

**ANNUAL REPORT OF
NATURAL GAS UTILITIES**

OFFICIAL COPY
Division of
Economic Regulation
FPSC

CHESAPEAKE UTILITIES CORPORATION

WINTER HAVEN, FLORIDA

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2001

02 JUN - 3 11:10 AM
ECONOMIC REGULATION

02 JUN - 3 11:10 AM

FLORIDA PUBLIC SERVICE
COMMISSION

Officer or other person to whom correspondence should be addressed concerning this report:

Name	Thomas A. Geoffroy	Title	Assistant Vice President
Address	P.O. Box 960	City	Winter Haven State FL
Telephone No.	863-293-2125		PSC/AFA 20 (/97)

02 JUN -6 AM 10:50

ECONOMIC REGULATION

PricewaterhouseCoopers LLP
101 East Kennedy Boulevard
Suite 1500
Tampa FL 33602-5147
Telephone (813) 229 0221
Facsimile (813) 229 3646

Report of Independent Certified Public Accountants

To the Board of Directors
The Florida Division of Chesapeake Utilities Corporation

Our regular examinations of the financial statements of the Florida Division of Chesapeake Utilities Corporation, (a wholly owned subsidiary of Chesapeake Utilities Corporation) are conducted for the purpose of including such financial statements in the consolidated accounts of its parent company, which are included in an annual report to shareholders and on which we have reported separately for the years ended December 31, 2001 and 2000 under date of February 8, 2002. In connection with our examination of the financial statements of the Florida Division of Chesapeake Utilities for the years then ended, we have also reviewed the Comparative Balance Sheet, Statement of Income, and Notes to Financial Statements for the years then ended and the Statement of Retained Earnings and Statement of Cash Flows for the year ended December 31, 2001, included in the accompanying Annual Report of Natural Gas Utilities as filed with the Florida Public Service Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida Division of Chesapeake Utilities Corporation as of December 31, 2001 and 2000, the results of its operations and its cash flows for the year ended December 31, 2001, and net income for the year ended December 31, 2000, in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the board of directors and management of the Florida Division of Chesapeake Utilities Corporation and for filing with the Florida Public Service Commission and should not be used for any other purpose.

PricewaterhouseCoopers LLP

February 8, 2001

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

01 Exact Legal Name of Respondent	02 Year of Report
Chesapeake Utilities Corporation-Florida Division	December 31, 2001
03 Previous Name and Date of Change (if name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code)	
1015 6th St. NW., Winter Haven, Florida 33881	
05 Name of Contact Person	06 Title of Contact Person
Amanda J. Price	Division Accountant II
07 Address of Contact Person (Street, City, State, Zip Code)	
1015 6th St. NW., Winter Haven, Florida 33881	
08 Telephone of Contact Person, Including Area Code	09 Date of Report (Mo, Da, Yr)
863-293-2125	May 31, 2002

ATTESTATION

I certify that I am the responsible accounting officer of

Chesapeake Utilities Corporation

that I have examined the following report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2001 to December 31, 2001, inclusive.

I also certify that all affiliated transfer prices and affiliated cost allocations were determined consistent with the methods reported to this Commission on the appropriate forms included in this report.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in S. 775.082 and S. 775.083.

5/30/2002

Date

Michael P. McMasters

Signature

Michael P. McMasters

Name

Vice President, Treasurer & Chief Financial Officer

Title

TABLE OF CONTENTS

Title of Schedule (a)	Page No. (b)	Title of Schedule (a)	Page No. (b)
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS		INCOME ACCOUNT SUPPORTING SCHEDULES	
General Information	3	Gas Operating Revenues	46-47
Control Over Respondent	4	Residential and Commercial Space Heating Customers	48
Corporations Controlled By Respondent	5	Interruptible, Off Peak, and Firm Sales to Distribution System Industrial Customers	48
Officers	6	Gas Operation and Maintenance Expenses	49-51
Directors	7	Number of Gas Department Employees	51
Security Holders and Voting Powers	8	Gas Purchases	52
Important Changes During the Year	9	Gas Used in Utility Operations - Credit	53
Comparative Balance Sheet	10-11	Other Gas Supply Expenses	54
Statement of Income for the Year	12-14	Miscellaneous General Expenses - Gas	54
Statement of Retained Earnings for the Year	15-16	Depreciation, Depletion, and Amortization of Gas Plant	55
Statement of Cash Flows	17-18	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	56
Notes to Financial Statements	19	Regulatory Commission Expenses	57-58
		Distribution of Salaries and Wages	59
		Charges for Outside Prof. and Other Consultative Services	60
BALANCE SHEET SUPPORTING SCHEDULES			
(Assets And Other Debits)			
Summary of Utility Plant and Accum. Prov. for Depreciation, Amortization, and Depletion	20-21		
Gas Plant in Service	22-24		
Accumulated Depreciation & Amortization	25-27		
Construction Work in Progress - Gas	28		
Construction Overheads - Gas	29		
Construction Overhead Procedure	30		
Accum. Prov. for Depreciation of Gas Utility Plant	31		
Prepayments	32		
Extraordinary Property Losses	32		
Unrecovered Plant and Regulatory Study Costs	32		
Other Regulatory Assets	33		
Miscellaneous Deferred Debits	34		
Accum. Deferred Income Taxes	35		
		REGULATORY ASSESSMENT FEE	
		Reconciliation of Gross Operating Revenues - Annual Report versus Regulatory Assessment Fee Return	61
(Liabilities and Other Credits)			
Capital Stock Subscribed, Capital Stock Liability for Conversion Premium on Capital Stock, and Securities Issued or Assumed and Securities Refunded or Retired During the Year	36		
Long-Term Debt	37		
Unamortized Debt Exp., Premium and Discount on Long-Term Debt	38		
Unamortized Loss and Gain on Reacquired Debt	39		
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	40		
Taxes Accrued, Prepaid and Charged During Year	41		
Accumulated Deferred Investment Tax Credits	42		
Miscellaneous Current and Accrued Liabilities	43		
Other Deferred Credits	43		
Accumulated Deferred Income Taxes	44		
Other Regulatory Liabilities	45		
		DIVERSIFICATION ACTIVITY	
		Corporate Structure	62
		New or Amended Contracts with Affiliated Companies	63
		Individual Affiliated Transactions in Excess of \$25,000	64
		Summary of Affiliated Transfers and Cost Allocations	65
		Assets or Rights Purchased from or Sold to Affiliates	66
		Employee Transfers	67

Name of Respondent Chesapeake Utilities Corporation	For the Year Ended Dec. 31, 2001
GENERAL INFORMATION	
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p style="margin-left: 40px;"> Michael P. McMasters-Vice President, Treasurer & Chief Financial Officer 1015 6th St NW, Winter Haven, Florida 33881 909 Silver Lake Blvd., Dover, Delaware 19901 </p>	
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p style="margin-left: 40px;">State of Delaware-1947</p>	
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p style="margin-left: 40px;">N/A</p>	
<p>4. State the type of utility and nonutility services furnished by respondent during the year in each State in which the respondent operated.</p> <p style="margin-left: 40px;">Class B</p>	
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p style="margin-left: 40px;">No</p>	

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee (s), state name of

trustee (s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

2. If the above required information is available from the SEC 10K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.

N/A

Name of Respondent Chesapeake Utilities Corporation		For the Year Ended Dec. 31, 2001	
CORPORATIONS CONTROLLED BY RESPONDENT			
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.</p> <p>2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.</p> </div> <div style="width: 48%;"> <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.</p> <p>4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> </div> </div>			
DEFINITIONS			
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>1. See the Uniform System of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.</p> <p>4. Joint control is that in which neither interest can effectively</p> </div> <div style="width: 48%;"> <p>control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.</p> </div> </div>			
Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
The Florida Division of Chesapeake Utilities Corporation does not control any other organizations, business trusts, or corporations. However, our parent company, Chesapeake Utilities does directly or indirectly control other subsidiaries. These organizations are listed in Chesapeake's Form 10-K.			

Dec. 31, 2001

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policymaking functions.

any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.

3. Utilities which are required to file the same data with the Securities and Exchange Commission, may substitute a copy of item 4 of Regulation S-K (identified as this page). The substituted page(s) should be the same size as this page.

2. If a change was made during the year in the incumbent of

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chairman	Ralph J. Adkins	\$0
2	President, CEO	John R. Schimkaitis	\$7,748
3	Vice-President, Treasurer, and CFO	Michael P. McMasters	\$27,182
5	Vice-President of Natural Gas	Steven C. Thompson	\$34,802
7	Vice-President, Asst. Treasurer, Asst. Secretary	William C. Boyles	\$19,871
8	Assistant Secretary	James R. Lowe	\$27,196
9			
10			
11			
12	Note: The salaries above represent only that portion allocated to the Florida Division.		
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			
51			

Dec. 31, 2001

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.

2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
Ralph J. Adkins, Chairman of Board	909 Silver Lake Blvd, Dover Delaware 19901	9	officer
John R. Schimkaitis, President, CEO	909 Silver Lake Blvd, Dover Delaware 19901	9	officer
John W. Jardine, Jr., Director	909 Silver Lake Blvd, Dover Delaware 19901	17	\$4,893.42
Jeremiah P. Shea, Director	909 Silver Lake Blvd, Dover Delaware 19901	15	\$4,443.42
Robert F. Rider, Director	909 Silver Lake Blvd, Dover Delaware 19901	10	\$3,968.99
William G. Warden III, Director	909 Silver Lake Blvd, Dover Delaware 19901	2	\$359.99
Rudolph M. Peins, Jr., Director	909 Silver Lake Blvd, Dover Delaware 19901	14	\$4,868.99
Walter J. Coleman, Director	909 Silver Lake Blvd, Dover Delaware 19901	17	\$4,893.42
Richard Bernstein, Director	909 Silver Lake Blvd, Dover Delaware 19901	10	\$4,058.99
Calvert A. Morgan, Jr., Director	909 Silver Lake Blvd, Dover Delaware 19901	12	\$4,083.42
Thomas J. Bresnan, Director	909 Silver Lake Blvd, Dover Delaware 19901	2	\$1,357.29
J. Peter Martin, Director	909 Silver Lake Blvd, Dover Delaware 19901	3	\$2,357.29
Joseph E. Moore, Esq., Director	909 Silver Lake Blvd, Dover Delaware 19901	2	\$1,357.29

Note: The fees above represent only that portion allocated to the Florida Division.

Name of Respondent Chesapeake Utilities Corporation		For the Year Ended Dec. 31, 2001			
SECURITY HOLDERS AND VOTING POWERS					
<p>1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not complied within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.</p> <p>2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became vested with voting rights and</p> <p style="text-align: right;">give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent: if contingent, describe the contingency.</p> <p>3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.</p> <p>4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants or rights were issued on a prorata basis.</p>					
1. Give date of the latest closing of the stock book prior to the end year, and state the purpose of such closing:		2. State the total number of votes cast at the latest general meeting prior to the end of year for the election of directors of the respondents and number of such votes cast by proxy.		3. Give the date and place of such meeting:	
		Total: By Proxy:			
		VOTING SECURITIES Number of votes as of (date):			
Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities				
5	TOTAL number of security holders				
6	TOTAL votes of security holders listed below				
7					
8					
9	Shareholder information may be obtained through:				
10					
11	William C. Boyles, V.P. of Administrative Services, Corporate Secretary				
12	909 Silver Lake Boulevard				
13	Dover, Delaware 19901				
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important information to franchise rights:

Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.

4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases,

development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.

6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 8, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11. Estimate increase or decrease in annual revenues due to important rate changes: State effective rate and approximate amount of increase or decrease from each revenue classification. State the number of customers affected.

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instruction 1 to 11 above, such notes may be attached to this page.

1-12 None

Dec. 31, 2001

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account	Ref. Page No.	Balance at Beginning of Year (c)	Balance at End of Year (d)
	(a)	(b)		
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	20-21	\$31,684,117	\$37,137,396
3	Construction Work in Progress (107)	20-21	3,686,306	310,249
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		35,370,423	37,447,645
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	20-21	(10,203,516)	(10,267,769)
6	Net Utility Plant (Enter Total of line 4 less 5)		25,166,907	27,179,876
7	Utility Plant Adjustments (116)	19		
8	Gas Stored (117.1, 117.2, 117.3, 117.4)	-		
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)	-		
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-		
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-		
14	Other Investments (124)	-		
15	Special Funds (125-128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)			
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	44,463	(390,846)
19	Special Deposits (132-134)	-		
20	Working Funds (135)	-	1,125	1,325
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	3,388,830	4,245,184
24	Other Accounts Receivable (143)	-	0	0
25	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	-	(42,808)	(28,443)
26	Notes Receivable from Associated Companies (145)	-		
27	Accounts Receivable from Assoc. Companies (146)	-	(11,861,613)	(14,608,083)
28	Fuel Stock (151)	-		
29	Fuel Stock Expense Undistributed (152)	-		
30	Residuals (Elec) and Extracted Products (Gas) (153)	-		
31	Plant Material and Operating Supplies (154)	-	439,770	449,116
32	Merchandise (155)	-		
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Undgrd. & Liq. Nat. Gas Stored (164.1-164.3)	-		
36	Prepayments (165)	32	85,001	114,040
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-		
41	Miscellaneous Current and Accrued Assets (174)	-		
42	TOTAL Current and Accrued Assets (Enter Total of lines 18 through 41)		(7,945,232)	(10,217,707)
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-		
45	Extraordinary Property Losses (182.1)	32		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	32		
47	Other Regulatory Assets (182.3)	33	137,807	111,989
48	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)	-		
49	Clearing Accounts (184)	-	6,867	0
50	Temporary Facilities (185)	-		
51	Miscellaneous Deferred Debits (186)	34	914,861	977,946
52	Def. Losses from Disposition of Utility Plant. (187)	-		
53	Research, Devel. and Demonstration Expend. (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	-		
55	Accumulated Deferred Income Taxes (190)	35	0	0
56	Unrecovered Purchased Gas Costs (191)	-	2,235,150	1,298,250
57	TOTAL Deferred Debits (Enter Total of lines 44 through 56)		3,294,685	2,388,185
58	TOTAL Assets and other Debits (Enter Total of lines 6, 7, 8, 16, 42, 57)		\$20,516,360	\$19,350,354

Dec. 31, 2001

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock (201, 202, 203, 205, 206, 207)	-		
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-211) & Accounts 212, 213, 214	-		
5	Retained Earnings (215, 215.1, 216)	15-16	12,257,045	13,216,717
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	15-16		
7	(Less) Reacquired Capital Stock (217)	-		
8	TOTAL Proprietary Capital (Enter Total of lines 2 through 7)		12,257,045	13,216,717
9	LONG-TERM DEBT			
10	Bonds (221)	37		
11	(Less) Reacquired Bonds (222)	37		
12	Advances from Associated Companies (223)	37		
13	Other Long-Term Debt (224)	37		
14	Unamortized Premium on Long-Term Debt (225)	38		
15	(Less) Unamortized Discount on Long-Term Debt-Dr. (226)	38		
16	TOTAL Long-Term Debt (Enter Total of lines 10 through 15)			
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)	-		
19	Accumulated Provision for Property Insurance (228.1)	-		
20	Accumulated Provision for Injuries and Damages (228.2)	-		
21	Accumulated Provision for Pensions and Benefits (228.3)	-	244,968	245,644
22	Accumulated Miscellaneous Operating Provisions (228.4)	-		
23	Accumulated Provision for Rate Refunds (229)	-		
24	TOTAL Other Noncurrent Liabilities (Enter Total of lines 18 through 23)		244,968	245,644
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)	-		
27	Accounts Payable (232)	-	3,504,277	611,349
28	Notes Payable to Associated Companies (233)	-		
29	Accounts Payable to Associated Companies (234)	-		
30	Customer Deposits (235)	-	622,116	627,623
31	Taxes Accrued (236)	41	(442,477)	52,928
32	Interest Accrued (237)	-	29	(9,549)
33	Dividends Declared (238)	-		
34	Matured Long-Term Debt (239)	-		
35	Matured Interest (240)	-		
36	Tax Collections Payable (241)	-	245,879	157,065
37	Miscellaneous Current and Accrued Liabilities (242)	43	140,275	(228,147)
38	Obligations Under Capital Leases-Current (243)	-		
39				
40	TOTAL Current and Accrued Liabilities (Enter Total of lines 26 through 39)		\$4,070,099	\$1,211,269
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)	-	270,672	258,201
43	Other Deferred Credits (253)	43	156,988	507,478
44	Other Regulatory Liabilities (254)	45	688,323	1,053,323
45	Accumulated Deferred Investment Tax Credits (255)	42	308,480	288,957
46	Deferred Gains from Disposition of Utility Plant (256)	-		
47	Unamortized Gain on Reacquired Debt (257)	39		
48	Accumulated Deferred Income Taxes (281-283)	44	2,519,785	2,568,765
49	TOTAL Deferred Credits (Enter Total of lines 42 through 48)		3,944,248	4,676,724
50				
51	TOTAL Liabilities and Other Credits (Enter Total of lines 8, 16, 24, 40 and 49)		\$20,516,360	\$19,350,354
52				

STATEMENT OF INCOME

1. Report amounts for Accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount (s) over lines 01 through 24 as appropriate. Include these amounts in columns (c) and (d) totals.

2. Report amounts in Account 414, Other Utility Operating Income, in the same manner as Accounts 412 and 413 above.

3. Report data for lines 7,9,10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

4. Use page 19 for important notes regarding the statement of income or any account thereof.

5. Give concise explanations on page 19 concerning

unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.

6. Give concise explanations on page 19 concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting

Line No.	Account (a)	Ref. Page No. (b)	Total Current Year (c)	Total Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	46-47	\$20,439,236	\$20,576,236
3	Operating Expenses			
4	Operation Expenses (401)	49-51	15,772,831	16,316,195
5	Maintenance Expenses (402)	49-51	344,357	249,956
6	Depreciation Expense (403)	25-27	1,249,210	1,051,294
7	Amort. & Depl. of Utility Plant (404-405)	25-27	172,499	172,500
8	Amort. of Utility Plant Acq. Adj. (406)	25-27	44	31,131
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	-		
10	Amort. of Conversion Expenses (407.2)	-		
11	Regulatory Debits (407.3)	-		
12	(Less) Regulatory Credits (407.4)	-		
13	Taxes Other Than Income Taxes (408.1)	41	548,081	1,288,643
14	Income Taxes - Federal (409.1)	41	415,446	(555,021)
15	- Other (409.1)	41	69,084	(95,008)
16	Provision for Deferred Inc. Taxes (410.1)	35, 44	568,256	1,188,911
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	35, 44	(519,276)	(231,717)
18	Investment Tax Credit Adj. - Net (411.4)	42		
19	(Less) Gains from Disp. of Utility Plant (411.6)	-		
20	Losses from Disp. of Utility Plant (411.7)	-		
21	(Less) Gains from Disposition of Allowances (411.8)	-		
22	Losses from Disposition of Allowances (411.9)	-		
23	TOTAL Utility Operating Expenses (Total of lines 4 -22)		18,620,532	19,416,885
24	Net Utility Operating Income (Total of line 2 less 23) (Carry forward to page 14, line 25)		1,818,704	1,159,352

STATEMENT OF INCOME (Continued)

revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 19.

8. Enter on page 19 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of

allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 22, and report the information in the blank space on page 19 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY - WATER		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
		\$20,439,236	\$20,576,236			1
						2
						3
		15,772,831	16,316,195			4
		344,357	249,956			5
		1,249,210	1,051,294			6
		172,499	172,500			7
		44	31,131			8
						9
						10
						11
						12
		548,081	1,288,643			13
		415,446	(630,505)			14
		69,084	(19,523)			15
		568,256	1,188,911			16
		(519,276)	(231,717)			17
						18
						19
						20
						21
						22
		18,620,532	19,416,885			23
		1,818,704	1,159,351			24

Name of Respondent Chesapeake Utilities Corporation			For the Year Ended Dec. 31, 2001	
STATEMENT OF INCOME (Continued)				
Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 12)		\$1,818,704	\$1,159,351
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-		
	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-		
31	Revenues From Nonutility Operations (417)	-	-	-
32	(Less) Expenses of Nonutility Operations (417.1)	-		
33	Nonoperating Rental Income (418)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	15-16		
35	Interest and Dividend Income (419)	-	156,546	13,771
36	Allowance for Other Funds Used During Construction (419.1)	-	-	
37	Miscellaneous Nonoperating Income (421)	-		
38	Gain on Disposition of Property (421.1)	-		
39	TOTAL Other Income (Enter Total of lines 29 through 38)		156,546	13,771
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-		
42	Miscellaneous Amortization (425)	60		
43	Miscellaneous Income Deductions (426.1-426.5)	56	-	-
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		-	-
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	41		
47	Income Taxes - Federal (409.2)	41	(51,778)	(4,425)
48	Income Taxes - Other (409.2)	41	(8,610)	(757)
49	Provision for Deferred Income Taxes (410.2)	35, 44		
50	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	35, 44		
51	Investment Tax Credit Adj.- Net (411.5)	-		
52	(Less) Investment Tax Credits (420)	-	19,523	19,523
53	TOTAL Taxes on Other Inc. and Ded. (Enter Total of 46 through 52)		(40,865)	14,341
54	Net Other Income and Deductions (Enter Total of lines 39,44,53)		115,681	28,112
55	Interest Charges			
56	Interest on Long-Term Debt (427)	-	708,803	403,781
57	Amortization of Debt Disc. and Expense (428)		17,853	17,068
58	Amortization of Loss on Reacquired Debt (428.1)	-		
59	(Less) Amort. of Premium on Debt - Credit (429)	38		
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-		
61	Interest on Debt to Assoc. Companies (430)	60		
62	Other Interest Expense (431)	56	248,056	319,552
63	(Less) Allow. for Borrowed Funds Used During Const. - Cr. (432)	-	-	-
64	Net Interest Charges (Total of lines 56 through 63)		974,712	740,401
65	Income Before Extraordinary Items (Enter Total of lines 25, 54 and 64)		959,673	447,062
66	Extraordinary Items			
67	Extraordinary Income (434)	-		
68	(Less) Extraordinary Deductions (435)	-		
69	Net Extraordinary Items (Enter Total of line 67 less line 68)			
70	Income Taxes - Federal and Other (409.3)	41		
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)			
72	Net Income (Enter Total of lines 65 and 71)		\$959,673	\$447,062

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

STATEMENT OF RETAINED EARNINGS

1. Report all changes in appropriate retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.

5. Show dividends for each class and series of capital stock.
6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 19.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		\$12,257,044
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439):		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Account 439) (Enter Total of lines 4 through 8)		
10	Debit:		
11	Debit:		
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Account 439) (Enter Total of lines 10 through 14)		
16	Balance Transferred from Income (Account 433 less Account 418.1)		959,673
17	Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		
22	(Enter Total of lines 18 through 20)		
23	Dividends Declared - Preferred Stock (Account 437)		
24			
25			
26			
27			
28	TOTAL Dividends Declared - Preferred Stock (Account 437)		
29	(Enter Total of lines 24 through 27)		
30	Dividends Declared - Common Stock (Account 438)		
31			
32			
33			
34			
35	TOTAL Dividends Declared - Common Stock (Account 438)		
36	(Enter Total of lines 31 through 34)		
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
38	Balance - End of Year (Enter Total of lines 01, 09, 15, 16, 22, 29, 36 and 37)		\$13,216,717

Name of Respondent Chesapeake Utilities Corporation		For the Year Ended Dec. 31, 2001
STATEMENT OF RETAINED EARNINGS (Continued)		
Line No.	Item (a)	Amount (b)
	APPROPRIATED RETAINED EARNINGS (Account 215)	
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.	
39		
40		
41		
42		
43		
44		
45	TOTAL Appropriated Retained Earnings (Account 215)	
	APPROPRIATED RETAINED EARNINGS - Amortization , Reserve, Federal (Account 215.1)	
	State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.	
46	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)	
47	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1)(Enter Total of lines 45 & 46)	
48	TOTAL Retained Earnings (Account 215, 215.1, 216)(Enter Total of lines 38 and 47)	\$13,216,717
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)	
49	Balance - Beginning of Year (Debit or Credit)	
50	Equity in Earnings for Year (Credit) (Account 418.1)	
51	(Less) Dividends Received (Debit)	
52	Other Changes (Explain)	
53	Balance - End of year	\$13,216,717

STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be attached to page 19. Information about noncash investing and financing activities should be provided on page 19. Provide also on page 19 a reconciliation between "Cash and Cash Equivalents at end of Year" with related amounts on the balance sheet.

3. Operating Activities - Other: include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 19 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

2. Under "Other" specify significant amounts and group others.

Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow From Operating Activities:	
2	Net Income (Line 72(c) on page 14)	\$959,673
3	Non-Cash Charges (Credits) to Income:	
4	Depreciation and Depletion	1,421,753
5	Amortization of (Specify) Acquis. Adjustment, Environmental, Reserve Deficits	0
6	Net (Decrease) Increase in Cust. Advances for Construction	(12,471)
7	Net (Decrease) Increase in Accum. Prov. For Pensions & Benefits	676
8	Net (Decrease) Increase in Deferred Income Taxes (Net)	48,980
9	Investment Tax Credit Adjustments (Net)	(19,523)
10	Net (Increase) Decreases in Receivables	(870,719)
11	Net (Increase) Decreases in Inventory	(9,346)
12	Net (Increase) Decreases in Allowances Inventory	
13	Net (Decrease) Increase in Payables and Accrued Expenses	(2,858,830)
14	Net (Increase) Decreases in Other Regulatory Assets	(63,085)
15	Net (Decrease) Increase in Other Regulatory Liabilities	365,000
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	
18	Other: Prepayments	(29,039)
19	Misc Debits/Credits	350,490
20	Purchased Gas Adjustment	936,900
21	Other Reg. Assets & Clearing Accounts	32,685
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 through 20)	253,144
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant	(3,434,722)
27	Gross Additions to Common Utility Plant	
28	Gross Additions to Environmental Costs	
29	(Less) Allowance for Other Funds Used During Construction	
30	Other: CWIP, RWIP, Adjustments	
31	Reserve for Refund Applied to Environmental	
32		
33		
34	Cash Outflows for Plant (Total of lines 24 through 32)	(3,434,722)
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d) Salvage less cost of removal	
38	Investment in and Advances to Assoc. and Subsidiary Companies	
39	Contributions and Advances from Assoc. and Subsidiary Companies	2,746,470
40	Disposition of Investments in (and Advances to)	
41	Associated and Subsidiary Companies	
42	Purchases of Investment Securities (a)	
43	Proceeds from Sales of Investment Securities (a)	

Dec. 31, 2001

STATEMENT OF CASH FLOWS (Continued)

4. Investing Activities

5. Codes used:

Include at other (line 31) net cash outflows to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 19.

Do not include on this statement the dollar amount of leases capitalized per USofA General instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 19.

- (a) Net proceeds or payments
- (b) Bonds, debentures and other long-term debt.
- (c) Include commercial paper
- (d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on page 19 clarifications and explanations.

Line No.	DESCRIPTION (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)
46	Loans Made or Purchased	
47	Collections on Loans	
48		
49	Net (Increase) Decrease in Receivables	
50	Net (Increase) Decrease in Inventory	
51	Net (Increase) Decrease in	
52	Allowances Held for Speculation	
53	Net Increase (Decrease) in Payables and Accrued Expenses	
54	Other:	
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 33 through 55)	(688,252)
58		
59	Cash Flows From Financing Activities:	
60	Proceeds from Issuance of:	
61	Long-Term Debt (b)	
62	Preferred Stock	
63	Common Stock	
64	Other	
65		
66	Net Increase in Short-term Debt (c)	
67	Other:	
68		
69		
70	Cash provided by Outside Sources (Total of lines 61 through 69)	0
71		
72	Payments of Retirement of:	
73	Long-Term Debt (b)	
74	Preferred Stock	
75	Common Stock	
76	Other:	
77		
78	Net Decrease in Short-Term Debt (c)	
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock	
82	Net Cash Provided by (Used in) Financing Activities	
83	(Total of lines 70 through 81)	0
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 21, 57, and 83)	(435,109)
87		
88	Cash and Cash Equivalents at Beginning of Year	45,588
89		
90	Cash and Cash Equivalents at End of Year	(\$389,521)

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and

plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 12-18, such notes may be attached hereto.

1. **Summary of Accounting Policies:**

Business - The Florida Division of Chesapeake Utilities Corporation (the Company) is engaged in the distribution of natural gas. The Company serves residential, commercial, and industrial customers in Polk, Osceola, Citrus and Hillsborough, Holmes, Jackson, Quincy, Gilchrist, Union, and Suwannee counties. In 2001, approximately 55% of gas revenues were derived from industrial sales. Commercial sales contributed 19% of gas revenues, and the residential class the remaining 26%.

System of Accounts - The Company's financial statements are prepared in accordance with the accounting requirement of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Property, Plant, Equipment and Depreciation - Utility property is stated at original cost. The costs of repairs and minor replacements are charged to income as incurred and the costs of major renewals and betterments are capitalized. Upon retirement or disposition of utility property, the recorded cost of removal, net of salvage value, is charged to accumulated depreciation.

The provision for depreciation is computed using the straight-line method at rates that amortize the unrecovered cost of depreciable property over the estimated useful life of the asset. Depreciation and amortization expenses are provided at an annual rate for the Company. Average rates for the past three years were 4 percent for the natural gas distribution assets.

Investment Tax Credits - Investment tax credits on utility property have been deferred and are allocated to income ratably over the lives of the subject property.

Operating Revenues - Revenues for the Company are based on rates approved by the Florida Public Service Commission (FPSC). Customers' base rates may not be changed without formal approval by the FPSC. The Company recognizes revenues based on services rendered and records an amount for gas delivered but not yet billed.

Other Deferred Charges - Other deferred charges include discount, premium and issuance costs associated with long-term debt and rate case expenses. Debt costs are deferred, then amortized over the original lives of the respective debt issuances. The current rate case expenses have been deferred, and are amortized over a four-year period, as approved by the FPSC.

Deferred Gas Costs - The Company has a purchased gas adjustment recovery mechanism that provides for the adjustment of rates charged to customers as gas costs fluctuate. These amounts are collected or refunded through adjustments to rates in subsequent periods.

Inventories - The Company uses the average cost method to value inventory. If the market prices drop below average cost, inventory balances are adjusted to market values.

Uses of Estimates - The financial statements are prepared in conformity with generally accepted accounting principles that require management to make estimates in measuring assets and liabilities and related revenue and expenses.

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

2. **FASB Statements and Other Authoritative Pronouncements**

SFAS No. 133 - Effective January 1, 2001, Chesapeake adopted Financial Accounting Standards Board (FASB) SFAS No. 133 as amended by SFAS No. 137 and 138, which established accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. Their adoption did not have a material impact on Chesapeake's financial position or results of operations.

SFAS No. 143 - SFAS No. 143, "Accounting for Asset Retirement Obligations," provides guidance on the accounting for obligations associated with the retirement of long-lived assets. SFAS No. 143 requires a liability to be recognized in the financial statements for retirement obligations meeting specific criteria. Measurement of the initial obligation is to approximate fair value with an equivalent amount recorded as an increase in the value of the capitalized asset. The asset will be depreciable in accordance with normal depreciation policy and the liability will be increased, with a charge to the income statement, until the obligation is settled. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. The potential impact of adopting SFAS No. 143 has not yet been determined.

3. **Regulatory Affairs:**

In association with the implementation in April 2001 of the transportation aggregation program, the Company filed a petition in November 2001 for recovery of incremental non-recurring expenses related to providing transportation service. The Florida Public Service Commission approved the recovery in January 2002.

The Florida Public Service Commission approved a special contract petition with a cement production facility near Branford in Suwannee County, Florida. The agreement is for the construction of natural gas distribution facilities from Florida Gas Transmissions' pipeline to the cement production plant. The term of the contract is for 10 years with a fixed annual transportation charge. The facilities are expected to be in service in 2002.

4. **Related Party Transactions:**

Certain expenses and other income items are incurred as a result of transactions with affiliates. At December 31, 2001 and 2000 the Company had a net liability of approximately \$14,608,083 and \$11,861,613, respectively, due Chesapeake Utilities Corporation and affiliates for these transactions.

During 2001 and 2000 Chesapeake Utilities Corporation charged the Company \$404,787 and \$721,625 for payroll related expenses and \$1,194,694 and \$791,626 for general corporation services, respectively.

Interest expense allocated through intercompany transactions in 2001 and 2000 was \$943,521 and \$701,603, respectively. The remaining interest expense for 2001 and 2000 of \$31,191 and \$38,798 respectively, was the result of direct interest charges for the division.

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

5. **Income Taxes:**

The components of income tax expense are:

	2001	2000
Current federal	\$415,446	(\$555,021)
Current state	69,084	(95,008)
Deferred	48,980	957,194
Total income tax expense	<u>\$533,510</u>	<u>\$307,165</u>

Deferred tax expense results from timing differences in the recognition of expenses for tax and financial statement purposes. Deferred taxes relate primarily to timing differences created by depreciation and deferred revenue.

Total income tax expense differs from the amount computed by applying the federal income tax rate to pretax book income for the following reasons:

	2001	2000
Federal income tax expense at statutory rates	\$482,126	\$254,141
State income taxes, net of Federal Income Tax Benefit	49,246	25,959
Investment Tax Credit Amortization	(19,523)	(19,523)
Amortization of acquisition adjustment	0	11,715
Other	21,661	34,873
Total income tax expense	<u>\$533,510</u>	<u>\$307,165</u>
Income taxes paid	<u>\$416,990</u>	<u>\$205,865</u>

6. **Commitments and Contingencies:**

Environmental:

In January 2001 the Company filed a remedial action plan ("RAP") with the Florida Department of the Environment ("FDEP"). The RAP was approved by the FDEP on May 4, 2001. The current estimate of costs to complete the RAP is \$1 million (discounted). Accordingly, at December 31, 2001, the Company accrued a liability of \$1 million. Through December 31, 2001, the Company has incurred approximately \$890,000 of environmental costs associated with the Florida site. At December 31, 2001, the Company had collected \$523,000 in excess of costs incurred. A regulatory asset of \$477,000 representing the uncollected portion of the estimated clean up costs has also been recorded. Once the FDEP approves the RAP, the Company will commence with the remediation procedures per the RAP.

7. **Pension Plan:**

In December 1998, Chesapeake restructured the employee benefit plans to be competitive with employers in similar industries. Chesapeake offered existing participants of the defined benefit plan the option to remain in the existing plan or receive a one-time payout and enroll in an enhanced retirement savings plan. Chesapeake closed the defined benefit plan to new participants, effective December 31, 1998. Benefits under the plan are based on each participant's year of service and highest average compensation. Chesapeake's funding policy provides that payments to the trustee shall be equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974. The net pension expense allocated to the Company for 2001 and 2000 was \$50,065 and \$5,616, respectively.

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

	2001	2000
Change in benefit obligation:		
Benefit obligation at beginning of year	\$8,826,534	\$8,241,995
Service cost	347,955	354,031
Interest cost	646,205	605,185
Effect of curtailment	0	0
Change in discount rate	659,629	0
Actuarial (gain)/loss	47,068	8,153
Benefits paid	(407,027)	(382,830)
Benefit obligation at end of year	<u>10,120,364</u>	<u>8,826,534</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	11,738,984	10,185,394
Actual return on plan assets	413,617	1,936,420
Employer contribution	0	0
Benefits paid	(407,027)	(382,830)
Fair value of plan assets at end of year	<u>11,745,574</u>	<u>11,738,984</u>
Funded status	1,625,210	2,912,450
Unrecognized transition obligation	(66,059)	(81,163)
Unrecognized prior service cost	(53,055)	(57,754)
Unrecognized net gain	(2,413,816)	(3,883,807)
Accrued pension cost	<u>(\$907,720)</u>	<u>(\$1,110,274)</u>
Assumptions:		
Discount rate	7.00%	7.50%
Rate of compensation increase	4.75%	4.75%
Expected return on plan assets	8.50%	8.50%

Net periodic pension cost for the defined pension benefit plan for 2001 and 2000 include the following components:

For the Years Ended December 31,	2001	2000
Components of net periodic pension cost:		
Service cost	\$347,955	\$354,031
Interest cost	646,205	605,185
Expected return on assets	(981,882)	(859,245)
Amortization of:	0	0
Transition assets	(15,104)	(15,104)
Prior service cost	(4,699)	(4,699)
Actuarial gain	(195,029)	(141,533)
Net periodic pension cost	<u>(202,554)</u>	<u>(61,365)</u>
Curtailment gain	0	0
Amounts capitalized as construction costs	0	0
Total pension cost accruals	<u>(\$202,554)</u>	<u>(\$61,365)</u>

Retirement Savings Plan

Chesapeake sponsors a 401(k) Retirement Savings Plan, which provides participants a mechanism for making contributions for retirement savings. Each participant may make pre-tax contributions of up to 15% of eligible base compensation, subject to IRS limitations. For participants still covered by the defined benefit pension plan, Chesapeake makes a contribution matching 60% or 100% of each participant's pre-tax contributions based on the participant's years of service, not to exceed 6% of the participant's eligible compensation for the plan year. The Company's portion of the contributions totaled \$173,245 and \$128,968 for the years ended December 31, 2001 and 2000, respectively.

Enhanced Retirement Saving Plan

Effective January 1, 1999, Chesapeake began offering an enhanced 401(k) plan to all new employees, as well as existing employees that elected to no longer participate in the defined benefit plan. Chesapeake makes matching contributions on a basis of up to 6% of each employee's pre-tax compensation for the year. The match is between 100% and 200%, based on a combination of the employee's age and years of service. The first 100% of the funds are matched with Chesapeake common stock. The remaining match is invested in Chesapeake's 401(k) plan according to each employee's election options. On December 1, 2001, Chesapeake converted the 401(k) fund holding Chesapeake stock to an Employee Stock Ownership Plan.

Effective January 1, 1999 Chesapeake began offering a non-qualified supplemental employee retirement savings plan open to Chesapeake executives over a specific income threshold. Participants receive a cash only matching contribution percentage equivalent of their 401(k) match level. All contributions and matched funds earn interest income monthly. This Plan is not funded externally.

Chesapeake's contributions to the 401(k) plans totaled \$1,352,000, and \$1,231,000 and \$1,066,000 for the years ended December 31, 2001, 2000 and 1999, respectively. As of December 31, 2001, there are 273,333 shares reserved to fund future contribution to the Retirement Savings Plan.

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

8. **Other Post-retirement Benefits:**

Chesapeake sponsors a defined benefit post-retirement health care and life insurance plan that covers substantially all natural gas and corporate employees.

The health care inflation rate for 2001 is assumed to be 7.5 %. This rate is projected to gradually decrease to an ultimate rate of 5% by the year 2007. A one percentage point increase in the health care inflation rate from the assumed rate would increase the accumulated post-retirement benefit obligation by approximately \$68,000 as of January 1, 2002, and would increase the aggregate of the service cost and interest cost components of the net periodic post-retirement benefit cost for 2002 by approximately \$5,000.

Net periodic post-retirement costs for 2001 and 2000 include the following components:

For the Years Ended December 31,	2001	2000
Service cost	\$887	\$1,803
Interest cost	49,799	57,584
Amortization of:		
Transition obligation	27,859	27,859
Actuarial loss	(1,717)	0
Net periodic post-retirement cost	76,828	87,246
Amounts capitalized as construction costs	0	0
Amounts amortized	0	25,028
Total post-retirement cost accruals	\$76,828	\$112,274

The following schedule sets forth the funded status of the post-retirement health care and life insurance plan:

At December 31,	2001	2000
Change in benefit obligation:		
Benefit obligation at beginning of year	\$832,535	\$788,532
Retirees	(58,485)	23,708
Fully- eligible active employees	(24,453)	48,992
Other active	(25,671)	(28,697)
Benefit obligation at end of year	\$723,926	\$832,535
Funded status	(723,926)	(832,535)
Unrecognized transition obligation	133,718	161,577
Unrecognized net loss	(73,737)	61,543
Accrued post-retirement cost	(\$663,945)	(\$609,415)
Assumptions:		
Discount rate	7.00%	7.50%

Name of Respondent		For the Year Ended	
Chesapeake Utilities Corporation		Dec. 31, 2001	
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	101 Plant in Service (Classified)	37,137,396	
4	101.1 Property Under Capital Leases		
5	102 Plant Purchased or Sold		
6	106 Completed Construction not Classified		
7	103 Experimental Plant Unclassified		
8	104 Leased to Others		
9	105 Held for Future Use		
10	114 Acquisition Adjustments	-	
11	TOTAL Utility Plant (Enter Total of lines 3 through 10)	37,137,396	
12	107 Construction Work in Progress	310,249	
13	Accum. Prov. for Depr., Amort., & Depl.(Includes RWIP)	(10,267,769)	
14	Net Utility Plant (Enter total of lines 11 plus 12 less line 13)	27,179,876	
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation(Includes RWIP)	9,633,623	
18	111 Amort. and Depl. of Producing Nat. Gas Land & Land Rights		
19	111 Amort. of Underground Storage Land and Land Rights		
20	119 Amort. of Other Utility Plant	634,146	
21	TOTAL in Service (Enter Total of lines 17 through 20)	10,267,769	
22	Leased to Others		
23	108 Depreciation		
24	111 Amortization and Depletion		
25	TOTAL Leased to Others (Enter Total of lines 23 and 24)		
26	Held for Future Use		
27	108 Depreciation		
28	111 Amortization		
29	TOTAL Held for Future Use (Enter. Tot. of lines 27 and 28)		
30	111 Abandonment of Leases (Natural Gas)		
31	115 Amort. of Plant Acquisition Adjustment	-	
32	TOTAL Acc. Provisions (Should agree with line 13 above) (Enter Total of lines 21, 25, 29, 30, and 31)	10,267,769	

Name of Respondent Chesapeake Utilities Corporation					For the Year Ended Dec. 31, 2001
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)					
Gas (d)	Water (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
37,137,396					3
					4
					5
					6
					7
					8
					9
-					10
37,137,396					11
310,249					12
(10,267,769)					13
					14
27,179,876					15
					16
					17
9,633,623					18
					19
					20
634,146					21
10,267,769					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
-					32
					33
10,267,769					

Annual Status Report Analysis of Plant in Service Accounts

Company: Chesapeake Utilities Corporation
For the Year Ended December 31, 2001

Page 1 of 3

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	CIAC	Adjustments & Transfers	Ending Balance*
374	Land-Distribution		28,748	40,416	0	0	(923)	0	68,240
389	Land-General		98,285	0	0	0	0	0	98,285
	Land-Other								
Amortizable General Plant Assets:									
301	Organization	3.00%	23,328	0	0	0			23,328
302	Franchise and Consent	3.00%	14,132	0	0	0			14,132
303	Misc Intangible Plant	10.00%	1,002,616	0	0	0			1,002,616
	Subtotal		1,167,109	40,416	0	0	(923)	0	1,206,601
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
375	Structures and Improvements	3.00%	233,057	5,488					238,544
376	Mains (Steel)	3.20%	10,524,753	2,323,760	(5,250)		(248,160)		12,595,103
376	Mains (Plastic)	3.50%	7,485,371	3,082,866			(664,391)	(14,042)	9,889,803
378	M&R Equipment-General	3.60%	595,405	30,996			(9,350)		617,051
379	M&R Equipment-City	3.50%	1,207,223	568,774			(138,214)		1,637,783
379	M&R Equipment-City (CIAC)	3.50%	(27,105)		(19,526)				(27,105)
380	Dist Plant Services (Steel)	5.10%	938,330	3,353					922,157
380	Dist Plant - Services (CIAC)	5.50%	(129,648)		(37,550)				(129,648)
380	Dist Plant-Service (Plastic)	5.50%	2,592,094	579,868	(24)				3,134,412
381	Meters	4.50%	1,139,691	157,318					1,296,985
382	Meter Installations	3.50%	717,871	161,744	(1,556)				878,060
383	Regulators	3.60%	798,991	42,712	(3,110)				838,593
384	Regulator Installations	3.20%	0						0
385	M&R Equipment-Industrial	4.00%	1,225,989	131,620					1,357,609
385	M&R Equipment-Indus CIAC	4.00%	(147,019)						(147,019)
387	Other Equipment	16.80%	304,080	2,370					306,450
390	Structures and Improvements	2.30%	365,346	3,475					368,821
391.1	Data processing Equipment	14.30%	141,101	17,061					158,162
391.2	Office Furniture	5.80%	84,451						84,451
391.3	Office Equipment	9.40%	84,412	11,363	(10,436)				85,340
391.4	Vax System Equipment	16.70%	50,151						50,151
392.3	Transportation Equipment	2.90%	119,139						119,139
393	Stores Equipment	4.00%	0						0
394	Tools and Work Equipment	5.30%	77,215						77,215
396	Power Operated Equipment	7.80%	388,697	9,748					398,445
397	Communication Equipment	6.80%	132,671	109,380			(18,137)		223,914
398	Misc. Equipment	7.40%	48,083	6,543					54,626
392.1	Transportation Equip.	14.20%	933,830	210,743	(165,882)			(76,937)	901,754
	Subtotal		29,884,178	7,459,182	(243,335)	0	(1,078,252)	(90,979)	35,930,795

Page 22

Annual Status Report

For the Year Ended December 31, 2001

Page 2 of 3

Acct. No.	Acct. Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	CIAC	Adjustments & Transfers	Ending Balance
-----------	-------------------	------------	--------------------	-----------	-------------	----------	------	-------------------------	----------------

Annual Status Report Analysis of Plant in Service Accounts

Company: Chesapeake Utilities Corporation
For the Year Ended December 31, 2001

Page 3 of 3

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	CIAC	Adjustments & Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Total Account 101*									
Amortizable Assets:									
1141	Acquisition Adjustment	6.66%	627,288					(627,288)	0
114	Acquisition Adjustment-Old	N/A	5,543					(5,543)	0
1143	Acquisition Adjustment-Inc. Tax	N/A	0						0
Subtotal			632,831	0	0	0		(632,831)	0
Total Utility Plant			31,684,117	7,499,598	(243,335)	0	(1,079,175)	(723,810)	37,137,396

Note: * The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 20.

Annual Status Report

Analysis of Entries in Accumulated Depreciation & Amortization

Company: Chesapeake Utilities Corporation
For the Year Ended December 31, 2001

Page 1 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
301	Organization	(21,495)	(700)							(22,195)
302	Franchise and Consent	(5,780)	(424)							(6,204)
303	Misc Intangible Plant	(505,486)	(100,262)							(605,747)
		0								0
		0								0
Acquisitions										
115	Cost of Acquisition	(627,244)							627,244	(0)
114	Cost of Acquisition-old	(5,543)	0						5,543	(0)
1152	Inc. Tax on Acquis Adjustment	0	0							0
		(1,165,548)	(101,385)	0	0	0	0	0	632,787	(634,146)
	Subtotal									
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
375	Structures and Improvements	(51,692)	(7,136)							(58,828)
376	Mains (Steel)	(4,364,843)	(349,199)				3,741			(4,705,050)
376	Mains (Plastic)	(741,292)	(314,308)							(1,055,599)
378	M&R Equipment-General	(109,985)	(21,960)							(131,946)
379	M&R Equipment-City	(248,467)	(51,879)							(300,347)
379	M&R Equipment-City (CIAC)	0								0
380	Dist Plant Services (Steel)	(449,974)	(50,039)		19,526					(480,487)
380	Dist Plant - Services (CIAC)	41,420	7,312							48,732
380	Dist Plant-Services (Plastic)	(435,009)	(149,934)		37,550		10,866			(536,536)
381	Meters	(473,773)	(53,435)		24					(527,183)
382	Meter Installations	(162,273)	(26,126)		1,556					(186,843)
383	Regulators	(226,220)	(29,215)		3,110					(252,326)
384	Regulator Installations	0	(92)							(92)
385	M&R Equipment-Industrial	(88,255)	(49,259)							(137,514)
385	M&R Equipment-Indus CIAC	28,313	5,881							34,194
387	Other Equipment	(158,366)	(51,167)							(209,533)
390	Structures and Improvements	(92,561)	(8,420)							(100,981)
391.1	Data processing Equipment	(66,721)	(21,507)							(88,228)
931.2	Office Furniture	(39,088)	(4,986)							(44,074)
391.3	Office Equipment	(35,791)	(8,052)		10,436					(33,407)
391.4	Vax System Equipment	(29,765)	(8,375)							(38,140)
392.3	Transportation Equipment	(105,222)	(3,455)							(108,677)
393	Stores Equipment	0								0
394	Tools and Work Equipment	(29,950)	(4,092)							(34,042)
396	Power Operated Equipment	(150,854)	(30,477)							(181,330)
397	Communication Equipment	(50,922)	(15,830)							(66,552)
398	Misc. Equipment	(16,682)	(3,659)							(20,341)
392.1	Transportation Equip. Autos	(420,357)	(147,847)		165,882	(31,656)				(433,978)
	Subtotal	(8,478,328)	(1,397,057)	0	243,335	(31,656)	14,598	0	0	(9,649,109)

Page 25

Annual Status Report

Company: Chesapeake Utilities Corporation

For the Year Ended December 31, 2001

Page 2 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
((Continued))										

Annual Status Report

Analysis of Entries in Accumulated Depreciation & Amortization

Company: Chesapeake Utilities Corporation
For the Year Ended December 31, 2001

Page 3 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Capital Recovery Schedules: This schedule should identify each approved capital recovery schedule.										
111-375	Accum Amort Structures & Imp	0	0							0
111-397	Accum Amort Comm Equipment	0	0							0
362	Gas Holders	(559,641)	(65,188)				108,032	0	516,797	(0)
Subtotal		(559,641)	(65,188)	0	0	0	108,032	0	516,797	(0)
List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 12.										
374	Land and Land Rights	0								0
389	Land and Land Rights	0								0
Adjustment										
Subtotal		0	0	0	0	0	0	15,486	0	15,486
Grand Total		(10,203,516)	(1,563,630)	0	243,335	(31,656)	122,829	15,486	1,149,584	(10,267,769)

Note: * The grand total of beginning and ending balances must agree to Line 17, Page 20.

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).

2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).

3. Minor projects (less than \$500,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Miscellaneous	\$310,249	\$310,249
2			
3			
4			
5			
6			
7			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
34			
35			
36			
37			
38			
39			
40			
41	TOTAL	\$310,249	\$310,249

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

CONSTRUCTION OVERHEADS-GAS

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.
2. On page 30 furnish information concerning construction overheads.
3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain on page 30 the accounting procedures employed

- and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.
4. Enter on this page engineering, supervision, administrative,, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	Administrative and General	-	
2	Transportation	-	
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38	TOTAL	-	

Name of Respondent Chesapeake Utilities Corporation	For the Year Ended Dec. 31, 2001
GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE	
1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.	
N/A	

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.

2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c) and that reported for gas plant in service, pages 22 - 27, column (d), excluding retirements of non-depreciable property.

3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If

the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.

4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

[illegible]

Name of Respondent Chesapeake Utilities Corporation					For the Year Ended Dec. 31, 2001	
PREPAYMENTS (Account 165)						
1. Report below the particulars (details) on each prepayment.						
Line No.	Nature of Prepayment (a)	Balance at End of Year (In Dollars) (b)				
1	Prepaid Insurance	29,043				
2	Prepaid Rents	83,333				
3	Prepaid Taxes (page 41)	1,663				
4	Prepaid Interest					
5	Gas Prepayments					
6	Miscellaneous Prepayments: Prepaid Postage	-				
7	TOTAL	\$114,040				
EXTRAORDINARY PROPERTY LOSSES (Account 182.1)						
Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d) Amount (e)		Balance at End of Year (f)
1	N/A					
2						
3						
4						
5						
6						
7						
8						
9	TOTAL					
UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)						
Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d) Amount (e)		Balance at End of Year (f)
10	N/A					
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21	TOTAL					

Name of Respondent Chesapeake Utilities Corporation				For the Year Ended Dec. 31, 2001		
OTHER REGULATORY ASSETS (Account 182.3)						
1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includible in other amounts).				2. For regulatory assets being amortized, show period of amortization in column (a). 3. Minor items (amounts less than \$25,000) may be grouped by classes.		
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amounts (e)	
1	109 Reg Asset-Rev Requirement-Depr	\$137,807	\$119,180		\$144,998	\$111,989
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43	TOTAL					

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.

2. For any deferred debit being amortized, show period of amortization in column (a).

3. Minor items (amounts less than \$25,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	Account Charged (d)	Credit Amount (e)	Balance End of Year (f)
1	Deferred Development Exp	\$8,725	10,000		18,725	-
2	Cashier Over/Under	-	1,003	903	1,003	-
3	Deferred Rate Case	\$271,136	-	928	66,504	\$204,632
4	Environmental Regulatory	\$635,000	887,722	928	1,045,445	\$477,276
5	Deferred TCR 636 Charges	-	296,038			\$296,038
6						-
7						-
8						-
9						-
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses					
49	(See Pages 61 - 62)					
50	TOTAL	\$914,861				\$977,946

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. If more space is needed, use separate pages as required.
4. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR			ADJUSTMENTS					Balance at End of Year (k)
			Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)	Amounts Debited to Acct. 410.2 Acct. 411.2 (e)	Amounts Credited to Acct. 411.2 (f)	DEBITS Amount Acct. No. (g)	DEBITS Amount Acct. No. (h)	CREDITS Amount Acct. No. (i)	CREDITS Amount (j)	
1	ELECTRIC										
2											
3											
4											
5	TOTAL Electric (Lines 2 - 4)										
6	GAS										
7											
8	N/A										
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21	TOTAL Gas (Lines 7 - 19)										
22	Other (Specify)										
23	TOTAL (Account 190)										
(Enter Total of lines 5, 20 & 21)											

NOTES

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

SECURITIES ISSUED OR ASSUMED AND
SECURITIES REFUNDED OR RETIRED DURING THE YEAR

1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Included in the identification of each class and series of security, as appropriate, the interest or dividend rate,

nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

N/A

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
3. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
4. For receiver's certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.
5. In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes

during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.

6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.

7. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

9. Give particulars (details) concerning any long-term debt authorized by a regulatory Commission but not yet issued.

Line No.	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Original Amount Issued (d)	INTEREST FOR YEAR		Total Amount Outstanding (g)
					Rate (in %) (e)	Amount (f)	
1							
2							
3	1st Mortgage Bond Series "I"	12/29/89	12/15/04		9.37	212,512	2,268,000
4	Convertible Debentures	02/15/89	03/01/14		8.25	277,035	3,358,000
5	Senior Note	01/15/93	02/01/08		7.97	478,200	6,000,000
6	Senior Note 2	10/01/95	10/01/10		6.91	502,545	7,272,727
7	Senior Note 3	12/15/97	01/01/12		6.85	685,000	10,000,000
8	Senior Note 4	12/15/01	01/01/15		7.83	1,566,000	20,000,000
9							
10							
11	Allocation to Florida Division	708,803					
12	Allocation to Other Jurisdictions	3,012,489					
13							
14	Total Chesapeake Utilities Corp.	3,721,292					
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28	TOTAL					3,721,292	48,898,727

Name of Respondent Chesapeake Utilities Corporation				For the Year Ended Dec. 31, 2001				
UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)								
1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt. 2. Show premium amounts by enclosing the figures in parentheses. 3. In column (b) show the principal amount of bonds or other long-term debt originally issued. 4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.				5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts. 6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years. 7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.				
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period		Balance at Beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
				Date From (d)	Date To (e)			
1	N/A							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.

2. In column (c) show the principal amount of bonds or other long-term debt reacquired.

3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with

General Instruction 17 of the Uniform Systems of Accounts.

4. Show loss amounts by enclosing the figures in parentheses.

5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debit-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	N/A					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 14)	\$959,673
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Add Back Federal Taxes	467,224
6	Add Back ITC Amortization and Deferred Tax Expense	29,457
7	Deductions Recorded on Books Not Deducted for Return	
8		1,351,820
9		
10		
11		
12		
13	Income Recorded on Books Not Included in Return	
14		
15		
16		
17		
18		
19		
20		
21	Deductions on Return Not Charged Against Book Income	
22		(1,473,251)
23		
24		
25		
26	Tax True Up	0
27		
28		
29		
30	Federal Tax Net Income	\$1,334,923
31	Show Computation of Tax	
32	Federal Taxable Income	\$1,334,923
33	x Tax Rate	x.35
34		-----
35	Current Federal Income Tax	\$467,223
36		=====
37		

Name of Res pondent Chesapeake Utilities Corporation												For the Year Ended Dec. 31, 2001	
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR													
	Name of Taxing Authority	Federal Income	State Income	Payroll	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environ-mental, Excise	Sales and Other	Total	
1	TAXES (ACCRUED)/PREPAID BEG. OF YEAR	(303,226)	(139,251)	0	28,478	0	0	47,624	49,004	(24)	120,799	(196,596)	
2	Taxes Charged During Year	(467,224)	(77,694)									(544,918)	
3	Accrued State and Federal Income Tax											0	
4	State Sales Tax			(145,258)			(14,576)	(326,833)				(486,667)	
5	State Utility Tax								(77,353)			(77,353)	
6	State Regulatory Tax											0	
7	Payroll Tax				(386,510)							(386,510)	
8	Property Tax											0	
9	Occupational Tax								(2,853)	(61)	(369,946)	(372,860)	
10	Other and Excise Tax											0	
11													
12	TOTAL TAXES CHARGED DURING YEAR (Lines 3-11)	(467,224)	(77,694)	(145,258)	(386,510)	0	(14,576)	(326,833)	(80,206)	(61)	(369,946)	(1,868,308)	
13	Taxes Paid During Year												
14	Accrued State and Federal Income Tax	745,684	294,639									1,040,323	
15	State Sales Tax							292,901				292,901	
16	State Utility Tax								63,273			63,273	
17	State Regulatory Tax			145,258			14,576					159,834	
18	Payroll Tax				386,510							386,510	
19	Property Tax											0	
20	Occupational Tax											0	
21	Other and Excise Tax									57		57	
22												0	
23	TOTAL TAXES PAID DURING YEAR (Lines 14-22)	745,684	294,639	145,258	386,510	0	14,576	292,901	63,273	57	360,479	2,303,377	
24	Adjustments (list)											0	
25	Sales Tax Accrued											0	
26	Other				(28,478)							(28,478)	
27	TOTAL ADJUSTMENTS (Lines 24-26)	0	0	0	(28,478)	0	0	0	0	0	0	(28,478)	
28	TAXES (ACCRUED)/PREPAID END OF YEAR (Lines 1+12-23+/-27)	(24,766)	77,694	0	0	0	0	13,692	32,071	(28)	111,332	209,995	
DISTRIBUTION OF TAXES CHARGED													
		Federal Income	State Income	Payroll	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environ-mental, Excise	Other	Total	
29													
30	Electric (Account 408.1, 409.1)												
31	Gas (Account 408.1, 409.1)	415,446	69,084	145,258	386,510		14,576	326,833	80,206	61	369,946	1,807,920	
32	Other Utility Departments (408.1, 409.1)											0	
33	Other Income and Deductions (408.2, 409.2)											0	
34	Extraordinary Items (Account 409.3)											0	
35	Other Utility Operating Income (408.1, 409.1)										0	0	
36	Adjust. to Retained Earnings (Account 439)											0	
37	CWIP (Account 207)											0	
38	Other (list)408-Franchise (1)											0	
39	4265-Non-Operating Income Tax	51,778	8,610									60,388	
40	Income Tax True-Up		0									0	
41	Misc. Adjustments											0	
42	TOTAL	467,224	77,694	145,258	386,510	0	14,576	326,833	80,206	61	369,946	1,868,308	

Name of Respondent Chesapeake Utilities Corporation		For the Year Ended Dec. 31, 2001						ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)			
Report below the information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any		Deferred for Year		Current Year's Income		Adjustments (g)	Balance at End Year (h)	Average Period of Allocation to Income (i)	correction adjustment to the account balance shown in col- umn (g). Include in column (i) the average period over which the tax credits are amortized.		
Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Acct. No. (c)	Amount (d)	Acct. No. (e)	Amount (f)					
1	Gas Utility										
2	3%										
3	4%										
4	7%										
5	10%	(308,480)			420	19,523	(288,957)				
6											
7											
8	TOTAL	(308,480)				19,523	(288,957)				
9	Other List separately and show 3%, 4%, 7%, 10% and TOTAL										
Notes											
1. Use this space to explain any adjustments made in this period.											
2. Use this space to list byyear generated and byamount any ITCs that have not been utilized and have not expired by the end of the period.											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											

Name of Respondent Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.

2. Minor items (less than \$50,000) may be grouped under appropriate title.

Line No.	Item (a)	Balance at End of Year (b)
1	Competitive Rate Liability	(276,780)
2	Accrued Bonuses	48,633
3		
4		
5		0
6		0
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18	TOTAL	(\$228,147)

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.

amortization.

3. Minor Items (less than \$25,000) may be grouped by classes.

2. For any deferred credit being amortized, show the period of

Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Reserve for Refund-Other Deferred	133,450		0	0	133,450
2	Unearned Interest Income	34,488		484,872	1,042,917	592,533
3	Other Deferred-Conservation	(10,950)		384,138	176,583	(218,505)
4	Deferred Environmental	0		39,398	562,121	522,723
5	Deferred Environmental-Contra	0		1,045,445	522,722	(522,723)
6						0
7						0
8						0
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21	TOTAL	\$156,988		\$1,953,853	\$2,304,343	\$507,478

ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, 283)

Line No.		Balance at Beginning of Year	Changes During Year				Adjustments				Balance at End of Year
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Account No.	Amount	Account No.	Amount	
1											
2	ACCOUNT 281 - ACCELERATED AMORTIZATION PROPERTY										
3	Electric										
4	Gas										
5	Other										
6											
7	TOTAL ACCOUNT 281 (Lines 3 thru 6)										
8											
9	ACCOUNT 282 - OTHER PROPERTY										
10	Electric										
11	Gas Depreciation Related	(1,924,830)	(98,131)	106,975			var		var		(1,915,986)
12	Other										
13											
14	TOTAL ACCOUNT 282 (Lines 10 thru 13)	(1,924,830)	(98,131)	106,975			var		var		(1,915,986)
15											
16	ACCOUNT 283 - OTHER										
17	Electric										
18	Gas	(564,955)	(470,125)	412,301			var				(652,779)
19	Other										
20											
21	TOTAL ACCOUNT 283 - OTHER (Lines 17 thru 20)	(564,955)	(470,125)	412,301			var				(652,779)
22											
23	ELECTRIC										
24	Federal Income Tax										
25	State Income Tax										
26											
27	TOTAL ELECTRIC (Lines 24 thru 26)										
28											
29	GAS										
30	Federal Income Tax	(2,160,463)	(487,223)	445,227							(2,202,459)
31	State Income Tax	(359,321)	(81,033)	74,049							(366,306)
32											
33	TOTAL GAS (Lines 30 thru 32)	(2,519,785)	(568,256)	519,276							(2,568,765)
34											
35	OTHER										
36	Federal Income Tax										
37	State Income Tax										
38											
39	TOTAL OTHER (Lines 36 thru 38)										
40											
41	TOTAL (Total of lines 7, 14, 21 and Lines 27, 33, 39)	(2,519,785)	(568,256)	519,276				0		0	(2,568,765)
42											
	NOTES										

Name of Respondent Chesapeake Utilities Corporation				For the Year Ended Dec. 31, 2001		
OTHER REGULATORY LIABILITIES (Account 254)						
1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).				3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes.		
2. For regulatory liabilities being amortized, show period of amortization in column (a).						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	Debits		Credits (d)	Balance End of Year (e)
			Contra Account (b)	Amount (c)		
1	Environmental regulatory liability	635,000			365,000	\$1,000,000
2	109 Regulatory Liability	53,324				\$53,324
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	\$688,324	\$0	\$0	\$365,000	\$1,053,324

Dec. 31, 2001

GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account in tototal.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Report number of customers, columns (f) and (g), on the basis of meters, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
4. Report quantities of natural gas sold in therms (14.73 psia at 60 F).
5. Report gas service revenues and therms sold by rate schedule.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	FIRM SALES SERVICE		
3	480 Residential	4,629,687	3,189,932
4	481 Commercial	5,405,761	4,748,629
5	481 Industrial	2,255,703	3,057,703
6	481		
7	481		
8	481		
9	INTERRUPTIBLE SALES SERVICE		
10	481 Industrial Interruptible	-	3,634,847
11	481		
12	FIRM TRANSPORTATION SERVICE		
13	489 Firm Transportation	6,218,740	3,643,391
14	489 LVCTS	-	559,632
15	489		
16	INTERRUPTIBLE TRANSPORTATION SERVICE		
17	489 Interruptible Transportation	-	259,306
18	489 Public Authority Transportation	-	38,758
19	482 Other Sales to Public Authorities	-	-
20	484 Flex Rate - Refund/Surplus	(1,399)	84,200
21	TOTAL Sales to Ultimate Consumers	18,508,491	19,216,398
22	483 Sales for Resale	1,056,090	652,897
23	Off-System Sales		
24	TOTAL Nat. Gas Service Revenues	19,564,581	19,869,295
25	TOTAL Gas Service Revenues	19,564,581	19,869,295
26	OTHER OPERATING REVENUES		
27	485 Intracompany Transfers		
28	487 Forfeited Discounts		
29	488 Misc. Service Revenues	537,581	612,965
30	489 Rev. from Trans. of Gas of Others (not included		
31	in above rate schedules)		
32	493 Rent from Gas Property	12,099	
33	494 Interdepartmental Rents		
34	495 Other Gas Revenues		
35	Initial Connection		
36	Reconnect for Cause		
37	Collection in lieu of disconnect		
38	Returned Check		
39	Other Unbilled and Other	324,975	93,976
40	495.1 Overrecoveries Purchased Gas		
41	TOTAL Other Operating Revenues	874,655	706,941
42	TOTAL Gas Operating Revenues	20,439,236	20,576,236
43	(Less) 496 Provision for Rate Refunds	-	-
44	TOTAL Gas Operating Revenues Net of Provision for Refunds	20,439,236	20,576,236
45	Sales for Resale		
46	Other Sales to Public Authority		
47	Interdepartmental Sales		
48	TOTAL	\$20,439,236	\$20,576,236

Name of Respondent Chesapeake Utilities Corporation			For the Year Ended Dec. 31, 2001	
GAS OPERATING REVENUES (ACCOUNT400) (Continued)				
6. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.				
7. See page 9, Important Changes During Year, for important new territory added and important rate increases or decreases.				
THERMS OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTOMERS PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year	Number for Previous Year (g)	
				1
				2
2,478,649	2,375,137	9,378	9,056	3
4,338,503	6,154,096	758	834	4
1,837,697	4,952,377	9	21	5
				6
				7
				8
				9
-	7,337,908	-	9	10
				11
				12
108,869,585	44,607,081	204	26	13
	47,741,070		3	14
				15
				16
-	4,594,640	-	4	17
-	-			18
-	-	-	-	19
				20
117,524,434	117,762,309			21
2,055,840	1,105,290	1	1	22
119,580,274	118,867,599	10,350	9,954	23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
				37
				38
				39
				40
				41
				42
				43
				44
				45
				46
				47
				48

NOTES

A residential space heating customer is a customer whose major fuel for heating is gas.

INTERRUPTIBLE, OFF PEAK, AND FIRM SALES TO DISTRIBUTION SYSTEM INDUSTRIAL CUSTOMERS	
1. Report below the average number of interruptible, off peak, and firm industrial customers on local distribution systems of the respondent, and the Terms of gas sales to these customers for the year.	by law, ordinance, directive, or other requirement of government authority. State in a footnote the basis on which interruptible customers are reported.
2. Interruptible customers are those to whom service may be interrupted under terms of the customer's gas contract, or to whom service is required to be interrupted, regardless of the contractual arrangements in emergency periods,	3. Off peak sales are seasonal and other sales which do not occur during wintertime demands.
	4. Report pressure base of gas volumes at 14.73 psia at 60 degrees F.

Page 48

Name of Respondent Chesapeake Utilities Corporation		For the Year Ended Dec. 31, 2001	
GAS OPERATION AND MAINTENANCE EXPENSES			
If the amount for previous year is not derived from previously reported figures, explain in footnotes.			
Line No.	Account	Amount for Current Year	Amount for Previous Year
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	B. TOTAL Natural Gas Prod. and Gathering (Enter Total of Accts. 750 - 769)		
4	C. TOTAL Products Extraction (Enter Total of Accounts 770 through 791)		
5	D. TOTAL Exploration and Development (Enter Total of Accts. 795 through 798)		
6	E. Other Gas Supply Expenses		
7	Operation		
8	800 Natural Gas Well Head Purchases		
9	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
10	801 Natural Gas Field Line Purchases		
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases - Total Purchases + Rev Rel Taxes	11,135,306	14,708,171
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases		
16	(Less) 805.1 Purchased Gas Cost Adjustments	(176,542)	(2,286,295)
17	TOTAL Purchased Gas (Enter Total of Lines 8 to 16)	10,958,764	12,421,876
18	806 Exchange Gas		
19	Purchased Gas Expenses		
20	807.1 Well Expenses--Purchased Gas		
21	807.2 Operation of Purchased Gas Measuring Stations		
22	807.3 Maintenance of Purchased Gas Measuring Stations		
23	807.4 Purchased Gas Calculations Expenses		
24	807.5 Other Purchased Gas Expenses		
25	TOTAL Purchased Gas Expenses (Enter Total of lines 20 through 24)		
26	808.1 Gas Withdrawn from Storage--Debit		
27	(Less) 808.2 Gas Delivered to Storage--Credit		
28	809.1 Withdrawals of Liquefied Natural Gas for Processing--Debit		
29	(Less) 809.2 Deliveries of Natural Gas for Processing--Credit		
30	Gas Used in Utility Operations--Credit		
31	810 Gas Used for Compressor Station Fuel--Credit		
32	811 Gas Used for Products Extraction--Credit		
33	812 Gas Used for Other Utility Operations--Credit	(996)	1,364
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(996)	1,364
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supp. Exp. (Total of Lines 17,18,25,26 through 29,34,35)	10,957,768	12,423,240
37	TOTAL Production Expenses (Enter Total of Lines 2,3,4,5 and 36)	10,957,768	12,423,240
38	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)		
40	B. TOTAL Other Storage Expenses (Enter Total of Accounts 840 through 843.9)		
41	C. TOTAL Liquefied Nat Gas Terminaling & Processing Expenses (Enter Total of Accounts 844.1 through 847.8)		
42	TOTAL Natural Gas Storage (Enter Total of lines 39, 40, and 41)		
43	3. TRANSMISSION EXPENSES		
44	TOTAL Transmission Expenses (Enter Total of Accounts 850 through 867)		
45			
46			

Name of Respondent		For the Year Ended	
Chesapeake Utilities Corporation		Dec. 31, 2001	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account	Amount for Current Year	Amount for Previous Year
47	4. DISTRIBUTION EXPENSES		
48	Operation		
49	870 Operation Supervision and Engineering	148,695	220,265
50	871 Distribution Load Dispatching	-	13,693
51	872 Compressor Station Labor and Expenses		
52	873 Compressor Station Fuel and Power		
53	874 Mains and Services Expenses	199,699	207,302
54	875 Measuring and Regulating Station Expenses--General	42,766	1,903
55	876 Measuring and Regulating Station Expenses--Industrial	56,387	37,999
56	877 Measuring and Regulating Station Expenses--City Gate Check Sta.	41,403	9,297
57	878 Meter and House Regulator Expenses	195,876	217,372
58	879 Customer Installations Expenses + Service & HP	631,609	191,896
59	880 Other Expenses	73,105	83,814
60	881 Rents	105,004	99,996
61	TOTAL Operation (Enter Total of lines 49 through 60)	1,494,544	1,083,537
62	Maintenance		
63	885 Maintenance Supervision and Engineering		
64	886 Maintenance of Structures and Improvements	-	-
65	887 Maintenance of Mains	143,125	111,128
66	888 Maintenance of Compressor Station Equipment		
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	12,526	21,122
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	56,400	47,551
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Sta.	19,759	21,182
70	892 Maintenance of Services	42,638	20,364
71	893 Maintenance of Meters and House Regulators	46,921	(3,871)
72	894 Maintenance of Other Equipment	22,462	30,244
73	TOTAL Maintenance (Enter Total of Lines 63 through 72)	343,831	247,720
74	TOTAL Distribution Expenses (Enter Total of Lines 61 and 73)	1,838,375	1,331,257
75	5. CUSTOMER ACCOUNTS EXPENSES		
76	Operation		
77	901 Supervision	8,561	31,917
78	902 Meter Reading Expenses	105,981	63,478
79	903 Customer Records and Collection Expenses	365,543	386,428
80	904 Uncollectible Accounts	54,745	30,237
81	905 Miscellaneous Customer Accounts Expenses	-	-
82	TOTAL Customer Accounts Expenses (Enter Total of Lines 77 through 81)	534,831	512,060
83	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
84	Operation		
85	907 Supervision	-	-
86	908 Customer Assistance Expenses + Conservation	364,861	2,356
87	909 Informational and Instructional Expenses	-	-
88	910 Miscellaneous Customer Service and Informational Expenses	-	-
89	TOTAL Customer Service and Informational Expenses (Enter Total of Lines 85 through 88)	364,861	2,356
90	7. SALES EXPENSES		
91	Operation		
92	911 Supervision		
93	912 Demonstrating and Selling Expenses	251,959	472,398
94	913 Advertising Expenses	18,928	28,589
95	916 Miscellaneous Sales Expenses	-	-
96	9094 Community Affairs	-	-
97	TOTAL Sales Expenses (Enter Total of lines 92 through 96)	270,888	500,987

Name of Respondent Chesapeake Utilities Corporation		For the Year Ended Dec. 31, 2001	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account	Amount for Current Year	Amount for Previous Year
98	8. ADMINISTRATIVE AND GENERAL EXPENSES		
99	Operation		
100	920 Administrative and General Salaries	807,600	685,751
101	921 Office Supplies and Expenses	328,624	337,620
102	(Less) (922) Administrative Expenses Transferred--Cr.	-	-
103	923 Outside Services Employed	196,277	85,550
104	924 Property Insurance	11,905	3,973
105	925 Injuries and Damages	130,185	146,808
106	926 Employee Pensions and Benefits	448,363	406,067
107	927 Franchise Requirements	-	-
108	928 Regulatory Commission Expenses	66,504	423
109	(Less) (929) Duplicate Charges--Cr.	-	-
110	930.1 General Advertising Expenses	46,805	23,859
111	930.2 Miscellaneous General Expenses	72,154	57,682
112	931 Rents	41,523	46,282
113	TOTAL Operation (Enter Total of lines 100 through 112)	2,149,941	1,794,015
114	Maintenance		
115	935 Maintenance of General Plant	526	2,236
116	TOTAL Administrative and General Exp. (Total of lines 113 and 115)	2,150,466	1,796,251
117	TOTAL Gas O. and M. Exp. (Lines 37, 42, 44, 74, 82, 89, 97, and 116)	16,117,189	16,566,151
118			
119			
120			
121			
122			
123			
124			
125			
126			
127			
128			
129			
130	NUMBER OF GAS DEPARTMENT EMPLOYEES		
131			
132	1. The data on number of employees should be reported for payroll period ending nearest to October 31,		
133	or any payroll period ending 60 days before or after October 31.		
134	2. If the respondent's payroll for the reporting period includes any special construction personnel,		
135	include such employees on line 3, and show the number of such special construction employees in a footnote.		
136	3. The number of employees assignable to the gas department from joint functions of combination utilities		
137	may be determined by estimate, on the basis of employee equivalents. Show the estimated number of		
138	equivalent employees attributed to the gas department from joint functions.		
139			
140	1. Payroll Period Ended (Date)	December 31, 2001	
141	2. Total Regular Full-Time Employees	60	
142	3. Total Part-Time and Temporary Employees	-	
143	4. Total Employees	60	
144			
145			
146			
147			

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1)

1. Provide totals for the following accounts:

800 Natural Gas Well Head Purchases
800.1 Natural Gas Well Head Purchases,
Intracompany Transfers
801 Natural Gas Field Line Purchases
802 Natural Gas Gasoline Plant Outlet Purchases
803 Natural Gas Transmission Line Purchases
804 Natural Gas City Gate Purchases
804.1 Liquefied Natural Gas Purchases
805 Other Gas Purchases
805.1 Purchase Gas Cost Adjustments

The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote.

2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in prior years.

3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b).

4. State in column (d) the average cost per Therm to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)

Line No.	Account Title (a)	Gas Purchased- Therms (14.73 psia 60 F) (b)	Cost of Gas (In dollars) (c)	Average Cost Per Therm (To nearest .01 of a cent) (d)
	Producer/Marketer			
1	800 - Natural Gas Well Head Purchases	10,710,689	\$11,134,310	\$1.0396
2	800.1 - Natural Gas Well Head Purchases, Intracompany Transfers			
3	801 - Natural Gas Field Line Purchases			
4	802 - Natural Gas Gasoline Plant Outlet Purchases			
5	803 - Natural Gas Transmission Line Purchases			
6	804 - Natural Gas City Gate Purchases			
7	804.1 - Liquefied Natural Gas Purchases			
8	805 - Other Gas Purchases			
9	805.1 - Purchased Gas Cost Adjustments	-	(176,542)	
10	TOTAL (Enter Total of lines 1 through 9)	10,710,689	\$10,957,768	\$1.0231

NOTES TO GAS PURCHASES

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 810, 811, 812)

1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.

2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.

3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.

4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).

5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas		Manufactured Gas	
				Amount of Credit (d)	Amount per Therm (In cents) (e)	Therms of Gas Used (f)	Amount of Credit (g)
1	810 Gas used for Compressor Station Fuel -- Cr.						
2	811 Gas used for Products Extraction -- Cr.						
3	Gas Shrinkage and Other Usage in Respondent's Own Proc.						
4	Gas Shrinkage, Etc. for Respondent's Gas Processed by Others						
5	812 Gas used for Other Util. Oprs-- Cr. (Report separately for each principal uses. Group minor uses)						
6	Heating and Cooling	92115	158	\$168	\$1.0656		
7	Vehicles	1841	925	\$828	\$0.8951		
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTAL		1,083	\$996	\$0.9200		

Name of Respondent Chesapeake Utilities Corporation		For the Year Ended Dec. 31, 2001
OTHER GAS SUPPLY EXPENSES (Account 813)		
Report other gas supply expenses by descriptive titles which clearly indicate the nature of such expenses. Show maintenance expenses separately. Indicate the functional classification and purpose of property to which any expenses relate.		
Line No.	Description (a)	Amount (in dollars) (b)
1		
2	N /A	
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14	TOTAL	
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	
2	Experimental and General Research Expenses: (a) Gas Research Institute (GRI) (b) Other	
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the Respondent	\$72,154
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown)	
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	\$72,154

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403,404.1,404.2,404.3,405)
(Except Amortization of Acquisition Adjustments)

1. Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown.

A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification	Depreciation Expense (Account 403)	Amortization & Depletion of Prod. Nat. Gas Land & Land Rights (Account 404.1)	Amortization of Under-ground Storage Land & Land Rights (Account (404.2)	Amortization of Other Limited-term Gas Plant (Account 404.3)	Amortization of Other Gas Plant (Account 405)	Total (b to f) (g)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Intangible Plant					101,386	101,386
2	Production plant, manufactured gas						
3	Production and gathering plant, nat. gas						
4	Products extraction plant						
5	Underground gas storage plant						
6	Other storage plant						
7	Base load LNG term. & proces. plant						
8	Transmission Plant						
9	Distribution Plant	985,574				71,157	1,056,731
10	General Plant	263,636				-	263,636
11	Common Plant-Gas						
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37	TOTAL	\$1,249,210				\$172,543	\$1,421,753

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND
INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.

- (a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charged for the year, and the period of amortization.
- (b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.
- (c) Interest on Debt to Associated Companies (Account 430) - For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.
- (d) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	Other interest charges-431,4311,4312,4315	\$248,056
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	TOTAL Operation and Maintenance - Electric			
3	Gas			
4	Operation			
5	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Termn. & Proces.			
6	Transmission			
7	Distribution	461,292		
8	Customer Accounts	285,113		
9	Customer Service and Informational	-		
10	Sales	184,551		
11	Administrative and General	533,115		
12	TOTAL Operation (Enter Total of lines 5 through 11)	1,464,071		
13	Maintenance			
14	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Termn. & Proces.			
15	Transmission			
16	Distribution	178,180		
17	Administrative and General	-		
18	TOTAL Maintenance (Enter Total of lines 14 through 17)	178,180		
19	Total Operation and Maintenance	1,642,251		
20	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Termn. & Proces.			
21	Transmission (Enter Total of lines 6 and 15)	-		
22	Distribution (Enter Total of lines 7 and 16)	639,472		
23	Customer Accounts (Transcribe from line 8)	285,113		
24	Customer Service and Informational (Transcribe from line 9)	-		
25	Sales (Transcribe from line 10)	184,551		
26	Administrative and General (Enter Total of lines 11 and 17)	533,115		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	1,642,251		
28	Other Utility Departments			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)			
31	Utility Plant			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	-		
35	Other			
36	TOTAL Construction (Enter Total of lines 33 through 35)	-		
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	-		
40	Other			
41	TOTAL Plant Removal (Enter Total of lines 38 through 40)	-		
42				
43	Other Accounts (Specify):			
44	Vehicle Expense	-		
45		-		
46				
47				
48				
49				
50				
51				
52				
53	TOTAL Other Accounts	-		
54	TOTAL SALARIES AND WAGES	1,642,251		

Name of Respondent Chesapeake Utilities Corporation		For the Year Ended Dec. 31, 2001			
REGULATORY COMMISSION EXPENSES (Account 928)					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.			2. In columns (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.		
Line No.	Description (Furnish name of regulatory commission or body, the docket or case number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 186 at Beginning of Year (e)
1	Deferred Development Exp				\$8,725
2	Deferred Rate Case			66,504	271,136
3	Environmental Regulatory				635,000
4	Deferred TCR 636 Charges				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL			\$66,504	\$914,861

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

REGULATORY COMMISSION EXPENSES (Account 928) (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.

4. The totals of columns (e), (i), (k), and (l) must agree with the totals shown at the bottom of page 34

for Account 186.

5. List in column (f), (g) and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.

6. Minor items (less than \$25,000) maybe grouped.

EXPENSES INCURRED DURING YEAR			Deferred to Account 186 (i)	AMORTIZED DURING YEAR		Deferred in Account 186 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)		Contra Account (j)	Amount (k)		
Deferred Development Exp		(8,725)	18690			-	1
Deferred Rate Case		-	18620	928	66,504	\$204,632	2
Environmental Regulatory		(157,723)	186EN			\$477,276	3
Deferred TCR 636 Charges		296,038	18639			\$296,038	4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20
							21
							22
							23
							24
							25
							26
							27
							28
							29
							30
							31
							32
							33
							34
							35
							36
							37
							38
							39
		\$129,590	-		\$66,504	\$977,946	40

Name of Respondent
Chesapeake Utilities Corporation

For the Year Ended

Dec. 31, 2001

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account 426.4 Expenditures for Certain

Civic, Political and Related Activities.

(a) Name and address of person or organization rendering services,

(b) description of services received during year and project or case to which services relate,

(c) basis of charges,

(d) total charges for the year, detailing utility department and account charged.

2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.

3. Designate with an asterisk associated companies.

1	Description (a)	Amount (b)
2	Legal	\$50,052
3	Accounting and Audit	\$36,964
4	Consultant	\$30,599
5	Other	\$78,661
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37	Total	\$196,277

Reconciliation of Gross Operating Revenues **Annual Report versus Regulatory Assessment Fee Return**

Company: Chesapeake Utilities Corporation

For the Year Ended December 31, 2001

For the current year, reconcile the gross operating revenues as reported on Page 46 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).

Line No.	(a) Description	(b) Gross Operating Revenues per Page 46	(c) Interstate and Sales for Resale Adjustments	(d) Adjusted Intrastate Gross Operating Revenues	(e) Intrastate Gross Operating Revenues per RAF Return	(f) Difference (d) - (e)
1	Total Sales to Ultimate Customers (480-482, 484)	12,289,752	117,302 (1)	12,407,054	12,407,054	(0)
2	Sales for Resale (483) Off System Sales	1,056,090	(1,056,090)	-	-	-
3	Total Natural Gas Service Revenues	13,345,842	(938,788)	12,407,054	12,407,054	(0)
4	Total Other Operating Revenues (485-495)	7,093,395	(804,902) (2)	6,288,492	6,288,492	(0) (3)
5	Total Gas Operating Revenues	20,439,237	(1,743,690)	18,695,546	18,695,547	0
6	Provision for Rate Refunds (496)	-	-	-	-	-
7	Other (Specify)					
8						
9						
10	Total Gross Operating Revenues	\$20,439,237	(\$1,743,690)	\$18,695,546	\$18,695,547	\$0

Notes:

1) Add Transportation Overburn (1,399)
Add competitive rate surplus (69,338)
Deduct competitive rate refunds 188,039
Add conservation revenue -
Deduct competitive rate on public authority 117,302
Total adjustment

2) Add conservation rev on transp. 174,271
Adjust net unbilled revenue to gross (249,396)
Deduct competitive rate refunds 7,596
Deduct Public Authority Transp. (737,373)
Deduct Service Revenue (804,902)
Total adjustment

3) The company booked a final unbilled revenue calculation after the tax return was filed. The adjustment will be reflected in the next return.

CORPORATE STRUCTURE

Company: Chesapeake Utilities Corporation

For the Year Ended December 31, 2001

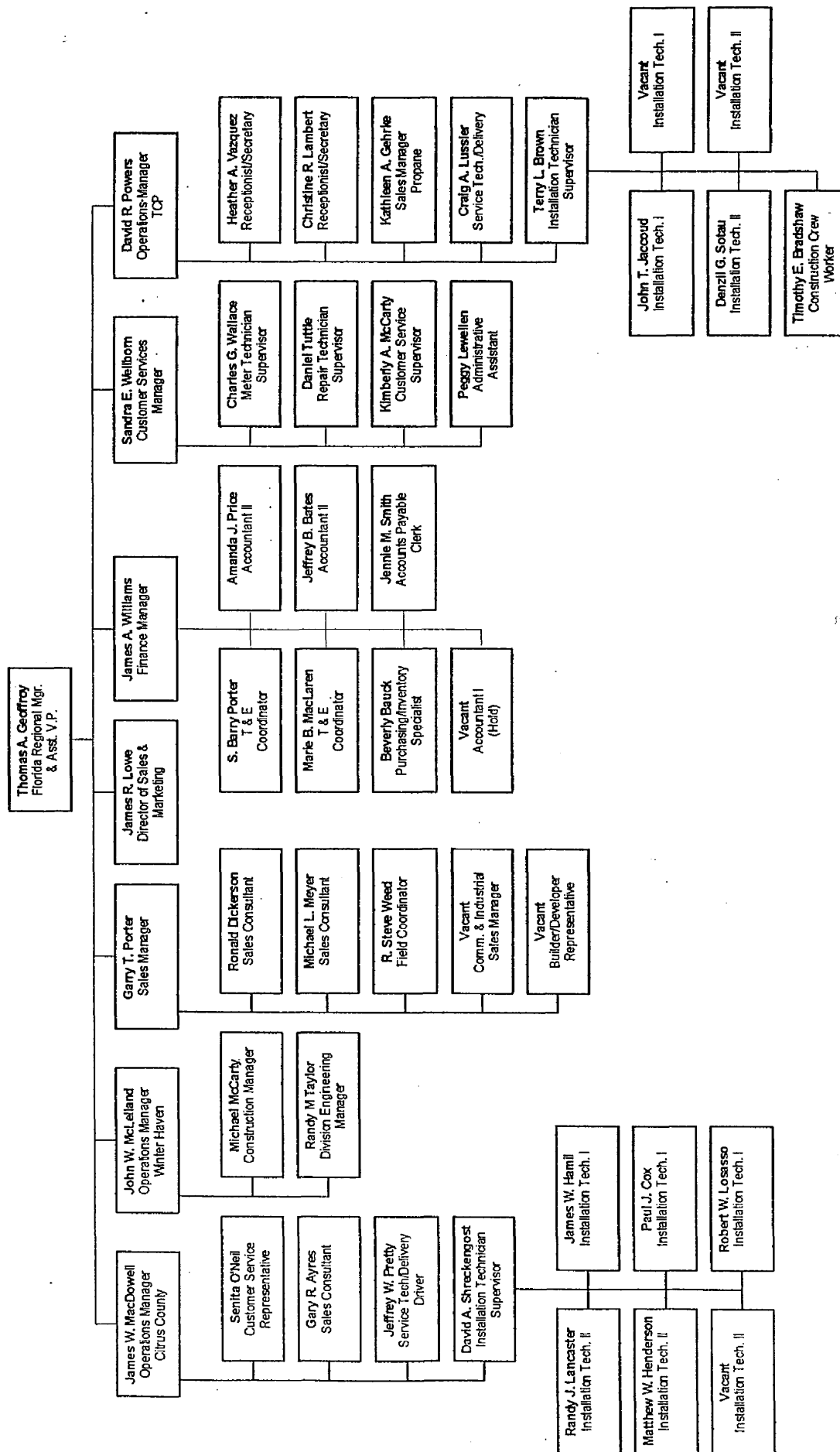
Provide an updated organizational chart showing all affiliated companies, partnerships, etc.

Effective
Date

See Attached

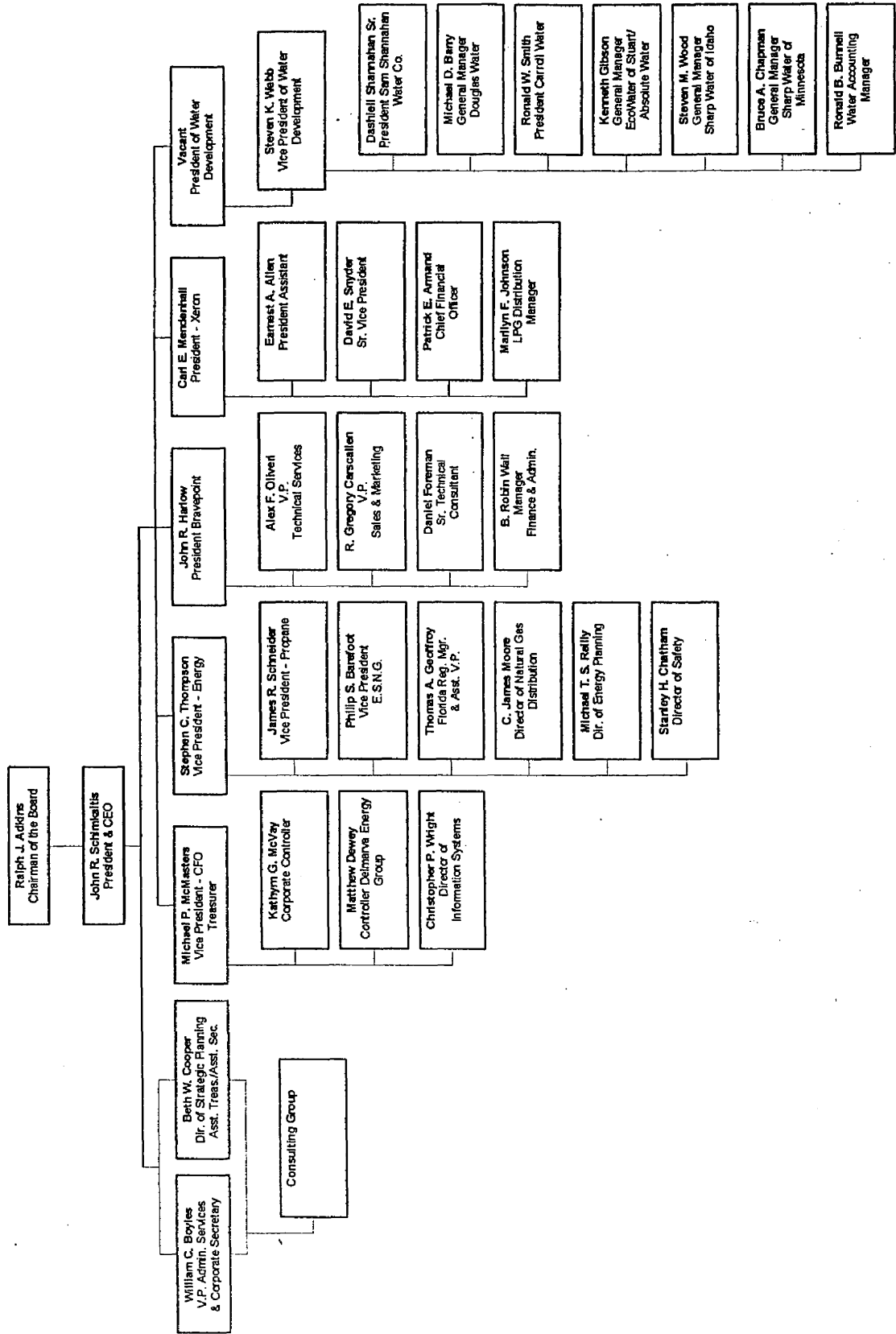
CHESAPEAKE UTILITIES CORPORATION

Florida Energy



CHESAPEAKE UTILITIES CORPORATION

Corporate Management



NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES

COMPANY: Chesapeake Utilities Corporation

For the Year Ended December 31, 2001

Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

Name of Affiliated Company (a)	Synopsis of Contract (b)
N/A	

INDIVIDUAL AFFILIATED TRANSACTIONS IN EXCESS OF \$25,000

Company: Chesapeake Utilities Corporation

For the Year Ended December 31, 2001

Provide information regarding individual affiliated transactions in excess of \$25,000. Recurring monthly affiliated transactions which exceed \$25,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.

Name of Affiliate (a)	Description of Transaction (b)	Dollar Amount (c)
	See Page 65.	

SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS

Company: Chesapeake Utilities Corporation

For the Year Ended December 31, 2001

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

- (a) Enter name of affiliate.
- (b) Give description of type of service, or name the product involved.
- (c) Enter contract or agreement effective dates.
- (d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent.
- (e) Enter utility account number in which charges are recorded.
- (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
Chesapeake Utilities Corp	Payroll	Fiscal year 2001	p	various	\$404,787
Chesapeake Utilities Corp	Accounts Payable	Fiscal year 2001	p	various	\$12,761,722
Chesapeake Utilities Corp	Payroll Tax Transfer	Fiscal year 2001	p	various	\$10,958
Chesapeake Utilities Corp	General Corp. Services	Fiscal year 2001	p	various	\$1,194,694
Chesapeake Utilities Corp	Cash Transactions	Fiscal year 2001	s	various	\$13,172,046
Chesapeake Utilities Corp	Gas Supply	Fiscal year 2001	s	various	\$1,298,691
Chesapeake Utilities Corp	Gas Supply Payroll/Exp	Fiscal year 2001	s	various	\$0
Chesapeake Utilities Corp	Income Tax	Fiscal year 2001	s	various	\$442,477
Delaware	Accounts Payable	Fiscal year 2000	p	various	\$48,916

For the Year Ended December 31, 2001

EMPLOYEE TRANSFERS

Company: Chesapeake Utilities Corporation

For the Year Ended December 31, 2001

List employees earning more than \$30,000 annually transferred to/from the utility to/from an affiliate company.

Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
None				

INDEX

Accumulated provision for depreciation and amortization	
of gas utility plant	31
utility plant (summary)	20-21
Advances	
from associated companies	37
Amortization	
miscellaneous	56
of other gas plant in service	55
and depletion of production natural gas land and land rights	55
Associated companies	
advances from	37
control over respondent	4
corporations controlled by respondent	5
interest on debt to	37
service contracts charges	60
Bonds	37
Changes	
important during the year	9
Construction	
overhead, gas	29
overhead procedures, general description of	30
work in progress - gas	28
work in progress - other utility departments	20-21
Contracts, service charges	60
Control	
corporations controlled by respondent	5
over respondent	4
security holders and voting powers	8
Current and accrued	
liabilities, miscellaneous	43
Deferred	
credits, other	43
debits, miscellaneous	34
Depreciation	
gas plant	55
gas plant in service	31
Directors	7
Earnings, retained	15-16
Expenses, gas operation and maintenance	49-51
gas operation and maintenance, summary	49-51
Extraordinary property losses	32
Gas	
purchases, natural and other	52
used in utility operations, credit	53
plant in service	22-27
General description of construction overhead procedures	30
Important changes during year	9
Income	
deductions - details	37-38, 56
from utility plant leased to others	56
statement of, for year	12-14
Interest	
charges, other	56
on debt to associated companies	56
on long-term debt, advances, etc.	37
Interruptible, off-peak and firm sales-industrial	48

INDEX

Investment tax credits generated and utilized	11-14, 42
Investments	10
Legal proceedings during year	9
Long-term debt	37
assumed during year	36
reacquired	36
retained during year	36

INDEX

Management and engineering contracts	60
Miscellaneous general expense	54
Notes	
payable, advances from associated companies	37
to balance sheet	19
to financial statements	19
to statement of income for the year	19
Number of Customers	48
Number of Employees	51
Officers and officers' salaries	6
Operating	
expenses - gas	49-51
revenues - gas	46-47
Other	
other supplies expense	54
regulatory assets	33
regulatory liabilities	45
Overhead, construction - gas	29
Plant - gas	
accumulated provision for depreciation	31
construction work in progress	28
in service	20
Plant - utility	
and accumulated provisions (summary)	20-21
Prepaid taxes	41
Prepayments	32
Professional services, charges for	60
Property losses, extraordinary	32
Purchased gas	52
Reconciliation of reported net income with taxable income from	
federal income taxes	40
Regulatory commission expenses	57-58
Revenues, gas operating	46-47
Salaries and wages, distribution of	59
Sales	
natural gas - interruptible, off-peak and firm	48
natural gas - space heating, residential and commercial	48
Securities	
holders and voting powers	8
issued or assumed during year	36
refunded or retired during year	36
registered on a national exchange	37
Service contract charges	60
Space heating customers, residential and commercial	48
Taxes	
accrued and prepaid	41
charged during the year	41
deferred ITCs	42
on income, deferred - accumulated	35,44
reconciliation of net income for	40
Unamortized	
debt discount and expense	38
loss and gain on reacquired debt	39
premium on debt	38

Unrecovered plant and regulatory study costs	32
--	----

Index 2