT 5
 29-Jun-2000
 INTERIM

	<u>COMPANY ADJUSTED</u>	<u>STAFF</u>
RATE BASE (AVERAGE)	\$18,514,698	\$18,209,060
RATE OF RETURN	X <u>7.86%</u>	X <u>7.78%</u>
REQUIRED NOI	<u>\$1,455,255</u>	<u>\$1,416,068</u>
 Operating Revenues	 16,555,922	 7,138,255
 Operating Expenses:		
Operation & Maintenance	13,067,974	3,820,931
Depreciation & Amortization	1,103,675	1,099,569
Amortization of Environ. Costs	0	0
Taxes Other than Income Taxes	1,157,103	873,800
Income Taxes	266,720	295,008
Total Operating Expenses	15,595,472	6,089,308
 ACHIEVED NOI	 <u>960,450</u>	 <u>1,048,947</u>
 NET REVENUE DEFICIENCY	 494,805	 367,121
 Revenue Tax Factor	 1.6784	 1.6114
 TOTAL REVENUE DEFICIENCY	 <u><u>\$830,481</u></u>	 <u><u>\$591,579</u></u>

COMPANY: CHESAPEAKE UTILITIES CORPORATION
 ALLOCATION OF INTERIM INCREASE
 BASED ON 12 MONTHS ENDED: 12/31/1999

ATTACHMENT : 6(a)
 DOCKET NO. 000108-GU

(1) RATE SCHEDULE	PRESENT REVENUE				INTERIM INCREASE			
	(2) BILLS	(3) THERM SALES	(4) CUSTOMER CHARGE	(5) ENERGY CHARGE	(6) (4)+(5) TOTAL	(7) (6)X(8) \$ INCREASE	(8) (7)/(6) % INCREASE	(9) (7)/(3) INCREASE CENTS PER THERM
RESIDENTIAL	104,937	2,109,072	\$734,559	\$989,260	\$1,723,819	\$187,388	10.87	8.885
COMMERCIAL	9,598	4,576,505	\$143,970	\$1,012,094	\$1,156,064	\$125,670	10.87	2.746
COMMERCIAL LG. VOL.	296	1,577,734	\$5,920	\$272,743	\$278,663	\$30,292	10.87	1.920
INDUSTRIAL	272	6,074,056	\$10,880	\$479,182	\$490,062	\$53,272	10.87	0.877
INDUSTRIAL INTERRUPTIBLE	138	8,770,946	\$48,300	\$465,913	\$514,213	\$55,898	10.87	0.637
LARGE VOL. CONTRACT TRANS	25	N/A	N/A	N/A	N/A	N/A		N/A
INTERRUPTIBLE TRANS.	22	4,280,196	\$0	\$227,364	\$227,364	\$24,716	10.87	0.577
FIRM TRANS.	251	13,333,150	\$0	\$1,051,852	\$1,051,852	\$114,342	10.87	0.858
SPEC. CONTRACT TRANS.	35	N/A	N/A	N/A	N/A	N/A		N/A
TOTAL	115,574	40,721,659	\$943,629	\$4,498,408	\$5,442,037	\$591,579	10.87	1.453

NOTE: REVENUES ABOVE DO NOT INCLUDE FUEL

COMPANY: CHESAPEAKE UTILITIES CORPORATION

ATTACHMENT : 6(b)
DOCKET NO. 000108-GU

DOCKET NO. 000108-GU
DATE: JUNE 29, 2000

<u>RATE SCHEDULE</u>	<u>PRESENT RATE</u>	<u>INTERIM INCREASE</u>	<u>PROPOSED RATE</u>
<u>RESIDENTIAL</u>			
CUSTOMER CHARGE	\$7.00	\$0.00	\$7.00
ENERGY CHARGE (cents/therm)	46.905	8.885	55.790
<u>COMMERCIAL</u>			
CUSTOMER CHARGE	\$15.00	\$0.00	\$15.00
ENERGY CHARGE (cents/therm)	22.115	2.746	24.861
<u>COMMERCIAL LG. VOL.</u>			
CUSTOMER CHARGE	\$20.00	\$0.00	\$20.00
ENERGY CHARGE (cents/therm)	17.287	1.920	19.207
<u>INDUSTRIAL</u>			
CUSTOMER CHARGE	\$40.00	\$0.00	\$40.00
ENERGY CHARGE (cents/therm)	7.889	0.877	8.766
<u>INDUSTRIAL INTERRUPTIBLE</u>			
CUSTOMER CHARGE	\$350.00	\$0.00	\$350.00
ENERGY CHARGE (cents/therm)	5.312	0.637	5.949
<u>LARGE VOL. CONTRACT TRANS.</u>			
CUSTOMER CHARGE	N/A	N/A	N/A
ENERGY CHARGE (cents/therm)	N/A	N/A	N/A
<u>INTERRUPTIBLE TRANS.</u>			
CUSTOMER CHARGE	\$350.00	\$0.00	\$350.00
ENERGY CHARGE (cents/therm)	5.312	0.577	5.889
<u>FIRM TRANS.</u>			
CUSTOMER CHARGE	\$40.00	\$0.00	\$40.00
ENERGY CHARGE (cents/therm)	7.889	0.858	8.747
<u>SPEC. CONTRACT TRANS.</u>			
CUSTOMER CHARGE	N/A	N/A	N/A
ENERGY CHARGE (cents/therm)	N/A	N/A	N/A

DOCKET NO. 000108-GU
 DATE: JUNE 29, 2000

COST OF SERVICE SUMMARY
 COMPANY: CHESAPEAKE UTILITIES CORPORATION

ATTACHMENT : 7(a)
 DOCKET NO. 000108-GU

RATE COMPARISON

RATE SCHEDULE: RESIDENTIAL

PRESENT RATES

INTERIM RATES

Customer Charge
 \$7.00

Customer Charge
 \$7.00

Cents
per Therm
 46.905

Cents
per Therm
 55.790

Gas Cost Cents/Therm: 46.424 Therm usage Increment 10

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
10	\$11.69	\$16.33	\$12.58	\$17.22	7.6%	5.4%	\$0.89
20	\$16.38	\$25.67	\$18.16	\$27.44	10.8%	6.9%	\$1.78
30	\$21.07	\$35.00	\$23.74	\$37.66	12.6%	7.6%	\$2.67
40	\$25.76	\$44.33	\$29.32	\$47.89	13.8%	8.0%	\$3.55
50	\$30.45	\$53.66	\$34.90	\$58.11	14.6%	8.3%	\$4.44
60	\$35.14	\$63.00	\$40.47	\$68.33	15.2%	8.5%	\$5.33
70	\$39.83	\$72.33	\$46.05	\$78.55	15.6%	8.6%	\$6.22
80	\$44.52	\$81.66	\$51.63	\$88.77	16.0%	8.7%	\$7.11
90	\$49.21	\$91.00	\$57.21	\$98.99	16.2%	8.8%	\$8.00
100	\$53.91	\$100.33	\$62.79	\$109.21	16.5%	8.9%	\$8.88
110	\$58.60	\$109.66	\$68.37	\$119.44	16.7%	8.9%	\$9.77
120	\$63.29	\$118.99	\$73.95	\$129.66	16.8%	9.0%	\$10.66
130	\$67.98	\$128.33	\$79.53	\$139.88	17.0%	9.0%	\$11.55
140	\$72.67	\$137.66	\$85.11	\$150.10	17.1%	9.0%	\$12.44
150	\$77.36	\$146.99	\$90.69	\$160.32	17.2%	9.1%	\$13.33
160	\$82.05	\$156.33	\$96.26	\$170.54	17.3%	9.1%	\$14.22
170	\$86.74	\$165.66	\$101.84	\$180.76	17.4%	9.1%	\$15.10
180	\$91.43	\$174.99	\$107.42	\$190.99	17.5%	9.1%	\$15.99
190	\$96.12	\$184.33	\$113.00	\$201.21	17.6%	9.2%	\$16.88
200	\$100.81	\$193.66	\$118.58	\$211.43	17.6%	9.2%	\$17.77

COST OF SERVICE SUMMARY
 COMPANY: CHESAPEAKE UTILITIES CORPORATION

ATTACHMENT : 7(b)
 DOCKET NO. 000108-GU

RATE COMPARISON

RATE SCHEDULE: COMMERCIAL

PRESENT RATES

INTERIM RATES

Customer Charge
 \$15.00

Customer Charge
 \$15.00

Cents per Therm
 22.115

Cents per Therm
 24.861

Gas Cost Cents/Therm: 46.424 Therm usage Increment 10

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
10	\$17.21	\$21.85	\$17.49	\$22.13	1.6%	1.3%	\$0.27
20	\$19.42	\$28.71	\$19.97	\$29.26	2.8%	1.9%	\$0.55
30	\$21.63	\$35.56	\$22.46	\$36.39	3.8%	2.3%	\$0.82
40	\$23.85	\$42.42	\$24.94	\$43.51	4.6%	2.6%	\$1.10
50	\$26.06	\$49.27	\$27.43	\$50.64	5.3%	2.8%	\$1.37
60	\$28.27	\$56.12	\$29.92	\$57.77	5.8%	2.9%	\$1.65
70	\$30.48	\$62.98	\$32.40	\$64.90	6.3%	3.1%	\$1.92
80	\$32.69	\$69.83	\$34.89	\$72.03	6.7%	3.1%	\$2.20
90	\$34.90	\$76.69	\$37.37	\$79.16	7.1%	3.2%	\$2.47
100	\$37.12	\$83.54	\$39.86	\$86.29	7.4%	3.3%	\$2.75
110	\$39.33	\$90.39	\$42.35	\$93.41	7.7%	3.3%	\$3.02
120	\$41.54	\$97.25	\$44.83	\$100.54	7.9%	3.4%	\$3.30
130	\$43.75	\$104.10	\$47.32	\$107.67	8.2%	3.4%	\$3.57
140	\$45.96	\$110.95	\$49.81	\$114.80	8.4%	3.5%	\$3.84
150	\$48.17	\$117.81	\$52.29	\$121.93	8.6%	3.5%	\$4.12
160	\$50.38	\$124.66	\$54.78	\$129.06	8.7%	3.5%	\$4.39
170	\$52.60	\$131.52	\$57.26	\$136.18	8.9%	3.5%	\$4.67
180	\$54.81	\$138.37	\$59.75	\$143.31	9.0%	3.6%	\$4.94
190	\$57.02	\$145.22	\$62.24	\$150.44	9.2%	3.6%	\$5.22
200	\$59.23	\$152.08	\$64.72	\$157.57	9.3%	3.6%	\$5.49

COST OF SERVICE SUMMARY
 COMPANY: CHESAPEAKE UTILITIES CORPORATION

ATTACHMENT : 7(c)
 DOCKET NO. 000108-GU

RATE COMPARISON

RATE SCHEDULE: COMMERCIAL LG. VOL.

PRESENT RATES

INTERIM RATES

Customer Charge
 \$20.00

Customer Charge
 \$20.00

Cents
per Therm
 17.287

Cents
per Therm
 19.207

Gas Cost Cents/Therm: 46.424 Therm usage Increment 350

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
4,000	\$711.48	\$2,568.44	\$788.28	\$2,645.24	10.8%	3.0%	\$76.80
4,350	\$771.98	\$2,791.43	\$855.50	\$2,874.95	10.8%	3.0%	\$83.52
4,700	\$832.49	\$3,014.42	\$922.73	\$3,104.66	10.8%	3.0%	\$90.24
5,050	\$892.99	\$3,237.41	\$989.95	\$3,334.37	10.9%	3.0%	\$96.96
5,400	\$953.50	\$3,460.39	\$1,057.18	\$3,564.07	10.9%	3.0%	\$103.68
5,750	\$1,014.00	\$3,683.38	\$1,124.40	\$3,793.78	10.9%	3.0%	\$110.40
6,100	\$1,074.51	\$3,906.37	\$1,191.63	\$4,023.49	10.9%	3.0%	\$117.12
6,450	\$1,135.01	\$4,129.36	\$1,258.85	\$4,253.20	10.9%	3.0%	\$123.84
6,800	\$1,195.52	\$4,352.35	\$1,326.08	\$4,482.91	10.9%	3.0%	\$130.56
7,150	\$1,256.02	\$4,575.34	\$1,393.30	\$4,712.62	10.9%	3.0%	\$137.28
7,500	\$1,316.53	\$4,798.33	\$1,460.53	\$4,942.33	10.9%	3.0%	\$144.00
7,850	\$1,377.03	\$5,021.31	\$1,527.75	\$5,172.03	10.9%	3.0%	\$150.72
8,200	\$1,437.53	\$5,244.30	\$1,594.97	\$5,401.74	11.0%	3.0%	\$157.44
8,550	\$1,498.04	\$5,467.29	\$1,662.20	\$5,631.45	11.0%	3.0%	\$164.16
8,900	\$1,558.54	\$5,690.28	\$1,729.42	\$5,861.16	11.0%	3.0%	\$170.88
9,250	\$1,619.05	\$5,913.27	\$1,796.65	\$6,090.87	11.0%	3.0%	\$177.60
9,600	\$1,679.55	\$6,136.26	\$1,863.87	\$6,320.58	11.0%	3.0%	\$184.32
9,950	\$1,740.06	\$6,359.24	\$1,931.10	\$6,550.28	11.0%	3.0%	\$191.04
10,300	\$1,800.56	\$6,582.23	\$1,998.32	\$6,779.99	11.0%	3.0%	\$197.76
10,650	\$1,861.07	\$6,805.22	\$2,065.55	\$7,009.70	11.0%	3.0%	\$204.48

DOCKET NO. 000108-GU
 DATE: JUNE 29, 2000

COST OF SERVICE SUMMARY
 COMPANY: CHESAPEAKE UTILITIES CORPORATION

ATTACHMENT : 7(d)
 DOCKET NO. 000108-GU

RATE COMPARISON

RATE SCHEDULE: INDUSTRIAL

PRESENT RATES

INTERIM RATES

Customer Charge
 \$40.00

Customer Charge
 \$40.00

Cents
per Therm
 7.889

Cents
per Therm
 8.766

Gas Cost Cents/Therm: 46.424 Therm usage Increment 600

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
5,000	\$434.45	\$2,755.65	\$478.30	\$2,799.50	10.1%	1.6%	\$43.85
5,600	\$481.78	\$3,081.53	\$530.90	\$3,130.64	10.2%	1.6%	\$49.11
6,200	\$529.12	\$3,407.41	\$583.49	\$3,461.78	10.3%	1.6%	\$54.37
6,800	\$576.45	\$3,733.28	\$636.09	\$3,792.92	10.3%	1.6%	\$59.64
7,400	\$623.79	\$4,059.16	\$688.68	\$4,124.06	10.4%	1.6%	\$64.90
8,000	\$671.12	\$4,385.04	\$741.28	\$4,455.20	10.5%	1.6%	\$70.16
8,600	\$718.45	\$4,710.92	\$793.88	\$4,786.34	10.5%	1.6%	\$75.42
9,200	\$765.79	\$5,036.80	\$846.47	\$5,117.48	10.5%	1.6%	\$80.68
9,800	\$813.12	\$5,362.67	\$899.07	\$5,448.62	10.6%	1.6%	\$85.95
10,400	\$860.46	\$5,688.55	\$951.66	\$5,779.76	10.6%	1.6%	\$91.21
11,000	\$907.79	\$6,014.43	\$1,004.26	\$6,110.90	10.6%	1.6%	\$96.47
11,600	\$955.12	\$6,340.31	\$1,056.86	\$6,442.04	10.7%	1.6%	\$101.73
12,200	\$1,002.46	\$6,666.19	\$1,109.45	\$6,773.18	10.7%	1.6%	\$106.99
12,800	\$1,049.79	\$6,992.06	\$1,162.05	\$7,104.32	10.7%	1.6%	\$112.26
13,400	\$1,097.13	\$7,317.94	\$1,214.64	\$7,435.46	10.7%	1.6%	\$117.52
14,000	\$1,144.46	\$7,643.82	\$1,267.24	\$7,766.60	10.7%	1.6%	\$122.78
14,600	\$1,191.79	\$7,969.70	\$1,319.84	\$8,097.74	10.7%	1.6%	\$128.04
15,200	\$1,239.13	\$8,295.58	\$1,372.43	\$8,428.88	10.8%	1.6%	\$133.30
15,800	\$1,286.46	\$8,621.45	\$1,425.03	\$8,760.02	10.8%	1.6%	\$138.57
16,400	\$1,333.80	\$8,947.33	\$1,477.62	\$9,091.16	10.8%	1.6%	\$143.83

COST OF SERVICE SUMMARY
 COMPANY: CHESAPEAKE UTILITIES CORPORATION

ATTACHMENT : 7(e)
 DOCKET NO. 000108-GU

RATE COMPARISON

RATE SCHEDULE: INDUSTRIAL INTERRUPTIBLE

PRESENT RATES

INTERIM RATES

Customer Charge
 \$350.00

Customer Charge
 \$350.00

Cents per Therm
 5.312

Cents per Therm
 5.949

Gas Cost Cents/Therm: 46.424 Therm usage Increment 600

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
5,000	\$615.60	\$2,936.80	\$647.45	\$2,968.65	5.2%	1.1%	\$31.85
5,600	\$647.47	\$3,247.22	\$683.14	\$3,282.89	5.5%	1.1%	\$35.67
6,200	\$679.34	\$3,557.63	\$718.84	\$3,597.13	5.8%	1.1%	\$39.49
6,800	\$711.22	\$3,868.05	\$754.53	\$3,911.36	6.1%	1.1%	\$43.32
7,400	\$743.09	\$4,178.46	\$790.23	\$4,225.60	6.3%	1.1%	\$47.14
8,000	\$774.96	\$4,488.88	\$825.92	\$4,539.84	6.6%	1.1%	\$50.96
8,600	\$806.83	\$4,799.30	\$861.61	\$4,854.08	6.8%	1.1%	\$54.78
9,200	\$838.70	\$5,109.71	\$897.31	\$5,168.32	7.0%	1.1%	\$58.60
9,800	\$870.58	\$5,420.13	\$933.00	\$5,482.55	7.2%	1.2%	\$62.43
10,400	\$902.45	\$5,730.54	\$968.70	\$5,796.79	7.3%	1.2%	\$66.25
11,000	\$934.32	\$6,040.96	\$1,004.39	\$6,111.03	7.5%	1.2%	\$70.07
11,600	\$966.19	\$6,351.38	\$1,040.08	\$6,425.27	7.6%	1.2%	\$73.89
12,200	\$998.06	\$6,661.79	\$1,075.78	\$6,739.51	7.8%	1.2%	\$77.71
12,800	\$1,029.94	\$6,972.21	\$1,111.47	\$7,053.74	7.9%	1.2%	\$81.54
13,400	\$1,061.81	\$7,282.62	\$1,147.17	\$7,367.98	8.0%	1.2%	\$85.36
14,000	\$1,093.68	\$7,593.04	\$1,182.86	\$7,682.22	8.2%	1.2%	\$89.18
14,600	\$1,125.55	\$7,903.46	\$1,218.55	\$7,996.46	8.3%	1.2%	\$93.00
15,200	\$1,157.42	\$8,213.87	\$1,254.25	\$8,310.70	8.4%	1.2%	\$96.82
15,800	\$1,189.30	\$8,524.29	\$1,289.94	\$8,624.93	8.5%	1.2%	\$100.65
16,400	\$1,221.17	\$8,834.70	\$1,325.64	\$8,939.17	8.6%	1.2%	\$104.47

COST OF SERVICE SUMMARY
 COMPANY: CHESAPEAKE UTILITIES CORPORATION

ATTACHMENT : 7(f)
 DOCKET NO. 000108-GU

RATE COMPARISON

RATE SCHEDULE: INTERRUPTIBLE TRANSPORTATION

PRESENT RATES

INTERIM RATES

Customer Charge
 \$350.00

Customer Charge
 \$350.00

Cents
per Therm
 5.312

Cents
per Therm
 5.889

Gas Cost Cents/Therm: n/a Therm usage Increment 600

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
10,000	\$881.20	n/a	\$938.90	n/a	6.5%	n/a	\$57.70
10,600	\$913.07	n/a	\$974.23	n/a	6.7%	n/a	\$61.16
11,200	\$944.94	n/a	\$1,009.57	n/a	6.8%	n/a	\$64.62
11,800	\$976.82	n/a	\$1,044.90	n/a	7.0%	n/a	\$68.09
12,400	\$1,008.69	n/a	\$1,080.24	n/a	7.1%	n/a	\$71.55
13,000	\$1,040.56	n/a	\$1,115.57	n/a	7.2%	n/a	\$75.01
13,600	\$1,072.43	n/a	\$1,150.90	n/a	7.3%	n/a	\$78.47
14,200	\$1,104.30	n/a	\$1,186.24	n/a	7.4%	n/a	\$81.93
14,800	\$1,136.18	n/a	\$1,221.57	n/a	7.5%	n/a	\$85.40
15,400	\$1,168.05	n/a	\$1,256.91	n/a	7.6%	n/a	\$88.86
16,000	\$1,199.92	n/a	\$1,292.24	n/a	7.7%	n/a	\$92.32
16,600	\$1,231.79	n/a	\$1,327.57	n/a	7.8%	n/a	\$95.78
17,200	\$1,263.66	n/a	\$1,362.91	n/a	7.9%	n/a	\$99.24
17,800	\$1,295.54	n/a	\$1,398.24	n/a	7.9%	n/a	\$102.71
18,400	\$1,327.41	n/a	\$1,433.58	n/a	8.0%	n/a	\$106.17
19,000	\$1,359.28	n/a	\$1,468.91	n/a	8.1%	n/a	\$109.63
19,600	\$1,391.15	n/a	\$1,504.24	n/a	8.1%	n/a	\$113.09
20,200	\$1,423.02	n/a	\$1,539.58	n/a	8.2%	n/a	\$116.55
20,800	\$1,454.90	n/a	\$1,574.91	n/a	8.2%	n/a	\$120.02
21,400	\$1,486.77	n/a	\$1,610.25	n/a	8.3%	n/a	\$123.48

COST OF SERVICE SUMMARY
 COMPANY: CHESAPEAKE UTILITIES CORPORATION

ATTACHMENT : 7(g)
 DOCKET NO. 000108-GU

RATE COMPARISON

RATE SCHEDULE: FIRM TRANSPORTATION

PRESENT RATES

INTERIM RATES

Customer Charge
 \$40.00

Customer Charge
 \$40.00

Cents
per Therm
 7.889

Cents
per Therm
 8.747

Gas Cost Cents/Therm: n/a Therm usage Increment 600

Therm Usage	Present Monthly Bill w/o Fuel	Present Monthly Bill with Fuel	Proposed Monthly Bill w/o Fuel	Proposed Monthly Bill with Fuel	Percent Increase w/o Fuel	Percent Increase with Fuel	Dollar Increase
10,000	\$828.90	n/a	\$914.70	n/a	10.4%	n/a	\$85.80
10,600	\$876.23	n/a	\$967.18	n/a	10.4%	n/a	\$90.95
11,200	\$923.57	n/a	\$1,019.66	n/a	10.4%	n/a	\$96.10
11,800	\$970.90	n/a	\$1,072.15	n/a	10.4%	n/a	\$101.24
12,400	\$1,018.24	n/a	\$1,124.63	n/a	10.4%	n/a	\$106.39
13,000	\$1,065.57	n/a	\$1,177.11	n/a	10.5%	n/a	\$111.54
13,600	\$1,112.90	n/a	\$1,229.59	n/a	10.5%	n/a	\$116.69
14,200	\$1,160.24	n/a	\$1,282.07	n/a	10.5%	n/a	\$121.84
14,800	\$1,207.57	n/a	\$1,334.56	n/a	10.5%	n/a	\$126.98
15,400	\$1,254.91	n/a	\$1,387.04	n/a	10.5%	n/a	\$132.13
16,000	\$1,302.24	n/a	\$1,439.52	n/a	10.5%	n/a	\$137.28
16,600	\$1,349.57	n/a	\$1,492.00	n/a	10.6%	n/a	\$142.43
17,200	\$1,396.91	n/a	\$1,544.48	n/a	10.6%	n/a	\$147.58
17,800	\$1,444.24	n/a	\$1,596.97	n/a	10.6%	n/a	\$152.72
18,400	\$1,491.58	n/a	\$1,649.45	n/a	10.6%	n/a	\$157.87
19,000	\$1,538.91	n/a	\$1,701.93	n/a	10.6%	n/a	\$163.02
19,600	\$1,586.24	n/a	\$1,754.41	n/a	10.6%	n/a	\$168.17
20,200	\$1,633.58	n/a	\$1,806.89	n/a	10.6%	n/a	\$173.32
20,800	\$1,680.91	n/a	\$1,859.38	n/a	10.6%	n/a	\$178.46
21,400	\$1,728.25	n/a	\$1,911.86	n/a	10.6%	n/a	\$183.61