

September 12, 2012

HAND DELIVERY

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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COMMISSION
CLERK

Re: Docket No. 120004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Cole:

Attached for filing, please find the original and 15 copies of the Direct Testimony and Exhibit MDN-3 of Ms. Michelle Napier, submitted in the referenced Docket on behalf of Florida Division of Chesapeake Utilities Corporation, along with the original and 15 copies of the Company's Petition for Approval of Conservation Cost Recovery Factors. Also enclosed for filing is a CD containing the filed schedules in native format.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

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cc: Parties of Record

DOCUMENT NUMBER-DATE

06149 SEP 12 12

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation Cost)
Recovery)
_____)

Docket No. 120004-GU
Filed: September 12, 2012

**PETITION OF FLORIDA DIVISION OF CHESAPEAKE UTILITIES
CORPORATION FOR APPROVAL OF CONSERVATION COST RECOVERY
FACTORS**

The Florida Division of Chesapeake Utilities Corporation (“CHPK” or “the Company”) hereby hereby petitions the Commission for Approval of the Company’s conservation cost recovery factors for the period January 1, 2013 through December 31, 2013. In support thereof, the Company says:

1. The Company is a natural gas utility with its principal office located at:

Florida Division of Chesapeake Utilities
Corporation
1015 Sixth Street, NW
Winter Haven, FL 33881

2. The name and mailing address of the persons authorized to receive notices are:

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

Cheryl Martin
Florida Division of Chesapeake
Utilities
Corporation
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409-6703

For the period January 1, 2013 through December 31, 2013, CHPK projects its total incremental conservation costs to be \$812,000 (Schedule C-2). CHPK’s true-up for the period January 1, 2012 through December 31, 2012, is an over-recovery of \$217,008,

resulting in a total of \$594,992, of conservation costs to be recovered during the January 1, 2013 through December 31, 2013 period.

3. When the required true-up and projected expenditures are spread over the Company's rate classes, excluding customers who are on market-based rates, and then dividing this result by the projected gas throughput for the period by rate class, and expanding for taxes, the required conservation cost recovery factors for the period January 1, 2013 through December 31, 2013, are:

Rate Class	ECCR Factor
FTS-A	13.083 cents/therm
FTS-B	10.285 cents/therm
FTS-1	8.657 cents/therm
FTS-2	5.054 cents/therm
FTS-2.1	3.713 cents/therm
FTS-3	3.486 cents/therm
FTS-3.1	2.466 cents/therm
FTS-4	2.053 cents/therm
FTS-5	1.597 cents/therm
FTS-6	1.373 cents/therm
FTS-7	0.978 cents/therm
FTS-8	0.866 cents/therm
FTS-9	0.735 cents/therm
FTS-10	0.632 cents/therm
FTS-11	0.566 cents/therm
FTS-12	0.437 cents/therm

4. The Company also received Commission approval to implement fixed per bill Conservation Cost Recovery Adjustment (Experimental) factors to certain rate classes. The same methodology was used to compute these factors, but the projected number of bills for the specific rate classes was used rather than the gas throughput. The Company therefore also seeks approval of the following experimental per bill Conservation Cost Recovery

Adjustment (Experimental) factors:

Rate Class	ECCR Factor (\$ per bill)
FTS-A	\$ 0.85
FTS-B	\$ 1.11
FTS-1	\$ 1.42
FTS-2	\$ 2.74
FTS-2.1	\$ 3.83
FTS-3	\$ 9.13
FTS-3.1	\$ 12.78

5. The Company's calculation of the Conservation Cost Recovery Factors is consistent with the Commission's methodology, and supported by the Direct Testimony of Michelle Napier, and Schedules C-1 through C-3, which are included in Exhibit No. (MDN-3).

WHEREFORE, the Florida Division of Chesapeake Utilities Corporation requests that its Conservation Cost Recovery Factors for the period January 1, 2013 through December 31, 2013 be approved.



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

*Attorneys for Florida Division of
Chesapeake Utilities Corporation*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition of the Florida Division of Chesapeake Utilities Corporation, as well as the Direct Testimony and Exhibits of Michelle Napier, has been furnished by U.S. Mail to the following parties of record this 12th day of September, 2012:

Florida Public Utilities Company Cheryl Martin/Aleida Socarras 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409-6703	MacFarlane Ferguson Law Firm Ansley Watson, Jr. P.O. Box 1531 Tampa, FL 33601-1531
Messer Law Firm Norman H. Horton, Jr. P.O. Box 15579 Tallahassee, FL 32317	Office of Public Counsel J.R. Kelly/Patricia Christensen c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400
Peoples Gas System Paula Brown P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Stuart L. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870	AGL Resources Inc. Elizabeth Wade/Brian Sulmonetti Ten Peachtree Place Location 1470 Atlanta, GA 30309
Florida City Gas Carolyn Bermudez 933 East 25 th Street Hialeah, FL 33013-3498	Jennifer Crawford/Pauline Robinson Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399
Florida Division of Chesapeake Utilities Corporation Cheryl Martin 1641 Worthington Road, Suite 220 West Palm Beach, FL 33409-6703	



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 120004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
Michelle D. Napier
On Behalf of
THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

1 **Q. Please state your name and business address.**

2 A. Michelle D. Napier. My business address is 1641 Worthington Road, Suite 220,
3 West Palm Beach, Florida 33409.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Florida Public Utilities Company (FPUC) as the Senior
6 Regulatory Analyst.

7 **Q. Can you please provide a brief overview of your educational and
8 employment background?**

9 A. I graduated from University of South Florida in 1986 with a BS degree in
10 Finance. I have been employed by FPUC since 1987. During my employment at
11 FPUC, I have performed various roles and functions in accounting, management
12 and most recently, regulatory accounting (PGA, conservation, surveillance
13 reports, regulatory reporting). I perform many of these same duties for FPUC's
14 sister company, the Florida Division of Chesapeake Utilities Corporation.

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

16 A. To describe generally the expenditures made and projected to be made in
17 implementing, promoting, and operating the Florida Division of Chesapeake

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FPSC-COMMISSION CLERK

1 Utilities Corporation's energy conservation programs. This will include
2 recoverable costs incurred in January through July 2012 and projections of
3 program costs to be incurred August through December 2012. It will also
4 include projected conservation costs for the period January through December
5 2013, which a calculation of the Energy Conservation Cost Recovery
6 Adjustment and Energy Conservation Cost Recovery Adjustment
7 (Experimental) factors to be applied to the customers' bills during the collection
8 period of January 1, 2013 through December 31, 2013.

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

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

14 **Q. Have you included descriptions and summary information on proposed**
15 **Conservation Programs for future availability to your customers for the**
16 **Florida Division of Chesapeake Utilities Corporation?**

17 A. Yes, the Company has included summaries of three (3) proposed programs for
18 our Commercial customers, New Construction, Appliance Replacement and
19 Appliance Retention. These programs are currently under development by the
20 members of the Associated Gas Distributors of Florida (AGDF) and will allow
21 us to attract and retain commercial customers by offering incentives. AGDF
22 plans to file these new programs with the Commission later this year, with an
23 expected approval the first half of 2013. Please see C-4 of Exhibit MDN-3.

1 **Q. Has the Company prepared summaries of the Company's Conservation**
2 **Programs and the Costs associated with these Programs?**

3 A. Yes, the Company's Energy Conservation Manager, Kira Lake, prepared the
4 summaries of the Company's Conservation Programs and costs associated with
5 these programs in C-4 of Exhibit MDN-3.

6 **Q. What are the total projected costs for the period January 2013 through**
7 **December 2013 in the Florida Division of Chesapeake Utilities**
8 **Corporation?**

9 A. The total projected Conservation Program Costs are \$812,000. Please see
10 Schedule C-2, page 2, for the programmatic and functional breakdown of these
11 total costs.

12 **Q. What is the true-up for the period January 2012 through December 2012?**

13 A. As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the
14 Florida Division of Chesapeake Utilities Corporation is an over-recovery of
15 \$217,008.

16 **Q. What are the resulting net total projected conservation costs to be**
17 **recovered during this projection period?**

18 A. The total costs to be recovered are \$594,992.

19 **Q. Have you prepared a schedule that shows the calculation of the Company's**
20 **proposed Energy Conservation Cost Recovery Adjustment factors to be**
21 **applied during billing periods from January 1, 2013 through December 31,**
22 **2013?**

23 A. Yes. Schedule C-1 of Exhibit MDN-3 shows these calculations. Net program

1 cost estimates for the period January 1, 2013 through December 31, 2013 are
2 used. The estimated true-up amount from Schedule C-3, page 4 of 5, of Exhibit
3 MDN-3, being an over-recovery, was added to the total of the projected costs for
4 the twelve-month period. The total amount was then divided among the
5 Company's rate classes, excluding customers who are on market-based rates that
6 fall under Special Contract Services (Original Sheet No. 19) and tariff rate class
7 FTS-13, based on total projected contribution. The results were then divided by
8 the projected gas throughput for each rate class for the twelve-month period
9 ending December 31, 2013. The resulting Energy Conservation Cost Recovery
10 Adjustment factors are shown on Schedule C-1, page 1 of 2 of Exhibit MDN-3.

11 **Q. Why has the Company excluded market-based rates customers from the**
12 **Energy Conservation Cost Recovery Adjustment factors?**

13 A. These customers are served either under the Special Contract Service or Flexible
14 Gas Service, because they have alternative fuel or physical bypass options and
15 are considered by Chesapeake to be "market-based rate" customers. Each of
16 these customers has viable alternatives for service; therefore the negotiated and
17 Commission-approved (in the case of Special Contract Service) rates reflect the
18 fact that only a certain level of revenues can be charged to these customers. In
19 fact, the Company has always excluded the Special Contract Service and tariff
20 rate class FTS-13 customers from the ECCR recovery factors, consistent with its
21 general rate proceedings and consistent with the Applicability section of the
22 tariff sheet for the ECCR factors (Fifth Revised Sheet No. 98). The
23 Commission has not taken issue with the Company's expressed application of

1 the factors either in the ECCR Clause proceedings or in the context of any
2 Special Contract approval.

3 **Q. Have you prepared a schedule that shows the calculation of the Company's**
4 **proposed Energy Conservation Cost Recovery Adjustment (Experimental)**
5 **factors for certain rate classes on an experimental basis to be applied**
6 **during billing periods from January 1, 2013 through December 31, 2013?**

7 A. Yes, experimental per bill rates were approved for rate classes FTS-A, FTS-B,
8 FTS-1, FTS-2, FTS-2.1, FTS-3 and FTS-3.1. A similar calculation as the per
9 term rate described above was made; however, the projected number of bills
10 for each rate class for the twelve-month period ending December 31, 2013 was
11 utilized. The resulting Energy Conservation Cost Recovery Adjustment
12 (Experimental) factors are shown on Schedule C-1, page 2 of 2 of Exhibit
13 MDN-3.

14 **Q. Are there any exhibits that you wish to sponsor in this proceeding?**

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

18 **Q. Does this conclude your testimony?**

19 A. Yes.

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2013 THROUGH DECEMBER 2013
PER THERM BASIS

1.	INCREMENTAL COSTS (SCHEDULE C-2)	\$812,000
2.	TRUE-UP (SCHEDULE C-3)	<u>(\$217,008)</u>
3.	TOTAL	<u>\$594,992</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	20,259	132,395	\$263,367	\$61,376	\$324,743	\$17,235	5.3071%	\$0.1302	1.00503	\$0.13083
FTS-B	26,254	283,488	\$406,937	\$139,720	\$546,657	\$29,012	5.3071%	\$0.1023	1.00503	\$0.10285
FTS-1	107,056	1,753,589	\$2,034,064	\$812,087	\$2,846,151	\$151,049	5.3071%	\$0.0861	1.00503	\$0.08657
FTS-2	11,762	636,916	\$399,908	\$203,558	\$603,466	\$32,027	5.3071%	\$0.0503	1.00503	\$0.05054
FTS-2.1	6,991	720,902	\$279,640	\$222,232	\$501,872	\$26,635	5.3071%	\$0.0369	1.00503	\$0.03713
FTS-3	3,336	873,257	\$360,288	\$210,472	\$570,760	\$30,291	5.3071%	\$0.0347	1.00503	\$0.03486
FTS-3.1	3,283	1,702,164	\$439,922	\$346,952	\$786,874	\$41,760	5.3071%	\$0.0245	1.00503	\$0.02466
FTS-4	1,656	1,775,268	\$347,760	\$335,526	\$683,286	\$36,263	5.3071%	\$0.0204	1.00503	\$0.02053
FTS-5	384	1,091,525	\$145,920	\$180,975	\$326,895	\$17,349	5.3071%	\$0.0159	1.00503	\$0.01597
FTS-6	240	1,359,121	\$144,000	\$205,730	\$349,730	\$18,561	5.3071%	\$0.0137	1.00503	\$0.01373
FTS-7	216	2,505,444	\$151,200	\$308,170	\$459,370	\$24,379	5.3071%	\$0.0097	1.00503	\$0.00978
FTS-8	276	6,344,435	\$331,200	\$699,411	\$1,030,611	\$54,696	5.3071%	\$0.0086	1.00503	\$0.00866
FTS-9	72	3,092,620	\$144,000	\$282,449	\$426,449	\$22,632	5.3071%	\$0.0073	1.00503	\$0.00735
FTS-10	36	3,059,612	\$108,000	\$254,499	\$362,499	\$19,238	5.3071%	\$0.0063	1.00503	\$0.00632
FTS-11	60	9,089,638	\$330,000	\$634,184	\$964,184	\$51,171	5.3071%	\$0.0056	1.00503	\$0.00566
FTS-12	<u>12</u>	<u>5,220,309</u>	<u>\$108,000</u>	<u>\$319,640</u>	<u>\$427,640</u>	<u>\$22,695</u>	<u>5.3071%</u>	<u>\$0.0043</u>	<u>1.00503</u>	<u>\$0.00437</u>
TOTAL	181,893	39,640,683	5,994,206	5,216,980	11,211,186	594,992	5.3071%			

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2013 THROUGH DECEMBER 2013
PER BILL BASIS - Experimental

1.	INCREMENTAL COSTS (SCHEDULE C-2)	\$812,000
2.	TRUE-UP (SCHEDULE C-3)	<u>(\$217,008)</u>
3.	TOTAL	<u>\$594,992</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	\$ PER BILL	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	20,259	132,395	\$263,367	\$61,376	\$324,743	\$17,235	5.3071%	\$0.8507	1.00503	\$0.85
FTS-B	26,254	283,488	\$406,937	\$139,720	\$546,657	\$29,012	5.3071%	\$1.1050	1.00503	\$1.11
FTS-1	107,056	1,753,589	\$2,034,064	\$812,087	\$2,846,151	\$151,049	5.3071%	\$1.4109	1.00503	\$1.42
FTS-2	11,762	636,916	\$399,908	\$203,558	\$603,466	\$32,027	5.3071%	\$2.7229	1.00503	\$2.74
FTS-2.1	6,991	720,902	\$279,640	\$222,232	\$501,872	\$26,635	5.3071%	\$3.8099	1.00503	\$3.83
FTS-3	3,336	873,257	\$360,288	\$210,472	\$570,760	\$30,291	5.3071%	\$9.0800	1.00503	\$9.13
FTS-3.1	3,283	1,702,164	\$439,922	\$346,952	\$786,874	\$41,760	5.3071%	\$12.7202	1.00503	\$12.78
FTS-4	1,656	1,775,268	\$347,760	\$335,526	\$683,286	\$36,263				
FTS-5	384	1,091,525	\$145,920	\$180,975	\$326,895	\$17,349				
FTS-6	240	1,359,121	\$144,000	\$205,730	\$349,730	\$18,561				
FTS-7	216	2,505,444	\$151,200	\$308,170	\$459,370	\$24,379				
FTS-8	276	6,344,435	\$331,200	\$699,411	\$1,030,611	\$54,696				
FTS-9	72	3,092,620	\$144,000	\$282,449	\$426,449	\$22,632				
FTS-10	36	3,059,612	\$108,000	\$254,499	\$362,499	\$19,238				
FTS-11	60	9,089,638	\$330,000	\$634,184	\$964,184	\$51,171				
FTS-12	12	5,220,309	\$108,000	\$319,640	\$427,640	\$22,695				
TOTAL	181,893	39,640,683	\$5,994,206	\$5,216,980	\$11,211,186	\$594,992	5.3071%			

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
PROJECTED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
FOR PE JANUARY 2013 THROUGH DECEMBER 2013

PROGRAM NAME	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013	JUL 2013	AUG 2013	SEP 2013	OCT 2013	NOV 2013	DEC 2013	TOTAL
1. RESIDENTIAL NEW CONSTRUCTION	\$17,125	\$17,125	\$17,125	\$17,125	\$17,125	\$17,125	\$17,125	\$17,125	\$17,125	\$17,125	\$17,125	\$17,125	\$205,500
2. RESIDENTIAL APPLIANCE REPLACEMENT	\$11,625	\$11,625	\$11,625	\$11,625	\$11,625	\$11,625	\$11,625	\$11,625	\$11,625	\$11,625	\$11,625	\$11,625	\$139,500
3. CONSERVATION EDUCATION	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$63,000
4. RESIDENTIAL APPLIANCE RETENTION	\$16,167	\$16,167	\$16,167	\$16,167	\$16,167	\$16,167	\$16,167	\$16,167	\$16,167	\$16,167	\$16,167	\$16,167	\$194,000
5. RESIDENTIAL PROPANE DISTIRBUTION PROGRAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. RESIDENTIAL SPACE CONDITIONING	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$287	\$3,400
7. COMMERCIAL SPACE CONDITIONING	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$283	\$287	\$3,400
8. COMMON	\$15,167	\$15,167	\$15,167	\$15,167	\$15,167	\$15,167	\$15,167	\$15,167	\$15,167	\$15,167	\$15,167	\$15,163	\$182,000
9. COMMERCIAL NEW CONSTRUCTION	\$658	\$658	\$658	\$658	\$658	\$658	\$658	\$658	\$658	\$658	\$658	\$662	\$7,900
10. COMMERCIAL APPLIANCE REPLACEMENT	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$363	\$4,400
11. COMMERCIAL APPLIANCE RETENTION	\$742	\$742	\$742	\$742	\$742	\$742	\$742	\$742	\$742	\$742	\$742	\$738	\$8,900
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	\$67,667	\$67,663	\$812,000										
LESS: AMOUNT IN RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECOVERABLE CONSERVATION EXPENSES	\$67,667	\$67,667	\$67,667	\$67,667	\$67,667	\$67,667	\$67,667	\$67,667	\$67,667	\$67,667	\$67,667	\$67,663	\$812,000

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERK JANUARY 2013 THROUGH DECEMBER 2013

PROGRAM NAME	CAPITAL	PAYROLL &	MATERIALS &	ADVERTISING	INCENTIVES	OUTSIDE	VEHICLE	OTHER	TOTAL
	INVESTMENT	BENEFITS	SUPPLIES			SERVICES			
1. RESIDENTIAL NEW CONSTRUCTION	\$0	\$30,000	\$1,000	\$80,000	\$85,000	\$0	\$8,500	\$1,000	\$205,500
2. RESIDENTIAL APPLIANCE REPLACEMENT	\$0	\$25,000	\$1,000	\$60,000	\$45,000	\$0	\$8,500	\$0	\$139,500
3. CONSERVATION EDUCATION	\$0	\$25,000	\$1,000	\$20,000	\$0	\$1,000	\$9,000	\$7,000	\$63,000
4. RESIDENTIAL APPLIANCE RETENTION	\$0	\$25,000	\$1,000	\$60,000	\$100,000	\$0	\$8,000	\$0	\$194,000
5. RESIDENTIAL PROPANE DISTRIBUTION PROGRAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. RESIDENTIAL SPACE CONDITIONING	\$0	\$1,000	\$0	\$1,000	\$1,000	\$0	\$400	\$0	\$3,400
7. COMMERCIAL SPACE CONDITIONING	\$0	\$1,000	\$0	\$1,000	\$1,000	\$0	\$400	\$0	\$3,400
8. COMMON	\$0	\$155,000	\$2,000	\$0	\$0	\$3,000	\$14,000	\$8,000	\$182,000
9. COMMERCIAL NEW CONSTRUCTION	\$0	\$1,500	\$0	\$2,000	\$4,000	\$0	\$400	\$0	\$7,900
10. COMMERCIAL APPLIANCE REPLACEMENT	\$0	\$1,000	\$0	\$1,000	\$2,000	\$0	\$400	\$0	\$4,400
11. COMMERCIAL APPLIANCE RETENTION	\$0	\$1,500	\$0	\$2,000	\$5,000	\$0	\$400	\$0	\$8,900
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	\$266,000	\$6,000	\$227,000	\$243,000	\$4,000	\$50,000	\$16,000	\$812,000
LESS: AMOUNT IN RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECOVERABLE CONSER.	\$0	\$266,000	\$6,000	\$227,000	\$243,000	\$4,000	\$50,000	\$16,000	\$812,000

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD JANUARY 2012 THROUGH DECEMBER 2012
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	\$0	\$13,613	\$218	\$27,065	\$51,886	\$0	\$2,723	\$421	\$95,926
B. ESTIMATED	\$0	\$27,080	\$1,430	\$18,330	\$20,830	\$1,660	\$3,330	\$1,170	\$73,830
C. TOTAL	\$0	\$40,693	\$1,648	\$45,395	\$72,716	\$1,660	\$6,053	\$1,591	\$169,756
2. RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	\$0	\$11,020	\$155	\$17,576	\$21,586	\$0	\$2,082	\$35	\$52,454
B. ESTIMATED	\$0	\$37,500	\$1,600	\$24,580	\$20,830	\$18,750	\$3,330	\$104	\$106,694
C. TOTAL	\$0	\$48,520	\$1,755	\$42,156	\$42,416	\$18,750	\$5,412	\$139	\$159,148
3. CONSERVATION EDUCATION									
A. ACTUAL	\$0	\$16,447	\$229	\$312	\$0	\$282	\$3,109	\$845	\$21,224
B. ESTIMATED	\$0	\$39,170	\$6,100	\$10,120	\$0	\$350	\$2,080	\$106	\$57,926
C. TOTAL	\$0	\$55,617	\$6,329	\$10,432	\$0	\$632	\$5,189	\$951	\$79,150
4. RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	\$0	\$5,763	\$78	\$16,498	\$54,840	\$0	\$1,048	\$17	\$78,244
B. ESTIMATED	\$0	\$33,750	\$1,570	\$42,920	\$50,000	\$0	\$2,290	\$122	\$130,652
C. TOTAL	\$0	\$39,513	\$1,648	\$59,418	\$104,840	\$0	\$3,338	\$139	\$208,896
5. 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
6. RESIDENTIAL SPACE CONDITIONING									
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. COMMERCIAL SPACE CONDITIONING									
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
8. COMMON									
A. ACTUAL	\$0	\$1,061	\$0	\$18,029	\$200	\$116	\$0	\$4,119	\$23,525
B. ESTIMATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. TOTAL	\$0	\$1,061	\$0	\$18,029	\$200	\$116	\$0	\$4,119	\$23,525
9. COMMERCIAL NEW CONSTRUCTION									
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
10. COMMERCIAL APPLIANCE REPLACEMENT									
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
11. COMMERCIAL APPLIANCE RETENTION									
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
TOTAL COSTS	\$0	\$185,404	\$11,380	\$175,430	\$220,172	\$21,158	\$19,992	\$6,939	\$640,475

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH
FOR PERIOD JANUARY 2012 THROUGH DECEMBER 2012
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

DESCRIPTION	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	\$4,868	\$4,554	\$18,224	\$12,955	\$10,522	\$24,371	\$20,433	\$14,766	\$14,766	\$14,766	\$14,766	\$14,766	\$169,757
2. RESIDENTIAL APPLIANCE REPLACEMEN	\$4,317	\$3,011	\$9,484	\$3,564	\$9,483	\$11,101	\$11,495	\$21,339	\$21,339	\$21,339	\$21,339	\$21,338	\$159,149
3. CONSERVATION EDUCATION	\$3,293	\$2,876	\$4,215	\$2,578	\$3,396	\$2,327	\$2,539	\$11,585	\$11,585	\$11,585	\$11,585	\$11,586	\$79,150
4. RESIDENTIAL APPLIANCE RETENTION	\$6,925	\$5,292	\$15,695	\$9,293	\$12,239	\$16,032	\$12,767	\$26,130	\$26,130	\$26,130	\$26,130	\$26,132	\$208,895
5. RESIDENTIAL PROPANE DISTIRBUTION F	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. RESIDENTIAL SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. COMMERCIAL SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8. COMMON	\$4,681	\$4,405	\$9,534	\$277	\$2,497	\$1,963	\$167	\$0	\$0	\$0	\$0	\$0	\$23,524
9. COMMERCIAL NEW CONSTRUCTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10. COMMERCIAL APPLIANCE REPLACEMEN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11. COMMERCIAL APPLIANCE RETENTION	\$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	\$24,084	\$20,138	\$57,152	\$28,667	\$38,137	\$55,794	\$47,401	\$73,820	\$73,820	\$73,820	\$73,820	\$73,822	\$640,475
LESS:													
BASE RATE RECOVERY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET RECOVERABLE	\$24,084	\$20,138	\$57,152	\$28,667	\$38,137	\$55,794	\$47,401	\$73,820	\$73,820	\$73,820	\$73,820	\$73,822	\$640,475

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
ENERGY CONSERVATION COST RECOVERY ADJUSTMENT
FOR PERIOD: JANUARY 2012 THROUGH DECEMBER 2012
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

CONSERVATION REVS	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. 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.	(\$101,170)	(\$81,276)	(\$78,977)	(\$77,417)	(\$57,127)	(\$41,337)	(\$55,299)	(\$66,975)	(\$66,975)	(\$66,975)	(\$66,975)	(\$66,975)	(\$827,478)
4. TOTAL REVENUES	(\$101,170)	(\$81,276)	(\$78,977)	(\$77,417)	(\$57,127)	(\$41,337)	(\$55,299)	(\$66,975)	(\$66,975)	(\$66,975)	(\$66,975)	(\$66,975)	(\$827,478)
5. PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	(\$2,477)	(\$2,477)	(\$2,477)	(\$2,477)	(\$2,477)	(\$2,477)	(\$2,477)	(\$2,477)	(\$2,477)	(\$2,477)	(\$2,477)	(\$2,477)	(\$29,729)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(\$103,647)	(\$83,753)	(\$81,454)	(\$79,894)	(\$59,604)	(\$43,814)	(\$57,776)	(\$69,452)	(\$69,452)	(\$69,452)	(\$69,452)	(\$69,452)	(\$857,207)
7. CONSERV. EXPS.	\$24,084	\$20,138	\$57,152	\$28,667	\$38,137	\$55,794	\$47,401	\$73,820	\$73,820	\$73,820	\$73,820	\$73,822	\$640,475
8. TRUE-UP THIS PERIOD	(\$79,563)	(\$63,615)	(\$24,302)	(\$51,227)	(\$21,467)	\$11,980	(\$10,375)	\$4,368	\$4,368	\$4,368	\$4,368	\$4,370	(\$216,732)
9. INTER. PROVISION THIS PERIOD	(\$4)	(\$12)	(\$18)	(\$21)	(\$26)	(\$28)	(\$30)	(\$29)	(\$28)	(\$27)	(\$27)	(\$26)	(\$276)
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(\$29,729)	(\$106,819)	(\$167,969)	(\$189,812)	(\$238,583)	(\$257,599)	(\$243,170)	(\$251,098)	(\$244,282)	(\$237,465)	(\$230,647)	(\$223,829)	(\$29,729)
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	\$2,477	\$2,477	\$2,477	\$2,477	\$2,477	\$2,477	\$2,477	\$2,477	\$2,477	\$2,477	\$2,477	\$2,477	\$29,729
12. TOTAL NET TRUE-UP	(\$106,819)	(\$167,969)	(\$189,812)	(\$238,583)	(\$257,599)	(\$243,170)	(\$251,098)	(\$244,282)	(\$237,465)	(\$230,647)	(\$223,829)	(\$217,008)	(\$217,008)

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR PERIOD: JANUARY 2012 THROUGH DECEMBER 2012
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

INTEREST PROVISION	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. BEGINNING TRUE-UP	(\$29,729)	(\$106,819)	(\$167,969)	(\$189,812)	(\$238,583)	(\$257,599)	(\$243,170)	(\$251,098)	(\$244,282)	(\$237,465)	(\$230,647)	(\$223,829)	
2. ENDING TRUE-UP BEFORE INTEREST	(\$106,815)	(\$167,957)	(\$189,794)	(\$238,562)	(\$257,573)	(\$243,142)	(\$251,068)	(\$244,253)	(\$237,437)	(\$230,620)	(\$223,802)	(\$216,982)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(\$136,544)	(\$274,776)	(\$357,762)	(\$428,373)	(\$496,155)	(\$500,740)	(\$494,237)	(\$495,350)	(\$481,718)	(\$468,084)	(\$454,448)	(\$440,810)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(\$68,272)	(\$137,388)	(\$178,881)	(\$214,187)	(\$248,078)	(\$250,370)	(\$247,119)	(\$247,675)	(\$240,859)	(\$234,042)	(\$227,224)	(\$220,405)	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	0.07%	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	0.08%	0.13%	0.11%	0.13%	0.12%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	
7. TOTAL (SUM LINES 5 & 6)	0.15%	0.21%	0.24%	0.24%	0.25%	0.27%	0.29%	0.28%	0.28%	0.28%	0.28%	0.28%	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	0.08%	0.11%	0.12%	0.12%	0.13%	0.14%	0.15%	0.14%	0.14%	0.14%	0.14%	0.14%	
9. MONTHLY AVG INTEREST RATE	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
10. INTEREST PROVISION	(\$4)	(\$12)	(\$18)	(\$21)	(\$26)	(\$28)	(\$30)	(\$29)	(\$28)	(\$27)	(\$27)	(\$26)	(\$276)