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COMMISSION
CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased Gas Adjustment)
(PGA) True-up)

DOCKET NO. 010003-GU

DIRECT TESTIMONY OF JAMES A. WILLIAMS

On Behalf of Florida Division
Chesapeake Utilities Corporation

- APP _____
- CAF _____
- CMP _____
- COM 570g
- CTR _____
- ECR _____
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- OPC _____
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- SEC 1
- SER _____
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FPSC-COMMISSION CLERK

1 Q. Please state your name, occupation, and business address.

2 A. My name is James A. Williams. I am the Finance Manager of the Florida
3 Division of Chesapeake Utilities Corporation. My business address is 1015 6th
4 Street, N. W., Winter Haven, Florida 33881.

5 Q. Describe briefly your educational background and relevant professional
6 background.

7 A. I have a Bachelor of Science Degree in Parks & Recreation from West Virginia
8 University, Morgantown, West Virginia, with additional course work in business
9 law, accounting, and management. I am also a licensed Certified Public
10 Accountant in West Virginia but am inactive at this time. I was first employed
11 by Chesapeake Utilities Corporation in April of 1999 as an Accounting and
12 Rates Manager.

13 Q. What is the purpose of your testimony?

14 A. The purposes of my testimony are to discuss the final Purchased Gas Adjustment
15 (PGA) True-Up for January 2000 to December 2000 and to discuss the Florida
16 Division's calculation of its levelized purchased gas cost factor for the twelve-
17 month period January 2002 through December 2002.

18 Exhibits

19 Q. Would you please identify the Exhibit that you are sponsoring with this
20 testimony?

21 A. As Composite Exhibit JAW-2, I am sponsoring the following schedules with
22 respect to the January 2002 through December 2002 levelized purchased gas cost
23 factor projection.

24 E-1 - PGA Calculation, Original Estimate for the Projected Period
25 January 2002 - December 2002. (Total Company)

1 E-1/R - PGA Calculation, Revised Estimate for the Period January 2001
2 – December 2001 (Total Company)
3 E-2 - Calculation of True-up Amount for the Current Period January
4 2001 - December 2001
5 E-3 – Sales Gas Purchases for the Projected Period January 2002 –
6 December 2002
7 E-4 - Calculation of True-up Amount, Projected Period January 2002 –
8 December 2002
9 E-5 - Therm Sales and Customer Data for the Projected Period January
10 2002 – December 2002
11 Q. Were these schedules prepared under your direction and supervision?
12 A. Yes, they were.
13 Final True-Up January 2000 – December 2000
14 Q. What were total therm sales subject to the PGA for the period January 2000
15 through December 2000?
16 A. Total therm sales subject to the PGA were 20,819,515 therms.
17 Q. What were total therm purchases subject to the PGA for the period January
18 2000 through December 2000?
19 A. Total therm purchases subject to the PGA were 22,619,517 therms.
20 Q. What was the cost of gas to be recovered through the PGA for the period
21 January 2000 through December 2000?
22 A. The cost of gas purchased for the period to be recovered through the PGA
23 was \$11,897,262.
24 Q. What was the amount of gas revenue collected through the PGA for the
25 period January 2000 through December 2000?

- 1 A. The amount of gas revenue collected through the PGA was \$9,693,178.
- 2 Q. What is the total true-up provision for the period January 2000 through
3 December 2000?
- 4 A. The total true-up provision, including interest, is an underrecovery of
5 \$2,254,634 for the period.
- 6 Q. What is the amount of estimated true-up included for January 2000 through
7 December 2000 in the January 2001 through December 2001 PGA factor
8 calculation?
- 9 A. The amount of estimated true-up for the period January 2000 through
10 December 2000 included in the January 2001 through December 2001 PGA
11 factor calculation was an underrecovery of \$890,959.
- 12 Q. What is the final over/underrecovery for the January 2000 through December
13 2000 period to be included in the January 2001 through December 2001
14 projection?
- 15 A. The final underrecovery for the January 2000 through December 2000 period
16 to be included in the January 2001 through December 2001 projection is
17 \$1,363,675.
- 18 Revised Estimate January 2001 - December 2001
- 19 Q. What is the revised estimate of total purchased gas costs to be recovered through
20 the PGA for the period January 2001 - December 2001?
- 21 A. The revised projection of purchased gas costs to be recovered through the PGA
22 for the current period is \$8,505,691.
- 23 Q. What is the revised projection of gas revenue to be collected through the PGA
24 for the current period?
- 25 A. As shown on Schedule E-2, the Company estimates the total gas revenue to be

1 collected through the PGA during the period to be \$8,412,653. This amount
2 includes a collection of prior period undercollections in the amount of \$917,676.
3 Therefore, the revenue collected to cover the current period's gas cost is
4 estimated to be \$7,494,977.

5 Q. Has the PGA True-Up for the current period been adjusted for revenue collected
6 during the January 2001 through December 2001 period under the PGA
7 Transition Cost Recovery mechanism approved in Florida Public Service
8 Commission Order No. PSC-01-0304-TRF-GU (February 5, 2001)?

9 A. Yes, the current period True-up has been adjusted in the amount of \$950,604 to
10 reflect the PGA Transition Cost Recovery estimated to be collected during the
11 current period of January 2001 through December 2001.

12 Q. What is the revised true-up amount, including interest, estimated for the January
13 2001 – December 2001 period?

14 A. The Company estimates the revised true-up, including interest, and net of a PGA
15 Audit adjustment of \$7,221 and the Transition Cost Recovery collection of
16 \$950,604, to be an undercollection of \$156,863.

17 January 2002 – December 2002 Projection

18 Q. How did you develop your projection of the Florida Division's cost of gas for
19 the January 2002 – December 2002 period?

20 A. Our first step was to estimate our supply requirements for each of the twelve
21 months in the period. Our projected supply requirements are based on our
22 projected sales for each month. Once we develop our supply requirements, we
23 can then determine how these requirements will be met. In other words, we
24 match our estimated requirements with the gas supply that is available to us. All
25 of our gas requirements will be met utilizing our "FTS" (firm transportation

1 service) contract entitlement for the projected period of January 2002 –
2 December 2002.

3 Q. Please describe the general steps for the mechanics of projecting the total cost of
4 gas to be recovered through the PGA for the January 2002 – December 2002
5 period.

6 A. As shown on Schedule E-1 (Total Company) lines 1 - 11, the total cost of gas
7 consists of the cost of no-notice transportation service (NNTS) on FGT, the
8 demand and commodity costs of firm transportation service (FTS) on FGT, and
9 the commodity cost of gas estimated to be paid to our suppliers during the
10 period.

11 The demand component of “NNTS” and “FTS” services (lines 2 and 5) is
12 based on the Florida Division’s contract levels with FGT and an estimation of
13 FGT’s demand rates for these two services. The demand rates utilized for
14 NNTS, FTS-1, and FTS-2 service for the period are the current rates in effect.
15 During the period of January 2002 – December 2002, our “FTS” contract
16 entitlement exceeds our monthly gas requirements. Therefore, we will be paying
17 demand charges in excess of the volumes actually transported for system supply.
18 Whenever possible, the Florida Division will relinquish excess capacity in order
19 to lower its gas cost to its ratepayers.

20 The commodity portions of transportation system supply are shown on
21 Schedule E-1, lines 1 and 4. The commodity pipeline amount (line 1) is based
22 on FGT’s “FTS” commodity rate multiplied by the number of therms transported
23 for system supply. The commodity rate utilized for the period is the weighted
24 average of the current rate in effect.

25 The commodity other (line 4) is based on data shown on Schedule E-3,

1 which details our projected direct supplier and/or producer purchases for the
2 twelve-month period. We projected the “FTS” commodity cost on line 4 using
3 a combination of analyses. We analyzed the 2000 and 2001 monthly prices of
4 natural gas delivered to FGT by zone as reported in Inside FERC Gas Market
5 Report. We also reviewed the recent NYMEX postings for the period October
6 2001 through December 2002. We developed our monthly index price of gas
7 using the above data and allowing for seasonal trends and current market
8 pricing. To this average, we added our suppliers’ estimated margin and
9 compressor fuel.

10 Q. How did you project total firm sales?

11 .A. Firm sales were projected based on historical data in each firm rate class. These
12 projected therm sales are found on Schedule E-1, line 27.

13 Q. Based on the projected total cost of gas and projected sales, what is the system-
14 wide average cost per therm for the twelve-month period ended December 2002?

15 A. This figure is shown on Schedule E-1 (Total Company), line 40, and is 79.088
16 cents per therm. To arrive at the total PGA factor, the 79.088 cents per therm is
17 adjusted for the estimated total true-up through December 2001 (shown on
18 Schedule E-4) and for revenue-related taxes.

19 Q. What is the system-wide projected PGA factor for the period January 2002 –
20 December 2002?

21 A. The projected system-wide PGA factor for the period is 79.088 cents per therm.

22 Q. The estimated total true-up for the twelve months ended December 2001 as
23 calculated on Schedule E-4 is included in the projected PGA factor for the
24 period January 2002 - December 2002. Please explain how it was calculated.

25 A. The final true-up amount for the period January 2000 – December 2000 is added

1 to the estimated end of period net true-up for January 2001 - December 2001.
2 The January 2001 - December 2001 estimated true-up is based on seven months'
3 actual data plus five months' projected data.

4 Q. What is the impact of the total true-up as of December 31, 2001 on the projected
5 PGA factor for the January 2002 - December 2002 period?

6 A. The projected true-up as of December 31, 2001 is an underrecovery of
7 \$1,520,538 (Schedule E-4). Dividing the underrecovery by the January 2002 –
8 December 2002 projected therm sales of 7,192,760 results in a recovery of
9 21.140 cents per therm to be included in the proposed PGA factor.

10 Q. What is the maximum levelized purchased gas factor (cap) that you are
11 proposing for the January 2002 – December 2002 period?

12 A. The maximum levelized purchased gas factor (cap) that we are proposing for the
13 period is 109.142 cents per therm. This factor represents the projected firm
14 “winter” average cost of gas, plus the true-up and taxes. Since the Company
15 historically has experienced higher gas costs during the winter months, the
16 Company has calculated a firm “winter” average cost of gas for the months of
17 January 2002 through March 2002 and October 2002 through December 2002
18 for the purposes of establishing the maximum levelized purchased gas cost
19 factor (cap). This methodology will allow us to minimize large underrecoveries
20 during the winter months, but allow us to flex downward in the summer months
21 in order to match current market conditions and manage overrecoveries as well.

22 Q. Does this conclude your testimony?

23 A. Yes, it does.

Docket# 010003-GU

CHESAPEAKE UTILITIES CORPORATION

FLORIDA DIVISION

JANUARY 2002 THROUGH DECEMBER 2002

PURCHASED GAS PROJECTION FILING

EXHIBIT JAW-2

COMPANY: CHESAPEAKE UTILITIES CORPORATION
 TOTAL COMPANY
 ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

PURCHASED GAS ADJUSTMENT
 COST RECOVERY CLAUSE CALCULATION
 JAN 2002 Through DEC 2002

SCHEDULE E-1
 EXHIBIT NO. _____
 DOCKET NO. 010003-GU
 CHESAPEAKE UTILITIES CORP.
 JAW-2

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	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION	TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
COST OF GAS PURCHASED													
1 COMMODITY (Pipeline)	2,845	2,155	1,723	1,595	746	534	702	777	796	1,087	1,231	1,333	15,524
2 NO NOTICE SERVICE	5,103	3,833	1,829	1,770	1,829	1,770	1,829	1,829	1,770	1,829	1,770	3,043	28,004
3 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
4 COMMODITY (Other)	572,493	422,710	332,043	303,355	278,418	204,355	215,400	173,958	175,426	183,112	231,995	274,931	3,368,194
5 DEMAND	252,414	229,737	252,776	242,030	107,772	103,770	113,518	131,497	130,797	207,291	260,971	244,306	2,276,880
6 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT													
7 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
8 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0	0	0
11 TOTAL COST	(1+2+3+4+5+6)-(7+8+9+10)	832,855	658,235	588,370	548,751	388,764	310,429	331,449	308,060	308,789	393,319	495,987	5,688,602
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
13 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
14 TOTAL THERM SALES	959,566	784,946	715,081	675,462	515,476	437,140	458,160	434,772	435,501	520,031	622,679	650,325	7,209,140
THERMS PURCHASED													
15 COMMODITY (Pipeline)	1,170,921	883,084	708,849	662,094	621,572	456,226	480,883	388,364	382,879	390,910	484,661	562,317	7,192,760
16 NO NOTICE SERVICE	884,900	615,720	310,000	300,000	310,000	300,000	310,000	310,000	300,000	310,000	300,000	515,840	4,746,480
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY (Other)	1,170,921	883,084	708,849	662,094	621,572	456,226	480,883	388,364	382,879	390,910	484,661	562,317	7,192,760
19 DEMAND	4,058,224	3,712,575	4,067,955	3,867,013	1,178,916	1,126,750	1,333,509	1,817,199	1,853,866	3,856,333	4,376,586	3,840,096	35,089,042
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0
LESS END-USE CONTRACT													
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (+17+18+20)-(21+23)	1,170,921	883,084	708,849	662,094	621,572	456,226	480,883	388,364	382,879	390,910	484,661	562,317	7,192,760
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
27 TOTAL THERM SALES	1,170,921	883,084	708,849	662,094	621,572	456,226	480,883	388,364	382,879	390,910	484,661	562,317	7,192,760
CENTS PER THERM													
28 COMMODITY (Pipeline)	(1/15)	0.243	0.243	0.241	0.120	0.117	0.146	0.200	0.208	0.278	0.254	0.237	0.216
29 NO NOTICE SERVICE	(2/16)	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590
30 SWING SERVICE	(3/17)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31 COMMODITY (Other)	(4/18)	48.893	47.868	46.843	45.818	44.793	44.793	44.793	45.818	46.843	47.868	48.893	46.828
32 DEMAND	(5/19)	6.220	6.188	6.214	6.259	9.142	9.210	8.513	7.236	7.055	5.375	5.983	6.489
33 OTHER	(6/20)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
LESS END-USE CONTRACT													
34 COMMODITY (Pipeline)	(7/21)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35 DEMAND	(8/22)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
36	(9/23)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
37 TOTAL COST	(11/24)	71.128	74.538	83.004	82.881	62.545	68.043	68.925	79.323	80.649	100.616	102.333	93.117
38 NET UNBILLED	(12/25)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
39 COMPANY USE	(13/26)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40 TOTAL THERM SALES	(11/27)	71.128	74.538	83.004	82.881	62.545	68.043	68.925	79.323	80.649	100.616	102.333	93.117
41 TRUE-UP	(E-2)	21.140	21.140	21.140	21.140	21.140	21.140	21.140	21.140	21.140	21.140	21.140	21.140
42 TOTAL COST OF GAS	(40+41)	92.268	95.678	104.144	104.021	83.685	89.183	90.065	100.463	101.789	121.756	123.473	114.257
43 REVENUE TAX FACTOR		1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030
44 PGA FACTOR ADJUSTED FOR TAXES	(42x43)	92.732	98.159	104.867	104.544	84.108	89.631	90.518	100.968	102.301	122.369	124.094	114.832
45 PGA FACTOR ROUNDED TO NEAREST 001		92.732	98.159	104.867	104.544	84.108	89.631	90.518	100.968	102.301	122.369	124.094	114.832
													SUMMER AVG
													96.345
													WINTER AVG
													109.142

COMPANY: CHESAPEAKE UTILITIES CORPORATION
 TOTAL COMPANY
 ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

PURCHASED GAS ADJUSTMENT
 COST RECOVERY CLAUSE CALCULATION
 JAN 2001 Through DEC 2001

SCHEDULE E-1R
 EXHIBIT NO. _____
 DOCKET NO. 010003-GU
 CHESAPEAKE UTILITIES CORP.
 JAW-2
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	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION	TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
COST OF GAS PURCHASED														
1 COMMODITY (Pipeline)	6,872	5,434	4,994	2,453	2,381	1,248	404	3,313	3,585	3,277	2,898	3,684	40,543	
2 NO NOTICE SERVICE	5,103	3,633	1,829	1,770	1,829	1,770	1,829	1,829	1,770	1,829	1,770	3,043	28,004	
3 SWING SERVICE	259,384	(36,312)	0	0	0	0	0	37,596	0	0	0	0	258,668	
4 COMMODITY (Other)	2,348,488	1,017,290	692,482	656,798	376,669	118,277	123,101	197,885	188,928	192,760	233,019	261,488	6,405,185	
5 DEMAND	222,585	197,032	210,008	179,400	91,814	101,934	96,294	114,150	149,708	136,879	121,046	153,840	1,774,690	
6 OTHER	(300)	(600)	(300)	(200)	0	0	0	0	0	0	0	0	(1,400)	
LESS END-USE CONTRACT														
7 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	2,842,132	1,184,477	909,013	840,221	472,693	221,229	221,628	354,773	343,991	334,745	358,734	422,055	8,505,691	
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 TOTAL THERM SALES	1,482,218	1,372,551	1,172,944	885,269	786,696	435,950	374,009	290,817	347,628	354,678	428,755	481,138	8,412,653	
THERMS PURCHASED														
15 COMMODITY (Pipeline) BILLING DETERMINANTS ONLY	2,075,190	2,152,530	1,517,150	1,112,900	1,299,380	718,100	348,490	714,920	503,808	514,026	621,384	697,302	12,275,180	
16 NO NOTICE SERVICE BILLING DETERMINANTS ONLY	864,900	617,520	310,000	300,000	310,000	300,000	310,000	310,000	300,000	310,000	300,000	515,840	4,748,280	
17 SWING SERVICE COMMODITY	126,440	0	0	0	0	0	0	68,190	0	0	0	0	194,630	
18 COMMODITY (Other) COMMODITY	2,299,959	1,724,266	1,378,014	1,234,504	578,673	295,239	316,768	742,800	503,808	514,026	621,384	697,302	10,906,743	
19 DEMAND BILLING DETERMINANTS ONLY	3,692,070	3,533,020	3,491,240	2,590,050	1,257,360	1,510,500	1,308,840	1,789,940	4,027,668	3,682,500	3,256,560	4,138,825	34,278,573	
20 OTHER	0	0	0	0	0	0	0	0	0	0	0	0	0	
LESS END-USE CONTRACT														
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 TOTAL PURCHASES (+17+18+20)-(21+23)	2,426,399	1,724,266	1,378,014	1,234,504	578,673	295,239	316,768	810,990	503,808	514,026	621,384	697,302	11,101,373	
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0	
27 TOTAL THERM SALES	1,993,354	1,243,636	964,600	728,023	646,959	461,201	422,346	423,592	503,808	514,026	621,384	697,302	9,220,231	
CENTS PER THERM														
28 COMMODITY (Pipeline) (1/15)	0.331	0.252	0.329	0.220	0.183	0.174	0.116	0.463	0.712	0.638	0.456	0.528	0.330	
29 NO NOTICE SERVICE (2/16)	0.590	0.588	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	0.590	
30 SWING SERVICE (3/17)	205.144	0.000	0.000	0.000	0.000	0.000	0.000	55.134	0.000	0.000	0.000	0.000	132.902	
31 COMMODITY (Other) (4/18)	102.110	58.998	50.252	53.203	65.092	39.384	38.862	5.061	37.500	37.500	37.500	37.500	58.727	
32 DEMAND (5/19)	6.029	5.577	6.015	6.927	7.302	6.748	7.357	11.055	3.717	3.717	3.717	3.717	5.177	
33 OTHER (6/20)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
LESS END-USE CONTRACT														
34 COMMODITY Pipeline (7/21)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
35 DEMAND (8/22)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
36	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
37 TOTAL COST (11/24)	117.134	68.695	65.965	68.061	81.686	74.932	69.965	43.746	68.278	65.122	57.731	60.527	76.618	
38 NET UNBILLED (12/25)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
39 COMPANY USE (13/26)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
40 TOTAL THERM SALES (11/27)	142.580	95.243	94.237	115.411	73.064	47.968	52.475	83.753	68.278	65.122	57.731	60.527	92.250	
41 TRUE-UP (E-2)	4.803	4.803	4.803	4.803	4.803	4.803	4.803	4.803	4.803	4.803	4.803	4.803	4.803	
42 TOTAL COST OF GAS (40+41)	147.383	100.046	99.040	120.214	77.867	52.771	57.278	88.556	73.081	69.925	62.534	65.330	97.053	
43 REVENUE TAX FACTOR	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	1.005030	
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	148.125	100.549	99.538	120.819	78.258	53.036	57.567	89.002	73.449	70.277	62.849	65.659	97.541	
45 PGA FACTOR ROUNDED TO NEAREST 001	148.125	100.549	99.538	120.819	78.258	53.036	57.567	89.002	73.449	70.277	62.849	65.659	97.541	
											SUMMER AVG		78.689	
											WINTER AVG		91.186	

COMPANY: CHESAPEAKE UTILITIES CORP.

CALCULATION OF TRUE-UP AMOUNT

SCHEDULE E-2
 EXHIBIT NO _____
 DOCKET NO. 010003-GU
 CHESAPEAKE UTILITIES CORP.
 JAW-2
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FOR THE CURRENT PERIOD:

JAN 2001 Through DEC 2001

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION	TOTAL PERIOD
	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC		
TRUE-UP CALCULATION														
1 PURCHASED GAS COST	2,607,572	978,378	692,182	656,598	376,669	116,277	123,101	235,481	188,928	192,760	233,019	261,488	6,662,453	
2 TRANSPORTATION COST	234,560	206,099	216,831	183,623	96,024	104,952	98,527	119,292	155,063	141,985	125,715	160,567	1,843,238	
3 TOTAL	2,842,132	1,184,477	909,013	840,221	472,693	221,229	221,628	354,773	343,991	334,745	358,734	422,055	8,505,691	
4 FUEL REVENUES (NET OF REVENUE TAX)	1,482,218	1,372,551	1,172,944	865,269	786,696	435,950	374,009	290,817	347,628	354,678	428,755	481,138	8,412,653	
5 TRUE-UP COLLECTED OR (REFUNDED)	(76,473)	(76,473)	(76,473)	(76,473)	(76,473)	(76,473)	(76,473)	(76,473)	(76,473)	(76,473)	(76,473)	(76,473)	(917,676)	
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	1,405,745	1,296,078	1,096,471	808,796	710,223	359,477	297,536	214,344	271,155	278,205	352,282	404,665	7,494,977	
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(1,436,387)	111,601	187,458	(31,425)	237,530	138,248	75,908	(140,429)	(72,837)	(66,540)	(6,452)	(17,390)	(1,010,714)	
8 INTEREST PROVISION-THIS PERIOD (21)	(14,637)	(17,158)	(13,273)	(11,322)	(9,104)	(7,274)	(6,153)	(5,455)	(5,232)	(5,068)	(4,808)	(4,491)	(103,974)	
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(2,235,218)	(3,511,349)	(3,270,472)	(2,922,514)	(2,786,285)	(2,362,748)	(2,045,035)	(1,793,904)	(1,811,126)	(1,762,722)	(1,697,857)	(1,582,644)	(2,235,218)	
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	76,473	76,473	76,473	76,473	76,473	76,473	76,473	76,473	76,473	76,473	76,473	76,473	917,676	
10a FLEX RATE REFUND (if applicable)	98,420	66,386	97,300	102,503	118,638	110,266	104,902	52,189	50,000	50,000	50,000	50,000	950,604	
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(3,511,349)	(3,274,046)	(2,922,514)	(2,786,285)	(2,362,748)	(2,045,035)	(1,793,904)	(1,811,126)	(1,762,722)	(1,697,857)	(1,582,644)	(1,478,052)	(1,481,626)	
INTEREST PROVISION														
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(2,235,218)	(3,511,349)	(3,270,472)	(2,922,514)	(2,786,285)	(2,362,748)	(2,045,035)	(1,793,904)	(1,811,126)	(1,762,722)	(1,697,857)	(1,582,644)	(2,235,218)	
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(3,595,132)	(3,323,275)	(3,006,541)	(2,877,466)	(2,472,282)	(2,148,027)	(1,892,654)	(1,857,860)	(1,807,490)	(1,742,799)	(1,627,836)	(1,523,561)	(2,328,256)	
14 TOTAL (12+13)	(5,830,350)	(6,834,623)	(6,277,013)	(5,799,981)	(5,258,568)	(4,510,775)	(3,937,689)	(3,651,765)	(3,618,616)	(3,505,510)	(3,325,692)	(3,106,205)	(4,563,474)	
15 AVERAGE (50% OF 14)	(2,915,175)	(3,417,312)	(3,138,507)	(2,899,990)	(2,629,284)	(2,255,388)	(1,968,844)	(1,825,882)	(1,809,308)	(1,752,755)	(1,662,846)	(1,553,102)	(2,281,737)	
16 INTEREST RATE - FIRST DAY OF MONTH	6.500%	6.500%	5.150%	5.000%	4.370%	3.940%	3.940%	3.800%	3.700%	3.700%	3.470%	3.470%	3.470%	
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.550%	5.550%	5.000%	4.370%	3.940%	3.800%	3.700%	3.470%	3.470%	3.470%	3.470%	3.470%	3.470%	
18 TOTAL (16+17)	12.050%	12.050%	10.150%	9.370%	8.310%	7.740%	7.500%	7.170%	6.940%	6.940%	6.940%	6.940%	6.940%	
19 AVERAGE (50% OF 18)	6.025%	6.025%	5.075%	4.685%	4.155%	3.870%	3.750%	3.585%	3.470%	3.470%	3.470%	3.470%	3.470%	
20 MONTHLY AVERAGE (19/12 Months)	0.502%	0.502%	0.423%	0.390%	0.346%	0.323%	0.313%	0.299%	0.289%	0.289%	0.289%	0.289%	0.289%	
21 INTEREST PROVISION (15x20)	(14,637)	(17,158)	(13,273)	(11,322)	(9,104)	(7,274)	(6,153)	(5,455)	(5,232)	(5,068)	(4,808)	(4,491)		

COMPANY: CHESAPEAKE UTILITIES CORP.

TRANSPORTATION PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3
EXHIBIT NO. _____
DOCKET NO. 010003-GU
CHESAPEAKE UTILITIES CORP.
JAW-2
PAGE 4 OF 6

ESTIMATED FOR THE PROJECTED PERIOD OF:

JAN 2002 Through DEC 2002

MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	TOTAL PURCHASED	COMMODITY COST		AVG DEMAND COST	OTHER CHARGES ACA/GRI/FUEL	CENTS PER THERM
							THIRD PARTY	AVG PIPELINE			
JANUARY	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	1,170,921	0	1,170,921	572,493	2,845	252,414		70.692
FEBRUARY	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	883,084	0	883,084	422,710	2,155	229,737		74.127
MARCH	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	708,849	0	708,849	332,043	1,723	252,776		82.746
APRIL	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	662,094	0	662,094	303,355	1,596	242,030		82.614
MAY	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	621,572	0	621,572	278,418	746	107,772		62.251
JUNE	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	456,226	0	456,226	204,355	534	103,770		67.655
JULY	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	480,883	0	480,883	215,400	702	113,518		68.545
AUGUST	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	388,364	0	388,364	173,958	777	131,497		78.852
SEPTEMBER	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	382,879	0	382,879	175,426	796	130,797		80.187
OCTOBER	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	390,910	0	390,910	183,112	1,087	207,291		100.148
NOVEMBER	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	484,661	0	484,661	231,995	1,231	260,971		101.968
DECEMBER	VARIOUS	SYSTEM SUPPLY	FTS-1, 2	562,317	0	562,317	274,931	1,333	244,306		92.576
TOTAL				7,192,760	0	7,192,760	3,368,194	15,524	2,276,880	0 (1)	78.699
(1) COST INCLUDED IN PIPELINE COMMODITY											

COMPANY: CHESAPEAKE UTILITIES CORP

CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD

SCHEDULE E-4
EXHIBIT NO. _____
DOCKET NO. 010003-GU
CHESAPEAKE UTILITIES CORP.
JAW-2
PAGE 5 OF 6

ESTIMATED FOR THE PROJECTED PERIOD:

JAN 2002 Through DEC 2002

	PRIOR PERIOD: JAN 00 - DEC 00			CURRENT PERIOD: JAN 01- DEC 01	
	(1) SEVEN MONTHS ACTUAL PLUS FIVE MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) SEVEN MONTHS ACTUAL PLUS FIVE MONTHS REVISED ESTIMATE	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$ GAS REVENUES	10,723,409	9,693,178	(1,030,231)	7,494,977	6,464,746
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	(856,356)	(2,204,084)	(1,347,728)	(1,010,714)	(2,358,442)
3 INTEREST PROVISION FOR THIS PERIOD	(41,824)	(50,550)	(8,726)	(103,974)	(112,700)
3A ADJUSTMENT FOR PGA AUDIT 6-18-99	7,221	0	(7,221)	7,221	0
3B Transition Cost Recovery	0	0	0	950,604	950,604
Per Order # PSC-01-0304-TRF-GU					
4 END OF PERIOD TOTAL NET TRUE-UP	(890,959)	(2,254,634)	(1,363,675)	(156,863)	(1,520,538)

+ = OVERRECOVERY
(-) = UNDERRECOVERY

NOTE: EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

COLUMN (1) DATA OBTAINED FROM SCHEDULE (E-2)
 COLUMN (2) DATA OBTAINED FROM SCHEDULE (A-2)
 LINE 4 COLUMN (3) SAME AS LINE 7 SCHEDULE (A-7)
 LINE 4 COLUMN (1) SAME AS LINE 8 SCHEDULE (A-7)
 LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)
 LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

(1,520,538) equals (\$0.21140) PER THERM
 7,192,760 TRUE-UP SURCHARGE

COMPANY: CHESAPEAKE UTILITIES CORP.

**THERM SALES AND CUSTOMER DATA
INCLUDES TRANSPORTATION SALES
JAN 2002 Through DEC 2002**

**SCHEDULE E-5
EXHIBIT NO _____
DOCKET NO. 010003-GU
CHESAPEAKE UTILITIES CORP
JAW-2
PAGE 6 OF 6**

ESTIMATED FOR THE PROJECTED PERIOD:

	PROJECTION JAN	PROJECTION FEB	PROJECTION MAR	PROJECTION APR	PROJECTION MAY	PROJECTION JUN	PROJECTION JUL	PROJECTION AUG	PROJECTION SEP	PROJECTION OCT	PROJECTION NOV	PROJECTION DEC	TOTAL
THERM SALES (FIRM)													
RESIDENTIAL	517,522	341,183	187,044	168,062	134,731	108,379	134,146	128,706	119,492	121,502	169,818	268,744	2,399,329
GS COMMERCIAL	478,633	407,121	363,194	316,842	278,626	235,233	228,569	163,793	157,690	157,765	171,848	168,184	3,127,498
GS COMMERCIAL LAR	62,368	45,265	45,868	37,708	46,088	38,400	35,382	37,600	37,600	37,600	45,600	45,600	515,079
GS INDUSTRIAL	4,396,304	3,285,220	4,070,793	3,922,650	4,229,973	3,909,303	3,678,977	3,238,626	3,604,802	3,916,440	3,319,910	4,309,009	45,882,007
LARGE VOLUME CONT	4,761,940	4,169,260	4,611,990	4,193,838	4,419,044	4,669,066	4,754,759	3,626,530	4,199,840	2,679,470	4,107,480	4,070,830	50,264,047
SPECIAL CONTRACT T	349,960	942,640	666,085	761,519	537,838	636,161	854,900	787,040	207,409	12,830	812,599	622,774	7,191,755
TOTAL FIRM	10,566,727	9,190,689	9,944,974	9,400,619	9,646,300	9,596,542	9,686,733	7,982,295	8,326,833	6,925,607	8,627,255	9,485,141	109,379,715
THERM SALES (INTERRUPTIBLE)													
SMALL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL THERM SALES	10,566,727	9,190,689	9,944,974	9,400,619	9,646,300	9,596,542	9,686,733	7,982,295	8,326,833	6,925,607	8,627,255	9,485,141	109,379,715
NUMBER OF CUSTOMERS (FIRM)													
RESIDENTIAL	9,445	9,530	9,657	9,638	9,503	9,181	9,165	9,074	9,031	9,184	9,285	9,564	9,355
GS COMMERCIAL	992	987	982	970	975	943	935	933	929	923	914	907	949
GS COMMERCIAL LAR	8	8	8	8	8	8	8	8	8	8	8	8	8
GS INDUSTRIAL	14	14	14	14	14	14	14	14	14	14	14	14	14
LARGE VOLUME CONT	385	393	404	412	420	429	439	447	458	468	477	485	5,217
SPECIAL CONTRACT T	6	6	6	6	6	6	6	6	6	6	6	6	72
TOTAL FIRM	10,850	10,938	11,071	11,048	10,926	10,581	10,567	10,482	10,446	10,603	10,704	10,984	10,767
NUMBER OF CUSTOMERS (INT.)													
SMALL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMERS	10,850	10,938	11,071	11,048	10,926	10,581	10,567	10,482	10,446	10,603	10,704	10,984	10,767
THERM USE PER CUSTOMER													
RESIDENTIAL	55	36	19	17	14	12	15	14	13	13	18	28	256
GS COMMERCIAL	482	412	370	327	286	249	244	176	170	171	188	185	3,296
GS COMMERCIAL LAR	7,796	5,658	5,734	4,714	5,761	4,800	4,423	4,700	4,700	4,700	5,700	5,700	64,385
GS INDUSTRIAL	314,022	234,659	290,771	280,189	302,141	279,236	262,784	231,330	257,486	279,746	237,136	307,786	3,277,286
LARGE VOLUME CONT	12,369	10,609	11,416	10,179	10,522	10,884	10,831	8,113	9,170	5,725	8,611	8,393	9,635
SPECIAL CONTRACT T	58,327	157,107	111,014	126,920	89,640	106,027	142,483	131,173	34,568	2,138	135,433	103,796	99,885
SMALL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0