

1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                               In Re: Conservation Cost Recovery Clause

3                               DIRECT TESTIMONY OF BRIAN S. BILINSKI

4                                       On Behalf of

5                                       Chesapeake Utilities Corporation

6                                       DOCKET NO. 030004-GU

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

9    A.    My name is Brian S. Bilinski. My business address is 1015 6<sup>th</sup> Street N.W.,  
10           Winter Haven, Florida, 33881. I am employed by Chesapeake Utilities  
11           Corporation (“Chesapeake”) as the Accounting and Rates Manager.

12   Q.    Are you familiar with the energy conservation programs of Chesapeake and  
13           the revenues and costs that are associated with these programs?

14   A.    Yes.

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

16   A.    The purpose of my testimony is to present data and summaries concerning the  
17           planned and actual accomplishments of Chesapeake’s energy conservation  
18           programs during the period January 2002 through December 2002. Data  
19           related to calculation of the true-up for this period is also included.

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

22   A.    Yes. Summaries of the seven programs in connection with which Chesapeake  
23           incurred recoverable costs during the period January 2002 through December

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1 2002 are contained in Schedule CT-6 of Exhibit BSB-1. Included are our  
2 Residential Home Builders Programs, Residential Appliance Replacement  
3 Program, Residential Water Heater Retention Program, Residential Space  
4 Conditioning Program, Gas Space Conditioning Program, Propane  
5 Distribution Program and our Conservation Education Program.

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

9 A. Yes. Schedule CT-2 page 1, Exhibit BSB-1 shows actual expenses  
10 for the period, and also shows a comparison of the actual program costs and  
11 true-up with the estimated costs and true-up submitted at the November 2002  
12 hearing in this docket.

13 Q. What was the total cost incurred by Chesapeake in connection with the seven  
14 programs during the twelve months ending December 2002?

15 A. As shown in Exhibit BSB-1, Schedule CT-2, page 2, total program costs were  
16 \$853,720. This total is \$ 57,237 more than our projection of the program  
17 costs for the twelve month period.

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

20 A. Yes. Schedule CT-2, page 3, of Exhibit BSB-1 shows these variances.

21 Q. What is Chesapeake's adjusted net true-up for the twelve months ended  
22 December 2002?

1 A. As shown on Schedule CT-2, page 1, we originally estimated an  
2 underrecovery, including interest, of \$10,545. This projected true-up amount  
3 was based on conservation revenues of \$788,259 for the period January 2002  
4 through December 2002. However, the approved energy conservation rates  
5 for sales and transportation services during this period actually yielded  
6 conservation revenues of \$707,038, or \$81,221 under projection. Expenses  
7 for the period were \$57,237 more than projected. The total difference,  
8 including interest, is \$138,679.

9 Q. Is this adjusted net true-up of \$138,679 an overrecovery or an underrecovery?

10 A. An underrecovery, as shown on Schedule CT-1 of Exhibit BSB-1.

11 Q. Does this conclude your testimony?

12 A. Yes, it does.

Docket No. 030004-GU

Exhibit \_\_\_\_\_ (BSB-1)

CHESAPEAKE UTILITIES CORPORATION  
CONSERVATION COST RECOVERY TRUE-UP  
January 1, 2002 through December 31, 2002

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SCHEDULE CT-1

COMPANY: Chesapeake Utilities Corporation  
Docket No. 030004-GU  
Exhibit BSB-1  
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ADJUSTED NET TRUE-UP  
FOR MONTH JANUARY 2002 THROUGH DECEMBER 2002

END OF PERIOD NET TRUE-UP

PRINCIPLE	146,682	
INTEREST	<u>2,542</u>	149,224

LESS PROJECTED TRUE-UP

PRINCIPLE	8,224	
INTEREST	<u>2,321</u>	<u>10,545</u>

ADJUSTED NET TRUE-UP		<u>138,679</u>
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( ) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

JANUARY 2002 THROUGH DECEMBER 2002

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	410,668	283,064	127,604
MATERIALS & SUPPLIES	53,855	32,269	21,586
ADVERTISING	89,888	170,278	(80,390)
INCENTIVES	220,878	225,657	(4,780)
OUTSIDE SERVICES	78,432	7,400	71,032
VEHICLES	0	27,071	(27,071)
OTHER	0	50,744	(50,744)
SUB-TOTAL	853,720	796,483	57,237
PROGRAM REVENUES	0	0	0
TOTAL PROGRAM COSTS	853,720	796,483	57,237
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(707,038)	(788,259)	81,221
ROUNDING ADJUSTMENT	0	0	0
TRUE-UP BEFORE INTEREST	146,682	8,224	138,458
INTEREST PROVISION	2,542	2,321	221
END OF PERIOD TRUE-UP	149,224	10,545	138,679

( ) REFLECTS OVER-RECOVERY  
\* 8 MONTHS ACTUAL AND 4 MONTHS PROJECTED



ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	<u>CAPITAL INVESTMENT</u>	<u>PAYROLL &amp; BENEFITS</u>	<u>MATERIALS &amp; SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	169,595	12,290	44,574	192,378	20,678	0	0	439,515
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	0	53,880	6,476	21,037	14,650	14,038	0	0	110,082
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	0	1,591	4,405	0	0	0	0	0	5,996
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	0	24,173	6,007	544	13,850	0	0	0	44,574
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	1,024	159	0	0	0	0	0	1,183
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
PROGRAM 7: CONSERVATION EDUCATION	0	160,405	24,518	23,733	0	43,715	0	0	252,370
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>410,668</b>	<b>53,855</b>	<b>89,888</b>	<b>220,878</b>	<b>78,432</b>	<b>0</b>	<b>0</b>	<b>853,720</b>

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HOME BUILDER	0	64,757	6,026	(30,660)	(448)	20,595	(9,439)	(19,626)	31,206
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	0	16,122	3,401	(5,373)	(1,671)	6,804	(3,833)	(6,987)	8,464
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	0	(61)	4,405	0	0	0	(163)	(228)	3,953
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	0	1,633	4,276	544	(2,033)	0	(1,650)	(2,615)	155
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	0	704	(79)	0	0	0	(45)	(27)	553
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0
PROGRAM 7: CONSERVATION EDUCATION	0	44,449	3,557	(44,901)	(628)	43,632	(11,941)	(21,261)	12,906
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	0	127,604	21,586	(80,390)	(4,780)	71,032	(27,071)	(50,744)	57,237

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

EXPENSES:	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
PROGRAM 1: RESIDENTIAL HOME BUILDER	24,722	23,399	56,480	41,429	49,369	25,472	30,136	37,379	32,514	45,117	44,788	28,712	439,515
PROGRAM 2: RESIDENTIAL APPLIANCE REPLACEMENT	6,244	3,981	17,381	7,603	9,058	6,509	14,572	7,007	4,248	10,921	7,057	15,501	110,082
PROGRAM 3: RESIDENTIAL PROPANE DISTRIBUTION	422	0	0	722	111	100	109	0	0	388	0	4,145	5,996
PROGRAM 4: RESIDENTIAL WATER HEATER RETENTION	3,545	8,970	4,852	1,868	2,910	9,377	2,014	3,335	948	2,866	2,325	1,565	44,574
PROGRAM 5: NG SPACE CONDITIONING FOR RES HOMES	42	0	0	0	221	0	0	159	249	252	259	0	1,183
PROGRAM 6: GAS SPACE CONDITIONING	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 7: CONSERVATION EDUCATION	14,909	18,287	30,474	26,431	24,734	18,239	20,154	17,763	13,552	24,765	18,628	24,434	252,370
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	49,884	54,636	109,188	78,053	86,402	59,695	66,985	65,643	51,511	84,308	73,057	74,357	853,720
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	49,884	54,636	109,188	78,053	86,402	59,695	66,985	65,643	51,511	84,308	73,057	74,357	853,720

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2002 THROUGH DECEMBER 2002

CONSERVATION REVENUES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1 RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2 OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3 CONSERV ADJ REVS	(110,539)	(94,112)	(94,973)	(79,039)	(71,496)	(62,967)	(61,987)	(64,836)	(62,021)	(65,264)	(81,393)	(80,102)	(928,729)
4 TOTAL REVENUES	(110,539)	(94,112)	(94,973)	(79,039)	(71,496)	(62,967)	(61,987)	(64,836)	(62,021)	(65,264)	(81,393)	(80,102)	(928,729)
5 PRIOR PERIOD TRUE-UP * NOT APPLICABLE TO THIS PERIOD	18,474	18,474	18,474	18,474	18,474	18,474	18,474	18,474	18,474	18,474	18,474	18,474	221,691
6 CONSERVATION REVS APPLICABLE TO THE PERIOD	(92,065)	(75,638)	(76,499)	(60,565)	(53,022)	(44,493)	(43,513)	(46,362)	(43,547)	(46,790)	(62,919)	(61,628)	(707,038)
7 CONSERVATION EXPS (FROM CT-3, PAGE 1)	49,884	54,636	109,188	78,053	86,402	59,695	66,985	65,643	51,511	84,308	73,057	74,357	853,720
8 TRUE-UP THIS PERIOD	(42,181)	(21,001)	32,689	17,489	33,380	15,202	23,472	19,281	7,964	37,518	10,139	12,729	146,683
9 INTER. PROV THIS PERIOD (FROM CT-3, PAGE 3)	283	208	191	201	210	219	218	220	215	218	195	165	2,542
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	221,691	161,319	122,051	136,457	135,673	150,789	147,735	152,951	153,977	143,682	162,944	154,804	
11 PRIOR TRUE-UP COLLECTED/(REFUNDED)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	(18,474)	
12 TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	161,319	122,051	136,457	135,673	150,789	147,735	152,951	153,977	143,682	162,944	154,804	149,224	149,225

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: JANUARY 2002 THROUGH DECEMBER 2002

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
INTEREST PROVISION													
1 BEGINNING TRUE-UP	221,691	161,319	122,051	136,457	135,673	150,789	147,735	152,951	153,977	143,682	162,944	154,804	
2 ENDING TRUE-UP BEFORE INTEREST	161,036	121,844	136,266	135,472	150,579	147,517	152,733	153,758	143,467	162,727	154,609	149,059	
3 TOTAL BEGINNING & ENDING TRUE-UP *	382,727	283,163	258,317	271,929	286,251	298,305	300,469	306,709	297,445	306,409	317,553	303,863	
4 AVERAGE TRUE-UP (LINE 3 TIMES 50%)	191,364	141,581	129,159	135,964	143,126	149,153	150,234	153,354	148,722	153,205	158,777	151,931	
5 INTER RATE - 1ST DAY OF REPORTING MONTH	1.78%	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.76%	1.65%	1.30%	
6 INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.76%	1.65%	1.30%	1.31%	
7 TOTAL (SUM LINES 5 & 6)	3.55%	3.52%	3.55%	3.55%	3.52%	3.52%	3.48%	3.44%	3.47%	3.41%	2.95%	2.61%	
8 AVG INTEREST RATE (LINE 7 TIMES 60%)	1.78%	1.76%	1.78%	1.78%	1.76%	1.76%	1.74%	1.72%	1.74%	1.71%	1.48%	1.31%	
9 MONTHLY AVG INTEREST RATE	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.14%	0.14%	0.14%	0.12%	0.11%	
10 INTEREST PROVISION (LINE 4 TIMES LINE 9)	283	208	191	201	210	219	218	220	215	218	195	165	2,542



Exhibit No. \_\_\_\_\_ (BSB-1)  
Docket No. 030004-GU  
CHESAPEAKE UTILITIES CORPORATION  
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Schedule CT-5

CHESAPEAKE UTILITIES CORPORATION

Reconciliation and Explanation of Differences Between Filing and PSC Audit  
Report for January 2002 through December 2002.

NO DIFFERENCES AS OF THE DATE OF THIS FILING

Schedule CT-6  
Page 1 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential Home Builder Program

Program Description:

This program is designed to increase the overall energy efficiency in the residential new construction market by promoting energy efficient natural gas appliances in residences that would qualify for the Company's residential rates. Incentives are offered in the form of conservation allowances to assist builders with gas appliance installation.

Allowances:

Conservation allowances are currently:

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

Program Projections:

For the twelve-month period January 2002 through December 2002, we estimated that 442 homes would be connected to the system. During this period, allowances were actually paid for building 432 new homes equipped with natural gas appliances.

Program Fiscal Expenditures:

During the twelve-month period, expenditures for this program totaled \$438,465.

Program Progress Summary:

Since the program's inception, 5,956 new homes have been equipped with natural gas appliances. Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new homes.



Schedule CT-6  
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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential Appliance Replacement Program

Program Description:

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

Program Projections:

For the twelve-month period January 2002 through December 2002, we estimated that 54 residences would qualify for incentives during this period. In actuality, 53 residences qualified for incentives.

Program Fiscal Expenditures:

For this twelve-month period, CUC incurred program costs of \$110,082.

Program Summary:

Since inception, 194 residences have qualified for this program.

Schedule CT-6  
Page 3 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Residential Water Heater Retention Program

Program Description:  
The Company offers this program to existing customers and dealers to encourage the continued use of natural gas in the home and avoid costly abandonment activities. The water heater is not only the primary natural gas cost savings appliance within the homes, but it is also the anchor natural gas load within the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash payment to the customer and dealer.

Allowances:  
Conservation allowances are currently:  
    \$100 Energy efficient natural gas water heater installation.  
    \$ 50 Dealer

Program Activity and Projections:  
For the twelve-month period January 2002 through December 2002, we estimated that 136 natural gas water heaters would qualify for this program. In actuality, 136 natural gas water heaters were installed.

Program Fiscal Expenditures:  
For this twelve-month period, CUC incurred program costs of \$44,474.

Program Summary:  
Since inception, 519 natural gas water heaters have been changed out and natural gas water heaters reinstalled. CUC will continue to work closely with homeowners and dealers to promote the continued use of energy efficient natural gas.

Schedule CT-6  
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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Natural Gas Space Conditioning for Residential Homes

Program Description:

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

Program Projections:

There were no expenses projected for the period.

Program Fiscal Expenditures:

Program cost totaled \$1,183 for this twelve-month period, to promote residential cooling and natural gas dessicant systems.

Program Summary:

Five residential gas space conditioning units have been installed since the inception of this program.

Schedule CT-6  
Page 5 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Gas Space Conditioning Program

Program Description:

The program is intended to encourage the use of energy efficient natural gas air conditioning products to non-residential customers. The program provides an allowance of \$50 per ton of natural gas space conditioning up to a maximum of 500 tons per system, to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and installation.

Program Projections:

There were no expenses projected for the period.

Program Fiscal Expenditures:

Program cost totaled \$0 for this twelve-month period.

Program Summary:

Seven natural gas space conditioning units have been installed since the inception of this program.

Schedule CT-6  
Page 6 of 8

CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential Propane Distribution Program

Program Description:

The program is designed to promote the use of "gas" within developments that are built beyond the economic extension of the Company's existing natural gas infrastructure. The concept of installing an underground propane system, which includes distribution mains, service laterals and meter sets that are capable of supplying either propane or natural gas, is a viable method of encouraging installation of "gas" appliances in the residential subdivision at the time of construction. This program is designed to provide Builders and Developers a cash incentive to encourage the installation of "gas" appliances in the newly constructed house.

Allowances:

Conservation allowances are currently:

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

Program Fiscal Expenditures:

Program cost totaled \$5,996 for this twelve-month period, incurred by staff in response to builder/developer inquiries.

Program Summary:

One propane distribution sub-division has been added under this program since its inception.

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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Conservation Education Program

Program Description:  
The objective of this program is to teach adults and young people conservation measures designed to reduce energy consumption and consequently reduce their family's utility bill.

Program Activity and Projections:  
We continue to develop branded programs as well as expand community outreach programs designed to inform and educate the general public as well as business interest in the communities about the availability of our conservation programs, and the benefits and value of natural gas. Examples of these types of programs;

**Energy Plus Home Program** is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Often residential consumers only consider the higher installation costs, and not the operating savings, associated with natural gas appliances and therefore do not convert to energy efficient natural gas appliances. The brand supports several conservation programs - *Residential Appliance Replacement Program, Residential Water Heater Retention Program, and the Space Conditioning for Residential Applications.*

**Energy Plus Home Builder Program** promotes the *Residential Home Builder Program* which purpose is to promote energy efficient natural gas encouraging the selection of appliances most suitable in reducing the ultimate consumer's overall energy costs. Incentives are offered in the form of cash allowances on the installation of those chosen appliances. The program offers builders and developers incentives to assist in defraying the additional costs associated with the installation of natural gas appliances.

**Energy Plus Partners Program** is the new name of the Preferred Partners program that was launched in late 2001. The program works to remove market

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barriers, expand consumer choice, and create synergy between the trades and businesses linked to natural gas. The program supports awareness of our conservation allowances programs. Examples of business entities that support the gas system and are potential partners for the gas company: builders, developers, retailers, HVAC providers, plumbers, and architects, to name but a few. The brand supports several conservation programs - *Residential Appliance Replacement Program, Residential Water Heater Retention Program, Space Conditioning for Residential Applications, Residential Home Builder Program, and the Residential Propane Distribution Program*

**Energy Smart Kids Program** educates and engages young minds in an in-school setting. The classroom-based program provides posters, classroom activities, gas education booklets, pencils and teaching plan. A "school board" approved curriculum offers teaches a balanced five day lesson plan ending with an in-classroom demonstration featuring "Effie" the power station – a small working power generating engine that converts gas into electric. Energy conservation is the main theme of the program.

Program Fiscal Expenditures:

Program costs totaled \$253,520 for this twelve-month period.

# ORIGINAL

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation  
Cost Recovery.

Docket No. 030004-GU

### CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the prefiled direct testimony of Brian S. Bilinski and Exhibit BSB-1 were furnished by hand-delivery to Lorena Holley, Esq., Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, and by U.S. Mail to the following, on this 13<sup>th</sup> day of May, 2003:

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

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

Robert S. Vandiver, Esq.  
Deputy Public Counsel  
111 W. Madison St., Suite 812  
Tallahassee, FL 32399-1400

Matthew R. Costa, Esq.  
Teco Peoples Gas  
P. O. Box 111  
Tampa, FL 33601

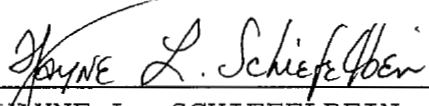
Stuart L. Shoaf, President  
St. Joe Natural Gas Co., Inc.  
P. O. Box 549  
Port St. Joe, FL 32457-0549


Richard D. Melson, Esq.  
Hopping Green & Sams  
P. O. Box 6526  
Tallahassee, FL 32314

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\_\_\_\_\_  
WAYNE L. SCHIEFELBEIN  
Of Counsel  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
(850) 877-6555  
(850) 656-4029 (fax)

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FPSC-BUREAU OF RECORDS

Attorneys for Chesapeake  
Utilities Corporation, Florida  
Division