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May 2, 2014

E-PORTAL/ELECTRONIC FILING

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

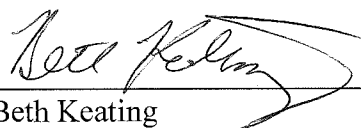
Re: Docket No. 140004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Stauffer:

Attached for electronic filing, please find the Direct Testimony and Exhibit CDY-3 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 Final True Up Amount. 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,

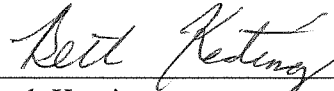


Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK
cc: Parties of Record

WHEREFORE, CHPK respectfully requests that the Commission enter an Order approving the Company's final natural gas conservation true-up amount for the period January 1, 2013 through December 31, 2013.

RESPECTFULLY SUBMITTED this 2nd day of May 2014.

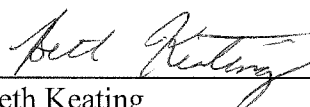


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*Attorneys for Florida Division of Chesapeake
Utilities Corporation*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Chesapeake's Petition for Approval of the Conservation Cost Recovery True-Up Amount in Docket No. 140004-GU has been furnished by Electronic Mail to the following parties of record this 2nd day of May 2014, along with a copy of the referenced Testimony and Exhibit of Mr. Young:

Florida Public Utilities Company/ Florida Division of Chesapeake Utilities Corporation Cheryl Martin 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-	Kelley Corbari/Lee Eng Tan Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 140004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony
(True Up) of
CURTIS D. YOUNG

On Behalf of
CHESAPEAKE UTILITIES CORPORATION -
FLORIDA DIVISION

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

2 A. Curtis D. Young: my business address is 1641 Worthington Road,
3 Suite 220, 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 as Senior
6 Regulatory Analyst.

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

8 A. To advise the Commission of the actual over/under recovery of the
9 Conservation costs for the period January 1, 2013 through
10 December 31, 2013 as compared to the amount previously reported
11 for that period which was based on seven months actual and five
12 months estimated data.

13 **Q. Please state the actual amount of over/under recovery of**
14 **Conservation Program costs for the Florida division of Chesapeake**
15 **Utilities Corporation for January 1, 2013 through December 31,**
16 **2013.**

1 A. The Company under-recovered \$80,810 during that period. This
2 amount is substantiated on Schedule CT-3, page 2 of 3,
3 Calculation of True-up and Interest Provision.

4 **Q. How does this amount compare with the estimated true-up amount**
5 **which was allowed by the Commission?**

6 A. We had estimated that we would under-recover \$110,942 as of
7 December 31, 2013.

8 **Q. Have you prepared any exhibits at this time?**

9 A. We have prepared and pre-filled Schedules CT-1, CT-2, CT-3, CT-4,
10 CT-5 and CT-6 (Composite Exhibit CDY-3).

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

12 A. Yes.

CONSERVATION ADJUSTMENT TRUE-UP

FOR MONTHS January-13 THROUGH December-13

1.	ADJUSTED END OF PERIOD TOTAL NET TRUE-UP		
2.	FOR MONTHS January-13 THROUGH December-13		
3.	END OF PERIOD NET TRUE-UP		
4.	PRINCIPAL	<u>80,815</u>	
5.	INTEREST	<u>(5)</u>	<u>80,810</u>
6.	LESS PROJECTED TRUE-UP		
7.	November-13 HEARINGS		
8.	PRINCIPAL	<u>110,945</u>	
9.	INTEREST	<u>(3)</u>	<u>110,942</u>
10.	ADJUSTED END OF PERIOD TOTAL TRUE-UP		<u><u>(30,132)</u></u>

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VS PROJECTED

FOR MONTHS		January-13	THROUGH	December-13	
		<u>ACTUAL</u>		<u>PROJECTED</u>	<u>DIFFERENCE</u>
1.	Labor/Payroll	238,253		247,353	(9,101)
2.	Advertisement	172,852		204,765	(31,913)
3.	Legal	88			88
4.	Outside Services	42,063		25,639	16,424
5.	Vehicle	11,190		45,676	(34,487)
6.	Materials & Supplies	7,616		8,344	(728)
7.	Travel	32,868			32,868
8.	General & Administrative				
9.	Incentives	217,643		238,975	(21,332)
10.	Other	19,839		17,989	1,850
11.	SUB-TOTAL	742,412		788,741	(46,329)
12.	PROGRAM REVENUES				
13.	TOTAL PROGRAM COSTS	742,412		788,741	(46,329)
14.	LESS: PRIOR PERIOD TRUE-UP	(35,777)		(35,777)	
15.	AMOUNTS INCLUDED IN RATE BASE				
16.	CONSERVATION ADJ REVENUE	(625,820)		(642,019)	16,199
17.	ROUNDING ADJUSTMENT				
18.	TRUE-UP BEFORE INTEREST	80,815		110,945	(30,130)
19.	ADD INTEREST PROVISION	(5)		(3)	(2)
20.	END OF PERIOD TRUE-UP	80,810		110,942	(30,132)

() REFLECTS OVERRECOVERY

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM

FOR MONTHS January-13 THROUGH December-13

PROGRAM NAME	50 LABOR/PAY	51 ADVERTISE.	52 LEGAL	53 OUT.SERV.	54 VEHICLE	55 MAT.&SUPP.	56 TRAVEL	57 G & A	58 INCENTIVES	59 OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Residential Home Builder	17,887	19,039			1,268	2,041	1,950		89,446	413	132,044		132,044
2. Residential Appliance Replacement	15,278	80,738			1,064	268	1,744		34,027	100	133,219		133,219
3. Residential Propane Distribution													
4. Residential Water Heater Retention	7,054	58,800			542	161	837		92,024	74	159,492		159,492
5. NG Space Conditioning For Res Homes													
6. Gas Space Conditioning											280		280
7. Conservation Education	30,460	13,209			2,256	524	5,620		2,125	9,011	63,205		63,205
8. CFG Common	167,574	786	88	897	6,060	4,622	22,717		21	10,241	213,005		213,005
9. Conservation Demonstration and Develop.				41,166							41,166		41,166
5. TOTAL ALL PROGRAMS	238,253	172,852	88	42,063	11,190	7,616	32,868		217,643	19,839	742,412		742,412

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

SCHEDULE CT-2
PAGE 3 OF 3

CONSERVATION COSTS PER PROGRAM--VARIANCE ACTUAL VS PROJECTED
VARIANCE ACTUAL VS PROJECTED

FOR MONTHS January-13 THROUGH December-13

PROGRAM NAME	LABOR/PAY	ADVERTISE.	LEGAL	OUT.SERV.	VEHICLE	MAT.&SUPP.	TRAVEL	G & A	INCENTIVES	OTHER	SUB TOTAL	PROGRAM REVENUES	TOTAL
1. Residential Home Builder	(5,745)	(25,682)			(4,108)	(255)	1,950		14,397	(331)	(19,774)		(19,774)
2. Residential Appliance Replacement	(4,975)	4,130			(4,183)	(291)	1,744		(9,474)	71	(12,979)		(12,979)
3. Residential Propane Distribution	(26,986)	(16,644)		(420)	(8,644)	(658)			(1,469)	(8,751)	(63,572)		(63,572)
4. Residential Water Heater Retention	(5,595)	(7,152)			(3,166)	(302)	837		(26,076)	70	(41,384)		(41,384)
5. NG Space Conditioning For Res Homes		281									281		281
6. Gas Space Conditioning	(420)	(420)			(170)				(420)		(1,430)		(1,430)
7. Conservation Education	30,040	12,789			2,086	524	5,620		1,705	9,012	61,776		61,776
8. CFG Common	4,580	786	88	(876)	(16,302)	254	22,718		5	1,778	13,031		13,031
9. Conservation Demonstration and Develop.				17,722							17,722		17,722
5. TOTAL ALL PROGRAMS	(9,101)	(31,912)	88	16,426	(34,487)	(728)	32,869		(21,332)	1,849	(46,329)		(46,329)

EXHIBIT NO. _____
DOCKET NO. 140004-GU
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(CDY-3)
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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY PROGRAM BY MONTH

FOR MONTHS		January-13	THROUGH	December-13										
A. CONSERVATION EXPENSE BY PROGRAM		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1.	Residential Home Builder	21,323	2,224	5,192	7,183	21,948	4,415	3,900	4,909	30,634	20,915	2,829	6,571	132,043
2.	Residential Appliance Replacement	7,369	11,429	12,787	15,981	13,087	12,450	12,264	11,943	8,450	8,258	9,178	10,024	133,219
3.	Residential Propane Distribution													
4.	Residential Water Heater Retention	9,014	30,449	3,231	21,798	13,041	15,542	13,961	14,831	6,951	13,335	8,018	9,321	159,492
5.	NG Space Conditioning For Res Homes								225	56				281
6.	Gas Space Conditioning													
7.	Conservation Education	4,335	4,171	7,079	5,049	8,505	3,514	4,663	6,190	5,217	7,490	4,337	2,656	63,206
8.	CFG Common	21,237	14,040	15,124	19,543	19,493	14,134	20,572	12,031	13,140	27,797	17,833	18,061	213,005
9.	Conservation Demonstration and Develop.		5,972	2,986	4,440	3,349	3,350	3,349	4,323	3,350	3,349	3,349	3,349	41,166
5. TOTAL ALL PROGRAMS		63,278	68,285	46,399	73,994	79,423	53,405	58,709	54,452	67,798	81,144	45,544	49,982	742,412
6. LESS AMOUNT INCLUDED IN RATE BASE														
7. RECOVERABLE CONSERVATION EXPENSES		63,278	68,285	46,399	73,994	79,423	53,405	58,709	54,452	67,798	81,144	45,544	49,982	742,412

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

SCHEDULE CT-3
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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-13 THROUGH December-13

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
B. CONSERVATION REVENUES													
1. RESIDENTIAL CONSERVATION													
2. CONSERVATION ADJ. REVENUES	(65,471)	(60,498)	(73,712)	(56,216)	(46,453)	(58,214)	(42,375)	(39,263)	(37,529)	(43,908)	(47,855)	(54,326)	(625,820)
3. TOTAL REVENUES	(65,471)	(60,498)	(73,712)	(56,216)	(46,453)	(58,214)	(42,375)	(39,263)	(37,529)	(43,908)	(47,855)	(54,326)	(625,820)
4. PRIOR PERIOD TRUE-UP ADJ. NOT APPLICABLE TO THIS PERIOD	(2,986)	(2,981)	(2,981)	(2,981)	(2,981)	(2,981)	(2,981)	(2,981)	(2,981)	(2,981)	(2,981)	(2,981)	(35,777)
5. CONSERVATION REVENUE APPLICABLE	(68,457)	(63,479)	(76,693)	(59,197)	(49,434)	(61,195)	(45,356)	(42,244)	(40,510)	(46,889)	(50,836)	(57,307)	(661,597)
6. CONSERVATION EXPENSES (FROM CT-3, PAGE 1, LINE 23)	63,278	68,285	46,399	73,994	79,423	53,405	58,709	54,452	67,798	81,144	45,544	49,982	742,412
7. TRUE-UP THIS PERIOD (LINE 5 - 6)	(5,179)	4,806	(30,294)	14,797	29,989	(7,790)	13,353	12,208	27,288	34,255	(5,292)	(7,325)	80,815
8. INTEREST PROVISION THIS PERIOD (FROM CT-3, PAGE 3, LINE 10)	(4)	(4)	(4)	(4)	(1)			1	1	3	4	3	(5)
9. TRUE-UP AND INTEREST PROVISION BEGINNING OF MONTH	(35,777)	(37,974)	(30,191)	(57,508)	(39,734)	(6,765)	(11,575)	4,759	19,949	50,219	87,458	85,151	(35,777)
9A. DEFERRED TRUE-UP BEGINNING OF PERIOD													
10. PRIOR TRUE-UP COLLECTED (REFUNDED)	2,986	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	35,777
11. TOTAL NET TRUE-UP (LINES 7+8+9+9A+10)	(37,974)	(30,191)	(57,508)	(39,734)	(6,765)	(11,575)	4,759	19,949	50,219	87,458	85,151	80,810	80,810

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CALCULATION OF TRUE-UP AND INTEREST PROVISION

FOR MONTHS January-13 THROUGH December-13

C. INTEREST PROVISION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. BEGINNING TRUE-UP (LINE B-9)	(35,777)	(37,974)	(30,191)	(57,508)	(39,734)	(6,765)	(11,575)	4,759	19,949	50,219	87,458	85,151	(35,777)
2. ENDING TRUE-UP BEFORE INTEREST (LINES B7+B9+B9A+B10)	(37,970)	(30,187)	(57,504)	(39,730)	(6,764)	(11,575)	4,759	19,948	50,218	87,455	85,147	80,807	80,815
3. TOTAL BEG. AND ENDING TRUE-UP	(73,747)	(68,161)	(87,695)	(97,238)	(46,498)	(18,340)	(6,816)	24,707	70,167	137,674	172,605	165,958	45,038
4. AVERAGE TRUE-UP (LINE C-3 X 50%)	(36,874)	(34,081)	(43,847)	(48,619)	(23,249)	(9,170)	(3,408)	12,354	35,084	68,837	86,303	82,979	22,519
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.10%	0.15%	0.14%	0.09%	0.09%	0.05%	0.08%	0.05%	0.05%	0.03%	0.06%	0.05%	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.15%	0.14%	0.09%	0.09%	0.05%	0.08%	0.05%	0.05%	0.03%	0.06%	0.05%	0.03%	
7. TOTAL (LINE C-5 + C-6)	0.25%	0.29%	0.23%	0.18%	0.14%	0.13%	0.13%	0.10%	0.08%	0.09%	0.11%	0.08%	
8. AVG. INTEREST RATE (C-7 X 50%)	0.13%	0.15%	0.12%	0.09%	0.07%	0.07%	0.07%	0.05%	0.04%	0.05%	0.06%	0.04%	
9. MONTHLY AVERAGE INTEREST RATE	0.010%	0.012%	0.010%	0.008%	0.006%	0.005%	0.005%	0.004%	0.003%	0.004%	0.005%	0.003%	
10. INTEREST PROVISION (LINE C-4 X C-9)	(4)	(4)	(4)	(4)	(1)			1	1	3	4	3	(5)

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

SCHEDULE CT-4
PAGE 1 OF 1

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN

FOR MONTHS January-13 THROUGH December-13

PROGRAM NAME:	BEGINNING OF PERIOD	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1. INVESTMENT														
2. DEPRECIATION BASE														
3. DEPRECIATION EXPENSE														
4. CUMULATIVE INVESTMENT														
5. LESS: ACCUMULATED DEPRECIATION														
6. NET INVESTMENT														
7. AVERAGE INVESTMENT														
8. RETURN ON AVERAGE INVESTMENT														
9. RETURN REQUIREMENTS														
10. TOTAL DEPRECIATION AND RETURN														NONE

EXHIBIT NO. _____
DOCKET NO. 140004-GU
CHESAPEAKE UTILITIES CORPORATION
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COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

SCHEDULE CT-5
PAGE 1 OF 1

RECONCILIATION AND EXPLANATION OF
DIFFERENCES BETWEEN FILING AND PSC AUDIT

FOR MONTHS January-13 THROUGH December-13

AUDIT EXCEPTION: TO OUR KNOWLEDGE, NONE EXIST

COMPANY RESPONSE:

EXHIBIT NO. _____
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CHESAPEAKE UTILITIES CORPORATION
(CDY-3)
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1. Residential New Construction Program
2. Residential Appliance Replacement Program
3. Residential Appliance Retention Program
4. Natural Gas Space Conditioning for Residential Homes Program
5. Gas Space Conditioning Program
6. Conservation Education Program
7. Conservation Demonstration and Development Program

PROGRAM TITLE: Residential New Construction Program

PROGRAM DESCRIPTION: The Residential New Construction Program (formerly, Full House Residential New Construction Program) promotes the use of natural gas in single and multi-family residential new construction projects to developers, builders, and homebuyers. The program is designed to increase the overall energy efficiency in the new construction home market through the installation of efficient gas appliances. The programs incentives are used to overcome market barriers created by the split incentive between the builders who are purchasing the appliances and the homeowners who are benefiting from reduced utility costs.

CURRENT APPROVED ALLOWANCES:

\$350 Tank Water Heater
\$400 High Efficiency Tank Water Heater
\$550 Tankless Water Heater
\$500 Furnace
\$150 Range
\$100 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2013 through December 31, 2013, 265 incentives were paid. There were 18 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 75 Tankless Water Heaters, 40 Furnaces, 66 Ranges and 66 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2013 through December 31, 2013 were **\$132,044**.

PROGRAM TITLE: Residential Appliance Replacement Program

PROGRAM DESCRIPTION: This program is designed to encourage the replacement of inefficient non-natural gas appliances with energy efficient natural gas appliances. The program offers financial incentives to residential customers to defray the additional costs associated with installing natural gas appliances

CURRENT APPROVED ALLOWANCES:

\$500 Tank Water Heater
\$550 High Efficiency Tank Water Heater
\$675 Tankless Water Heater
\$725 Furnace
\$200 Range
\$150 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2013 through December 31, 2013, 77 incentives were paid. There were 4 Tank Water Heaters, 0 High Efficiency Tank Water Heaters, 27 Tankless Water Heaters, 4 Furnaces, 29 Ranges and 13 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2013 through December 31, 2013 were **\$133,219**.

PROGRAM PROGRESS SUMMARY: Since inception, 788 appliances have qualified for this program.

PROGRAM TITLE: Residential Appliance Retention Program

PROGRAM DESCRIPTION: The purpose of the Residential Appliance Retention Program is to encourage homeowners with existing natural gas appliances to retain natural gas appliances at time of replacement. The program was expanded during the reporting period to include additional appliances to include furnaces, tankless hot water heaters, ranges, and dryers. The programs incentives defray the cost of purchase the more expensive energy-efficient natural gas appliances.

CURRENT APPROVED ALLOWANCES:

\$350 Tank Water Heater
\$400 High Efficiency Tank Water Heater
\$550 Tankless Water Heater
\$500 Furnace
\$100 Range
\$100 Dryer

PROGRAM ACCOMPLISHMENTS: For the reporting period January 1, 2013 through December 31, 2013, 264 incentives were paid. There were 98 Tank Water Heaters, 3 High Efficiency Tank Water Heaters, 59 Tankless Water Heaters, 31 Furnaces, 44 Ranges and 29 Dryers.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2013 through December 31, 2013 were **\$159,492**.

PROGRAM PROGRESS SUMMARY: Since inception, 2363 natural gas appliances have been retained through this program. The Company will continue to work closely with homeowners to promote the continued use of energy efficient natural gas.

PROGRAM TITLE: Natural Gas Space Conditioning for Residential Homes Program

PROGRAM DESCRIPTION: This 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 ACCOMPLISHMENTS: For the reporting period January 1, 2013 through December 31, 2013, 0 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2013 through December 31, 2013 were **\$280**.

PROGRAM PROGRESS SUMMARY: Five residential gas space conditioning units have been installed since the inception of this program.

PROGRAM TITLE: Gas Space Conditioning Program

PROGRAM DESCRIPTION: This 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 ACCOMPLISHMENTS: For the reporting period January 1, 2013 through December 31, 2013, 0 incentives were paid.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2013 through December 31, 2013 were **\$0**.

PROGRAM PROGRESS SUMMARY: Eight natural gas space conditioning units have been installed since the inception of this program.

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 ACCOMPLISHMENTS: We continue to develop branded programs and expand community outreach programs designed to inform and educate the general public as well as businesses in the community about the availability of our conservation programs and the benefits and value of natural gas. Examples of these types of programs are:

Energy Plus Home Program: This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Often residential consumers only consider the higher installation costs, and not the operating savings associated with natural gas appliances and therefore do not convert to energy efficient natural gas appliances. The brand supports several conservation programs: Residential Appliance Replacement Program, Residential Appliance Retention Program and the Natural Gas Space Conditioning for Residential Homes Program.

Energy Plus Home Builder Program: This program promotes the Residential New Construction Program whose purpose is to promote energy efficient natural gas encouraging the selection of appliances most suitable in reducing the ultimate consumer's overall energy costs. Incentives are offered in the form of cash allowances on the installation of those chosen appliances. The program offers builders and developers incentives to assist in defraying the additional costs associated with the installation of natural gas appliances.

Energy Plus Partners Program: This program is the new name of the Preferred Partners Program that was launched in late 2001. The program works to remove market barriers, expand consumer choice and create synergy between the trades and businesses linked to natural gas. The program supports awareness of our conservation allowance programs. Examples of business entities that support the gas system and are potential partners for the gas company are: builders, developers, retailers, HVAC providers, plumbers and architects. The brand supports several conservation programs: Residential

PROGRAM TITLE: Conservation Education Program (Continued)

Appliance Replacement Program, Residential Appliance Retention Program, Natural Gas Space Conditioning for Residential Homes Program and the Residential New Construction Program.

Energy Smart Kids Program: This program educates and engages young minds in an in-school setting. The classroom-based program provides poster, classroom activities, gas education booklets, pencils and teaching plans. A “school board” approved curriculum offers teachers a balanced five day lesson plan ending with an in-classroom demonstration. Energy conservation is the main theme of this program.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2013 through December 31, 2013 were **\$63,205.**

PROGRAM TITLE: Conservation Demonstration and Development

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. This program will supplement and complement the other conservation programs offered by Chesapeake Utilities Corporation and give the Company an opportunity to pursue individual and joint research projects as well as the development of new conservation programs. The CDD program is meant to be an umbrella program for the identification, development, demonstration, and evaluation of promising new end-use technologies.

PROGRAM ACCOMPLISHMENTS: For 2013, Chesapeake Utilities Corporation conducted research on several projects including CHP technologies.

PROGRAM FISCAL EXPENDITURES: The expenditures for the reporting period of January 1, 2013 through December 31, 2013 were **\$41,166**.

PROGRAM PROGRESS SUMMARY: From FPSC approval of the program on March 23, 2010, Chesapeake Utilities Corporation has engaged in several research projects using this program.