

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of ) DOCKET NO. 940643-EG  
Natural Gas Space Conditioning ) ORDER NO. PSC-94-1183-FOF-EG  
Conservation Program by FLORIDA ) ISSUED: September 27, 1994  
DIVISION OF CHESAPEAKE UTILITIES )  
CORPORATION. )  
\_\_\_\_\_)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
SUSAN F. CLARK  
JOE GARCIA  
JULIA L. JOHNSON  
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION

ORDER APPROVING NATURAL GAS  
SPACE CONDITIONING PROGRAM

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

The Florida Division of Chesapeake Utilities Corporation (Chesapeake) has participated in conservation cost recovery since 1982. Chesapeake's present conservation programs include the Single and Multi-Family Residential Home Builder Program, the Water Heater Replacement Program, the Replacement of Electric Strip and Oil Heating Program, and the Reactivate Program. On June 14, 1994 Chesapeake submitted its petition for approval of a natural gas space conditioning program. We approve Chesapeake's petition with certain revisions to the cost-effectiveness analysis described below.

Chesapeake's program is designed to promote the use of natural gas in space conditioning equipment. It provides an allowance to qualified participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation. Eligible participants will include all current and potential customers who are planning to use electricity for space conditioning or new construction where space conditioning will be

DOCUMENT NUMBER-DATE

09908 SEP 27 84

FPSC-RECORDS/REPORTING

used. Participants will receive an allowance of \$50 per ton of natural gas space conditioning equipment, up to a maximum of 500 tons per project. By providing this incentive, Chesapeake believes it can increase summer demand, leading to a better load factor and system utilization. The program will also help reduce summer Kw demand and will assist in the conservation of Kwh production.

Chesapeake's petition shows a direct benefit to gas ratepayers of \$214,135, less program costs of \$123,627, for a net direct benefit to gas utility ratepayers of \$90,508. According to Chesapeake's petition, this results in a benefit/cost ratio of 1.7 to 1 for the gas ratepayer. Chesapeake's petition also shows a direct benefit to electric ratepayers of \$2,126,634, less program costs of \$123,627, for a net direct benefit to electric ratepayers of \$2,003,007. According to Chesapeake's petition this results in a benefit/cost ratio of 18.2 to 1 for the electric ratepayer. (See Attachment B).

Chesapeake filed its petition and accompanying cost/benefit analysis in compliance with the Commission's accepted cost/benefit methodology for gas. We believe the methodology should be modified slightly to more accurately reflect benefits to electric ratepayers. Our modified methodology does not allow the benefit of deferred construction costs to begin immediately. Because conservation programs lead to a net decrease in the demand for Kwh, fewer power plants need to be built. The costs associated with the construction of the new plants are called "construction costs deferred". The previous methodology incorporated the deferred construction costs starting in the year the conservation program was implemented and continued throughout the life of the program. We believe that deferred construction costs do not occur at the inception of a conservation program. Kwh's deferred today will save construction costs on plants planned in the future. The revised methodology assigns benefits beginning in the year when the next power plant is scheduled to be in service in the LDC's territory.

With these modifications to the benefit/cost ratio calculation, we find net benefits of \$1,499,108 to electric ratepayers, and net costs of \$123,627. This results in a benefit/cost ratio of 12.1 to 1. (See Attachment A). Both Chesapeake's method and our modified method result in a net benefit to the electric ratepayer.

The benefit to electric ratepayers will be realized through a reduction in peak electric demand, which is an important goal of conservation. The benefit to gas ratepayers will be realized in two ways: increasing summer load when capacity is greater than

demand; and allowing more therms to be spread over the costs of existing facilities.

After the equipment is installed, Chesapeake will inspect it to assure that all applicable codes and standards have been met and the equipment is in place. Documentation of the inspection will serve as the order to pay the allowance to the customer. Chesapeake's program also contains a monitoring plan to determine whether projected energy savings are actually occurring.

We have already approved gas space conditioning programs for Peoples Gas System (Docket No. 900089-EG, Order No. 23462) and West Florida Natural Gas Co. (Docket No. 910086-EG, Order No. 24536).

For the reasons set forth above, and with the modifications to the cost/benefit analysis set forth above, we approve this program for Chesapeake. To verify that the benefits are accruing as projected, Chesapeake will be required to file its monitoring data at least annually. As specified in its approved monitoring plan, (Docket No. 920852-GU, Order No. PSC-92-1445-FOF-EG) Chesapeake should file its monitoring data in a format agreed upon between Chesapeake and the Staff.

For some time now Tampa Electric Company has expressed concerns with the methodology the Commission uses to measure the cost-effectiveness of gas conservation programs. TECO believes that we should evaluate gas conservation programs by the same methods we use to evaluate electric conservation programs. TECO filed a petition to intervene in this docket to address those concerns. After a meeting with Chesapeake and the Commission staff, where the staff represented that it would be opening a generic investigation into many aspects of gas utility regulation, TECO withdrew its petition to intervene in this particular docket. It is our understanding that the staff intends to address gas conservation and cost-effectiveness methodology issues expeditiously in the generic gas docket that it will open in October. It is therefore

ORDERED by the Florida Public Service Commission that the Petition for Approval of a Natural Gas Space Conditioning Conservation Program by FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION is approved as described in the body of this Order. It is further

ORDERED that if no substantially affected person timely files a protest to this Proposed Agency Action Order, this docket shall be closed.

ORDER NO. PSC-94-1183-POF-EG  
DOCKET NO. 940643-EG  
PAGE 4

By ORDER of the Florida Public Service Commission, this 27th  
day of September, 1994.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

by: Kay Flynn  
Chief, Bureau of Records

( S E A L )

MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on October 18, 1994.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

ORDER NO. PSC-94-1183-FOF-EG  
DOCKET NO. 940643-EG  
PAGE 5

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ATTACHMENT A

GAS SPACE CONDITIONING CONSERVATION PROGRAM

ANNUAL FUEL CONSUMPTION - NATURAL GAS

Year	Therms Consumed	Therms Cumulative	\$/Therm	Total Costs
1994	47,750	47,750	\$0.29	\$13,821.24
1995	62,390	110,140	\$0.30	\$18,781.14
1996	62,390	172,530	\$0.31	\$19,532.38
1997	18,000	190,530	\$0.33	\$5,860.55
1998	65,750	256,280	\$0.34	\$22,263.97
1999	18,000	274,280	\$0.35	\$6,338.88
2000	102,350	376,630	\$0.37	\$37,485.34
2001	54,600	431,230	\$0.38	\$20,796.95
2002	102,350	533,580	\$0.40	\$40,544.14
2003	54,600	588,180	\$0.41	\$22,493.98

NATURAL GAS FUEL COST - DISPLACEMENT DISTRIBUTION

Year	Total Natural Gas Costs	Oil	Coal
1994	\$13,821	\$4,141	\$11,316
1995	\$18,781	\$4,823	\$13,181
1996	\$19,532	\$5,016	\$13,708
1997	\$5,861	\$857	\$2,342
1998	\$22,264	\$5,735	\$15,674
1999	\$6,339	\$927	\$2,533
2000	\$37,485	\$7,775	\$21,248
2001	\$20,797	\$2,537	\$7,207
2002	\$40,544	\$8,410	\$22,982
2003	\$22,494	\$2,852	\$7,795
<b>TOTAL</b>	<b>\$207,919</b>	<b>\$43,174</b>	<b>\$117,987</b>

GAS SPACE CONDITIONING CONSERVATION PROGRAM

FUEL SAVINGS - OIL

Year	kWh Reduced	28.4% Oil	kW/Bbl	\$/Bbl	Avoided Costs
1994	687,500	195,250	613	\$13.00	\$4,140.70
1995	770,000	218,680	613	\$13.52	\$4,823.09
1996	770,000	218,680	613	\$14.06	\$5,016.01
1997	126,500	35,926	613	\$14.62	\$857.02
1998	814,000	231,176	613	\$15.21	\$5,735.34
1999	126,500	35,926	613	\$15.82	\$926.95
2000	1,020,250	289,751	613	\$16.45	\$7,775.13
2001	332,750	94,501	613	\$17.11	\$2,637.26
2002	1,020,250	289,751	613	\$17.79	\$8,409.58
2003	332,750	94,501	613	\$18.50	\$2,852.46

FUEL SAVINGS - COAL

Year	kWh Reduced	67% COAL	kW/Ton	\$/Ton	Avoided Costs
1994	687,500	460,625	2,076	\$51.00	\$11,315.93
1995	770,000	515,900	2,076	\$53.04	\$13,180.80
1996	770,000	515,900	2,076	\$55.16	\$13,708.03
1997	126,500	84,755	2,076	\$57.37	\$2,342.11
1998	814,000	545,380	2,076	\$59.66	\$15,673.84
1999	126,500	84,755	2,076	\$62.05	\$2,533.23
2000	1,020,250	683,568	2,076	\$64.53	\$21,248.30
2001	332,750	222,943	2,076	\$67.11	\$7,207.24
2002	1,020,250	683,568	2,076	\$69.80	\$22,982.17
2003	332,750	222,943	2,076	\$72.59	\$7,795.35

(Calculations revised by staff)

GAS SPACE CONDITIONING CONSERVATION PROGRAM

TABLE -4- KW AVOIDANCE AND KWH REDUCTIONS FROM PROGRAM

Year	KW	KWH	MWH Cumulative
1994	275	687,500	687.5
1995	308	770,000	1457.5
1996	308	770,000	2227.5
1997	51	126,500	2354
1998	326	814,000	3168
1999	51	126,500	3294.5
2000	408	1,020,250	4314.8
2001	133	332,750	4647.5
2002	408	1,020,250	5667.8
2003	133	332,750	6000.5
<b>TOTAL</b>	<b>2400</b>	<b>6,000,500</b>	<b>33819.5</b>

SUMMARY SHEET ITEMS 6 AND 7

TABLE -5- TOTAL CONSTRUCTION COST DEFERRED

YEAR	KW Deferred	Cost Per KW	Total Construction Costs Deferred
1994	275.0	\$1,660	
1995	308.0	\$1,698	
1996	308.0	\$1,737	
1997	50.6	\$1,787	
1998	325.6	\$1,848	\$601,708
1999	50.6	\$1,915	\$96,899
2000	408.1	\$1,984	\$809,670
2001	133.1	\$2,055	\$273,520
2002	408.1	\$2,129	\$868,845
2003	133.1	\$2,208	\$293,885
<b>TOTAL</b>			<b>\$2,944,527</b>

SUMMARY SHEET ITEM 8

GAS SPACE CONDITIONING CONSERVATION PROGRAM

TABLE - 6 - FUEL SAVINGS OIL

Year	Avoided Oil Costs	28.4% Gas Costs	Fuel Savings
1994	\$4,141	\$3,925	\$215
1995	\$4,823	\$5,334	(\$511)
1996	\$5,016	\$5,547	(\$531)
1997	\$857	\$1,664	(\$807)
1998	\$5,735	\$6,323	(\$588)
1999	\$927	\$1,800	(\$873)
2000	\$7,775	\$10,646	(\$2,871)
2001	\$2,637	\$5,906	(\$3,269)
2002	\$8,410	\$11,515	(\$3,105)
2003	\$2,852	\$6,388	(\$3,536)

SUMMARY SHEET ITEM 9 A

TABLE - 7 - FUEL SAVINGS COAL

Year	Avoided Coal Costs	67.0% Gas Costs	Fuel Savings
1994	\$11,316	\$9,260	\$2,056
1995	\$13,181	\$12,583	\$597
1996	\$13,708	\$13,087	\$621
1997	\$2,342	\$3,927	(\$1,585)
1998	\$15,674	\$14,917	\$757
1999	\$2,533	\$4,247	(\$1,714)
2000	\$21,248	\$25,115	(\$3,867)
2001	\$7,207	\$13,934	(\$6,727)
2002	\$22,982	\$27,165	(\$4,182)
2003	\$7,795	\$15,071	(\$7,276)

SUMMARY SHEET ITEM 9 B

(Calculations revised by staff)

GAS SPACE CONDITIONING CONSERVATION PROGRAM

TABLE -8- TOTAL SAVINGS

Year	Deferred Construction	Oil Savings	Coal Savings	Total Savings
1994		\$215	\$2,056	\$2,271
1995		(\$511)	\$597	\$86
1996		(\$531)	\$621	\$90
1997		(\$807)	(\$1,585)	(\$2,392)
1998	\$601,708	(\$588)	\$757	\$601,877
1999	\$96,899	(\$873)	(\$1,714)	\$94,312
2000	\$809,670	(\$2,871)	(\$3,867)	\$802,932
2001	\$273,520	(\$3,269)	(\$6,727)	\$263,524
2002	\$868,845	(\$3,105)	(\$4,182)	\$861,558
2003	\$293,885	(\$3,536)	(\$7,276)	\$283,073
<b>TOTALS</b>	<b>\$2,944,527</b>	<b>(\$15,875)</b>	<b>(\$21,319)</b>	<b>\$2,907,331</b>

TABLE -9- NET PRESENT VALUE OF TOTAL PROGRAM

Year	Total Cost	Discount Rate Factor	Present Value
1994	\$2,271	1.000	\$2,271
1995	\$86	0.913	\$79
1996	\$90	0.834	\$75
1997	(\$2,392)	0.761	(\$1,823)
1998	\$601,877	0.695	\$418,304
1999	\$94,312	0.635	\$60,360
2000	\$802,932	0.580	\$465,701
2001	\$263,524	0.529	\$139,668
2002	\$861,558	0.484	\$413,548
2003	\$283,073	0.442	\$124,552
<b>TOTAL</b>	<b>\$2,907,331</b>		<b>\$1,622,735</b>

(Calculations revised by staff)

GAS SPACE CONDITIONING CONSERVATION PROGRAM  
 ELECTRIC RATEPAYERS COST EFFECTIVENESS ANALYSIS

RESULTS FROM CONSERVATION PROGRAM

ESTIMATED GAS COMPANY EXPENDITURES

1	Personnel Costs	\$41,181
2	Advertising Costs	\$30,015
3	Installation Allowances	\$109,100
4	Total Costs	\$180,296
5	Present Value of Total	\$123,627

REDUCTIONS

6	KW	2400.2 KW
7	MWH	33,819.5 MWH

ESTIMATED ELECTRIC COMPANY BENEFITS

8	Construction Savings	\$2,944,527
9	Fuel Purchase Savings	
	A. OIL	(\$15,875)
	B. Coal	(\$21,319)
10	Total Savings	\$2,907,331

NET PRESENT VALUE OF TOTAL PROGRAM

11	Net Present Value	\$1,622,735
----	-------------------	-------------

NET BENEFITS FROM CUMULATIVE TOTALS

Column 11 - Column 5	\$1,499,108
----------------------	-------------

BENEFIT/COST RATIO FROM CUMULATIVE TOTALS

Column 11 / Column 5	12.1 TO 1
----------------------	-----------

ATTACHMENT B

- Chesapeake Utilities Corporation

GAS RATEPAYERS COST EFFECTIVENESS ANALYSIS

List of Assumptions

GAS SPACE CONDITIONING CONSERVATION PROGRAM

1.	1994 Program Personnel Costs Escalation Rate - Personnel Costs	\$3,430 /Year 4.0% /Year
2.	1994 Advertising Costs Escalation Rate - Advertising Costs	\$2,500 /Year 4.0% /Year
3.	Applicable Non-Gas Energy Charge  Escalation Rate - Non-Gas Energy Charge	\$0.4313 /Therm Residential 0.19532 /Therm Commercial 0.13465 /Therm Commercial LV 0.07348 /Therm Industrial 0.0% /Year
4.	Estimated Natural Gas Annual Therm Consumption/Per Ton	210 Therms per Ton Annually Residential 488 Therms per Ton Annually Commercial 488 Therms per Ton Annually Commercial LV 191 Therms per Ton Annually Industrial
5.	Period of Service	10 Years
6.	Discount Rate or Rate of Time Preference	9.50% /Year
7.	Services Installed During the First Year Escalation Rate	1 0.0% /Year
8.	Allowance per Ton	\$50.00
9.	Demand Charges (Dollars/Therm)	0.04331 Cents/Therm
10.	Monthly Service Charge	\$6.50 Residential \$15.00 Commercial \$20.00 Commercial LV \$40.00 Industrial
11.	Heat Only Disconnect Period (Months)	7
12.	Cost to Cap Service at Main Escalation Rate	\$47.24 4.0%
13.	Cost to Run Service From Main/Set Regulator and Meter  Cost to Set Regulator and Meter Only	\$871 Residential \$3,804 Commercial \$5,086 Commercial LV \$8,181 Industrial  \$248 Residential \$2,893 Commercial \$3,562 Commercial LV \$4,815 Industrial
14.	Escalation Rate  Installation Distribution:	4.0%
	-Heat Only	0.0%
	-Reactivate	25.0%
	-New on Main	75.0%
	-Added Load	

GAS SPACE CONDITIONING CONSERVATION PROGRAM

NUMBER OF SERVICES INSTALLED

Year	Services Installed	Cumulative Services	Tons Installed	Cumulative Tons
1994	11	11	250	250
1995	31	41	280	530
1996	31	71	280	810
1997	61	131	46	856
1998	71	201	296	1,152
1999	61	261	46	1,198
2000	81	341	371	1,569
2001	71	411	121	1,690
2002	81	491	371	2,061
2003	71	561	121	2,182
<b>TOTAL</b>	<b>56</b>		<b>2,182</b>	

TABLE 1 - PROGRAM COSTS

Year	Personnel Costs	Advertising Costs	Installation Allowances	Total Costs
1994	\$3,430	\$2,500	\$12,500	\$18,430
1995	\$3,567	\$2,600	\$14,000	\$20,167
1996	\$3,710	\$2,704	\$14,000	\$20,414
1997	\$3,858	\$2,812	\$2,300	\$8,970
1998	\$4,013	\$2,925	\$14,800	\$21,737
1999	\$4,173	\$3,042	\$2,300	\$9,515
2000	\$4,340	\$3,163	\$18,550	\$26,053
2001	\$4,514	\$3,290	\$6,050	\$13,853
2002	\$4,694	\$3,421	\$18,550	\$26,666
2003	\$4,882	\$3,558	\$6,050	\$14,490
<b>TOTAL</b>	<b>\$41,181</b>	<b>\$30,015</b>	<b>\$109,100</b>	<b>\$180,296</b>

SUMMARY SHEET ITEMS 1, 2, 3 AND 4

TABLE 2 - PRESENT VALUE OF TOTAL COSTS

Year	Total Costs	Discount Factor	Present Value
1994	\$18,430	1.00000	\$18,430
1995	\$20,167	0.91324	\$18,418
1996	\$20,414	0.83401	\$17,025
1997	\$8,970	0.76165	\$6,832
1998	\$21,737	0.69557	\$15,120
1999	\$9,515	0.63523	\$6,044
2000	\$26,053	0.58012	\$15,114
2001	\$13,853	0.52979	\$7,339
2002	\$26,666	0.48382	\$12,901
2003	\$14,490	0.44185	\$6,402
<b>TOTAL</b>	<b>\$180,296</b>		<b>\$123,627</b>

SUMMARY SHEET ITEM 5

TABLE 3 - ESTIMATED NUMBER OF THERMS ADDED

Year	Therms Added	Therms Cumulative	Gross Margin Residential	Commercial	Commercial LV	Industrial	"A" Total Margin
1994:	47,750	47,750	0.43126	0.19532	0.13465	0.07348	\$3,508.57
1995:	62,390	110,140	0.43126	0.19532	0.13465	0.07348	\$9,876.32
1996:	62,390	172,530	0.43126	0.19532	0.13465	0.07348	\$20,553.50
1997:	18,000	190,530	0.43126	0.19532	0.13465	0.07348	\$28,370.69
1998:	65,750	256,280	0.43126	0.19532	0.13465	0.07348	\$32,679.20
1999:	18,000	274,280	0.43126	0.19532	0.13465	0.07348	\$45,424.58
2000:	102,350	376,630	0.43126	0.19532	0.13465	0.07348	\$54,661.29
2001:	54,600	431,230	0.43126	0.19532	0.13465	0.07348	\$67,406.57
2002:	102,350	533,580	0.43126	0.19532	0.13465	0.07348	\$76,643.38
2003:	54,600	588,180	0.43126	0.19532	0.13465	0.07348	\$85,369.79
<b>TOTAL</b>	<b>588,180</b>						

TABLE 4 - NEW SERVICE AND METER SETS - OPERATING COSTS & SAVINGS

Year	Costs	Savings	"B" Net
1994:	\$4,815	\$0	(\$4,815)
1995:	\$15,473	\$0	(\$15,473)
1996:	\$11,466	\$0	(\$11,466)
1997:	\$8,649	\$0	(\$8,649)
1998:	\$14,291	\$0	(\$14,291)
1999:	\$10,113	\$0	(\$10,113)
2000:	\$21,893	\$0	(\$21,893)
2001:	\$15,525	\$0	(\$15,525)
2002:	\$26,200	\$0	(\$26,200)
2003:	\$16,900	\$0	(\$16,900)
<b>TOTAL</b>	<b>\$145,425</b>	<b>\$0</b>	<b>(\$145,425)</b>

TABLE 5 - DEMAND DISPLACEMENT CHARGES AND CUSTOMER SERVICE CHARGES

Year	Tons Installed	Demand Charge	Customer Service Charge	"C" Total Contribution
1994:	250	\$2,068	\$480	\$2,548
1995:	280	\$4,770	\$1,320	\$6,090
1996:	280	\$7,472	\$2,160	\$9,632
1997:	46	\$8,252	\$2,832	\$11,084
1998:	296	\$11,099	\$3,384	\$15,083
1999:	46	\$11,879	\$4,656	\$16,535
2000:	37	\$16,312	\$6,048	\$22,360
2001:	12	\$18,577	\$6,960	\$25,537
2002:	37	\$23,109	\$8,352	\$31,461
2003:	12	\$25,474	\$9,264	\$34,738
<b>TOTAL</b>		<b>\$129,113</b>	<b>\$46,056</b>	<b>\$175,169</b>

TABLE 6 - PRESENT VALUE OF TOTAL PROGRAM

Year	A - B + C Total Contribution	Discount Factor	Present Value
1994:	\$1,242	1.00000	\$1,242
1995:	\$494	0.91324	\$451
1996:	\$14,411	0.83401	\$12,019
1997:	\$22,988	0.76155	\$17,509
1998:	\$29,163	0.69557	\$20,285
1999:	\$39,101	0.63523	\$24,838
2000:	\$45,892	0.58012	\$26,623
2001:	\$64,572	0.52979	\$34,153
2002:	\$72,668	0.48382	\$35,139
2003:	\$94,481	0.44185	\$41,746
<b>TOTAL</b>	<b>\$385,113</b>		<b>\$214,135</b>

Chesapeake Utilities Corporation  
Gas Ratepayers Benefits

GAS SPACE CONDITIONING CONSERVATION PROGRAM

Results From Allowance Program

Estimated Gas Company Expenditures

1.	Personnel Costs	\$41,181
2.	Advertising Costs	\$30,015
3.	Installation Allowances	\$109,100
4.	Total Costs	\$180,296
5.	Present Value of Total Cost	\$123,627

Present Value of Total Program Benefits

6.	Present Value (Benefits - Cost)	\$214,135
7.	Present Value of Total Costs	\$123,627
8.	Line 6 - Line 5	\$90,508

Benefit/Cost Ratio From Cumulative Totals

Line 6 / Line 5

1.7 TO 1