

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 020003-GU

RECEIVED-1098
SEP 27 AM 11:10
COMMISSION
CLERK

DIRECT TESTIMONY OF BRIAN S. BILINSKI

On Behalf of Florida Division
Chesapeake Utilities Corporation

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

2 A. My name is Brian S. Bilinski. I am the Accounting and Rates Manager of the
3 Florida Division of Chesapeake Utilities Corporation. My business address is
4 1015 6th 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's of Science degree in Accounting from St. Peter's College in
8 Jersey City, New Jersey and a Master's in Business Administration from Stetson
9 University in Deland, Florida. I have been employed in the water and
10 wastewater industry in Florida for over twenty years. I was first employed by the
11 Florida Division of Chesapeake Utilities Corporation in June 2002 as the
12 Accounting and 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 2001 to December 2001 and to discuss the Florida
16 Division's calculation of its levelized purchased gas cost factor for the twelve-
17 month period January 2003 through December 2003.

18 Exhibits

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

21 A. As Composite Exhibit BSB-1, I am sponsoring the following schedules with
22 respect to the January 2003 through December 2003 levelized purchased gas cost
23 factor projection.

24 E-1 - PGA Calculation, Original Estimate for the Projected Period
25 January 2003 - December 2003. (Total Company)

1 E-1/R - PGA Calculation, Revised Estimate for the Period January 2002

2 -- December 2002 (Total Company)

3 E-2 - Calculation of True-up Amount for the Current Period January

4 2002 - December 2002

5 E-3 -- Sales Gas Purchases for the Projected Period January 2003 --

6 December 2003

7 E-4 - Calculation of True-up Amount, Projected Period January 2003 --

8 December 2003

9 E-5 - Therm Sales and Customer Data for the Projected Period January

10 2003 -- December 2003

11 Q. Were these schedules prepared under your direction and supervision?

12 A. Yes, they were.

13 Final True-Up January 2001 -- December 2001

14 Q. What were total therm sales subject to the PGA for the period January 2001

15 through December 2001?

16 A. Total therm sales subject to the PGA were 8,654,849 therms.

17 Q. What were total therm purchases subject to the PGA for the period January

18 2001 through December 2001?

19 A. Total therm purchases subject to the PGA were 11,083,219 therms.

20 Q. What was the cost of gas to be recovered through the PGA for the period

21 January 2001 through December 2001?

22 A. The cost of gas purchased for the period to be recovered through the PGA

23 was \$8,077,243.

24 Q. What was the amount of gas revenue collected through the PGA for the

25 period January 2001 through December 2001?

- 1 A. The amount of gas revenue collected through the PGA was \$8,193,105.
- 2 Q. What is the total true-up provision for the period January 2001 through
3 December 2001?
- 4 A. The total true-up provision, including interest, is an overrecovery of \$20,423
5 for the period.
- 6 Q. What is the amount of estimated true-up included for January 2001 through
7 December 2001 in the January 2002 through December 2002 PGA factor
8 calculation?
- 9 A. The amount of estimated true-up for the period January 2001 through
10 December 2001 included in the January 2002 through December 2002 PGA
11 factor calculation was an underrecovery of \$156,863.
- 12 Q. What is the final over/underrecovery for the January 2001 through December
13 2001 period to be included in the January 2002 through December 2002
14 projection?
- 15 A. The final overrecovery for the January 2001 through December 2001 period
16 to be included in the January 2002 through December 2002 projection is
17 \$177,286.
- 18 Revised Estimate January 2002 - December 2002
- 19 Q. What is the revised estimate of total purchased gas costs to be recovered through
20 the PGA for the period January 2002 - December 2002?
- 21 A. The revised projection of purchased gas costs to be recovered through the PGA
22 for the current period is \$3,158,956.
- 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 \$2,942,772. This amount
2 includes a collection of prior period undercollections in the amount of
3 \$1,520,532. Therefore, the revenue collected to cover the current period's gas
4 cost is estimated to be \$1,422,240.

5 Q. Has the PGA True-Up for the prior 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 prior period True-up has been adjusted in the amount of \$1,182,932 to
10 reflect the PGA Transition Cost Recovery actually collected during the prior
11 period of January 2001 through December 2001.

12 Q. What is the revised true-up amount, including interest, estimated for the January
13 2002 – December 2002 period?

14 A. The Company estimates the revised true-up, including interest, to be an
15 overcollection of \$12,377.

16 January 2003 – December 2003 Projection

17 Q. How did you develop your projection of the Florida Division's cost of gas for
18 the January 2003 – December 2003 period?

19 A. Our first step was to estimate our supply requirements for each of the twelve
20 months in the period. Our projected supply requirements are based on our
21 projected sales for each month. Once we develop our supply requirements, we
22 can then determine how these requirements will be met. In other words, we
23 match our estimated requirements with the gas supply that is available to us.
24 Beginning in June 2002, the Florida Division became interconnected with the
25 Gulfstream Natural Gas System ("Gulfstream") and acquired capacity on this

1 new interstate pipeline. All of our gas requirements will be met utilizing our
2 “FTS” (firm transportation service) contract entitlements (from Gulfstream and
3 FGT) for the projected period of January 2003 – December 2003.

4 Q. Please describe the general steps for the mechanics of projecting the total cost of
5 gas to be recovered through the PGA for the January 2003 – December 2003
6 period.

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

12 The demand component of “NNTS” and “FTS” services (lines 2 and 5) is
13 based on the Florida Division’s contract levels with FGT and Gulfstream and an
14 estimation of FGT’s and Gulfstream’s demand rates for their respective services.

15 The demand rates utilized for the NNTS and FTS services for the period are the
16 current rates in effect. During the period of January 2003 – December 2003, our
17 total contract entitlement exceeds our monthly gas requirements. Therefore, we
18 will be paying demand charges in excess of the volumes actually transported for
19 system supply. Whenever possible, the Florida Division will relinquish excess
20 capacity in order to lower its gas cost to its ratepayers.

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

1 The commodity other (line 4) is based on data shown on Schedule E-3,
2 which details our projected direct supplier and/or producer purchases for the
3 twelve-month period. We projected the FTS commodity cost on line 4 using a
4 combination of analyses. We analyzed the 2001 and 2002 monthly prices of
5 natural gas delivered to Gulfstream and FGT by zone as reported in Inside FERC
6 Gas Market Report. We also reviewed the recent NYMEX postings for the
7 period October 2002 through December 2003. We developed our monthly index
8 price of gas using the above data and allowing for seasonal trends and current
9 market pricing. To this average, we added our suppliers' estimated margin and
10 compressor fuel.

11 Q. How did you project total firm sales?

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

14 Q. Based on the projected total cost of gas and projected sales, what is the system-
15 wide average cost per therm for the twelve-month period ended December 2003?

16 A. This figure is shown on Schedule E-1 (Total Company), line 40, and is 94.298
17 cents per therm. To arrive at the total PGA factor, the 94.298 cents per therm is
18 adjusted for the estimated total true-up through December 2002 (shown on
19 Schedule E-4) and for revenue-related taxes.

20 Q. What is the system-wide projected PGA factor for the period January 2003 –
21 December 2003?

22 A. The projected system-wide PGA factor for the period is 94.298 cents per therm.

23 Q. The estimated total true-up for the twelve months ended December 2002 as
24 calculated on Schedule E-4 is included in the projected PGA factor for the
25 period January 2003 - December 2003. Please explain how it was calculated.

1 A. The final true-up amount for the period January 2001 – December 2001 is added
2 to the estimated end of period net true-up for January 2002 - December 2002.
3 The January 2002 - December 2002 estimated true-up is based on seven months'
4 actual data plus five months' projected data.

5 Q. What is the impact of the total true-up as of December 31, 2002 on the projected
6 PGA factor for the January 2003 - December 2003 period?

7 A. The projected true-up as of December 31, 2002 is an overrecovery of \$189,663
8 (Schedule E-4). Dividing the overrecovery by the January 2003 – December
9 2003 projected therm sales of 4,305,975 results in a refund of 4.405 cents per
10 therm to be included in the proposed PGA factor.

11 Q. What is the maximum levelized purchased gas factor (cap) that you are
12 proposing for the January 2003 – December 2003 period?

13 A. The maximum levelized purchased gas factor (cap) that we are proposing for the
14 period is 90.345 cents per therm. This factor represents the projected firm
15 weighted average cost of gas, plus the true-up and taxes.

16 Q. What might Commission approval of the Company's pending petition in
17 Docket No. 020277-GU have on the PGA filing in Docket No. 020003-GU?

18 A. The Company has requested authority to convert its remaining sales
19 customers to transportation service and to exit the merchant function through
20 a petition filed in Docket No. 020277-GU. At this time, the Commission is
21 scheduled to consider that petition at the November 5, 2002, agenda
22 conference. If the Commission approves the petition with an effective date
23 on or before January 1, 2003, an active PGA mechanism would not be needed
24 in 2003 to collect gas supply and related costs from the ratepayers, since the
25 Company is prepared to implement Phase One of the Transitional

1 Transportation Service (TTS) forthwith. Subsequently, the Company would
2 consult with Commission Staff for direction as to what actions might be
3 needed for the tariff to accurately reflect the Company's PGA authority.

4 Q. But if the Commission were to approve the petition in Docket No. 020277-
5 GU, wouldn't there remain an over-recovery of purchased gas costs incurred
6 prior to the implementation of Phase One?

7 A. Yes. Based on the Company's projections, there would remain an over-
8 recovery of such costs. The Company has therefore proposed in Docket No.
9 020277-GU to submit a separate filing to the Commission within ninety (90)
10 days of the termination of its gas sales merchant function, so that the
11 Commission can direct the appropriate disposition of any final PGA over-
12 recovery.

13 Q. Does this conclude your testimony?

14 A. Yes, it does.

CHESAPEAKE UTILITIES CORPORATION

FLORIDA DIVISION

JANUARY 2003 -- DECEMBER 2003

PURCHASED GAS PROJECTION FILING

EXHIBIT BSB-1

COMPANY: CHESAPEAKE UTILITIES CORPORATION
TOTAL COMPANY

PURCHASED GAS ADJUSTMENT CALCULATION
ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:
JAN 2003 Through DEC 2003

SCHEDULE E-1
EXHIBIT NO. _____
DOCKET NO. 020003-GU
CHESAPEAKE UTILITIES CORP.
BSB-1
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	PROJECTION												TOTAL		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
COST OF GAS PURCHASED															
1 COMMODITY (Pipeline)	1,431	1,098	936	746	567	493	449	482	493	509	682	726	8,612		
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	0	0	0	0	0	0	0	0	0	0	0	0	0		
4 COMMODITY (Other)	317,356	237,383	195,748	149,682	113,026	98,616	90,201	97,102	99,086	102,876	143,056	157,676	1,801,808		
5 DEMAND	205,145	182,395	213,401	204,948	137,456	140,961	166,783	167,619	183,985	195,314	211,947	212,159	2,222,011		
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)		529,035	424,509	411,914	357,146	252,877	241,740	259,262	267,032	285,334	300,528	357,455	373,604	4,060,435
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	513,229	408,704	396,109	341,341	237,072	225,934	243,456	251,226	269,529	284,723	341,650	357,799	3,870,772		
THERMS PURCHASED															
15 COMMODITY (Pipeline)	BILLING DETERMINANTS ONLY		715,470	548,961	468,023	373,244	283,270	246,530	224,357	240,916	246,458	254,600	341,212	362,934	4,305,975
16 NO NOTICE SERVICE	BILLING DETERMINANTS ONLY		864,900	615,720	310,000	300,000	310,000	300,000	310,000	310,000	300,000	310,000	300,000	515,840	4,746,460
17 SWING SERVICE	COMMODITY		0	0	0	0	0	0	0	0	0	0	0	0	
18 COMMODITY (Other)	COMMODITY		715,470	548,961	468,023	373,244	283,270	246,530	224,357	240,916	246,458	254,600	341,212	362,934	4,305,975
19 DEMAND	BILLING DETERMINANTS ONLY		3,869,420	3,416,840	4,092,000	3,917,700	2,499,200	2,561,100	3,032,420	3,047,610	3,352,500	3,604,370	4,106,400	4,058,520	41,558,080
20 OTHER			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	
22 DEMAND			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	
24 TOTAL PURCHASES (+17+18+20)-(21+23)			715,470	548,961	468,023	373,244	283,270	246,530	224,357	240,916	246,458	254,600	341,212	362,934	4,305,975
25 NET UNBILLED			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	
27 TOTAL THERM SALES			715,470	548,961	468,023	373,244	283,270	246,530	224,357	240,916	246,458	254,600	341,212	362,934	4,305,975
CENTS PER THERM															
28 COMMODITY (Pipeline)	(1/15)		0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	
29 NO NOTICE SERVICE	(2/18)		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)		44.356	43.242	41.825	40.103	39.900	40.002	40.204	40.305	40.204	40.407	41.928	43.445	41.844
32 DEMAND	(5/19)		5.302	5.338	5.215	5.231	5.500	5.500	5.500	5.500	5.488	5.419	5.161	5.227	5.347
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)		73.942	77.330	88.011	95.687	89.271	98.057	115.558	110.840	115.774	118.039	104.760	102.940	94.298
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)		73.942	77.330	88.011	95.687	89.271	98.057	115.558	110.840	115.774	118.039	104.760	102.940	94.298
41 TRUE-UP	(E-2)		-4.405	-4.405	-4.405	-4.405	-4.405	-4.405	-4.405	-4.405	-4.405	-4.405	-4.405	-4.405	
42 TOTAL COST OF GAS	(40+41)		69.537	72.925	83.606	91.282	84.866	93.652	111.153	106.435	111.369	113.634	100.355	98.535	89.893
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)		69.887	73.291	84.027	91.741	85.293	94.123	111.712	106.971	111.929	114.208	100.860	99.031	90.345
45 PGA FACTOR ROUNDED TO NEAREST 001			69.887	73.291	84.027	91.741	85.293	94.123	111.712	106.971	111.929	114.208	100.860	99.031	90.345
												SUMMER AVG	100.295		
												WINTER AVG	90.217		

COMPANY: CHESAPEAKE UTILITIES CORPORATION
TOTAL COMPANY

PURCHASED GAS ADJUSTMENT CALCULATION
REVISED ESTIMATE FOR THE PERIOD:
JAN 2002 Through DEC 2002

SCHEDULE E-1R
EXHIBIT NO. _____
DOCKET NO. 020003-GU
CHESAPEAKE UTILITIES CORP.
BSB-1
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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)	2,307	1,748	2,162	3,788	928	88	259	2,524	1,930	1,964	2,344	2,892	22,934	
2 NO NOTICE SERVICE	5,103	3,633	1,829	1,770	1,829	1,770	1,829	653	1,770	1,829	1,770	3,043	26,828	
3 SWING SERVICE	0	0	48,920	67,640	90,689	52,561	20,352	84,202	0	0	0	0	364,364	
4 COMMODITY (Other)	272,717	150,828	108,041	399,490	86,056	(469,555)	(91,981)	268,091	134,046	136,371	162,793	200,825	1,357,722	
5 DEMAND	52,312	32,109	49,960	31,633	6,423	62,406	174,810	95,061	199,216	211,053	227,178	244,948	1,387,108	
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)	332,439	188,318	210,912	504,321	185,925	(352,730)	105,269	450,531	336,962	351,217	394,085	451,707	3,158,956	
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	384,176	276,212	285,779	220,719	182,352	144,223	134,428	148,259	246,645	250,923	299,539	369,517	2,942,772	
THERMS PURCHASED														
15 COMMODITY (Pipeline) BILLING DETERMINANTS ONLY	639,480	498,590	600,180	712,000	172,600	186,050	410,600	563,410	357,457	363,656	434,114	535,532	5,473,669	
16 NO NOTICE SERVICE BILLING DETERMINANTS ONLY	(270,060)	(142,610)	(47,400)	(52,590)	(3,450)	(83,230)	(172,340)	120,410	300,000	310,000	300,000	515,840	774,570	
17 SWING SERVICE COMMODITY	0	0	65,420	86,870	118,660	73,150	30,010	123,050	0	0	0	0	497,160	
18 COMMODITY (Other) COMMODITY	625,158	339,214	247,890	1,230,894	(189,159)	1,141,406	(39,563)	651,321	357,457	363,656	434,114	535,532	5,697,920	
19 DEMAND BILLING DETERMINANTS ONLY	971,850	718,480	1,179,550	859,500	179,830	1,158,000	3,223,070	1,072,910	3,922,500	4,193,370	4,676,400	4,957,520	27,112,980	
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)	625,158	339,214	313,210	1,317,764	(70,499)	(1,068,256)	(9,553)	774,371	357,457	363,656	434,114	535,532	3,912,258	
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	654,418	470,509	486,806	375,980	310,624	245,674	228,989	252,549	357,457	363,656	434,114	535,532	4,716,308	
CENTS PER THERM														
28 COMMODITY (Pipeline) (1/15)	0.361	0.351	0.360	0.532	0.538	0.047	0.063	0.540	0.540	0.540	0.540	0.540	0.419	
29 NO NOTICE SERVICE (2/16)	-1.890	-2.548	-3.859	-3.366	-53.014	-2.127	-1.061	0.542	0.590	0.590	0.590	0.590	3.464	
30 SWING SERVICE (3/17)	0.000	0.000	74.778	77.863	76.428	71.854	67.817	68.429	0.000	0.000	0.000	0.000	73.289	
31 COMMODITY (Other) (4/18)	43.624	44.464	43.584	32.455	-45.494	-41.138	232.492	12.928	39.293	41.825	43.546	44.356	23.828	
32 DEMAND (5/19)	5.383	4.469	4.236	3.680	3.572	5.389	5.424	24.987	5.079	5.033	4.858	4.941	5.116	
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 (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	0.000	
37 TOTAL COST (11/24)	53.177	55.516	67.317	38.271	-263.727	33.019	-1101.947	58.180	94.266	96.579	90.779	84.347	80.745	
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)	50.799	40.024	43.326	134.135	59.855	-143.576	45.971	178.393	94.266	96.579	90.779	84.347	66.979	
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	21.400	
42 TOTAL COST OF GAS (40+41)	71.939	61.164	64.466	155.275	80.995	-122.436	67.111	199.533	115.406	117.719	111.919	105.487	88.379	
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)	72.301	61.472	64.790	156.056	81.403	-123.052	67.449	200.537	115.987	118.312	112.482	106.018	88.824	
45 PGA FACTOR ROUNDED TO NEAREST .001	72.301	61.472	64.790	156.056	81.403	-123.052	67.449	200.537	115.987	118.312	112.482	106.018	88.824	
											SUMMER AVG		83.063	
											WINTER AVG		89.229	

COMPANY: CHESAPEAKE UTILITIES CORP.

CALCULATION OF TRUE-UP AMOUNT

SCHEDULE E-2
 EXHIBIT NO. _____
 DOCKET NO. 020003-GU
 CHESAPEAKE UTILITIES CORP.
 BSB-1
 PAGE 3 OF 6

FOR THE CURRENT PERIOD:

JAN 2002 Through DEC 2002

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	PROJECTION	PROJECTION	PROJECTION	PROJECTION	PROJECTION	TOTAL
	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	PERIOD
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	272,717	150,828	156,961	467,130	176,745	(416,994)	(71,629)	352,293	134,046	136,371	162,793	200,825	1,722,086
2 TRANSPORTATION COST	59,722	37,490	53,951	37,191	9,180	64,264	176,898	98,238	202,916	214,846	231,292	250,883	1,436,870
3 TOTAL	332,439	188,318	210,912	504,321	185,925	(352,730)	105,269	450,531	336,962	351,217	394,085	451,707	3,158,956
4 FUEL REVENUES (NET OF REVENUE TAX)	384,176	276,212	285,779	220,719	182,352	144,223	134,428	148,259	246,645	250,923	299,539	369,517	2,942,772
5 TRUE-UP COLLECTED OR (REFUNDED)	(126,711)	(126,711)	(126,711)	(126,711)	(126,711)	(126,711)	(126,711)	(126,711)	(126,711)	(126,711)	(126,711)	(126,711)	(1,520,532)
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	257,465	149,501	159,068	94,008	55,641	17,512	7,717	21,548	119,934	124,212	172,828	242,806	1,422,240
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(74,974)	(38,817)	(51,844)	(410,313)	(130,284)	370,242	(97,552)	(428,983)	(217,028)	(227,005)	(221,257)	(208,901)	(1,736,716)
8 INTEREST PROVISION-THIS PERIOD (21)	(1,880)	(1,765)	(1,662)	(1,819)	403	765	1,285	1,076	801	672	531	403	(1,190)
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(1,297,156)	(1,247,299)	(1,161,170)	(1,087,966)	276,613	273,443	871,445	901,889	600,693	511,177	411,555	317,540	(1,297,156)
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	126,711	126,711	126,711	126,711	126,711	126,711	126,711	126,711	126,711	126,711	126,711	126,711	1,520,532
10a Adjustment	0	0	0	1,650,000	0	100,283	0	0	0	0	0	0	1,750,283
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(1,247,299)	(1,161,170)	(1,087,966)	276,613	273,443	871,445	901,889	600,693	511,177	411,555	317,540	235,753	235,753
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(1,297,156)	(1,247,299)	(1,161,170)	(1,087,966)	276,613	273,443	871,445	901,889	600,693	511,177	411,555	317,540	(1,297,156)
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(1,245,419)	(1,159,405)	(1,086,303)	(1,371,568)	273,040	770,396	900,604	599,617	510,376	410,883	317,009	235,350	(1,513,340)
14 TOTAL (12+13)	(2,542,575)	(2,406,705)	(2,247,474)	(2,459,533)	549,654	1,043,840	1,772,049	1,501,505	1,111,069	922,059	728,564	552,890	(2,810,496)
15 AVERAGE (50% OF 14)	(1,271,288)	(1,203,352)	(1,123,737)	(1,229,767)	274,827	521,920	886,024	750,753	555,534	461,030	364,282	276,445	(1,405,248)
16 INTEREST RATE - FIRST DAY OF MONTH	1.780%	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.750%	1.750%	1.750%	1.750%
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.750%	1.750%	1.750%	1.750%	1.750%
18 TOTAL (16+17)	3.550%	3.520%	3.550%	3.550%	3.520%	3.520%	3.480%	3.440%	3.460%	3.500%	3.500%	3.500%	3.500%
19 AVERAGE (50% OF 18)	1.775%	1.760%	1.775%	1.775%	1.760%	1.760%	1.740%	1.720%	1.730%	1.750%	1.750%	1.750%	1.750%
20 MONTHLY AVERAGE (19/12 Months)	0.148%	0.147%	0.148%	0.148%	0.147%	0.147%	0.145%	0.143%	0.144%	0.146%	0.145%	0.145%	0.146%
21 INTEREST PROVISION (15x20)	(1,880)	(1,765)	(1,662)	(1,819)	403	765	1,285	1,076	801	672	531	403	(1,190)

COMPANY: CHESAPEAKE UTILITIES CORP.

SALES GAS PURCHASES
SYSTEM SUPPLY AND END USE

SCHEDULE E-3
EXHIBIT NO _____
DOCKET NO. 020003-GU
CHESAPEAKE UTILITIES CORP.
BSB-1
PAGE 4 OF 6

ESTIMATED FOR THE PROJECTED PERIOD OF:

JAN 2000 Through DEC 2003

MONTH	PURCHASED FROM	PURCHASED FOR	SCH TYPE	SYSTEM SUPPLY	END USE	TOTAL PURCHASED	COMMODITY COST		AVG DEMAND COST	OTHER CHARGES ACA/GR/FUEL	CENTS PER THERM
							THIRD PARTY	AVG PIPELINE			
JANUARY	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	715,470	0	715,470	317,35	1,431	210,248		73.942
FEBRUARY	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	548,961	0	548,961	237,383	1,098	186,028		77.330
MARCH	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	468,023	0	468,023	195,748	936	215,230		88.011
APRIL	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	373,244	0	373,244	149,682	746	206,718		95.687
MAY	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	283,270	0	283,270	113,026	567	139,285		89.271
JUNE	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	246,530	0	246,530	98,616	493	142,631		98.057
JULY	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	224,357	0	224,357	90,201	449	168,612		115.558
AUGUST	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	240,916	0	240,916	97,102	482	169,448		110.840
SEPTEMBER	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	246,458	0	246,458	99,086	493	185,755		115.774
OCTOBER	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	254,600	0	254,600	102,876	509	197,143		118.039
NOVEMBER	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	341,212	0	341,212	143,056	682	213,717		104.760
DECEMBER	VARIOUS	SYSTEM SUPPLY	FTS-1, 2 GS	362,934	0	362,934	157,676	726	215,202		102.940
				4,305,975	0	4,305,975	1,801,808	8,612	2,250,015	0 (1)	94.298
		LINE COMMODITY									

COMPANY: CHESAPEAKE UTILITIES CORP

CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD

SCHEDULE E-4
EXHIBIT NO. _____
DOCKET NO. 020003-GU
CHESAPEAKE UTILITIES CORP.
BSB-1
PAGE 5 OF 6

ESTIMATED FOR THE PROJECTED PERIOD:

JAN 2003 Through DEC 2003

	PRIOR PERIOD: JAN 01 - DEC 01			CURRENT PERIOD: JAN 02 - DEC 02	
	(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	7,494,977	7,002,952	(492,025)	1,422,240	930,215
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	(1,010,714)	(1,074,291)	(63,577)	13,567	(50,010)
3 INTEREST PROVISION FOR THIS PERIOD	(103,974)	(95,439)	8,535	(1,190)	7,345
3A ADJUSTMENT FOR PGA AUDIT 6-18-99	7,221	7,221	0		0
3B Transition Cost Recovery Per Order # PSC-01-0304-TRF-GU	950,604	1,182,932	232,328		232,328
4 END OF PERIOD TOTAL NET TRUE-UP	(156,863)	20,423	177,286	12,377	189,663

+ = 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)

189,663 equals \$0.04405 PER THERM
4,305,975 TRUE-UP SURCHARGE

COMPANY: CHESAPEAKE UTILITIES CORP.

**THERM SALES AND CUSTOMER DATA
INCLUDES TRANSPORTATION SALES**
JAN 2003 Through DEC 2003

SCHEDULE E-5
EXHIBIT NO _____
DOCKET NO. 020003-GU
CHESAPEAKE UTILITIES CORP
BSB-1
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	514,960	359,661	280,043	216,164	151,045	123,230	119,537	129,826	130,848	130,250	194,112	203,074	2,552,750
GS COMMERCIAL	200,510	189,300	187,980	157,080	132,225	123,300	104,820	111,090	115,610	124,350	147,100	159,860	1,753,225
GS COMMERCIAL LARGE VOL	0	0	0	0	0	0	0	0	0	0	0	0	0
GS INDUSTRIAL	0	0	0	0	0	0	0	0	0	0	0	0	0
LARGE VOLUME CONTRACT TRANSP	2,935,336	2,736,000	2,876,810	2,663,780	2,673,850	2,384,464	2,311,420	2,372,070	2,422,415	2,438,200	2,565,475	2,624,520	31,004,340
SPECIAL CONTRACT TRANSP	12,302,719	11,268,275	11,925,252	11,278,195	11,587,290	11,565,511	10,168,630	8,959,569	9,478,789	9,537,028	11,486,019	11,483,044	131,040,321
TOTAL FIRM	15,953,525	14,553,236	15,270,085	14,315,219	14,544,410	14,196,505	12,704,407	11,572,555	12,147,662	12,229,828	14,392,706	14,470,498	166,350,636
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	15,953,525	14,553,236	15,270,085	14,315,219	14,544,410	14,196,505	12,704,407	11,572,555	12,147,662	12,229,828	14,392,706	14,470,498	166,350,636
NUMBER OF CUSTOMERS (FIRM)													
RESIDENTIAL	10,238	10,321	10,405	10,088	9,771	9,855	9,938	10,021	10,105	10,388	10,671	10,955	10,230
GS COMMERCIAL	600	601	602	603	604	605	606	607	608	609	610	611	606
GS COMMERCIAL LARGE VOL	0	0	0	0	0	0	0	0	0	0	0	0	0
GS INDUSTRIAL	0	0	0	0	0	0	0	0	0	0	0	0	0
LARGE VOLUME CONTRACT TRANSP	439	444	449	454	459	464	469	474	479	484	489	494	467
SPECIAL CONTRACT TRANSP	14	14	14	14	14	14	14	14	14	14	14	14	14
TOTAL FIRM	11,291	11,380	11,470	11,159	10,848	10,938	11,027	11,116	11,206	11,495	11,784	12,074	11,316
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	11,291	11,380	11,470	11,159	10,848	10,938	11,027	11,116	11,206	11,495	11,784	12,074	11,316
THERM USE PER CUSTOMER													
RESIDENTIAL	50	35	27	21	15	13	12	13	13	13	18	19	250
GS COMMERCIAL	334	315	312	260	219	204	173	183	190	204	241	262	2,895
GS COMMERCIAL LARGE VOL	0	0	0	0	0	0	0	0	0	0	0	0	0
GS INDUSTRIAL	0	0	0	0	0	0	0	0	0	0	0	0	0
LARGE VOLUME CONTRACT TRANSP	6,686	6,162	6,407	5,867	5,825	5,139	4,928	5,004	5,057	5,038	5,246	5,313	66,462
SPECIAL CONTRACT TRANSP.	878,766	804,877	851,804	805,585	827,664	826,108	726,331	639,969	677,056	681,216	820,430	820,217	9,360,023
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