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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 110004-GU  
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR  
Projection Filing  
Direct Testimony of  
Cheryl M. Martin  
On Behalf of  
THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

12 Q. Please state your name and business address.  
13 A. Cheryl M. Martin. My business address is 401 South  
14 Dixie Highway, West Palm Beach, Florida 33401-3395.

15 Q. By whom are you employed and in what capacity?  
16 A. I am employed by Florida Public Utilities Company  
17 (FPUC) as Director of Regulatory Affairs.

18 Q. Can you please provide a brief overview of your  
19 educational and employment background?

20 A. I graduated from Florida State University in 1984  
21 with a BS degree in Accounting and I am a Certified  
22 Public Accountant in the state of Florida.

23 I have been employed by FPUC since 1985. In August  
24 2011, I was promoted to my current position,  
25 Director of Regulatory Affairs. I have performed  
26 various accounting, management and regulatory roles  
27 and functions including regulatory accounting (Fuel,

28 PGA, conservation, surveillance reports, regulatory  
29 reporting), tax accounting, external reporting as  
30 well as corporate accounting. I have been an expert  
31 witness for numerous proceedings before the Florida

COM 5  
APA 1  
ECR 1  
GCL 1  
RAD  
SRC  
ADM 31  
OPC  
CLK CF RPR

06610 SEP 13 =  
FPSC-COMMISSION CLERK

1 Public Service Commission (FPSC).

2 Q. What is the purpose of your testimony at this time?

3 A. To advise the Commission as to the Conservation Cost  
4 Recovery Clause Calculation for the period January  
5 2012 through December 2012.

6 Q. Have you included descriptions and summary  
7 information on the Conservation Programs currently  
8 approved and available to your customers for the  
9 Florida Division of Chesapeake Utilities  
10 Corporation?

11 A. Yes, the Company has included summaries of the  
12 approved conservation programs currently available  
13 to our customers in C-4 of Exhibit CMM-3.

14 Q. Were the summaries of the Company's Conservation  
15 Programs and the Costs associated with these  
16 Programs completed under your direction or review?

17 A. Yes.

18 Q. What are the total projected costs for the period  
19 January 2012 through December 2012 in the Florida  
20 Division of Chesapeake Utilities Corporation?

21 A. The total projected Conservation Program Costs are  
22 \$885,846. Please see Schedule C-2, page 2, for the  
23 programmatic and functional breakdown of these total  
24 costs.

25

1 Q. What is the true-up for the period January 2011  
2 through December 2011?

3 A. As reflected in the Schedule C-3, Page 4 of 5, the  
4 True-up amount for the Florida Division of  
5 Chesapeake Utilities Corporation is an over-recovery  
6 of \$82,150.

7 Q. What are the resulting net total projected  
8 conservation costs to be recovered during this  
9 projection period?

10 A. The total costs to be recovered are \$803,696.

11 Q. Have you prepared a schedule that shows the  
12 calculation of the Company's proposed Energy  
13 Conservation Cost Recovery Adjustment factors to be  
14 applied during billing periods from January 1, 2012  
15 through December 31, 2012?

16 A. Yes. Schedule C-1, page 1 of 2, of Exhibit CMM-3  
17 shows these calculations.

18 Q. Have you prepared a schedule that shows the  
19 calculation of the Company's proposed Energy  
20 Conservation Cost Recovery Adjustment (Experimental)  
21 factors for certain rate classes on an experimental  
22 basis to be applied during billing periods from  
23 January 1, 2012 through December 31, 2012?

24 A. Yes, Schedule C-1, page 2 of 2 of Exhibit CMM-3  
25 shows these calculations.

1 Q. Are there any exhibits that you wish to sponsor in  
2 this proceeding?

3 A. Yes. I wish to sponsor as Exhibits Schedules C-1,  
4 C-2, C-3, and C-4 (Composite Prehearing  
5 Identification Number CMM-3), which have been filed  
6 with this testimony.

7 Q. Does this conclude your testimony?

8 A. Yes.

CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION  
ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2012 THROUGH DECEMBER 2012  
PER THERM BASIS

1.	INCREMENTAL COSTS (SCHEDULE C-2)	\$885,846
2.	TRUE-UP (SCHEDULE C-3)	<u>(\$82,150)</u>
3.	TOTAL	<u>\$803,696</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	25,370	199,140	\$329,810	\$92,317	\$422,127	\$30,544	7.2356%	\$0.1534	1.00503	\$0.15415
FTS-B	27,035	361,166	\$419,043	\$178,004	\$597,047	\$43,200	7.2356%	\$0.1196	1.00503	\$0.12021
FTS-1	95,046	1,848,515	\$1,805,874	\$856,047	\$2,661,921	\$192,607	7.2356%	\$0.1042	1.00503	\$0.10472
FTS-2	12,346	455,139	\$419,764	\$145,462	\$565,226	\$40,898	7.2356%	\$0.0899	1.00503	\$0.09031
FTS-2.1	8,158	956,106	\$326,320	\$294,739	\$621,059	\$44,938	7.2356%	\$0.0470	1.00503	\$0.04724
FTS-3	2,549	613,541	\$275,292	\$147,876	\$423,168	\$30,619	7.2356%	\$0.0499	1.00503	\$0.05016
FTS-3.1	3,170	1,849,520	\$424,780	\$376,988	\$801,768	\$58,013	7.2356%	\$0.0314	1.00503	\$0.03152
FTS-4	1,949	2,341,577	\$409,290	\$442,558	\$851,848	\$61,637	7.2356%	\$0.0263	1.00503	\$0.02646
FTS-5	375	963,477	\$142,500	\$159,744	\$302,244	\$21,869	7.2356%	\$0.0227	1.00503	\$0.02281
FTS-6	345	1,730,975	\$207,000	\$262,018	\$469,018	\$33,936	7.2356%	\$0.0196	1.00503	\$0.01970
FTS-7	275	3,316,327	\$192,500	\$407,908	\$600,408	\$43,443	7.2356%	\$0.0131	1.00503	\$0.01317
FTS-8	204	4,513,116	\$244,800	\$497,526	\$742,326	\$53,712	7.2356%	\$0.0119	1.00503	\$0.01196
FTS-9	72	1,995,190	\$144,000	\$182,221	\$326,221	\$23,604	7.2356%	\$0.0118	1.00503	\$0.01189
FTS-10	48	3,297,573	\$144,000	\$274,292	\$418,292	\$30,266	7.2356%	\$0.0092	1.00503	\$0.00922
FTS-11	60	8,018,764	\$330,000	\$559,469	\$889,469	\$64,359	7.2356%	\$0.0080	1.00503	\$0.00807
FTS-12	12	5,019,116	\$108,000	\$307,320	\$415,320	\$30,051	7.2356%	\$0.0060	1.00503	\$0.00602
TOTAL	177,014	37,479,242	5,922,973	5,184,490	11,107,463	803,696	7.2356%			

CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION  
ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2012 THROUGH DECEMBER 2012  
PER BILL BASIS - Experimental

1.	INCREMENTAL COSTS (SCHEDULE C-2)	\$885,846
2.	TRUE-UP (SCHEDULE C-3)	<u>(\$82,150)</u>
3.	TOTAL	<u>\$803,696</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	\$ PER BILL	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	25,370	199,140	\$329,810	\$92,317	\$422,127	\$30,544	7.2356%	\$1.2039	1.00503	\$1.21
FTS-B	27,035	361,166	\$419,043	\$178,004	\$597,047	\$43,200	7.2356%	\$1.5979	1.00503	\$1.61
FTS-1	95,046	1,848,515	\$1,805,874	\$856,047	\$2,661,921	\$192,607	7.2356%	\$2.0265	1.00503	\$2.04
FTS-2	12,346	455,139	\$419,764	\$145,462	\$565,226	\$40,898	7.2356%	\$3.3126	1.00503	\$3.33
FTS-2.1	8,158	956,108	\$326,320	\$294,739	\$621,059	\$44,938	7.2356%	\$5.5084	1.00503	\$5.54
FTS-3	2,549	613,541	\$275,292	\$147,876	\$423,168	\$30,619	7.2356%	\$12.0121	1.00503	\$12.07
FTS-3.1	3,170	1,849,520	\$424,780	\$376,988	\$801,768	\$58,013	7.2356%	\$18.3006	1.00503	\$18.39
FTS-4	1,949	2,341,577	\$409,290	\$442,558	\$851,848	\$61,637				
FTS-5	375	963,477	\$142,500	\$159,744	\$302,244	\$21,869				
FTS-6	345	1,730,975	\$207,000	\$262,018	\$469,018	\$33,936				
FTS-7	275	3,316,327	\$192,500	\$407,908	\$600,408	\$43,443				
FTS-8	204	4,513,116	\$244,800	\$497,526	\$742,326	\$53,712				
FTS-9	72	1,995,190	\$144,000	\$182,221	\$326,221	\$23,604				
FTS-10	48	3,297,573	\$144,000	\$274,292	\$418,292	\$30,266				
FTS-11	60	8,018,764	\$330,000	\$559,469	\$889,469	\$64,359				
FTS-12	12	5,019,116	\$108,000	\$307,320	\$415,320	\$30,051				
TOTAL	177,014	37,479,242	\$5,922,973	\$5,184,490	\$11,107,463	\$803,696	7.2356%			

CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION  
PROJECTED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
FOR PE JANUARY 2012 THROUGH DECEMBER 2012

PROGRAM NAME	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012	TOTAL
1. RESIDENTIAL NEW CONSTRUCTION PROGRAM	\$14,766	\$14,766	\$14,766	\$14,766	\$14,766	\$14,766	\$14,766	\$14,766	\$14,766	\$14,766	\$14,766	\$14,766	\$177,193
2. RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM	\$21,339	\$21,339	\$21,339	\$21,339	\$21,339	\$21,339	\$21,339	\$21,339	\$21,339	\$21,339	\$21,339	\$21,337	\$256,066
3. RESIDENTIAL PROPANE DISTRIBUTION PROGRAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. RESIDENTIAL APPLIANCE RETENTION PROGRAM	\$26,130	\$26,130	\$26,130	\$26,130	\$26,130	\$26,130	\$26,130	\$26,130	\$26,130	\$26,130	\$26,130	\$26,135	\$313,565
5. NG SPACE CONDITIONING FOR RESIDENTIAL HOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. GAS SPACE CONDITIONING PROGRAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. CONSERVATION EDUCATION PROGRAM	\$11,585	\$11,585	\$11,585	\$11,585	\$11,585	\$11,585	\$11,585	\$11,585	\$11,585	\$11,585	\$11,585	\$11,587	\$139,022
8.	\$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.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL PROGRAMS	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,826	\$885,846
LESS: AMOUNT IN RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECOVERABLE CONSERVATION EXPENSES	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,820	\$73,826	\$885,846

CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION  
PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD JANUARY 2012 THROUGH DECEMBER 2012

PROGRAM NAME	CAPITAL	PAYROLL & MATERIALS &		INCENTIVES	OUTSIDE	VEHICLE	OTHER	TOTAL	
	INVESTMENT	BENEFITS	SUPPLIES		ADVERTISING				SERVICES
1. RESIDENTIAL NEW CONSTRUCTION PROGRAM	\$0	\$65,000	\$3,441	\$44,000	\$50,000	\$3,972	\$8,000	\$2,780	\$177,193
2. RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM	\$0	\$90,000	\$3,829	\$59,000	\$50,000	\$45,000	\$8,000	\$237	\$256,066
3. RESIDENTIAL PROPANE DISTRIBUTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. RESIDENTIAL APPLIANCE RETENTION PROGRAM	\$0	\$81,000	\$3,773	\$103,000	\$120,000	\$0	\$5,500	\$292	\$313,565
5. NG SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. GAS SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. EDUCATION	\$0	\$94,000	\$14,639	\$24,285	\$0	\$842	\$5,000	\$256	\$139,022
8.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL PROGRAMS	\$0	\$330,000	\$25,682	\$230,285	\$220,000	\$49,814	\$26,500	\$3,565	\$885,846
LESS: AMOUNT IN RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECOVERABLE CONSER.	\$0	\$330,000	\$25,682	\$230,285	\$220,000	\$49,814	\$26,500	\$3,565	\$885,846



CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION  
CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD JANUARY 2011 THROUGH DECEMBER 2011  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL NEW CONSTRUCTION PROGRAM									
A. ACTUAL	\$0	\$19,358	\$840	\$200,817	\$70,269	\$2,318	\$1,076	\$5,178	\$299,856
B. ESTIMATED	\$0	\$18,370	\$600	\$143,440	\$50,190	\$1,660	\$770	\$1,153	\$214,183
C. TOTAL	\$0	\$35,728	\$1,440	\$344,257	\$120,459	\$3,978	\$1,846	\$6,331	\$514,039
2. RESIDENTIAL APPLIANCE REPLACEMENT PROGRAM									
A. ACTUAL	\$0	\$14,382	\$1,067	\$5,347	\$0	\$26,252	\$1,242	\$3,113	\$51,403
B. ESTIMATED	\$0	\$12,400	\$760	\$3,820	\$0	\$18,750	\$890	\$97	\$36,717
C. TOTAL	\$0	\$26,782	\$1,827	\$9,167	\$0	\$45,002	\$2,132	\$3,210	\$88,120
3. RESIDENTIAL PROPANE DISTRIBUTION PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. RESIDENTIAL APPLIANCE RETENTION PROGRAM									
A. ACTUAL	\$0	\$13,429	\$1,035	\$6,034	\$0	\$2	\$1,224	\$2,681	\$24,405
B. ESTIMATED	\$0	\$11,390	\$740	\$4,310	\$0	\$0	\$870	\$122	\$17,432
C. TOTAL	\$0	\$24,819	\$1,775	\$10,344	\$0	\$2	\$2,094	\$2,803	\$41,837
5. NG SPACE CONDITIONING FOR RESIDENTIAL HOMES PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. GAS SPACE CONDITIONING PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. CONSERVATION EDUCATION PROGRAM									
A. ACTUAL	\$0	\$13,741	\$2,706	\$14,166	\$0	\$493	\$1,346	\$2,874	\$35,326
B. ESTIMATED	\$0	\$11,780	\$1,930	\$10,120	\$0	\$350	\$960	\$113	\$25,233
C. TOTAL	\$0	\$25,501	\$4,636	\$24,286	\$0	\$843	\$2,306	\$2,987	\$60,559
<b>TOTAL COSTS</b>	\$0	\$112,830	\$9,678	\$388,054	\$120,459	\$49,825	\$8,378	\$15,331	\$704,555





CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION  
ENERGY CONSERVATION COST RECOVERY ADJUSTMENT  
FOR PERIOD: JANUARY 2011 THROUGH DECEMBER 2011  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

		JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011	TOTAL
CONSERVATION REVS														
1.	RCS AUDIT FEE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.	OTHER PROG. REVS.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.	CONSERV. ADJ REVS.	(\$77,176)	(\$60,660)	(\$59,328)	(\$53,626)	(\$43,998)	(\$42,601)	(\$38,937)	(\$53,187)	(\$53,187)	(\$53,187)	(\$53,187)	(\$53,187)	(\$642,261)
4.	TOTAL REVENUES	(\$77,176)	(\$60,660)	(\$59,328)	(\$53,626)	(\$43,998)	(\$42,601)	(\$38,937)	(\$53,187)	(\$53,187)	(\$53,187)	(\$53,187)	(\$53,187)	(\$642,261)
5.	PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	(\$12,014)	(\$12,013)	(\$12,014)	(\$12,014)	(\$12,014)	(\$12,014)	(\$12,014)	(\$12,014)	(\$12,014)	(\$12,014)	(\$12,014)	(\$12,014)	(\$144,163)
6.	CONSERV. REVS. APPLICABLE TO THE PERIOD	(\$89,190)	(\$72,673)	(\$71,342)	(\$65,640)	(\$56,012)	(\$54,615)	(\$50,951)	(\$65,201)	(\$65,201)	(\$65,201)	(\$65,201)	(\$65,201)	(\$786,424)
7.	CONSERV. EXPS.	\$25,460	\$25,942	\$36,922	\$55,682	\$103,536	\$100,191	\$63,257	\$58,713	\$58,713	\$58,713	\$58,713	\$58,713	\$704,555
8.	TRUE-UP THIS PERIOD	(\$63,730)	(\$46,731)	(\$34,420)	(\$9,958)	\$47,524	\$45,576	\$12,306	(\$6,488)	(\$6,488)	(\$6,488)	(\$6,488)	(\$6,488)	(\$81,869)
9.	INTER. PROVISION THIS PERIOD	(\$35)	(\$44)	(\$45)	(\$41)	(\$32)	(\$22)	(\$14)	(\$11)	(\$10)	(\$10)	(\$9)	(\$8)	(\$281)
10.	TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(\$144,163)	(\$195,914)	(\$230,676)	(\$253,127)	(\$251,112)	(\$191,606)	(\$134,038)	(\$109,732)	(\$104,217)	(\$98,701)	(\$93,185)	(\$87,668)	(\$144,163)
11.	PRIOR TRUE-UP COLLECTED OR (REFUNDED)	\$12,014	\$12,014	\$12,014	\$12,014	\$12,014	\$12,014	\$12,014	\$12,014	\$12,014	\$12,014	\$12,014	\$12,014	\$144,163
12.	TOTAL NET TRUE-UP	(\$195,914)	(\$230,676)	(\$253,127)	(\$251,112)	(\$191,606)	(\$134,038)	(\$109,732)	(\$104,217)	(\$98,701)	(\$93,185)	(\$87,668)	(\$82,150)	(\$82,150)

CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION  
CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR PERIOD: JANUARY 2011 THROUGH DECEMBER 2011  
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

INTEREST PROVISION	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011	TOTAL
1. BEGINNING TRUE-UP	(\$144,163)	(\$195,914)	(\$230,676)	(\$253,127)	(\$251,112)	(\$191,606)	(\$134,038)	(\$109,732)	(\$104,217)	(\$98,701)	(\$93,185)	(\$87,668)	
2. ENDING TRUE-UP BEFORE INTEREST	(\$195,879)	(\$230,632)	(\$253,082)	(\$251,071)	(\$191,574)	(\$134,016)	(\$109,718)	(\$104,206)	(\$98,691)	(\$93,175)	(\$87,659)	(\$82,142)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(\$340,042)	(\$426,546)	(\$483,757)	(\$504,197)	(\$442,685)	(\$325,621)	(\$243,755)	(\$213,937)	(\$202,907)	(\$191,875)	(\$180,843)	(\$169,809)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(\$170,021)	(\$213,273)	(\$241,879)	(\$252,099)	(\$221,343)	(\$162,811)	(\$121,878)	(\$106,969)	(\$101,454)	(\$95,938)	(\$90,422)	(\$84,905)	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	0.25%	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.12%	0.12%	0.12%	0.12%	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
7. TOTAL (SUM LINES 5 & 6)	0.50%	0.50%	0.45%	0.39%	0.35%	0.32%	0.28%	0.24%	0.24%	0.24%	0.24%	0.24%	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	0.25%	0.25%	0.23%	0.20%	0.18%	0.16%	0.14%	0.12%	0.12%	0.12%	0.12%	0.12%	
9. MONTHLY AVG INTEREST RATE	0.02%	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
10. INTEREST PROVISION	(\$35)	(\$44)	(\$45)	(\$41)	(\$32)	(\$22)	(\$14)	(\$11)	(\$10)	(\$10)	(\$9)	(\$8)	(\$281)

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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:

Residential New Construction Program

Program Description:

This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Allowances:

Conservation allowances are currently:

\$350	Gas Storage Tank Water Heating
\$400	High Efficiency Gas Storage Tank Water Heating
\$550	Gas Tankless Water Heating
\$500	Gas Heating
\$150	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:

During the seven-month period January through July 2011, 32 residences qualified under the Residential New Construction Program. The Company estimates 22 new homes will qualify during the period August through December 2011.

Program Fiscal Expenditures:

For the seven-month period January through July 2011, CUC incurred costs of \$299,856 for the Residential New Construction Program. For August through December 2011, program costs are estimated to be \$214,183.

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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 for the replacement of non-gas water heating, heating, cooking, or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

Allowance:  
Conservation allowances are currently:

\$500	Gas Storage Tank Water Heating
\$550	High Efficiency Gas Storage Tank Water Heating
\$675	Gas Tankless Water Heating
\$725	Gas Heating
\$200	Gas Cooking
\$150	Gas Clothes Drying

Program Activity and Projections:  
During the seven-month period January through July 2011, 35 residences qualified under the Residential Appliance Replacement Program. The Company estimates an additional 25 residences will qualify for incentives during the period August through December 2011.

Program Fiscal Expenditures:  
For the seven-month period January through July 2011, CUC incurred costs of \$51,403 for the Residential Appliance Replacement Program. For August through December 2011, program costs are estimated to be \$36,717.

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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 Activity and Projections:

During this year we intend to distribute promotional materials aimed at the builder market in order to educate and inform as to the values of a propane distribution system.

Program Fiscal Expenditures:

For the seven-month period January through July 2011, CUC incurred costs of \$0 for the Residential Propane Distribution Program. For- August through December 2011, program costs are estimated to be \$0.

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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Residential Appliance Retention Program

Program Description:  
The Company offers this program to existing customers to promote the retention of energy-efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash allowances to the customer.

Allowances:  
Conservation allowances are currently:

\$350	Gas Storage Tank Water Heating
\$400	High Efficiency Gas Storage Tank Water Heating
\$550	Gas Tankless Water Heating
\$500	Gas Heating
\$100	Gas Cooking
\$100	Gas Clothes Drying

Program Activity and Projections:  
For the seven-month period January through July 2011, CUC paid allowances on 187 appliances. The Company estimates an additional 134 allowances will be paid during the period of August through December 2011.

Program Fiscal Expenditures:  
For the seven-month period January through July 2011, CUC incurred costs of \$24,405 for the Residential Appliance Retention Program. For August through December 2011, program costs are estimated to be \$17,432.

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CHESAPEAKE UTILITIES CORPORATION  
Program Description and Progress

Program Title:  
Natural Gas Space Conditioning for Residential Homes Program

Program Description:  
The program is intended to encourage the use of energy efficient natural gas air conditioning products in residential homes. The program is designed to offer a \$1,200 per unit allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation.

Program Activity and Projections:  
For the seven-month period January through July 2011, CUC didn't pay any allowances on this program. No activity is projected in this program for the remainder of 2011.

Program Fiscal Expenditures:  
For the seven-month period January through July 2011, CUC incurred costs of \$0 for the Natural Gas Space Conditioning for Residential Homes Program. For August through December 2011, program costs are estimated to be \$0.

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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 Activity and Projections:  
For the seven-month period January through July 2011, CUC didn't pay any allowances on this program. No activity is projected in this program for the remainder of 2011.

Program Fiscal Expenditures:  
For the seven-month period January through July 2011, CUC incurred costs of \$0 for the Gas Space Conditioning Program. For August through December 2011, program costs are estimated to be \$0.

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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 overall energy cost.

Program Activity and Projections:  
We have created community outreach programs designed to inform and educate the general public as well as business interest in the communities we serve as to the value of natural gas and the availability of our conservation allowance programs. Examples of these types of programs: energy plus home builders program, energy plus partners program, appliance retention programs, and energy smart kids.

Program Fiscal Expenditures:  
During the seven-month period January through July 2011, CUC incurred costs of \$35,326 for the Conservation Education Program. For August through December 2011, program costs are estimated to be \$25,233.