



GUNSTER
FLORIDA'S LAW FIRM FOR BUSINESS

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September 10, 2013

E-PORTAL/ELECTRONIC FILING

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

Re: Docket No. 130004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Cole:

Attached for electronic filing, please find the Direct Testimony and Exhibit CDY-6 of Mr. Curtis Young, submitted in the referenced Docket on behalf of Florida Division of Chesapeake Utilities Corporation, along with the Company's Petition for Approval of Conservation Cost Recovery Factors. Consistent with the directions for this docket, copies of the Petition, Testimony, and Exhibit are being provided to Staff Counsel.

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

MEK
cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 130004-GU
Filed: September 10, 2013

**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, 2014 through December 31, 2014. 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, 2014 through December 31, 2014, CHPK projects its total incremental conservation costs to be \$917,00 (Schedule C-2). CHPK’s true-up for the period January 1, 2013 through December 31, 2013, is an under-recovery of \$110,942, resulting in a

total of \$1,027,942, of conservation costs to be recovered during the January 1, 2014 through December 31, 2014 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, excluding FTS-13 and Special Contract customers, and expanding for taxes, the required conservation cost recovery factors for the period January 1, 2014 through December 31, 2014, are:

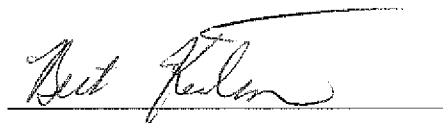
Rate Class	ECCR Factor
FTS-A	21.947 cents/therm
FTS-B	16.878 cents/therm
FTS-1	13.968 cents/therm
FTS-2	7.993 cents/therm
FTS-2.1	5.609 cents/therm
FTS-3	4.890 cents/therm
FTS-3.1	3.889 cents/therm
FTS-4	3.255 cents/therm
FTS-5	2.830 cents/therm
FTS-6	2.012 cents/therm
FTS-7	1.636 cents/therm
FTS-8	1.476 cents/therm
FTS-9	1.220 cents/therm
FTS-10	1.103 cents/therm
FTS-11	1.018 cents/therm
FTS-12	0.734 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	\$ 1.45
FTS-B	\$ 1.90
FTS-1	\$ 2.44
FTS-2	\$ 4.79
FTS-2.1	\$ 7.14
FTS-3	\$ 17.50
FTS-3.1	\$ 22.88

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 Curtis D. Young, and Schedules C-1 through C-3, which are included in Exhibit No. (CDY-6).

WHEREFORE, the Florida Division of Chesapeake Utilities Corporation requests that its Conservation Cost Recovery Factors for the period January 1, 2014 through December 31, 2014 be approved.



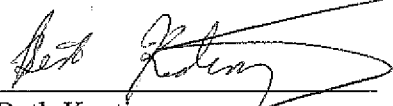
Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

*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 Curtis Young, has been furnished by U.S. Mail and/or electronic mail* to the following parties of record this 10th day of September, 2013:

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/Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Andy 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	Lee Eng Tan/Kelley Corbari Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399


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

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 130004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct (Factor) Testimony of
Curtis D. Young
On Behalf of
THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

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

2 A. Curtis D. Young. My business address is 1641 Worthington Drive 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 Pace University in 1982 with a BBA in Accounting. I have
10 been employed by FPUC since 2001. During my employment at FPUC, I have
11 performed various accounting and analytical functions including regulatory
12 filings, revenue reporting, account analysis, recovery rate reconciliations and
13 earnings surveillance. I'm also involved in the preparation of special reports
14 and schedules used internally by division managers for decision making
15 projects. Additionally, I coordinate the gathering of data for the FPSC audits.

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

17 A. To describe generally the expenditures made and projected to be made in
18 implementing, promoting, and operating the Company's energy conservation

1 programs. This will include recoverable costs incurred in January through
2 July 2013 and projections of program costs to be incurred August through
3 December 2013. It will also include projected conservation costs for the
4 period January through December 2014, which a calculation of the Energy
5 Conservation Cost Recovery Adjustment and Energy Conservation Cost
6 Recovery Adjustment (Experimental) factors to be applied to the customers'
7 bills during the collection period of January 1, 2014 through December 31,
8 2014.

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 CDY-6.

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

16 A. Yes, the Company's Energy Conservation Manager, Kira Lake, prepared the
17 summaries of the Company's Conservation Programs and costs associated
18 with these programs in C-4 of Exhibit CDY-6.

19 **Q. What are the total projected costs for the period January 2014 through**
20 **December 2014 in the Florida Division of Chesapeake Utilities**
21 **Corporation?**

22 A. The total projected Conservation Program Costs are \$917,000. Please see
23 Schedule C-2, page 2, for the programmatic and functional breakdown of
24 these total costs.

1 **Q. What is the true-up for the period January 2013 through December**
2 **2013?**

3 A. As reflected in the Schedule C-3, Page 4 of 5, the True-up amount for the
4 Florida Division of Chesapeake Utilities Corporation is an under-recovery of
5 \$110,942.

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

8 A. The total costs to be recovered are \$1,027,942.

9 **Q. Have you prepared a schedule that shows the calculation of the**
10 **Company's proposed Energy Conservation Cost Recovery Adjustment**
11 **factors to be applied during billing periods from January 1, 2014 through**
12 **December 31, 2014?**

13 A. Yes. Schedule C-1 of Exhibit CDY-6 shows these calculations. Net program
14 cost estimates for the period January 1, 2014 through December 31, 2014 are
15 used. The estimated true-up amount from Schedule C-3, page 4 of 5, of
16 Exhibit CDY-6, being an under-recovery, was added to the total of the
17 projected costs for the twelve-month period. The total amount was then
18 divided among the Company's rate classes, excluding customers who are on
19 market-based rates that fall under Special Contract Services (Original Sheet
20 No. 19) and tariff rate class FTS-13, based on total projected contribution.
21 The results were then divided by the projected gas throughput for each rate
22 class for the twelve-month period ending December 31, 2014. The resulting
23 Energy Conservation Cost Recovery Adjustment factors are shown on
24 Schedule C-1, page 1 of 2 of Exhibit CDY-6.

1 **Q. Why has the Company excluded market-based rate customers from the**
2 **Energy Conservation Cost Recovery Adjustment factors?**

3 A. These customers are served either under the Special Contract Service or
4 Flexible Gas Service, because they have alternative fuel or physical bypass
5 options and are considered by Chesapeake to be “market-based rate”
6 customers. Each of these customers has viable alternatives for service;
7 therefore the negotiated and Commission-approved (in the case of Special
8 Contract Service) rates reflect the fact that only a certain level of revenues can
9 be charged to these customers. In fact, the Company has always excluded the
10 Special Contract Service and tariff rate class FTS-13 customers from the
11 ECCR recovery factors, consistent with its general rate proceedings and
12 consistent with the Applicability section of the tariff sheet for the ECCR
13 factors (Seventh Revised Sheet No. 98). The Commission has not taken issue
14 with the Company’s expressed application of the factors either in the ECCR
15 Clause proceedings or in the context of any Special Contract approval.

16 **Q. Have you prepared a schedule that shows the calculation of the**
17 **Company’s proposed Energy Conservation Cost Recovery Adjustment**
18 **(Experimental) factors for certain rate classes on an experimental basis to**
19 **be applied during billing periods from January 1, 2014 through**
20 **December 31, 2014?**

21 A. Yes, experimental per bill rates were approved for rate classes FTS-A, FTS-B,
22 FTS-1, FTS-2, FTS-2.1, FTS-3 and FTS-3.1. A similar calculation as the per
23 term rate described above was made; however, the projected number of bills
24 for each rate class for the twelve-month period ending December 31, 2014

1 was utilized. The resulting Energy Conservation Cost Recovery Adjustment
2 (Experimental) factors are shown on Schedule C-1, page 2 of 2 of Exhibit
3 CDY-6.

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

5 A. Yes. I wish to sponsor as Exhibits Schedules C-1, C-2, C-3, and C-4, which
6 have been filed 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 2014 THROUGH DECEMBER 2014
PER THERM BASIS

1.	INCREMENTAL COSTS (SCHEDULE C-2)	\$917,000
2.	TRUE-UP (SCHEDULE C-3)	<u>\$110,942</u>
3.	TOTAL	<u>\$1,027,942</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	20,387	134,374	\$265,031	\$62,293	\$327,324	\$29,343	8.9646%	\$0.2184	1.00503	\$0.21947
FTS-B	26,116	293,228	\$404,798	\$144,520	\$549,318	\$49,244	8.9646%	\$0.1679	1.00503	\$0.16878
FTS-1	110,179	1,925,425	\$2,093,401	\$891,664	\$2,985,065	\$267,600	8.9646%	\$0.1390	1.00503	\$0.13968
FTS-2	10,450	626,057	\$355,300	\$200,088	\$555,388	\$49,788	8.9646%	\$0.0795	1.00503	\$0.07993
FTS-2.1	7,183	914,218	\$287,320	\$281,826	\$569,146	\$51,022	8.9646%	\$0.0558	1.00503	\$0.05609
FTS-3	2,748	983,501	\$296,784	\$237,043	\$533,827	\$47,856	8.9646%	\$0.0487	1.00503	\$0.04890
FTS-3.1	3,471	2,041,905	\$465,114	\$416,201	\$881,315	\$79,007	8.9646%	\$0.0387	1.00503	\$0.03889
FTS-4	1,704	2,077,327	\$357,840	\$392,615	\$750,455	\$67,276	8.9646%	\$0.0324	1.00503	\$0.03255
FTS-5	384	984,132	\$145,920	\$163,169	\$309,089	\$27,709	8.9646%	\$0.0282	1.00503	\$0.02630
FTS-6	240	2,000,849	\$144,000	\$302,869	\$446,869	\$40,060	8.9646%	\$0.0200	1.00503	\$0.02012
FTS-7	216	2,579,028	\$151,200	\$317,220	\$468,420	\$41,992	8.9646%	\$0.0163	1.00503	\$0.01636
FTS-8	276	6,183,343	\$331,200	\$681,652	\$1,012,852	\$90,798	8.9646%	\$0.0147	1.00503	\$0.01476
FTS-9	72	3,264,189	\$144,000	\$298,118	\$442,118	\$39,634	8.9646%	\$0.0121	1.00503	\$0.01220
FTS-10	36	2,754,662	\$108,000	\$229,133	\$337,133	\$30,223	8.9646%	\$0.0110	1.00503	\$0.01103
FTS-11	60	7,637,337	\$330,000	\$532,857	\$862,857	\$77,352	8.9646%	\$0.0101	1.00503	\$0.01018
FTS-12	12	5,348,074	\$108,000	\$327,463	\$435,463	\$39,038	8.9646%	\$0.0073	1.00503	\$0.00734
TOTAL	183,534	39,747,649	5,987,908	5,478,732	11,466,640	1,027,942	8.9646%			

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2014 THROUGH DECEMBER 2014
PER BILL BASIS - Experimental

1.	INCREMENTAL COSTS (SCHEDULE C-2)	\$917,000
2.	TRUE-UP (SCHEDULE C-3)	<u>\$110,942</u>
3.	TOTAL	<u>\$1,027,942</u>

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	\$ PER BILL	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
FTS-A	20,387	134,374	\$265,031	\$62,293	\$327,324	\$29,343	8.9646%	\$1.4393	1.00503	\$1.45
FTS-B	26,116	293,228	\$404,798	\$144,520	\$549,318	\$49,244	8.9646%	\$1.8856	1.00503	\$1.90
FTS-1	110,179	1,925,425	\$2,093,401	\$891,664	\$2,985,065	\$267,600	8.9646%	\$2.4288	1.00503	\$2.44
FTS-2	10,450	626,057	\$355,300	\$200,088	\$555,388	\$49,788	8.9646%	\$4.7644	1.00503	\$4.79
FTS-2.1	7,183	914,218	\$287,320	\$281,826	\$569,146	\$51,022	8.9646%	\$7.1031	1.00503	\$7.14
FTS-3	2,748	983,501	\$298,784	\$237,043	\$533,827	\$47,856	8.9646%	\$17.4147	1.00503	\$17.50
FTS-3.1	3,471	2,041,905	\$465,114	\$416,201	\$881,315	\$79,007	8.9646%	\$22.7619	1.00503	\$22.88
FTS-4	1,704	2,077,327	\$357,840	\$392,615	\$750,455	\$67,276				
FTS-5	384	984,132	\$145,920	\$163,169	\$309,089	\$27,709				
FTS-6	240	2,000,849	\$144,000	\$302,869	\$446,869	\$40,060				
FTS-7	216	2,579,028	\$151,200	\$317,220	\$468,420	\$41,992				
FTS-8	276	6,183,343	\$331,200	\$681,652	\$1,012,852	\$90,798				
FTS-9	72	3,264,189	\$144,000	\$298,118	\$442,118	\$39,634				
FTS-10	36	2,754,662	\$108,000	\$229,133	\$337,133	\$30,223				
FTS-11	60	7,637,337	\$330,000	\$532,857	\$862,857	\$77,352				
FTS-12	12	5,348,074	\$108,000	\$327,463	\$435,463	\$39,038				
TOTAL	183,534	39,747,649	\$5,987,908	\$5,478,732	\$11,466,640	\$1,027,942	8.9646%			

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
PROJECTED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
FOR PE JANUARY 2014 THROUGH DECEMBER 2014

PROGRAM NAME	JAN 2014	FEB 2014	MAR 2014	APR 2014	MAY 2014	JUN 2014	JUL 2014	AUG 2014	SEP 2014	OCT 2014	NOV 2014	DEC 2014	TOTAL
1. RESIDENTIAL NEW CONSTRUCTION	\$11,542	\$11,542	\$11,542	\$11,542	\$11,542	\$11,542	\$11,542	\$11,542	\$11,542	\$11,542	\$11,542	\$11,538	\$138,500
2. RESIDENTIAL APPLIANCE REPLACEMENT	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$14,792	\$14,788	\$177,500
3. CONSERVATION EDUCATION	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$72,000
4. RESIDENTIAL APPLIANCE RETENTION	\$19,750	\$19,750	\$19,750	\$19,750	\$19,750	\$19,750	\$19,750	\$19,750	\$19,750	\$19,750	\$19,750	\$19,750	\$237,000
5. RESIDENTIAL PROPANE DISTIRBUTION PROGRAM	\$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	\$19,333	\$19,333	\$19,333	\$19,333	\$19,333	\$19,333	\$19,333	\$19,333	\$19,333	\$19,333	\$19,333	\$19,337	\$232,000
9. CONSERVATION DEMONSTRATION DEVELOPMENT	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000
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	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,413	\$917,000
LESS: AMOUNT IN RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECOVERABLE CONSERVATION EXPENSES	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,417	\$76,413	\$917,000

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD JANUARY 2014 THROUGH DECEMBER 2014

PROGRAM NAME	CAPITAL INVESTMENT			PAYROLL & MATERIALS & SUPPLIES		ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
	INVESTMENT	BENEFITS	SUPPLIES								
1. RESIDENTIAL NEW CONSTRUCTION	\$0	\$25,000	\$4,000	\$20,000	\$85,000	\$0	\$0	\$0	\$2,500	\$2,000	\$138,500
2. RESIDENTIAL APPLIANCE REPLACEMENT	\$0	\$20,000	\$500	\$100,000	\$55,000	\$0	\$0	\$0	\$2,000	\$0	\$177,500
3. CONSERVATION EDUCATION	\$0	\$30,000	\$3,000	\$20,000	\$0	\$0	\$0	\$1,000	\$8,000	\$10,000	\$72,000
4. RESIDENTIAL APPLIANCE RETENTION	\$0	\$10,000	\$500	\$90,000	\$135,000	\$0	\$0	\$0	\$1,500	\$0	\$237,000
5. RESIDENTIAL PROPANE DISTRIBUTION PROGRAM	\$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
7. COMMERCIAL SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8. COMMON	\$0	\$175,000	\$6,000	\$5,000	\$500	\$3,500	\$32,000	\$10,000	\$232,000	\$232,000	\$232,000
9. CONSERVATION DEMONSTRATION DEVELOPMENT	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$60,000
10.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL PROGRAMS	\$0	\$260,000	\$14,000	\$235,000	\$275,500	\$64,500	\$46,000	\$22,000	\$917,000	\$917,000	\$917,000
LESS: AMOUNT IN RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECOVERABLE CONSER.	\$0	\$260,000	\$14,000	\$235,000	\$275,500	\$64,500	\$46,000	\$22,000	\$917,000	\$917,000	\$917,000

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
CONSERVATION PROGRAM COSTS BY COST CATEGORY
FOR PERIOD JANUARY 2013 THROUGH DECEMBER 2013
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	\$11,132	\$1,876	\$11,391	\$39,629	\$0	\$1,836	\$323	\$66,187
B. ESTIMATED	\$0	\$12,500	\$420	\$33,330	\$35,420	\$0	\$3,540	\$420	\$85,630
C. TOTAL	\$0	\$23,632	\$2,296	\$44,721	\$75,049	\$0	\$5,376	\$743	\$151,817
2. RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	\$0	\$9,833	\$139	\$51,608	\$24,751	\$0	\$1,707	\$29	\$88,067
B. ESTIMATED	\$0	\$10,420	\$420	\$25,000	\$18,750	\$0	\$3,540	\$0	\$58,130
C. TOTAL	\$0	\$20,253	\$559	\$76,608	\$43,501	\$0	\$5,247	\$29	\$145,197
3. CONSERVATION EDUCATION									
A. ACTUAL	\$0	\$16,566	\$238	\$8,314	\$1,469	\$0	\$4,894	\$5,835	\$37,316
B. ESTIMATED	\$0	\$10,420	\$420	\$8,330	\$0	\$420	\$3,750	\$2,916	\$26,256
C. TOTAL	\$0	\$26,986	\$658	\$16,644	\$1,469	\$420	\$8,644	\$8,751	\$63,572
4. RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	\$0	\$2,229	\$43	\$40,952	\$76,430	\$0	\$378	\$4	\$120,036
B. ESTIMATED	\$0	\$10,420	\$420	\$25,000	\$41,670	\$0	\$3,330	\$0	\$80,840
C. TOTAL	\$0	\$12,649	\$463	\$65,952	\$118,100	\$0	\$3,708	\$4	\$200,876
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	\$420	\$0	\$420	\$420	\$0	\$170	\$0	\$1,430
C. TOTAL	\$0	\$420	\$0	\$420	\$420	\$0	\$170	\$0	\$1,430
7. COMMERCIAL SPACE CONDITIONING									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	\$0	\$420	\$0	\$420	\$420	\$0	\$170	\$0	\$1,430
C. TOTAL	\$0	\$420	\$0	\$420	\$420	\$0	\$170	\$0	\$1,430
8. COMMON									
A. ACTUAL	\$0	\$98,413	\$3,538	\$0	\$16	\$523	\$16,521	\$5,132	\$124,143
B. ESTIMATED	\$0	\$64,580	\$330	\$0	\$0	\$1,250	\$5,840	\$3,330	\$75,830
C. TOTAL	\$0	\$162,993	\$4,368	\$0	\$16	\$1,773	\$22,361	\$8,462	\$199,973
9. CONSERVATION DEMONSTRATION DEVELOPMENT									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$23,446	\$0	\$0	\$23,446
B. ESTIMATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. TOTAL	\$0	\$0	\$0	\$0	\$0	\$23,446	\$0	\$0	\$23,446
10.									
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.									
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	\$247,353	\$8,344	\$204,765	\$238,975	\$25,639	\$45,676	\$17,969	\$788,741

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH
FOR PERIOD JANUARY 2013 THROUGH DECEMBER 2013
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

DESCRIPTION	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	\$21,324	\$2,224	\$5,192	\$7,183	\$21,949	\$4,415	\$3,900	\$17,126	\$17,126	\$17,126	\$17,126	\$17,126	\$151,817
2. RESIDENTIAL APPLIANCE REPLACEMENT	\$7,369	\$11,429	\$12,788	\$15,980	\$13,086	\$15,150	\$12,265	\$11,626	\$11,626	\$11,626	\$11,626	\$11,626	\$146,197
3. CONSERVATION EDUCATION	\$4,335	\$4,171	\$7,079	\$5,049	\$6,505	\$3,614	\$4,663	\$5,251	\$5,251	\$5,251	\$5,251	\$5,252	\$63,572
4. RESIDENTIAL APPLIANCE RETENTION	\$9,014	\$30,449	\$3,231	\$21,798	\$13,041	\$28,542	\$13,981	\$16,168	\$16,168	\$16,168	\$16,168	\$16,168	\$200,876
5. RESIDENTIAL PROPANE DISTRIBUTION PROGRAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. RESIDENTIAL SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$286	\$286	\$286	\$286	\$286	\$1,430
7. COMMERCIAL SPACE CONDITIONING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$286	\$286	\$286	\$286	\$286	\$1,430
8. COMMON	\$21,236	\$14,041	\$15,124	\$19,543	\$19,493	\$14,134	\$20,572	\$15,166	\$15,166	\$15,166	\$15,166	\$15,166	\$199,973
9. CONS DEMONSTRATION AND DEVELOPMENT	\$0	\$5,972	\$2,986	\$4,440	\$3,349	\$3,349	\$3,350	\$0	\$0	\$0	\$0	\$0	\$23,446
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	\$63,278	\$68,286	\$46,400	\$73,993	\$79,423	\$69,104	\$58,711	\$65,909	\$65,909	\$65,909	\$65,909	\$65,910	\$788,741
LESS: BASE RATE RECOVERY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET RECOVERABLE	\$63,278	\$68,286	\$46,400	\$73,993	\$79,423	\$69,104	\$58,711	\$65,909	\$65,909	\$65,909	\$65,909	\$65,910	\$788,741

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
ENERGY CONSERVATION COST RECOVERY ADJUSTMENT
FOR PERIOD: JANUARY 2013 THROUGH DECEMBER 2013
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

	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
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.	(\$65,471)	(\$60,498)	(\$73,712)	(\$56,216)	(\$46,453)	(\$58,214)	(\$42,375)	(\$47,816)	(\$47,816)	(\$47,816)	(\$47,816)	(\$47,816)	(\$642,019)
4. TOTAL REVENUES	(\$65,471)	(\$60,498)	(\$73,712)	(\$56,216)	(\$46,453)	(\$58,214)	(\$42,375)	(\$47,816)	(\$47,816)	(\$47,816)	(\$47,816)	(\$47,816)	(\$642,019)
5. PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD	(\$2,981)	(\$2,981)	(\$2,981)	(\$2,981)	(\$2,981)	(\$2,981)	(\$2,981)	(\$2,981)	(\$2,981)	(\$2,981)	(\$2,981)	(\$2,981)	(\$35,777)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(\$68,452)	(\$63,479)	(\$76,693)	(\$59,197)	(\$49,434)	(\$61,195)	(\$45,356)	(\$50,797)	(\$50,797)	(\$50,797)	(\$50,797)	(\$50,797)	(\$677,796)
7. CONSERV. EXPS.	\$63,278	\$68,286	\$46,400	\$73,993	\$79,423	\$69,104	\$58,711	\$65,909	\$65,909	\$65,909	\$65,909	\$65,910	\$788,741
8. TRUE-UP THIS PERIOD	(\$5,174)	\$4,807	(\$30,293)	\$14,796	\$29,989	\$7,909	\$13,355	\$15,112	\$15,112	\$15,112	\$15,112	\$15,113	\$110,945
9. INTER. PROVISION THIS PERIOD	(\$4)	(\$4)	(\$4)	(\$4)	(\$1)	\$0	\$1	\$1	\$2	\$3	\$3	\$4	(\$3)
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(\$35,777)	(\$37,974)	(\$30,190)	(\$57,506)	(\$39,733)	(\$6,764)	\$4,126	\$20,463	\$38,557	\$56,652	\$74,748	\$92,844	(\$35,777)
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	\$2,981	\$2,981	\$2,981	\$2,981	\$2,981	\$2,981	\$2,981	\$2,981	\$2,981	\$2,981	\$2,981	\$2,981	\$35,777
12. TOTAL NET TRUE-UP	(\$37,974)	(\$30,190)	(\$57,506)	(\$39,733)	(\$6,764)	\$4,126	\$20,463	\$38,557	\$56,652	\$74,748	\$92,844	\$110,942	\$110,942

CHESAPEAKE UTILITIES CORPORATION
FLORIDA DIVISION
CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR PERIOD: JANUARY 2013 THROUGH DECEMBER 2013
SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

	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
INTEREST PROVISION													
1. BEGINNING TRUE-UP	(\$35,777)	(\$37,974)	(\$30,190)	(\$57,506)	(\$39,733)	(\$6,764)	\$4,126	\$20,463	\$38,557	\$56,652	\$74,748	\$92,844	
2. ENDING TRUE-UP BEFORE INTEREST	(\$37,970)	(\$30,186)	(\$57,502)	(\$39,729)	(\$6,763)	\$4,126	\$20,462	\$38,556	\$56,650	\$74,745	\$92,841	\$110,938	
3. TOTAL BEGINNING & ENDING TRUE-UP	(\$73,747)	(\$68,160)	(\$87,691)	(\$97,234)	(\$46,495)	(\$2,637)	\$24,589	\$59,020	\$95,208	\$131,398	\$167,590	\$203,783	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(\$36,874)	(\$34,080)	(\$43,846)	(\$48,617)	(\$23,248)	(\$1,319)	\$12,294	\$29,510	\$47,604	\$65,699	\$83,795	\$101,891	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	0.10%	0.15%	0.14%	0.09%	0.09%	0.05%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	0.15%	0.14%	0.09%	0.09%	0.05%	0.08%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
7. TOTAL (SUM LINES 5 & 6)	0.25%	0.29%	0.23%	0.18%	0.14%	0.13%	0.13%	0.10%	0.10%	0.10%	0.10%	0.10%	
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	0.13%	0.15%	0.12%	0.09%	0.07%	0.07%	0.07%	0.05%	0.05%	0.05%	0.05%	0.05%	
9. MONTHLY AVG INTEREST RATE	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	
10. INTEREST PROVISION	(\$4)	(\$4)	(\$4)	(\$4)	(\$1)	\$0	\$1	\$1	\$2	\$3	\$3	\$4	(\$3)

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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 Projections:

For the twelve-month period of January to December 2014, the Company estimates that 240 new appliances will be connected to its natural gas system. Fiscal expenditures for 2014 are projected to be \$138,500.

Program Activity and Expenditures:

During the seven-month reporting period of January through July 2013, 137 new home allowances were paid and actual expenditures for this program totaled \$66,186. For August through December 2013, the Company projects that 100 new appliances will qualify for allowances. Annual expenditures for 2013 are estimated at \$114,000.

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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 Projections:

For the twelve-month period of January to December 2014, the Company estimates that 100 natural gas appliances (limited to water heaters, furnaces or hydro heaters, ranges and dryers) will be connected to its natural gas system. Fiscal expenditures for 2014 are projected to be \$177,500.

Program Activity and Expenditures:

During the seven-month reporting period of January through July 2013, 50 appliance replacement allowances were paid and actual expenditures for this program totaled \$88,066. For the period August through December 2013, the Company projects that 35 appliances will qualify for allowances. Annual expenditures for 2013 are estimated at \$151,000.

Exhibit No. _____

Docket No. 130004-GU

CHESAPEAKE UTILITIES CORPORATION

(CDY-6)

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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 Projections:

During 2014 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. Fiscal expenditures for 2014 are projected to be \$0.

Program Activity and Expenditures:

For the seven-month period January through July 2013, CUC incurred costs of \$0 for the Residential Propane Distribution Program. Annual expenditures for 2013 are estimated at \$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 Projections:

For the twelve-month period of January to December 2014, the Company estimates that 320 natural gas appliances (limited to water heaters, furnaces or hydro heaters, ranges and dryers) will be connected to its natural gas system. Fiscal expenditures for 2014 are projected to be \$237,000.

Program Activity and Expenditures:

During the seven-month reporting period of January through July 2013, 183 appliance retention allowances were paid and actual expenditures for this program totaled \$120,036. For August through December 2013, the Company projects that 130 appliances will qualify for allowances. Annual expenses for 2013 are estimated at \$206,000.

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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 Projections:

For the twelve-month period of January to December 2014, the Company estimates that 0 residential space conditioning appliances will be connected to its natural gas system. Fiscal expenditures for 2014 are projected to be \$0.

Program Activity and Expenditures:

During the seven-month reporting period of January through July 2013, 0 Residential Space Conditioning allowances were paid and actual expenditures for this program totaled \$0. For August through December 2013, the Company projects that 0 appliances will qualify for allowances. Annual expenses for 2013 are estimated at \$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 Projections:

For the twelve-month period of January to December 2014, the Company estimates that 0 commercial space conditioning appliance will be connected to its natural gas system. Fiscal expenditures for 2014 are projected to be \$0.

Program Activity and Expenditures:

During the seven-month reporting period of January through July 2013, 0 Commercial Space Conditioning allowances were paid and actual expenditures for this program totaled \$0. For August through December 2013, the Company projects that 0 appliances will qualify for allowances. Annual expenses for 2013 are estimated at \$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 Projections:

For the twelve-month period of January to December 2014, the Company estimates expenses of \$72,000 for this program.

Program Activity and Expenditures:

During the seven-month reporting period, January through July 2013, actual expenditures for this program were \$37,317. The Company projects that total expenditures will equal \$64,000 for the 2013 annual period.

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.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Conservation Demonstration and Development Program

Program Description:

The primary purpose of the Conservation Demonstration and Development (CDD) program is to pursue research, development, and demonstration projects that are designed to promote energy efficiency and conservation. The CDD program is meant to be an umbrella program for the identification, development, demonstration, and evaluation of promising new end-use technologies. The CDD program does not focus on any specific end-use technology but, instead, will address a wide variety of energy applications.

Program Projections:

For the twelve-month period of January to December 2014, the Company estimates expenses of \$60,000 for this program.

Program Activity and Expenditures:

During the seven-month reporting period, January through July 2013, actual expenditures for this program were \$23,446. The Company projects that total expenditures will equal \$40,000 for the 2013 annual period.