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October 16, 2009

**VIA Hand Delivery**

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

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

Dear Ms. Cole:

Please accept for filing the original and 7 copies of the Florida Division of Chesapeake Utilities Corporation's responses to the PSC Staff's 8th Data Requests in this Docket (Nos. 216 – 217), as well as a CD containing the Excel spreadsheets.

Thank you for your assistance with this filing. Should you have any questions whatsoever, please do not hesitate to contact me.

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*Beth Keating*  
\_\_\_\_\_  
**Beth Keating**  
**AKERMAN SENTERFITT**  
106 East College Avenue, Suite 1200  
Tallahassee, FL 32302-1877  
Phone: (850) 224-9634  
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*Attorneys for the Florida Division of Chesapeake Utilities Corporation*

cc: Patty Christensen  
Erik Saylor  
{TL206544,1}

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10636 OCT 16 8  
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The Florida Division of Chesapeake Utilities Corporation  
Re: Docket No. 090125- GU: Petition for Increase in Rates by Florida  
Division of Chesapeake Utilities Corporation

Responses to Staff's Eighth Set of Data Requests (Nos. 216 – 217)

The Florida Division of Chesapeake Utilities Corporation (“Company” of “Chesapeake”) provides the following responses to Staff’s Eighth Data Requests (Nos. 216 – 217).

**216. Please provide the sources, data, and methodology for deriving the assumptions of customer growth and CPI trends used in MFR Schedule G-6 (page 239 / 2 of 2).**

Company Response: The Company utilized the following information in its preparation of MFR Schedule G-6 (page 239 / 2 of 2) for customer growth and CPI trending factors:

Customer Growth: Mr. Sylvester describes in his testimony how the Company forecast the number of new, lost or seasonal customers (residential, commercial and industrial) on pages 14 through 17. Attached are the sources of information referred to in his testimony. The result of the Company’s analysis of this information was the forecasted customer growth factor of 0.75% for both 2009 and 2010.

CPI (Inflation): Mr. Dewey, on page 14 of his testimony, provides a general explanation of the inflation trend factor (estimated at 2.7% for both 2009 and 2010). The basis for this estimate was the Bureau of Labor Statistics Historical CPI chart (attached), printed out on April 14, 2009. The Company utilized the “ANN” column (Annual rate) to determine the prior three (3) years inflation rate. The actual inflation rates for 2007 to 2008 was 3.8%, 2006 to 2007 was 2.8%, and 2005 to 2006 was 3.2% (average of 3.3% per year). In addition, the Company reviewed the Commission’s action in its recent orders for Florida Public Utilities Company (FPU) natural gas rate case (Order No. PSC-09-0375-PAA-GU) and Peoples Gas System’s (PGS) rate case (Order No. PSC-09-0411-FOF-GU), where the Commission approved an inflation trend factor for their

2009 Projected Test Year of 2.7% and 2.1%, respectively. The Company then used the calculated average of the historical annual average from the Bureau of Labor Statistics (3.3%) and the 2009 inflation factors approved in FPU (2.7%) and PGS (2.1%) for its 2009 and 2010 inflation trend factors (2.7%). **(Response by Mr. Geoffroy)**

**217. Please provide the electronic spreadsheet for Schedule G-2, Pages 14-36.**

Company Response: See attached spreadsheet. **(Response by Mr. Geoffroy)**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 090125-GU

AFFIDAVIT


State of Florida  
County of Polk

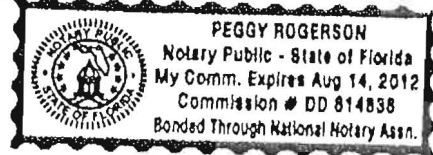
I, Thomas A. Geoffroy, having been duly sworn, depose and say that:

1. I am the Vice President of Chesapeake Utilities Corporation; and
2. On October 16, 2009 under my direction and supervision, the attached responses (216 and 217) to Staff's Eighth Data Request Nos. 216-217 were prepared and submitted and are true and correct to the best of my knowledge.

  
 \_\_\_\_\_  
 Thomas A. Geoffroy

Sworn to and subscribed before me this 16th day of October, 2009, by Thomas A. Geoffroy.

  
 NOTARY PUBLIC  
 State of Florida



Personally known  or Produced Identification \_\_\_\_\_  
Type of identification produced \_\_\_\_\_

My commission expires:

ATTACHMENTS FOR DATA RESPONSE  
NO. 216

## Response to Data Request No. 216

Customer Addition Forecast - 2009 and 2010

| Residential New Customer Forecast   |            |            |
|---|------------|------------|
|   | 2009       | 2010       |
| Residential Activations   | <u>275</u> | <u>325</u> |
| New Construction  | 265        | 315        |
| Residential Conversions   | 10         | 15         |
| <p>New Construction forecast based on discussions with the builders/developers of the projects on the Vacant Lot Inventory report and potential new developments (Toll Brothers, Southern Homes, etc).</p> <p>Residential Conversions forecast based on review of 2007 and 2008 conversion activity</p> |            |            |

| Commercial New Customer Forecast  |           |           |
|---|-----------|-----------|
| Class   | 2009      | 2010      |
| FTS-1   | 6         | 7         |
| FTS-2   | 7         | 9         |
| FTS-3   | 17        | 21        |
| FTS-4   | 8         | 10        |
| FTS-5   | 2         | 2         |
| FTS-6   | 2         | 2         |
|   | <u>42</u> | <u>51</u> |
| <p>Factors contributing for commercial customer activation forecast in 2009 - overall economic cycle, tight access to business loans, less demand for new restaurants and more recycling of existing restaurants.</p> <p>2010 forecast is based on slight improvement in overall economy. FTS-1 and FTS-2 customer additions may increase if commercial rebate programs are approved.</p> <p>In 2008 we activated 75 commercial and 361 residential customers per sales report.</p> |           |           |

# Response to Data Request No. 216

## Natural Gas Lot Inventory Report

March 31, 2009

| <i>Natural Gas Subdivision</i> | Platted Lots Under Contract | Homes Built Out In Development | Lots Remaining In Inventory |
|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| THE GREENS OF WESTHAVEN        | 165                         | 125                            | 40                          |
| RANDA RIDGE                    | 121                         | 116                            | 5                           |
| BUCKEYE RIDGE                  | 212                         | 8                              | 204                         |
| TUSCAN HILLS                   | 160                         | 160                            | 0                           |
| CARLSBURG                      | 163                         | 147                            | 16                          |
| DINNER LAKE                    | 187                         | 180                            | 7                           |
| DORADO HEIGHTS                 | 27                          | 23                             | 4                           |
| EAGLE POND (CW)                | 22                          | 14                             | 8                           |
| GATES OF LAKE REGION           | 110                         | 100                            | 10                          |
| HART LAKE HILLS                | 93                          | 68                             | 25                          |
| LAKE HEATHER HILLS             | 251                         | 245                            | 6                           |
| HERON CAY                      | 22                          | 17                             | 5                           |
| LAKE BUTLER ESTATES            | 31                          | 26                             | 5                           |
| LITHIA ESTATES                 | 24                          | 21                             | 4                           |
| MALLARD POINTE                 | 31                          | 8                              | 23                          |
| ORANGWOOD                      | 8                           | 5                              | 3                           |
| OAKEGROVE (CW)                 | 75                          | 65                             | 10                          |
| OSPREY POINTE                  | 72                          | 23                             | 49                          |
| PALMA CEIA (CW)                | 39                          | 4                              | 35                          |
| SUNSET CHASE                   | 59                          | 7                              | 52                          |
| RENISSANCE                     | 50                          | 45                             | 5                           |
| SANDLEWOOD                     | 35                          | 5                              | 30                          |
| START LAKE HILLS               | 47                          | 42                             | 5                           |
| TUSCANY @ WINTER SET           | 18                          | 15                             | 3                           |
| WATERFORD OAKS                 | 43                          | 38                             | 12                          |
| WOODPOINTE                     | 50                          | 46                             | 4                           |
| WYNDSOR ESTATES                | 41                          | 30                             | 11                          |
| WYNDOR OAKS COURT              | 11                          | 5                              | 6                           |
| REDDICKS CORNER                | 63                          | 31                             | 32                          |
| CHANDLER RIDGE273              |                             | 152                            | 121                         |
| LAKES OF LAKE ALFRED           | 579                         | 136                            | 579                         |
| SOLONA                         | 288                         | 288                            | 0                           |
| TOWER LAKES                    | 420                         | 245                            | 175                         |
| SKYWAY TERRACE                 | 32                          | 0                              | 32                          |
| TUSCAN HILLS                   | 160                         | 160                            | 0                           |
| AVIANA                         | 370                         | 154                            | 216                         |
| WATER SONG                     | 428                         | 112                            | 316                         |
| EAGLE CREST                    | 243                         | 23                             | 220                         |
| ESTATES AT WATERSIDE           | 50                          | 0                              | 50                          |
| VISTA PARK RESORT              | 189                         | 0                              | 189                         |
| RIDGEWOOD LAKES- LECR          | 610                         | 68                             | 542                         |
| HAMPTON COVE                   | 62                          | 2                              | 60                          |
| GRIFFINS LANDINGS              | 41                          | 2                              | 39                          |
| COUNTRY CLUB ESTATES           | 73                          | 0                              | 73                          |
| TAYLOR LANDING                 | 42                          | 6                              | 36                          |
| JORDANS GROVE                  | 430                         | 0                              | 430                         |
| GRIFFINS GREEN                 | 72                          | 0                              | 72                          |
|                                |                             |                                |                             |

|       |       |       |       |
|-------|-------|-------|-------|
|       |       |       |       |
|       |       |       |       |
|       |       |       |       |
|       |       |       |       |
| Total | 6,592 | 2,967 | 3,625 |



**Response to Data Request No. 216**

Inactive and sustained inactives as of 4/30/09

|                        |            |
|------------------------|------------|
| 2009 CUC               | 9          |
| Seasonal               | 124        |
| Convert to other Fuels | 5          |
| Cust Request           | 294        |
| Nonpay                 | <u>230</u> |
|                        | 662        |

|                        |            |
|------------------------|------------|
| 2008 CUC               | 12         |
| Seasonal               | 44         |
| Convert to other Fuels | 9          |
| Cust Request           | 401        |
| Nonpay                 | <u>268</u> |
|                        | 734        |

|                        |                    |
|------------------------|--------------------|
| 2007 CUC               | 8                  |
| Seasonal               | 25                 |
| Convert to other Fuels | 17                 |
| Cust Request           | 154                |
| Nonpay                 | <u>76</u>          |
|                        | 280                |
|                        | <u><u>1676</u></u> |

|   |     |     |
|---|-----|-----|
| Winter Haven and Areas south of Haines City | 325 | 49% |
| Davenport, St Cloud and Haines City         | 255 | 39% |
| Plant City                                  | 32  | 5%  |
| Citrus County                               | 50  | 8%  |
|   | 662 |     |

|   |     |     |
|---|-----|-----|
| Winter Haven and Areas south of Haines City | 343 | 47% |
| Davenport, St Cloud and Haines City         | 318 | 43% |
| Plant City                                  | 33  | 4%  |
| Citrus County                               | 40  | 5%  |
|   | 734 |     |

|   |     |     |
|---|-----|-----|
| Winter Haven and Areas south of Haines City | 146 | 52% |
| Davenport, St Cloud and Haines City         | 105 | 38% |
| Plant City                                  | 19  | 7%  |
| Citrus County                               | 10  | 4%  |
|   | 280 |     |

April Orders 323

Inactives Prior to 2007  
with services intact 304

Total Natural Gas Inactives 1980

Active Customer Count for  
4/30/2009 Billing 14466

0.136873

**Economic Outlook: U.S.,  
Florida and the Southeast  
U.S. Department of Labor  
April 21, 2009**

**Hank Fishkind, Ph.D.  
Fishkind & Associates, Inc.  
12051 Corporate Boulevard  
Orlando, Florida 32817**



4/20/2009

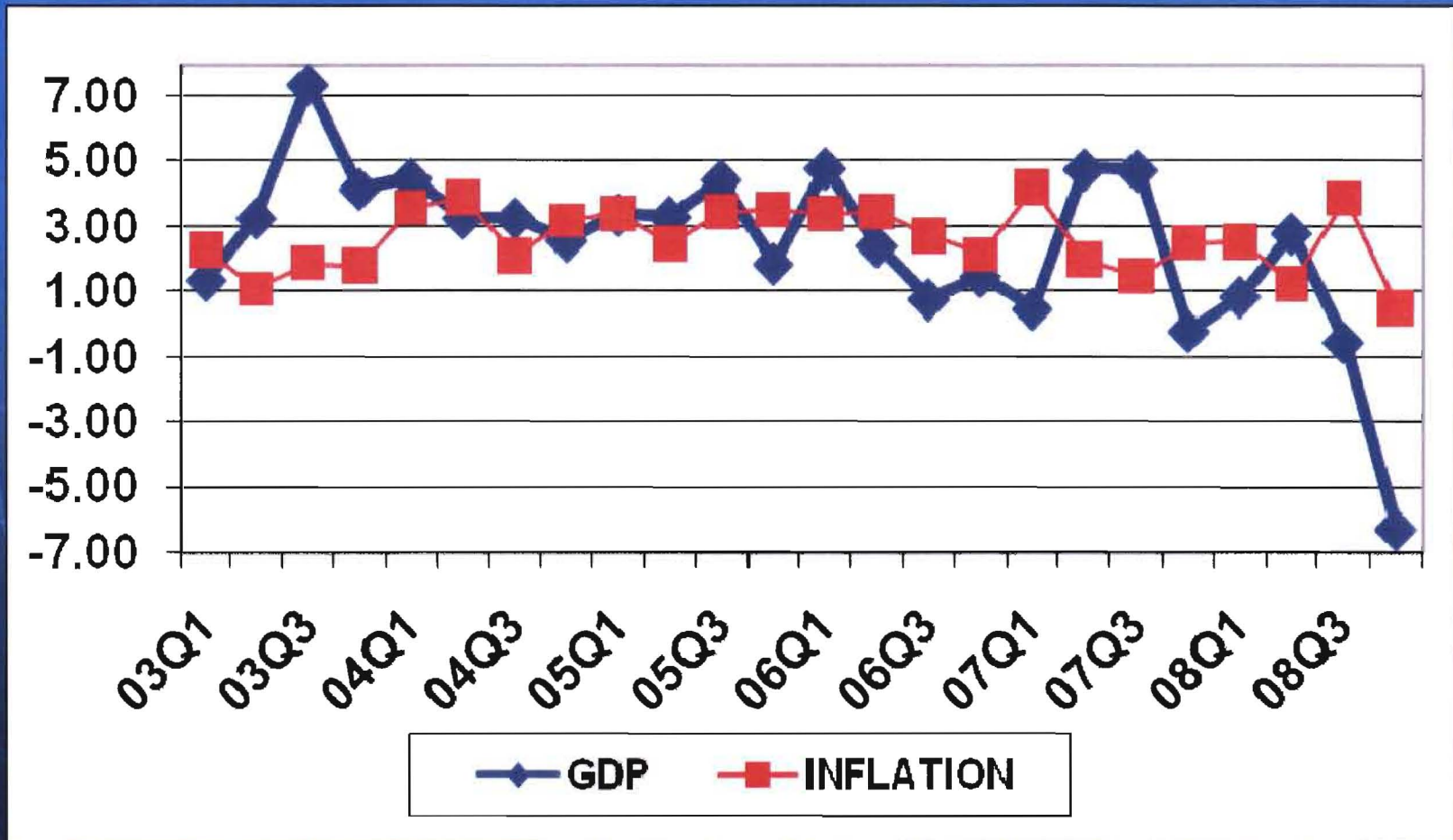
Fishkind & Associates, Inc.

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# U.S. Forecast Summary 2008 – 2011

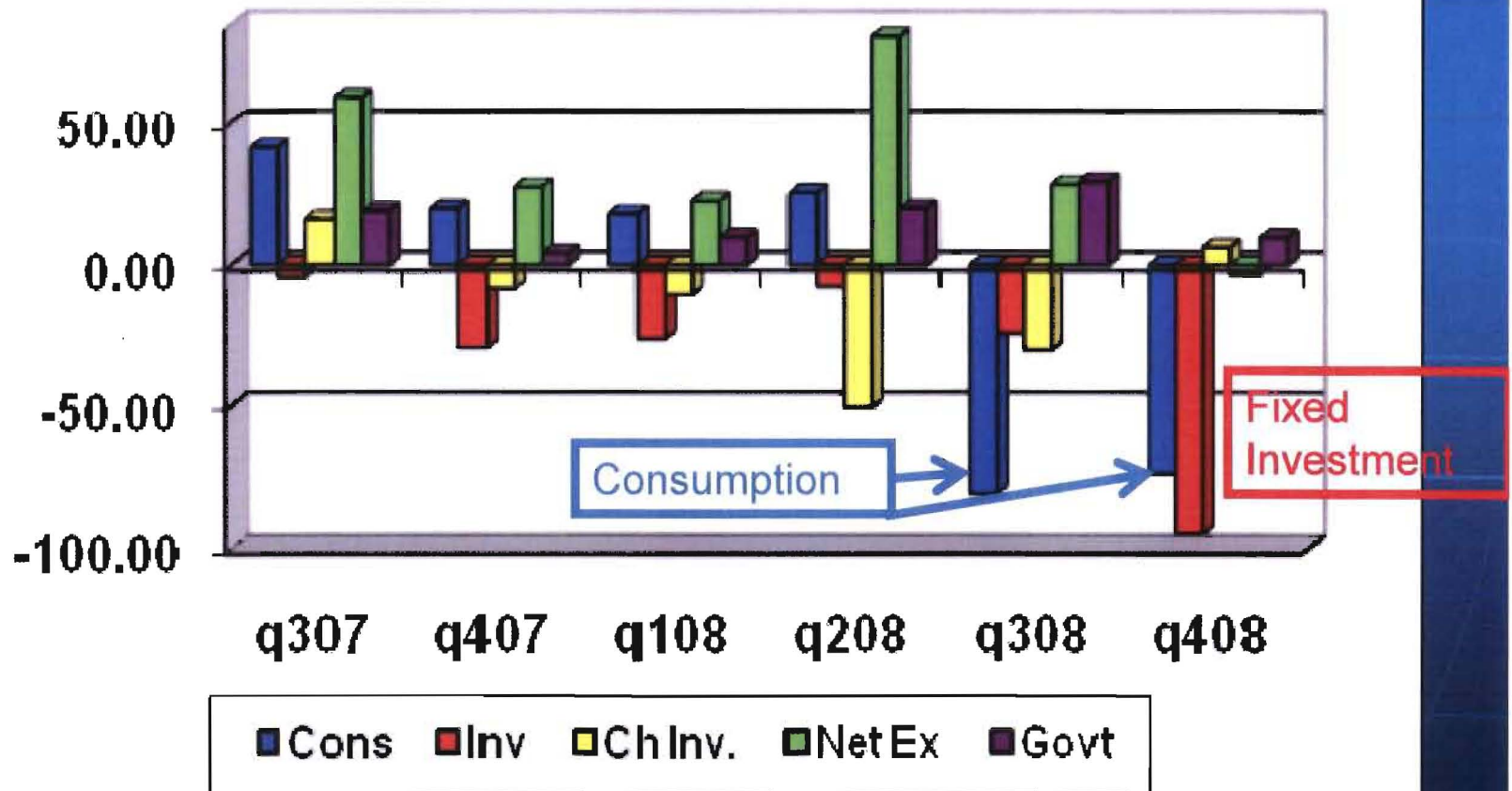
- **There is light at the end of the tunnel**
  - \$789 Billion economic stimulus program
  - \$700 TARP
  - \$11 Trillion committed to stimulus
  - Financial markets stabilizing
  - Yield curve is positively sloped
  - Contraction has bottomed
- **2010 – 2011 Recovery**
  - Demand rebounds
  - Housing markets recover
  - Much higher interest rates
- **Main forecasts risk – run away deficits and/or financial panic**

# RECENT TRENDS IN GDP AND INFLATION

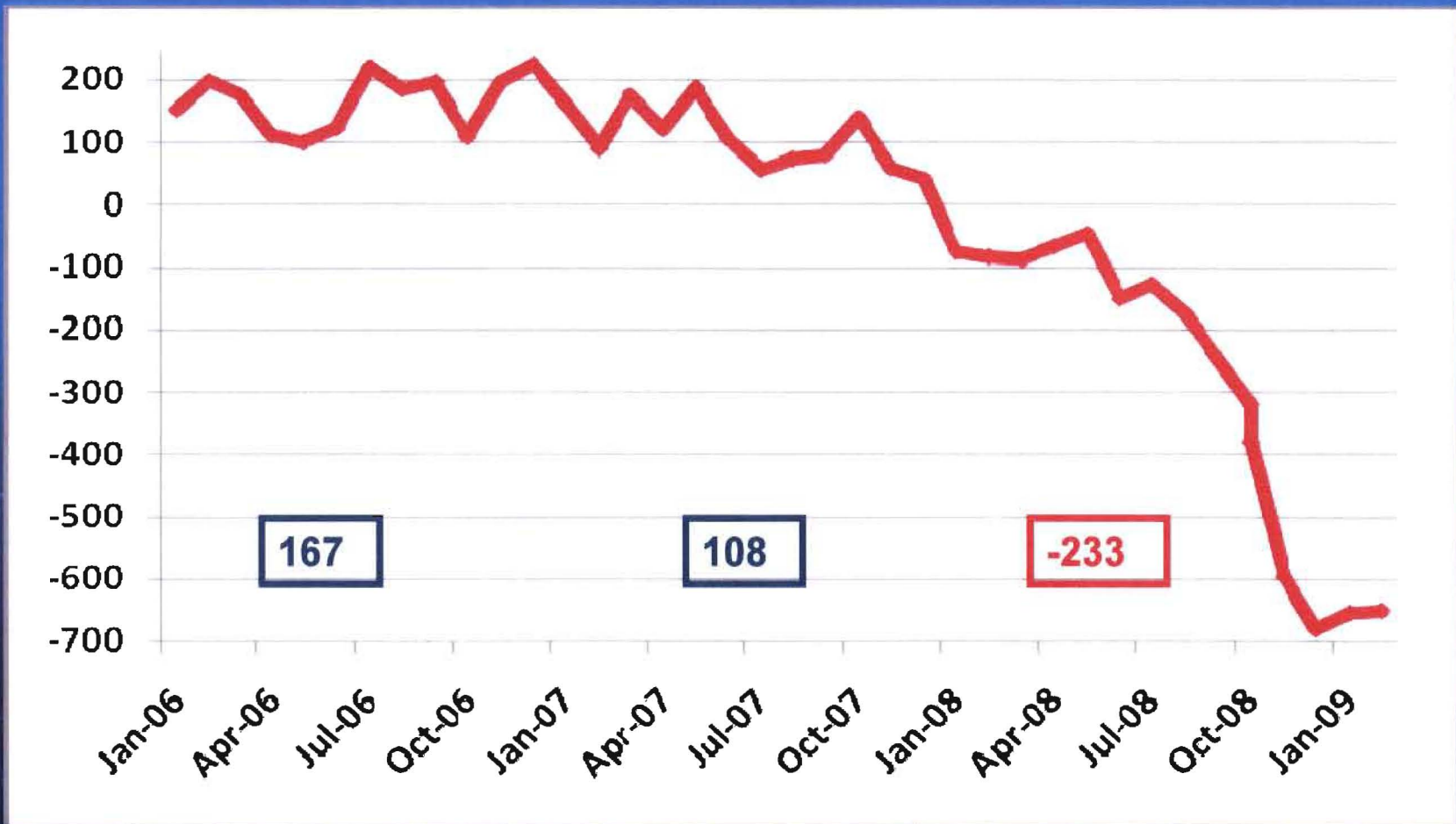


# GROWTH IN REAL GDP

IN BILLIONS OF 2002\$

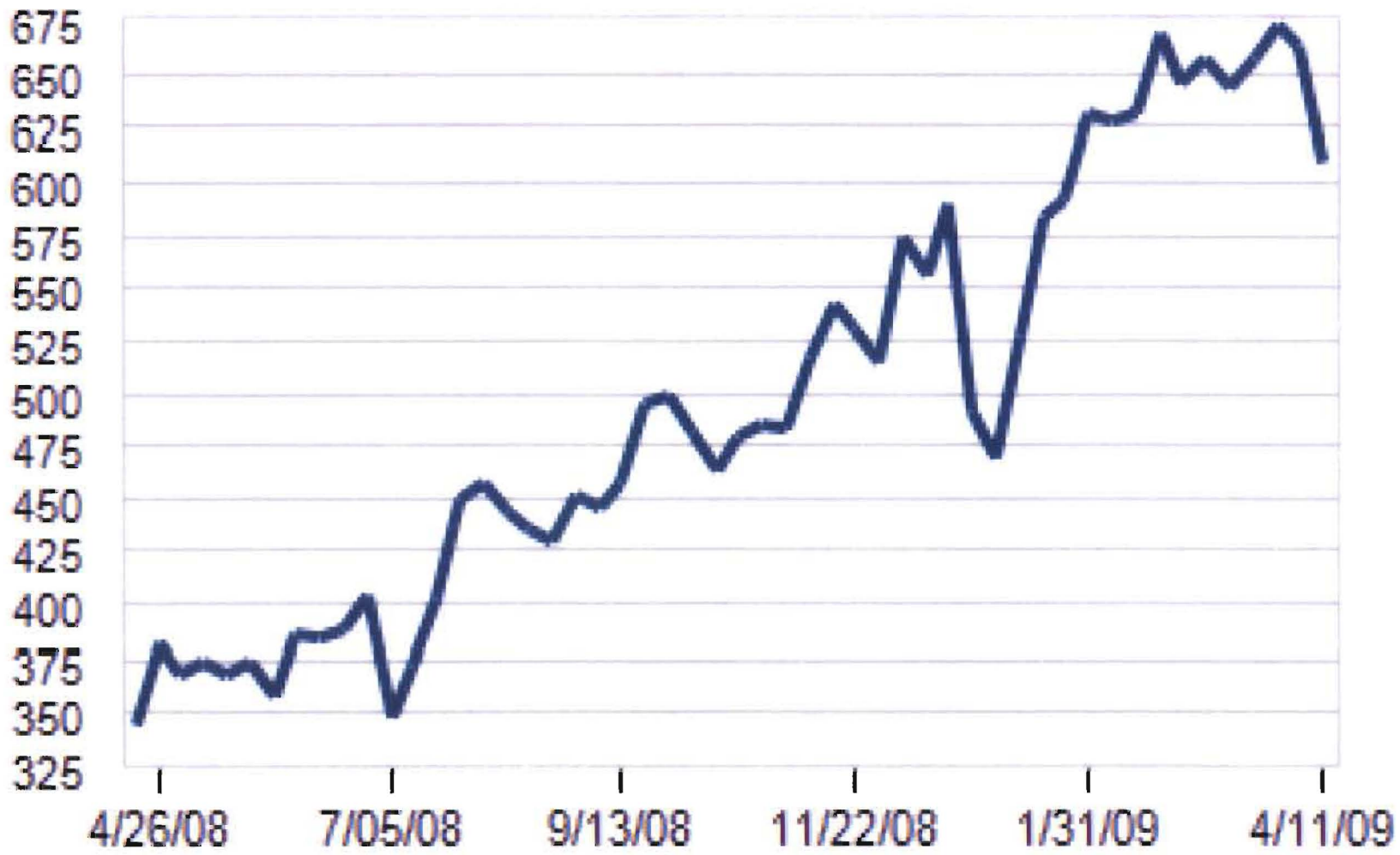


# Growth in Payroll Employment (000s)



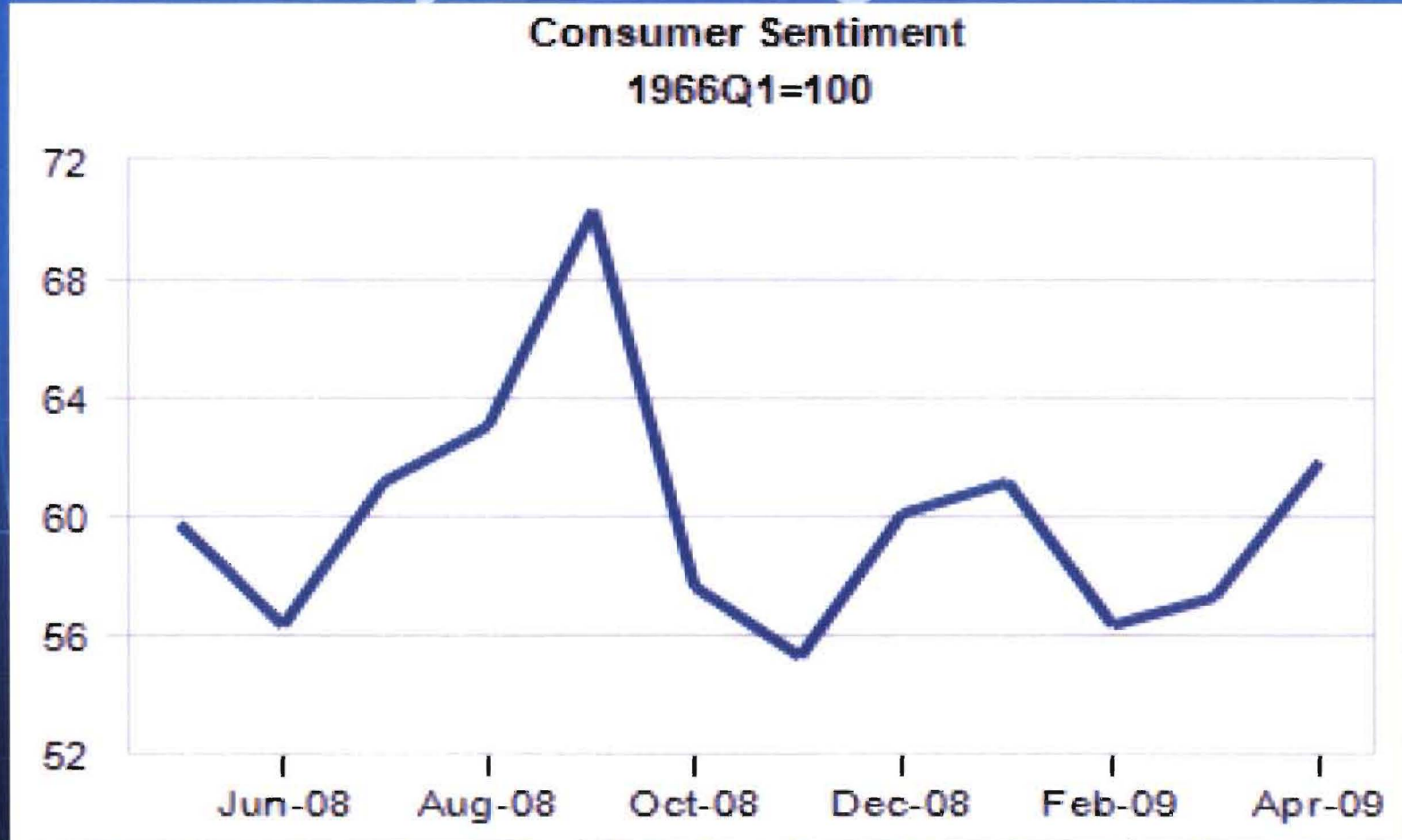
# Weekly Jobless Claims

Ths, SA



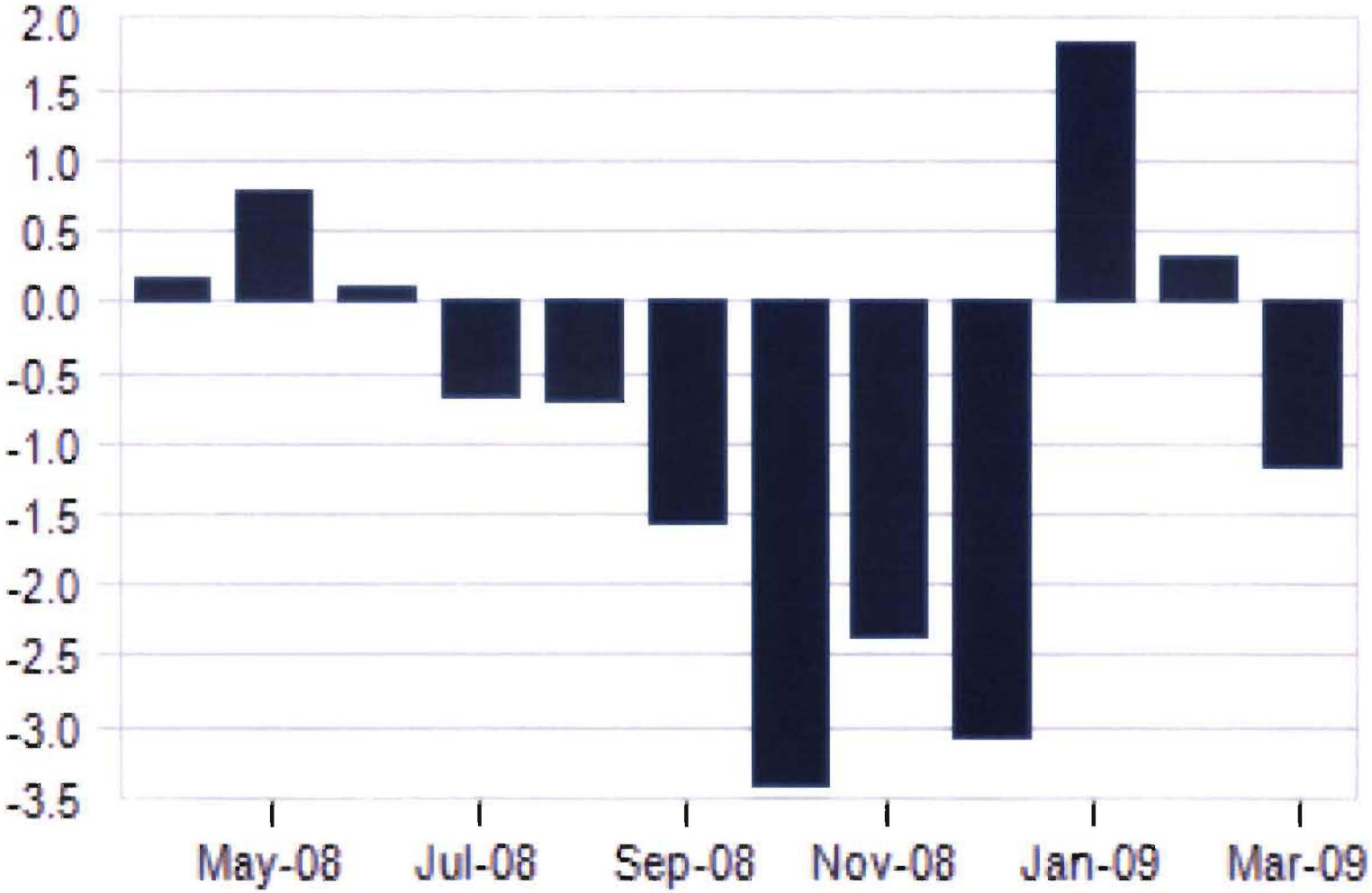


# Consumer Confidence Index University of Michigan 1966=100

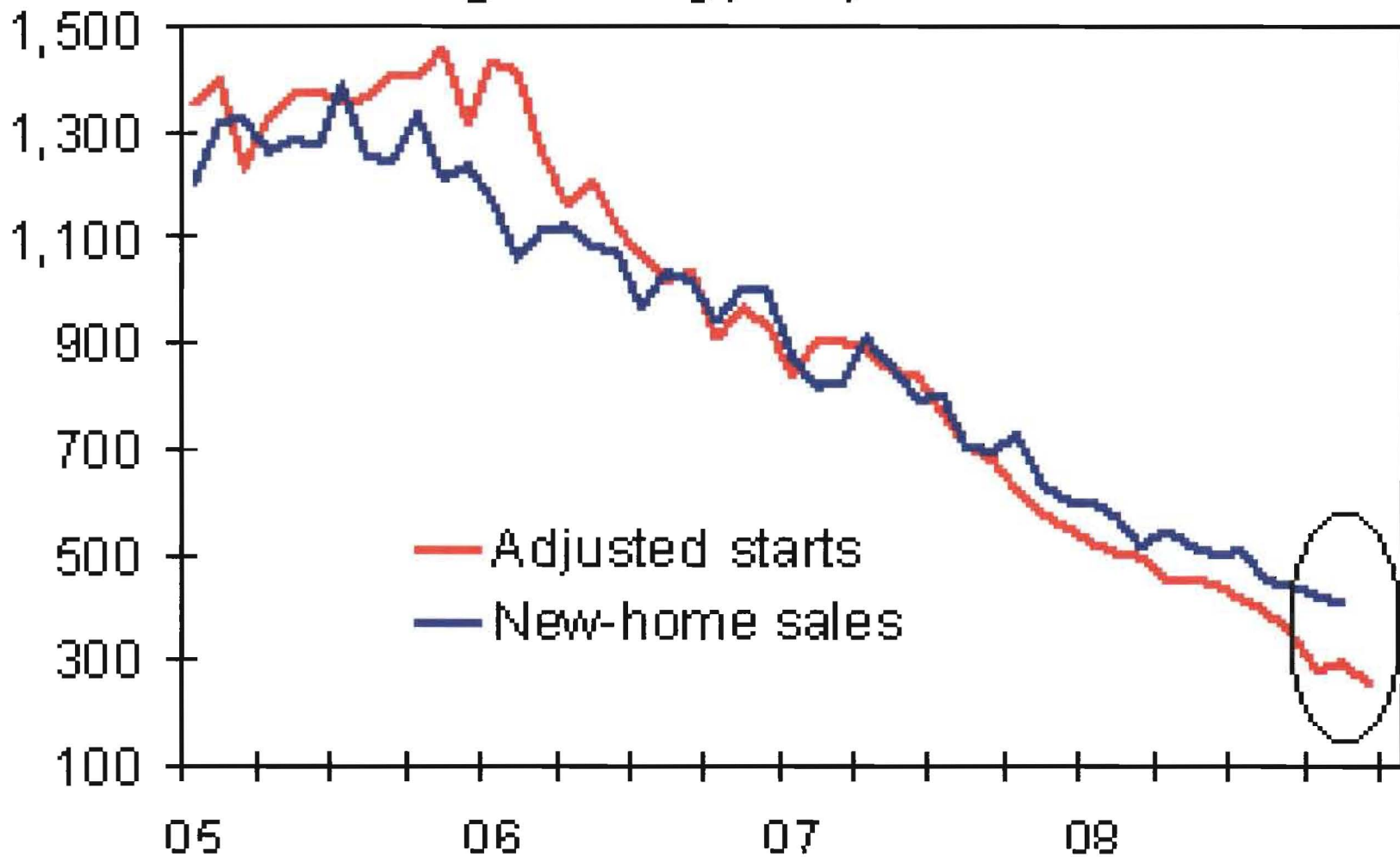


# Retail Sales

% change



## Inventories Can Align with Demand Faster Single-family, ths, SAAR

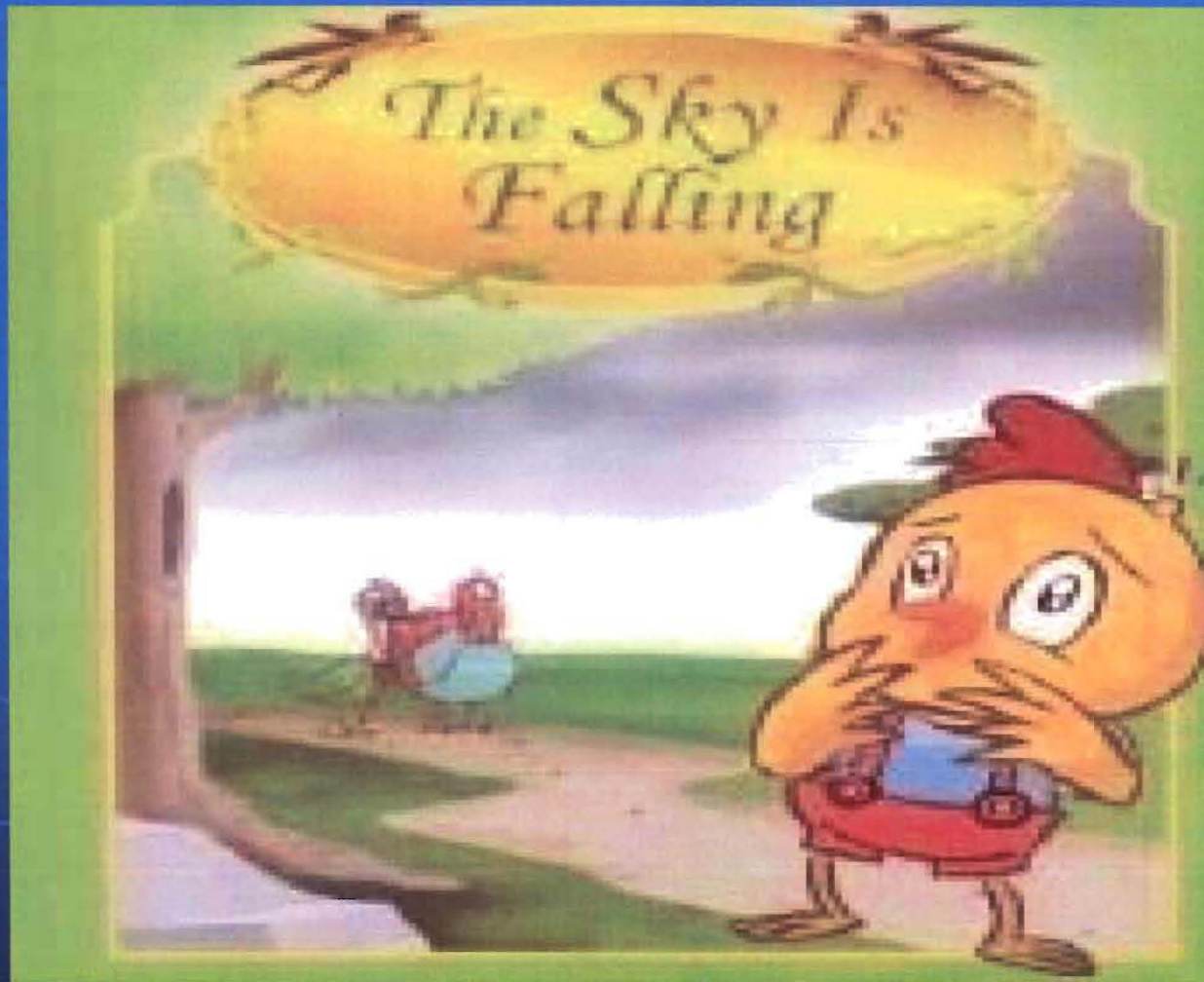


## Existing Home Sales Mil, SAAR



## Pending Home Sales Index % change year ago





***“The only function of economic forecasting is to make astrology look respectable.”***

John Kenneth Galbraith, economist (1908 – 2006)

# Actions to Prevent Depression

- **Economic Stimulus**
  - **Rebates 2008 \$135 B**
  - **Stimulus Package 2009 \$789 B (3% GDP for 2 years)**
- **TARP \$700 B**
- **Fed Actions**
  - **Lower interest rates**
  - **Flood banking system with liquidity**

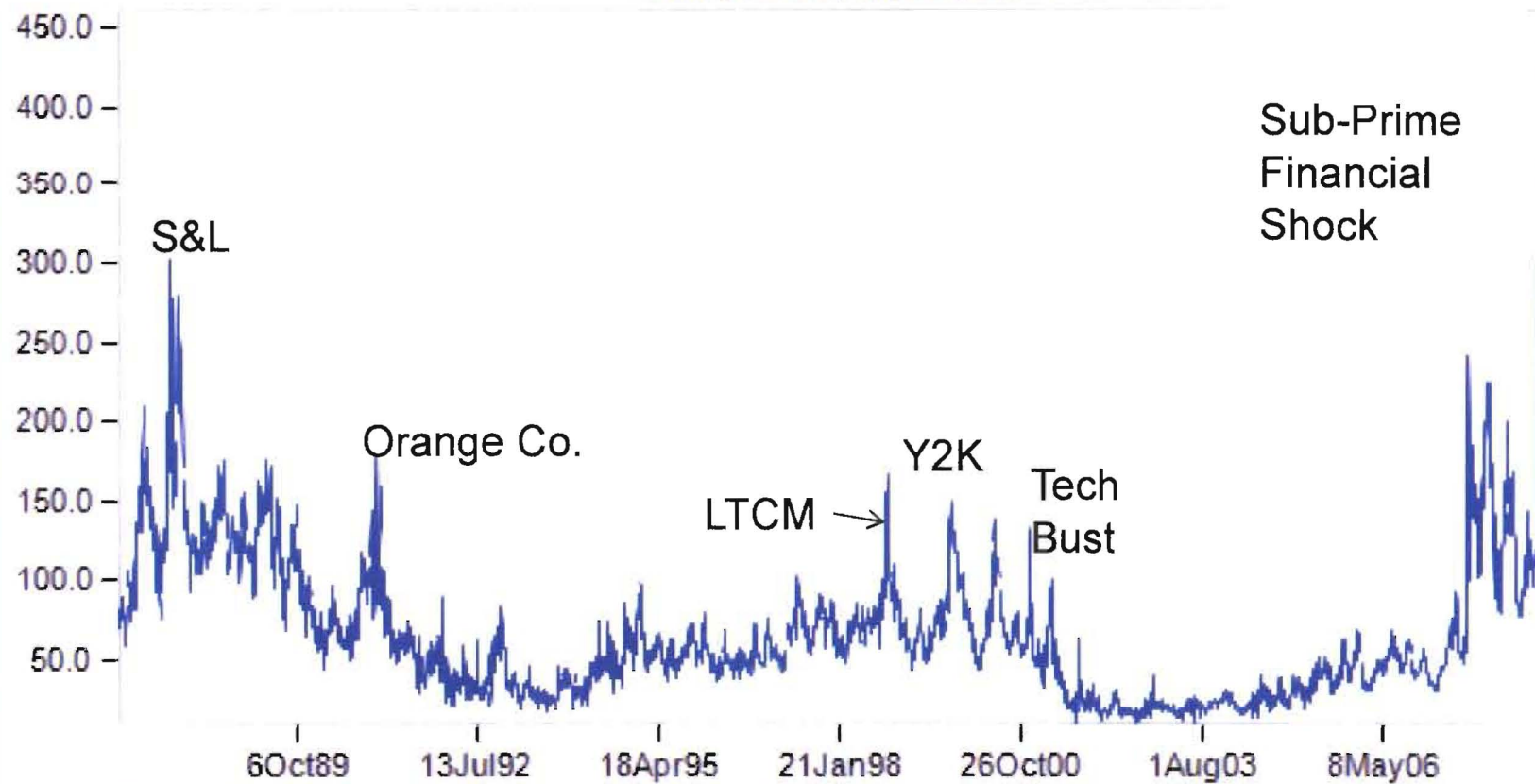
# Status of Stimulus Programs

| Agency                           | Pledged         | Spent          |
|----------------------------------|-----------------|----------------|
| <b>Federal Reserve</b>           |                 |                |
| Term Auction Loan Facility       | \$1,000         | \$0            |
| Term Auction Credit              | \$900           | \$448          |
| Other Loans                      | Unlimited       | \$249          |
| Commercial Paper                 | \$1,800         | \$242          |
| Money Markets                    | \$600           | \$70           |
| Purchase of GSE Debt and MBS     | \$600           | \$107          |
| Term Securites                   | \$200           | \$26           |
| All Other                        | \$473           | \$268          |
| <b>Treasury</b>                  |                 |                |
| TARP                             | \$700           | \$497          |
| Fed Supplementary Financing      | \$479           | \$479          |
| Backstop GSE                     | \$400           | \$0            |
| Homeowner Stability Plan         | \$75            | \$0            |
| <b>FDIC</b>                      |                 |                |
| Guarantee U.S Bank Debt          | \$1,413         | \$175          |
| Transaction Deposit Accounts     | \$500           | \$0            |
| <b>Congress</b>                  |                 |                |
| Economic Stimulus Act 2008       | \$170           | \$170          |
| Economic Recovery Act 2009       | \$789           | \$789          |
| <b>Joint Fed, FDIC, Treasury</b> |                 |                |
| Public-Private Investment Fund   | \$1,000         | \$0            |
|                                  | =====           | =====          |
| <b>Totals</b>                    | <b>\$11,348</b> | <b>\$3,520</b> |



# TED Spread – Difference 3-Month Libor – 3-Month TBill

as: LIBOR on USD - 3 months, (% , NSA); Interest Rates: Treasury Bills on Secondary Market - 3 Mor  
United States; United States

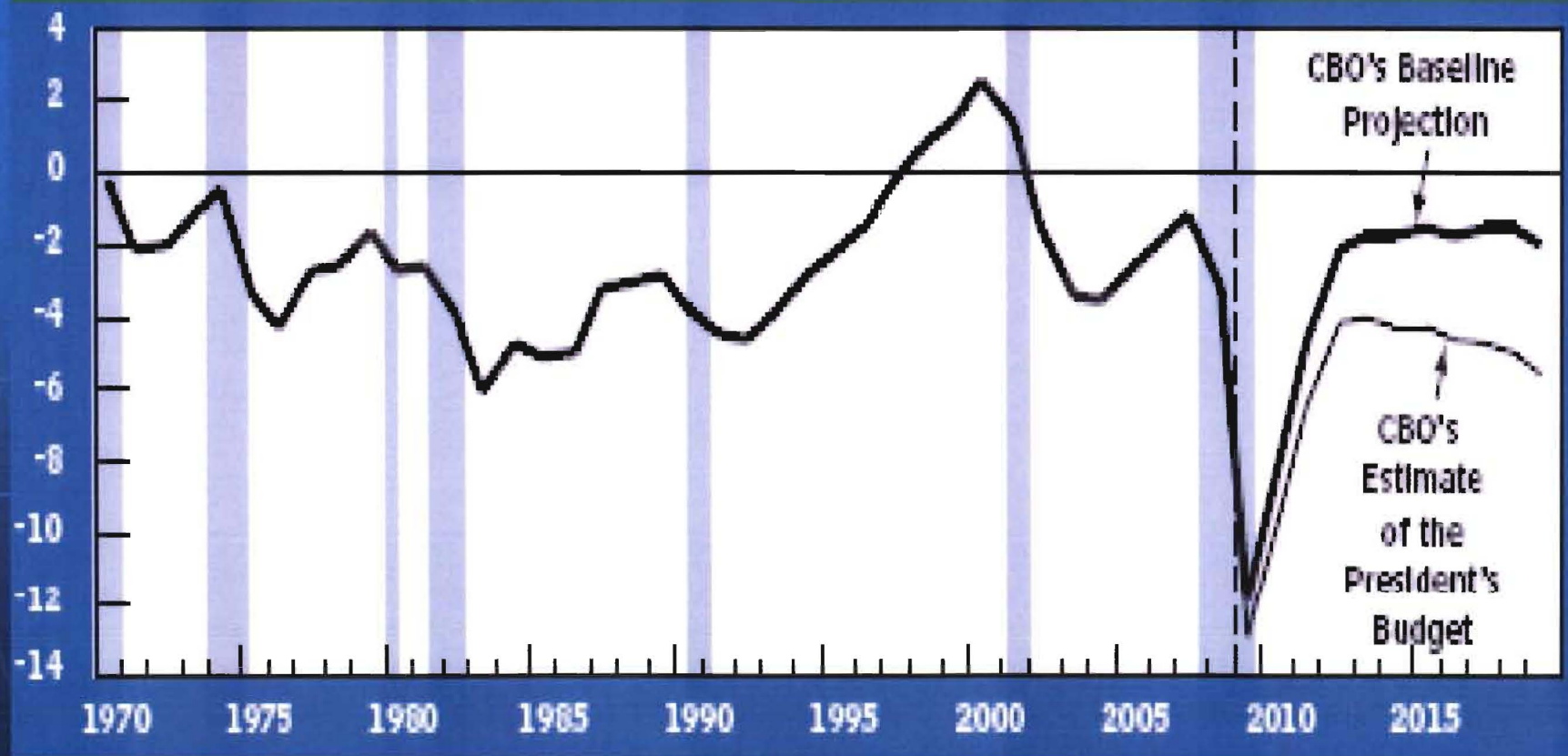


# Obama Stimulus Package

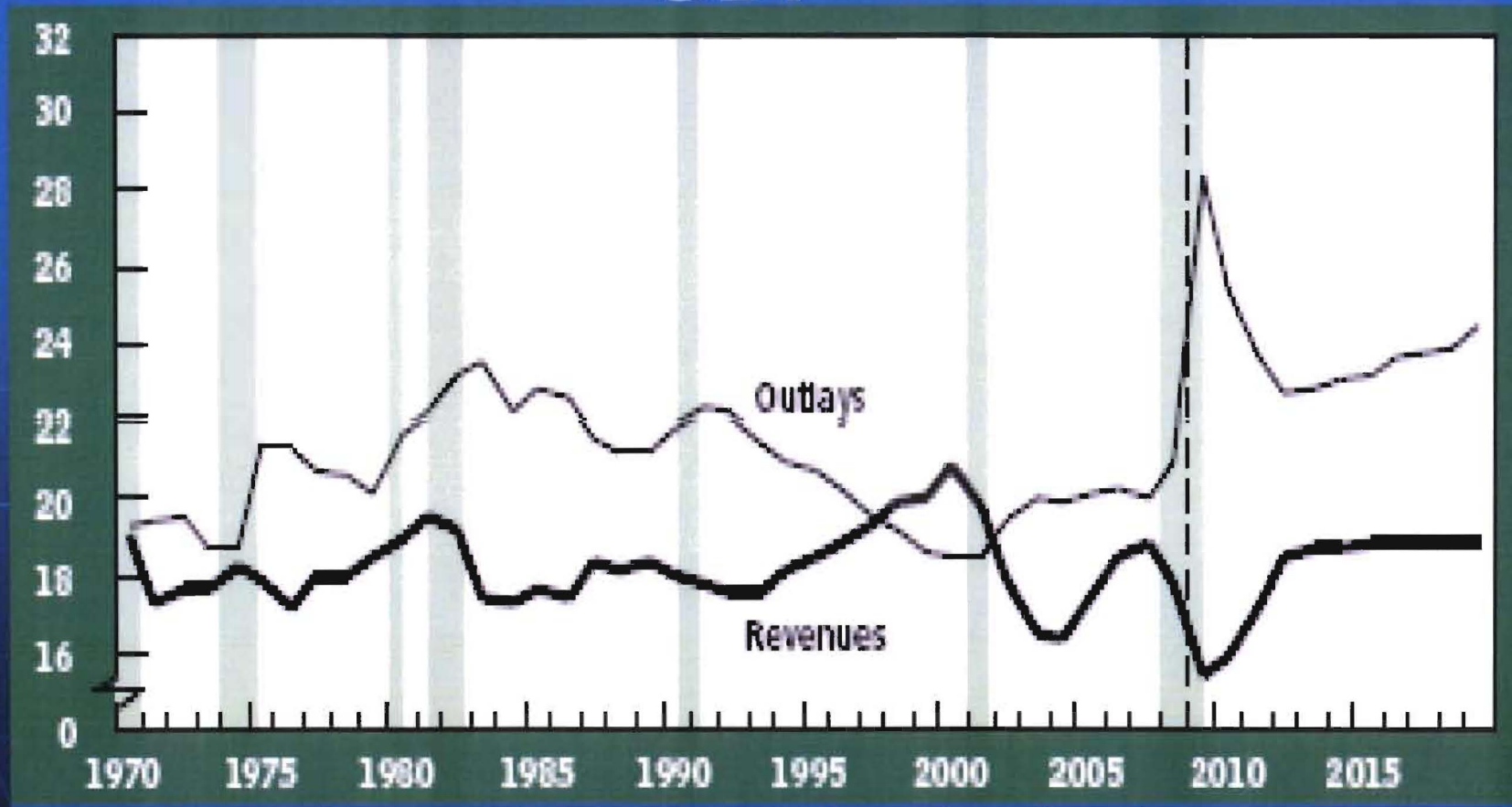
| Stimulus Package           | Total        | %           |
|----------------------------|--------------|-------------|
| Tax Cuts                   |              |             |
| Business                   | \$61         | 8%          |
| Personal                   | \$227        | 29%         |
| Aid to People              | \$83         | 11%         |
| Healthcare                 | \$59         | 7%          |
| Infrastructure and Science | \$111        | 14%         |
| Education, Energy, Other   | \$104        | 13%         |
| Local Govt                 | \$144        | 18%         |
|                            | =====        | =====       |
| <b>Total</b>               | <b>\$789</b> | <b>100%</b> |

Can spending be reigned in? Deficit challenge difficult!

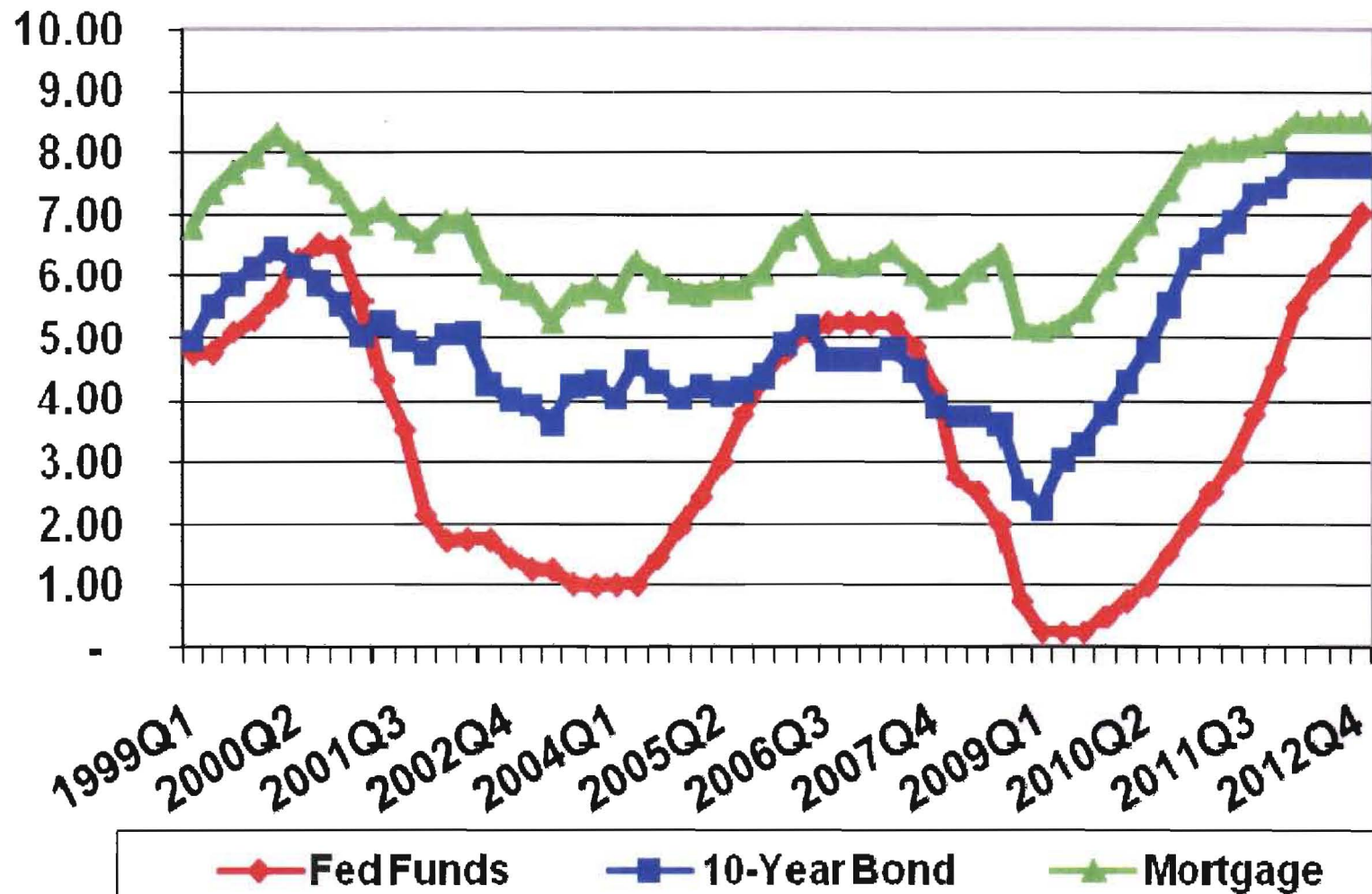
# Total Deficit or Surplus (% of GDP)



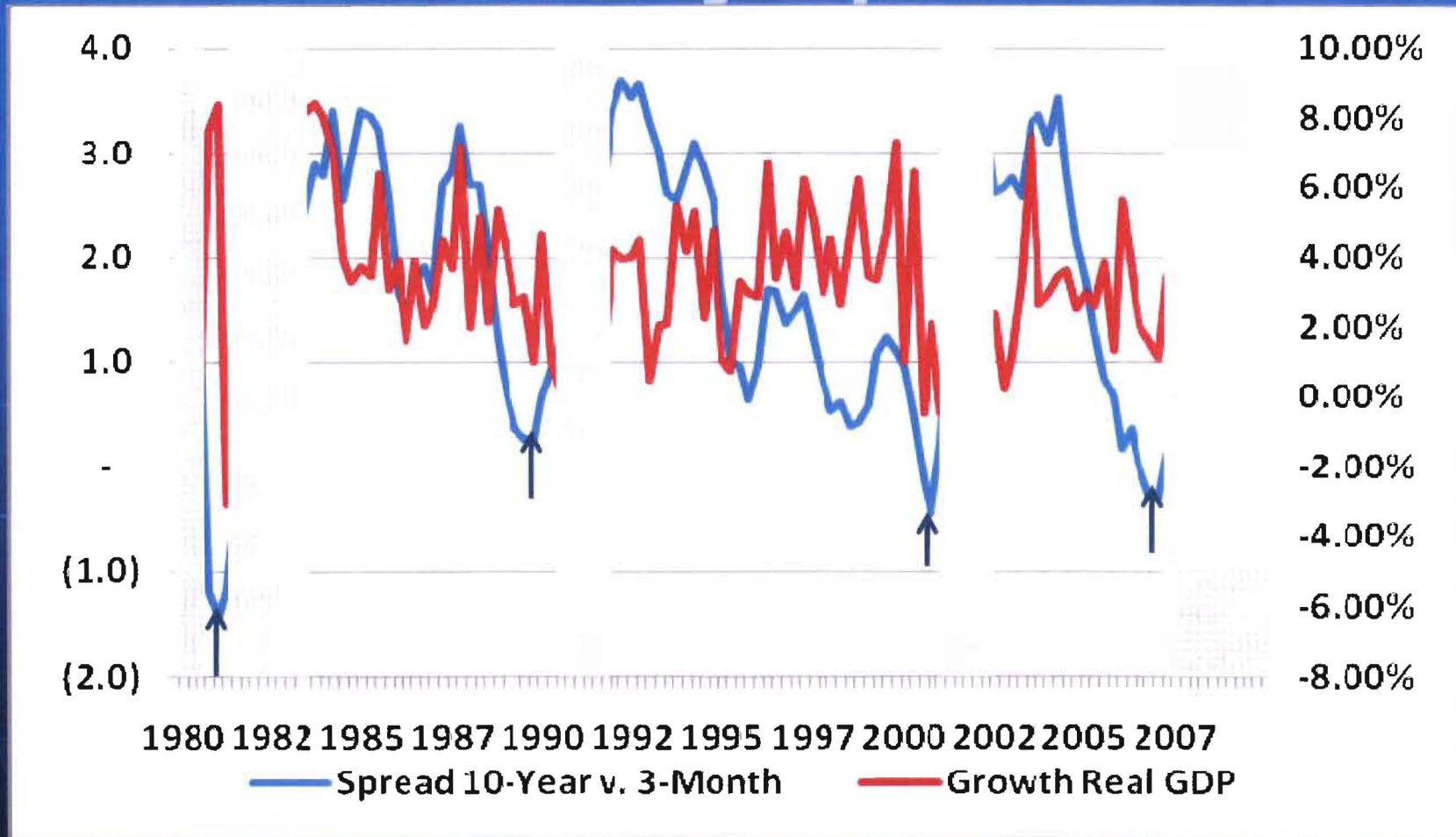
# CBO Estimates of Federal Spending and Outlays as a % of GDP



# INTEREST RATES

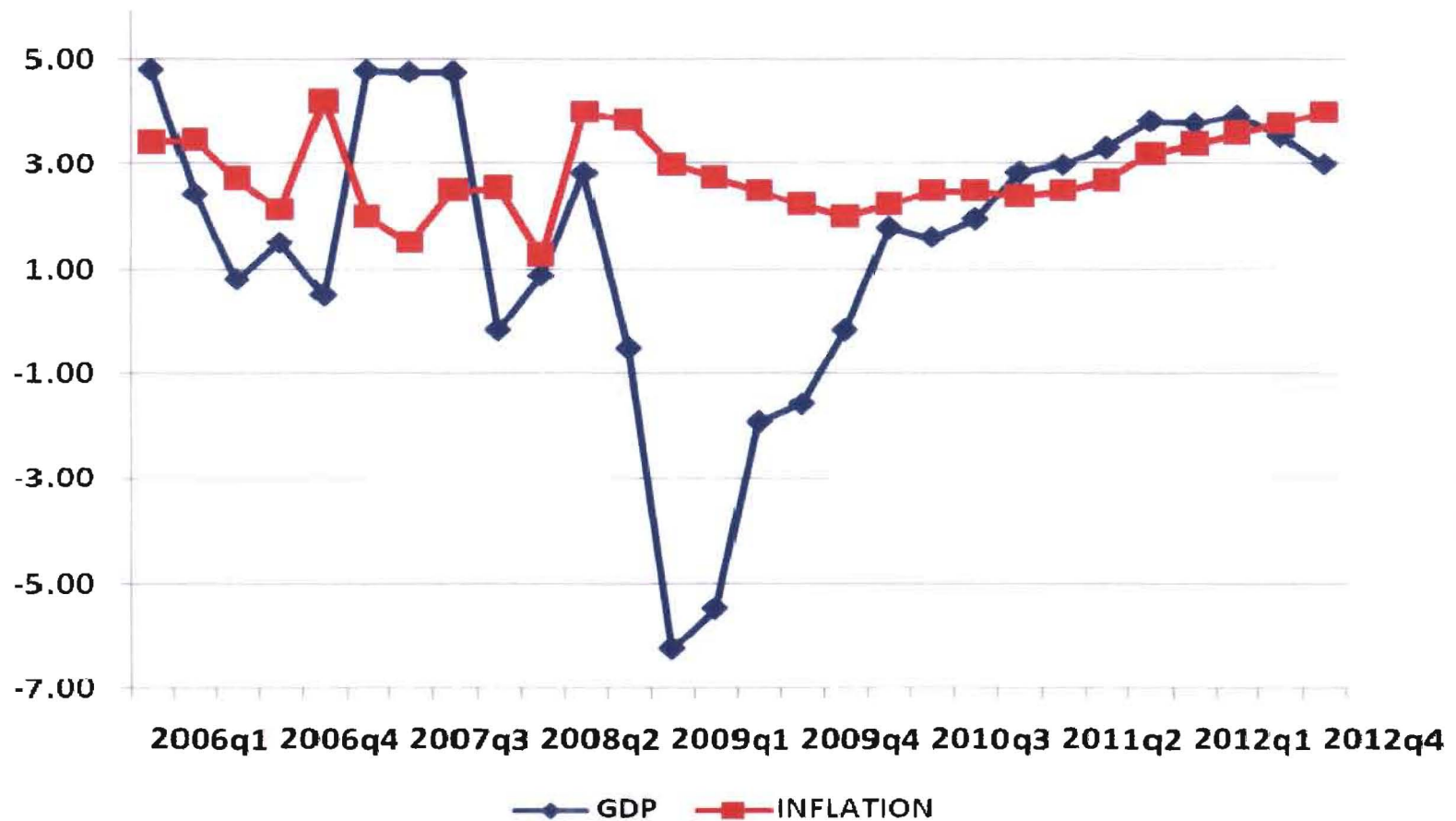


# Business Cycles and the Treasury Spread



# GDP AND INFLATION

(Percent growth SAAR)



# Post War Recession in U.S.

| Peak to Trough %                       | Length of Recession in Months | Real GDP      | Industrial Production | Payroll Employment |
|--|-------------------------------|---------------|-----------------------|--------------------|
| 12- 2007 to 11-2009*                   | 23                            | -4.00%        | -17.88%               | -5.47%             |
| 3- 2001 to 11-2001                     | 8                             | -0.40%        | -5.80%                | -2.10%             |
| 7-1990 to 3-1991                       | 8                             | -1.30%        | -4.30%                | -1.50%             |
| 7-1981 to 11-1982                      | 16                            | -2.70%        | -10.30%               | -3.20%             |
| 1-1980 to 7-1980                       | 6                             | -2.20%        | -6.90%                | -1.30%             |
| 11-1973 to 3-1975                      | 16                            | -3.10%        | -12.80%               | -2.80%             |
| 12-1969 to 11-1970                     | 11                            | 0.00%         | -7.50%                | -1.40%             |
| 4-1960 to 2-1961                       | 10                            | -1.60%        | -7.80%                | -2.30%             |
| 8-1957 to 4-1958                       | 8                             | -3.80%        | -12.70%               | -4.00%             |
| 7-1953 to 5-1954                       | 10                            | -2.40%        | -9.10%                | -3.30%             |
| 11-1948 to 10-1949                     | 11                            | -1.80%        | -7.70%                | -4.40%             |
| <b>Average for previous recessions</b> | <b>10</b>                     | <b>-1.90%</b> | <b>-8.50%</b>         | <b>-2.60%</b>      |

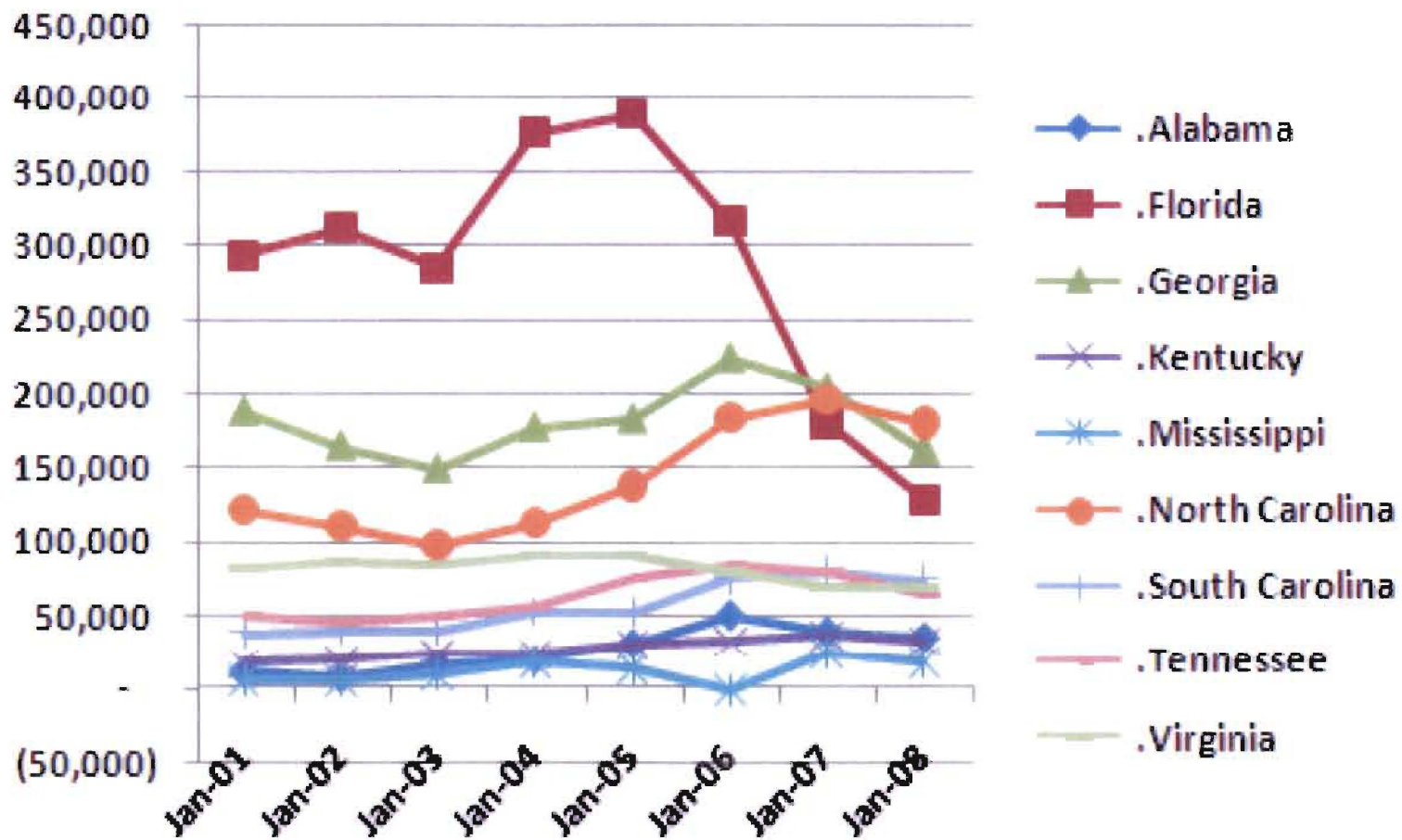


# Southeast Under Performs

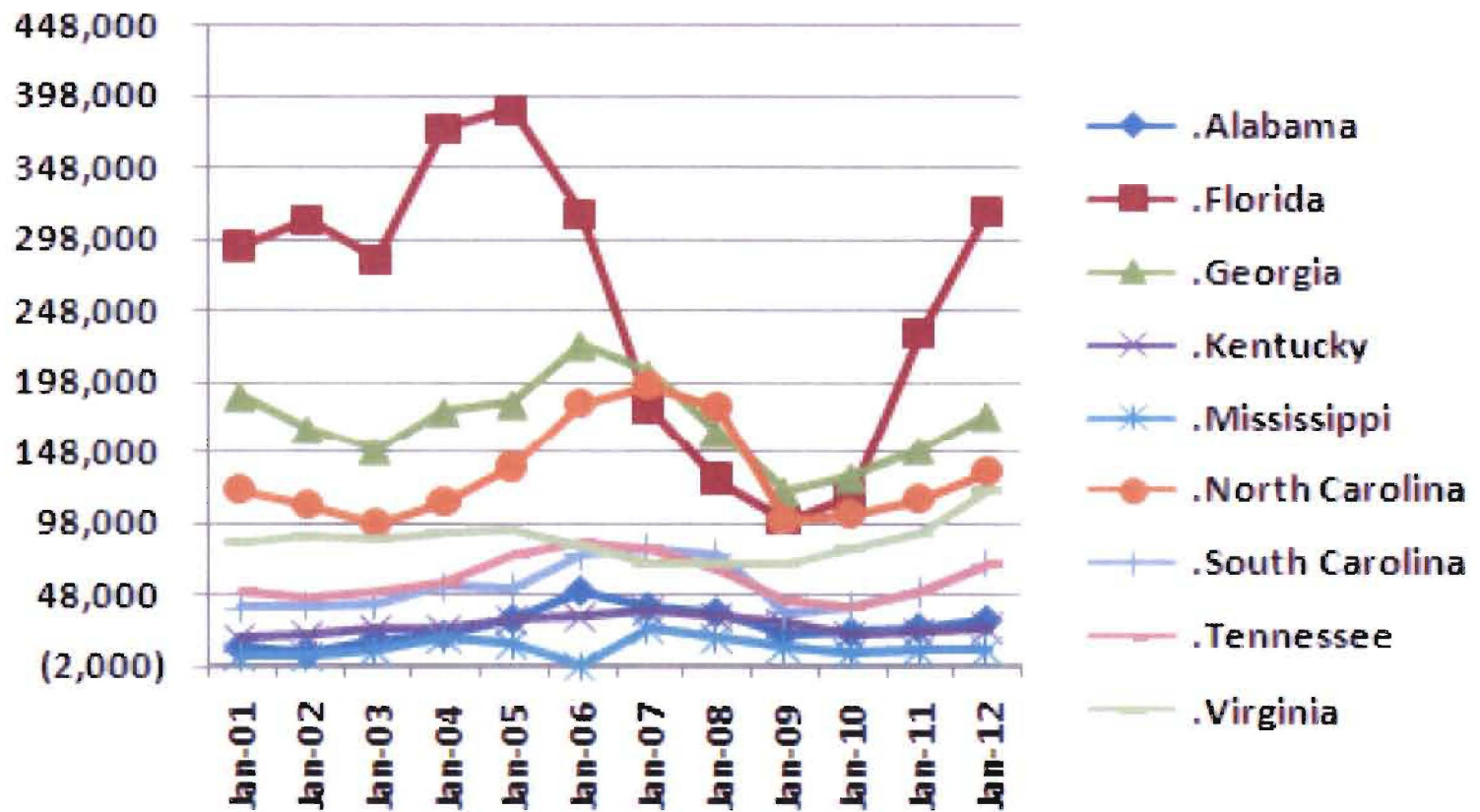
| State          | Over-the-Year Change |                   | Over-the-Year Change |                   |
|----------------|----------------------|-------------------|----------------------|-------------------|
|                | Level                | Rank<br>Out of 51 | % Loss               | Rank<br>Out of 51 |
| Alabama        | -84.5                | 30                | -4.2                 | 36                |
| Virginia       | -88.7                | 31                | -2.4                 | 21                |
| Mississippi    | -37.4                | 23                | -3.2                 | 29                |
| Kentucky       | -62.7                | 27                | -3.4                 | 30                |
| South Carolina | -92.3                | 32                | -4.7                 | 44                |
| Tennessee      | -123.2               | 40                | -4.4                 | 42                |
| Georgia        | -183.0               | 44                | -4.4                 | 41                |
| North Carolina | -210.0               | 46                | -5.0                 | 45                |
| Florida        | -424.3               | 50                | -5.4                 | 47                |

Southeast underperforms on both an absolute and a relative basis .  
Housing, autos and durable goods are the culprits

# Population Growth SE States



# Population Forecast SE States



# Florida Summary



4/20/2009

Fishkind & Associates, Inc.

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# Florida Summary

## Worst Recession since 1976

### Population Growth

- 126,000 for 2008
- 125,000 for 1976

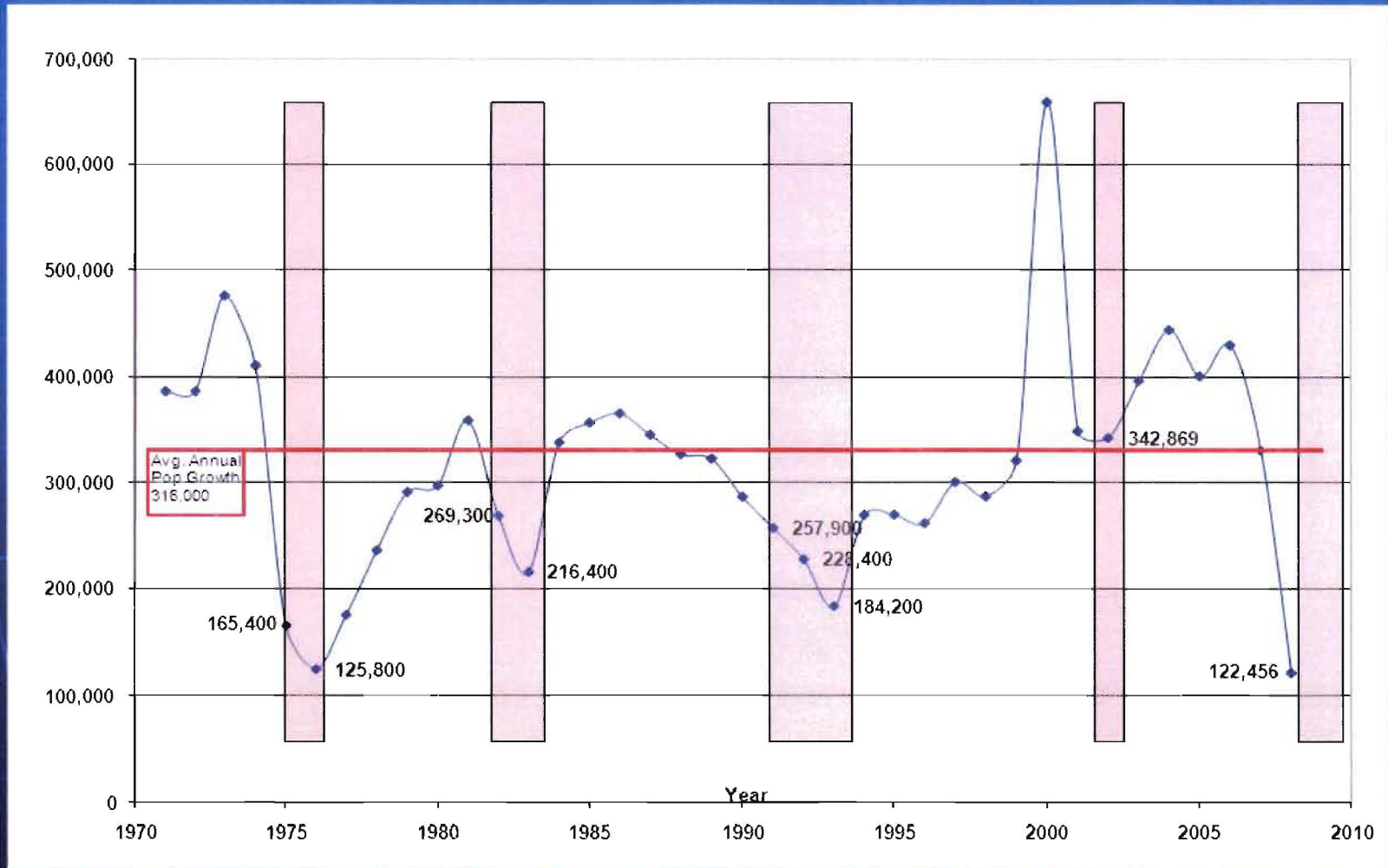
### Employment

- -275,000 for 2008
- -55,000 for 1976

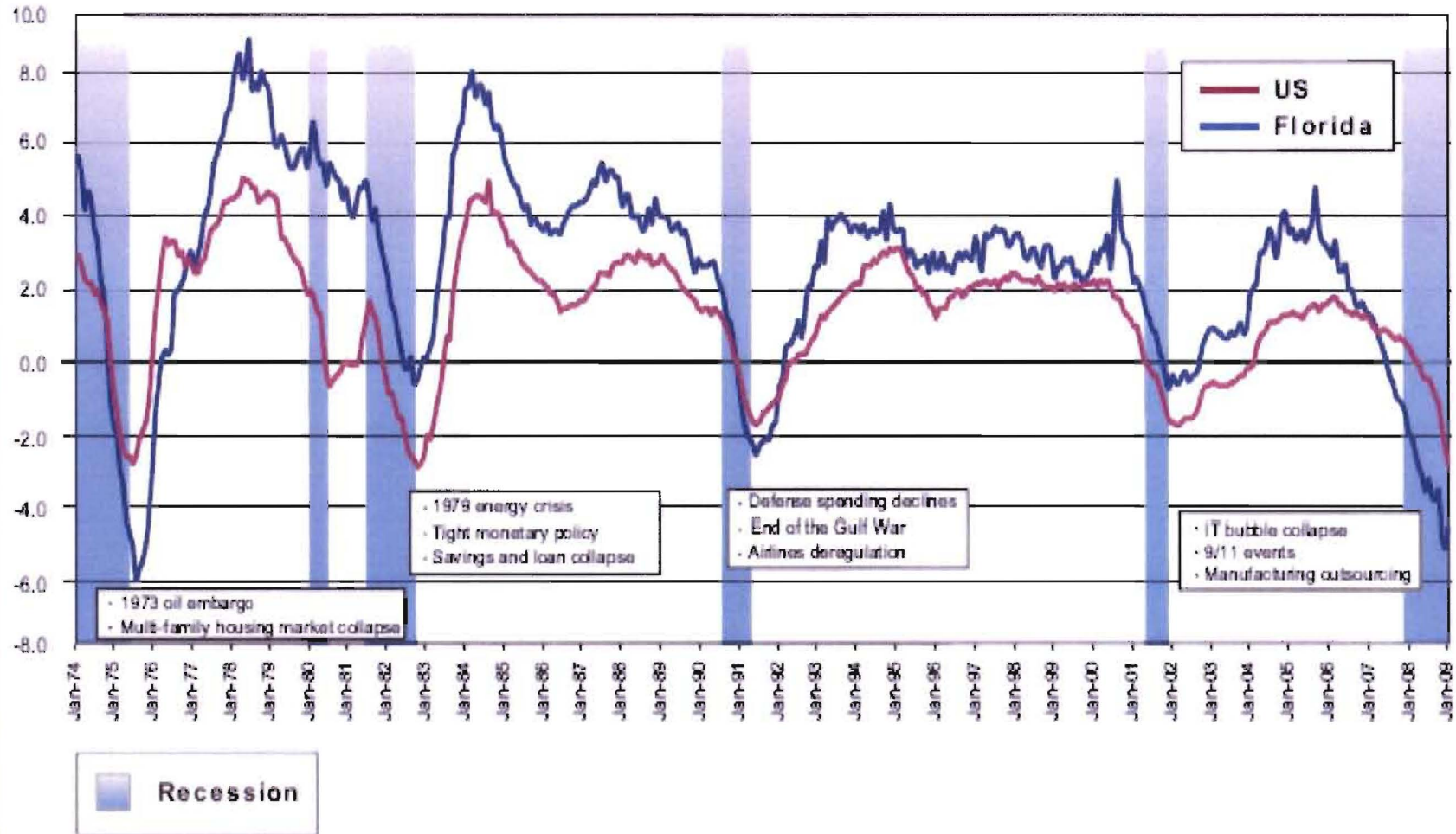
### Housing Starts

- 48,000 for 2008
- 33,000 for 1976

# Florida Population Growth

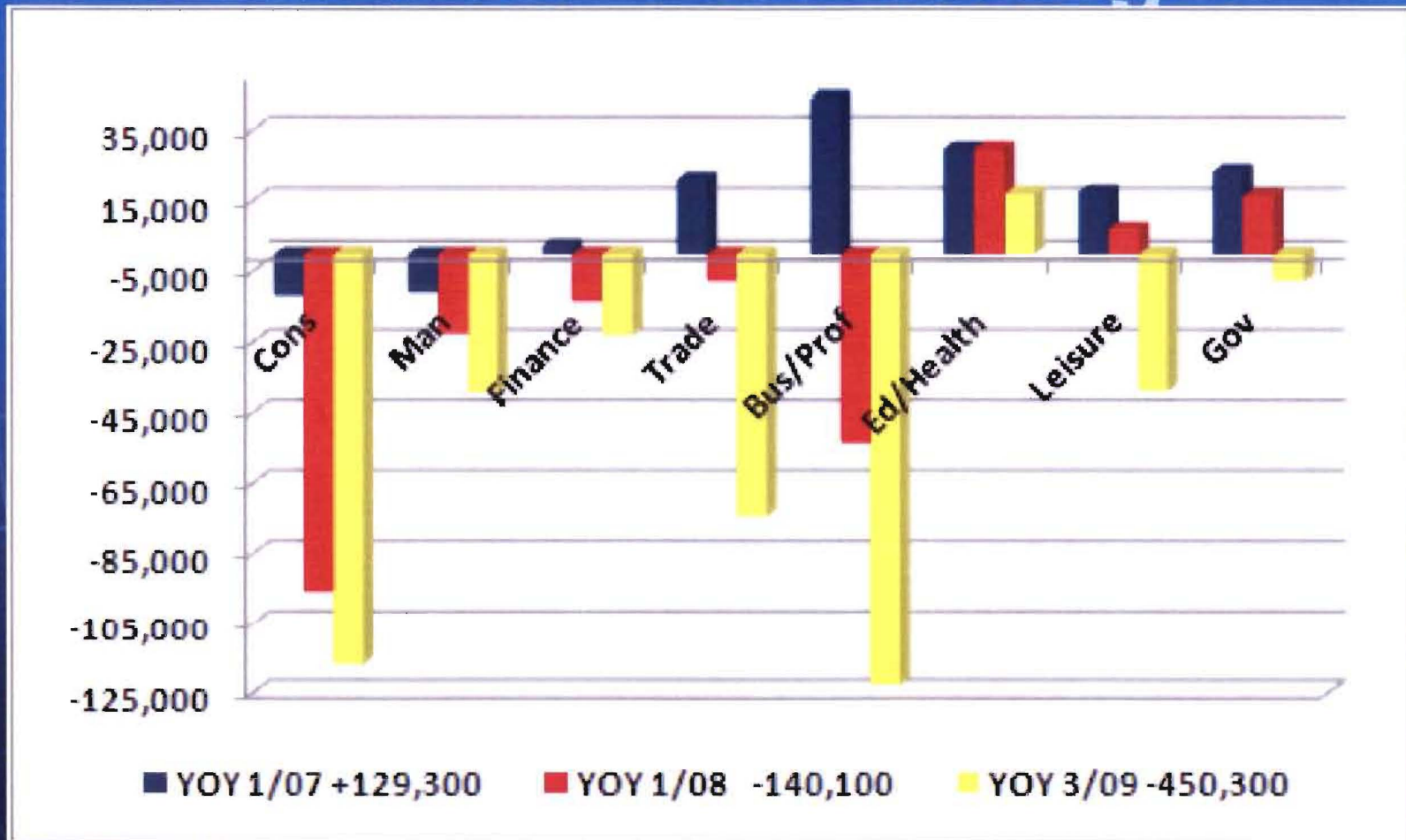


## Total Nonagricultural Employment Annual Job Growth Rates



Source: Florida Agency for Workforce Innovation, Labor Market Statistics Center, Current Employment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

# Florida Employment Growth Year-over-Year Changes





# Labor Market Performance for the Ten Largest States in U.S.

| State          | Job Growth           |             | Unemployment Rate |
|----------------|----------------------|-------------|-------------------|
|                | Over-the-Year Change |             |                   |
|                | Level                | Rate (%)    |                   |
| Texas          | -62,600              | -0.6        | 6.5               |
| Pennsylvania   | -116,600             | -2.0        | 7.5               |
| New York       | -134,000             | -1.5        | 7.8               |
| North Carolina | -180,100             | -4.3        | 10.7              |
| Georgia        | -181,800             | -4.4        | 9.3               |
| Illinois       | -206,300             | -3.4        | 8.6               |
| Ohio           | -222,100             | -4.1        | 9.4               |
| Michigan       | -277,000             | -6.5        | 12.0              |
| <b>Florida</b> | <b>-399,400</b>      | <b>-5.1</b> | <b>9.4</b>        |
| California     | -605,900             | -4.0        | 10.5              |

# Paradigm Change Population Growth 2007-08

| Geographic Area | Total Population Change* | Natural Increase | Net Migration    |               |
|-----------------|--------------------------|------------------|------------------|---------------|
|                 |                          |                  | International ** | Domestic      |
| Texas           | 483,542                  | 251,459          | 92,249           | 140,862       |
| California      | 379,132                  | 325,086          | 196,330          | -144,061      |
| North Carolina  | 180,820                  | 59,011           | 22,502           | 98,074        |
| Georgia         | 162,447                  | 79,888           | 27,118           | 56,674        |
| Arizona         | 146,759                  | 60,887           | 23,318           | 62,980        |
| <b>Florida</b>  | <b>128,814</b>           | <b>58,430</b>    | <b>77,427</b>    | <b>-9,286</b> |
| Washington      | 99,713                   | 40,024           | 18,456           | 40,588        |
| Colorado        | 96,686                   | 44,258           | 15,520           | 36,878        |
| Illinois        | 75,754                   | 83,476           | 45,909           | -52,349       |
| South Carolina  | 74,886                   | 19,613           | 5,113            | 49,736        |
| Virginia        | 70,314                   | 48,725           | 19,565           | 2,678         |
| Utah            | 67,499                   | 43,212           | 6,823            | 17,605        |
| Tennessee       | 65,772                   | 26,472           | 6,933            | 31,198        |
| New York        | 60,981                   | 98,100           | 94,797           | -126,209      |
| Oregon          | 54,511                   | 19,994           | 9,766            | 24,756        |
| Nevada          | 45,823                   | 20,878           | 9,198            | 16,316        |

# Population Growth 2007-08

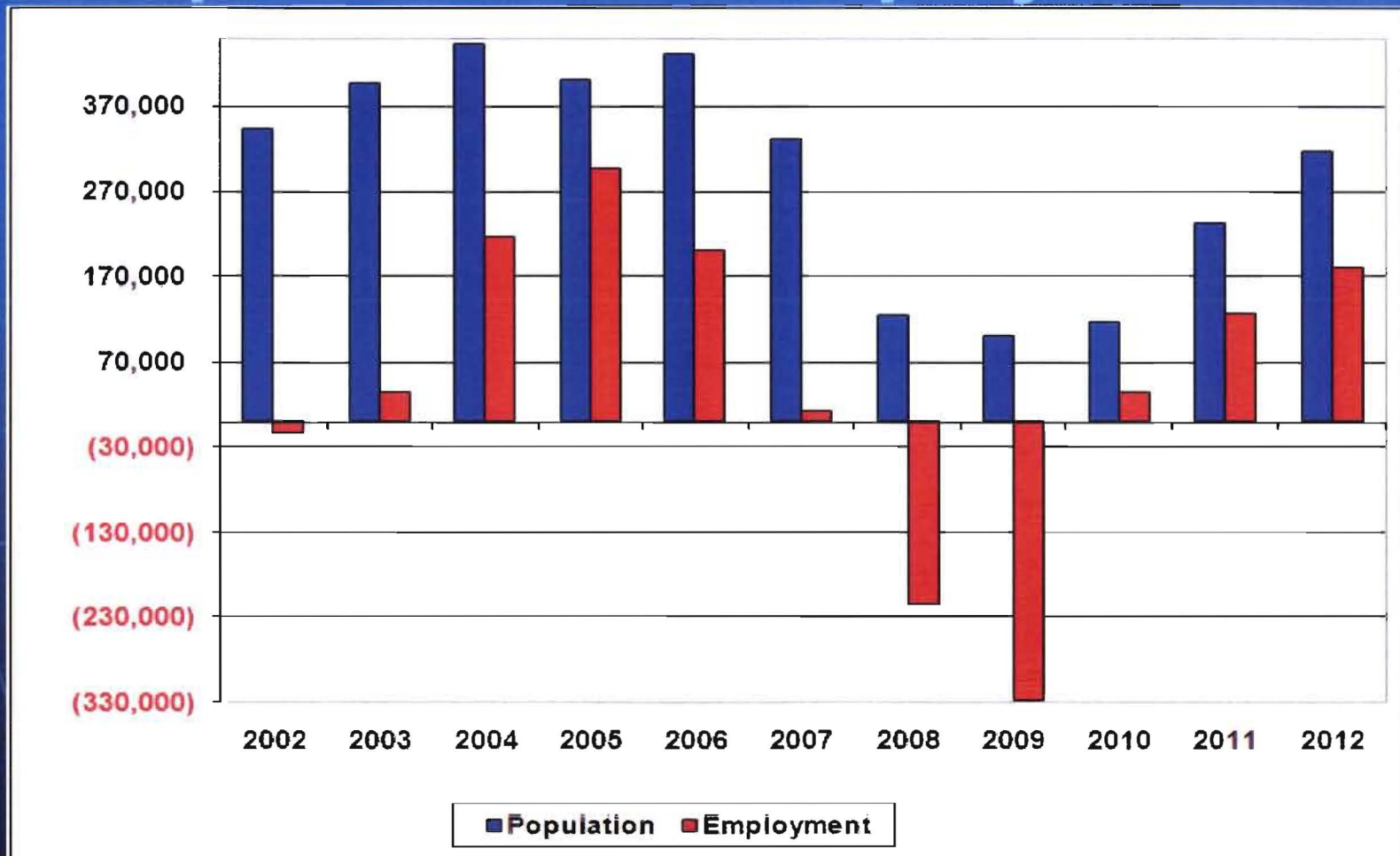
## Slowest and Fastest Counties

| County       | 2007      | 2008      | Total Change |
|--------------|-----------|-----------|--------------|
| ★ Broward    | 1,765,707 | 1,758,494 | -7,213       |
| Pinellas     | 944,199   | 938,461   | -5,738       |
| ★ Monroe     | 78,987    | 76,081    | -2,906       |
| Collier      | 333,858   | 332,854   | -1,004       |
| Palm Beach   | 1,295,033 | 1,294,654 | -379         |
| Calhoun      | 14,477    | 14,310    | -167         |
| Sarasota     | 387,461   | 393,608   | 6,147        |
| St. Johns    | 173,935   | 181,180   | 7,245        |
| Duval        | 897,597   | 904,971   | 7,374        |
| Osceola      | 266,123   | 273,709   | 7,586        |
| Hillsborough | 1,192,861 | 1,200,541 | 7,680        |
| Lee          | 615,741   | 623,725   | 7,984        |
| Orange       | 1,105,603 | 1,114,979 | 9,376        |
| Miami-Dade   | 2,462,292 | 2,477,289 | 14,997       |

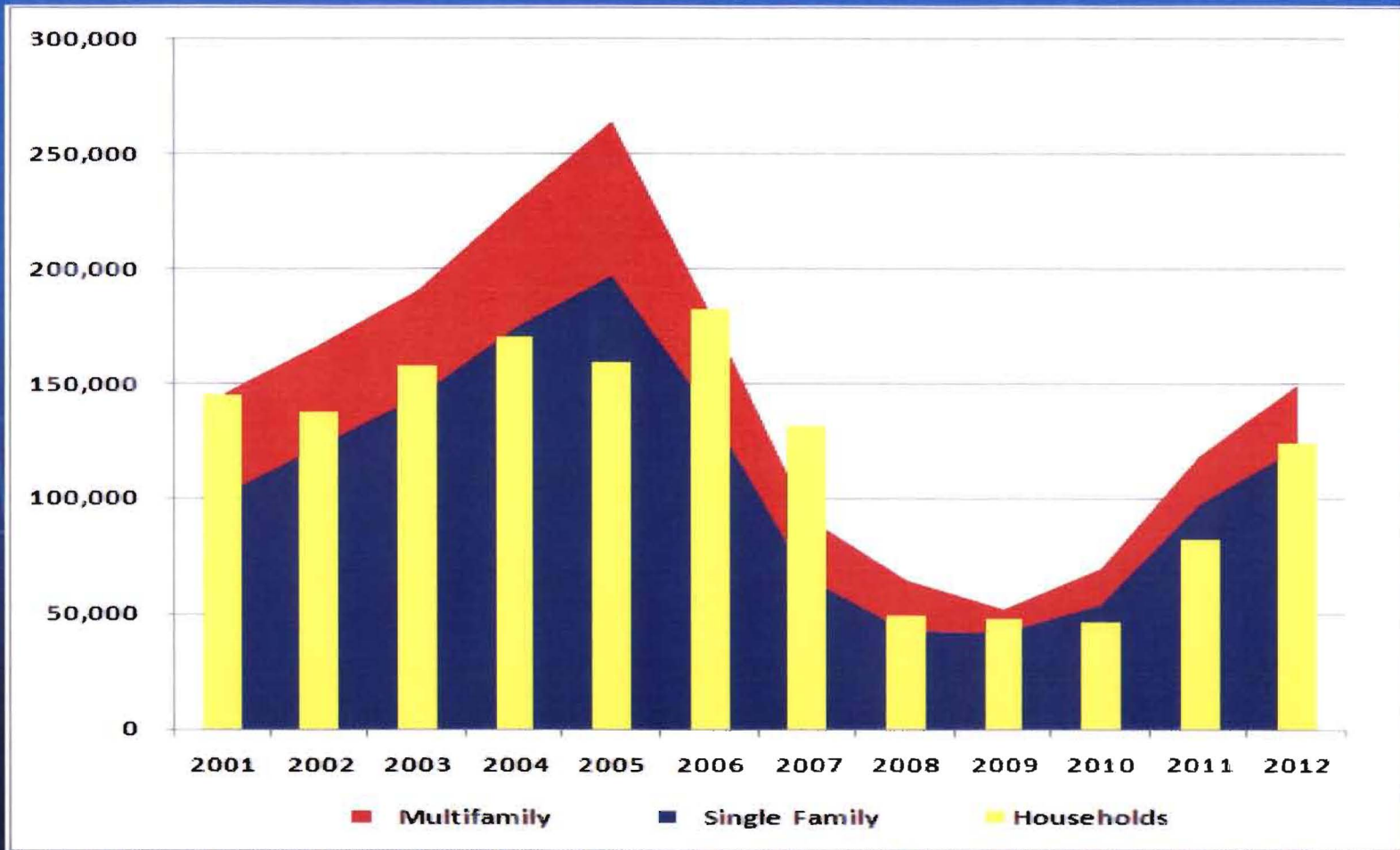
# Florida's Share of Stimulus Program

| Stimulus Package           | Total         | %           |
|----------------------------|---------------|-------------|
| Tax Cuts                   |               |             |
| Business                   | \$1.8         | 5%          |
| Personal                   | \$10.2        | 30%         |
| Aid to People              | \$4.9         | 14%         |
| Healthcare                 | \$3.5         | 10%         |
| Infrastructure and Science | \$1.8         | 5%          |
| Education, Energy, Other   | \$5.0         | 15%         |
| Local Govt                 | \$7.2         | 21%         |
|                            | =====         | =====       |
| <b>Total</b>               | <b>\$34.5</b> | <b>100%</b> |

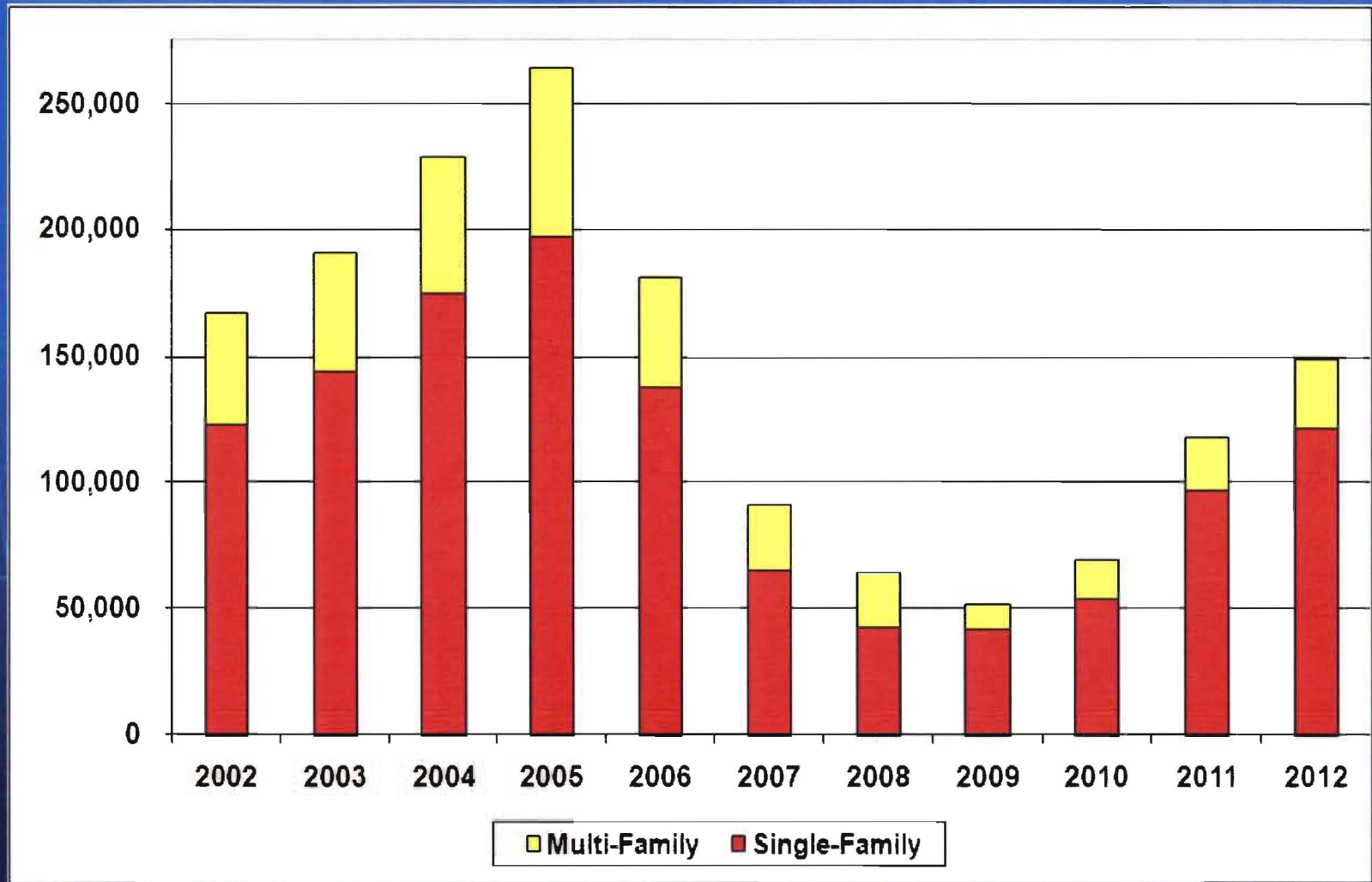
# Florida Growth Forecast Population and Employment



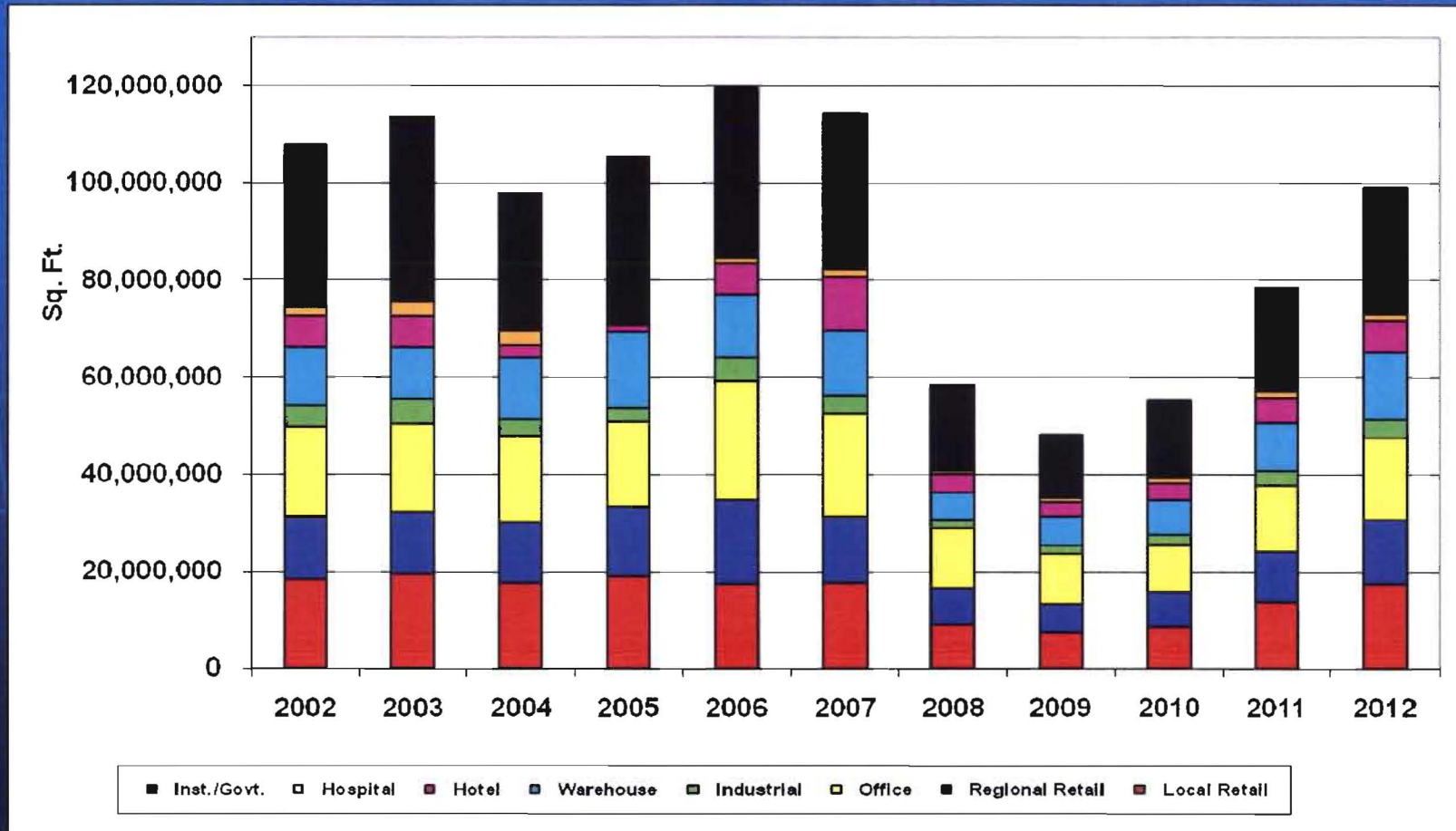
# Housing Market Supply/Demand Balance



# Housing Starts



# Non Residential Construction Put in Place in Square Feet







**The End**

# QUESTIONS?

Adobe Acrobat PDF copy of this presentation will be available in the PowerPoint Presentations area on our website ([fishkind.com](http://fishkind.com)). In order to download the PDF file please use the following access code:

**NSJLWJ**

ATTACHMENTS FOR DATA RESPONSE  
NO. 217

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF OPERATION AND MAINTENANCE EXPENSES FOR THE HISTORIC BASE YEAR + 1 AND THE PROJECTED TEST YEAR IF ADDITIONAL TREND RATES ARE APPLIED, PROVIDE AN EXPLANATION AS TO THE BASIS OF THE FACTOR.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 12/31/08  
 HISTORIC BASE YEAR DATA + 1: 12/31/09  
 PROJECTED TEST YEAR: 12/31/10  
 WITNESS: DEWEY

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

DOCKET NO: 090125-GU

|    |                             | TREND RATES: |  | HISTORIC BASE YEAR + 1 | PROJECTED TEST YEAR |  |  |
|----|-----------------------------|--------------|--|------------------------|---------------------|--|--|
|    |                             |              |  | 12/31/09               | 12/31/10            |  |  |
| #1 | PAYROLL ONLY                |              |  | 3.50%                  | 3.50%               |  |  |
| #2 | CUSTOMER GROWTH X INFLATION |              |  | 3.47%                  | 3.47%               |  |  |
| #3 | INFLATION ONLY              |              |  | 2.70%                  | 2.70%               |  |  |
| #4 | CUSTOMER GROWTH             |              |  | 0.75%                  | 0.75%               |  |  |

| LINE NO.                    | ACCOUNT             | HISTORIC BASE YEAR | ADJUSTMENTS | TOTAL BASE YEAR | BASE YEAR + 1 | PROJECTED TEST YEAR | TREND BASIS FROM ABOVE |
|-----------------------------|---------------------|--------------------|-------------|-----------------|---------------|---------------------|------------------------|
| <u>DISTRIBUTION EXPENSE</u> |                     |                    |             |                 |               |                     |                        |
| 1                           | 870 Payroll trended | \$188,278          | \$0         | \$188,278       | \$194,868     | \$201,688           | #1                     |
| 2                           | Other trended       | \$65,227           | \$0         | \$65,227        | \$67,491      | \$69,833            | #2                     |
| 3                           | Vacant Payroll      | \$0                | \$0         | \$0             | \$28,775      | \$29,782            | #1                     |
| 4                           | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$13,594      | \$14,066            | #2                     |
| 5                           | Total               | \$253,505          | \$0         | \$253,505       | \$304,727     | \$315,369           |                        |
| 6                           | 871 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 7                           | Other trended       | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 8                           | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 9                           | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 10                          | Total               | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 11                          | 874 Payroll trended | \$182,209          | \$0         | \$182,209       | \$188,586     | \$195,187           | #1                     |
| 12                          | Other trended       | \$163,246          | \$0         | \$163,246       | \$168,911     | \$174,773           | #2                     |
| 13                          | Vacant Payroll      | \$0                | \$0         | \$0             | \$17,278      | \$17,883            | #1                     |
| 14                          | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$10,813      | \$11,188            | #2                     |
| 15                          | Total               | \$345,455          | \$0         | \$345,455       | \$385,589     | \$399,031           |                        |
| 16                          | 875 Payroll trended | \$21,346           | \$0         | \$21,346        | \$22,093      | \$22,867            | #1                     |
| 17                          | Other trended       | \$8,801            | \$0         | \$8,801         | \$9,106       | \$9,422             | #2                     |
| 18                          | Vacant Payroll      | \$0                | \$0         | \$0             | \$662         | \$685               | #1                     |
| 19                          | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$452         | \$468               | #2                     |
| 20                          | Total               | \$30,147           | \$0         | \$30,147        | \$32,313      | \$33,442            |                        |
| 21                          | 876 Payroll trended | \$11,885           | \$0         | \$11,885        | \$12,301      | \$12,731            | #1                     |
| 22                          | Other trended       | \$44,749           | \$0         | \$44,749        | \$46,302      | \$47,909            | #2                     |
| 23                          | Vacant Payroll      | \$0                | \$0         | \$0             | \$152         | \$157               | #1                     |
| 24                          | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$104         | \$108               | #2                     |
| 25                          | Total               | \$56,634           | \$0         | \$56,634        | \$58,859      | \$60,905            |                        |

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF OPERATION AND MAINTENANCE EXPENSES FOR THE HISTORIC BASE YEAR + 1 AND THE PROJECTED TEST YEAR. IF ADDITIONAL TREND RATES ARE APPLIED, PROVIDE AN EXPLANATION AS TO THE BASIS OF THE FACTOR.

TYPE OF DATA SHOWN:  
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 HISTORIC BASE YEAR DATA + 1: 12/31/09  
 PROJECTED TEST YEAR: 12/31/10  
 WITNESS: DEWEY

COMPANY FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

DOCKET NO: 090125-GU

| LINE NO                     | ACCOUNT             | HISTORIC BASE YEAR | ADJUSTMENTS | TOTAL BASE YEAR | BASE YEAR + 1 | PROJECTED TEST YEAR | TREND BASIS FROM ABOVE |
|-----------------------------|---------------------|--------------------|-------------|-----------------|---------------|---------------------|------------------------|
| <u>DISTRIBUTION EXPENSE</u> |                     |                    |             |                 |               |                     |                        |
| 1                           | 877 Payroll trended | \$4,949            | \$0         | \$4,949         | \$5,122       | \$5,302             | #1                     |
| 2                           | Other trended       | \$14,540           | \$0         | \$14,540        | \$15,045      | \$15,567            | #2                     |
| 3                           | Vacant Payroll      | \$0                | \$0         | \$0             | \$392         | \$406               | #1                     |
| 4                           | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$268         | \$277               | #2                     |
| 5                           | Total               | \$19,489           | \$0         | \$19,489        | \$20,827      | \$21,551            |                        |
| 6                           | 878 Payroll trended | \$150,020          | \$0         | \$150,020       | \$155,271     | \$160,705           | #1                     |
| 7                           | Other trended       | \$205,327          | \$1,813     | \$207,140       | \$214,328     | \$221,766           | #2                     |
| 8                           | Vacant Payroll      | \$0                | \$0         | \$0             | \$14,259      | \$14,758            | #1                     |
| 9                           | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$8,464       | \$8,758             | #2                     |
| 10                          | Total               | \$355,347          | \$1,813     | \$357,160       | \$392,322     | \$405,987           |                        |
| 11                          | 879 Payroll trended | \$10,642           | \$0         | \$10,642        | \$11,014      | \$11,400            | #1                     |
| 12                          | Other trended       | \$4,644            | \$0         | \$4,644         | \$4,805       | \$4,972             | #2                     |
| 13                          | Vacant Payroll      | \$0                | \$0         | \$0             | \$1,173       | \$1,214             | #1                     |
| 14                          | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$659         | \$682               | #2                     |
| 15                          | Total               | \$15,286           | \$0         | \$15,286        | \$17,651      | \$18,267            |                        |
| 16                          | 880 Payroll trended | \$63,272           | \$0         | \$63,272        | \$65,487      | \$67,779            | #1                     |
| 17                          | Other trended       | \$21,139           | \$0         | \$21,139        | \$21,710      | \$22,296            | #3                     |
| 18                          | Vacant Payroll      | \$0                | \$0         | \$0             | \$11,175      | \$11,566            | #1                     |
| 19                          | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$7,099       | \$7,291             | #3                     |
| 20                          | Total               | \$84,412           | \$0         | \$84,412        | \$105,471     | \$108,932           |                        |
| 21                          | 881 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 22                          | Other trended       | \$15,240           | \$0         | \$15,240        | \$15,651      | \$16,074            | #3                     |
| 23                          | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 24                          | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 25                          | Total               | \$15,240           | \$0         | \$15,240        | \$15,651      | \$16,074            |                        |

FLORIDA PUBLIC SERVICE COMMISSION

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 WITNESS: DEWEY

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

DOCKET NO. 090125-GU

| LINE NO                    | ACCOUNT             | HISTORIC BASE YEAR | ADJUSTMENTS | TOTAL BASE YEAR | BASE YEAR + 1 | PROJECTED TEST YEAR | TREND BASIS FROM ABOVE |
|----------------------------|---------------------|--------------------|-------------|-----------------|---------------|---------------------|------------------------|
| <u>MAINTENANCE EXPENSE</u> |                     |                    |             |                 |               |                     |                        |
| 1                          | 863 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 2                          | Other trended       | \$5,338            | \$0         | \$5,338         | \$5,523       | \$5,715             | #2                     |
| 3                          | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 4                          | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 5                          | Total               | \$5,338            | \$0         | \$5,338         | \$5,523       | \$5,715             |                        |
| 6                          | 865 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 7                          | Other trended       | \$979              | \$0         | \$979           | \$1,013       | \$1,048             | #2                     |
| 8                          | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 9                          | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 10                         | Total               | \$979              | \$0         | \$979           | \$1,013       | \$1,048             |                        |
| 11                         | 887 Payroll trended | \$75,471           | \$0         | \$75,471        | \$78,113      | \$80,846            | #1                     |
| 12                         | Other trended       | \$101,424          | (\$18,133)  | \$83,291        | \$86,182      | \$89,172            | #2                     |
| 13                         | Vacant Payroll      | \$0                | \$0         | \$0             | \$5,891       | \$6,097             | #1                     |
| 14                         | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$3,615       | \$3,740             | #2                     |
| 15                         | Total               | \$176,895          | (\$18,133)  | \$158,762       | \$173,800     | \$179,856           |                        |
| 16                         | 889 Payroll trended | \$14,056           | \$0         | \$14,056        | \$14,547      | \$15,057            | #1                     |
| 17                         | Other trended       | \$6,875            | \$0         | \$6,875         | \$7,114       | \$7,361             | #2                     |
| 18                         | Vacant Payroll      | \$0                | \$0         | \$0             | \$561         | \$581               | #1                     |
| 19                         | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$384         | \$397               | #2                     |
| 20                         | Total               | \$20,931           | \$0         | \$20,931        | \$22,606      | \$23,395            |                        |
| 21                         | 890 Payroll trended | \$15,199           | \$0         | \$15,199        | \$15,726      | \$16,277            | #1                     |
| 22                         | Other trended       | \$25,919           | \$0         | \$25,919        | \$26,826      | \$27,757            | #2                     |
| 23                         | Vacant Payroll      | \$0                | \$0         | \$0             | \$221         | \$229               | #1                     |
| 24                         | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$151         | \$156               | #2                     |
| 25                         | Total               | \$41,118           | \$0         | \$41,118        | \$42,924      | \$44,418            |                        |

SUPPORTING SCHEDULES: G-1 p.19-20, G-6 p 1

RECAP SCHEDULES: G-1 p.1, G-1 p.4

FLORIDA PUBLIC SERVICE COMMISSION

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 PROJECTED TEST YEAR: 12/31/10  
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COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

DOCKET NO: 090125-GU

| LINE NO.                   | ACCOUNT             | HISTORIC BASE YEAR | ADJUSTMENTS | TOTAL BASE YEAR | BASE YEAR + 1 | PROJECTED TEST YEAR | TREND BASIS FROM ABOVE |
|----------------------------|---------------------|--------------------|-------------|-----------------|---------------|---------------------|------------------------|
| <u>MAINTENANCE EXPENSE</u> |                     |                    |             |                 |               |                     |                        |
| 1                          | 891 Payroll trended | \$14,312           | \$0         | \$14,312        | \$14,813      | \$15,331            | #1                     |
| 2                          | Other trended       | \$22,220           | \$0         | \$22,220        | \$22,991      | \$23,789            | #2                     |
| 3                          | Vacant Payroll      | \$0                | \$0         | \$0             | \$496         | \$513               | #1                     |
| 4                          | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$339         | \$351               | #2                     |
| 5                          | Total               | \$36,532           | \$0         | \$36,532        | \$38,639      | \$39,984            |                        |
| 6                          | 892 Payroll trended | \$5,604            | \$0         | \$5,604         | \$5,801       | \$6,004             | #1                     |
| 7                          | Other trended       | \$11,930           | \$0         | \$11,930        | \$12,344      | \$12,772            | #2                     |
| 8                          | Vacant Payroll      | \$0                | \$0         | \$0             | \$362         | \$375               | #1                     |
| 9                          | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$240         | \$248               | #2                     |
| 10                         | Total               | \$17,534           | \$0         | \$17,534        | \$18,746      | \$19,399            |                        |
| 11                         | 893 Payroll trended | \$11,374           | \$0         | \$11,374        | \$11,773      | \$12,185            | #1                     |
| 12                         | Other trended       | \$54,530           | \$0         | \$54,530        | \$56,423      | \$58,381            | #2                     |
| 13                         | Vacant Payroll      | \$0                | \$0         | \$0             | \$2,546       | \$2,635             | #1                     |
| 14                         | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$1,583       | \$1,638             | #2                     |
| 15                         | Total               | \$65,905           | \$0         | \$65,905        | \$72,324      | \$74,838            |                        |
| 16                         | 894 Payroll trended | \$8,576            | \$0         | \$8,576         | \$8,876       | \$9,187             | #1                     |
| 17                         | Other trended       | \$5,001            | \$0         | \$5,001         | \$5,175       | \$5,354             | #2                     |
| 18                         | Vacant Payroll      | \$0                | \$0         | \$0             | \$584         | \$604               | #1                     |
| 19                         | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$341         | \$353               | #2                     |
| 20                         | Total               | \$13,577           | \$0         | \$13,577        | \$14,976      | \$15,499            |                        |

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 PROJECTED TEST YEAR: 12/31/10  
 WITNESS: DEWEY

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DOCKET NO: 090125-GU

| LINE NO.                             | ACCOUNT             | HISTORIC BASE YEAR | ADJUSTMENTS        | TOTAL BASE YEAR  | BASE YEAR + 1    | PROJECTED TEST YEAR | TREND BASIS FROM ABOVE |
|--------------------------------------|---------------------|--------------------|--------------------|------------------|------------------|---------------------|------------------------|
| <u>CUSTOMER ACCT. &amp; COLLECT.</u> |                     |                    |                    |                  |                  |                     |                        |
| 1                                    | 901 Payroll trended | \$63,882           | \$0                | \$63,882         | \$66,118         | \$68,432            | #1                     |
| 2                                    | Other trended       | \$15,157           | \$0                | \$15,157         | \$15,683         | \$16,228            | #2                     |
| 3                                    | Vacant Payroll      | \$0                | \$0                | \$0              | \$0              | \$0                 |                        |
| 4                                    | Vacant Non-Payro    | \$0                | \$0                | \$0              | \$0              | \$0                 |                        |
| 5                                    | Total               | <u>\$79,040</u>    | <u>\$0</u>         | <u>\$79,040</u>  | <u>\$81,802</u>  | <u>\$84,660</u>     |                        |
| 6                                    | 902 Payroll trended | \$18,199           | \$0                | \$18,199         | \$18,836         | \$19,495            | #1                     |
| 7                                    | Other trended       | \$140,850          | (\$101,750)        | \$39,100         | \$40,456         | \$41,860            | #2                     |
| 8                                    | Vacant Payroll      | \$0                | \$0                | \$0              | \$2,559          | \$2,649             | #1                     |
| 9                                    | Vacant Non-Payro    | \$0                | \$0                | \$0              | \$1,685          | \$1,743             | #2                     |
| 10                                   | Total               | <u>\$159,049</u>   | <u>(\$101,750)</u> | <u>\$57,299</u>  | <u>\$63,537</u>  | <u>\$65,748</u>     |                        |
| 11                                   | 903 Payroll trended | \$404,404          | \$0                | \$404,404        | \$418,559        | \$433,208           | #1                     |
| 12                                   | Other trended       | \$316,681          | \$0                | \$316,681        | \$327,670        | \$339,041           | #2                     |
| 13                                   | Vacant Payroll      | \$0                | \$0                | \$0              | \$41,045         | \$42,482            | #1                     |
| 14                                   | Vacant Non-Payro    | \$0                | \$0                | \$0              | \$15,164         | \$15,690            | #2                     |
| 15                                   | Total               | <u>\$721,085</u>   | <u>\$0</u>         | <u>\$721,085</u> | <u>\$802,438</u> | <u>\$830,421</u>    |                        |
| 16                                   | 904 Payroll trended | \$0                | \$0                | \$0              | \$0              | \$0                 |                        |
| 17                                   | Other trended       | \$40,445           | \$0                | \$40,445         | \$41,848         | \$43,301            | #2                     |
| 18                                   | Vacant Payroll      | \$0                | \$0                | \$0              | \$0              | \$0                 |                        |
| 19                                   | Vacant Non-Payro    | \$0                | \$0                | \$0              | \$0              | \$0                 |                        |
| 20                                   | Total               | <u>\$40,445</u>    | <u>\$0</u>         | <u>\$40,445</u>  | <u>\$41,848</u>  | <u>\$43,301</u>     |                        |



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF OPERATION AND MAINTENANCE EXPENSES FOR THE HISTORIC BASE YEAR + 1 AND THE PROJECTED TEST YEAR. IF ADDITIONAL TREND RATES ARE APPLIED, PROVIDE AN EXPLANATION AS TO THE BASIS OF THE FACTOR.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 12/31/08  
 HISTORIC BASE YEAR DATA + 1: 12/31/09  
 PROJECTED TEST YEAR: 12/31/10  
 WITNESS DEWEY

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

DOCKET NO: 090125-GU

| LINE NO.                       | ACCOUNT             | HISTORIC BASE YEAR | ADJUSTMENTS    | TOTAL BASE YEAR  | BASE YEAR + 1    | PROJECTED TEST YEAR | TREND BASIS FROM ABOVE |
|--------------------------------|---------------------|--------------------|----------------|------------------|------------------|---------------------|------------------------|
| <u>SALES PROMOTION EXPENSE</u> |                     |                    |                |                  |                  |                     |                        |
| 1                              | 910 Payroll trended | \$0                | \$0            | \$0              | \$0              | \$0                 |                        |
| 2                              | Other trended       | \$0                | \$0            | \$0              | \$0              | \$0                 |                        |
| 3                              | Vacant Payroll      | \$0                | \$0            | \$0              | \$0              | \$0                 |                        |
| 4                              | Vacant Non-Payro    | \$0                | \$0            | \$0              | \$0              | \$0                 |                        |
| 5                              | Total               | <u>\$0</u>         | <u>\$0</u>     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>          |                        |
| 6                              | 913 Payroll trended | \$77,407           | \$0            | \$77,407         | \$80,116         | \$82,920            | #1                     |
| 7                              | Other trended       | \$124,067          | \$9,300        | \$133,367        | \$137,995        | \$142,784           | #3                     |
| 8                              | Vacant Payroll      | \$0                | \$0            | \$0              | \$0              | \$0                 |                        |
| 9                              | Vacant Non-Payro    | \$0                | \$0            | \$0              | \$0              | \$0                 |                        |
| 10                             | Total               | <u>\$201,474</u>   | <u>\$9,300</u> | <u>\$210,774</u> | <u>\$218,111</u> | <u>\$225,704</u>    |                        |
| 11                             | 916 Payroll trended | \$0                | \$0            | \$0              | \$0              | \$0                 |                        |
| 12                             | Other trended       | \$0                | \$0            | \$0              | \$0              | \$0                 |                        |
| 13                             | Vacant Payroll      | \$0                | \$0            | \$0              | \$0              | \$0                 |                        |
| 14                             | Vacant Non-Payro    | \$0                | \$0            | \$0              | \$0              | \$0                 |                        |
| 15                             | Total               | <u>\$0</u>         | <u>\$0</u>     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>          |                        |

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TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 12/31/08  
 HISTORIC BASE YEAR DATA + 1: 12/31/09  
 PROJECTED TEST YEAR: 12/31/10  
 WITNESS DEWEY

| LINE NO.                                    | ACCOUNT             | HISTORIC BASE YEAR | ADJUSTMENTS | TOTAL BASE YEAR | BASE YEAR + 1 | PROJECTED TEST YEAR | TREND BASIS FROM ABOVE |
|---|---------------------|--------------------|-------------|-----------------|---------------|---------------------|------------------------|
| <u>ADMINISTRATIVE &amp; GENERAL EXPENSE</u> |                     |                    |             |                 |               |                     |                        |
| 1   | 920 Payroll trended | \$989,028          | \$0         | \$989,028       | \$1,023,644   | \$1,059,471         | #1                     |
| 2   | Other trended       | \$4,549            | \$0         | \$4,549         | \$4,707       | \$4,870             | #2                     |
| 3   | Various Payroll     | \$0                | \$0         | \$0             | \$241,057     | \$249,494           | #1                     |
| 4   | Various Non-Payro   | \$0                | \$0         | \$0             | \$84,075      | \$86,993            | #2                     |
| 5   | Total               | \$993,577          | \$0         | \$993,577       | \$1,353,483   | \$1,400,828         |                        |
| 6   | 921 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 7   | Other trended       | \$575,200          | (\$26,259)  | \$548,941       | \$567,991     | \$587,701           | #2                     |
| 8   | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 9   | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 10  | Total               | \$575,200          | (\$26,259)  | \$548,941       | \$567,991     | \$587,701           |                        |
| 11  | 922 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 12  | Other trended       | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 13  | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 14  | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 15  | Total               | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 16  | 923 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 17  | Other trended       | \$494,814          | (\$141,024) | \$353,790       | \$363,343     | \$373,153           | #3                     |
| 18  | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 19  | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 20  | Total               | \$494,814          | (\$141,024) | \$353,790       | \$363,343     | \$373,153           |                        |
| 21  | 924 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 22  | Other trended       | \$15,427           | \$0         | \$15,427        | \$15,843      | \$16,271            | #3                     |
| 23  | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 24  | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 25  | Total               | \$15,427           | \$0         | \$15,427        | \$15,843      | \$16,271            |                        |
| 26  | 925 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 27  | Other trended       | \$219,435          | \$0         | \$219,435       | \$225,360     | \$231,445           | #3                     |
| 28  | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 29  | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 30  | Total               | \$219,435          | \$0         | \$219,435       | \$225,360     | \$231,445           |                        |

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TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 12/31/08  
 HISTORIC BASE YEAR DATA + 1: 12/31/09  
 PROJECTED TEST YEAR: 12/31/10  
 WITNESS: DEWEY

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

DOCKET NO: 090125-GU

| LINE NO.                                    | ACCOUNT             | HISTORIC BASE YEAR | ADJUSTMENTS | TOTAL BASE YEAR | BASE YEAR + 1 | PROJECTED TEST YEAR | TREND BASIS FROM ABOVE |
|---|---------------------|--------------------|-------------|-----------------|---------------|---------------------|------------------------|
| <u>ADMINISTRATIVE &amp; GENERAL EXPENSE</u> |                     |                    |             |                 |               |                     |                        |
| 1   | 926 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 2   | Other trended       | \$535,256          | \$0         | \$535,256       | \$549,708     | \$564,550           | #3                     |
| 3   | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 4   | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 5   | Total               | \$535,256          | \$0         | \$535,256       | \$549,708     | \$564,550           |                        |
| 6   | 928 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 7   | Other trended       | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 8   | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 9   | Rate Case Amort     | \$0                | \$0         | \$0             | \$0           | \$68,750            |                        |
| 10  | Total               | \$0                | \$0         | \$0             | \$0           | \$68,750            |                        |
| 11  | 930 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 12  | Other trended       | \$121,491          | \$0         | \$121,491       | \$124,771     | \$128,140           | #3                     |
| 13  | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 14  | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 15  | Total               | \$121,491          | \$0         | \$121,491       | \$124,771     | \$128,140           |                        |
| 16  | 931 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 17  | Other trended       | \$66,465           | \$0         | \$66,465        | \$68,260      | \$70,103            | #3                     |
| 18  | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 19  | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 20  | Total               | \$66,465           | \$0         | \$66,465        | \$68,260      | \$70,103            |                        |
| 21  | 932 Payroll trended | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 22  | Other trended       | \$12,032           | \$0         | \$12,032        | \$12,357      | \$12,690            | #3                     |
| 23  | Vacant Payroll      | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 24  | Vacant Non-Payro    | \$0                | \$0         | \$0             | \$0           | \$0                 |                        |
| 25  | Total               | \$12,032           | \$0         | \$12,032        | \$12,357      | \$12,690            |                        |

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 HISTORIC BASE YEAR DATA: 12/31/08  
 HISTORIC BASE YEAR DATA + 1: 12/31/09  
 PROJECTED TEST YEAR: 12/31/10  
 WITNESS DEWEY

COMPANY: FLORIDA DIVISION OF CHESAPEAKE UTILITIES CORPORATION

DOCKET NO: 090125-GU

| LINE NO.       | TREND RATES                 | HISTORIC BASE      |                    | PROJECTED          |                    | TREND BASIS FROM ABOVE |
|----------------|-----------------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
|                |                             | BASE YEAR          | ADJUSTMENTS        | BASE YEAR          | TEST YEAR          |                        |
|                |                             |                    |                    | 12/31/09           | 12/31/10           |                        |
| #1             | PAYROLL ONLY                |                    |                    | 3.50%              | 3.50%              |                        |
| #2             | CUSTOMER GROWTH X INFLATION |                    |                    | 3.47%              | 3.47%              |                        |
| #3             | INFLATION ONLY              |                    |                    | 2.70%              | 2.70%              |                        |
| #4             | CUSTOMER GROWTH             |                    |                    | 0.75%              | 0.75%              |                        |
| TOTAL EXPENSES |                             |                    |                    |                    |                    |                        |
| 1              | Payroll trended             | \$2,330,114        | \$0                | \$2,330,114        | \$2,411,663        | \$2,496,072            |
| 2              | Other                       | \$3,458,998        | (\$276,053)        | \$3,182,945        | \$3,282,932        | \$3,386,097            |
| 3              | Vacant Payroll              | \$0                | \$0                | \$0                | \$369,188          | \$382,110              |
| 4              | Vacant Non-Payro            | \$0                | \$0                | \$0                | \$149,030          | \$222,897              |
| 5              | Total                       | <u>\$5,789,112</u> | <u>(\$276,053)</u> | <u>\$5,513,059</u> | <u>\$6,212,813</u> | <u>\$6,487,176</u>     |