

GATLIN, WOODS, CARLSON & COWDERY

Attorneys at Law

a partnership including a professional association

The Mahan Station  
1709-D Mahan Drive  
Tallahassee, Florida 32308

TELEPHONE 904/877-7191  
TELECOPIER 904/877-9031

ORIGINAL  
FILE COPY

B. KENNETH GATLIN, P.A.  
THOMAS F. WOODS  
JOHN D. CARLSON  
KATHRYN G.W. COWDERY  
WAYNE L. SCHIEFELBEIN

January 17, 1995

Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

HAND DELIVERY

RE: Docket No. 950002-GU  
Conservation Cost Recovery Clause

Dear Ms. Bayo:

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

- 00512-95 1. Petition of Chesapeake Utilities Corporation for Approval of Conservation Cost Recovery Factors;
- 00513-95 } 2. Direct Testimony of William M. Nettles;
- 3. Exhibit WMN-2; and
- 4. our Certificate of Service.

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

Sincerely,

*Wayne L. Schiefelbein*  
Wayne L. Schiefelbein

WLS/l dv  
Enclosures

RECEIVED & FILED  
*JJ*  
EPSC-BUREAU OF RECORDS

ACK \_\_\_\_\_  
AFV \_\_\_\_\_  
ADP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_  
CTR \_\_\_\_\_  
EAC \_\_\_\_\_  
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S \_\_\_\_\_  
W \_\_\_\_\_

*Brady-5*  
*Erstling*  
*Erstling & 4*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery )  
Clause. )  
\_\_\_\_\_)

DOCKET NO. 950002-EG

FILED: January 17, 1995

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Petition of Chesapeake Utilities Corporation for Approval of Conservation Cost Recovery Factors, the Direct Testimony of William M. Nettles and Exhibit WMN-2 have been furnished by hand-delivery on this 17th day of January, 1995 to ROBERT V. ELIAS, ESQ., Division of Legal Services, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399-0850, and by regular U.S. Mail to the following:

James A. McGee, Esq.  
Florida Power Corporation  
Post Office Box 14042  
St. Petersburg, FL 33733-4042

Charles A. Guyton, Esq.  
Steel, Hector & Davis  
215 South Monroe St., Ste. 601  
Tallahassee, FL 32301

Floyd R. Self, Esq.  
Messer, Vickers, Caparello,  
Madsen, Goldman & Metz, P.A.  
Post Office Box 1876  
Tallahassee, FL 32302-1876

Jeffrey A. Stone, Esq.  
Beggs & Lane  
Post Office Box 12950  
Pensacola, FL 32576-2950

James D. Beasley, Esq.  
MacFarlane, Ausley, Ferguson  
& McMullen  
Post Office Box 391  
Tallahassee, FL 32302

Vicki Gordon Kaufman, Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson & Bakas  
315 South Calhoun St., Ste. 716  
Tallahassee, FL 32301

Robert Scheffel Wright, Esq.  
Landers & Parsons  
Post Office Box 271  
Tallahassee, FL 32302

Joseph A. McGlothlin, Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson & Bakas  
315 South Calhoun St., Ste. 716  
Tallahassee, FL 32301

John Roger Howe, Esq.  
Office of the Public Counsel  
111 W. Madison St., Room 812  
Tallahassee, FL 32399-1400

Ms. Debbie K. Stitt  
St. Joe Natural Gas Company  
Post Office Box 549  
Port St. Joe, FL 32456-0549

Ross S. Burnaman, Esq.  
Legal Environmental Assistance  
Foundation, Inc.  
1115 N. Gadsden Street  
Tallahassee, FL 32303-6327

*Wayne L. Schiefelbein*

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WAYNE L. SCHIEFELBEIN  
Gatlin, Woods, Carlson & Cowdery  
1709-D Mahan Drive  
Tallahassee, FL 32308  
(904) 877-7191

Attorneys for Chesapeake Utilities  
Corporation

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 In. Re: Conservation Cost Recovery Clause

3 DIRECT TESTIMONY OF WILLIAM M. NETTLES

ORIGINAL  
FILE COPY

4 On Behalf of

5 Chesapeake Utilities Corporation

6 DOCKET NO. 950002-EG

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

9 A. My name is William M. Nettles, and my business address is 1015 6th  
10 Street N. W., Winter Haven, Florida, 33881. I am employed by  
11 Chesapeake Utilities Corporation ("Chesapeake") as Assistant  
12 Transportation & Exchange Coordinator / Conservation Services Analyst.

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

16 A. Yes.

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

18 A. To describe generally the expenditures made and projected to be made  
19 in implementing, promoting, and operating Chesapeake's energy  
20 conservation programs. This will include recoverable costs incurred in  
21 October and November, 1994 and revised projections of program costs  
22 to be incurred from December, 1994 through September, 1995. It will  
23 also include projected conservation costs for the period October 1, 1995  
24 through March 31, 1996, with a calculation of the conservation  
25 adjustment factors to be applied to the customers' bills during the

DOCUMENT NUMBER-DATE

00513 JAN 17 95

FPSC-RECORDS/REPORTING

- 1 collection period of April 1, 1995 through March 31, 1996.
- 2 Q. Have you prepared summaries of Chesapeake's conservation programs  
3 and the costs associated with these programs?
- 4 A. Yes. Summaries of the five programs are contained in Schedule C-4 of  
5 Exhibit WMN-2. Included are our Single and Multi-Family Home Builder  
6 Program, our Water Heater Replacement Program, our Replacement of  
7 Electric Strip and Oil Heating Program, our Natural Gas Space  
8 Conditioning Program, and our Conservation Education Program.
- 9 Q. Have you prepared schedules which show the expenditures associated  
10 with Chesapeake's energy conservation programs for the periods you have  
11 mentioned?
- 12 A. Yes. Schedule C-3 of Exhibit WMN-2 shows actual expenses for the  
13 months October and November, 1994. Revised projections for  
14 December, 1994 through September, 1995, are also shown on Schedule  
15 C-3. Projected expenses for the October, 1995 through March, 1996  
16 period are shown on Schedule C-2 of Exhibit WMN-2.
- 17 Q. Have you prepared schedules which show revenues for the period  
18 October, 1994 through March, 1995?
- 19 A. Yes. Schedule C-3 (Page 6 of 7, Line 4) shows actual revenues for the  
20 months October and November, 1994. Projections for December, 1994  
21 through September, 1995, are also shown on Schedule C-3 (Page 6 of 7,  
22 Line 4).
- 23 Q. Have you prepared a schedule which shows the calculation of  
24 Chesapeake's proposed conservation adjustment factors to be applied  
25 during billing periods from April 1, 1995 through March, 31, 1996?

1 A. Yes. Schedule C-1 of Exhibit WMN-2 shows this calculation. Net  
2 program cost estimates for the period October 1, 1995, through March  
3 31, 1996, are used. The estimated true-up amount from Schedule C-3  
4 (Page 6 of 7, Line 12) of Exhibit WMN-2, being an underrecovery, was  
5 added to the total of the projected costs for the six-month period. The  
6 total amount was then divided among Chesapeake's firm rate classes,  
7 based on total projected contribution. The results were then divided by  
8 the projected retail firm therm sales for each rate class for the twelve-  
9 month period ending March 31, 1996. The resulting factors are shown  
10 on Schedule C-1 of Exhibit WMN-2.

11 Q. Does this conclude your testimony?

12 A. Yes, it does.

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Exhibit \_\_\_\_\_ (WMN-2)

CHESAPEAKE UTILITIES CORPORATION  
CONSERVATION COST RECOVERY PROJECTION

October 1, 1995 through March 31, 1996

ENERGY CONSERVATION ADJUSTMENT - SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
 OCTOBER 1995 THROUGH MARCH 1996

 PROJECTED PERIOD: OCTOBER 1995 THROUGH MARCH 1996  
 ACTUAL/ESTIMATED PERIOD: OCTOBER 1994 THROUGH SEPTEMBER 1995  
 FINAL TRUE-UP PERIOD: OCTOBER 1993 THROUGH SEPTEMBER 1994  
 COLLECTION PERIOD FOR PRIOR TRUE-UP: APRIL 1995 THROUGH MARCH 1996

1. INCREMENTAL COSTS (SCHEDULE C-2)	124,393
2. TRUE-UP (SCHEDULE C-3)	<u>139,124</u>
3. TOTAL	<u>263,517</u>

RATE CLASS	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	ENERGY CHARGE	TOTAL	ESTIMATED ECCR	% SURCHARGE	CENTS PER THERM	EXPANSION FACTOR	ECCR ADJUSTMENT FACTORS
GS RESIDENTIAL	88,300	2,075,943	573,950	895,271	1,469,221	89,675	6.1036%	0.0432	1.01911	0.04402
GS COMMERCIAL	9,166	4,246,581	137,490	829,442	966,932	59,017	6.1036%	0.0139	1.01911	0.01416
GS COMMERCIAL LV	246	1,545,311	4,920	208,076	212,996	13,000	6.1036%	0.0084	1.01911	0.00857
GS INDUSTRIAL	312	8,777,216	12,480	644,950	657,430	40,127	6.1036%	0.0046	1.01911	0.00466
FIRM TRANSPORTATION	0	13,755,597	0	1,010,835	1,010,835	61,697	6.1036%	0.0045	1.01911	0.00457
OTHER										
OTHER										
TOTAL	98,024	30,401,648	728,840	3,588,574	4,317,414	263,517				





PROJECTED CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD: OCTOBER 1995 THROUGH MARCH 1996

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. HOME BUILDER PROGRAM	0	14,660	0	1,928	44,376	0	2,745	0	63,709
2. WATER HEATER REPLACEMENT	0	7,069	0	10,769	7,260	0	928	0	26,026
3. HOME HEATING REPLACE	0	5,839	0	10,769	5,940	0	542	0	23,090
4. CONSERVATION EDUCATION	0	0	0	0	0	0	0	0	0
5. COMMON COSTS	0	0	0	0	0	2,172	0	0	2,172
6. GAS SPACE CONDITIONING	0	1,819	0	1,326	6,250	0	0	0	9,395
7. (INSERT NAME)	0	0	0	0	0	0	0	0	0
8. (INSERT NAME)	0	0	0	0	0	0	0	0	0
9. (INSERT NAME)	0	0	0	0	0	0	0	0	0
10. (INSERT NAME)	0	0	0	0	0	0	0	0	0
11. (INSERT NAME)	0	0	0	0	0	0	0	0	0
12. (INSERT NAME)	0	0	0	0	0	0	0	0	0
13. (INSERT NAME)	0	0	0	0	0	0	0	0	0
14. (INSERT NAME)	0	0	0	0	0	0	0	0	0
15. (INSERT NAME)	0	0	0	0	0	0	0	0	0
16. (INSERT NAME)	0	0	0	0	0	0	0	0	0
17. (INSERT NAME)	0	0	0	0	0	0	0	0	0
18. (INSERT NAME)	0	0	0	0	0	0	0	0	0
19. (INSERT NAME)	0	0	0	0	0	0	0	0	0
20. (INSERT NAME)	0	0	0	0	0	0	0	0	0
<b>TOTAL ALL PROGRAMS</b>	<b>0</b>	<b>29,387</b>	<b>0</b>	<b>24,793</b>	<b>63,826</b>	<b>2,172</b>	<b>4,215</b>	<b>0</b>	<b>124,393</b>
LESS: AMOUNT IN RATE BASE	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSER.	0	29,387	0	24,793	63,826	2,172	4,215	0	124,393



CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD: OCTOBER 1994 THROUGH SEPTEMBER 1995  
TWO MONTHS ACTUAL AND TEN MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1. HOME BUILDER PROGRAM									
A. ACTUAL	0	4,791	0	630	14,576	0	897	0	20,894
B. ESTIMATED	0	23,956	0	3,150	72,880	0	4,485	0	104,471
C. TOTAL	0	28,747	0	3,780	87,456	0	5,382	0	125,365
2. WATER HEATER REPLACEMENT									
A. ACTUAL	0	2,310	0	3,519	2,365	0	303	0	8,498
B. ESTIMATED	0	11,550	0	17,597	11,825	0	1,517	0	42,490
C. TOTAL	0	13,861	0	21,117	14,190	0	1,821	0	50,988
3. HOME HEATING REPLACE									
A. ACTUAL	0	1,908	0	3,519	1,870	0	177	0	7,475
B. ESTIMATED	0	9,541	0	17,597	9,350	0	885	0	37,373
C. TOTAL	0	11,449	0	21,117	11,220	0	1,062	0	44,847
4. CONSERVATION EDUCATION									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
5. COMMON COSTS									
A. ACTUAL	0	0	0	0	0	893	0	0	893
B. ESTIMATED	0	0	0	0	0	2,873	0	0	2,873
C. TOTAL	0	0	0	0	0	3,765	0	0	3,765
6. GAS SPACE CONDITIONING									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	2,376	0	1,736	12,500	0	0	0	16,612
C. TOTAL	0	2,376	0	1,736	12,500	0	0	0	16,612
7. (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
SUB-TOTAL	0	56,432	0	47,749	125,366	3,765	8,265	0	241,578

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD: OCTOBER 1994 THROUGH SEPTEMBER 1995  
TWO MONTHS ACTUAL AND TEN MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
BALANCE FROM PREVIOUS PAGE	0	56,432	0	47,749	125,366	3,765	8,265	0	241,578
8. (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
9. (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
10. (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
11. (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
12. (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
13. (INSERT NAME)									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
SUB-TOTAL	0	56,432	0	47,749	125,366	3,765	8,265	0	241,578

CONSERVATION PROGRAM COSTS BY COST CATEGORY  
FOR PERIOD: OCTOBER 1994 THROUGH SEPTEMBER 1995  
TWO MONTHS ACTUAL AND TEN MONTHS ESTIMATED

	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
BALANCE FROM PREVIOUS PAGE	0	56,432	0	47,749	125,366	3,765	8,265	0	241,578
14. (INSERT NAME)	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
15. (INSERT NAME)	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
16. (INSERT NAME)	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
17. (INSERT NAME)	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
18. (INSERT NAME)	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
19. (INSERT NAME)	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
20. (INSERT NAME)	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
TOTAL PROG. COSTS	0	56,432	0	47,749	125,366	3,765	8,265	0	241,578
LESS: BASE RATE RECOVERY	0	0	0	0	0	0	0	0	0
NET PROG. COSTS	0	56,432	0	47,749	125,366	3,765	8,265	0	241,578







ENERGY CONSERVATION COST RECOVERY ADJUSTMENT  
FOR PERIOD: OCTOBER 1994 THROUGH SEPTEMBER 1995  
TWO MONTHS ACTUAL AND 10 MONTHS ESTIMATED

CONSERVATION REVS	MONTH NO.1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. RCS AUDIT FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROG. REVS.	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS.	(8,863)	(11,657)	(13,615)	(16,971)	(15,832)	(12,573)	0	0	0	0	0	0	(79,511)
4. TOTAL REVENUES	(8,863)	(11,657)	(13,615)	(16,971)	(15,832)	(12,573)	0	0	0	0	0	0	(79,511)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(2,091)	(2,091)	(2,091)	(2,091)	(2,091)	(2,091)	(2,091)	(2,091)	(2,091)	(2,091)	(2,091)	(2,091)	(25,097)
6. CONSERV. REVS. APPLICABLE TO THE PERIOD	(10,954)	(13,748)	(15,706)	(19,062)	(17,924)	(14,685)	(2,091)	(2,091)	(2,091)	(2,091)	(2,091)	(2,091)	(104,608)
7. CONSERV. EXPS.	12,871	24,889	18,721	20,566	20,566	20,566	20,566	20,566	20,566	20,566	20,566	20,566	241,578
8. TRUE-UP THIS PERIOD	1,917	11,140	3,014	1,504	2,643	5,902	18,475	18,475	18,475	18,475	18,475	18,475	136,970
9. INTER. PROVISION THIS PERIOD	(97)	(65)	(27)	(6)	15	47	119	223	328	433	538	644	2,154
10. TRUE-UP AND INTEREST PROV. BEG. OF MONTH	(25,097)	(21,185)	(8,019)	(2,939)	651	5,400	13,440	34,128	54,916	75,810	96,809	117,913	(25,097)
11. PRIOR TRUE-UP COLLECTED OR (REFUNDED)	2,091	2,091	2,091	2,091	2,091	2,091	2,091	2,091	2,091	2,091	2,091	2,091	25,097
12. TOTAL NET TRUE-UP	(21,185)	(8,019)	(2,939)	651	5,400	13,440	34,128	54,916	75,810	96,809	117,913	139,124	139,124

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR PERIOD: OCTOBER 1994 THROUGH SEPTEMBER 1995  
TWO MONTHS ACTUAL AND 10 MONTHS ESTIMATED

INTEREST PROVISION	MONTH NO.1	MONTH NO. 2	MONTH NO. 3	MONTH NO. 4	MONTH NO. 5	MONTH NO. 6	MONTH NO. 7	MONTH NO. 8	MONTH NO. 9	MONTH NO. 10	MONTH NO. 11	MONTH NO. 12	TOTAL
1. BEGINNING TRUE-UP	(25,097)	(21,185)	(8,019)	(2,939)	651	5,400	13,440	34,126	54,916	75,810	96,809	117,913	
2. ENDING TRUE-UP BEFORE INTEREST	(21,089)	(7,954)	(2,913)	656	5,385	13,393	34,007	54,692	75,482	96,376	117,375	138,480	
3. TOTAL BEGINNING & ENDING TRUE-UP	(46,186)	(29,139)	(10,931)	(2,283)	6,036	18,793	47,447	88,818	130,397	172,186	214,184	256,393	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(23,093)	(14,570)	(5,466)	(1,141)	3,018	9,397	23,724	44,409	65,199	86,093	107,092	128,196	
5. INTEREST RATE FIRST DAY OF REPORTING MONTH	5.04%	5.00%	5.66%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%
6. INTER. RATE - FIRST DAY SUBSEQUENT MONTH	5.00%	5.66%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%
7. TOTAL (SUM LINES 5 & 6)	10.04%	10.66%	11.69%	12.06%	12.06%	12.06%	12.06%	12.06%	12.06%	12.06%	12.06%	12.06%	12.06%
8. AVG. INTEREST RATE (LINE 7 TIMES 50%)	5.02%	5.33%	5.85%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%	6.03%
9. MONTHLY AVG INTEREST RATE	0.42%	0.44%	0.49%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
10. INTEREST PROVISION	(97)	(65)	(27)	(6)	15	47	119	223	328	433	538	644	2,154

CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION

Program Title: Single and Multi-Family Home Builder Program

Program Description:

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

Program Allowances:

\$220.00	per energy efficient natural gas water heater
\$220.00	per energy efficient natural gas furnace
\$ 38.00	per energy efficient natural gas range or dryer outlet

Program Projections:

For the two month period October through November, 1994, 17 residences qualified under our home builder program. We estimate an additional 145 homes will qualify during the period December, 1994 through September, 1995. We estimate that 50% of these will also be equipped with either a natural gas range or a natural gas clothes dryer outlet.

Program Fiscal Expenditures:

For the two month period October through November, 1994, CUC incurred costs of \$20,894 for the Home Builder Program. For December, 1994 through September, 1995, costs are estimated to be \$104,471.

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CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION

Program Title: Water Heater Replacement Program

Program Description:

This program is designed to encourage the replacement of electric resistance water heaters with energy efficient natural gas water heaters. Incentives are offered in the form of allowances to help defray the cost of additional piping and venting associated with the installation of natural gas.

Program Allowances:

\$220.00	per energy efficient natural gas water heater
\$ 33.00	per installing dealer

Program Projections:

For the two months October and November, 1994, we paid allowances on 10 new natural gas water heaters. We estimate an additional 46 water heaters will be installed during the period December, 1994 through September, 1995..

Program Fiscal Expenditures:

During the months October and November, 1994, the costs incurred by the Water Heater Replacement Program totaled \$8,498. For the December, 1994 through September, 1995 period, costs are expected to be \$42,490.

CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION

Program Title: Replacement of Electric Strip and Oil Heating Program

Program Description:

This program is designed to reduce KWD and KWH consumption, and the direct use of oil, by encouraging the replacement of electric strip and oil heating equipment with energy efficient natural gas furnaces.

Program Allowances:

\$330.00	per energy efficient natural gas furnace
\$ 55.00	per installing dealer (furnace)
\$ 55.00	per spark ignition natural gas space heater
\$ 22.00	per installing dealer (space heater)

Program Projections:

For the period October and November, 1994, 8 new natural gas furnaces were installed to replace existing electric or oil furnaces. We anticipate that 24 energy efficient furnaces will be installed from December, 1994 through September, 1995.

Program Fiscal Expenditures:

During the months October and November 1994, expenditures of \$7,475 were incurred by the Electric Strip/Oil Heating Replacement Program. Costs for the period December, 1994 through September, 1995, are expected to be \$37,373.

CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION

Program Title: Natural Gas Space Conditioning Program

Program Description:

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

Program Allowances:

\$ 50.00 per ton of natural gas space conditioning equipment installed

Program Projections:

For the period October and November, 1994, no allowances were paid for this new program. We anticipate that 250 tons of natural gas space conditioning equipment will be installed from December, 1994 through September, 1995.

Program Fiscal Expenditures:

During the months October and November 1994, no expenditures were incurred by the Natural Gas Space Conditioning Program. Costs for the period December, 1994 through September, 1995, are expected to be \$16,612.

CHESAPEAKE UTILITIES CORPORATION  
FLORIDA DIVISION

Program Title: Conservation Education Program

Program Description:

This program teaches young people and adults in the schools and in community and civic organizations about conservation of energy and seeks to establish an awareness of natural gas as a valuable energy resource.

Program Projections:

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

Program Fiscal Expenditures:

None this period and none planned for the balance of the period from December, 1994 through September, 1995.