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September 19, 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 Revised 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 Revised 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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 120004-GU
Filed: September 19, 2012

**PETITION OF FLORIDA DIVISION OF CHESAPEAKE UTILITIES
CORPORATION FOR APPROVAL OF REVISED 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 **revised** conservation cost recovery factors for the period January 1, 2013 through December 31, 2013. The Company’s projections have been revised to eliminate programs that are anticipated, but have not yet been filed for Commission approval. 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 \$790,800 (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 \$573,792, 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	<u>12.617 cents/therm</u>
FTS-B	<u>9.919 cents/therm</u>
FTS-1	<u>8.349 cents/therm</u>
FTS-2	<u>4.874 cents/therm</u>
FTS-2.1	<u>3.581 cents/therm</u>
FTS-3	<u>3.362 cents/therm</u>
FTS-3.1	<u>2.378 cents/therm</u>
FTS-4	<u>1.980 cents/therm</u>
FTS-5	<u>1.540 cents/therm</u>
FTS-6	<u>1.324 cents/therm</u>
FTS-7	<u>0.943 cents/therm</u>
FTS-8	<u>0.836 cents/therm</u>
FTS-9	<u>0.709 cents/therm</u>
FTS-10	<u>0.609 cents/therm</u>
FTS-11	<u>0.546 cents/therm</u>
FTS-12	<u>0.421 cents/therm</u>

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

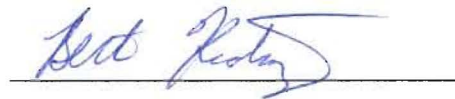
the specific rate classes was used rather than the gas throughput. The Company therefore also seeks approval of the following experimental per bill Conservation Cost Recovery

Adjustment (Experimental) factors:

Rate Class	ECCR Factor (\$ per bill)
FTS-A	<u>\$ 0.82</u>
FTS-B	<u>\$ 1.07</u>
FTS-1	<u>\$ 1.37</u>
FTS-2	<u>\$ 2.64</u>
FTS-2.1	<u>\$ 3.69</u>
FTS-3	<u>\$ 8.80</u>
FTS-3.1	<u>\$ 12.33</u>

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 Revised 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 19th 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

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

1

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

3 A. Michelle D. Napier. My business address is 1641 Worthington Road, Suite
4 220, West Palm Beach, Florida 33409.

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

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

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

10 A. I graduated from University of South Florida in 1986 with a BS degree in
11 Finance. I have been employed by FPUC since 1987. During my employment
12 at FPUC, I have performed various roles and functions in accounting,
13 management and most recently, regulatory accounting (PGA, conservation,
14 surveillance reports, regulatory reporting.

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 Company's energy conservation
18 programs. This will include recoverable costs incurred in January through
19 July 2012 and projections of program costs to be incurred August through

1 December 2012. It will also include projected conservation costs for the
2 period January through December 2013, which a calculation of the Energy
3 Conservation Cost Recovery Adjustment and Energy Conservation Cost
4 Recovery Adjustment (Experimental) factors to be applied to the customers'
5 bills during the collection period of January 1, 2013 through December 31,
6 2013.

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

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

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

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

18 **Q. What are the total projected costs for the period January 2013 through**
19 **December 2013 in the Florida Division of Chesapeake Utilities**
20 **Corporation?**

21 A. The total projected Conservation Program Costs are \$790,800. Please see
22 Schedule C-2, page 2, for the programmatic and functional breakdown of
23 these total costs.

24

1 **Q. What is the true-up for the period January 2012 through December**
2 **2012?**

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 over-recovery of
5 \$217,008.

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 \$573,792.

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, 2013 through**
12 **December 31, 2013?**

13 A. Yes. Schedule C-1 of Revised Exhibit MDN-3 shows these calculations. Net
14 program cost estimates for the period January 1, 2013 through December 31,
15 2013 are used. The estimated true-up amount from Schedule C-3, page 4 of 5,
16 of Revised Exhibit MDN-3, being an over-recovery, was added to the total of
17 the 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, 2013. The resulting
23 Energy Conservation Cost Recovery Adjustment factors are shown on
24 Schedule C-1, page 1 of 2 of Revised Exhibit MDN-3.

1 **Q. Why has the Company excluded market-based rates 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 (Fifth 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, 2013 through**
20 **December 31, 2013?**

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 therm rate described above was made; however, the projected number of bills
24 for each rate class for the twelve-month period ending December 31, 2013

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

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 (Revised
6 Composite Prehearing Identification Number MDN-3), which have been filed
7 with this testimony.

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

9 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)	\$790,800
2.	TRUE-UP (SCHEDULE C-3)	<u>(\$217,008)</u>
3.	TOTAL	<u>\$573,792</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	\$16,620	5.1180%	\$0.1255	1.00503	\$0.12617
FTS-B	26,254	283,488	\$406,937	\$139,720	\$546,657	\$27,978	5.1180%	\$0.0987	1.00503	\$0.09919
FTS-1	107,056	1,753,589	\$2,034,064	\$812,087	\$2,846,151	\$145,667	5.1180%	\$0.0831	1.00503	\$0.08349
FTS-2	11,762	636,916	\$399,908	\$203,558	\$603,466	\$30,886	5.1180%	\$0.0485	1.00503	\$0.04874
FTS-2.1	6,991	720,902	\$279,640	\$222,232	\$501,872	\$25,686	5.1180%	\$0.0356	1.00503	\$0.03581
FTS-3	3,336	873,257	\$360,288	\$210,472	\$570,760	\$29,212	5.1180%	\$0.0335	1.00503	\$0.03362
FTS-3.1	3,283	1,702,164	\$439,922	\$346,952	\$786,874	\$40,272	5.1180%	\$0.0237	1.00503	\$0.02378
FTS-4	1,656	1,775,268	\$347,760	\$335,526	\$683,286	\$34,971	5.1180%	\$0.0197	1.00503	\$0.01980
FTS-5	384	1,091,525	\$145,920	\$180,975	\$326,895	\$16,731	5.1180%	\$0.0153	1.00503	\$0.01540
FTS-6	240	1,359,121	\$144,000	\$205,730	\$349,730	\$17,899	5.1180%	\$0.0132	1.00503	\$0.01324
FTS-7	216	2,505,444	\$151,200	\$308,170	\$459,370	\$23,511	5.1180%	\$0.0094	1.00503	\$0.00943
FTS-8	276	6,344,435	\$331,200	\$699,411	\$1,030,611	\$52,747	5.1180%	\$0.0083	1.00503	\$0.00836
FTS-9	72	3,092,620	\$144,000	\$282,449	\$426,449	\$21,826	5.1180%	\$0.0071	1.00503	\$0.00709
FTS-10	36	3,059,612	\$108,000	\$254,499	\$362,499	\$18,553	5.1180%	\$0.0061	1.00503	\$0.00609
FTS-11	60	9,089,638	\$330,000	\$634,184	\$964,184	\$49,347	5.1180%	\$0.0054	1.00503	\$0.00546
FTS-12	<u>12</u>	<u>5,220,309</u>	<u>\$108,000</u>	<u>\$319,640</u>	<u>\$427,640</u>	<u>\$21,887</u>	<u>5.1180%</u>	<u>\$0.0042</u>	<u>1.00503</u>	<u>\$0.00421</u>
TOTAL	181,893	39,640,683	5,994,206	5,216,980	11,211,186	573,792	5.1180%			

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)	\$790,800
2.	TRUE-UP (SCHEDULE C-3)	<u>(\$217,008)</u>
3.	TOTAL	<u>\$573,792</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	\$16,620	5.1180%	\$0.8204	1.00503	\$0.82
FTS-B	26,254	283,488	\$406,937	\$139,720	\$546,657	\$27,978	5.1180%	\$1.0657	1.00503	\$1.07
FTS-1	107,056	1,753,589	\$2,034,064	\$812,087	\$2,846,151	\$145,667	5.1180%	\$1.3607	1.00503	\$1.37
FTS-2	11,762	636,916	\$399,908	\$203,558	\$603,466	\$30,886	5.1180%	\$2.6259	1.00503	\$2.64
FTS-2.1	6,991	720,902	\$279,640	\$222,232	\$501,872	\$25,686	5.1180%	\$3.6742	1.00503	\$3.69
FTS-3	3,336	873,257	\$360,288	\$210,472	\$570,760	\$29,212	5.1180%	\$8.7565	1.00503	\$8.80
FTS-3.1	3,283	1,702,164	\$439,922	\$346,952	\$786,874	\$40,272	5.1180%	\$12.2670	1.00503	\$12.33
FTS-4	1,656	1,775,268	\$347,760	\$335,526	\$683,286	\$34,971				
FTS-5	384	1,091,525	\$145,920	\$180,975	\$326,895	\$16,731				
FTS-6	240	1,359,121	\$144,000	\$205,730	\$349,730	\$17,899				
FTS-7	216	2,505,444	\$151,200	\$308,170	\$459,370	\$23,511				
FTS-8	276	6,344,435	\$331,200	\$699,411	\$1,030,611	\$52,747				
FTS-9	72	3,092,620	\$144,000	\$282,449	\$426,449	\$21,826				
FTS-10	36	3,059,612	\$108,000	\$254,499	\$362,499	\$18,553				
FTS-11	60	9,089,638	\$330,000	\$634,184	\$964,184	\$49,347				
FTS-12	12	5,220,309	\$108,000	\$319,640	\$427,640	\$21,887				
TOTAL	181,893	39,640,683	\$5,994,206	\$5,216,980	\$11,211,186	\$573,792	5.1180%			

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

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
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 DISTIRBUTION 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.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL PROGRAMS	\$0	\$262,000	\$6,000	\$222,000	\$232,000	\$4,000	\$48,800	\$16,000	\$790,800
LESS: AMOUNT IN RATE BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECOVERABLE CONSER.	\$0	\$262,000	\$6,000	\$222,000	\$232,000	\$4,000	\$48,800	\$16,000	\$790,800

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.									
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									
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	\$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 REPLACEMENT	\$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 DISTRIBUTION 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.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL PROGRAMS	\$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

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

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

	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
INTEREST PROVISION													
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)

Schedule C-4

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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 2013, the Company estimates that 385 new single and multi family homes will be connected to its natural gas system. Fiscal expenditures for 2013 are projected to be \$205,500.

Program Activity and Expenditures:

During the seven-month reporting period of January through July 2012, 217 new home allowances were paid and actual expenditures for this program totaled \$95,926. For August through December 2012, the Company projects that 155 new appliances will qualify for allowances. Annual expenditures for 2012 are estimated at \$169,756.

Schedule C-4
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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 2013, the Company estimates that 110 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 2013 are projected to be \$139,500.

Program Activity and Expenditures:

During the seven-month reporting period of January through July 2012, 54 appliance replacement allowances were paid and actual expenditures for this program totaled \$52,454. For the period August through December 2012, the Company projects that 40 appliances will qualify for allowances. Annual expenditures for 2012 are estimated at \$159,148.

Exhibit No. _____

Docket No. 120004-GU

CHESAPEAKE UTILITIES CORPORATION

(REVISED MDN-3)

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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 2013 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 2013 are projected to be \$0.

Program Activity and Expenditures:

For the seven-month period January through July 2012, CUC incurred costs of \$0 for the Residential Propane Distribution Program. Annual expenditures for 2012 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 2013, 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 2013 are projected to be \$194,000.

Program Activity and Expenditures:
During the seven-month reporting period of January through July 2012, 174 appliance retention allowances were paid and actual expenditures for this program totaled \$78,244. For August through December 2012, the Company projects that 124 appliances will qualify for allowances. Annual expenses for 2012 are estimated at \$208,896.

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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 2013, the Company estimates that 1 residential space conditioning appliance will be connected to its natural gas system. Fiscal expenditures for 2013 are projected to be \$3,400.

Program Activity and Expenditures:

During the seven-month reporting period of January through July 2012, 0 Residential Space Conditioning allowances were paid and actual expenditures for this program totaled \$0. For August through December 2012, the Company projects that 0 appliances will qualify for allowances. Annual expenses for 2012 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 2013, the Company estimates that 1 commercial space conditioning appliance will be connected to its natural gas system. Fiscal expenditures for 2013 are projected to be \$3,400.

Program Activity and Expenditures:

During the seven-month reporting period of January through July 2012, 0 Commercial Space Conditioning allowances were paid and actual expenditures for this program totaled \$0. For August through December 2012, the Company projects that 0 appliances will qualify for allowances. Annual expenses for 2012 are estimated at \$0.

Schedule C-4
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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 2013, the Company estimates expenses of \$63,000 for this program.

Program Activity and Expenditures:
During the seven-month reporting period, January through July 2012, actual expenditures for this program were \$21,224. The Company projects that total expenditures will equal \$79,150 for the 2012 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.