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ORIGINAL

RECORDS AND
REPORTING

03 JUN 22 AM 11:24

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June 22, 2000

VIA HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 000002-EG
Conservation Cost Recovery Clause

Dear Ms. Bayo:

Enclosed on behalf of Chesapeake Utilities Corporation for filing in the above docket are an original and fifteen (15) copies of the following:

1. Amended Direct Testimony of Beverly A. Bauck;
2. Amended Exhibit BAB-1; and
3. our Certificate of Service.

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this letter and returning same to my attention. Thank you for your assistance.

Sincerely,

Wayne L. Schiefelbein

APP _____
CAF _____
CMP _____
COM 34
CTR _____
ECR _____
LEG _____
OPC _____
PAI _____
RGO *Handwritten*
SEC _____
SER *Ballinger*
OTH _____

Wayne L. Schiefelbein
WLS:plk
Enclosures
cc: Ms. Beverly A. Bauck
Parties of Record

RECEIVED & FILED

man
FPSC DIVISION OF RECORDS

DOCUMENT NUMBER-DATE

07599 JUN 22 8

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery)
Clause.)
_____)

DOCKET NO. 000002-EG

FILED: June 22, 2000

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of Chesapeake Utilities Corporation's Amended Direct Testimony of Beverly A. Bauck and Amended Exhibit BAB-1 have been furnished by hand-delivery on this 22nd day of June, 2000, to **Donna M. Clemons, Esq.**, Division of Legal Services, Florida Public Service Commission, Gerald L. Gunter Building, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and by regular U.S. Mail to the following:

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Wayne L. Schiefelbein

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In Re: Conservation Cost Recovery Clause

3 AMENDED DIRECT TESTIMONY OF BEVERLY A. BAUCK

4 On Behalf of

5 Chesapeake Utilities Corporation

6 DOCKET NO. 000002-EG

ORIGINAL

7 Q. Please state your name, business address, by whom you are employed, and in
8 what capacity.

9 A. My name is Beverly Bauck, and my business address is 1015 6th Street N.W.,
10 Winter Haven, Florida, 33881. I am employed by Chesapeake Utilities
11 Corporation ("Chesapeake") as Conservation Service Representative.

12 Q. Are you familiar with the energy conservation programs of Chesapeake and costs
13 which have been, are projected to be, incurred in their implementation?

14 A. Yes.

15 Q. What is the purpose of your testimony in this docket?

16 A. The purpose of my testimony is to present data and summaries concerning the
17 planned and actual accomplishments of Chesapeake's energy conservation
18 programs during the period April 1999 through December 1999. Data related to
19 calculation of the true-up for this period is also included.

20 Q. Have you prepared summaries of Chesapeake's conservation programs and the
21 costs associated with them?

22 A. Yes. Summaries of the seven programs in connection with which Chesapeake
23 incurred recoverable costs during the period April 1999 through December 1999

DOCUMENT NUMBER-DATE

07599 JUN 22 8

FPSC-RECORDS/REPORTING

1 are contained in Schedule CT-6 of Exhibit BAB-1. Included are our Residential
2 Home Builders Programs, Appliance Replacement Program, Water Heater
3 Retention Program, Natural Gas Space Conditioning for Residential Homes
4 Program, Natural Gas Space Conditioning Program, Residential Propane
5 Distribution Program and our Conservation Education Program.

6 Q. Have you prepared schedules which show the expenditures associated with
7 Chesapeake's energy conservation programs for the periods you have mentioned?

8 A. Yes. Schedule CT-2 page 1, Exhibit BAB-1 shows actual expenses for the period.
9 Schedule CT-2, page, 1, shows a comparison of the actual program costs and true-
10 up with the estimated costs and true-up submitted at the October 1999 hearing in
11 this docket.

12 Q. What was the total cost incurred by Chesapeake in connection with the seven
13 programs during the nine months ending December 1999?

14 A. As shown in Exhibit BAB-1, Schedule CT-2, page 2, total program costs were
15 \$280,484. This total is \$ 26,496 less than our projection of the program costs for
16 the nine-month period.

17 Q. Have you prepared, for the nine-month period involved, a schedule which shows
18 the variance of actual from projected costs by categories of expenses.

19 A. Yes. Schedule CT-2, page 3, of Exhibit BAB-1 shows these variances. Reasons
20 for the variance are included in Schedule CT-5 of Exhibit BAB-1.

21 Q. What is Chesapeake's adjusted net true-up for the nine-months ended December
22 31,1999?

- 1 A. We originally estimated an underrecovery, including interest of, \$132,516. This
2 projected true-up amount was based on conservation revenues of \$177,834 for the
3 period April 1999 through December 1999. However, sales during this period
4 actually yielded conservation revenues of \$191,216, over projecting by \$13,382.
5 Reducing expenses by \$26,496 less than projected results in a total difference
6 including interest, of \$39,977, as shown on Schedule CT-1 of Exhibit BAB-1.
- 7 Q. Is this adjusted net true-up of \$39,977 an overrecovery or an underrecovery?
- 8 A. An overrecovery, as shown on Schedule CT-1 of Exhibit BAB-1.
- 9 Q. Does this conclude your testimony?
- 10 A. Yes, it does.

Amended Exhibit _____ (BAB-1)

CHESAPEAKE UTILITIES CORPORATION
CONSERVATION COST RECOVERY TRUE-UP
April 30, 1999 through December 31, 1999

CONTENTS

Schedule CT-1

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Schedule CT-2

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SCHEDULE CT-1

COMPANY: Chesapeake Utilities Corporation
Docket No. 000002-EG
Exhibit BAB-1
Page 1 of 16

ADJUSTED NET TRUE-UP
FOR APRIL 1999 THROUGH DECEMBER 1999

END OF PERIOD NET TRUE-UP

PRINCIPLE	89,268	
INTEREST	<u>3,271</u>	92,539

LESS PROJECTED TRUE-UP

PRINCIPLE	129,146	
INTEREST	<u>3,370</u>	<u>132,516</u>

ADJUSTED NET TRUE-UP (39,977)

() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

APRIL 1999 THROUGH DECEMBER 1999

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	34,997	30,003	4,994
MATERIALS & SUPPLIES	4,488	0	4,488
ADVERTISING	22,667	10,432	12,235
INCENTIVES	215,715	264,103	(48,389)
OUTSIDE SERVICES	47	106	(59)
VEHICLES	2,521	2,336	185
OTHER	<u>50</u>	<u>0</u>	<u>50</u>
SUB-TOTAL	280,484	306,980	(26,496)
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	280,484	306,980	(26,496)
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(191,216)	(177,834)	(13,382)
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	89,268	129,146	(39,878)
INTEREST PROVISION	<u>3,271</u>	<u>3,370</u>	<u>(99)</u>
END OF PERIOD TRUE-UP	<u>92,539</u>	<u>132,516</u>	<u>(39,977)</u>

() REFLECTS OVER-RECOVERY
* 4 MONTHS ACTUAL AND 5 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
FOR MONTHS: APRIL 1999 THROUGH DECEMBER 1999

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: Single & Multi-Family Home Builder	0	22787	0	20496	196087	0	1621	0	240992
PROGRAM 2: Residential Appliance	0	9322	0	1600	4948	0	689	0	16558
PROGRAM 3: W/H Retention	0	2527	0	570	14680	0	181	0	17958
PROGRAM 4: Conservation Education	0	361	4488	0	0	0	30	50	4929
PROGRAM 5: Natural Gas Space Conditioning	0	0	0	0	0	0	0	0	0
PROGRAM 6: Common Costs	0	0	0	0	0	47	0	0	47
PROGRAM 7: Residential Space Conditioning	0	0	0	0	0	0	0	0	0
PROGRAM 8: Propane Distribution	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL	0	34997	4488	22667	215715	47	2521	50	280484

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
FOR MONTHS: APRIL 1999 THROUGH DECEMBER 1999

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: Single & Multi-Family Home Builder	0	3214	0	14948	(51517)	0	121	0	(33233)
PROGRAM 2: Water Heater Replacement	0	488	0	570	6017	0	17	0	7092
PROGRAM 3: Oil & Electric Strip Heat Replaceme	0	1280	0	(3285)	(2889)	0	46	0	(4848)
PROGRAM 4: Conservation Education	0	12	4488	0	0	0	1	50	4551
PROGRAM 5: pace Conditioning	0	0	0	0	0	0	0	0	0
PROGRAM 6: Common Costs	0	0	0	0	0	(59)	0	0	(59)
PROGRAM 7: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 8: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0	0
TOTAL	0	4994	4488	12234	(48389)	(59)	185	50	(26497)

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
APRIL 1999 THROUGH DECEMBER 1999

EXPENSES:	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
PROGRAM 1:	28,798	10,579	55,611	26,888	18,368	11,460	27,366	19,186	42,734	240,992
PROGRAM 2:	0	0	0	0	0	0	0	0	0	0
PROGRAM 3:	0	0	0	0	0	0	0	0	0	0
PROGRAM 4:	42	41	42	42	42	41	59	44	4,574	4,929
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	47	0	0	0	0	0	0	0	47
PROGRAM 7:	2,629	1,074	1,950	896	1,438	2,002	1,942	1,606	4,420	17,958
PROGRAM 8:	1,301	3,072	2,347	1,072	2,160	1,653	1,216	1,260	2,477	16,558
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0
PROGRAM 10	0	0	0	0	0	0	0	0	0	0
PROGRAM 11	0	0	0	0	0	0	0	0	0	0
PROGRAM 12	0	0	0	0	0	0	0	0	0	0
PROGRAM 13	0	0	0	0	0	0	0	0	0	0
PROGRAM 14	0	0	0	0	0	0	0	0	0	0
PROGRAM 15	0	0	0	0	0	0	0	0	0	0
PROGRAM 16	0	0	0	0	0	0	0	0	0	0
PROGRAM 17	0	0	0	0	0	0	0	0	0	0
PROGRAM 18	0	0	0	0	0	0	0	0	0	0
PROGRAM 19	0	0	0	0	0	0	0	0	0	0
PROGRAM 20	0	0	0	0	0	0	0	0	0	0
TOTAL	32,771	14,813	59,951	28,900	22,008	15,156	30,584	22,096	54,206	280,484
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	32,771	14,813	59,951	28,900	22,008	15,156	30,584	22,096	54,206	280,484

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
APRIL 1999 THROUGH DECEMBER 1999

CONSERVATION REVENUES	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	<u>(34,178.53)</u>	<u>(27,535.19)</u>	<u>(23,928.11)</u>	<u>(22,151.79)</u>	<u>(21,464.83)</u>	<u>(20,528.03)</u>	<u>(23,126.83)</u>	<u>(27,694.70)</u>	<u>(39,133.76)</u>	<u>(239,741.77)</u>
4. TOTAL REVENUES	<u>(34,178.53)</u>	<u>(27,535.19)</u>	<u>(23,928.11)</u>	<u>(22,151.79)</u>	<u>(21,464.83)</u>	<u>(20,528.03)</u>	<u>(23,126.83)</u>	<u>(27,694.70)</u>	<u>(39,133.76)</u>	<u>(239,741.77)</u>
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	<u>5,391.75</u>	<u>48,525.75</u>								
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	<u>(28,786.78)</u>	<u>(22,143.44)</u>	<u>(18,536.36)</u>	<u>(16,760.04)</u>	<u>(16,073.08)</u>	<u>(15,136.28)</u>	<u>(17,735.08)</u>	<u>(22,302.95)</u>	<u>(33,742.01)</u>	<u>(191,216.02)</u>
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	32,770.59	14,813.43	59,950.78	28,899.56	22,007.78	15,156.27	30,584.05	22,095.67	54,205.63	280,483.76
8. TRUE-UP THIS PERIOD	3,983.81	(7,330.01)	41,414.42	12,139.52	5,934.70	19.99	12,848.97	(207.28)	20,463.62	89,267.74
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	248.64	220.46	275.14	373.69	401.08	399.87	432.27	451.49	468.43	3,271.08
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	62,349.76	61,190.46	48,689.16	84,986.97	92,108.43	93,052.46	88,080.58	95,970.06	90,822.52	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	<u>(5,391.75)</u>									
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	<u>61,190.46</u>	<u>48,689.16</u>	<u>84,986.97</u>	<u>92,108.43</u>	<u>93,052.46</u>	<u>88,080.58</u>	<u>95,970.06</u>	<u>90,822.52</u>	<u>106,362.83</u>	<u>92,538.82</u>

CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR MONTHS APRIL 1999 THROUGH DECEMBER 1999

INTEREST PROVISION	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. BEGINNING TRUE-UP	62,349.76	61,190.46	48,689.16	84,986.97	92,108.43	93,052.46	88,080.58	95,970.06	90,822.52	
2. ENDING TRUE-UP BEFORE INTEREST	<u>60,941.82</u>	<u>48,468.70</u>	<u>84,711.83</u>	<u>91,734.74</u>	<u>92,651.38</u>	<u>87,680.70</u>	<u>95,537.80</u>	<u>90,371.03</u>	<u>105,894.39</u>	
3. TOTAL BEGINNING & ENDING TRUE-UP	123,291.58	109,659.16	133,400.99	176,721.71	184,759.81	180,733.17	183,618.37	186,341.10	196,716.92	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	<u>61,645.79</u>	<u>54,829.58</u>	<u>66,700.49</u>	<u>88,360.85</u>	<u>92,379.91</u>	<u>90,366.58</u>	<u>91,809.19</u>	<u>93,170.55</u>	<u>98,358.46</u>	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	4.880%	4.800%	4.850%	5.050%	5.100%	5.320%	5.300%	6.000%	5.630%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	<u>4.800%</u>	<u>4.850%</u>	<u>5.050%</u>	<u>5.100%</u>	<u>5.320%</u>	<u>5.300%</u>	<u>6.000%</u>	<u>5.630%</u>	<u>5.800%</u>	
7. TOTAL (SUM LINES 5 & 6)	9.680%	9.650%	9.900%	10.150%	10.420%	10.620%	11.300%	11.630%	11.430%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	4.840%	4.825%	4.950%	5.075%	5.210%	5.310%	5.650%	5.815%	5.715%	
9. MONTHLY AVG INTEREST RATE	0.403%	0.402%	0.413%	0.423%	0.434%	0.443%	0.471%	0.485%	0.476%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	<u>\$248.64</u>	<u>\$220.46</u>	<u>\$275.14</u>	<u>\$373.69</u>	<u>\$401.08</u>	<u>\$399.87</u>	<u>\$432.27</u>	<u>\$451.49</u>	<u>\$468.43</u>	<u>\$3,271.08</u>

Exhibit No. _____ (BAB-1)
Docket No. 000002-EG
CHESAPEAKE UTILITIES CORPORATION
Page 9 of 16

Schedule CT-5

CHESAPEAKE UTILITIES CORPORATION

Reconciliation and Explanation of Differences Between Filing and PSC Audit Report for April
1999 through December 1999.

NO DIFFERENCES AS OF THE DATE OF THIS FILING

Schedule CT-6
Page 1 of 7

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Residential Home Builder Program

Program Description:

This program is designed to increase the number of high priority natural gas customers in the new home construction market. Incentives are offered in the form of gas piping and venting allowances to assist builders with gas appliance installation.

Allowances:

Conservation allowances are currently:

- \$275 Energy efficient natural gas water heater installation.
- \$275 Natural Gas home heating.
- \$75 Energy efficient natural gas range or dryer stub outlet.

Program Projections:

For the nine-month period April 1999 through December 1999, we estimated that 420 homes would be connected to the system. During this period, allowances were actually paid for building 336 new homes equipped with natural gas appliances.

Program Fiscal Expenditures:

During the nine-month period, expenditures for this program totaled \$240,992.

Program Progress Summary:

Since the programs inception, 4674 new homes have been equipped with natural gas appliances. Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new homes.

Schedule CT-6
Page 2 of 7

CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:
Residential Appliance Replacement Program

Program Description:
This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered in the form of allowances to assist in defraying the additional cost associated with the installation of piping, venting and purchase of natural gas appliances.

Program Projections:
For the nine-month period April 1999 through December 1999, we estimated that 14 residences would qualify for incentives during this period. In actuality, 15 residences qualified for incentives.

Program Fiscal Expenditures:
For this nine-month period, CUC incurred program costs of \$16,558.

Program Summary:
Since inception, 27 residences have qualified for this program.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Residential Water Heater Retention Program

Program Description:

This program is design to encourage the continued use of natural gas in the home and avoid costly abandonment activities by the Company. This program offers a cash incentive to both the customer and the dealer to promote the retention of the natural gas water heater.

Program Projections:

For the nine-month period April 1999 through December 1999, we estimated that 81 natural gas water heaters would qualify for this program. In actuality, 108 natural gas water heaters were installed.

Program Fiscal Expenditures:

For this nine-month period, CUC incurred program costs of \$17,958.

Program Summary:

Since inception, 238 natural gas water heaters have been changed out and natural gas water heaters reinstalled. CUC will continue to work closely with homeowners and dealers to promote the continued used of energy efficient natural gas.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Conservation Education Program

Program Description:

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

Program Projections:

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

Program Fiscal Expenditures:

Program costs totaled \$4,929 for this nine-month period.

Programs Progress Summary:

We continue to meet requests from school and the community for speakers and from schools for conservation education materials.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:
Gas Space Conditioning Program

Program Description:
The program is designed to convert customers from electric space conditioning equipment to energy efficient natural gas space conditioning equipment. The program provides an allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation. The program will also help reduce summer kw demand and will assist in the conservation of kwh production. The company offers incentives of \$50 per ton installed natural gas space conditioning equipment.

Program Projections:
There were no projections made for natural gas cooling during this period.

Program Fiscal Expenditures:
There were no expenditures during this period.

Program Summary:
Seven natural gas space conditioning units have been installed since this program began.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:
Residential Space Conditioning Program

Program Description:
This program is designed to convert residential customers from electric space conditioning equipment to energy efficient natural gas space conditioning equipment. The program provides an allowance to qualifying participants to compensate for the higher initial costs of natural gas space conditioning equipment and its installation. The program will also help reduce the summer KW demand and will assist in the conservation of KWH production.

Program Projections:
There has been no activity in this program to date.

Program Fiscal Expenditures:
For this nine-month period, CUC has not incurred any costs related to this program.

Program Summary:
There has been no activity in this program to date.

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CHESAPEAKE UTILITIES CORPORATION
Program Description and Progress

Program Title:

Residential Propane Distribution Program

Program Description:

This program is designed to promote the use of gas within subdivisions that are built beyond existing natural gas lines. This program is designed to provide Builders and developers a cash incentive to encourage the installation of gas appliances in newly constructed homes.

Program Projections:

There has been no activity in this program to date.

Program Fiscal Expenditures:

For this nine-month period, CUC has not incurred any costs related to this program.

Program Summary:

There has been no activity in this program to date.