Akerman Senterfitt
ATTORNEYS AT LAW

Dallas
Denver
Fort Lauderdale
Jacksonville
Los Angeles
Madison
Miami
New York
Orlando
Tallahassee
Tampa
Tysons Corner
Washington, DC
West Palm Beach

Suite 1200
106 East College Avenue
Tallahassee, FL 32301

www.akerman.com

850 224 9634 *tel* 850 222 0103 *fax*

September 4, 2009

VIA Hand Delivery

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

Re: Docket No. 090125-GU - Petition for increase in rates by Florida Division of Chesapeake Utilities Corporation.

Dear Ms. Cole:

Enclosed for filing, please find an original and 7 copies of the Florida Division of Chesapeake Utilities Corporation's responses to the PSC Staff's 1st and 2nd Data Requests in this Docket (Nos. 1 – 90). Included with this filing, please also find copies of the attachments to these responses on CD Rom.

Thank you for your assistance with this filing. Should you have any questions

COM
ECR
GCL 1
GPC
RCP 1
SSC 1
SGA
ADM
CLK

{TL203111;1}

whatsoever, please do not hesitate to contact me.

Beth Keating
AKERMAN SENTERFITT
106 East College Avenue, Suite 1200
Tallahassee, FL 32302-1877
Phone: (850) 224-9634
Fax: (850) 222-0103

Attorneys for the Florida Division of Chesapeake Utilities Corporation

Enclosures

cc: Erik Sayler
Patricia Christensen

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

RE: DOCKET NO. 090125-GU – PETITION FOR INCREASE IN RATES BY FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

RESPONSES TO STAFF'S FIRST DATA REQUESTS NOS. 1 – 77

The Florida Division of Chesapeake Utilities Corporation ("Company" of "Chesapeake") provides the following responses to Staff's First Data Requests (Numbers 1 through 77).

Competitive Rate Adjustment (CRA)

1. On page 34 of the direct testimony of Thomas Geoffrey, he states that there are currently no industrial customers receiving a discounted rate.
   a. When was the last time Chesapeake utilized the CRA?
   b. What was the total dollar shortfall for the last year the CRA was used?
   c. What was the impact on customers' rates?

   Company Response:

   a) The last time that the Company utilized the CRA was through February 17, 2009.

   b) For calendar year 2008, the total differential between the applicable tariff rates and the discounted rates was $189,338. According to the approved CRA mechanism, the Company absorbed 50% or $94,669 and is recovering the remaining 50% from other rate-payers through the CRA surcharge in 2009. In addition to the $94,669, the Company had under-recovered the 2007 CRA in the amount of $15,610, which when added to the 2008 amount equates to the total 2009 CRA recovery amount of $110,279.

   c) See attached, approved schedule reflecting the CRA surcharge rates for 2009.

2. Are there current or anticipated customers who would be eligible for the CRA discount, even if they are not now participating? Please describe.

   Company Response: Yes, as stated in the tariff, all consumers using more than 50,000 therms per year (rate classification FTS-6 and above) that have alternative fuel capability are eligible for the CRA discount. The Company does not know the specific number of consumers that are eligible for the CRA mechanism.

3. Under what circumstances does the company negotiate a special contract, as opposed to a using a flex rate agreement? Can a customer be eligible for both?

Company Response: The Company's preference is to provide service to all consumers through its approved tariff rates, terms and conditions. All consumers are eligible for service at the tariff rates. Once a consumer receives service through a tariff rate, they would only be eligible for the CRA (flex rate) mechanism if they utilize more than 50,000 therms per year and have alternative fuel capability (inclusive of bypass). The Company utilizes the special contract mechanism in those instances where the consumer has indicated that either the tariff rates or certain terms and conditions do not meet their operational requirements. In such instance, the Company will enter into negotiations to determine if a Special Contract is an acceptable alternative to tariff service. All potential Special Contracts must be approved by the Commission prior to execution and must demonstrate, among other parameters, that the proposed rate exceeds the cost of providing service to the consumer (thus providing benefits to all other rate-payers). The only consumers that are eligible for both the CRA mechanism (flex rate) and Special Contracts are those consumers that meet the eligibility requirements for the more restrictive CRA mechanism.

4. If all of the discount allowed under the flex rate is recoverable from the general body of ratepayers, does that incent the utility to allow special contracts to expire and instead serve these customers under for the CRA? Why or why not?

Company Response: No. Because, by definition, special contract rates must exceed the cost of providing service, the Company (and the general body of ratepayers) is better off serving consumers through Special Contracts rather than utilizing the CRA mechanism, which would only produce sufficient revenues that equal the cost of service for that specific rate classification. The proposed modification provides the Company a better opportunity to earn its Commission-approved rate of return, rather than having to absorb a share of the discounted revenues as the current mechanism requires.

5. Does the utility recover any shortfall between the rates negotiated in a special contract, and the otherwise applicable rates? Please explain.

Company Response: As stated above, the Commission requirement that all Special Contract rates must exceed the cost of providing service to that specific consumer ensures that there is no "shortfall" in the rates. To the extent that the approved Special Contract rate is below the otherwise applicable tariff rate, the Company does not recover any differential.

6. When implementing a flex rate discount, what justification does the utility provide to the Commission to ensure that any dollars requested for recovery through the CRA were prudent?

Company Response: The Company's tariff requires that the consumer requesting the CRA mechanism, must provide information on the Commission-

approved form, which includes a notarized affidavit signed by an officer of the corporation seeking a discounted rate. In addition, the consumer must provide a written quote from its alternative fuel provider that clearly states the alternative fuel rates, terms and conditions. All of this information is maintained by the Company and is available to the Commission upon request. The Company is unaware of any requirement to provide justification to the Commission that any CRA rate is prudent.

(Responses to 1 – 6 – Mr. Geoffroy)

Failed Trip Charge

Please refer to Witness Householder's direct testimony, page 57, lines 16-19 on the proposed Failed Trip Charge.

7. What steps would the utility take to ensure that the customer is aware of the penalty for not meeting an appointment?

Company Response: As a first step, the Company will include the proposed new Failed Trip Charge fee in its rate case notices to customers. If the Commission authorizes the charge, at the time a customer schedules an appointment, the customer would be notified by the Company's customer service representative that a Failed Trip Charge will be assessed in the event the customer fails to keep the appointment and has not contacted the Company to cancel.

8. Would there be any provision for the customer to cancel the appointment and avoid the charge, once the appointment was initially made?

Company Response: Yes. The customer could cancel the appointment up to two (2) hours prior to the original appointment time and avoid the charge. The Company would not be opposed to modifying its proposed tariff language to include such a cancellation provision.

9. Would the customer be subject to disconnection if the entire monthly bill was paid except for the Failed Trip Charge? Please explain.

Company Response: Yes. If approved by the Commission, the Failed Trip Charge would become an authorized tariff charge and customers would be subject to disconnect upon nonpayment, subject to Rule 25-7.089, F.A.C., Refusal or Discontinuance of Service by Utility. If the customer disputed the charge, the Company would not disconnect for nonpayment until such time as the dispute had been appropriately resolved. It should be noted that the Company does not provide customer piping, appliance service or other non-regulated services to customers through the utility. All of the scheduled appointments would be for the purpose of providing services related to the regulated delivery of natural gas to the customer's premise.

10. Does any other PSC regulated utility in Florida use a similar charge? Please describe.

Company Response: Yes. The Commission has previously approved Failed Trip Charges for Peoples Gas System (Order No. PSC-09-0411-FOF-GU, issued June 9, 2009- tariff sheet No. 5.101-1); Florida Public Utilities Company (Order No. PSC-09-0375-PAA-GU, issued May 27, 2009 – tariff sheet No. 22).

(Responses to 7 – 10 – Mr. Householder)

New indemnity language

11. On Tariff Sheets 31 and 66, the utility is adding language under the paragraph entitled Indemnity to Company. Why did the utility believe its existing indemnity language is insufficient?

Company Response: The Company recently was involved in a lawsuit with a consumer and its chosen gas marketer where, due to a Company measurement issue, it was alleged that the Company was partially responsible for the backbilling from the gas marketer's charges to the consumer. The new language, drafted by the Company's attorneys involved in the case, is intended to provide protection to the Company if similar circumstances occur in the future.

12. What additional protection does the new language provide that exceeds the protection of the existing language?

Company Response: The proposed language provides the Company with protection from any liability arising from Company error, including measurement errors, which result in the backbilling of fuel related charges from gas marketers to consumers.

13. When was the existing indemnification language added to the tariff?

Company Response: The existing language in the currently approved tariff appears to have been added in 2001, upon approval of the Company's transportation service programs.

(Responses to 11-13 – Mr. Geoffroy)

Solar/gas Combination Systems: Administrative and Billing Service

Please refer to the Chesapeake Utilities Corporation Petition for Rate Increase, page 14. Item 39 indicates the rate proposed for the Solar Water-Heating Administrative and Billing Service (SWHS) would be $7.50 monthly for those customers opting for this service.

14. How is this fee determined? Please provide supporting data for the $7.50 figure determination.

Company Response: The Company's proposed billing fee is not designed to recover the cost of providing the billing and collection services proposed for the experimental program. In establishing the proposed SWHS rate, the Company reviewed the costs related to providing its SABS billing service (commodity billing and collection service for gas marketers). Although the services are somewhat different (the solar/gas billing service does not depend on a gas meter reading, for example), certain administrative costs are similar. However, the Company recognizes that the proposed $7.50 per month billing service fee charged to the third party solar/gas contractor is not sufficient to recover its cost to provide such services at this time. The Company anticipates that the initial cost to modify its customer information and billing system will be approximately $20,000. Additional expense will be incurred to establish and administer, on an on-going basis, the internal customer accounting procedures.

Given that the Company anticipates fewer than 25 solar/gas accounts in 2010, it would be impractical to expect full recovery of these costs from so few program participants. If 25 participants are achieved in 2010, the Company would receive, at most, $2,250 from fees (most likely much less assuming customer participation is distributed across the year).

The Company plans to expense the costs of the program.. None of the costs (or revenue from fees) was included in the Company's determination of revenue requirements. In the event the program is successful and attracts significant numbers of participants, the Company will gain the experience needed to assess the actual costs to provide service and would petition the Commission to convert the experimental rate to a permanent cost based rate. In addition, the Company will lose an average of approximately $53.00 in base rate revenue for each solar/gas water heater installation as described in the response to Question No. 51. The $7.50 monthly billing service fee would produce $90.00 in revenue per year, resulting in a net increase of approximately $37.00 to the Company.

The Company is willing to accept the risks and low return associated with the program in order to promote the state's renewable energy public policy goals. Over time, the solar/gas water heater systems may attract incremental customer additions which, with additional appliance connections, could prove financially beneficial to the Company and its ratepayers.

15. What percentage and dollar amount is allocated to Chesapeake for billing and administration?

Company Response: Based on conversations with the third party contractor, the Company anticipates the total monthly charge by the third party contractor to a customer for the installation and on-going maintenance of the solar/gas water heating system would be approximately $35-$40 per month. The monthly charge would be slightly higher than the $34.95 monthly fee currently charged by Lakeland Electric for a similar program. As noted in the Company's petition, the customer would have no up-front investment in the system, and no expense for maintenance other than the monthly fee. The Company's $7.50 billing service fee to the third party contractor would be included in the customer's total monthly charge for the system and represents approximately 20% of the total charge.

16. What is entailed in Chesapeake's billing and administration duties relative to the program?

Company Response: The Company would make the appropriate modifications to its customer information and billing system (CIS), and accounting system to enable the systems to bill and retain account data for each program participant. Although it is anticipated that the third party(s) solar/gas contractors would handle the bulk of the customer service contacts, the Company would train its customer service representatives to be able to deal with billing issues and referrals to the third party(s). The Company would set up the CIS account for each participating customer. Each month, the Company would include on its bill statement the solar/gas water heating charge. The Company would collect such fees from customers and remit the total revenue from such charges, less the Company's $7.50 billing service fees, to the third party contractor(s). The Company would be responsible for tracking partial payments, pursuing collections (through its normal collections process) and providing notices to the third party(s) of uncollectable amounts. Historical data on the account would be retained by the Company to support its billing and payment remittance services. The Company would be prepared to provide some level of customized customer billing to the extent that some solar/gas charges may vary by customer to reflect installation costs that differ from the "standard' installation. It should be noted that the Company has not concluded its negotiations with the third party contractors, so the services provided could change somewhat as the agreement(s) are finalized.

17. Are costs relating to consumer education and marketing included in these billing and administrative costs? Please describe.

Company Response: No. Initially, the majority of the consumer education and marketing costs related to the program would be related to the production and distribution of direct mail to customers and potential customers. In addition, the Company's Builder Representatives would include the solar/gas water heater as

part of presentations to builders. The Company would recover these costs through its existing residential new construction or appliance replacement/retention energy conservation programs. These programs all include gas water heating installation components.

18. What percentage and dollar amount is forwarded to the third-party contractor?

Company Response: See response to question No. 15.

19. Are there any additional fees associated with the program, such as initial program fees, cancellation fees, renewal fees, etc? Please describe.

Company Response: The Company knows of no other initial fees associated with the program. There would be a fee for consumer's electing to remove the system and terminate the monthly billing, similar to the $250 fee Lakeland Electric charges in their solar water heater program. It should be noted, however, that the Company's sole functions under the program are to promote a renewable energy technology and provide a billing service. The third party contractor and customer enter into a commercial agreement for the solar/gas system. As is the case with the Company's third party gas marketer billing service (SABS), the Company is not a party to the agreement between the customer and the contractor. There could be fees associated with other service negotiated between the contractor and homeowner of which the Company would have no knowledge. If additional fees are collected, other than for termination, they would not be part of the Company's monthly billing service.

20. Would the third-party contractor submit any fees to the customer other than the portion of the monthly $7.50 to which it is entitled under the program? Please explain.

Company Response: The third-party contractor would not be entitled to any portion of the Company's proposed $7.50 monthly billing service fee. As described in the response to question No. 15, the total monthly bill amount to a homeowner would be approximately $35 to $40. The Company would retain $7.50 of each monthly bill payment for the SWHS, and remit the remainder to the third-party contractor. If there are fees or charges in addition to the monthly billing fee, that would be part of the contract agreement between the homeowner and the third-party contractor. The Company would not be a party to those charges.

21. Does Chesapeake provide and bill the gas for the customer's consumption associated with the solar/gas combination system? Please explain.

Company Response: Any homeowner electing to install a solar/ gas system as part of the utility's initiative would either be an existing customer or would become a natural gas customer of the Company. The gas for the backup water

heater would be provided and billed to the customer in the same manner and under the same tariff provisions as any other natural gas customer. There is no need to separately meter the gas for the back-up water heater. The Company's transportation service charges and the charges for gas supply from the Transitional Transportation Service (TTS) Shipper (also billed by the Company), would be consistent with the applicable approved tariff rate schedule and the customer's selected TTS billing rate.

Solar/gas Combination Systems: General Description

Please refer to the Chesapeake Utilities Corporation Petition for Rate Increase, page 14, and the testimony of Jeff Householder, page 20, lines 19 – 21. The petition and testimony indicate that non-affiliated third parties would finance, install, and maintain the solar/gas combination systems. At least two parties have expressed interest in participating in the program.

22. Please describe the process by which Chesapeake screens and selects contractors for this program.

Company Response: At this point the Company is simply trying to determine whether it makes sense to develop the solar/gas water heating initiative into a "program". Over the past year, the company in conjunction with other FNGA members has contacted several solar contracting firms, state solar associations, FSEC and various energy and environmental groups. To date, three firms have expressed an interest. Only one firm has entered into active discussions with any FNGA member. The Company is currently negotiating with this third party provider of this type of system. To date, this third party provider has been the sole firm willing to commit the capital resources required to install the systems without an up-front investment on the part of the consumer. In the event the program is successful, the Company hopes to attract other solar providers.

It should be noted, that the Company is only providing a billing service for an equipment installation agreement between a homeowner and a third-party contractor. The Company does intend to execute an agreement with this provider, and any other participating contractor, which would have some level of consumer protection provisions included. Such provisions would be similar to those adopted by the Company for third party gas marketers selling natural gas to consumers on the Company's distribution system. The Company, for example, requires demonstration of certain credit capabilities, technical competency, applicable business licenses, insurance, etc. The Company is not retaining the third-party contractor(s) to install the solar/gas systems on behalf of the Company.

23. Are potential candidates for participation as third-party contractors required to hold certifications, licenses, or be subject to specific state or federal regulation? Please describe.

Company Response: Each of the solar/gas water heater installations would require a permit from a local building department. The code review and inspection process in the individual jurisdictions will dictate the codes, standards and regulations, applicable under the Florida Building Code governing the licensure of the contractors and installation of the systems. In Florida, the Florida Solar Energy Center is the state agency responsible for establishing test standards and determining certification of the solar collection panels installed for all systems.

24. Are potential candidates for participation as third-party contractors subject to state residency requirements, minimum experience requirements, training requirements, or be subject to quality oversight by Chesapeake? Please describe.

Company Response: As noted above, the Company would require applicable business licensing, insurance and some level of technical competency demonstration. At this point, we are working with FSEC to attempt to define "technical competency". There are, for example, certain training programs offered by FSEC and other recognized solar training centers that could be adopted as demonstrations of minimum competency.

25. Are potential candidates for participation as third-party contractors required to be bonded and insured? Please explain.

Company Response: The Company does anticipate requiring a certain level of insurance coverage as a requirement for participation in its billing service. In addition, specific indemnification, hold harmless provisions would be included in any agreement executed with a third-party contractor to protect the Company from claims resulting from system installations.

26. Are participating customers free to choose among a listing of potential candidates? Please explain.

Company Response: The Company would offer to provide its billing service to any other solar contractors willing to provide services to consumers under similar terms. One of the significant drawbacks to solar water heating is the lack of contractors with capital resources. The Company hopes that its program and those of other gas and electric provides such as Lakeland Electric will, over time, provide an incentive to develop greater solar installation resources in Florida. To the extent the Company can identify multiple contractors its customers would have the ability to select any contractor.

27. Are customers required to contract with third-party for a specified duration? Please explain.

Company Response: Customer's would be required to contract for participation with the third-party contractors for an extended period. The Lakeland Electric program requires a twenty-year agreement, however, the only cost of early termination (that we know of) is a $250 system removal fee. The Company anticipates something similar for the agreements executed between its gas customers and the third-party contractors.

28. Please provide a sample contract. Please explain.

Company Response: The Company has contacted this third party provider and requested a sample customer agreement. If such an agreement is provided to the Company, it will be forwarded to the Commission staff. The third party provider is considering whether they would require that the draft agreement is file confidentially.

29. Are financing, installation, and maintenance handled under one contract? Please explain.

Company Response: Yes. However, this is not a financing arrangement. The consumer is not making payment on a loan. The equipment ownership does not transfer to the consumer after a certain period. The equipment is provided as part of a service provided by the third-party contractor and includes on-going maintenance, repair and replacement if required.

30. Are participating customers free to choose contract terms, such as contract duration, payback, maintenance terms, etc.? Please explain.

Company Response: There could be some customization of the terms provided to consumers related to technical aspects of the installation (a requirement for greater numbers of solar panels due to roof orientation or specialized freeze protection, etc.). In general, however, the third-party(s) would be attempting to provide a standardized installation using essentially the same equipment on each residence. Some residences will not be suited to solar installation (shading, roof type, etc.). The financial terms would be designed to support a standard rate (similar to the $34.95 per month advertised by Lakeland Electric). The rate would be designed to remain constant over the life of the agreement.

31. Does the program constitute a rental of the solar/gas combination system? Please explain or describe.

Company Response: Based on the Company's current understanding, the third-party is providing a service not renting equipment.

32. Does the customer have the option to choose a lease purchase of the solar/gas combination system? Please explain or describe.

Company Response: No. The third-party contractor does not offer such an option. The margins earned by the third-party are based on a long-term service provided to consumers. Consumers would be free to negotiate with the third-party to purchase the system, but the Company would not be a party to such a discussion.

33. Is there a minimum participation period before the customer would be subject to a cancellation fee? Please describe.

Company Response: At any point during the term of the agreement if a customer terminates, there would be a termination fee of approximately $250. The fee would be paid to the third-party for the removal of the system.

34. Are participating customers free to choose from different solar/gas combination systems? Please explain or describe.

Company Response: As noted above, there may occasionally be some level of customization to address installation difficulties or freeze protection, but most systems will be standardized. All of the thermal systems will be active (meaning that a pump is used for forced circulation) as opposed to passive (no pumps). Most installations would include 2 or 3 4x8 foot collections panels, depending on orientation and load. The manufacturer of the panels could change from time to time as this provider or other contractors identify better or less expensive collectors. All collectors sold in Florida are required to certify performance under the FSEC certification program.

It is cost prohibitive for the third-party contractors to customize each installation. The Company would have difficulty administering the billing if each customer was on a different rate. In addition, the promotion of the program is more effective if a standard rate can be marketed.

The Company and the third party provider are considering an option for a tankless back-up water heater. There could be a selection between a gas storage tank heater and a tankless unit. A storage tank is a necessary component of any solar system for optimum performance. Water heated by the sun should be stored until it is required. The demand for hot water and the production of hot water from the solar system will not ordinarily be at the same time. Without storage a significant amount of solar-heated water would be wasted. It is possible to utilize a tankless back-up water heater in conjunction with a solar storage system. Such a system would optimize energy savings and carbon reduction, but would have a higher initial cost. At least one tankless manufacturer is introducing a hybrid unit that utilizes a "tankless" heating unit but includes a storage tank. The greater energy efficiencies of the tankless heat exchange technology are married to a storage tank.

35. Please describe the maintenance schedule involved with a solar/gas combination systems, including costs and descriptions of typical maintenance. If more than one system type exists, please describe for each.

Company Response: Based on discussions with the third party provider and FSEC, most thermal solar water heating systems operate effectively with an annual maintenance check-up. A technician looks for, and repairs, leaks in the piping and other component parts; checks piping insulation; checks and lubricates, if applicable, system pumps; checks electronic components; checks for cracks or other damage to the collector; ensures that valves are operating properly; checks the storage tank for leaks; assures that the freeze protection glycol levels or drain-back system is operating correctly; checks roof and wall penetrations for leaks, etc. In most cases the maintenance check is intended to identify and prevent future operating problems. A typical annual maintenance visit would require approximately one hour at a cost of approximately $80 to $100 to the third-party contractor (no cost to the customer).

36. Please detail the typical life of a solar/gas combination system. If more than one system type exists, please describe for each.

Company Response: A properly maintained thermal solar water heating system should operate for decades. Over that period certain component parts would require replacement (pumps, valves, piping insulation, glycol for freeze protection, etc). The service life of a tankless gas water heater is approximately twenty years.

37. Please detail the estimated installed costs of a solar/gas combination system. If more than one system type exists, please describe for each.

Company Response: Based on our discussions with contractors, the installed cost of the active thermal solar systems with a storage gas water heater would range between $4,500 and $5,000.

38. In the event of damage or failure of the solar/gas combination system, how would cost responsibility be distributed?

Company Response: All maintenance, repair and replacement would be at the third-party contractor's expense, with the exception of damage caused intentionally or through the negligence of a homeowner.

39. In the event a customer moves, what is the process for contract termination?

Company Response: When a customer moves their responsibility for the agreement terminates. In the event a new homeowner does not wish to participate in the program, the third-party contractor would remove the equipment and waive the early termination fee. In most cases the new homeowner would

have been made aware of the program and payment obligations during the home purchase process. Although the Company has no obligation to do so, it plans to notify by mail the new account holder of the program and monthly payment amount upon account activation.

40. Are contracts transferrable to new owners? Please explain.

Company Response: Yes. See Question No. 39.

41. Who is the owner of Renewable Energy Credits (RECs) generated by the solar/gas combination system?

Company Response: Unless otherwise negotiated between parties, the REC's would belong to the entity making the investment in the system that produces the carbon reduction – in this case the third party installer.

Solar/gas Systems: Marketing and Consumer Education Services

Please refer to the Chesapeake Utilities Corporation Petition for Rate Increase, page 14. Item 40 indicates that Chesapeake would have no investment in the consumer's system, but would instead provide marketing and consumer education services about the program. These services would be performed primarily through Chesapeake's existing energy conservation program activities, a consumer billing service, and a general oversight of the customer service practices of the third parties.

42. Please describe the marketing and consumer education services to be provided on the program, including costs, materials, incentives, and the targeted recipients of the marketing and education.

Company Response: The principal marketing activities related to promotion of the program would be direct mailings to targeted consumers in the Company's service areas. Existing gas customers, non-customers on the Company's existing distribution mains and new residential construction would be targeted. It is anticipated that consumers would receive a letter from the Company urging participation and a brochure describing the technical and financial aspects of the system installation. Material development costs are estimated at $5,000 with approximately $20,000 for postage. Additional consumer education materials could be produced in support of the new construction program (model home displays, etc.).

43. Please indicate the extent to which the additional marketing and consumer education will increase Chesapeake's existing marketing and education costs on an annual basis.

Company Response: As noted above, it is anticipated that marketing costs during 2010 would increase approximately $25,000 to $30,000.

44. Please detail what is involved with "general oversight of the customer service practices of the third parties."

Company Response: In the event a third-party contractor failed on a consistent basis to respond to consumer inquiries, resolve complaints related to system installations, experienced significant problems with customer satisfaction related to installation practices or performed substandard maintenance, the Company intends to have the ability to discontinue providing billing services. The Company would track complaints received from customers as documentation of such issues.

Solar/gas Systems: ECCR Clause

Please refer to the Chesapeake Utilities Corporation Petition for Rate Increase, page 14. Item 41 indicates that Chesapeake would seek recovery of any consumer education or water heater rebate payments related to the promotion or installation of solar/gas combination systems through the Environmental Conservation Cost Recovery (ECCR) clause.

45. Please provide an estimate of the costs associated with consumer education and water heater rebate payments that Chesapeake projects to recover through the ECCR.

Company Response: The Company has estimated that 25 solar/gas water heating systems would be installed in 2010 subject to the proposed experimental billing service rate. The Company's existing approved Residential New Construction Program, Residential Appliance Replacement Program or Residential Appliance Retention Program water heating rebates would be applicable for new home installations, conversion of an existing electric water heater to the solar/gas system or the upgrade of an existing gas water heater to the solar/gas system, respectively. The Company anticipates that the majority of the installations will involve the replacement of existing storage tank electric water heaters. In such cases the approved water heater rebate would be $525 per installation. If 25 replacement installations are completed, the total rebate amount would equal $13,125. As noted in Question Nos. 42 and 43, the Company estimates that it would expend approximately $25,000 to $30,000 in 2010 for conservation advertising to promote the program in its service areas; primarily through direct mail.

46. Please describe Chesapeake's water heater rebate payment program, including costs, application process, and terms.

Company Response: As noted above, the Company administers three residential conservation programs; each with a gas water heater rebate component. The current approved rebate amounts are as follows:

	Gas Storage WH	Tankless WH
Residential New Construction Program	$350	$450
Residential Appliance Replacement Program	$525	$525
Residential Appliance Retention Program	$350	$450

For an existing residence, the Company requires copies of appliance purchase/installation invoices. All installations are site verified prior to the payment of rebates. Rebates are assignable to third-parties.

47. Does Chesapeake intend to pursue state and federal monies available for renewable projects? Please explain or describe.

Company Response: At this time the Company has no plans to pursue renewable energy grant or stimulus dollars. The Company will have no direct investment in the solar/gas water heating system. The third-party contractor would likely pursue any rebates and tax credits available.

48. Does Chesapeake intend to include information relevant to state and federal monies in its program education and marketing? Please explain or describe.

Company Response: Yes. The Company would include state and federal solar rebate and tax credit information in its marketing materials. The information would be provided to enable customers to decide which of the options is better for their circumstances. If the customer selects the system billed through the Company, all of the tax credits and rebates would go to the third-party contractor (they are making the capital investment). If the customer decides to invest their capital the rebates and tax credits and REC's would be available to reduce the customer's investment requirements.

Solar/gas System: Pilot Program

Please refer to the Chesapeake Utilities Corporation Petition for Rate Increase, page 15. Item 42 refers to the SWHS program as an experimental pilot program that would enable Chesapeake to meet environmental expectations of its existing and potential customers. The installation of 1,000 solar/gas combination systems would have the potential to reduce electric demand by approximately 2.0 MW and eliminate 100,000 pounds of carbon emissions.

49. What is the planned duration of the pilot program?

Company Response: Three years. At the end of that period if the Company believes it can sustain a minimum of 50 solar/gas water heating system per year, it would petition to convert the program to permanent status and establish a cost based billing service rate. If the program demonstrates success prior to the three year period, the Company would accelerate petitioning for permanent status.

50. What are the projected customer participation numbers over the planned duration of the pilot?

Company Response: The Company does not know what level of consumer participation to expect. A working estimate target of twenty-five installations in 2010, hopefully building to a minimum of fifty installations in subsequent years, has been used for planning purposes. The Company is closely monitoring the Lakeland Electric solar program. Lakeland Electric has set a target of 20,000 installations over the next twenty years.

51. What are the projected revenues annually for Chesapeake per participating customer for the planned duration of the pilot?

Company Response: As noted in Question No. 14, each solar/gas combination system installation would result in an annualized revenue increase of $90 for the billing service provided by the Company. However, therm use for participating customers would be reduced since most of the hot water is produced from the solar components of the system. Revenues would be reduced equal to the amount of therms reduced multiplied by the customer's applicable variable rate Usage Charge.

A gas water heater on average uses approximately 170 therms of gas per year. The solar/gas combination system would be designed to provide, on average, approximately 70% of the total hot water demand from the solar components. Annual gas usage would be reduced to approximately 50 therms on average, a reduction of 120 therms per year. At the Company's current FTS-1 Usage Charge base rate of $0.44073, the Company would lose approximately $53.00 per year, per participating customer. ECCR revenues would also be reduced by approximately $10.00 per participating customer (120 therms x the Company's current ECCR rate of $0.08372). In the above example the Company would realize annual net base rate revenue (excluding conservation revenue) of $37 per customer.

If the program attracts 25 participants in 2010 and 50 participants in each of 2011 and 2012 (a total of 125) the Company's revenues would increase by approximately $4,625 annually.

If the solar/gas combination system is installed in new construction or in an existing residence without a gas water heater, an argument can be made that incremental revenues are produced. The economics to the consumer, as well as the carbon reduction, is significantly improved if an existing electric water heater is replaced with solar/gas combination system. The Company hopes that the solar/gas combination system will attract customers that otherwise would not use natural gas, and that such customers will install multiple gas appliances. At this point, it is not possible to accurately project the number of customers that would fall into this category.

52. What are Chesapeake's conservation goals and how does this program allow Chesapeake to meet them?

Company Response: The Commission does not set conservation goals for natural gas utilities.

53. Over what time period is the projection based that installation of 1,000 solar/gas combination systems could reduce electric demand by 2.0 MW and eliminate 100,000 pounds of carbon emissions?

Company Response: The Company has no experience upon which to base a projection of customer participation in a program of this type. As noted above, the Company is using 50 system installations per year for planning purposes after the first year. At that level it would require twenty years to reach 1,000 installations. Hopefully, participation levels will exceed 50 annual units.

54. Please provide supporting data relevant to these demand and emission reduction figures.

Company Response: The MW and carbon reduction projections in Mr. Householder's testimony are in error. Both numbers were inserted in draft testimony as place holders to be revised in the final filed version of the testimony, which apparently did not occur. The Company discovered the oversight in preparing the response to this data request. I apologize for the error.

The intended references should be approximately 0.718 MW of winter peak demand and approximately 5,925,000 pounds of carbon emissions.

The MW reduction is based on data from a 2000 FSEC study (FSEC-CR-1671-00) entitled, *Factors Influencing Water Heating Energy Use and Peak Demand in a Large Scale Residential Monitoring Study.* The study found a winter electric resistance water heater peak demand of approximately .718 KW.

The achievable carbon reduction was based on a carbon calculator prepared by ICF International for the Council for Responsible Energy (comfortableresponsible.org). A calculation of the CO2 emission of a standard storage tank electric water heater in Tampa, Florida was completed. CO2 levels for the electric unit were 6,545 pounds per year. A calculation of the CO2 emissions for a standard gas storage water heater in Tampa, Florida was completed. CO2 levels for the gas unit were 2,068 pounds per year. As noted above, an estimated 70% of the total hot water requirements would be provided by the solar components of the proposed combination solar/gas water heater. Carbon emissions for the gas water heater (2,068) were reduced by 70%, resulting in 620 pounds of CO2 emissions for the combination system. The difference in emissions between the electric water heater (6,545 pounds) and the

combination solar/gas water heater (620 pounds) results in a difference of 5,925 pounds of CO2 emissions per year. Multiplying that result by 1,000 residences results in a reduction of 5,925,000 pounds of CO2 emissions.

55. Are existing gas-only water heater customers eligible for the program? Please describe.

Company Response: Yes, although the economics of such a conversion would not be particularly attractive to the customer. There are significant carbon reductions achievable even when converting an existing gas unit to the solar/gas combination unit. Customers converting existing gas water heaters would be encouraged to replace their existing water heater with a more efficient unit. Depending on the age and storage tank size of the existing unit it probably would make sense to change it out. Conceivably, the existing gas water could be retained, but in most cases we anticipate that it would be replaced and a rebate paid under the Company's Residential Appliance Retention Program.

56. Please describe the anticipated reductions in gas demand resulting from installation of solar/gas combination systems for existing gas-only water heater customers.

Company Response: Please refer to Question No. 51.

Solar/gas Systems: Miscellaneous Questions

Please refer to the testimony of Jeff Householder, page 19, lines 6-10.

57. Mr. Householder's testimony indicates that the installation techniques to combine the units into an integrated system is straight forward. Please describe what is entailed with an installation of the solar/gas combination system.

Company Response: One of the best thermal solar installations references can be found on the Florida Solar Energy Center web site. Click on the *Industry* tab, then *Resources,* and then *Solar Thermal.* The *Solar Thermal Manual* is used in the Florida Solar Contractor Certification Test. The manual includes information on the design, installation, operation and maintenance of thermal solar water heating systems. Although the manual only depicts electric storage tank water heaters as the back-up, a natural gas storage water heater or tankless heater with separate storage could be substituted for each design.

The Florida Natural Gas Association contracted with FSEC to produce a study titled *An Economic Assessment of Central Solar Thermal and Gas Tankless Water Heating System in Florida* (FSEC-CR-1762-08). The report can be viewed on the FSEC web site. Search for publications using the above report number. The report contains a schematic of a large volume thermal solar system using

gas tankless units as back-up. The storage tank is 250 gallons which is larger than a typical single-family home would require, but the concept is the same.

The installation of the combination unit would require the same plumbing and mechanical skills currently required for the installation of solar and gas water heating systems. The technologies have existed for decades. Several water heater manufacturers (Rinnai Corporation, for one) market combination solar/gas water heater systems in Asia, Australia, New Zealand and parts of Europe. Virtually none of these systems are marketed in the U.S. For examples of these products, go to the Rinnai Australia web site and click on *Hot Water*, and then on *Solar Hot Water Systems.*

58. If a customer's roof must be excised to facilitate the system, how is liability related to the roof handled in the contract (e.g., Is roof insurance provided by Chesapeake or the third-party contractor)? Please explain.

Company Response: The Company would only providing a billing service to the third-party and would have no part in the commercial agreement between the customer and the third-party. All roof and other liability issues would be the responsibility of the contractor.

59. In the event a customer ceases to participate in the program, either via cancellation or moving, is the system removed from the residence or disabled? Please explain or describe.

Company Response: Please refer to Question Nos. 27 and 39.

60. In the event the customer's roof is excised and the customer ceases to participate in the program, how is roof integrity ensured with removal of the system?

Company Response: Roof repairs would be the responsibility of the third-party contractor.

61. Is the third-party contractor obligated by Chesapeake to work within the requirements of the customer's homeowner insurance requirements regarding modification of the residential structure? Please explain or describe.

Company Response: The Company is not involved in the agreement between the homeowner and the third-party contractor. As noted previously, any modification of the residence would be completed under the applicable building codes and inspected by local building departments. The Company is only providing a billing service to the third-party.

62. Does the third-party contractor assume responsibility for damage to the residential structure resulting from the installation of the solar/gas combination system? Please explain or describe.

Company Response: Yes, The third-party contractor assumes all responsibility for damages resulting from the installation – as does any licensed and insured contractor performing work on a residence. As noted above, the Company would require that any contractor for which it provides the billing service would be licensed and insured.

63. Mr. Householder's testimony indicates that the solar/gas combination system would rely on the solar component for approximately 70 percent of the hot water produced, with the gas unit(s) providing the backup heating requirements. Please detail the anticipated per customer savings in therms and dollars for a customer switching from a gas-only water heater to the solar/gas combination system.

Company Response: Please refer to Question No. 51. There is no anticipated cost savings for existing natural gas water heating customers converting to the solar/gas combination system. Existing gas water heating customers would pay an additional approximately $37 per year on average to participate. The installation of a combination system at a fixed monthly charge guaranteed over the life of the agreement term would protect consumers from future increases in gas fuel and delivery charges for the portion of their hot water needs provided by the solar components of the system.

64. If the Solar/Gas water heater is the customer's only gas appliance, who pays the CIAC for the service line?

Company Response: The customer would be responsible for any CIAC charge.

65. Is the cost of gas used to back up the solar system paid for by the third party installer or the customer? Please explain or describe.

Company Response: Any gas used by the back-up gas water heater would be billed to the customer (homeowner) by the Company under its applicable tariff provisions.

66. If the third party solar provider is the customer of record for the gas used to back up the solar array, how do you avoid the resale prohibition if the third party then sells gas as part of a package to the end user?

Company Response: The homeowner is the customer of record. No resale occurs.

67. How will the gas used for water heating back up be metered?

Company Response: All of the gas used for the back-up gas water heater would flow through the Company's meter at the premise.

68. If a separate meter is required, who pays for the additional meter?

Company Response: No separate meter is required.

69. If the customer has other gas appliances, how is the gas associated with the Solar installation backup segregated from other usage?

Company Response: There is no need to segregate gas used in the back-up water heater from gas provided for other purposes. There is no rate difference for the gas used for back-up water heating.

70. Where will the therms used for back up be shown in the utility's cost of service?

Company Response: The therms for back-up water heating would be included in future cost of service analysis as part of the total therms included in a given rate class. The Company would forecast customer participation in the program by rate class and adjust volumes for the class accordingly.

(14 – 70 – Mr. Householder)

Road Widening Projects

Refer to the testimony of Thomas A. Geoffroy at page 11.

71. Are there any line relocations to occur in 2009 and 2010 due to road widening projects? If yes, provide itemized descriptions of the projects which include locations and expected costs.

Company Response: Yes, the Company believes that certain line relocations have and/or will occur in 2009 and 2010 due to road widening projects. In 2009, the following projects are: 1) Overlook Drive – Winter Haven ($53,352); 2) Cypress Gardens Blvd – Winter Haven ($12,032); 3) US 17/92 – Lake Alfred ($45,248); 4) US 17/92 – Davenport ($18,169); 5) Avenue C Southeast – Winter Haven ($9,360); and 6) Turkey Oak Road – Crystal River ($16,920). In 2010, we have budgeted one project – CR 486 between SR 44 and CR 491 – Citrus County ($366,541).

72. In view of possible Federal Economic Stimulus funds related to the American Recovery and Reinvestment Act of 2009, how does the Utility intend to take advantage of such funds if they become available through the Department of Transportation?

Company Response: The Company is currently working with the Florida Natural Gas Association on this issue, to determine if any of the American Recovery and Reinvestment Act of 2009 (the "Act") funds are eligible for reimbursing utilities for relocation costs related to road project funded by the Act. Discussions that have occurred to date with the Florida Department of Transportation indicate that the funds received through the Act will NOT be eligible for utilities to relocate facilities on such projects.

(Responses to 71 – 72 – Mr. Geoffroy)

DIMP Rule

73. Describe the company's current procedures for addressing the requirements of the proposed distribution integrity management program (DIMP) rule.

Company Response: The Company is currently monitoring the progress of the DIMP rule through participation in discussions, committees and workshops with the Florida Natural Gas Association, the Southern Gas Association and the American Gas Association. We will finalize and implement our DIMP Plan based on the results of these interactions.

74. Identify all test year and projected expenses included in the current rate case that relate to the DIMP rule?

Company Response: No expenses related to the DIMP rule are included in the current rate case.

(Responses to 73-74 – Mr. Taylor)

Missing MFR Schedule

75. MFR Schedule G-1, page 23, refers to Supporting Schedules: G-1 p. 27-28. These supporting schedules were not included with the MFRs. Please provide.

Company Response: This reference was an oversight by the Company. The correct site should have been Schedule G-1, p. 24-26. Schedules G-1, pages 27-28 are not a part of the Company's MFR filing.

(Response to 75 – Mr. Geoffroy)

Compensation Amounts

76. For each officer of Florida Division of Chesapeake Utilities for 2008, 2009, and 2010, please provide the name and title of the officer and the actual or projected compensation amounts for the following:
    a. Name/Title
    b. Base Salary
    c. Stock Awards
    d. Option Award
    e. Non-Equity Incentive Plan Compensation
    f. All other Compensation
    g. Total Compensation
    h. Amount of Total Compensation Allocated to Florida Division of Chesapeake Utilities
    i. Amount of Total Compensation included in Adjusted Jurisdictional Other O&M Expenses on MFR Schedule G-2, Page 1 of 31.

Company Response: See Attachment 1.

77. For each officer of Chesapeake Utilities Corporation for 2008, 2009, and 2010, please provide the name and title of the officer and the actual or projected compensation amounts for the following:
    a. Name/Title
    b. Base Salary
    c. Stock Awards
    d. Option Award
    e. Non-Equity Incentive Plan Compensation
    f. All other Compensation
    g. Total Compensation
    h. Amount of Total Compensation Allocated to Florida Division of Chesapeake Utilities
    i. Amount of Total Compensation included in Adjusted Jurisdictional Other O&M Expenses on MFR Schedule G-2, Page 1 of 31.

Company Response: See Attachment 1.

(Responses to 76-77 – Mr. Dewey)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Responses of the Florida Division of Chesapeake Utilities Corporation to PSC Staff's First Data Requests (Nos. 1 – 77) has been furnished by regular U.S. Mail to the following parties of record this 4th day of September, 2009:

Office of Public Counsel
J.R. Kelly/Patricia Christensen
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

Erik Sayler
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Beth Keating
Akerman Senterfitt, Attorneys at Law
106 East College Avenue, Suite 1200
Tallahassee, FL 32301

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Florida Division of Chesapeake Utilities Corporation	)))	Docket No. 090125-GU

AFFIDAVIT

State of Delaware
Kent County

I, Matthew Dewey, having been duly sworn, depose and say that:

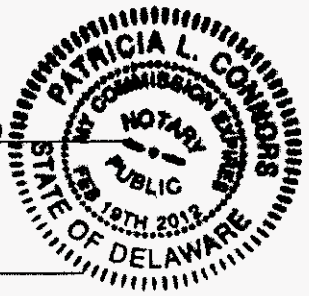
1. I am the Director of Business Unit Accounting of Chesapeake Utilities Corporation; and

2. On September 3, 2009 under my direction and supervision, the attached responses (76 and 77) to Staff's First Data Request Nos. 1-77 were prepared and submitted and are true and correct to the best of my knowledge.

Matthew Dewey

Sworn to and subscribed before me this 3rd day of September, 2009, by Matthew Dewey.

NOTARY PUBLIC
State of Delaware



Personally known X or Produced Identification _____
Type of identification produced _____

My commission expires: 2/19/12

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Florida Division of Chesapeake Utilities Corporation	)))	Docket No. 090125-GU

AFFIDAVIT

State of Florida
County of Polk

I, Thomas A. Geoffroy, having been duly sworn, depose and say that:

1. I am the Vice President of Chesapeake Utilities Corporation; and
2. On September 3, 2009 under my direction and supervision, the attached responses (1-6, 11-13, 71-72, and 75) to Staff's First Data Request Nos. 1-77 were prepared and submitted and are true and correct to the best of my knowledge.

Thomas A. Geoffroy

Sworn to and subscribed before me this 3rd day of September, 2009, by Thomas A. Geoffroy.

MELISSA PREVATT
Notary Public - State of Florida
My Comm. Expires Aug 14, 2012
Commission # DD 814835
Bonded Through National Notary Assn.

NOTARY PUBLIC
State of Florida

Personally known _____ or Produced Identification _____
Type of identification produced _____

My commission expires: 8/14/12

Florida Division of Chesapeake Utilities Corporation
Docket No. 090125-GU
Response to Staff's First Data Request Nos. 1-77
Response to Data Request No. 1

CHESAPEAKE UTILITES - FLORIDA DIVISION
COMPETITIVE RATE ADJUSTMENT (CRA)
PROJECTED CUSTOMER DATA AND THERM USAGE
JANUARY 2009 THROUGH DECEMBER 2009

RATE CLASS	BILLS	THERMS	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	RECOVERY OF CRA BALANCE	% SURCHARGE	CENTS PER THERM	TAX FACTOR	CRA ADJ. FACTOR	EXPER. CRA RATE
FTS-A	37,836	288,100	$378,360	$126,974	$505,334	$5,770	1.14%	$0.02003	1.00503	$0.02013	$0.15
FTS-B	27,192	365,541	$339,900	$161,105	$501,005	$5,720	1.14%	$0.01565	1.00503	$0.01573	$0.21
FTS-1	86,212	1,616,274	$1,293,180	$712,340	$2,005,520	$22,898	1.14%	$0.01417	1.00503	$0.01424	$0.27
FTS-2	19,930	1,614,605	$548,075	$473,983	$1,022,058	$11,670	1.14%	$0.00723	1.00503	$0.00726	$0.59
FTS-3	4,879	2,360,295	$439,110	$466,890	$906,000	$10,344	1.14%	$0.00438	1.00503	$0.00440	$2.13
FTS-4	2,206	2,731,985	$363,990	$489,217	$853,207	$9,742	1.14%	$0.00357	1.00503	$0.00358	
FTS-5	410	1,118,276	$112,750	$185,936	$298,686	$3,410	1.14%	$0.00305	1.00503	$0.00306	
FTS-6	180	888,375	$81,000	$130,271	$211,271	$2,412	1.14%	$0.00272	1.00503	$0.00273	
FTS-7	288	4,272,600	$136,800	$474,002	$610,802	$6,974	1.14%	$0.00163	1.00503	$0.00164	
FTS-8	144	3,004,068	$108,000	$307,376	$415,376	$4,743	1.14%	$0.00158	1.00503	$0.00159	
FTS-9	120	5,386,450	$108,000	$482,464	$590,464	$6,742	1.14%	$0.00125	1.00503	$0.00126	
FTS-10	48	2,722,788	$72,000	$226,373	$298,373	$3,407	1.14%	$0.00125	1.00503	$0.00126	
FTS-11	72	9,619,140	$216,000	$660,643	$876,643	$10,009	1.14%	$0.00104	1.00503	$0.00105	
FTS-12	24	7,451,956	$96,000	$467,834	$563,834	$6,438	1.14%	$0.00086	1.00503	$0.00087	
TOTAL	179,541	43,440,453	$4,293,165	$5,365,408	$9,658,573	$110,279	1.14%				

Attachment 1 - Responses to #76 and 77

Florida Division of Chesapeake Utilities Corporation
RE: Docket NO. 090125-GU

Response #76

The Florida Division of Chesapeake does not have any officers.

Response #77

Listed below are the officers of Chesapeake Utilities Corporation and the requested compensation amounts (G - Total compensation) (H- Total compensation charged or allocated to the Florida Division of Chesapeake Utilities Corporation) and (I - Total compensation included in adjusted jurisdictional other O&M) for 2008, 2009 and 2010. The prior year accrual less current year payout column includes both non-equity and stock awards. 2009 and 2010 amounts have been increased 3.5% each year

Request G

Total Compensation- 2008

Name	Title	Base Salary	Accrual for non-equity Incentive Plan	Accrual for Stock Awards	Prior year accrual less current year payout	Total
John R Schimkaitis	CEO	$ 386,250	$ 147,888	$ 194,886	$ 14,874	$ 743,898
Michael P. McMasters	COO	$ 266,125	$ 78,210	$ 146,355	$ 5,687	$ 496,377
Beth W. Cooper	CFO	$ 169,168	$ 42,525	$ 91,473	$ 4,990	$ 308,156
Stephen C. Thompson	Senior VP	$ 260,500	$ 61,680	$ 114,340	$ (4,667)	$ 431,853
Thomas A. Geoffroy	VP	$ 160,125	$ 70,534	$ -	$ (11,232)	$ 219,427

Request G 103.5%

Total Compensation- 2009

Name	Title	Base Salary	Accrual for non-equity Incentive Plan	Accrual for Stock Awards	Prior year accrual less current year payout	Total
John R Schimkaitis	CEO	$ 399,769	$ 153,064	$ 201,707	$ 15,395	$ 769,935
Michael P. McMasters	COO	$ 275,439	$ 80,947	$ 151,477	$ 5,886	$ 513,749
Beth W. Cooper	CFO	$ 175,089	$ 44,013	$ 94,675	$ 5,165	$ 318,942
Stephen C. Thompson	Senior VP	$ 269,618	$ 63,839	$ 118,342	$ (4,830)	$ 446,969
Thomas A. Geoffroy	VP	$ 165,729	$ 73,003	$ -	$ (11,625)	$ 227,107

Request G 103.5%

Total Compensation- 2010

Name	Title	Base Salary	Accrual for non-equity Incentive Plan	Accrual for Stock Awards	Prior year accrual less current year payout	Total
John R Schimkaitis	CEO	$ 413,761	$ 158,421	$ 208,767	$ 15,934	$ 796,883
Michael P. McMasters	COO	$ 285,079	$ 83,780	$ 156,779	$ 6,092	$ 531,730
Beth W. Cooper	CFO	$ 181,217	$ 45,553	$ 97,989	$ 5,346	$ 330,105
Stephen C. Thompson	Senior VP	$ 279,055	$ 66,073	$ 122,484	$ (4,999)	$ 462,613
Thomas A. Geoffroy	VP	$ 171,530	$ 75,558	$ -	$ (12,032)	$ 235,056

Response #77

Request H

Total Compensation to Florida Division of Chesapeake Utilities - 2008

Name	Title	Base Salary	Accrual for non-equity Incentive Plan	Accrual for Stock Awards	Prior year accrual less current year payout	Total
John R Schimkaitis	CEO	$ 63,345	$ 24,254	$ 31,962	$ 2,439	$ 122,000
Michael P. McMasters	COO	$ 36,650	$ 10,771	$ 20,157	$ 784	$ 68,362
Beth W. Cooper	CFO	$ 29,346	$ 7,377	$ 15,868	$ 865	$ 53,456
Stephen C. Thompson	Senior VP	$ 65,125	$ 15,420	$ 28,585	$ (1,167)	$ 107,963
Thomas A. Geoffroy	VP	$ 144,112	$ 63,481	$ -	$ (10,109)	$ 197,484

Request H

103.5%

Total Compensation to Florida Division of Chesapeake Utilities - 2009

Name	Title	Base Salary	Accrual for non-equity Incentive Plan	Accrual for Stock Awards	Prior year accrual less current year payout	Total
John R Schimkaitis	CEO	$ 65,562	$ 25,103	$ 33,081	$ 2,524	$ 126,270
Michael P. McMasters	COO	$ 37,933	$ 11,148	$ 20,862	$ 811	$ 70,754
Beth W. Cooper	CFO	$ 30,373	$ 7,635	$ 16,423	$ 895	$ 55,326
Stephen C. Thompson	Senior VP	$ 67,404	$ 15,960	$ 29,585	$ (1,208)	$ 111,741
Thomas A. Geoffroy	VP	$ 149,156	$ 65,703	$ -	$ (10,463)	$ 204,396

Request H

103.5%

Total Compensation to Florida Division of Chesapeake Utilities - 2010

Name	Title	Base Salary	Accrual for non-equity Incentive Plan	Accrual for Stock Awards	Prior year accrual less current year payout	Total
John R Schimkaitis	CEO	$ 67,857	$ 25,982	$ 34,239	$ 2,612	$ 130,690
Michael P. McMasters	COO	$ 39,261	$ 11,538	$ 21,592	$ 839	$ 73,230
Beth W. Cooper	CFO	$ 31,436	$ 7,902	$ 16,998	$ 926	$ 57,262
Stephen C. Thompson	Senior VP	$ 69,763	$ 16,519	$ 30,620	$ (1,250)	$ 115,652
Thomas A. Geoffroy	VP	$ 154,376	$ 68,003	$ -	$ (10,829)	$ 211,550

Response #77

Request I

Total Compensation included in Adjusted Jurisdictional- 2008

Name	Title	Base Salary	Accrual for non-equity Incentive Plan	Accrual for Stock Awards	Prior year accrual less current year payout	Total
John R Schimkaitis	CEO	$ 52,144	$ 19,965	$ 26,310	$ 2,008	$ 100,427
Michael P. McMasters	COO	$ 29,553	$ 8,685	$ 16,252	$ 632	$ 55,122
Beth W. Cooper	CFO	$ 22,455	$ 5,645	$ 12,142	$ 662	$ 40,904
Stephen C. Thompson	Senior VP	$ 65,125	$ 15,420	$ 28,585	$ (1,167)	$ 107,963
Thomas A. Geoffroy	VP	$ 104,081	$ 45,847	$ -	$ (7,301)	$ 142,627

Request I

103.5%

Total Compensation included in Adjusted Jurisdictional- 2009

Name	Title	Base Salary	Accrual for non-equity Incentive Plan	Accrual for Stock Awards	Prior year accrual less current year payout	Total
John R Schimkaitis	CEO	$ 53,969	$ 20,664	$ 27,231	$ 2,078	$ 103,942
Michael P. McMasters	COO	$ 30,587	$ 8,989	$ 16,821	$ 654	$ 57,051
Beth W. Cooper	CFO	$ 23,241	$ 5,843	$ 12,567	$ 685	$ 42,336
Stephen C. Thompson	Senior VP	$ 67,404	$ 15,960	$ 29,585	$ (1,208)	$ 111,741
Thomas A. Geoffroy	VP	$ 107,724	$ 47,452	$ -	$ (7,557)	$ 147,619

Request I

103.5%

Total Compensation included in Adjusted Jurisdictional- 2010

Name	Title	Base Salary	Accrual for non-equity Incentive Plan	Accrual for Stock Awards	Prior year accrual less current year payout	Total
John R Schimkaitis	CEO	$ 55,858	$ 21,387	$ 28,184	$ 2,151	$ 107,580
Michael P. McMasters	COO	$ 31,658	$ 9,304	$ 17,410	$ 677	$ 59,049
Beth W. Cooper	CFO	$ 24,054	$ 6,048	$ 13,007	$ 709	$ 43,818
Stephen C. Thompson	Senior VP	$ 69,763	$ 16,519	$ 30,620	$ (1,250)	$ 115,652
Thomas A. Geoffroy	VP	$ 111,494	$ 49,113	$ -	$ (7,821)	$ 152,786

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Florida Division of Chesapeake Utilities Corporation	Docket No. 090125-GU

AFFIDAVIT

State of Florida
County of Polk

I, Jeff Householder, having been duly sworn, depose and say that:

1. I am the President of Jeff Householder & Company, Inc., a consulting firm engaged by the Florida Division of Chesapeake Utilities Corporation; and

2. On September 3, 2009 under my direction and supervision, the attached responses (7-10 and 14 through 70) to Staff's First Data Request Nos. 1-77 were prepared and submitted and are true and correct to the best of my knowledge.

Jeff Householder

Sworn to and subscribed before me this 4th day of September, 2009, by Jeff Householder.

NOTARY PUBLIC
State of Florida

PEGGY ROGERSON
Notary Public - State of Florida
My Comm. Expires Aug 14, 2012
Commission # DD 814838
Bonded Through National Notary Assn

Personally known ✓ or Produced Identification ____
Type of identification produced ____

My commission expires:

FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

RE: DOCKET NO. 090125-GU – PETITION FOR INCREASE IN RATES BY FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

RESPONSES TO STAFF'S SECOND DATA REQUESTS NOS. 78 – 90

The Florida Division of Chesapeake Utilities Corporation ("Company" of "Chesapeake") provides the following responses to Staff's Second Data Requests (Numbers 78 through 90).

Please refer to the direct testimony of Geoffroy, page 33, lines 4-5, regarding customers that receive market-based rates.

78. Please state the number of customers who receive market-based rates.

Company Response: At September 1, 2009, the Company has eleven (11) consumers who receive market-based rates.

79. Explain whether the customer listed in the response to the above question receive service under a negotiated contract or a tariffed rate schedule.

Company Response: Of the eleven (11) consumers who receive market-based rates, only Mosaic's New Wales facility receives service through a tariff rate schedule (FTS-13). All other consumers receive service through Commission-approved Special Contracts (8 consumers) or Flexible Gas Service contracts (2 consumers).

80. Please refer to the direct testimony of Geoffroy, page 34, lines 5-8, and explain the protections the current tariff provides to ensure that the alternative fuel price is legitimate.

Company Response: The legitimacy of the consumers alternative fuel prices are validated by the Company through the information required by the CFTS Affidavit (see attached tariff sheets 120-121) approved by the Commission and through the required written offer from the consumers alternative fuel provider. The written alternative fuel offer provides the Company the opportunity to validate that said prices are accurate and legitimate. In addition, the Company is not required to offer the consumer a discounted rate, should the Company believe that it is unnecessary to maintain service to the consumer.

(Responses to 78 – 80 – Mr. Geoffroy)

81. Please refer to the direct testimony of Householder, page 13, lines 14-22, and explain as to why the company proposes to discontinue allowing customers to move between the FTS-A and FTS-B classes.

Company Response: The Company's current authorized tariff does not allow customers that have moved from rate class FTS-A or FTS-B into rate class FTS-1, based on an increase in annual consumption, to return to the lower volume rate classes. The proposed tariff language would expand this restriction and not allow customers receiving service in the FTS-B class to move back into FTS-A if their consumption declines. Historically, the rate structure for the FTS-A class has not recovered the Company's cost to provide service. In the current filing the FTS-A class produces a rate of return that is slightly less than the overall system average return. It should be noted, however, that the FTS-A class received a $140,000 O&M expense reduction as a Special Assignment (MFR Schedule H-2, page 5 of 10). This expense reduction was necessary to produce reasonable rates for the class. The Special Assignment cost reduction increased the FTS-A rate of return. Without the Special Assignment the FTS-A return would have been significantly below the overall system average. If customers are allowed to return to the FTS-A class, the historic problem of under-recovering the Company's cost to serve from the FTS-A class will be perpetuated.

82. Please refer to the direct testimony of Householder, page 32, line 20, and provide an analysis showing the cost of physical bypass for Mosaic.

Company Response: Attachment 1 summarizes the cost estimate for physical by-pass of the Company's distribution system by Mosaic. The total by-pass investment cost is estimated at $474,096. The Company assumes a pay-back term of 2.5 years for industrial customer capital investments in facilities that are not part of the customer's core business. Dividing the $474,096 total capital investment by the 2.5 year pay-back equals $189,639.

Attachment 2 is the Mosaic cost of service analysis. The Company's total annual cost to serve Mosaic equals $186,410. The cost analysis indicates an estimated annual operation and maintenance cost of $10,724. Adding the O&M costs to the 2.5 year capital investment payback amount of $189,639 equals $200,363. The Company has proposed to recover through rates (MFR Schedule H-3, page 10 of 11) an amount equal to $200,363.

The proposed target revenue amount of $200,363 exceeds the Mosaic individual cost of service amount of $186,410.

83. Please refer to the direct testimony of Householder, page 32, line 21-22 and state the amount of rate base and expenses that were allocated from the FTS-13 class to the remaining FTS-A through FTS-12 classes.

Company Response: Attachment No. 3 is a version of the Company's cost of service study which utilizes the peak and average cost allocator, with no special cost assignments, to allocate capacity related rate base and O&M expenses. If the peak and average methodology is applied to the FTS-13 class (Mosaic) the resulting cost of service and target revenue would equal $633,411 (Schedule H-2, page 8 and H-3, page 10, respectively). The Company has proposed target revenues of $203,263 for the FTS-3 class, as described in Response No. 80, above. The direct assignment of costs for the FTS-13 class resulted in a reallocation of $433,048.

84. Please refer to the direct testimony of Householder, page 51, lines 21-23, and provide the calculations showing the development of the experimental fixed charge rates.

Company Response: The proposed experimental rates are set at the average monthly revenue per customer for the respective rate class. The FTS-A rate is set slightly higher than the average to partially offset the risk that greater numbers of consumers current using above the average annual therm total will elect the experimental rate in the FTS-A rate class. The rates were calculated by dividing the proposed target revenues (minus other operating income) on MFR Schedule H-3, page 9 of 11, by the number of bills from the same schedule. Attachment No. 4 includes the calculation of the Company's proposed experimental rates.

85. Please refer to the direct testimony of Householder, page 52, lines 22-23 and page 53, line 1. Please state how the company proposes to treat the resulting revenue shortfall and state the amount of revenue shortfall resulting from delaying the effective date of the experimental rates.

Company Response: The revenue shortfall resulting from the proposed delay in the effective date of the experimental rates would be absorbed by the Company. None of the revenue shortfall related to the delayed effective date would be recovered from ratepayers. The revenue shortfall is estimated to be $3,582.

86. Please refer to the direct testimony of Householder, page 60, lines 16-19, addressing the proposal to eliminate the receipt of cash as a deposit payment method. Please state:

a. How many residential and how many commercial customers have paid a cash deposit in 2007, 2008, and 2009 (to date)?

Company Response:

	Residential	Commercial
2007	72	3
2008	12	0
2009 (July)	0	0

b. What is the cost to the company to accept a cash deposit?

Company Response: Given the limited number of current cash transactions, there is no material difference in collecting cash than in processing other payment methods. If the Company were to return to a public access office to accept cash payments, it would incur significant costs. At least one additional staff person would be required at each office (estimated annual cost $66,560). In addition, both facilities would require remodeling to provide security for employees and limit public access to the remaining portions of the buildings. The cost of the remodeling is not known at this time.

c. Provide a narrative as to why the company is proposing to discontinue the acceptance of cash as a deposit payment method.

Company Response: The Company closed its Winter Haven and Citrus County offices to public access in September 2007. Prior to that date customers living outside the above areas did not have access to a local Company office for bill payments. The Citrus County office had virtually no walk-in payment traffic. The Winter Haven office is located in an area of elevated crime and there was a significant concern about the safety of employees and the security of the cash collected from customers, retained on site for change and transported daily to the bank. The Company's cash collections for deposits and payments have dramatically decreased as a result of closing the office to public access, as indicated by the charts in Questions 83 and 84. In conjunction with closing its offices, the Company has expanded other payment methods. For deposits, a check, money order, credit card or debit card is accepted. Residential consumers may demonstrate creditworthiness through a letter from another utility showing a good payment history. In addition, residential consumers may request that the deposit amount be included on their first bill. Given the billed deposit option, there is little need to collect cash for deposits from residential consumers. The vast majority of commercial consumers pay the deposit by check. The number of cash deposits has dwindled to the

point that, in the Company's view, it is no longer necessary to provide a cash option. To date in 2009, no consumers have paid cash deposits.

87. Please refer to the direct testimony of Householder, page 61, lines 14-16, addressing the proposal to eliminate the receipt of cash as a bill payment method. Please state:

a. How many residential and how many commercial customers have paid their bill in cash in 2007, 2008, and 2009 (to date)?

Company Response:

	Residential	Commercial
2007	3,274	60
2008	144	20
2009 (July)	59	13

b. What is the cost to the company to accept a cash payment?

Company Response: Please refer to the response to question No. 83 b.

c. Provide a narrative as to why the company is proposing to discontinue the acceptance of cash as a bill payment method.

Company Response: Please refer to the response to question 83 c. The Company has also expanded its bill payment options to include, in addition to check and money order payments; credit cards, debit cards, direct debit (EFT) and on-line payments through the Company's web site. Credit card payments are accepted by telephone. In addition, there are several local businesses that accept utility bill payments from consumers and forward the payments to the utility. The Company projects that it will receive approximately 176,827 bill payments in 2010. If the total cash payments received in 2008 (164) were received in 2010, they would represent .00092% of the total payments. In the Company's view, it is no longer necessary to offer a cash bill payment option.

88. Please refer to Exhibit JMH-9, pages 58-60 of 135, and state whether the company is proposing to eliminate the Contract Firm Transportation Service Rider and the Area Expansion Program Rider.

Company Response: No. The Company is not proposing to eliminate the Contract Firm Transportation Service Rider and the Area Expansion Program Rider. Pages 58-60 in Exhibit JMH-9 were included in error.

89. Please refer to Exhibit JMH-9, page 16 of 135, and provide the calculation of the initial deposit amount for the FTS-2, FTS-2.1, FTS-3, and FTS-3.1 rate classes.

Company Response: The proposed target revenue (minus any other operating revenue) from MFR Schedule H-3, page 9 of 11, was divided by the number of bills (revenue per month) and multiplied by two. The proposed deposit amounts were rounded down. Attachment No. 5 includes the calculations.

(Responses to 81 – 89 – Mr. Householder)

90. Please provide a discussion as to why the company proposed a fixed dollars per bill environmental surcharge as opposed to a variable cents per therm surcharge.

Company Response: The fixed charge per bill provides both the Company and the Commission more certainty that the proposed surcharge will generate revenues very close to the level of expenses incurred related to the environmental clean-up activities. There are three primary uncertainties related to the environmental clean-up activities: 1) the exact cost and timing of the environmental clean-up. The Company has projected this cost but the actual cost will likely be different ; 2) the exact number of consumers that will be billed in the future periods when the surcharge is in effect; and 3) the future therm usage of all consumers in all rate classifications subject to the surcharge mechanism.

The benefits of a fixed charge rather than a variable charge are: the third uncertainty described above is eliminated from consideration; and, when the timing of the actual costs become known, the Company can modify the level of the surcharge to produce the necessary revenues to timely recover the incurred costs, subject to Commission approval, and request that the surcharge be discontinued when all costs are recovered. This should produce only a minimal "true-up" amount that would need to be disposed of, in accordance with the Commission's actions.

(Response to 90 – Mr. Geoffroy)

CFTS AFFIDAVIT

To: Chesapeake Utilities Corporation
Florida Division
P. O. Box 960
Winter Haven, FL 33882-0960
Attention: Senior Financial Analyst

From: Company Name: _____
Address: _____
_____
Contact: _____
Telephone/Fax: _____
Location of Facility
Receiving Offer: _____

Alternate Fuel Offer

- Fuel Supplier _____
- Fuel Type _____
- Quantity _____
- Term _____
- Price per Unit _____
- Taxes _____
- Fuel Delivery Cost _____
- Offer Expires _____

Third Party Natural Gas Costs

- Gas Supplier _____
- Gas Supply Cost (Total) _____

_____
_____

Bypass Alternative

- Distance from Interstate Pipeline (Feet) _____
- Construction Cost _____
- Payback (Years) _____
- Quantity (Annual Therms) _____
- Bypass Avoidance Rate (per Therm) _____

CFTS AFFIDAVIT
(Continued)

As an Authorized Representative of (Company Name), I hereby certify that the foregoing information is true, complete and correct, and that the Company has the capability to either utilize the designated alternate fuel in the quantities specified or bypass the Florida Division at the above referenced facility. A copy of the Alternate Fuel Offer and the Third Party Natural Gas Costs or the detailed Construction Costs is attached as evidence of the bona fide offer from the Alternate Fuel provider and the natural gas costs from the third party provider or a copy of the detailed Construction Costs is attached as evidence of the bona fide opportunity to bypass.

I further certify that (Company Name) will terminate Firm Transportation Service from the Florida Division on (date) unless the total price for natural gas service is adjusted, as provided in the Florida Division's Rate Schedule Rider CFTS, to compete with the alternate fuel price or bypass price indicated above.

Customer Name: _____

By: _____

Name: _____

Title: _____

STATE OF _____)
COUNTY OF_____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, _____ of (Company's Legal Name), a _____ corporation, who (strike one) is personally known to me/produced _____ as identification, on behalf of said corporation.

(NOTARY SEAL)

_____
Notary Public Signature

_____
Typed/Printed Notary Name
Commission No.:_____
My Commission Expires:_____

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Florida Division of Chesapeake Utilities Corporation	)))	Docket No. 090125-GU

AFFIDAVIT

State of Florida
County of Polk

I, Randy Taylor, having been duly sworn, depose and say that:

1. I am the Director of Operations and Engineering of Chesapeake Utilities Corporation; and

2. On September 3, 2009 under my direction and supervision, the attached responses (73 and 74) to Staff's First Data Request Nos. 1-77 were prepared and submitted and are true and correct to the best of my knowledge.

Randy Taylor

Sworn to and subscribed before me this 3rd day of September, 2009, by Randy Taylor.

NOTARY PUBLIC
State of Florida

PEGGY ROGERSON
Notary Public - State of Florida
My Comm. Expires Aug 14, 2012
Commission # DD 814838
Bonded Through National Notary Assn.

Personally known ✓ or Produced Identification ____
Type of identification produced ____

My commission expires:

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Florida Division of Chesapeake Utilities Corporation	Docket No. 090125-GU

AFFIDAVIT

State of Florida
County of Polk

I, Thomas A. Geoffroy, having been duly sworn, depose and say that:

1. I am the Vice President of Chesapeake Utilities Corporation; and

2. On September 3, 2009 under my direction and supervision, the attached responses (78-80, and 90) to Staff's Second Data Request Nos. 78-90 were prepared and submitted and are true and correct to the best of my knowledge.

Thomas A. Geoffroy

Sworn to and subscribed before me this 3rd day of September, 2009, by Thomas A. Geoffroy.

MELISSA PREVATT
Notary Public - State of Florida
My Comm. Expires Aug 14, 2012
Commission # DD 814835
Bonded Through National Notary Assn

NOTARY PUBLIC
State of Florida

Personally known _____ or Produced Identification _____
Type of identification produced _____

My commission expires: 8/14/12

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by)
Florida Division of Chesapeake Utilities)
Corporation)

Docket No. 090125-GU

AFFIDAVIT

State of Florida
County of Polk

I, Jeff Householder, having been duly sworn, depose and say that:

1. I am the President of Jeff Householder & Company, Inc., a consulting firm engaged by the Florida Division of Chesapeake Utilities Corporation; and

2. On September 3, 2009 under my direction and supervision, the attached responses (81 through 89) to Staffs Second Data Request Nos. 78-90 were prepared and submitted and are true and correct to the best of my knowledge.

Jeff Householder

Sworn to and subscribed before me this 4th day of September, 2009, by Jeff Householder.

NOTARY PUBLIC
State of Florida

PEGGY ROGERSON
Notary Public - State of Florida
My Comm. Expires Aug 14, 2012
Commission # DD 814838
Bonded Through National Notary Assn.

Personally known ✓ or Produced Identification _____
Type of identification produced _____

My commission expires:

SCHEDULE H-2 | COST OF SERVICE | PAGE 1 OF 10

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

DEVELOPMENT OF ALLOCATION FACTORS

LINE NO.		TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contract	SABS	SAS	OS-DPO
1	CUSTOMER COSTS																						
2	No. of Bills (Bills/12 = Consumers)	178,695	37,304	25,334	87,069	11,400	7,032	2,688	2,676	1,896	372	204	276	192	144	36	36	24	12	96	168,956	7,739	1
3	Weighting	N/A	1.00	1.00	1.00	2.89	2.89	3.80	3.80	6.00	8.68	15.98	20.74	22.01	26.78	32.30	43.72	51.42	81.09				
4	Weighted No. of Customers	260,057	37,304	25,334	87,069	32,999	20,355	10,214	10,168	11,376	3,230	3,260	5,723	4,226	3,857	1,163	1,574	1,234	973	Direct	Direct	Direct	Direct
5	Allocation Factors	100.00%	14.34%	9.74%	33.48%	12.69%	7.83%	3.93%	3.91%	4.37%	1.24%	1.25%	2.20%	1.62%	1.48%	0.45%	0.61%	0.47%	0.37%	Assignment	Assignment	Assignment	Assignment
6	CAPACITY COSTS																						
7	Peak & Avg. Month Throughput (therms)	9,397,708	66,950	80,439	412,808	113,467	224,844	110,342	302,448	433,997	180,995	193,641	536,273	754,123	1,088,443	460,539	954,325	1,149,088	2,355,007	Direct	Direct	Direct	Direct
8	Allocation Factors	100.00%	0.712%	0.856%	4.393%	1.207%	2.393%	1.174%	3.218%	4.618%	1.926%	2.061%	5.706%	8.025%	11.369%	4.901%	10.155%	12.227%	25.059%	Assignment	Assignment	Assignment	Assignment
9	COMMODITY COSTS																						
10	Annual Throughput (therms)	52,958,167	322,102	371,711	1,877,387	477,734	1,062,805	597,141	1,686,112	2,392,910	987,784	1,008,729	3,172,854	4,336,209	6,121,996	2,405,252	4,972,443	7,164,270	14,000,727	Direct	Direct	Direct	Direct
11	Allocation Factors	100.00%	0.61%	0.70%	3.55%	0.90%	2.01%	1.13%	3.18%	4.52%	1.87%	1.90%	5.99%	8.19%	11.56%	4.54%	9.39%	13.53%	26.44%	Assignment	Assignment	Assignment	Assignment
12	REVENUE-RELATED COSTS																						
13	Tax on Customer, Capacity, & Commodity	$58,866	$3,271	$3,052	$13,551	$2,862	$3,210	$2,287	$3,648	$4,709	$1,693	$1,523	$3,068	$3,733	$4,306	$1,613	$2,855	$3,467	$1,016	Direct	Direct	Direct	Direct
14	Allocation Factors	101.73%	5.56%	5.18%	23.02%	4.90%	5.45%	3.88%	6.20%	8.00%	2.88%	2.59%	5.21%	6.34%	7.31%	2.74%	4.85%	5.89%	1.73%	Assignment	Assignment	Assignment	Assignment

SUPPORTING SCHEDULES: E-4, E-7

RECAP SCHEDULES: H-2, p. 4-8

SCHEDULE H-2 | COST OF SERVICE | PAGE 2 OF 10

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

DEVELOPMENT OF ALLOCATION FACTORS

RECAP SCHEDULES: H-2, p. 4-8

SCHEDULE H-2 | COST OF SERVICE | PAGE 3 OF 10

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

ALLOCATION OF RATE BASE TO CUSTOMER CLASSES

LINE NO	RATE BASE BY CUSTOMER CLASS	TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contract	SABS	SAS	OS-DPO
	Customer																						
1	Meters	$3,303,901	$331,977	$225,453	$774,848	$293,662	$181,143	$90,895	$90,489	$101,238	$28,740	$28,009	$50,933	$37,604	$34,321	$10,349	$14,008	$10,983	$8,860	$16,105	$935,945	$37,539	$0
2	House Regulators	$835,369	$118,830	$81,379	$279,667	$106,000	$65,385	$32,809	$32,663	$36,543	$10,374	$10,471	$18,385	$13,574	$12,388	$3,735	$5,056	$3,964	$3,126	$0	$0	$0	$0
3	Services	$6,675,300	$957,540	$650,268	$2,234,937	$847,027	$522,462	$262,173	$261,002	$292,006	$82,897	$83,672	$146,909	$108,464	$98,994	$29,849	$40,404	$31,678	$24,978	$0	$0	$0	$0
4	General Plant	$784,001	$109,592	$74,427	$255,793	$96,944	$59,799	$30,006	$29,872	$33,421	$9,488	$9,578	$16,814	$12,414	$11,330	$3,416	$4,624	$3,626	$2,859	$0	$0	$0	$0
5	All Other	$3,046,551	$24,091	$16,361	$56,229	$21,311	$13,145	$6,596	$6,567	$7,347	$2,086	$2,105	$3,696	$2,729	$2,491	$751	$1,017	$797	$628	$378	$2,767,241	$110,987	$0
6	Total	$14,625,122	$1,543,031	$1,047,907	$3,601,494	$1,364,943	$841,954	$422,479	$420,593	$470,553	$133,585	$134,833	$236,736	$174,785	$159,525	$48,101	$65,109	$51,048	$40,251	$16,483	$3,703,186	$148,526	$0
	Capacity																						
7	Industrial Meas & Reg. Sta. Eq.	$1,220,156	$7,557	$6,079	$46,592	$12,807	$25,378	$12,454	$34,137	$48,984	$20,428	$21,856	$60,528	$85,116	$120,593	$51,960	$107,712	$129,692	$265,804	$0	$0	$156,460	$0
8	Meas.&Reg Sta.Eq.-Gen.	$625,786	$2,633	$3,164	$16,236	$4,463	$8,843	$4,340	$11,895	$17,069	$7,119	$7,616	$21,092	$29,860	$42,022	$18,113	$37,534	$45,193	$92,624	$256,186	$0	$0	$0
9	Mains	$24,129,999	$152,343	$183,036	$939,326	$258,191	$511,624	$251,080	$588,209	$987,545	$411,647	$440,623	$1,220,270	$1,715,979	$2,431,205	$1,047,941	$2,171,532	$2,614,664	$5,358,734	$2,745,851	$0	$0	$0
10	General Plant	$1,775,902	$10,378	$12,469	$63,990	$17,589	$34,854	$17,104	$46,883	$67,275	$28,056	$30,017	$83,129	$116,898	$165,622	$71,389	$147,932	$178,119	$365,055	$319,144	$0	$0	$0

SCHEDULE H-2 | COST OF SERVICE | PAGE 4 OF 10

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

ALLOCATION OF RATE BASE TO CUSTOMER CLASSES

11	All Other	$4,306,329	$21,270	$25,556	$131,151	$36,049	$71,434	$35,056	$96,089	$137,883	$57,503	$61,521	$170,377	$239,589	$339,450	$146,316	$303,194	$385,065	$746,198	$1,320,628	$0	$0	$0
12	Total	$32,058,173	$194,181	$233,304	$1,197,294	$329,098	$652,132	$320,035	$877,213	$1,258,757	$524,954	$561,632	$1,555,395	$2,187,242	$3,098,892	$1,335,739	$2,767,904	$3,332,734	$6,830,414	$4,641,792	$0	$159,460	$0
	Commodity																						
13		$0	$0	$0	$0	$0	$0	$0	$0	$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	$0	$0	$0	$0	$0		$0	$0	$0
15		$0	$0	$0	$0	$0	$0	$0	$0	$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	$0	$0	$0	$0	$0		$0	$0	$0
17	Total	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0	$0
																				$0	$0	$0	$0
18	TOTAL	$46,683,295	$1,737,212	$1,281,212	$4,798,788	$1,694,041	$1,494,087	$742,514	$1,297,806	$1,729,310	$658,539	$696,465	$1,792,131	$2,362,027	$3,258,418	$1,383,840	$2,833,013	$3,383,782	$6,870,665	$4,658,275	$3,703,186	$307,986	$0
	Customer Related Rate Base	100%	10.55%	7.17%	24.63%	9.33%	5.76%	2.89%	2.88%	3.22%	0.91%	0.92%	1.82%	1.20%	1.09%	0.33%	0.45%	0.35%	0.28%	0.11%	25.32%	1.02%	0.00%
	Capacity Related Rate Base	100%	0.61%	0.73%	3.73%	1.03%	2.03%	1.00%	2.74%	3.93%	1.64%	1.75%	4.85%	6.82%	9.67%	4.17%	8.63%	10.40%	21.31%	14.48%	0.00%	0.50%	0.00%
	Commodity Related Rate Base	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			

SUPPORTING SCHEDULES: H-1, p. 2-3

RECAP SCHEDULES: H-2, p. 1

SCHEDULE H-2

COST OF SERVICE

PAGE 5 OF 10

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES

LINE NO.		TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contract	SABS	SAS	OS-DPO
	OPERATIONS AND MAINTENANCE EXPENSE:																						
	Customer																						
1	876 Meters and House Regulators	$405,987	$55,319	$37,569	$129,117	$48,935	$30,185	$15,146	$15,079	$16,870	$4,789	$4,834	$8,487	$6,266	$5,719	$1,724	$2,334	$1,830	$1,443	$0	$19,556	$784	$0
2	893 Maint. of Meters & House Reg.	$74,836	$10,735	$7,291	$25,056	$9,496	$5,856	$2,939	$2,926	$3,274	$929	$938	$1,647	$1,216	$1,110	$335	$453	$355	$280	$0	$0	$0	$0
3	874 Mains & Services	$83,171	$11,930	$8,102	$27,846	$10,554	$6,510	$3,267	$3,252	$3,638	$1,033	$1,043	$1,830	$1,351	$1,233	$372	$503	$395	$311	$0	$0	$0	$0
4	892 Maint. of Services	$19,399	$2,783	$1,890	$6,495	$2,461	$1,518	$762	$758	$849	$241	$243	$427	$315	$288	$87	$117	$92	$73	$0	$0	$0	$0
5	All Other	$3,846,750	$452,036	$307,238	$1,054,803	$431,698	$267,087	$252,983	$252,382	$235,301	$60,724	$54,434	$45,257	$34,917	$35,758	$11,645	$17,243	$14,039	$13,249	$0	$290,611	$14,868	$500
6	Special Assignment	$0																					$0
7	Total	$4,430,145	$532,804	$362,089	$1,243,318	$503,142	$311,158	$275,097	$274,378	$258,932	$67,716	$61,492	$57,648	$44,066	$44,107	$14,163	$20,651	$16,711	$15,356	$0	$310,167	$15,652	$500
	Capacity																						
8	876 Measuring & Reg. Sta. Eq. - I	$60,905	$391	$469	$2,408	$862	$1,311	$644	$1,764	$2,531	$1,056	$1,129	$3,128	$4,399	$6,232	$2,686	$5,566	$6,702	$13,736	$0	$0	$6,091	$0
9	880 Maint. of Meas & Reg.Sta.Eq.-I	$44,418	$285	$342	$1,756	$483	$956	$468	$1,287	$1,846	$770	$824	$2,281	$3,206	$4,545	$1,959	$4,059	$4,868	$10,018	$0	$0	$4,443	$0
10	874 Mains and Services	$315,860	$282	$338	$1,740	$478	$948	$465	$1,275	$1,830	$783	$816	$2,261	$3,179	$4,504	$1,941	$4,023	$4,844	$9,928	$276,242	$0	$0	$0
11	887 Maint. of Mains	$179,856	$1,281	$1,539	$7,900	$2,172	$4,303	$2,112	$5,788	$8,305	$3,464	$3,709	$10,263	$14,433	$20,448	$8,814	$18,264	$21,991	$45,071	$0	$0	$0	$0
12	All Other	$1,455,990	$10,373	$12,462	$63,956	$17,580	$34,835	$17,095	$46,858	$67,239	$28,042	$30,001	$83,085	$116,836	$165,534	$71,352	$147,854	$178,026	$364,862	$0	$0	$0	$0
13	Special Assignment	$0																		$0	$0	$0	$0
14	Total	$2,057,030	$12,611	$15,152	$77,761	$21,374	$42,354	$20,785	$56,972	$81,752	$34,094	$36,476	$101,018	$142,055	$201,264	$86,752	$179,767	$216,451	$443,615	$276,242	$0	$10,534	$0
	Commodity																						
	Account #	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
15	Account #	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
16	Account #	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					
17	All Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$0	$0	$0	$0	$0	$0	$0					
18	Total	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$0	$0	$0	$0	$0	$0	$0					
19	TOTAL O&M	$6,487,175	$545,415	$377,242	$1,321,078	$524,516	$363,512	$295,882	$331,350	$341,684	$101,812	$97,968	$158,666	$186,120	$245,370	$100,915	$200,418	$233,162	$458,971	$276,242	$310,167	$26,186	$500
	DEPRECIATION EXPENSE:																						
20	Customer	$735,323	$74,163	$50,366	$173,100	$65,604	$40,467	$20,308	$20,215	$22,616	$8,421	$8,481	$11,376	$8,401	$7,667	$2,312	$3,129	$2,454	$1,935	$0	$201,547	$16,762	$0
21	Capacity	$1,630,974	$8,066	$9,681	$49,734	$13,670	$27,089	$13,294	$36,438	$52,287	$21,806	$23,329	$64,609	$90,855	$128,724	$55,485	$114,975	$138,438	$74,603	$424,153	$0	$0	$0
22	Special Assignment	$0																					$0
23	Total	$2,366,297	$82,229	$60,057	$222,834	$79,274	$67,556	$33,600	$56,653	$74,904	$28,226	$29,810	$75,987	$99,256	$136,391	$57,797	$118,105	$140,891	$76,538	$424,153	$201,547	$16,762	$0
	AMORT. OF GAS PLANT																						
24	Capacity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	AMORT. OF CIS:																						
25	Customer	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	AMORTIZATION OF ACQ. ADJUSTMENT																						
26	Commodity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0					

RECAP SCHEDULES: H-2, p. 1

COST OF SERVICE

PAGE 6 OF 10

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSE

SUPPORTING SCHEDULES: H-2, p. 2-3

RECAP SCHEDULES: H-2, p. 1

SCHEDULE H-2

COST OF SERVICE

PAGE 7 OF 10

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES

LINE NO		TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contract	SABS	SAS	OS-DPO
	TAXES OTHER THAN INCOME TAXES:																						
1	Customer	$325,208	$35,147	$23,869	$82,033	$31,090	$19,178	$9,623	$9,560	$10,718	$3,043	$3,071	$5,392	$3,981	$3,634	$1,096	$1,483	$1,163	$917	$0	$74,034	$6,157	$0
2	Capacity	$721,323	$4,470	$5,371	$27,563	$7,578	$15,013	$7,367	$20,194	$28,978	$12,065	$12,929	$35,806	$50,362	$71,339	$30,750	$83,718	$76,722	$8,282	$85,566	$0	$0	$0
4	Subtotal	$1,046,531	$39,617	$29,240	$109,596	$38,666	$34,190	$16,991	$29,774	$39,696	$15,128	$16,000	$41,199	$54,333	$74,972	$31,845	$85,202	$77,885	$9,199	$85,566	$74,034	$6,157	$0
5	Revenue	$58,868	$3,271	$3,052	$13,551	$2,882	$3,210	$2,287	$3,648	$4,709	$1,693	$1,523	$3,068	$3,733	$4,306	$1,613	$2,855	$3,467	$1,016	$0	$0	$0	$0
6	Total	$1,105,399	$42,888	$32,292	$123,147	$41,548	$37,400	$19,277	$33,422	$44,404	$16,821	$17,523	$44,267	$58,066	$79,279	$33,459	$88,057	$81,351	$10,215	$85,566	$74,034	$6,157	$0
	RETURN (NOI)																						
7	Customer	$1,045,696	$108,860	$73,929	$254,084	$96,296	$59,400	$29,806	$29,673	$33,197	$9,424	$9,512	$16,702	$12,331	$11,254	$3,393	$4,593	$3,601	$2,840	$0	$264,778	$22,021	$0
8	Capacity	$2,292,160	$12,278	$14,752	$75,706	$20,809	$41,235	$20,236	$55,487	$79,562	$33,193	$35,512	$98,349	$138,301	$195,945	$84,460	$175,017	$210,731	$58,094	$510,590	$0	$0	$0
10	Commodity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11	Total	$3,337,856	$121,138	$88,681	$329,790	$117,105	$100,634	$50,042	$85,140	$112,790	$42,616	$45,025	$115,050	$150,632	$207,200	$87,853	$179,610	$214,333	$60,934	$510,590	$264,778	$22,021	$0
	INCOME TAXES																						
12	Customer	$451,848	$46,752	$31,750	$109,121	$41,356	$25,510	$12,801	$12,743	$14,257	$4,047	$4,085	$7,173	$5,296	$4,833	$1,457	$1,973	$1,547	$1,220	$0	$116,256	$9,669	$0
13	Capacity	$990,447	$4,735	$5,689	$29,194	$8,025	$15,901	$7,804	$21,390	$30,693	$12,800	$13,695	$37,926	$53,333	$75,582	$32,570	$67,491	$81,264	$25,535	$300,293	$0	$0	$0
14	Commodity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	Total	$1,442,295	$51,487	$37,439	$138,315	$49,381	$41,412	$20,604	$34,133	$44,950	$16,848	$17,780	$45,099	$58,628	$80,395	$34,027	$69,464	$82,810	$26,755	$300,293	$116,256	$9,669	$0
	REVENUE CREDITED TO COS (PROJECTED):																						
16	Customer	($257,393)	($51,479)	($51,479)	($102,957)	($25,739)	($25,739)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	TOTAL COST OF SERVICE:																						
17	Customer	$6,730,827	$748,247	$490,525	$1,758,699	$711,749	$428,974	$347,632	$346,589	$340,721	$90,851	$84,641	$98,293	$74,074	$71,495	$22,421	$31,830	$25,475	$22,267	$0	$966,782	$70,261	$500
18	Capacity	$7,691,934	$42,161	$50,655	$259,957	$71,454	$141,591	$69,486	$190,461	$273,302	$113,678	$121,942	$337,706	$474,896	$672,834	$290,017	$800,989	$723,606	$610,129	$1,596,844	$0	$10,534	$0
19	Commodity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
20	Subtotal	$14,422,761	$788,408	$541,181	$2,018,656	$783,203	$570,565	$417,119	$537,050	$614,023	$204,532	$206,583	$436,002	$548,970	$744,329	$312,438	$832,798	$749,081	$632,395	$1,596,844	$966,782	$80,795	$500
21	Revenue	$58,868	$3,271	$3,052	$13,551	$2,882	$3,210	$2,287	$3,648	$4,709	$1,693	$1,523	$3,068	$3,733	$4,306	$1,613	$2,855	$3,467	$1,016	$0	$0	$0	$0
22	Total	$14,481,629	$791,679	$544,233	$2,032,208	$786,085	$574,775	$419,406	$540,698	$618,732	$206,225	$208,106	$439,070	$552,703	$748,635	$314,051	$835,654	$752,547	$633,411	$1,596,844	$966,782	$80,795	$500

SUPPORTING SCHEDULES: H-2, p. 2-3

RECAP SCHEDULES: H-2, p. 1

SCHEDULE H-2

COST OF SERVICE

PAGE 8 OF 10

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES

LINE NO		TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contract	SABS	SAS	OS-DPO
	TAXES OTHER THAN INCOME TAXES:																						
1	Customer	$325,208	$35,147	$23,869	$82,033	$31,090	$19,178	$9,623	$9,560	$10,718	$3,043	$3,071	$5,392	$3,981	$3,634	$1,096	$1,483	$1,163	$917	$0	$74,034	$6,157	$0
2	Capacity	$721,323	$4,470	$5,371	$27,563	$7,578	$15,013	$7,367	$20,194	$28,978	$12,065	$12,929	$35,806	$50,362	$71,339	$30,750	$83,718	$76,722	$8,282	$85,566	$0	$0	$0
4	Subtotal	$1,046,531	$39,617	$29,240	$109,596	$38,666	$34,190	$16,991	$29,774	$39,696	$15,128	$16,000	$41,199	$54,333	$74,972	$31,845	$85,202	$77,885	$9,199	$85,566	$74,034	$6,157	$0
5	Revenue	$58,868	$3,271	$3,052	$13,551	$2,882	$3,210	$2,287	$3,648	$4,709	$1,693	$1,523	$3,068	$3,733	$4,306	$1,613	$2,855	$3,467	$1,016	$0	$0	$0	$0
6	Total	$1,105,399	$42,888	$32,292	$123,147	$41,548	$37,400	$19,277	$33,422	$44,404	$16,821	$17,523	$44,267	$58,066	$79,279	$33,459	$88,057	$81,351	$10,215	$85,566	$74,034	$6,157	$0
	RETURN (NOI)																						
7	Customer	$1,045,696	$108,860	$73,929	$254,084	$96,296	$59,400	$29,806	$29,673	$33,197	$9,424	$9,512	$16,702	$12,331	$11,254	$3,393	$4,593	$3,601	$2,840	$0	$264,778	$22,021	$0
8	Capacity	$2,292,160	$12,278	$14,752	$75,706	$20,809	$41,235	$20,236	$55,487	$79,562	$33,193	$35,512	$98,349	$138,301	$195,945	$84,460	$175,017	$210,731	$58,094	$510,590	$0	$0	$0
10	Commodity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11	Total	$3,337,856	$121,138	$88,681	$329,790	$117,105	$100,634	$50,042	$85,140	$112,790	$42,616	$45,025	$115,050	$150,632	$207,200	$87,853	$179,610	$214,333	$60,934	$510,590	$264,778	$22,021	$0
	INCOME TAXES																						
12	Customer	$451,848	$46,752	$31,750	$109,121	$41,356	$25,510	$12,801	$12,743	$14,257	$4,047	$4,085	$7,173	$5,296	$4,833	$1,457	$1,973	$1,547	$1,220	$0	$116,256	$9,669	$0
13	Capacity	$990,447	$4,735	$5,689	$29,194	$8,025	$15,901	$7,804	$21,390	$30,693	$12,800	$13,695	$37,926	$53,333	$75,582	$32,570	$67,491	$81,264	$25,535	$300,293	$0	$0	$0
14	Commodity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	Total	$1,442,295	$51,487	$37,439	$138,315	$49,381	$41,412	$20,604	$34,133	$44,950	$16,848	$17,780	$45,099	$58,628	$80,395	$34,027	$69,464	$82,810	$26,755	$300,293	$116,256	$9,669	$0
	REVENUE CREDITED TO COS (PROJECTED):																						
16	Customer	($257,393)	($51,479)	($51,479)	($102,957)	($25,739)	($25,739)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	TOTAL COST OF SERVICE:																						
17	Customer	$6,730,827	$748,247	$490,525	$1,758,699	$711,749	$428,974	$347,632	$346,589	$340,721	$90,851	$84,641	$98,293	$74,074	$71,495	$22,421	$31,830	$25,475	$22,267	$0	$966,782	$70,261	$500
18	Capacity	$7,691,934	$42,161	$50,655	$259,957	$71,454	$141,591	$69,486	$190,461	$273,302	$113,678	$121,942	$337,706	$474,896	$672,834	$290,017	$800,989	$723,606	$610,129	$1,596,844	$0	$10,534	$0
19	Commodity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
20	Subtotal	$14,422,761	$788,408	$541,181	$2,018,656	$783,203	$570,565	$417,119	$537,050	$614,023	$204,532	$206,583	$436,002	$548,970	$744,329	$312,438	$832,798	$749,081	$632,395	$1,596,844	$966,782	$80,795	$500
21	Revenue	$58,868	$3,271	$3,052	$13,551	$2,882	$3,210	$2,287	$3,648	$4,709	$1,693	$1,523	$3,068	$3,733	$4,306	$1,613	$2,855	$3,467	$1,016	$0	$0	$0	$0
22	Total	$14,481,629	$791,679	$544,233	$2,032,208	$786,085	$574,775	$419,406	$540,698	$618,732	$206,225	$208,106	$439,070	$552,703	$748,635	$314,051	$835,654	$752,547	$633,411	$1,596,844	$966,782	$80,795	$500

SUPPORTING SCHEDULES: H-2, p. 2-3

RECAP SCHEDULES: H-2, p. 1

SCHEDULE H-2

COST OF SERVICE

PAGE 9 OF 10

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

SUMMARY

LINE NO.	SUMMARY	TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contract	SABS	SAS	OS-DPO
1	RATE BASE	$46,683,295	$1,737,212	$1,281,212	$4,798,788	$1,694,041	$1,494,087	$742,514	$1,297,806	$1,729,310	$658,539	$696,465	$1,792,131	$2,362,027	$3,258,416	$1,383,840	$2,833,013	$3,383,782	$8,670,665	$4,658,275	$3,703,186	$307,986	$0
2	ATTRITION	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	O&M	$6,487,175	$545,415	$377,242	$1,321,078	$524,516	$353,512	$295,882	$331,350	$341,684	$101,812	$97,968	$158,666	$186,120	$245,370	$100,915	$200,416	$233,162	$458,971	$276,242	$310,167	$26,186	$500
4	DEPRECIATION	$2,366,297	$82,229	$60,057	$222,834	$79,274	$67,556	$33,600	$56,853	$74,904	$28,226	$29,810	$75,987	$99,256	$136,391	$57,797	$118,105	$140,891	$76,538	$424,153	$201,547	$16,762	$0
5	AMORTIZATION EXPENSES AND ADJUSTMENTS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6	TAXES OTHER THAN INCOME - OTHER	$1,046,531	$39,617	$29,240	$109,596	$38,666	$34,190	$16,991	$29,774	$39,696	$15,128	$16,000	$41,199	$54,333	$74,972	$31,845	$65,202	$77,885	$9,199	$85,566	$74,034	$6,157	$0

SUPPORTING SCHEDULES: H-2, p. 2-3

RECAP SCHEDULES: H-2, p. 1

SCHEDULE H-2

COST OF SERVICE

PAGE 10 OF 10

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

SUMMARY

LINE NO.	SUMMARY	TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contract	SABS	SAS	OS-DPO
1	RATE BASE	$46,683,295	$1,737,212	$1,281,212	$4,798,788	$1,694,041	$1,494,087	$742,514	$1,297,806	$1,729,310	$658,539	$696,465	$1,792,131	$2,362,027	$3,258,416	$1,383,840	$2,833,013	$3,383,782	$8,670,665	$4,658,275	$3,703,186	$307,986	$0
2	ATTRITION	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	O&M	$6,487,175	$545,415	$377,242	$1,321,078	$524,516	$353,512	$295,882	$331,350	$341,684	$101,812	$97,968	$158,666	$186,120	$245,370	$100,915	$200,416	$233,162	$458,971	$276,242	$310,167	$26,186	$500
4	DEPRECIATION	$2,366,297	$82,229	$60,057	$222,834	$79,274	$67,556	$33,600	$56,853	$74,904	$28,226	$29,810	$75,987	$99,256	$136,391	$57,797	$118,105	$140,891	$76,538	$424,153	$201,547	$16,762	$0
5	AMORTIZATION EXPENSES AND ADJUSTMENTS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6	TAXES OTHER THAN INCOME - OTHER	$1,046,531	$39,617	$29,240	$109,596	$38,666	$34,190	$16,991	$29,774	$39,696	$15,128	$16,000	$41,199	$54,333	$74,972	$31,845	$65,202	$77,885	$9,199	$85,566	$74,034	$6,157	$0

7	TAXES OTHER THAN INCOME - REV. RELATED	$58,868	$3,271	$3,052	$13,551	$2,882	$3,210	$2,287	$3,648	$4,709	$1,893	$1,523	$3,068	$3,733	$4,306	$1,613	$2,855	$3,467	$1,018	$0	$0	$0	$0
8	INCOME TAXES TOTAL	$1,442,295	$51,487	$37,439	$138,315	$49,381	$41,412	$20,804	$34,133	$44,950	$16,848	$17,780	$45,099	$58,628	$80,395	$34,027	$69,464	$82,810	$26,755	$300,293	$116,256	$9,669	$0
9	REVENUE CREDITED TO COS:	($257,393)	($51,479)	($51,479)	($102,957)	($25,739)	($25,739)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10	TOTAL COST - CUSTOMER	$8,730,827	$746,247	$490,525	$1,758,699	$711,749	$429,974	$347,632	$346,589	$340,721	$90,651	$84,641	$98,293	$74,074	$71,495	$22,421	$31,830	$25,475	$22,267	$0	$986,782	$70,281	$500
11	TOTAL COST - CAPACITY	$7,691,934	$42,161	$50,655	$259,957	$71,454	$141,591	$89,486	$190,461	$273,302	$113,978	$121,942	$337,708	$474,896	$672,834	$290,017	$600,989	$723,606	$610,129	$1,596,844	$0	$10,534	$0
12	TOTAL COST - COMMODITY	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	TOTAL COST - REVENUE	$58,868	$3,271	$3,052	$13,551	$2,882	$3,210	$2,287	$3,648	$4,709	$1,893	$1,523	$3,068	$3,733	$4,306	$1,613	$2,855	$3,467	$1,018	$0	$0	$0	$0
14	NO. OF CUSTOMERS (BILLS)	176,895	37,304	25,334	87,069	11,400	7,032	2,688	2,676	1,896	372	204	276	192	144	36	36	24	12	96	168,956	7,739	1
15	PEAK MONTH THROUGHPUT	9,397,708	66,950	80,439	412,808	113,467	224,844	110,342	302,448	433,997	180,995	193,641	536,273	754,123	1,068,443	460,539	954,325	1,149,088	2,355,007	Direct	N/A	N/A	N/A
16	ANNUAL THROUGHPUT	52,958,187	322,102	371,711	1,877,387	477,734	1,062,805	597,141	1,686,112	2,392,910	987,784	1,008,729	3,172,854	4,336,209	6,121,996	2,405,252	4,972,443	7,164,270	14,000,727	71,072,016	N/A	N/A	N/A

SUPPORTING SCHEDULES: H-2, p. 2-9

RECAP SCHEDULES: H-1, p. 1

SCHEDULE H-3

COST OF SERVICE

PAGE 1 OF 11

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

DERIVATION OF REVENUE DEFICIENCY

LINE NO.		TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contracts	SABS	SAS	OS-DPO
1	CUSTOMER COSTS	$6,730,827	$746,247	$490,525	$1,758,699	$711,749	$429,974	$347,632	$346,589	$340,721	$90,651	$84,641	$98,293	$74,074	$71,495	$22,421	$31,830	$25,475	$22,267	$0	$986,782	$70,281	$500
2	CAPACITY COSTS	$7,691,934	$42,161	$50,655	$259,957	$71,454	$141,591	$89,486	$190,461	$273,302	$113,978	$121,942	$337,708	$474,896	$672,834	$290,017	$600,989	$723,606	$610,129	$1,596,844	$0	$10,534	$0
3	COMMODITY COSTS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	REVENUE COSTS	$58,868	$3,271	$3,052	$13,551	$2,882	$3,210	$2,287	$3,648	$4,709	$1,893	$1,523	$3,068	$3,733	$4,306	$1,613	$2,855	$3,467	$1,018	$0	$0	$0	$0
5	TOTAL	$14,481,629	$791,679	$544,233	$2,032,208	$786,085	$574,775	$419,405	$540,698	$618,732	$206,325	$208,106	$439,070	$552,703	$748,635	$314,051	$635,654	$752,547	$633,411	$1,596,844	$986,782	$80,795	$500
6	less: REVENUE AT PRESENT TARIFF RATES	$11,624,434	$515,000	$480,499	$2,133,456	$453,744	$505,377	$360,041	$574,370	$741,338	$266,539	$238,720	$483,098	$587,681	$677,947	$253,973	$449,507	$545,773	$160,000	$1,596,845	$582,468	$18,580	$500
7	plus: ENVIRONMENTAL REVENUES IN TARIFF RATES (in the projected test year)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	equals: REVENUE DEFICIENCY	$2,857,195	$276,679	$63,733	($101,248)	$332,342	$69,398	$59,365	($33,672)	($122,607)	($60,214)	($31,614)	($44,026)	($34,978)	$70,688	$60,078	$186,147	$206,775	$473,412	($1)	$384,314	$64,235	($0)
9	plus: DEFICIENCY IN OTHER OPERATING REV.	$108,203	$14,181	$14,181	$28,362	$25,739	$25,739	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10	equals: TOTAL BASE - REVENUE DEFICIENCY	$2,965,398	$290,860	$77,915	($72,886)	$358,081	$95,137	$59,365	($33,672)	($122,607)	($60,214)	($31,614)	($44,026)	($34,978)	$70,688	$60,078	$186,147	$206,775	$473,412	($1)	$384,314	$64,235	($0)
11	UNIT COSTS:																						
12	Customer	$38.093	$20.004	$19.362	$20.199	$62.434	$61.145	$129.327	$129.518	$179.705	$243.887	$414.907	$356.135	$385.804	$496.495	$622.809	$884.159	$1,061.470	$1,855.546	N/A	N/A	N/A	N/A
13	Capacity	$0.145	$0.131	$0.136	$0.138	$0.150	$0.133	$0.116	$0.113	$0.114	$0.115	$0.121	$0.108	$0.110	$0.110	$0.121	$0.121	$0.101	$0.044	N/A	N/A	N/A	N/A
14	Commodity	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	$0.000	N/A	N/A	N/A	N/A

RECAP SCHEDULES: H-1, p. 1

COST OF SERVICE

PAGE 2 OF 11

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

DERIVATION OF REVENUE DEFICIENCY

SUPPORTING SCHEDULES: E-1 p.2, H-2 p 8-9

SCHEDULE H-3 | COST OF SERVICE | PAGE 3 OF 11

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

RATE OF RETURN BY CUSTOMER CLASS
PRESENT RATES

LINE NO.		TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contracts	SABS	SAS	OS-DPO
	REVENUES:																						
1	Revenues	$11,624,434	$515,000	$480,499	$2,133,456	$453,744	$505,377	$360,041	$574,370	$741,338	$266,539	$239,720	$483,096	$587,681	$677,947	$253,973	$449,507	$545,773	$160,000	$1,596,845	$582,468	$16,560	$500
2	Other Operating Revenue	$149,190	$37,298	$37,298	$74,595	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	Total	$11,773,624	$552,298	$517,797	$2,208,051	$453,744	$505,377	$360,041	$574,370	$741,338	$266,539	$239,720	$483,096	$587,681	$677,947	$253,973	$449,507	$545,773	$160,000	$1,596,845	$582,468	$16,560	$500
	EXPENSES:																						
4	Purchased Gas Cost	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5	O&M Expenses	$6,487,175	$545,415	$377,242	$1,321,078	$524,516	$353,512	$295,882	$331,350	$341,684	$101,812	$97,968	$158,666	$186,120	$245,370	$100,915	$200,418	$233,182	$458,971	$276,242	$310,167	$26,186	$500
6	Depreciation Expenses	$2,366,297	$82,229	$80,057	$222,834	$79,274	$67,556	$33,600	$56,853	$74,904	$28,226	$29,810	$75,987	$99,256	$136,391	$57,797	$118,105	$140,891	$76,536	$424,153	$201,547	$18,782	$0
7	Amortization Expenses and Adjustments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	Taxes Other Than Income--Fixed	$1,046,531	$38,617	$29,240	$108,596	$38,666	$34,190	$16,991	$29,774	$39,696	$15,128	$16,000	$41,199	$54,333	$74,972	$31,845	$65,202	$77,885	$9,199	$85,566	$74,034	$6,157	$0
9	Taxes Other Than Income--Revenue	$56,868	$3,271	$3,052	$13,551	$2,862	$3,210	$2,287	$3,648	$4,708	$1,693	$1,523	$3,068	$3,733	$4,306	$1,613	$2,855	$3,467	$1,016	$0	$0	$0	$0
10	Total Expses excl. Income Taxes	$9,956,871	$670,532	$489,591	$1,667,059	$645,339	$458,468	$348,759	$421,426	$460,992	$146,859	$145,301	$278,921	$343,442	$461,040	$192,170	$386,580	$455,404	$545,723	$785,961	$585,748	$49,105	$500
11	INCOME TAXES:	$311,099	$51,487	$37,439	$138,315	$49,381	$41,412	$20,604	$34,133	$44,950	$16,848	$17,780	$45,099	$58,628	$80,395	$34,027	$69,464	$82,810	$26,755	$300,293	$116,256	$9,869	$0
12	NET OPERATING INCOME:	$1,503,654	($169,722)	$10,767	$402,676	($240,978)	$5,497	($9,323)	$118,811	$235,396	$102,832	$76,639	$159,077	$185,610	$136,512	$27,775	($6,537)	$7,558	($412,478)	$510,591	($119,536)	($42,214)	$0
13	RATE BASE:	$46,683,295	$1,737,212	$1,281,212	$4,798,788	$1,694,041	$1,494,087	$742,514	$1,297,606	$1,729,310	$658,539	$696,465	$1,792,131	$2,362,027	$3,256,416	$1,383,840	$2,833,013	$3,383,782	$6,870,865	$4,658,275	$3,703,186	$307,986	$0
14	RATE OF RETURN	3.22%	-9.77%	0.84%	8.39%	-14.22%	0.37%	-1.26%	9.15%	13.61%	15.62%	11.00%	8.88%	7.86%	4.19%	2.01%	-0.23%	0.22%	-6.00%	10.96%	-3.23%	-13.71%	#DIV/0!

SUPPORTING SCHEDULES: E-1 p.2, H-1 p 7-11

SCHEDULE H-3 | COST OF SERVICE | PAGE 5 OF 11

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

RATE OF RETURN BY CUSTOMER CLASS
PROPOSED RATES

LINE NO.	TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contracts	SABS	SAS	OS-DPO

	REVENUES:																					
1	Revenues	$14,481,629	$791,679	$544,233	$2,032,208	$786,085	$574,775	$419,405	$540,698	$618,732	$206,325	$208,106	$439,070	$552,703	$748,635	$314,051	$635,654	$752,547	$633,411	$1,596,845	$966,782	$80,795	$500
2	Other Operating Revenue	$257,393	$51,479	$51,479	$102,957	$25,739	$25,739	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	Total	$14,739,022	$843,158	$595,711	$2,135,165	$811,825	$600,514	$419,405	$540,698	$618,732	$206,325	$208,106	$439,070	$552,703	$748,635	$314,051	$635,654	$752,547	$633,411	$1,596,845	$966,782	$80,795	$500
	EXPENSES:																						
4	Purchased Gas Cost	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5	O&M Expenses	$6,487,175	$545,415	$377,242	$1,321,078	$524,516	$353,512	$295,882	$331,350	$341,684	$101,812	$97,968	$158,695	$166,120	$245,370	$100,915	$200,418	$233,162	$458,971	$276,242	$310,167	$26,186	$500
6	Depreciation Expenses	$2,366,297	$82,229	$60,057	$222,834	$79,274	$87,556	$33,600	$56,653	$74,904	$28,226	$29,810	$75,987	$99,256	$136,391	$57,797	$118,105	$140,891	$76,538	$424,153	$201,547	$16,782	$0
7	Amortization Expenses and Adjustments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	Taxes Other Than Income--Fixed	$1,046,531	$39,617	$29,240	$109,596	$38,666	$34,190	$16,991	$29,774	$39,696	$15,128	$16,000	$41,199	$54,333	$74,972	$31,845	$65,202	$77,886	$9,199	$85,566	$74,034	$6,157	$0
9	Taxes Other Than Income--Revenue	$58,868	$3,271	$3,052	$13,551	$2,882	$3,210	$2,287	$3,648	$4,709	$1,593	$1,523	$3,068	$3,733	$4,306	$1,813	$2,855	$3,467	$1,016	$0	$0	$0	$0
10	Total Expses excl. Income Taxes	$9,958,871	$670,532	$469,591	$1,667,059	$645,338	$458,468	$348,758	$421,426	$460,992	$146,859	$145,301	$278,921	$343,442	$461,040	$192,170	$386,580	$455,404	$545,723	$785,961	$585,748	$49,105	$500
11	PRE TAX NOI:	$4,780,151	$172,625	$126,121	$468,105	$166,486	$142,046	$70,646	$119,273	$157,740	$59,465	$62,805	$160,149	$209,260	$287,595	$121,881	$248,074	$297,143	$87,688	$810,884	$381,034	$31,690	$0
12	INCOME TAXES:	$1,442,295	$51,487	$37,439	$138,315	$49,381	$41,412	$20,604	$34,133	$44,950	$16,848	$17,780	$45,099	$58,628	$80,395	$34,027	$69,484	$82,810	$26,755	$300,293	$116,256	$9,669	$0
13	NET OPERATING INCOME:	$3,337,856	$121,138	$88,681	$329,790	$117,105	$100,634	$50,042	$85,140	$112,790	$42,618	$45,025	$115,050	$150,632	$207,200	$87,853	$179,610	$214,333	$60,934	$510,591	$264,778	$22,021	$0
14	RATE BASE:	$46,683,295	-$1,737,212	$1,281,212	$4,798,788	$1,694,041	$1,494,087	$742,514	$1,297,806	$1,729,310	$656,539	$696,465	$1,792,131	$2,362,027	$3,258,416	$1,383,840	$2,833,013	$3,383,782	$6,870,665	$4,658,275	$3,703,186	$307,966	$0
15	RATE OF RETURN	7.15%	6.97%	6.92%	6.87%	6.91%	6.74%	5.74%	6.56%	6.52%	6.47%	6.46%	6.42%	6.38%	6.36%	6.35%	6.34%	6.33%	0.89%	10.96%	7.15%	7.15%	0.00%

SUPPORTING SCHEDULES: E-1, p. 2, H-1, p 7-11

SCHEDULE H-3

COST OF SERVICE

PAGE 7 OF 11

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

PROPOSED RATE SUMMARY

LINE NO.		TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contracts	SABS	SAS	OS-OPO
	PRESENT RATES																						
1	REVENUES	$11,624,434	$515,000	$480,499	$2,133,456	$453,744	$505,377	$360,041	$574,370	$741,338	$266,539	$239,720	$483,096	$587,681	$677,947	$253,973	$449,507	$545,773	$160,000	$1,596,845	$582,468	$16,560	$500
2	OTHER OPERATING REVENUE	$149,190	$37,298	$37,298	$74,595	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	TOTAL	$11,773,624	$552,298	$517,797	$2,208,051	$453,744	$505,377	$360,041	$574,370	$741,338	$266,539	$239,720	$483,096	$587,681	$677,947	$253,973	$449,507	$545,773	$160,000	$1,596,845	$582,468	$16,560	$500
4	RATE OF RETURN	3.22%	-9.77%	0.84%	6.38%	-14.22%	0.37%	-1.26%	9.15%	13.61%	15.62%	11.00%	8.88%	7.86%	4.19%	2.01%	-0.23%	0.22%	-6.00%	10.96%	-3.23%	-13.71%	#DIV/0!
5	INDEX	100.00%	-303.32%	26.09%	260.52%	-441.83%	11.42%	-38.98%	284.22%	422.61%	484.80%	341.64%	275.58%	243.97%	130.07%	62.31%	-7.18%	6.93%	-186.39%	340.30%	-100.22%	-425.54%	#DIV/0!
	COMPANY PROPOSED RATES																						
6	REVENUES	$14,481,629	$791,679	$544,233	$2,032,208	$786,085	$574,775	$419,405	$540,698	$618,732	$206,325	$208,106	$439,070	$552,703	$748,635	$314,051	$635,654	$752,547	$633,411	$1,596,845	$966,782	$80,795	$500
7	OTHER OPERATING REVENUE	$257,393	$51,479	$51,479	$102,957	$25,739	$25,739	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	TOTAL	$14,739,022	$843,158	$595,711	$2,135,165	$811,825	$600,514	$419,405	$540,698	$618,732	$206,325	$208,106	$439,070	$552,703	$748,635	$314,051	$635,654	$752,547	$633,411	$1,596,845	$966,782	$80,795	$500
9	RATE OF RETURN	7.15%	6.97%	6.92%	6.87%	6.91%	6.74%	6.74%	6.56%	6.52%	6.47%	6.46%	6.42%	6.38%	6.36%	6.35%	6.34%	6.33%	0.89%	10.96%	7.15%	7.15%	0.00%
10	INDEX	100.00%	97.53%	96.81%	96.12%	96.68%	94.20%	94.26%	91.75%	91.22%	90.51%	90.42%	89.79%	89.19%	88.94%	88.79%	88.67%	88.59%	12.40%	153.30%	100.00%	100.00%	0.00%
11	TOTAL REVENUE INCREASE	$2,965,398	$290,860	$77,915	($72,886)	$358,081	$95,137	$59,365	($33,672)	($122,607)	($60,214)	($31,614)	($44,026)	($34,978)	$70,688	$60,078	$186,147	$206,775	$473,412	$0	$384,314	$64,235	($0)
12	PERCENT INCREASE	25.19%	52.66%	15.05%	-3.30%	78.92%	18.83%	16.49%	-5.86%	-16.54%	-22.59%	-13.19%	-9.11%	-5.95%	10.43%	23.66%	41.41%	37.89%	295.88%	0.00%	65.98%	387.89%	0.00%

COST OF SERVICE

PAGE 8 OF 11

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

PROPOSED RATE SUMMARY

SUPPORTING SCHEDULES: H-1 p. 3-6

SCHEDULE H-3 — COST OF SERVICE — PAGE 9 OF 11

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

SCHEDULE H-3 — COST OF SERVICE — PAGE 10 OF 11

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

PROPOSED RATE DESIGN

LINE NO.		TOTAL	FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1	FTS-4	FTS-5	FTS-6	FTS-7	FTS-8	FTS-9	FTS-10	FTS-11	FTS-12	FTS-13	Special Contracts	SABS	SAS	OS-DPO
$1	PROPOSED TOTAL TARGET REVENUES	$14,739,022	$843,158	$585,711	$2,135,165	$811,825	$800,514	$419,405	$540,698	$618,732	$208,325	$208,106	$439,070	$552,703	$748,835	$314,051	$635,654	$752,547	$633,411	$1,596,845	$988,782	$80,795	$500
2	LESS: OTHER OPERATING REVENUE	($257,393)	($51,479)	($51,479)	($102,957)	($25,739)	($25,739)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	LESS: FIRM TRANSPORTATION CHARGE REVENUES																						
3	PROPOSED FIRM TRANSPORTATION CHARGES		$10.00	$12.50	$15.00	$27.50	$27.50	$90.00	$90.00	$165.00	$275.00	$450.00	$475.00	$750.00	$900.00	$1,500.00	$3,000.00	$4,000.00	$13,333.33	various	$300.00	$205.00	$41.67
4	NUMBER OF BILLS	176,827	37,304	25,334	87,069	11,400	7,032	2,688	2,676	1,896	372	204	276	192	144	36	36	24	12	96	36	96	12
5	NUMBER OF SHIPPER CUSTOMERS																				192,956	7,739	
6	TOTAL FIRM TRANSPORTATION CHARGE REV.	$5,942,855	$373,040	$316,675	$1,306,035	$313,500	$193,380	$241,920	$240,840	$312,840	$102,300	$91,800	$131,100	$144,000	$129,600	$54,000	$108,000	$96,000	$160,000	$1,596,845	$10,800	$19,680	$500
	% Firm Charge Revenue	48%	47%	58%	64%	40%	34%	58%	45%	51%	50%	44%	30%	26%	17%	17%	17%	13%	25%	n/a	1%	24%	100%
7	LESS: OTHER NON-USAGE RATE REVENUES	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	EQUALS: USAGE CHARGES TARGET REVENUES	$8,538,774	$418,639	$227,558	$726,173	$472,585	$381,395	$177,485	$299,858	$305,892	$104,025	$116,306	$307,970	$408,703	$619,035	$260,051	$527,654	$656,547	$473,412	$0	$955,982	$61,115	($0)
9	DIVIDED BY: NUMBER OF THERMS	52,958,167	322,102	371,711	1,877,387	477,734	1,062,805	597,141	1,686,112	2,392,910	987,764	1,008,729	3,172,854	4,336,209	6,121,996	2,405,252	4,872,443	7,164,270	14,000,727				
10	USAGE CHARGES PER-THERM (UNROUNDED)		$1.299709	$0.612190	$0.386800	$0.989223	$0.358857	$0.297225	$0.177840	$0.127832	$0.105311	$0.115299	$0.097054	$0.094253	$0.101117	$0.108118	$0.108118	$0.091642	$0.033813		$4.95	$7.90	
11	USAGE CHARGES PER-THERM (ROUNDED)		$1.29971	$0.61219	$0.38680	$0.98922	$0.35886	$0.29723	$0.17784	$0.12783	$0.10531	$0.11530	$0.09706	$0.09425	$0.10112	$0.10812	$0.10812	$0.09164	$0.03381		$4.95	$7.90	$0.00
12	USAGE CHARGE REVENUES (ROUNDED RATES)	$7,500,343	$418,639	$227,558	$726,173	$472,584	$381,398	$177,488	$299,858	$305,886	$104,024	$116,306	$307,957	$408,688	$619,056	$260,056	$527,676	$656,534	$473,365	$0	$955,982	$61,115	$0
	SUMMARY: PROPOSED TARIFF RATES																						
13	FIRM TRANSPORTATION CHARGES		$10.00	$12.50	$15.00	$27.50	$27.50	$90.00	$90.00	$165.00	$275.00	$450.00	$475.00	$750.00	$900.00	$1,500.00	$3,000.00	$4,000.00	$13,333.33				$41.67
14	USAGE CHARGES (CENTS PER THERM)		129.971	61.219	38.680	98.922	35.886	29.723	17.784	12.783	10.531	11.530	9.706	9.425	10.112	10.812	10.612	9.164	3.381				
15	SHIPPER ADMINISTRATION CHARGE																				$300.00	$205.00	
16	CONSUMER CHARGE																				$4.95	$7.90	
	SUMMARY: PRESENT TARIFF RATES																						
17	FIRM TRANSPORTATION CHARGES		$10.00	$12.50	$15.00	$27.50	$27.50	$90.00	$90.00	$165.00	$275.00	$450.00	$475.00	$750.00	$900.00	$1,500.00	$3,000.00	$4,000.00	$13,333.33				$41.67
18	USAGE CHARGES (CENTS PER THERM)		44.073	44.073	44.073	29.356	29.356	19.781	19.781	17.907	16.627	14.664	11.094	10.232	8.957	8.314	6.868	6.278	0.000				
19	SHIPPER ADMINISTRATION CHARGE																				$100.00	$172.50	
20	CONSUMER CHARGE																				$3.00	$0.00	

SUPPORTING SCHEDULES: H-1 p. 3-8

SCHEDULE H-3 — COST OF SERVICE — PAGE 11 OF 11

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

OTHER OPERATING REVENUE SUMMARY

SUMMARY OTHER OPERATING REVENUE	PRESENT REVENUE	PROPOSED REVENUE

1	Res Connection Charge	$62,080	$0
2	Non-Res Connection Charge	$7,200	$0
3	Res Re-Connection Charge	$33,840	$0
4	Non-Res Re-Connection Charge	$900	$0
5	Connection Charge		
6	FTS-A, FTS-B, FTS-1, FTS-2, FTS-3	$0	$200,928
7	FTS-4, FTS-5, FTS-6	$0	$10,125
8	FTS-7 and Above	$0	$0
9	Subtotal Connection Charges	$124,020	$211,053
10	Collection in Lieu Of Disconnect	$0	$0
11	Change Of Account Charge	$0	$0
12	Return Check Charge	$11,400	$11,400
13	Temporary Disconnect Charge - (New)	$0	$1,050
14	Failed Trip Charge - (New)	$0	$4,500
15	Meter Re-Read at Consumer Request Charge - (New)	$0	$5,600
16	Overtime Charge (1.5 x applicable Misc. Charge)	$13,770	$23,790
17		$149,190	$257,393

CHESAPEAKE UTILITIES CO RPORATION
FLORIDA DIVISIO N

INCREMENTAL COST OF SERVICE STUDY
COST OF SERVICE

SPECIAL CONTRACT: MOSAIC

Test Year: 2010

Description	Description / Notes	Annual $ Amt
Rate Base	Net Plant	$853,723.77
Operation and M aintenance Expense	Incremental annual expenses	$10,723.81
Depreciation	Based on approv ed depreciation rates	$76,610.73
Insurance	Estimated	$1,000.00
Taxes - O ther than Incom e	Calculated @ 1.13% of 2009 Yr End Rate Base	$10,233.10
Return	Calculated @ 7.15% of Rate Base	$61,041.25
Income Taxes	Calculated @ 37.6%	$26,801.45
TOTAL COST OF SERVICE		$186,410.35
FORECASTED REVENUE		

Attachment No. 3

Staff's 2nd Data Requests - Docket No. 090125-GU

SCHEDULE H-1 | COST OF SERVICE | PAGE 1 OF 5

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPOR
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMB COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

CLASSIFICATION OF RATE BASE - PLANT

LINE NO.		TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE	CLASSIFIER
1	INTANGIBLE PLANT:	$1,289,085	$1,289,085	$0	$0	$0	100% customer
2	DISTRIBUTION PLANT:						
3	374 Land and Land Rights	$278,278	$0	$278,278	$0	$0	100% capacity
4	375 Structures and Improvements	$340,898	$0	$340,898	$0	$0	100% capacity
5	376 Mains	$34,804,008	$0	$34,804,008	$0	$0	100% capacity
6	377 Comp.Sta.Eq.	$0	$0	$0	$0	$0	100% capacity
7	378 Meas.& Reg.Sta.Eq.-Gen	$1,030,789	$0	$1,030,789	$0	$0	100% capacity
8	379 Meas.& Reg.Sta.Eq.-CG	$4,612,554	$0	$4,612,554	$0	$0	100% capacity
9	380 Services	$9,164,459	$9,164,459	$0	$0	$0	100% customer
10	381-382 Meters	$4,905,954	$4,905,954	$0	$0	$0	100% customer
11	383-384 House Regulators	$1,393,030	$1,393,030	$0	$0	$0	100% customer
12	385 Industrial Meas.& Reg.Eq.	$1,737,311	$0	$1,737,311	$0	$0	100% capacity
13	386 Property on Customer Premises	$0	$0	$0	$0	$0	ac 374-385
14	387 Other Equipment	$496,152	$131,673	$364,479	$0	$0	ac 374-386
15	397.1 AMR Equipment	$2,976,080	$2,976,080	$0	$0	$0	100% Customer
16	Total Distribution Plant	$61,739,514	$18,571,196	$43,168,318	$0	$0	
17	GENERAL PLANT:	$4,546,510	$1,367,587	$3,178,924	$0	$0	Dist Plant
18	PLANT ACQUISITIONS:	$0	$0	$0	$0	$0	
19	GAS PLANT FOR FUTURE USE:	$0	$0	$0	$0	$0	
20	CWIP:	$0	$0	$0	$0	$0	
21	TOTAL PLANT	$67,575,109	$21,227,867	$46,347,242	$0	$0	

SUPPORTING SCHEDULES: G-1 p.1, 4, 10

RECAP SCHEDULES: H-2 p. 1

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPOR
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

CLASSIFICATION OF RATE BASE
ACCUMULATED DEPRECIATION

LINE NO.		TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE	CLASSIFIER
1	INTANGIBLE PLANT:	($1,274,953)	($1,274,953)	$0	$0	$0	Related Plant Acct
2	DISTRIBUTION PLANT:						
3	374 Land and Land Rights						
4	375 Structures and Improvements	($125,816)	$0	($125,816)	$0	$0	"
5	376 Mains	($10,674,009)	$0	($10,674,009)	$0	$0	"
6	377 Compressor Sta. Eq.	$0	$0	$0	$0	$0	
7	378 Meas.& Reg.Sta. Eq.-Gen	($405,003)	$0	($405,003)	$0	$0	"
8	379 Meas.& Reg.Sta. Eq.-CG	($1,085,276)	$0	($1,085,276)	$0	$0	"
9	380 Services	($2,489,159)	($2,489,159)	$0	$0	$0	"
10	381-382 Meters	($1,602,053)	($1,602,053)	$0	$0	$0	"
11	383-384 House Regulators	($557,661)	($557,661)	$0	$0	$0	"
12	385 Indust.Meas.& Reg.Sta.Eq.	($517,155)	$0	($517,155)	$0	$0	"
13	386 Property on Customer Premises	$0	$0	$0	$0	$0	
14	387 Other Equipment	($244,530)	($64,895)	($179,634)	$0	$0	"
14	397.1 AMR Equipment	($227,626)	($227,626)	$0	$0	$0	100% Customer
15	Total A.D. on Dist. Plant	($17,928,288)	($4,941,394)	($12,986,893)	$0	$0	
16	GENERAL PLANT:	($2,006,607)	($603,586)	($1,403,021)	$0	$0	general plant
17	PLANT ACQUISITIONS:						
18	RETIREMENT WORK IN PROGRESS:	$0	$0	$0	$0	$0	a/c 376
19	TOTAL ACCUMULATED DEPRECIATION	($21,209,848)	($6,819,933)	($14,389,915)	$0	$0	
20	NET PLANT (Plant less Accum.Dep.)	$46,365,261	$14,407,934	$31,957,327	$0	$0	
21	less:CUSTOMER ADVANCES	$0	$0	$0	$0	$0	50%-50% cust--cap
22	plus:WORKING CAPITAL	$318,034	$217,188	$100,846	$0	$0	oper. and maint. exp.
23	equals:TOTAL RATE BASE	$46,683,295	$14,625,122	$32,058,173	$0	$0	

SUPPORTING SCHEDULES: G-1 p. 1, 4, 12

RECAP SCHEDULES: H-2 p. 1

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPOR
DOCKET NO: 090125-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBE
COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

CLASSIFICATION OF EXPENSES AND
DERIVATION OF COST OF SERVICE BY COST CLASSIFICATION

LINE NO.		TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE	CLASSIFIER
1	OPERATIONS AND MAINTENANCE EXPENSES						
2	LOCAL STORAGE PLANT:						
3	DISTRIBUTION:						
4	870 Operation Supervision & Eng.	$315,369	$170,389	$144,980	$0	$0	ac 871-879
5	871 Dist.Load Dispatch	$0	$0	$0	$0	$0	
6	872 Compr.Sta.Lab. & Ex.	$0	$0	$0	$0	$0	
7	873 Compr.Sta.Fuel & Power	$0	$0	$0	$0	$0	
8	874 Mains and Services	$399,031	$83,171	$315,860	$0	$0	ac 376+ac380
9	875 Meas.& Reg. Sta.Eq.-Gen	$33,442	$0	$33,442	$0	$0	ac 378
10	876 Meas.& Reg. Sta.Eq.-Ind.	$60,905	$0	$60,905	$0	$0	ac 385
11	877 Meas.& Reg. Sta.Eq.-CG	$21,551	$0	$21,551	$0	$0	ac 379
12	878 Meter and House Reg.	$405,987	$405,987	$0	$0	$0	ac 381+ac383
13	879 Customer Instal.	$18,267	$18,267	$0	$0	$0	100% customer
14	880 Other Expenses	$108,932	$50,484	$58,448	$0	$0	ac 870 - 879 + ac 881 - 894
15	881 Rents	$16,074	$0	$16,074	$0	$0	100% capacity
16	863 Mtce of Mains - Transmission	$5,715	$0	$5,715	$0	$0	100% capacity
17	865 Mtce of M&R Station - Transmission	$1,048	$0	$1,048	$0	$0	100% capacity
18	887 Maintenance of Mains	$179,856	$0	$179,856	$0	$0	ac 376
19	888 Maint. of Comp.Sta.Eq.	$0	$0	$0	$0	$0	
20	889 Maint. of Meas.& Reg. Sta.Eq.-Gen	$23,395	$0	$23,395	$0	$0	ac 378
21	890 Maint. of Meas.& Reg. Sta.Eq.-Ind.	$44,418	$0	$44,418	$0	$0	ac 385
22	891 Maint. of Meas.& Reg.Sta.Eq.-CG	$39,984	$0	$39,984	$0	$0	ac 379
23	892 Maintenance of Services	$19,399	$19,399	$0	$0	$0	ac 380
24	893 Maint. of Meters and House Reg.	$74,838	$74,838	$0	$0	$0	ac 381-383
25	894 Maint. of Other Equipment	$15,499	$4,113	$11,385	$0	$0	ac 387
26	Total Distribution Expenses	$1,783,711	$826,648	$957,063	$0	$0	
27	CUSTOMER ACCOUNTS:						
28	901 Supervision	$84,660	$84,660	$0	$0	$0	100% customer
29	902 Meter-Reading Expense	$65,748	$65,748	$0	$0	$0	100% customer
30	903 Records and Collection Exp.	$830,421	$830,421	$0	$0	$0	100% customer
31	904 Uncollectible Accounts	$43,301	$43,301	$0	$0	$0	100% customer
32	905 Misc. Expenses	$0		$0	$0	$0	
33	Total Customer Accounts	$1,024,129	$1,024,129	$0	$0	$0	
34	(907-910) CUSTOMER SERV.& INFO. EXP.	$0	$0	$0	$0	$0	100% customer
35	(911-916) SALES EXPENSE	$225,704	$225,704	$0	$0	$0	100% customer
36	(932) MAINT. OF GEN. PLANT	$12,690	$3,817	$8,873	$0	$0	general plant
37	(920-931) ADMINISTRATION AND GENERAL	$3,440,941	$2,349,847	$1,091,094	$0	$0	O&M excl. A&G
38	TOTAL O&M EXPENSE	$6,487,175	$4,430,145	$2,057,030	$0	$0	

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPOR.
DOCKET NO: 090125-GU

PLANATION: PROVIDE A FULLY ALLOCATED EMBEDD COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

CLASSIFICATION OF EXPENSES AND DERIVATION
OF COST OF SERVICE BY COST CLASSIFICATION

LINE NO.		TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE	CLASSIFIER
1	DEPRECIATION AND AMORTIZATION EXPENSE:						
2	Depreciation Expense	$2,366,297	$735,323	$1,630,974	$0	$0	net plant
3	Amort. of Other Gas Plant	$0	$0	$0	$0	$0	
4	Amort. of CIS	$0	$0	$0	$0	$0	
5	Amort. of Limited-term Inv.	$0	$0	$0	$0	$0	
6	Amort. of Acquisition Adj.	$0	$0	$0	$0	$0	
7	Amort. of Conversion Costs	$0	$0	$0	$0	$0	
8	Total Deprec. and Amort. Expense	$2,366,297	$735,323	$1,630,974	$0	$0	
9	TAXES OTHER THAN INCOME TAXES:						
10	Revenue Related	$58,868	$0	$0	$0	$58,868	100% revenue
11	Other	$1,046,531	$325,208	$721,323	$0	$0	net plant
12	Total Taxes other than Income Taxes	$1,105,399	$325,208	$721,323	$0	$58,868	
13	REV.CRDT TO COS(NEG.OF OTHR OPR.REV)	($257,393)	($128,697)	$0	($128,697)	$0	50% customer, 50% commodity
14	RETURN (REQUIRED NOI)	$3,337,856	$1,045,696	$2,292,160	$0	$0	rate base
15	INCOME TAXES	$1,442,295	$451,848	$990,447	$0	$0	return(noi)
16	OTHER	$0	$0	$0	$0	$0	
17	OTHER	$0	$0	$0	$0	$0	
18	TOTAL OVERALL COST OF SERVICE	$14,481,629	$6,859,524	$7,691,934	($128,697)	$58,868	

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPOR
DOCKET NO: 090125-GU

PLANATION: PROVIDE A FULLY ALLOCATED EMBEDD COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/10
WITNESS: HOUSEHOLDER

SUMMARY

LINE NO.		TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE
	SUMMARY:					
	ATTRITION					
1	O&M	$6,487,175	$4,430,145	$2,057,030	$0	$0
2	DEP.	$2,366,297	$735,323	$1,630,974	$0	$0
3	AMORTIZATION OF OTHER GAS PLANT	$0	$0	$0	$0	$0
4	AMORTIZATION OF CIS	$0	$0	$0	$0	$0
5	AMORTIZATION OF ACQ. ADJUSTMENT	$0	$0	$0	$0	$0
6	TOTAL TAXES OTHER THAN INCOME	$1,105,399	$325,208	$721,323	$0	$58,868
7	RETURN	$3,337,856	$1,045,696	$2,292,160	$0	$0
8	INCOME TAXES	$1,442,295	$451,848	$990,447	$0	$0
9	REVENUES CREDITED TO COST OF SERVICE	($257,393)	($128,697)	$0	($128,697)	$0
10	TOTAL COST	$14,481,629	$6,859,524	$7,691,934	($128,697)	$58,868
11	RATE BASE	$46,683,295	$14,625,122	$32,058,173	$0	$0
	KNOWN DIRECT & SPECICAL ASSIGNMENTS:					
	RATE BASE ITEMS(PLANT-ACC.DEP):					
12	381-382 METERS	$3,303,901	$3,303,901	$0	$0	$0
13	383-384 HOUSE REGULATORS	$835,369	$835,369	$0	$0	$0
14	385 INDUSTRIAL MEAS.& REG.EQ.	$1,220,156	$0	$1,220,156	$0	$0
15	376 MAINS	$24,129,999	$0	$24,129,999	$0	$0
16	380 SERVICES	$6,675,300	$6,675,300	$0	$0	$0
17	378 MEAS.& REG.STA.EQ.-GEN.	$625,786	$0	$625,786	$0	$0
	O & M ITEMS					
18	892 MAINT. OF SERVICES	$19,399	$19,399	$0	$0	$0
19	876 MEAS.& REG.STA.EQ.IND.	$60,905	$0	$60,905	$0	$0
20	878 METER & HOUSE REG.	$405,987	$405,987	$0	$0	$0
21	890 MAINT.OF MEAS.& REG.STA.EQ.-IND.	$44,418	$0	$44,418	$0	$0
22	893 MAINT.OF METERS AND HOUSE REG.	$74,838	$74,838	$0	$0	$0
23	874 MAINS AND SERVICES	$399,031	$83,171	$315,860	$0	$0
24	887 MAINT. OF MAINS	$179,856	$0	$179,856	$0	$0

Chesapeaake Utilities Corporation Florida Division
Attachment No. 4 to Staff's 2nd Data Request
Docket No. 090125-GU

Calculation of Proposed Experimental Rates

(From MFR Schedule H-3, p.9)		FTS-A	FTS-B	FTS-1	FTS-2	FTS-2.1	FTS-3	FTS-3.1
Proposed Total Target Revenue		$717,215	$649,704	$2,707,347	$595,655	$657,745	$445,584	$719,640
less Other Operating Revenue		($51,479)	($51,479)	($102,957)	($25,739)	($25,739)	$0	$0
	subtotal	$665,736	$598,225	$2,604,390	$569,916	$632,006	$445,584	$719,640
divided by Number of Bills		37,304	25,334	87,069	11,400	7,032	2,688	2,676
		$17.85	$23.61	$29.91	$49.99	$89.88	$165.77	$268.92
Proposed Exp. Rates (rounded)		$18.05	$24.00	$30.00	$50.00	$90.00	$166.00	$269.00

Chesapeaake Utilities Corporation Florida Division
Attachment No. 5 to Staff's 2nd Data Request
Docket No. 090125-GU

Calculation of Proposed Deposit Rates

(From MFR Schedule H-3, p.9)		FTS-2	FTS-2.1	FTS-3	FTS-3.1
Proposed Total Target Revenue		$595,655	$657,745	$445,584	$719,640
less Other Operating Revenue		($25,739)	($25,739)	$0	$0
	subtotal	$569,916	$632,006	$445,584	$719,640
divided by Number of Bills		11,400	7,032	2,688	2,676
Average Monthly Revenue		$49.99	$89.88	$165.77	$268.92
Two Months Average Revenue		$99.99	$179.75	$331.54	$537.85
Proposed Deposit Amount		$75.00	$150.00	$300.00	$500.00

Chesapeake Utilities Corporation Florida Division
Mosaic By-Pass Cost Estimate
Response to Question No. 79

Hot Tap & Lateral (FGT)				$270,000.00
Gate Station - Fabricate and Deliver:				$170,536.80
1	Meter	$ 13,000.00	$ 13,000.00	
4	Regs	$ 1,820.00	$ 7,280.00	
1	Relief	$ 1,985.00	$ 1,985.00	
1	Skid Station	$ 115,000.00	$ 115,000.00	
1	Installation	$ 15,000.00	$ 15,000.00	
			$ -	
			$ -	
1	7% tax		$ 10,658.55	
	Overheads		$ 7,613.25	
Telemetry				$ 5,457.50
1	EFM Unit and fittings	$ 2,500.00	$ 2,500.00	
1	Installation	$ 1,200.00	$ 1,200.00	
	Overheads		$ 1,757.50	
Distribution Lateral				$ 18,102.14
200	8" steel pipe - matl	$ 15.95	$ 3,190.00	
200	8" steel - install	$ 22.50	$ 4,500.00	
1	8" w x w valve	$ 1,600.00	$ 1,600.00	
1	misc materials	$ 1,393.50	$ 1,393.50	
20	inspector	$ 75.00	$ 1,500.00	
10	xray	$ 200.00	$ 2,000.00	
1	misc labor	$ 2,127.53	$ 2,127.53	
	Overheads		$ 815.55	
1	7% tax		$ 975.56	
			Subtotal project charges:	$464,096.44
			Permitting & Engineering:	$ 10,000.00
Total Capital Investment				$474,096.44
Capital Investment / 2.5 Year payback				$189,638.57
Annual O&M expense				$ 10,724.00
				$200,362.57