| 1 | | BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION |
|----|----|--|
| 2 | | In Re: Conservation Cost Recovery Clause |
| 3 | | DIRECT TESTIMONY OF BEVERLY A. BAUCK |
| 4 | | On behalf of |
| 5 | | The Florida Division of Chesapeake Utilities Corporation |
| 6 | | DOCKET NO. 000002-EG |
| 7 | Q. | Please state your name, business address, by whom you are employed, and in what |
| 8 | | capacity. |
| 9 | A. | My name is Beverly A. Bauck, and my business address is 1015 6th Street N.W., |
| 10 | | Winter Haven, Florida, 33881. I am employed by the Florida Division of Chesapeake Utilities |
| 11 | | Corporation ("the Company") as Conservation Services Representative. |
| 12 | Q. | Are you familiar with the energy conservation programs of the Company and costs which |
| 13 | | have been, and are projected to be, incurred in their implementation? |
| 14 | A. | Yes |
| 15 | Q. | What is the purpose of your testimony in this docket? |
| 16 | A. | To describe generally the expenditures made and projected to be made in implementing, |
| 17 | | promoting, and operating the Company's energy conservation programs. This will |
| 18 | | include recoverable costs incurred in January through July, 2000 and projections of |
| 19 | | program costs to be incurred from August through December, 2000. It will |
| 20 | | also include projected conservation costs for the period January 2001 through |
| 21 | | December 2001, with a calculation of the conservation adjustment factors to be applied |
| 22 | | to the customers' bills during the collection period of January 1, 2001 through December 31, |
| 23 | | 2001. |
| 24 | Q. | Have you prepared summaries of the Company's conservation programs and the costs |
| 25 | | associated with these programs? |

| 1 | A. | Yes. Summaries of the five programs are contained in Schedule C-4 of Exhibit BAB- |
|----|----|---|
| 2 | | 2. Included are our Home Builder Program, Residential Appliance Replacement, |
| 3 | | Residential Propane Distribution, Residential Water Heater Retention, Natural Gas Space |
| 4 | | Conditioning for Residential Homes, Gas Space Conditioning, and our Conservation Education |
| 5 | | Program. |
| 6 | Q. | Have you prepared schedules which show the expenditures associated with |
| 7 | | the Company's energy conservation programs for the periods you have mentioned? |
| 8 | A. | Yes, Schedule C-3, Exhibit BAB-2 shows actual expenses for the months January through |
| 9 | | July, 2000. Projections for August through December, 2000 are also |
| 10 | | shown on Schedule C-3. Projected expenses for the January 2001 through December 2001 |
| 11 | | period are shown on Schedule C-2 of Exhibit BAB-2. |
| 12 | Q. | Have you prepared schedules which show revenues for the period January, 2000 |
| 13 | | through December, 2000? |
| 14 | A. | Yes. Schedule C-3 (Page 4 of 5) shows actual revenues for the months January |
| 15 | | through July, 2000. Projections for August through December, 2000, are |
| 16 | | also shown on Schedule C-3 (Page 4 of 5). |
| 17 | Q. | Have you prepared a schedule which shows the calculation of the Company's proposed |
| 18 | | conservation adjustment factors to be applied during billing periods from January 1, 2001 |
| 19 | | through December 31, 2001? |
| 20 | A. | Yes. Schedule C-1 of Exhibit BAB-2 shows this calculation. Net program cost |
| 21 | | estimates for the period January 1, 2000 through December 31, 2000 are used. The |
| 22 | | estimated true-up amount from Schedule C-3 (Page 4 of 5, Line 12) of Exhibit BAB-2, |
| 23 | | being an underrecovery, was added to the total of the projected costs for the twelve month |
| 24 | | period. The total amount was then divided among the Company's firm rate classes, |
| 25 | | based on total projected contribution. The results were then divided by the projected |
| 26 | | retail firm therm sales for each rate class for the twelve-month period ending December 31, |

- 1 2001. The resulting factors are shown on Schedule C-1 of Exhibit BAB-2.
- 2 Q. Does this conclude your testimony?
- 3 A. Yes, it does.

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6

7

| Exhibit | (BAB-2) |
|---------|---------|

THE FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION CONSERVATION COST RECOVERY PROJECTION

January 1, 2001 through December 31, 2001

SCHEDULE C-1

Exhibit No. ____

Docket No. 000002-EG Chesapeake Utilities Corp. (BAB-2)

ENERGY CONSERVATION ADJUSTMENT SUMMARY OF COST RECOVERY CLAUSE CALCULATION JANUARY 2000 THROUGH DECEMBER 2000

1. INCREMENTAL COSTS (SCHEDULE C-2)

298,501

2. TRUE-UP (SCHEDULE C-3)

12,990

3. TOTAL

311,491

| RATE CLASS | BILLS | THÈRM SALES | CUSTOMER CHARGE REVENUES | ENERGY CHARGE | TOTAL | ESTIMATE | D % SURCHARG | | REXPANSION FACTOR | ECCR ADJUSTMENT FACTORS |
|---------------------|---------|----------------|--------------------------------|------------------|-----------|------------------|-----------------|--------|-------------------|-------------------------------|
| GS RESIDENTIAL | 108,647 | 2,534,847 | 760,529 | 1,188,970 | 1,949,499 | 121,035 | 6.2085% | 0.0477 | 1.00503 | 0.04799 |
| GS COMMERCIAL | 9,706 | 4,832,928 | 145,590 | 1,068,802 | 1,214,392 | 75,395 | 6.2085% | 0.0156 | 1.00503 | 0.01568 |
| GS COMMERCIAL LV | 297 | 1,456,305 | 5,940 | 251,751 | 257,691 | 15,999 | 6.2085% | 0.0110 | 1.00503 | 0.01104 |
| GS INDUSTRIAL | 242 | 4,307,149 | 9,680 | 339,791 | 349,471 | 21,697 | 6.2085% | 0.0050 | 1.00503 | 0.00506 |
| FIRM TRANSPORTATION | 204 | 15,692,267 | 8,160 | 1,237,963 | 1,246,123 | 77,366 | 6.2085% | 0.0049 | 1.00503 | 0.00495 |
| OTHER | | | | | | | | | | |
| OTHER | | | | | | | | | | |
| TOTAL | 119.096 | 28.823.496 | 929,899 | 4.087,277 | 5,017,176 | 311. <i>4</i> 91 | | | | |

Chesapeake Utilities Corp. (BAB-2) PROJECTED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH JANUARY 2001 THROUGH DECEMBER 2001 FOR PERIOD: PROGRAM NAME JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC TOTAL 2001 2001 2001 2001 2001 2001 2001 2001 2001 2001 2001 2001 1. HOME BUILDER PROGRAM 17,018 17,018 17,018 17,018 17,018 17,018 17 018 17,018 17.018 17,018 17.018 17.018 204,220 2. RESIDENTIAL APPLIANCE REPLACEMENT 3,217 3,217 3,217 3,217 3,217 3,217 3.217 3,217 3,217 3,217 3,217 3,217 38,599 3. RESIDENTIAL PROPANE DISTRIBUTION ٥ 0 ٥ O 0 n ٥ Ð 0 0 2,554 30,646 4 RESIDENTIAL WATER HEATER RETENTION 2.554 2.554 2.554 2.554 2.554 2.554 2.554 2.554 2.554 2.554 2,554 5. NG SPACE CONDITIONING FOR RESIDENTIA O ٥ 0 0 ٥ Λ ٨ ٥ 'n 6. GAS SPACE CONDITIONING ۵ 2,085 25,037 2,086 2,086 2,086 2,086 2,086 2,086 7. EDUCATION 2.086 2,086 2.086 2,086 2,086 0 8. COMMON COST ٥ ٥ ٥ ٥ n 9. (INSERT NAME) 0 0 0 ٥ 0 ٥ D 10. (INSERT NAME) 0 O ٥ 11 (INSERT NAME) ٥ 12. (INSERT NAME) B n ñ 13. (INSERT NAME) 0 14. (INSERT NAME) 0 0 Ð 15. (INSERT NAME) 16. (INSERT NAME) 17. (INSERT NAME) ٥ ٥ 0 ٥ ٨ Λ 18. (INSERT NAME) ٥ ٥ 0 19. (INSERT NAME) ٥ ٥ 0 ٥ ٥ 0 ٥

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Exhibit No.

Docket No. 000002-EG

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SCHEDULE C-2

20. (INSERT NAME)

EXPENSES

TOTAL ALL PROGRAMS

LESS: AMOUNT IN RATE BASE

RECOVERABLE CONSERVATION

PAGE 1 OF 2

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SCHEDULE C-2 PAGE 2 OF 2

Exhibit No.

Docket No. 000002-EG

Chesapeake Utilities Corp.
(BAB-2)

PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY FOR PERIOD: JANUARY 2001 THROUGH DECEMBER 2001

| PROGRAM NAME | | | | | | | | | |
|---------------------------------------|------------|-----------|-------------|-------------|------------|----------|---------|-------|---------|
| | CAPITAL | PAYROLL & | MATERIALS & | | | OUTSIDE | | | 1 |
| | INVESTMENT | BENEFITS | SUPPLIES | ADVERTISING | INCENTIVES | SERVICES | VEHICLE | OTHER | TOTAL |
| 1. HOME BUILDER PROGRAM | 0 | 16,991 | 1,022 | 41,876 | 144,331 | | 0 | 0 | 204,220 |
| 2. RESIDENTIAL APPLIANCE REPLACEMENT | 0 | 9,108 | 714 | 13,783 | 14,994 | 0 | O | Ð | 38,599 |
| 3. RESIDENTIAL PROPANE DISTRIBUTION | 0 | 0 | 0 | D | 0 | 0 | . 0 | 0 | 0 |
| 4. RESIDENTIAL WATER HEATER RETENTION | 0 | 7,699 | 0 | 3,086 | 19,861 | 0 | 0 | 0 | 30,646 |
| 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 | 2,145 | 10,814 | 12,077 | 0 | 0 | 0 | 0 | 25,037 |
| 8. COMMON COSTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | : 0 | 0 |
| 9. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | : 0 | 0 } |
| 10 (INSERT NAME) | 0 | 0 | 0 | 0 | O | 0 | 0 | , 0 | 0 |
| 11 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ; · o | 0 } |
| 13 (INSERT NAME) | D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | . 0 |
| 15 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | . 0 |
| 16 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | ٥ | 0 | 0 | 0 |
| 19 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | D | 0 | 0 |
| TOTAL ALL PROGRAMS | 0 | 35,943 | 12,551 | 70,821 | 179,186 | 0 | 0 | 0 | 298,501 |
| LESS: AMOUNT IN RATE BASE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RECOVERABLE CONSER. | 0 | 35,943 | 12,551 | 70,821 | 179,186 | 0 | 0 | 0 | 298,501 |

SCHEDULE C-3 PAGE 1 OF 5

CONSERVATION PROGRAM COSTS BY COST CATEGORY FOR PERIOL JANUARY 2000 THROUGH DECEMBER 2000 SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

| | CAPITAL INVESTMENT | | MATERIALS & SUPPLIES | | NCENTIVES | OUTSIDE SERVICES | VEHICLE | OTHER | TOTAL |
|---|-----------------------|--------|----------------------|--------|-----------|---------------------|---------|-------|---------|
| 1. HOME BUILDER PROGRAM | 0 | 9,530 | 573 | 20,356 | 80,955 | . 0 | 474 | o | 111,888 |
| B. ESTIMATED | ő | 6,807 | 409 | 14,540 | 57,825 | ŏ | Ö | ŏ | 79,582 |
| C. TOTAL | 0 | 16,338 | 983 | 34,896 | 138,780 | 0 | 474 | 0 | 191,471 |
| 2. RESIDENTIAL APPLIANCE REPLACEMENT | | | | | | | | | |
| A. ACTUAL | 0 | 5,108 | 401 | 6,700 | 8,410 | 0 | 155 | 0 | 20,774 |
| B. ESTIMATED | 0 | 3,649 | 286 | 4,786 | 6,007 | 0 | 0 | 0 | 14,728 |
| C. TOTAL | 0 | 8,757 | 687 | 11,486 | 14,417 | 0 | 155 | 0 | 35,502 |
| 3. RESIDENTIAL PROPANE DISTRIBUTION | _ | _ | _ | _ | _ | _ | _ | | |
| A. ACTUAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B. ESTIMATED C. TOTAL | 0 | 0 | 0 | 0 | 0 | <u>0</u> | 0 | 0 | 0 |
| C. TOTAL | | | | | | | | | |
| 4. RESIDENTIAL WATER HEATER RETENTION | | | | | | | | | |
| A. ACTUAL | 0 | 4,318 | 0 | 1,500 | 11,140 | 0 | 155 | O | 17,113 |
| B. ESTIMATED | 0 | 3,084 | 0 | 1,071 | 7,957 | 0 | 0 | 0 | 12,113 |
| C. TOTAL | 0 | 7,403 | 0 | 2,571 | 19,097 | 0 | 155 | 0 | 29,226 |
| 5. NG SPACE CONDITIONING FOR RESIDENTIAL HOME | s | | | | | | | | |
| 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 | | | | | | | | | |
| 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. EDUCATION | | | | | | | | | |
| A. ACTUAL | 0 | 894 | 210 | 5,871 | 0 | 0 | 158 | 0 | 7,133 |
| B. ESTIMATED | 0 | 638 | 150 | 4,193 | 0 | 00_ | 0 | 0 | 4,982 |
| C. TOTAL | 0 | 1,532 | 360 | 10,064 | 0 | 0 | 158 | 0 | 12,115 |
| 8 COMMON COST | | | | | | | | | 1 |
| 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 | 34,030 | 2,030 | 59,018 | 172,294 | 0 | 941 | 0 | 268,313 |

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SCHEDULE C-3 PAGE 2 OF 5

Exhibit No. Docket No. 000002-EG Chesapeake Utilities Corp. (BAB-2)

CONSERVATION PROGRAM COSTS - CAPITAL INVESTMENT ANALYSIS FOR PERIOD JANUARY 2000 THROUGH DECEMBER 2000

BEGINNING OF PERIOD CUMULATIVE INVESTMENT: LESS: ACCUMULATED DEPRECIATION: NET INVESTMENT

| DESCRIPTION | MONTH JAN | MONTH FEB | MONTH MAR | MONTH APR | MONTH MAY | MONTH JUN | MONTH JUL | MONTH AUG | MONTH SEP | MONTH OCT | MONTH | MONTH DEC | TOTAL |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|--------------|-------|
| INVESTMENT | 0 | 0 | 0 | 0 | 0 | . 0 | 0 | ٥ | 0 | 0 | 0 | O | 0 |
| DEPRECIATION BASE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEPRECIATION EXPENSE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0_ | 0 | 0 | 0 | 0 |
| CUMULATIVE INVEST. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LESS: ACCUM. DEPR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | <u>. 0</u> | 0 | 0 | 0 |
| NET INVESTMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| AVERAGE INVESTMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | O | |
| RETURN ON AVG INVEST | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ٥ |
| RETURN REQUIREMENTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | : 0 | 0 | 0 |
| TOTAL DEPR & RETURN | 0 | | 0 | <u>D</u> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

SCHEDULE C-3 PAGE 3 OF 5

CONSERVATION PROGRAM COSTS - EXPENSES BY MONTH FOR PERIOD: JANUARY 2000 THROUGH DECEMBER 2000 SEVEN MONTHS ACTUAL AND FIVE MONTHS PROJECTED

| | MONTH | MONTH | MONTH | MONTH | MONTH | MONTH | MONTH | MONTH | MONTH | MONTH | MONTH | MONTH | İ |
|-------------------------------|-------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|---------|
| DESCRIPTION | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | TOTAL |
| 1. HOME BUILDER PROGRAM | 2,640 | 15,857 | 27,510 | 18,005 | 17,103 | 4,001 | 26,773 | 15,916 | 15,916 | 15,916 | 15,916 | 15,916 | 191,470 |
| 2. RES. APPLIANCE REPLACEMENT | 1,209 | 3,737 | 5,925 | 2,452 | 5,200 | 2,151 | 100 | 2,946 | 2,946 | 2,946 | 2,946 | 2,946 | 35,502 |
| 3. RES PROPANE DISTRIBUTION | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. RES WATER HEATER RETENTION | 222 | 458 | 260 | 5,878 | 315 | 0 | ٥ | 996 | 996 | 996 | 996 | 996 | 12,115 |
| 5. NG SPACE CONDITIONING | 0 | 0 | ٥ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. GAS SPACE CONDITIONING | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 \ |
| 7. EDUCATION | 1,209 | 2,757 | 4,230 | 3,367 | 700 | 600 | 4,250 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 | 29,226 |
| B. COMMON COSTS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ٥ | 0 |
| 9. (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | D | 0 | 0 | 0 | 0 | 0 |
| 10 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 (INSERT NAME) | 0 | 0 | D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 j |
| 12 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 (INSERT NAME) | 0 | 0 | O | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | D | 0 | 0 | 0 | 0 | 0 |
| 19 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | ٥ | 0 | 0 | 0 | 0 |
| 20 (INSERT NAME) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL ALL PROGRAMS | 5,280 | 22,809 | 37,925 | 29,701 | 23,318 | 6,751 | 31,123 | 22,281 | 22,281 | 22,281 | 22,281 | 22,281 | 268,313 |
| LESS: | | | | | | | | | | | | | |
| BASE RATE RECOVERY | 0 | 0 | 0 | 0 | 0 | 0_ | 0 | 0 | 0 | | | | 0 |
| NET RECOVERABLE | 5,280 | 22,809 | 37,925 | 29,701 | 23,318 | 6,751 | 31,123 | 22,281 | 22,281 | 22,281 | 22,281 | 22,281 | 268,313 |
| i | ì | | | | | | | | | | | | |

SCHEDULE C-3 PAGE 4 OF 5

> ENERGY CONSERVATION COST RECOVERY ADJUSTMENT FOR PERIOD: JANUARY 2000 THROUGH DECEMBER 2000 SEVEN MONTHS ACTUAL AND FIVE MONTHS ESTIMATED

| C | ONSERVATION REVS | MONTH JAN | MONTH FEB | MONTH MAR | MONTH APR | MONTH MAY | MONTH JUN | MONTH JUL | MONTH AUG | MONTH SEP | MONTH | MONTH NOV | MONTH DEC | 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 | ٥ |
| 3. | CONSERV. ADJ REVS. | (51,023) | (48,726) | (35,965) | (33,195) | (27,462) | (24,811) | (21,299) | (21,299) | (21,299) | (21,299) | (21,299) | (21,299) | (348,976) |
| 4. | TOTAL REVENUES | (51,023) | (48,726) | (35,965) | (33,195) | (27,462) | (24,811) | (21,299) | (21,299) | (21,299) | (21,299) | (21,299) | (21,299) | (348,976) |
| 5. | PRIOR PERIOD TRUE- UP NOT APPLICABLE TO THIS PERIOD | 7,712 | 7,712 | 7,712 | 7,712 | 7,712 | 7,712 | 7,712 | 7,712 | 7,712 | 7,712 | 7,712 | 7,712 | 92,539 |
| 6. | CONSERV. REVS. APPLICABLE TO THE PERIOD | (43,311) | (41,014) | (28,253) | (25,484) | (19,751) | (17,100) | (13,587) | (13,587) | (13,587) | (13,587) | (13,587) | (13,587) | (256,436) |
| 7. | CONSERV. EXPS. | 5,280 | 22,809 | 37,925 | 29,701 | 23,318 | 6,751 | 31,123 | 22,281 | 22,281 | 22,281 | 22,281 | 22,281 | 268,313 |
| 8. | TRUE-UP THIS PERIOD | (38,031) | (18,205) | 9,672 | 4,218 | 3,568 | (10,348) | 17,535 | 8,694 | 8,694 | 8,6 94 | 8,694 | 8,694 | 11,876 |
| 9. | INTER. PROVISION THIS PERIOD | 332 | 165 | 111 | 111 | 96 | 38 | 16 | 42 | 44 | 48 | 53 | 58 | 1,113 |
| 10 | TRUE-UP AND INTEREST PROV. BEG. OF MONTH | 92,539 | 47,128 | 21,377 | 23,448 | 20,065 | 16,016 | (2,005) | 7,834 | 8,858 | 9,884 | 10,914 | 11,950 | 92,539 |
| 11. | PRIOR TRUE-UP COLLECTED OR (REFUNDED) | (7,712) | (7,712) | (7,712) | (7,712) | (7,712) | (7,712) | (7,712) | (7,712) | (7,712) | (7,712) | (7,712) | (7,712) | (92,539) |
| 12. | TOTAL NET TRUE-UP | 47,128 | 21,377 | 23,448 | 20,065 | 16,016 | (2,005) | 7,834 | 8,858 | 9,884 | 10,914 | 11,950 | 12,990 | 12,990 |

SCHEDULE C-3 PAGE 5 OF 5

CALCULATION OF TRUE-UP AND INTEREST PROVISION FOR PERIOD: JANUARY 2000 THROUGH DECEMBER 2000 SEVEN MONTHS ACTUAL AND FIVE MONTHS PROJECTED

| INTEREST PROVISION | MONTH JAN | MONTH FEB | MONTH MAR | MONTH APR | MONTH MAY | MONTH JUN | MONTH JUL | MONTH AUG | MONTH SEP | MONTH OCT | MONTH NOV | MONTH DEC | TOTAL |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|
| 1. BEGINNING TRUE-UP | 92,539 | 47,128 | 21,377 | 23,448 | 20,065 | 16,016 | (2,005) | 7,834 | 8,858 | 9,884 | 10,914 | 11,950 | |
| 2. ENDING TRUE-UP BEFORE INTEREST | 46,796 | 21,212 | 23,337 | 19,954 | 15,921 | (2,043) | 7,818 | 8,816 | 9,840 | 10,866 | 11,897 | 12,932 | |
| 3. TOTAL BEGINNING & ENDING TRUE-UP | 139,335 | 68,340 | 44,714 | 43,402 | 35,985 | 13,973 | 5,813 | 16,651 | 18,699 | 20,750 | 22,811 | 24,882 | |
| 4. AVERAGE TRUE-UP (LINE 3 TIMES 50%) | 69,668 | 34,170 | 22,357 | 21,701 | 17,993 | 6,986 | 2,907 | 8,325 | 9,349 | 10,375 | 11,405 | 12,441 | |
| 5. INTEREST RATE FIRST DAY OF REPORTING MONTH | 5.63% | 5.80% | 5.80% | 6.07% | 6.18% | 6.57% | 6.58% | 6.50% | 5,60% | 5.60% | 5.60% | 5.60% | |
| INTER, RATE - FIRST DAY SUBSEQUENT MONTH | 5.80% | 5.80% | 6.07% | 6.18% | 6.57% | 6.58% | 6.50% | 5.60% | 5.60% | 5.60% | 5,60% | 5.60% | |
| 7. TOTAL (SUM LINES 5 & 6) | 11.43% | 11.60% | 11.87% | 12.25% | 12.75% | 13.15% | 13.08% | 12.10% | 11.21% | 11.21% | 11.21% | 11.21% | |
| 8. AVG. INTEREST RATE (LINE 7 TIMES 50%) | 5.72% | 5.80% | 5,94% | 6.13% | 6.38% | 6.58% | 6.54% | 6.05% | 5.60% | 5.60% | 5.60% | 5.60% | |
| 9. MONTHLY AVG INTEREST RATE | 0.48% | 0.48% | 0.49% | 0.51% | 0.53% | 0,55% | 0.55% | 0.50% | 0.47% | 0.47% | 0.47% | 0.47% | |
| 10. INTEREST PROVISIO | N332_ | 165 | 111 | 111 | 96 | 38 | 16 | 42 | 44 | 48 | 53_ | 58 | 1,113 |

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CHESAPEAKE UTILITIES CORPORATION Program Description and Progress

Program Title:

Residential Home Builder Program

Program Description:

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

Allowances:

Conservation allowances are currently:

\$275 Energy efficient natural gas water heater installation.

\$275 Natural Gas home heating.

\$75 Energy efficient natural gas range or dryer stub outlet.

Program Activity and Projections:

During the seven month period January, 2000 through July, 2000, 185 residences qualified under our home builder program. We estimate 132 new homes will qualify during the period August, 2000 through December, 2000.

Program Fiscal Expenditures:

For the seven month period January, 2000 through July, 2000 CUC incurred costs of \$111,888 for the Home Builder Program. For August, 2000 through December, 2000, costs are estimated to be \$79,582.

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CHESAPEAKE UTILITIES CORPORATION Program Description and Progress

Program Title:

Residential Appliance Replacement Program

Program Description:

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

Allowance:

Conservation allowance is currently:

\$330.00Energy Efficient Water Heater Installation

\$330.00Natural Gas Home Heating System

\$ 50.00 Energy-efficient gas range

\$ 50.00 Natural Gas Clothes Dryer

Program Activity and Projections:

During the seven month period January, 2000 through July, 2000, 38 residences qualified under our appliance replacement program. We estimate an additional 25 residences will qualify for incentives during the period August, 2000 through December, 2000.

Program Fiscal Expenditures:

For the seven month period January, 2000 through July, 2000, CUC incurred costs of \$20,774 for the Residential Appliance Replacement Program. During August, 2000 through December, 2000 costs are estimated to be \$14,728.

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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:

There has been no activity in this program to date. No activity is projected for the remainder of 2000.

Program Fiscal Expenditures:

There has been no activity in this program to date.

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CHESAPEAKE UTILITIES CORPORATION Program Description and Progress

Program Title:

Conservation Education Program

Program Description:

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

Program Activity and Projections:

Over the next several months we intend to supply conservation education materials to schools in our service area.

Program Fiscal Expenditures:

During the seven month period January, 2000 through July, 2000, CUC incurred program costs of \$7,133 for this program. For August, 2000 through December, 2000, expenditures are estimated to be \$4,982 for this program.

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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 \$1200 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, 2000 through July, 2000, CUC paid no allowances on this program. No activity is projected in this program for the remainder of 2000.

Program Fiscal Expenditures:

For the seven month period January, 2000 through July, 2000, CUC incurred no cost for the Natural Gas Space Conditioning Program.

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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, 2000 through July, 2000, CUC paid no allowances on this program. No activity is projected for the remainder of 2000.

Program Fiscal Expenditures:

For the seven month period January, 2000 through July, 2000, CUC incurred no costs for the Natural Gas Space Conditioning Program.

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CHESAPEAKE UTILITIES CORPORATION Program Description and Progress

Program Title:

Residential Water Heater Retention Program

Program Description:

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

Allowances:

Conservation allowances are currently:

\$100 Energy efficient natural gas water heater installation.

\$ 50 Dealer

Program Activity and Projections:

For the seven month period January, 2000 through July, 2000, CUC paid allowances on 65 water heaters. We estimate we will pay allowances on 45 additional water heaters during the period of August, 2000 through December, 2000.

Program Fiscal Expenditures:

For the seven month period January, 2000 through July, 2000, CUC incurred program costs of \$17,113 for this program. For August, 2000 through December, 2000, expenditures totaling \$12,113 are anticipated.