TESTIMONY AND SCHEDULES OF JENNIFER A. CLAUSIUS ON BEHALF OF *CHESAPEAKE UTILITIES*

BEFORE THE DELAWARE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF	)	
CHESAPEAKE UTILITIES CORPORATION	)	
FOR APPROVAL OF A CHANGE IN ITS	)	P.S.C. DOCKET NO. 08-
GAS SALES SERVICE RATES ("GSR")	)	
TO BE EFFECTIVE NOVEMBER 1, 2008	)	

DIRECT TESTIMONY OF JENNIFER A. CLAUSIUS

On Behalf of Chesapeake Utilities Corporation

Delaware Division

Submitted for filing: September 2, 2008

1 Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS
2 ADDRESS.
3 A. My name is Jennifer A. Clausius and I am the Manager of Pricing and
4 Regulation with Chesapeake Utilities Corporation ("Chesapeake" or the
5 "Company"). My business address is 350 S. Queen Street, Dover,
6 Delaware 19904.
7
8 Q. DESCRIBE BRIEFLY YOUR EDUCATION AND RELEVANT
9 PROFESSIONAL BACKGROUND.
10 A. I received a Bachelor of Science Degree in Finance from the Pennsylvania
11 State University in University Park, Pennsylvania in 1994. I received a
12 Masters of Business Administration Degree from Wilmington College in
13 Wilmington, Delaware in 2003. I was hired by Chesapeake as a Rate
14 Analyst in February 2001 and promoted to Rate Analyst II in October
15 2002. As a Rate Analyst I have primarily been involved in the areas of
16 gas cost recovery for the Delaware and Maryland natural gas distribution
17 companies, environmental cost recovery, rate of return analysis, and base
18 rate proceedings for the Delaware and Maryland natural gas distribution
19 companies. Additionally, I have worked with cost of service studies and
20 performed economic analysis related to capital expenditure projects. I
21 was promoted to Manager of Pricing and Regulation in August 2005,
22 where I have direct supervision and oversight of the pricing and regulatory
23 activities for Chesapeake's Delaware and Maryland Divisions. Prior to

joining Chesapeake, I was employed by Waterhouse Securities, Inc. from 1994 to 1999 as a Registered Representative and then as Assistant Branch Manager. In these positions I held a Series 7 and Series 8 registration with the National Association of Securities Dealers ("NASD"). I was also employed by AT&T Solutions, Inc. as a Financial Architect from 1999 to 2000. In this position I worked as an integral member of a sales team, analyzing the financial profitability of potential business ventures with various large companies. From 2000 to 2001 I was employed by Hospital Billing and Collection Service, Ltd., as a Financial Analyst. In this position I primarily had various revenue accounting responsibilities and was also instrumental in the development of the budget forecast.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE DELAWARE PUBLIC SERVICE COMMISSION ("COMMISSION")?

A. Yes. I have testified before the Commission during the Company's previous Gas Sales Service Rate ("GSR") proceedings, Base Rate Proceeding, Environmental Rider Rate proceedings, Franchise Fee proceeding, and its Firm Balancing and Unaccounted for Gas Cost Methodologies proceeding.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

1 A. The purpose of my testimony in this GSR application is to support the
2 overall calculation of the Delaware Division's three proposed GSR
3 charges to be effective with service rendered on and after November 1,
4 2008. I am also supporting the mechanics of the Delaware Division's
5 proposed balancing rates for transportation service under the Large
6 Volume Service ("LVS"), and High Load Factor Service ("HLFS") rate
7 schedules.
8
9 Q. ARE THERE ANY SCHEDULES INCLUDED WITH YOUR DIRECT
10 TESTIMONY?
11 A. Yes. My direct testimony includes Schedules A.1, A.2, B, C.1, C.2, D.1,
12 D.2, E, F, G, H, I, J and K. These schedules have been prepared under
13 my direct supervision.
14
15 Q. IS THE COMPANY FILING ANY OTHER DIRECT TESTIMONY IN THIS
16 PROCEEDING?
17 A. Yes. Chesapeake is filings the direct testimony of Michael D. Cassel,
18 Senior Regulatory Analyst. Mr. Cassel will be presenting testimony
19 explaining the mechanics of the three GSR charges, as well as illustrate
20 the impact of the GSR charges on a typical residential heating customer.
21 Chesapeake is also filing the direct testimony of Marie E. Kozel, Senior
22 Gas Supply and Procurement Analyst. Ms. Kozel will be presenting
23 testimony regarding the Company's gas procurement and open access

activities. She will also be providing an annual update of the Company's procurement activities.

Q. AS A RESULT OF COMMISSION ORDER NO. 4767 ISSUED ON APRIL 14, 1998 IN PSC DOCKET NO. 97-294F, WHAT COMMISSION STAFF RECOMMENDATIONS WAS THE COMPANY DIRECTED TO ADDRESS?

A. As a result of this Commission order, the Company was directed to comply with the following recommendations: 1) In the context of future GSR filings, keep the Commission Staff updated on the Company's gas procurement and open access activities; and 2) Perform an internal audit of the Company's margin sharing revenues in accordance with the settlement agreement in PSC Docket No. 95-73, Phase II.

Q. PLEASE EXPLAIN THE COMPANY'S PROCESS IN COMPLYING WITH THE COMMISSION STAFF'S RECOMMENDATIONS AS A RESULT OF THIS ORDER.

A. Chesapeake Utilities Corporation is in the process of completing the annual internal audit of the Company's margin sharing revenues in accordance with the settlement agreement for the most recent twelve-month period. The Company's supporting documentation and analysis will be available to the Commission Staff for review on a confidential basis during the discovery or data request phase of this GSR proceeding. This

has been an acceptable approach in past GSR filings. As mentioned previously, Ms. Kozel will discuss the Company's gas procurement and open access activities.

Q. AS A RESULT OF COMMISSION ORDER NO. 7024 ISSUED ON SEPTEMBER 19, 2006 IN PSC DOCKET NO. 05-315F, WHAT ITEMS DID THE COMPANY INCLUDE IN THIS GSR FILING?

A. As a result of the settlement agreement in this proceeding, there were several items that the Company agreed to include in future filings. Among the items included in this application is information on the gas procurement rates charged by other utilities in the area, an update on the steps the Company is taking to mitigate the effect of rising gas costs on customers, and details regarding the Asset Management procurement process. The first two items are discussed later in my testimony and the details related to the Asset Manager are discussed in the testimony of Marie E. Kozel.

Q. AS A RESULT OF COMMISSION ORDER NO. 7228 ISSUED ON JULY 24, 2007 IN PSC DOCKET NO. 06-287F, WHAT ITEMS DID THE COMPANY INCLUDE IN THIS GSR FILING?

A. As a result of the settlement agreement in the above-mentioned proceeding, there were several items that the Company agreed to include in this application. First, the Company has agreed to submit an Annual

1 Report of all of its hedging activities and transactions, including results.
2 As the Company considers this report to contain confidential information, it
3 is being submitted under separate cover. Also, Chesapeake has agreed
4 to specify the amount of capacity charges for delivery points in eastern
5 Sussex County, Delaware that the Company is seeking to recover in its
6 GSR charges. This information is discussed later in my testimony.
7 Finally, in the Company's GSR filing for rates effective November 1, 2007,
8 it included a credit of $275,000 associated with capacity charges for
9 Eastern Shore capacity at delivery points in eastern Sussex County,
10 Delaware. The settlement dictates that the Company has the right to seek
11 recovery of the $275,000 credit in this filing. This is discussed later in my
12 testimony as well.
13
14 Q. AS A RESULT OF A PENDING SETTLEMENT AGREEMENT IN PSC
15 DOCKET NO. 07-246F, WHAT INFORMATION HAS THE COMPANY
16 INCLUDED IN THIS FILING?
17 A. The parties have presented a proposed settlement to the Hearing
18 Examiner in the above-referenced docket. Although the Company is
19 awaiting approval by the Commission, the Company has agreed to credit
20 the GSR for 100% of the revenues received by the Company for any
21 capacity released to serve former off-system sales customers. This
22 projected credit is included on Schedule I. The Company has also agreed
23 to identify and quantify any future clams for cost recovery associated with

1 any pre-certification costs related to the Eastern Shore E3 project. The
2 Company has not included any costs associated with this project in its
3 current filing.
4
5 Q. AS A RESULT OF COMMISSION ORDER NO. 7360 ISSUED ON
6 FEBRUARY 5, 2008 IN PSC DOCKET NO. 07-299, WHAT ITEM DID
7 THE COMPANY INCLUDE IN THIS FILING?
8 A. The Commission's Order in this proceeding approving the Company's last
9 Environmental Rider filing, directed the Company to terminate its
10 Environmental Rider rate at the end of the current recovery year
11 (November 30, 2008) and include any remaining balance in its next GSR
12 application, to be filed on September 1, 2008. As part of this GSR
13 application, the Company has included an under refund of $13,511 as of
14 July 31, 2008. This under refund is shown as a reduction to the fixed gas
15 costs on Schedule B. As also contemplated under the Order, the
16 Company will be including any remaining balance that occurs in the
17 months of August, September, October and November 2008 in its GSR
18 under or over collection balance.
19
20 Q. AS A RESULT OF A PENDING SETTLEMENT AGREEMENT IN PSC
21 DOCKET NO. 07-186, WHAT CHANGES ARE BEING REFLECTED IN
22 THIS FILING?

1 A. PSC Docket No. 07-186 is the Company's most recent base rate
2 proceeding. There are numerous changes that will take place as a result
3 of this settlement and the Company has included them in this filing. First,
4 the Company's current Residential Service Rate Schedule will be
5 separated into two different rate schedules, RS-1 and RS-2. Second, the
6 Company will no longer be offering a Gas Cooling or a Seasonal Firm
7 Service Rate Schedule. Third, existing interruptible sales customers with
8 a minimum annual usage of at least 10,000 Mcf have been moved to the
9 ITS Rate Schedule and are assumed to be transporting in this filing.
10 Existing interruptible sales customers with a minimum annual usage of
11 less than 10,000 Mcf have been moved to the appropriate firm rate
12 schedule. Fourth, eighty percent (80%) of the margins from upstream
13 capacity release credits have been shared among the RS-1, RS-2, GS,
14 MVS, and LVS Rate Schedules as shown on Schedule A.2. Fifth, the
15 Company has updated the Interruptible Balancing Service Rate as shown
16 on Schedule J.
17
18 Q. WHAT PRESCRIBES THE METHODOLOGY FOR DETERMINING THE
19 COMPANY'S GAS SALES SERVICE RATES?
20 A. The three Gas Sales Service Rates proposed to be effective with service
21 rendered on and after November 1, 2008 have been developed in
22 accordance with the approved gas cost recovery mechanism as contained

in the Delaware Division's natural gas tariff, specifically Sheet Nos. 42 through 42.3.

Q. WHAT GAS SALES SERVICE RATE LEVELS ARE YOU PROPOSING IN THIS PROCEEDING TO BE EFFECTIVE WITH SERVICE RENDERED ON AND AFTER NOVEMBER 1, 2008?

A. The Company proposes the following Gas Sales Service Rates to be effective for service rendered on and after November 1, 2008: $1.466 per Ccf for customers served under Rate Schedules RS-1, RS-2, GS, MVS and LVS, $1.231 per Ccf for customers served under Rate Schedules GLR, and GLO, and $1.391 per Ccf for customers served under Rate Schedule HLFS.

Q. WHAT PORTION OF THE FIRM TRANSPORTATION ENTITLEMENTS ON THE ESNG PIPELINE ARE FOR DELIVERY POINTS IN EASTERN SUSSEX COUNTY?

A. Effective November 1, 2008, Chesapeake will have a total of 3,221 Dt of firm transportation entitlements on the ESNG pipeline at delivery points located in eastern Sussex County, Delaware at a total cost of approximately $670,000 per year. These costs are included in the GSR calculation in the same manner as are all other capacity costs for all of the Company's customers. The increase in firm transportation entitlements is also discussed in the direct testimony of Marie E. Kozel. As mentioned

earlier in my testimony, the Company is seeking recovery of a credit of $275,000 included in its prior year GSR application as a result of the settlement agreement in PSC Docket No. 06-287F. Since this credit is related to costs previously incurred by the Company, this amount is included in the prior year's under collection balance included on Schedule B and detailed on Schedule D.1.

Q. PLEASE DEFINE THE TERM "SHARED MARGINS".

A. In the settlement agreement reached among the Commission Staff, the Division of the Public Advocate ("DPA"), and the Company in Phase II of PSC Docket No. 95-73 and again in Phase II of PSC Docket No. 01-307, shared margins are defined as any margins that the Company receives as a result of interruptible sales, capacity release or off-system sales.

Q. PLEASE DESCRIBE THE MARGIN SHARING MECHANISM AS A RESULT OF PSC DOCKET NO. 07-186.

A. As mentioned earlier in my testimony, as a result of PSC Docket No. 07-186, any margins received from interruptible transportation customers are retained by the Company and not shared with the eligible customers. Eighty percent of the margins from upstream capacity release credits and eighty percent of any off system sales margins will be credited to the GSR. As shown on Schedule A.2, the shared margin levels were used in the calculation of the $0.040 per Ccf margin sharing rate, proposed to be

1 effective November 1, 2008. The majority of the $0.040 per Ccf margin
2 sharing rate is a result of an under refund from the previous determination
3 period.
4
5 Q. DID THE COMPANY INCLUDE ANY MARGINS FROM OFF-SYSTEM
6 SALES IN ITS MARGIN SHARING CALCULATION?
7 A. No. The Company did not include a projection of any off system sales
8 margins in this determination period. However, if the Company does
9 make any off system sales, eighty percent of the margins will be credited
10 to the ratepayers according to the margin sharing mechanism.
11
12 Q. IN THIS FILING, WAS THE FULL BENEFIT OF PROJECTED CAPACITY
13 RELEASE TO FIRM TRANSPORTATION CUSTOMERS ON ESNG'S
14 SYSTEM CREDITED TO THE DELAWARE DIVISION FIRM
15 RATEPAYERS?
16 A. Yes. The Company believes, as stated in prior GSR filings, that although
17 the Settlement Agreement in PSC Docket No. 95-73, Phase II directed the
18 Company to include margins from capacity release in the shared margin
19 pool, the Company believes crediting 100% of the capacity released for
20 the Delaware Division's firm transportation customers to the firm sales
21 customers is appropriate due to the market on ESNG for this capacity.
22 The Company has estimated this capacity release value to be $1,076,873
23 for the twelve-month period ending October 2009 as calculated on

Schedule I and shown as a reduction to fixed demand costs on Schedule B. The total peak day firm entitlements on ESNG are projected to be 61,637 Dts per day for this determination period of which 4,934 Dts per day of Daily Contract Quantity entitlements are projected to be released to firm transportation customers, or approximately eight percent (8%) of the Delaware Division's peak day capacity on ESNG.

Q. DOES THE COMPANY HAVE ANY PROJECTIONS FOR THE NUMBER OF LARGE FIRM COMMERCIAL AND INDUSTRIAL CUSTOMERS THAT MAY CHOOSE TO TRANSPORT ON ITS DISTRIBUTION SYSTEM AND THE VOLUMES ASSOCIATED WITH THESE CUSTOMERS FOR THIS PERIOD?

A. Yes. The Company has not included in its projections any new large firm commercial or industrial customers switching from sales service to transportation service during the determination period. This filing includes projections for gas to be transported on the Company's distribution system for those customers who are currently receiving transportation service or will be in the near future based on the Company's current eligibility requirements. There are thirty (30) firm commercial / industrial customers and six (6) interruptible commercial / industrial customers who will be transporting their own gas on the Delaware Division's distribution system. The Company has estimated the firm commercial / industrial transportation volumes to be approximately 724,000 and the interruptible

1 commercial / industrial transportation volumes to be approximately
2 446,000 Mcf during this period.
3
4 Q. WITH THE GSR CHARGE INCREASING FROM THE RATES
5 EFFECTIVE NOVEMBER 1, 2007 AND AUGUST 1, 2008, WHAT STEPS
6 HAS THE COMPANY TAKEN TO MITIGATE THE EFFECT OF RISING
7 GAS COSTS ON ITS CUSTOMERS?
8 A. The Company continues to encourage its customers to enroll in its budget
9 billing program. This program provides for even monthly payments for the
10 period of September through May. If necessary these monthly payments
11 are adjusted midway through the winter in an attempt to avoid large credit
12 or debit balances at the end of the budget period. The Company has
13 included messages on its customers' bills during the months of June, July
14 and August 2008 encouraging customers to sign up for the program,
15 which begins in September. The Company also included a message
16 about budget billing on its fall bill insert sent with its August bills.
17 Additionally, the Company continues to promote conservation by including
18 conservation tips on its customer's bills, as part of its customer guides,
19 which are sent to each residential customer prior to every winter, and on a
20 pamphlet available in its Dover office.

1 Q. HOW DOES THE RESIDENTIAL GSR CHARGE THAT THE COMPANY
2 IS PROPOSING IN THIS APPLICATION COMPARE TO THE RATES
3 CHARGED BY OTHER UTILITIES IN THE AREA?
4 A. The Company does not have access to the rates to be charged by other
5 utilities in the area until those rates are actually filed and become public
6 information. Therefore, as mentioned in previous cases by the Division of
7 the Public Advocate, a comparison of the GSR charges the Company is
8 proposing in this application to the historical rates charged by other utilities
9 in the area is not a valid comparison. A comparison of the rates charged
10 by Chesapeake over the past twelve-month period to the rates charged by
11 other utilities in the area is included on Schedule K. The Company is
12 willing to update this schedule during the discovery phase of this
13 proceeding with any additional rate information that becomes publicly
14 available. The Company believes in this analysis that it is important to
15 take into consideration not just the actual rate charged per Ccf, but the
16 frequency of the rate change and the average consumption per customer
17 over which the rate is calculated as well. Therefore, the Company has
18 included an average rate per Ccf for those utilities whose rates change
19 more frequently than once a year. For purposes of this particular
20 comparison, the average rate per Ccf is calculated based on the
21 Company's typical consumption per RS-2 customer of 700 Ccf per year.

1 Q. EARLIER IN THIS TESTIMONY YOU MENTIONED THAT YOU WERE
2 PROPOSING A CHANGE TO THE DELAWARE DIVISION'S FIRM
3 BALANCING RATES FOR TRANSPORTATION CUSTOMERS BEING
4 SERVED UNDER RATE SCHEDULES "LVS", AND "HLFS" AND THE
5 INTERRUPTIBLE BALANCING RATE FOR TRANSPORTATION
6 CUSTOMERS BEING SERVED UNDER RATE SCHEDULE "ITS".
7 PLEASE EXPLAIN WHY THE CHANGES TO THE GAS SALES
8 SERVICE RATES AND THE BALANCING RATES ARE BEING
9 PROPOSED IN THE SAME DOCKET.
10 A. Chesapeake's firm transportation balancing rates are calculated in
11 accordance with the methodology approved in PSC Docket No. 95-73,
12 Phase II, by Order No. 4400 and are based on Chesapeake's annual
13 purchased gas costs. As a result of this order, Chesapeake is required to
14 update its balancing rates on an annual basis at the time of its annual Gas
15 Sales Service Rate application. Chesapeake agreed to update its
16 interruptible balancing rate as a result of a pending settlement agreement
17 in PSC Docket No. 07-186.
18 The relationship between the GSR charges and the transportation
19 balancing rates exist because the gas costs being presented in this GSR
20 filing are the same gas costs that are used to calculate the transportation
21 balancing rates.

1 Q. PLEASE STATE THE BALANCING RATES THAT ARE BEING
2 PROPOSED IN THIS FILING.
3 A. Chesapeake is proposing an increase in the firm balancing rate for
4 transportation customers served under Rate Schedule "LVS" from $0.049
5 per Ccf to $0.060 per Ccf to be effective for service rendered on and after
6 November 1, 2008. The Company is proposing a decrease in the firm
7 balancing rate for transportation customers served under Rate Schedule
8 "HLFS" from $0.022 per Ccf to $0.019 per Ccf to be effective for service
9 rendered on and after November 1, 2008. The Company is proposing a
10 decrease in the interruptible balancing rate for transportation customers
11 served under Rate Schedule 'ITS" from $0.005 per Ccf to $0.004 per Ccf
12 to be effective for service rendered on and after November 1, 2008.
13
14 Q. WHAT IS THE PRIMARY REASON FOR THE CHANGE IN THE
15 BALANCING RATES THAT IS BEING PROPOSED?
16 A. The primary reason for the increase in the firm balancing rate for
17 transportation customers served under Rate Schedule "LVS" that is being
18 proposed is because of a reduction in the annual load factor for the class
19 from 32.56% in the last filing to 27.52% as shown on Schedule J of this
20 filing. The primary reason for the decrease in the firm balancing rate for
21 transportation customers served under Rate Schedule "HLFS" that is
22 being proposed is because of an increase in the annual load factor for the
23 class from 51.51% in the last filing to 53.69% as shown on Schedule J.

The primary reason for the change in the interruptible balancing rate for transportation customers served under Rate Schedule "ITS" that is being proposed is a result of the pending settlement agreement in PSC Docket No. 07-186, whereby the Company agreed to update the balancing rate in this GSR application.

Q. WHAT GAS SUPPLY RESOURCES IS THE COMPANY USING IN DEVELOPING THE BALANCING SERVICE RATES BEING SUBMITTED IN THIS FILING?

A. Schedule J, Page 1 of 4 shows the Delaware Division's gas supply resources being used in developing the balancing service rates along with the purchased gas costs associated with these gas supply resources. All of these resources provide firm deliveries that vary in daily entitlements and duration. The Company also plans on using the propane peak shaving facilities as a gas supply resource in its balancing services. The Delaware Division currently has 12,048 Dt of propane peak shaving capacity available on a peak day to supplement its current pipeline entitlements.

Q. PLEASE BRIEFLY EXPLAIN HOW THE OVERALL COSTS OF THE GAS SUPPLY RESOURCES WERE DEVELOPED ON SCHEDULE J.

A. The Delaware Division's gas costs associated with the gas supply resources for balancing services are based on the same costs contained

in the development of the GSR charges. The gas supply resources and their costs are separated into fixed gas supply resources and variable gas supply resources. The Delaware Division's storage demand and capacity, and propane peak shaving facilities are related to the fixed gas supply resources, while storage injection and withdrawal volumes are related to the variable gas supply resources.

Q. HOW WAS THE AVERAGE ANNUAL RATE OF APPROXIMATELY $127 PER DT FOR THE FIXED GAS SUPPLY RESOURCES DETERMINED ON SCHEDULE J, PAGE 1 OF 4?

A. The gas costs were determined for each of the fixed gas supply resources to be used by the Company in performing this balancing service. The total annualized gas supply costs of $3,586,110 were divided by the daily entitlement of 28,195 Dt to derive the annual amount of $127.1896 per Dt for these fixed gas supply resources in the balancing service.

Q. HOW WAS THE COST OF THE VARIABLE GAS SUPPLY RESOURCES DETERMINED IN THIS PROCEEDING?

A. The overall variable rate of $0.0147 per Dt was determined based on the current storage injection and withdrawal capacities of the Delaware Division's storage resources. This rate was cut in half to arrive at separate rates for injections and withdrawals. This is important because a transportation customer on any given day will either over deliver (the

Company would inject the excess gas into storage) or under deliver (the Company would withdraw from storage to meet the demand) the customer-owned gas into the system on the customer's behalf. The resulting rate used for the variable gas supply component of the balancing services is $0.0147 per Dt.

Q. WERE THESE OVERALL FIXED GAS SUPPLY RESOURCE COSTS AND VARIABLE GAS SUPPLY RESOURCE COSTS UTILIZED IN THE DEVELOPMENT OF THE BALANCING SERVICE RATES?

A. Yes. The variable gas supply rate was used as the basis for the variable component in developing the balancing service rates. The fixed gas supply rate will differ between the balancing services due to the specific nature of the service being provided and the fact that the balancing rate is charged on consumption, not just the imbalance volumes. The fixed gas supply portion of the balancing service rates is based on specific load factors along with the percentage of the Company's gas supply needed to balance the requirements of specific customer class requirements. This percentage of the Company's gas supply will be the difference between their average day requirements and design day requirements.

Q. HOW WAS THE FIRM BALANCING SERVICE RATE FOR LARGE VOLUME SERVICE DEVELOPED?

A. Schedule J, Page 2 of 4 shows the development of the firm balancing service rate for this specific transportation customer class. The Delaware Division developed an average cost from the fixed rate of $127.1896 per Dt based on the Large Volume load factor of 27.52%. This load factor resulted in an average cost of $1.2719 per Dt. Since the Company's analysis determined that the DCQ method would provide approximately 54.47% of the peak day requirements, the Company would need to supply the remaining 45.53% with its gas supply resources. In other words, these firm customers would pay for only 45.53% of peak day requirements through the balancing service rate. The resulting rate for the fixed capacity based on this 45.53% would be approximately $0.5791 per Dt applicable to all consumption. The variable commodity rate of $0.0147 per Dt was multiplied by the estimated imbalance volume percentage of 22.26% to derive the variable rate of $0.0033 per Dt. The fixed capacity rate was added to the variable commodity rate to develop the final rate per Dt, which was then converted to a Mcf rate and Ccf rate as shown on Schedule J, page 2 of 4. The resulting balancing rate for the LVS rate schedule is $0.060 per Ccf.

Q. HOW WAS THE FIRM BALANCING SERVICE RATE FOR HIGH LOAD FACTOR SERVICE DEVELOPED?

A. Schedule J, Page 3 of 4 shows the development of the firm balancing service rate for this specific transportation customer class. The Delaware

Division developed an average cost from the fixed rate of $127.1896 per Dt based on the High Load Factor Service load factor of 53.69%. This load factor resulted in an average cost of $0.6489 per Dt. Since the Company's analysis determined that the DCQ method would provide approximately 71.46% of the peak day requirements for this class, the Company would need to supply the remaining 28.54% with its gas supply resources which the transportation customers would pay for through the balancing service rate. The resulting rate for the fixed capacity based on this 28.54% would be approximately $0.1852 per Dt applicable to all consumption. The variable commodity rate of $0.0147 per Dt was multiplied by the estimated imbalance volume percentage of 7.24% to derive the variable rate of $0.0011 per Dt. The fixed capacity rate was added to the variable commodity rate to develop the final rate per Dt, which was then converted to a Mcf rate and Ccf rate as shown on Schedule J, page 3 of 4. The resulting balancing rate for the HLFS rate schedule is $0.019 per Ccf.

Q. WHAT ABOUT THE BALANCING RATE FOR INTERRUPTIBLE CUSTOMERS?

A. Schedule J, Page 4 of 4 shows the development of the balancing service rate for this specific transportation customer class. The Delaware Division developed an average cost from the fixed rate of $127.1896 per Dt based on the Interruptible Transportation Service load factor of 100%. This load

factor resulted in an average cost of $0.3485 per Dt. The rate for the fixed capacity based on average cost at 9.60% would be approximately $0.0335 per Dt applicable to all consumption. The variable commodity rate of $0.0147 per Dt was multiplied by the estimated imbalance volume percentage of 9.60% to derive the variable rate of $0.0014 per Dt. The fixed capacity rate was added to the variable commodity rate to develop the final rate per Dt, which was then converted to a Mcf rate and Ccf rate as shown on Schedule J, page 4 of 4. The resulting balancing rate for the ITS rate schedule is $0.004 per Ccf.

Q. IS THE INFORMATION SET FORTH IN SCHEDULES A.1, A.2, B, C.1, C.2, D.1, D.2, E, F, G, H, I, J AND K TRUE AND CORRECT TO THE BEST OF YOUR KNOWLEDGE AND BELIEF?

A. Yes, it is.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

DATED: SEPTEMBER 2, 2008

STATE OF DELAWARE)
)
COUNTY OF KENT)

AFFIDAVIT OF JENNIFER A. CLAUSIUS

JENNIFER A. CLAUSIUS, being first duly sworn according to law, on oath deposes and says that she is the witness whose testimony appears as "Chesapeake Utilities Corporation, Delaware Division, Direct Testimony of Jennifer A. Clausius;" that, if asked the questions which appear in the text of the direct testimony, she would give the answers that are therein set forth; and that she adopts this testimony as her sworn direct testimony in these proceedings.

Jennifer A. Clausius

Jennifer A. Clausius

Then personally appeared this 2nd day of September 2008 the above-named Jennifer A. Clausius and acknowledged the foregoing Testimony to be her free act and deed. Before me,

Cathy L. Harrington

Notary Public

My Commission Expires: 05-25-11

CATHY L. HARRINGTON
Commission Expires 05-25-11 State of Delaware
NOTARY PUBLIC

Chesapeake Utilities Corporation
Delaware Division
Development of Gas Sales Service Rates Effective November 1, 2008

Based on Total Firm Gas Costs Recoverable through GSR effective November 1, 2008

Description	Allocator	Total System Costs	Volume (Ccf)	Cost / Ccf
Fixed Gas Costs	Peak Day Capacity Entitlements	$14,140,066	475,691	$29.73
Variable Gas Costs	Annual Volume	$49,094,790	42,690,022	$1.150
Total Firm Gas Costs	Annual Volume	$63,234,857	42,690,022	$1.481

Development of High Load Factor Service Rates per CCF (54% Load Factor)

Description		Peak Day Cap. Method	System Average Cost	HLFS Average Rate
Demand Rate	($29.73 / 197)	$0.151		
Commodity Rate		$1.150		
Total Gas Sales Service Rate		**$1.301**	**$1.481**	**$1.391**

Total High Load Factor and Seasonal Firm Dollars

Projected Sales	Rate	Total Cost
9,168,852	**$1.391**	**$12,753,873**

Development of Gas Lighting Rate per CCF (100% Load Factor)

Description		Peak Day Cap. Method
Demand Rate	($29.73 / 365)	$0.081
Commodity Rate		$1.150
Total Gas Sales Service Rate		**$1.231**

Total Gas Lighting Dollars

Projected Sales	Rate	Total Cost
1,560	**$1.231**	**$1,920**

Development of RS1, RS2, GS, MVS, and LVS Rate per CCF

Description	Firm Gas Cost	Volume (CCF)	Rate per CCF	Margin Sharing Rate per CCF	Final Rate per CCF
Total System Gas Cost	$63,234,857	42,690,022			
Less : Allocated to HLFS	$12,753,873	9,168,852			
Less : Allocated to GL	$1,920	1,560			
Total Remaining System	$50,479,064	33,519,610	**$1.506**	**($0.040)**	**$1.466**

Chesapeake Utilities Corporation
Delaware Division
Development of Gas Sales Service Rates Effective November 1, 2008

Determination of Margin Sharing Credit for November 1, 2008 - October 31, 2009

Projected Interruptible Margin, Off-System Sales Margin and Capacity Valuation Credits for the Period

Description	2008 November Projected	2008 December Projected	2009 January Projected	2009 February Projected	2009 March Projected	2009 April Projected	2009 May Projected	2009 June Projected	2009 July Projected	2009 August Projected	2009 September Projected	2009 October Projected	Total
Interruptible Margin	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
Off-System Sales & Capacity Valuation	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	**$234,144**
Total Margins	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	$19,512	**$234,144**

Amount of Margins Subject to Sharing to be Credited to RS-1,RS-2,GS,MVS,LVS Customers

Level of Margins Subject to Sharing	Eligible Margin Amounts	Customer Sharing (%)	Customer Sharing ($)
All Margins	$234,144	80%	$187,315
Total	$234,144		$187,315

Determination of Margin Sharing Credit Per Ccf For RS-1,RS-2,GS,MVS,LVS Customers

Month	Total Projected Firm Sales For Period	Gas Lighting Sales For Period		High Load Sales For Period	Projected RS-1,RS-2,GS, MVS & LVS Sales For Period
Nov-08	340,710	(13)		(62,221)	278,476
Dec-08	482,159	(13)		(65,699)	416,447
Jan-09	740,103	(13)		(129,681)	610,409
Feb-09	764,738	(13)		(135,682)	629,043
Mar-09	621,370	(13)		(114,374)	506,983
Apr-09	419,696	(13)		(90,821)	328,862
May-09	211,448	(13)		(59,477)	151,958
Jun-09	123,719	(13)		(44,035)	79,671
Jul-09	119,390	(13)		(47,970)	71,407
Aug-09	116,183	(13)		(48,352)	67,818
Sep-09	138,908	(13)		(54,038)	84,857
Oct-09	190,578	(13)		(64,535)	126,030
Total	4,269,002	(156)		(916,885)	3,351,961

Customer Sharing ($)	Prior Period Under Refund (Nov 07 - Oct 08)	Refund thru Nov. 1, 2008 GSR	RS,GS,MVS, & LVS Sales In Ccf	Margin Sharing Rate Per Ccf
($187,315)	($1,165,505)	($1,352,820)	33,519,610	**($0.040)**

Schedule A.2
November 1, 2008

Chesapeake Utilities Corporation
Delaware Division
Current Firm Gas Costs
Effective November 1, 2008

	Total Gas Costs	Volume (Mcf)	Avg Cost/Mcf
Demand Rate:			
		47,569	
Upstream FT Reservation	$4,100,367		$86.198
Storage Demand & Capacity	$1,076,442		$22.629
ESNG FT Reservation	$10,116,457		$212.669
Capacity Reservation	$178,360		$3.749
ESNG Capacity Release for Transp.	($1,076,873)		($22.638)
Balancing Rate Credit	($241,175)		($5.070)
Eastern Shore Capacity Credit	$0		$0.000
Environmental Rider	($13,511)		($0.284)
Supplier Refund	$0		$0.000
Total Firm Fixed Gas Costs	$14,140,066		$297.25
Peak Day Capacity (Mcf)	47,569		
Annual Fixed Cost per Mcf	$297.25		
Annual Fixed Cost per Ccf	$29.73		
Monthly Fixed Cost per Mcf	**$24.77**		
Monthly Fixed Cost per Ccf	**$2.477**		
Commodity Rate:			
		4,269,002	
Upstream FT Commodity	$40,802,284		$9.558
Storage I/W & Commodity	$6,834,185		$1.601
ESNG FT Commodity	$99,666		$0.023
Supplier Refund	($73,537)		($0.017)
Propane	$0		$0.000
CNG for Vehicular Use	($927)		($0.000)
(Over)/Under Collection	$1,433,119		$0.336
Transition Fees	$0		$0.000
Cash In/Cash Out	$0		$0.000
Total Firm Variable Gas Costs	$49,094,790		$11.50
Total Firm Sales Volumes (Mcf)	4,269,002		
Total Firm Sales Volumes (Ccf)	42,690,022		
Commodity Rate per Mcf	**$11.50**		
Commodity Rate per Ccf	**$1.150**		
System Average Rate:			
Total Firm Fixed Gas Costs	$14,140,066		
Total Firm Variable Gas Costs	$49,094,790		
Total Firm Gas Costs	**$63,234,857**	**4,269,002**	**$14.81**

Chesapeake Utilities Corporation
Projected Sales and Requirements Summary
November 1, 2008 - October 31, 2009

	Projected Nov-08	Projected Dec-08	Projected Jan-09	Projected Feb-09	Projected Mar-09	Projected Apr-09	Projected May-09	Projected Jun-09	Projected Jul-09	Projected Aug-09	Projected Sep-09	Projected Oct-09	Total
Mcf Sales													
Firm													
Residential Service - 1	5,833	9,757	16,019	16,577	13,851	10,352	4,670	2,408	1,968	1,438	1,289	2,161	86,323
Residential Service - 2	162,498	253,445	400,464	414,387	331,904	215,281	98,829	52,450	44,498	39,535	44,346	67,908	2,125,545
General Service	15,291	27,385	47,702	51,726	40,755	23,913	9,495	4,572	4,473	4,096	4,700	8,010	242,118
Medium Volume Service	20,917	31,228	47,868	49,067	40,188	25,001	13,089	6,444	5,768	5,571	6,422	10,740	262,303
Large Volume Service	73,937	94,632	98,356	97,286	80,285	54,315	25,875	13,797	14,700	17,178	28,100	37,211	635,672
High Load Factor Service	62,221	65,699	129,681	135,682	114,374	90,821	59,477	44,035	47,970	48,352	54,038	64,535	916,885
Gas Lighting	13	13	13	13	13	13	13	13	13	13	13	13	156
Total Firm Mcf Sales	340,710	482,159	740,103	764,738	621,370	419,696	211,448	123,719	119,390	116,183	138,908	190,578	4,269,002
Natural Gas Vehicles	6	8	1	5	8	7	7	7	11	20	17	7	104
Total Mcf Sales	340,716	482,167	740,104	764,743	621,378	419,703	211,455	123,726	119,401	116,203	138,925	190,585	4,269,106
Mcf Requirements													
Mcf Sales	340,716	482,167	740,104	764,743	621,378	419,703	211,455	123,726	119,401	116,203	138,925	190,585	4,269,106
Adjusted Mcf Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Mcf Sales	340,716	482,167	740,104	764,743	621,378	419,703	211,455	123,726	119,401	116,203	138,925	190,585	4,269,106
Cycle Billing Adjustment	59,801	88,068	39,917	(68,586)	(71,908)	(93,158)	(36,906)	(4,516)	0	0	25,979	61,309	0
Subtotal	400,517	570,235	780,021	696,157	549,470	326,545	174,549	119,210	119,401	116,203	164,904	251,894	4,269,106
Company Use	108	156	317	313	245	105	19	7	5	6	4	6	1,291
Unaccounted For	13,790	19,631	26,750	23,844	18,822	11,226	6,038	4,130	4,138	4,026	5,718	8,735	146,848
Total Mcf Requirements	414,415	590,022	807,088	720,314	568,537	337,876	180,606	123,347	123,544	120,235	170,626	260,635	4,417,245
Dt Requirements													
Total Dt Requirements	428,920	610,673	835,336	745,525	588,436	349,701	186,928	127,664	127,868	124,443	176,598	269,757	4,571,849

Schedule C.1
November 1, 2008

Chesapeake Utilities Corporation
Delaware Division

	Projected November-08	Projected December-08	Projected January-09	Projected February-09	Projected March-09	Projected April-09	Projected May-09	Projected June-09	Projected July-09	Projected August-09	Projected September-09	Projected October-09	Total
FIXED COSTS													
Columbia Gas Transmission FT													
FTS Firm Transportation Service													
Reservation Rates	$5.9690	$5.9690	$5.9690	$5.9690	$5.9690	$5.9690	$5.9690	$5.9690	$5.9690	$5.9690	$5.9690	$5.9690	
Billing Units (MDTQ)	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	
Reservation Costs	$20,652.74	$20,652.74	$20,652.74	$20,652.74	$20,652.74	$20,652.74	$20,652.74	$20,652.74	$20,652.74	$20,652.74	$20,652.74	$20,652.74	$247,832.88
FTS-1 Columbia Gulf													
Reservation Rates	$3.1450	$3.1450	$3.1450	$3.1450	$3.1450	$3.1450	$3.1450	$3.1450	$3.1450	$3.1450	$3.1450	$3.1450	
Billing Units (MDTQ)	880	880	880	880	880	809	809	809	809	809	809	809	
Reservation Costs	$2,767.60	$2,767.60	$2,767.60	$2,767.60	$2,767.60	$2,544.31	$2,544.31	$2,544.31	$2,544.31	$2,544.31	$2,544.31	$2,544.31	$31,648.17
Columbia Reservation Costs	$23,420.34	$23,420.34	$23,420.34	$23,420.34	$23,420.34	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$279,481.05
Transco FT													
FT Firm Transportation													
Reservation Rates:													
Transco Zone 1 (Sta 30)													
Fixed Cost Rate	$0.4786	$0.4786	$0.4786	$0.4786	$0.4786	$0.4786	$0.4786	$0.4786	$0.4786	$0.4786	$0.4786	$0.4786	
Electric Power Rate	$0.00302	$0.0030	$0.0030	$0.0030	$0.0030	$0.0030	$0.0030	$0.0030	$0.0030	$0.0030	$0.0030	$0.0030	
Transco Zone 2 (Sta 45)													
Fixed Cost Rate	$0.45886	$0.4589	$0.4589	$0.4589	$0.4589	$0.4589	$0.4589	$0.4589	$0.4589	$0.4589	$0.4589	$0.4589	
Electric Power Rate	$0.00283	$0.0028	$0.0028	$0.0028	$0.0028	$0.0028	$0.0028	$0.0028	$0.0028	$0.0028	$0.0028	$0.0028	
Transco Zone 3 (Sta 50 and 62)													
Fixed Cost Rate	$0.43274	$0.4327	$0.4327	$0.4327	$0.4327	$0.4327	$0.4327	$0.4327	$0.4327	$0.4327	$0.4327	$0.4327	
Electric Power Rate	$0.00263	$0.0026	$0.0026	$0.0026	$0.0026	$0.0026	$0.0026	$0.0026	$0.0026	$0.0026	$0.0026	$0.0026	
Billing Units (MDTQ):													
Transco Zone 1 (Sta 30)	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878	
Transco Zone 2 (Sta 45)	2,761	2,761	2,761	2,761	2,761	2,761	2,761	2,761	2,761	2,761	2,761	2,761	
Transco Zone 3 (Sta 50 and 62)	6,406	6,406	6,406	6,406	6,406	6,406	6,406	6,406	6,406	6,406	6,406	6,406	
Total FT Units	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	11,045	
Reservation Costs:													
Transco Zone 1 (Sta 30)	$27,134.40	$28,038.88	$28,038.88	$25,325.44	$28,038.88	$27,134.40	$28,038.88	$27,134.40	$28,038.88	$28,038.88	$27,134.40	$28,038.88	$330,135.20
Transco Zone 2 (Sta 45)	$38,241.60	$39,516.32	$39,516.32	$35,692.16	$39,516.32	$38,241.60	$39,516.32	$38,241.60	$39,516.32	$39,516.32	$38,241.60	$39,516.32	$465,272.80
Transco Zone 3 (Sta 50 and 62)	$83,669.40	$86,458.38	$86,458.38	$78,091.44	$86,458.38	$83,669.40	$86,458.38	$83,669.40	$86,458.38	$86,458.38	$83,669.40	$86,458.38	$1,017,977.70
Transco Sub Total	$149,045.40	$154,013.58	$154,013.58	$139,109.04	$154,013.58	$149,045.40	$154,013.58	$149,045.40	$154,013.58	$154,013.58	$149,045.40	$154,013.58	$1,813,385.70
Transco Zone 5 (Cove Point)													
Reservation Rates	$0.55	$0.55	$0.55	$0.55	$0.55	$0.55	$0.55	$0.55	$0.55	$0.55	$0.55	$0.55	
Billing Units (MDTQ)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Reservation Costs	$165,000.00	$170,500.00	$170,500.00	$154,000.00	$170,500.00	$165,000.00	$170,500.00	$165,000.00	$170,500.00	$170,500.00	$165,000.00	$170,500.00	$2,007,500.00
Total Transco Reservation Costs	$314,045.40	$324,513.58	$324,513.58	$293,109.04	$324,513.58	$314,045.40	$324,513.58	$314,045.40	$324,513.58	$324,513.58	$314,045.40	$324,513.58	$3,820,885.70
Total Upstream Reservation Costs	$337,465.74	$347,933.92	$347,933.92	$316,529.38	$347,933.92	$337,242.45	$347,710.63	$337,242.45	$347,710.63	$347,710.63	$337,242.45	$347,710.63	$4,100,366.75

Chesapeake Utilities Corporation
Delaware Division

	Projected November-08	Projected December-08	Projected January-09	Projected February-09	Projected March-09	Projected April-09	Projected May-09	Projected June-09	Projected July-09	Projected August-09	Projected September-09	Projected October-09	Total
Eastern Shore Natural Gas													
FT/ST Firm Transportation - Zone 1													
Reservation Rates:													
Reservation - FT	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	
Billing Units (MDTQ):													
Reservation - FT	15,682	15,780	15,780	15,780	15,682	15,682	15,222	15,222	15,222	15,222	15,222	15,222	
Reservation - ST	400	400	400	400	400	400	145	145	145	145	145	145	
Reservation Costs:													
Reservation - FT	$141,562.98	$142,447.64	$142,447.64	$142,447.64	$141,562.98	$141,562.98	$137,410.52	$137,410.52	$137,410.52	$137,410.52	$137,410.52	$137,410.52	$1,676,494.98
Reservation - ST	$3,610.84	$3,610.84	$3,610.84	$3,610.84	$3,610.84	$3,610.84	$1,308.93	$1,308.93	$1,308.93	$1,308.93	$1,308.93	$1,308.93	$29,518.62
Reservation Costs - Zone 1	$145,173.82	$146,058.48	$146,058.48	$146,058.48	$145,173.82	$145,173.82	$138,719.45	$138,719.45	$138,719.45	$138,719.45	$138,719.45	$138,719.45	$1,706,013.60
FT Firm Transportation - Zone 2													
Reservation Rates:													
Reservation - FT	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	
Billing Units (MDTQ):													
Reservation - FT	39,652	40,776	40,776	40,776	39,652	39,652	34,271	34,271	34,271	34,271	34,271	34,271	
Reservation - ST	4,681	4,681	4,681	4,681	4,681	4,681	1,701	1,701	1,701	1,701	1,701	1,701	
Reservation Costs:													
Reservation - FT	$687,323.80	$706,807.11	$706,807.11	$706,807.11	$687,323.80	$687,323.80	$594,050.09	$594,050.09	$594,050.09	$594,050.09	$594,050.09	$594,050.09	$7,746,693.27
Reservation - ST	$81,139.99	$81,139.99	$81,139.99	$81,139.99	$81,139.99	$81,139.99	$29,484.96	$29,484.96	$29,484.96	$29,484.96	$29,484.96	$29,484.96	$663,749.70
Reservation Costs - Zone 2	$768,463.79	$787,947.10	$787,947.10	$787,947.10	$768,463.79	$768,463.79	$623,535.05	$623,535.05	$623,535.05	$623,535.05	$623,535.05	$623,535.05	$8,410,442.97
Eastern Shore Reservation Costs	$913,637.61	$934,005.58	$934,005.58	$934,005.58	$913,637.61	$913,637.61	$762,254.50	$762,254.50	$762,254.50	$762,254.50	$762,254.50	$762,254.50	$10,116,456.57
Capacity Reservation	$0.00	$70,360.00	$55,800.00	$52,200.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$178,360.00
Capacity Release Credits	($92,015.77)	($93,666.68)	($86,247.77)	($87,203.73)	($90,962.59)	($93,921.77)	($90,563.91)	($86,450.86)	($87,634.48)	($84,653.77)	($90,016.94)	($93,535.16)	($1,076,873.43)
Storage Demand & Capacity													
Reservation Costs:													
Columbia:													
FSS Firm Storage Service	$148,567.77	$148,567.77	$148,567.77	$148,567.77	$148,567.77								$742,838.85
Transco:													
GSS General Storage Service	$26,596.09	$26,596.09	$26,596.09	$26,596.09	$26,596.09								$132,980.45
LGA Liquified Natural Gas Storage	$7,191.23	$7,191.23	$7,191.23	$7,191.23	$7,191.23								$35,956.15
LSS Leidy Storage Service	$7,927.07	$7,927.07	$7,927.07	$7,927.07	$7,927.07								$39,635.35
WSS Washington Storage Service	$5,385.09	$5,385.09	$5,385.09	$5,385.09	$5,385.09								$26,925.45
ESS Eminence Storage Service	$4,495.34	$4,495.34	$4,495.34	$4,495.34	$4,495.34								$22,476.70
EESWS Emergency Eminence Storage	$9,257.13	$9,257.13	$9,257.13	$9,257.13	$9,257.13								$46,285.65
PS Peaking Service	$5,868.63	$5,868.63	$5,868.63	$5,868.63	$5,868.63								$29,343.15
Total Transco	$66,720.58	$66,720.58	$66,720.58	$66,720.58	$66,720.58								$333,602.90
Total Storage Demand & Capacity Costs	$215,288.35	$215,288.35	$215,288.35	$215,288.35	$215,288.35								$1,076,441.75
TOTAL FIXED COSTS	$1,374,375.93	$1,473,921.17	$1,466,780.08	$1,430,819.58	$1,385,897.29	$1,156,958.29	$1,019,401.22	$1,013,046.09	$1,022,330.65	$1,025,311.36	$1,009,480.01	$1,016,429.97	$14,394,751.64

Chesapeake Utilities Corporation
Delaware Division

COMMODITY COSTS	Projected November-08	Projected December-08	Projected January-09	Projected February-09	Projected March-09	Projected April-09	Projected May-09	Projected June-09	Projected July-09	Projected August-09	Projected September-09	Projected October-09	Total
Columbia Gas Transmission FT													
Columbia - Gulf (FTS-1)													
Commodity Rate	$10.5935	$10.6090	$11.4429	$11.8091	$9.8880	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	
Commodity in DT	24,948	26,722	24,998	23,274	25,944	0	0	0	0	0	0	0	125,886
Commodity Cost	$264,286.64	$283,493.70	$288,049.61	$274,844.99	$256,534.27	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,365,209.21
Swing Purchases - TCO (FTS)													
Commodity Rate	$9.4037	$9.7806	$10.0107	$10.0878	$10.0911	$9.8471	$9.8494	$0.0000	$0.0000	$10.0262	$9.7778	$9.9076	
Commodity in DT	55,376	66,029	70,514	64,950	66,924	19,346	6,864	0	0	188	3,238	17,787	371,216
Commodity Cost	$520,739.29	$645,803.24	$705,894.50	$655,202.61	$675,336.78	$190,502.00	$67,606.28	$0.00	$0.00	$1,884.93	$31,660.52	$176,226.48	$3,670,856.63
Total FTS Commodity Volume	80,324	92,751	95,512	88,224	92,868	19,346	6,864	0	0	188	3,238	17,787	497,102
Total FTS Commodity Costs	$785,025.93	$929,296.94	$991,944.11	$930,047.60	$931,871.05	$190,502.00	$67,606.28	$0.00	$0.00	$1,884.93	$31,660.52	$176,226.48	$5,036,065.84
TCO Pool through SST to ESNG													
Commodity Rate	$9.4037	$9.7806	$10.0107	$10.0878	$10.0911	$9.8471	$9.8494	$0.0000	$0.0000	$10.0262	$9.7778	$9.9076	
Commodity in DT	0	0	0	0	0	0	0	0	0	0	0	0	0
Commodity Cost	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Columbia Storage Injections													
Weighted Average Rate	$9.773	$10.019	$10.386	$10.542	$10.034	$9.847	$9.849	$0.000	$0.000	$10.026	$9.778	$9.908	
Commodity in DT	0	0	0	0	0	0	0	0	0	0	0	0	0
Commodity Cost	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Columbia Gas Transmission													
Commodity Volumes	80,324	92,751	95,512	88,224	92,868	19,346	6,864	0	0	188	3,238	17,787	497,102
Commodity Costs	$785,025.93	$929,296.94	$991,944.11	$930,047.60	$931,871.05	$190,502.00	$67,606.28	$0.00	$0.00	$1,884.93	$31,660.52	$176,226.48	$5,036,065.84
Transco FT													
FT Zone 1 to Zone 6 - (Sta 30)													
Commodity Rate	$10.5003	$10.0425	$11.1991	$11.6376	$11.8903	$10.4036	$10.4596	$10.1162	$9.8484	$9.6984	$9.6942	$9.7761	
Commodity in DT	46,950	50,471	53,709	46,828	49,767	32,790	33,914	32,790	36,487	36,487	33,656	34,814	490,663
Commodity Cost	$492,989.09	$506,855.02	$601,492.46	$568,240.73	$591,744.56	$341,134.04	$354,726.87	$331,710.20	$359,338.57	$353,865.52	$326,268.00	$340,414.77	$5,168,779.83
FT Zone 2 to Zone 6 - (Sta 45)													
Commodity Rate	$10.7309	$10.6090	$11.4381	$11.8231	$12.0721	$10.2794	$9.5507	$9.6646	$9.7828	$9.8676	$9.8852	$9.9448	
Commodity in DT	68,828	74,179	77,797	70,156	73,138	48,180	49,118	48,180	53,661	53,661	49,472	51,149	717,519
Commodity Cost	$738,586.39	$786,965.01	$889,849.87	$829,461.40	$882,929.25	$495,261.49	$469,111.28	$465,640.43	$524,954.83	$529,505.28	$489,040.61	$508,666.58	$7,609,972.42
FT Zone 3 to Zone 6 - (Sta 65)													
Commodity Rate	$9.4244	$10.2875	$10.3207	$10.5180	$9.9897	$9.6055	$9.5453	$9.7005	$9.8703	$9.9131	$9.9724	$9.9901	
Commodity in DT	142,624	164,439	173,374	153,208	149,222	128,946	87,196	46,694	37,720	34,107	86,238	91,186	1,294,954
Commodity Cost	$1,344,145.63	$1,691,666.21	$1,789,341.04	$1,611,441.74	$1,490,683.01	$1,238,590.80	$832,311.98	$452,955.15	$372,307.72	$338,106.10	$859,999.83	$910,957.26	$12,932,506.47
Total FT Commodity Volume	258,402	289,089	304,880	272,192	272,127	209,916	170,228	127,664	127,868	124,255	169,366	177,149	2,503,136
Total FT Commodity Costs	$2,575,721.11	$2,985,486.24	$3,280,683.37	$3,009,143.87	$2,965,356.82	$2,074,986.33	$1,656,150.13	$1,250,305.78	$1,256,601.12	$1,221,476.90	$1,875,308.44	$1,760,038.61	$25,711,258.72
FT Zone 5 to Zone 6 - (Cove Point)													
Commodity Rate	$9.4826	$10.2720	$11.4047	$10.8491	$9.9954	$9.6242	$9.6163	$0.0000	$0.0000	$0.0000	$9.9499	$10.0101	
Commodity in DT	47,540	70,951	217,365	191,930	149,727	112,980	9,836	0	0	0	3,994	62,245	
Commodity Cost	$450,802.80	$728,808.67	$2,478,982.62	$2,082,267.76	$1,496,581.26	$1,087,342.12	$94,585.93	$0.00	$0.00	$0.00	$39,739.90	$623,078.67	
Swing Purchases - Transco Zone 6													
Commodity Rate	$0.0000	$0.0000	$11.7249	$12.3145	$10.5350	$9.9218	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$10.0117	
Commodity in DT	0	0	30,569	33,000	765	7,459	0	0	0	0	0	12,576	84,369
Commodity Cost	$0.00	$0.00	$358,418.47	$406,378.50	$8,059.28	$74,006.71	$0.00	$0.00	$0.00	$0.00	$0.00	$125,907.14	$972,770.10
Transco Storage Injections													
Weighted Average Rate	$9.9679	$10.3272	$10.7606	$11.0552	$10.8970	$9.8848	$9.7290	$9.7937	$9.8273	$9.8304	$9.8916	$9.9354	
Commodity in DT	0	0	0	0	0	0	0	0	0	0	0	0	0
Commodity Cost	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Transco													
Commodity Volume	305,942	360,040	552,814	497,122	422,619	330,355	180,064	127,664	127,868	124,255	173,360	251,970	3,454,073
Commodity Costs	$3,026,523.91	$3,714,294.91	$6,118,084.46	$5,497,790.13	$4,469,997.36	$3,236,335.16	$1,750,736.06	$1,250,305.78	$1,256,601.12	$1,221,476.90	$1,715,048.34	$2,509,024.42	$35,766,218.55

Chesapeake Utilities Corporation
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Storages		Projected November-08	Projected December-08	Projected January-09	Projected February-09	Projected March-09	Projected April-09	Projected May-09	Projected June-09	Projected July-09	Projected August-09	Projected September-09	Projected October-09	Total
Columbia Gas Transmission Storage														
FSS Firm Storage Service														
Charges:	Avg Commodity Inc Inj	$11.0356	$11.0356	$11.0356	$11.0356	$11.0356								
	Withdrawal Inc. Trans	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153								
Billing Units:	Withdrawal	21,000	108,500	119,722	98,000	43,619								390,841
Cost:	Reservation	$148,567.77	$148,567.77	$148,567.77	$148,567.77	$148,567.77								$742,838.85
	Avg Commodity Inc Inj	$231,747.60	$1,197,362.60	$1,321,204.10	$1,081,488.80	$481,361.84								$4,313,164.94
	Withdrawal	$321.30	$1,660.05	$1,831.75	$1,499.40	$667.37								$5,979.87
		$380,636.67	$1,347,590.42	$1,471,603.62	$1,231,555.97	$630,596.98								$5,061,983.66
Transco Storages														
GSS General Storage Service														
Charges:	Avg Commodity Inc Inj	$10.9325	$10.9325	$10.9325	$10.9325	$10.9325								
	Withdrawal	$0.03867	$0.0387	$0.0387	$0.0387	$0.0387								
Billing Units:	Withdrawal	6,750	8,932	20,688	22,078	9,557								68,005
Cost:	Reservation	$26,596.09	$26,596.09	$26,596.09	$26,596.09	$26,596.09								$132,980.45
	Avg Commodity Inc Inj	$73,794.38	$97,649.09	$226,171.56	$241,367.74	$104,481.90								$743,464.67
	Withdrawal	$261.02	$345.40	$800.00	$853.76	$369.57								$2,629.75
		$100,651.49	$124,590.58	$253,567.65	$268,817.59	$131,447.56								$879,074.87
LGA Liquified Natural Gas Storage Service														
Charges:	Avg Commodity Inc Inj	$15.7879	$15.7879	$15.7879	$15.7879	$15.7879								
	Withdrawal	$1.36910	$1.3691	$1.3691	$1.3691	$1.3691								
	Withdrawal	0	0	241	64	0								305
Cost:	Reservation	$7,191.23	$7,191.23	$7,191.23	$7,191.23	$7,191.23								$35,956.15
	Avg Commodity Inc Inj	$0.00	$0.00	$3,804.88	$1,010.43	$0.00								$4,815.31
	Withdrawal	$0.00	$0.00	$329.95	$87.62	$0.00								$417.57
		$7,191.23	$7,191.23	$11,326.07	$8,289.28	$7,191.23								$41,189.03
LSS Leidy Storage Service														
Charges:	Avg Commodity Inc Inj	$10.4281	$10.4281	$10.4281	$10.4281	$10.4281								
	Withdrawal	$0.02127	$0.0213	$0.0213	$0.0213	$0.0213								
Billing Units:	Withdrawal	3,144	4,025	6,834	7,137	4,273								25,413
Cost:	Reservation	$7,927.07	$7,927.07	$7,927.07	$7,927.07	$7,927.07								$39,635.35
	Avg Commodity Inc Inj	$32,785.95	$41,973.10	$71,265.64	$74,425.35	$44,559.27								$265,009.31
	Withdrawal	$66.87	$85.61	$145.36	$151.80	$90.89								$540.53
		$40,779.89	$49,985.78	$79,338.07	$82,504.22	$52,577.23								$305,185.19
WSS Washington Storage Service														
Charges:	Avg Commodity Inc Inj	$10.9940	$10.9940	$10.9940	$10.9940	$10.9940								
	Withdrawal	$0.01300	$0.0130	$0.0130	$0.0130	$0.0130								
Billing Units:	Withdrawal	11,760	36,425	39,525	32,900	15,500								136,110
Cost:	Reservation	$5,385.09	$5,385.09	$5,385.09	$5,385.09	$5,385.09								$26,925.45
	Avg Commodity Inc Inj	$129,289.44	$400,456.45	$434,537.85	$361,702.60	$170,407.00								$1,496,393.34
	Withdrawal	$152.88	$473.53	$513.83	$427.70	$201.50								$1,769.44
		$134,827.41	$406,315.07	$440,436.77	$367,515.39	$175,993.59								$1,525,088.23
ESS Eminence Storage Service														
Charges:	Avg Commodity Inc Inj	$7.6743	$7.6743	$7.6743	$7.6743	$7.6743								
	Withdrawal	$0.02510	$0.0251	$0.0251	$0.0251	$0.0251								
Billing Units:	Withdrawal	0	0	0	0	0								0
Cost:	Reservation	$4,495.34	$4,495.34	$4,495.34	$4,495.34	$4,495.34								$22,476.70
	Avg Commodity Inc Inj	$0.00	$0.00	$0.00	$0.00	$0.00								$0.00
	Withdrawal	$0.00	$0.00	$0.00	$0.00	$0.00								$0.00
		$4,495.34	$4,495.34	$4,495.34	$4,495.34	$4,495.34								$22,476.70
EESWS Emergency Eminence Storage Service														
Charges:	Avg Commodity Inc Inj	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000								
	Withdrawal	$0.00000	$0.0000	$0.0000	$0.0000	$0.0000								
Billing Units:	Withdrawal	0	0	0	0	0								0
Cost:	Reservation	$9,257.13	$9,257.13	$9,257.13	$9,257.13	$9,257.13								$46,285.65
	Avg Commodity Inc Inj	$0.00	$0.00	$0.00	$0.00	$0.00								$0.00
	Withdrawal	$0.00	$0.00	$0.00	$0.00	$0.00								$0.00
		$9,257.13	$9,257.13	$9,257.13	$9,257.13	$9,257.13								$46,285.65
PS Peaking Service														
Charges:	Reservation	$5,868.63	$5,868.63	$5,868.63	$5,868.63	$5,868.63								$29,343.15
Columbia Storage Volume		21,000	108,500	119,722	98,000	43,619	0	0	0	0	0	0	0	390,841
Columbia Storage Commodity Costs		$232,068.90	$1,199,022.65	$1,323,035.85	$1,082,988.20	$482,029.21	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$4,319,144.81

Chesapeake Utilities Corporation
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	Projected November-08	Projected December-08	Projected January-09	Projected February-09	Projected March-09	Projected April-09	Projected May-09	Projected June-09	Projected July-09	Projected August-09	Projected September-09	Projected October-09	Total
Transco Storage Volume	21,554	49,382	67,288	62,179	29,330	0	0	0	0	0	0	0	229,833
Transco Storage Commodity Costs	$236,350.54	$540,983.18	$737,569.08	$680,027.00	$320,110.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,515,039.92
Total Storage Volume	42,554	157,882	187,010	160,179	72,949	0	0	0	0	0	0	0	620,674
Total Storage Commodity Costs	$468,419.44	$1,740,005.83	$2,060,604.93	$1,763,015.20	$802,139.34	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$6,834,184.73
Eastern Shore Natural Gas													
Total Upstream Volume	428,920	610,673	835,336	745,525	588,436	349,701	186,928	127,664	127,868	124,443	176,598	269,757	4,571,849
Eastern Shore Fuel	0	0	0	0	0	0	0	0	0	0	0	0	0
Eastern Shore Volume	428,920	610,673	835,336	745,525	588,436	349,701	186,928	127,664	127,868	124,443	176,598	269,757	4,571,849
Zone 1													
Commodity Rate	$0.0146	$0.0146	$0.0146	$0.0146	$0.0146	$0.0146	$0.0146	$0.0146	$0.0146	$0.0146	$0.0146	$0.0146	
Commodity in DT	0	0	0	0	0	0	0	0	0	0	0	0	
Commodity Cost	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Interruptible Commodity Rate	$0.3114	$0.3114	$0.3114	$0.3114	$0.3114	$0.3114	$0.3114	$0.3114	$0.3114	$0.3114	$0.3114	$0.3114	
Interruptible Commodity in DT	0	0	0	0	0	0	0	0	0	0	0	0	
Interruptible Commodity Cost	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Commodity Max Check	482,460	501,580	501,580	453,040	498,542	482,460	476,377	461,010	476,377	476,377	461,010	476,377	
Zone 2													
Commodity Rate	$0.0218	$0.0218	$0.0218	$0.0218	$0.0218	$0.0218	$0.0218	$0.0218	$0.0218	$0.0218	$0.0218	$0.0218	
Commodity in DT	428,920	610,673	835,336	745,525	588,436	349,701	186,928	127,664	127,868	124,443	176,598	269,757	
Commodity Cost	$9,350.46	$13,312.67	$18,210.32	$16,252.45	$12,827.90	$7,623.48	$4,075.03	$2,783.08	$2,787.52	$2,712.86	$3,849.84	$5,880.70	$99,666.31
Interruptible Commodity Rate	$0.5917	$0.5917	$0.5917	$0.5917	$0.5917	$0.5917	$0.5917	$0.5917	$0.5917	$0.5917	$0.5917	$0.5917	
Interruptible Commodity in DT	0	0	0	0	0	0	0	0	0	0	0	0	
Interruptible Commodity Cost	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total Eastern Shore Commodity	$9,350.46	$13,312.67	$18,210.32	$16,252.45	$12,827.90	$7,623.48	$4,075.03	$2,783.08	$2,787.52	$2,712.86	$3,849.84	$5,880.70	$99,666.31
TOTAL COMMODITY COSTS	$4,289,319.74	$6,396,810.35	$9,188,843.82	$8,207,105.38	$6,216,835.65	$3,434,460.64	$1,822,417.37	$1,253,088.86	$1,259,388.64	$1,226,074.69	$1,750,558.70	$2,691,131.60	$47,736,135.43

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	Projected November-08	Projected December-08	Projected January-09	Projected February-09	Projected March-09	Projected April-09	Projected May-09	Projected June-09	Projected July-09	Projected August-09	Projected September-09	Projected October-09	Total
Summary													
Columbia Gas Transmission													
Columbia/Columbia Gulf FT Costs													
Fixed Costs	$23,420.34	$23,420.34	$23,420.34	$23,420.34	$23,420.34	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$279,481.05
Commodity Costs	$785,025.93	$929,296.94	$991,944.11	$930,047.60	$931,871.05	$190,502.00	$67,606.28	$0.00	$0.00	$1,884.93	$31,660.52	$176,226.48	$5,036,065.84
Total Costs	$808,446.27	$952,717.28	$1,015,364.45	$953,467.94	$955,291.39	$213,699.05	$90,803.33	$23,197.05	$23,197.05	$25,081.98	$54,857.57	$199,423.53	$5,315,546.89
Columbia/Columbia Gulf Storage Costs													
Fixed Costs	$148,567.77	$148,567.77	$148,567.77	$148,567.77	$148,567.77	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$742,838.85
Commodity Costs	$232,068.90	$1,199,022.65	$1,323,035.85	$1,082,988.20	$482,029.21	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$4,319,144.81
Total Costs	$380,636.67	$1,347,590.42	$1,471,603.62	$1,231,555.97	$630,596.98	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$5,061,983.66
Columbia/Columbia Gulf Total Costs													
Fixed Costs	$171,988.11	$171,988.11	$171,988.11	$171,988.11	$171,988.11	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$23,197.05	$1,022,319.90
Commodity Costs	$1,017,094.83	$2,128,319.59	$2,314,979.96	$2,013,035.80	$1,413,900.26	$190,502.00	$67,606.28	$0.00	$0.00	$1,884.93	$31,660.52	$176,226.48	$9,355,210.65
Total Costs	$1,189,082.94	$2,300,307.70	$2,486,968.07	$2,185,023.91	$1,585,888.37	$213,699.05	$90,803.33	$23,197.05	$23,197.05	$25,081.98	$54,857.57	$199,423.53	$10,377,530.55
Columbia FT Volume	80,324	92,751	95,512	88,224	92,868	19,346	6,864	0	0	188	3,238	17,787	497,102
Columbia Storage Volume	21,000	108,500	119,722	98,000	43,619	0	0	0	0	0	0	0	390,841
Columbia Total Volume	101,324	201,251	215,234	186,224	136,487	19,346	6,864	0	0	188	3,238	17,787	887,943
Transco													
Transco FT Totals													
Fixed Costs	$314,045.40	$324,513.58	$324,513.58	$293,109.04	$324,513.58	$314,045.40	$324,513.58	$314,045.40	$324,513.58	$324,513.58	$314,045.40	$324,513.58	$3,820,885.70
Commodity Costs	$3,026,523.91	$3,714,294.91	$6,118,084.46	$5,497,790.13	$4,469,997.36	$3,236,335.16	$1,750,736.06	$1,250,305.78	$1,256,601.12	$1,221,476.90	$1,715,048.34	$2,509,024.42	$35,766,218.55
Total Costs	$3,340,569.31	$4,038,808.49	$6,442,598.04	$5,790,899.17	$4,794,510.94	$3,550,380.56	$2,075,249.64	$1,564,351.18	$1,581,114.70	$1,545,990.48	$2,029,093.74	$2,833,538.00	$39,587,104.25
Transco Storage Cost Totals													
Fixed Costs	$66,720.58	$66,720.58	$66,720.58	$66,720.58	$66,720.58	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$333,602.90
Commodity Costs	$236,350.54	$540,983.18	$737,569.08	$680,027.00	$320,110.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,515,039.92
Total Costs	$303,071.12	$607,703.76	$804,289.66	$746,747.58	$386,830.71	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,848,642.82
Transco Total Costs													
Fixed Costs	$380,765.98	$391,234.16	$391,234.16	$359,829.62	$391,234.16	$314,045.40	$324,513.58	$314,045.40	$324,513.58	$324,513.58	$314,045.40	$324,513.58	$4,154,488.60
Commodity Costs	$3,262,874.45	$4,255,278.09	$6,855,653.54	$6,177,817.13	$4,790,107.49	$3,236,335.16	$1,750,736.06	$1,250,305.78	$1,256,601.12	$1,221,476.90	$1,715,048.34	$2,509,024.42	$38,281,258.47
Total Costs	$3,643,640.43	$4,646,512.25	$7,246,887.70	$6,537,646.75	$5,181,341.65	$3,550,380.56	$2,075,249.64	$1,564,351.18	$1,581,114.70	$1,545,990.48	$2,029,093.74	$2,833,538.00	$42,435,747.07
Transco FT Volume	305,942	360,040	552,814	497,122	422,619	330,355	180,064	127,664	127,868	124,255	173,360	251,970	3,454,073
Transco Storage Volume	21,654	49,382	67,288	62,179	29,330	0	0	0	0	0	0	0	229,833
Transco Total Volume	327,596	409,422	620,102	559,301	451,949	330,355	180,064	127,664	127,868	124,255	173,360	251,970	3,683,906
Eastern Shore Natural Gas													
Fixed Costs	$913,637.61	$934,005.58	$934,005.58	$934,005.58	$913,637.61	$913,637.61	$762,254.50	$762,254.50	$762,254.50	$762,254.50	$762,254.50	$762,254.50	$10,116,456.57
Commodity Costs	$9,350.46	$13,312.67	$18,210.32	$16,252.45	$12,827.90	$7,623.48	$4,075.03	$2,783.08	$2,787.52	$2,712.86	$3,849.84	$5,880.70	$99,666.31
Total Costs	$922,988.07	$947,318.25	$952,215.90	$950,258.03	$926,465.51	$921,261.09	$766,329.53	$765,037.58	$765,042.02	$764,967.36	$766,104.34	$768,135.20	$10,216,122.88
Total Commodity Volume	386,266	452,791	648,326	585,346	515,487	349,701	186,928	127,664	127,868	124,443	176,598	269,757	3,951,175
Total Storage Volume	42,654	157,882	187,010	160,179	72,949	0	0	0	0	0	0	0	620,674
Total Volume	428,920	610,673	835,336	745,525	588,436	349,701	186,928	127,664	127,868	124,443	176,598	269,757	4,571,849

Chesapeake Utilities Corporation
Delaware Division

	Projected November-08	Projected December-08	Projected January-09	Projected February-09	Projected March-09	Projected April-09	Projected May-09	Projected June-09	Projected July-09	Projected August-09	Projected September-09	Projected October-09	Total
	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035
Flowing Commodity WACOG													
Transco Station 30	$492,989.09	$506,855.02	$601,492.46	$568,240.73	$591,744.56	$341,134.04	$354,726.87	$331,710.20	$359,338.57	$353,865.52	$326,268.00	$340,414.77	$5,168,779.83
Transco Station 45	$738,586.39	$786,965.01	$889,849.87	$829,461.40	$882,929.25	$495,261.49	$469,111.28	$485,640.43	$524,954.83	$529,505.28	$489,040.61	$508,666.58	$7,609,972.42
Transco Station 65	$1,344,145.63	$1,691,666.21	$1,789,341.04	$1,611,441.74	$1,490,683.01	$1,238,590.80	$832,311.98	$452,955.15	$372,307.72	$338,106.10	$859,999.83	$910,957.26	$12,932,506.47
Transco Storage Injections	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Transco Zone 5 (Cove Point)	$450,802.80	$728,808.67	$2,478,982.62	$2,082,267.76	$1,496,581.26	$1,087,342.12	$94,585.93	$0.00	$0.00	$0.00	$39,739.90	$623,078.67	$9,082,189.73
UP Transco 6	$0.00	$0.00	$358,418.47	$406,378.50	$8,059.28	$74,006.71	$0.00	$0.00	$0.00	$0.00	$0.00	$125,907.14	$972,770.10
UP - TCO Pool	$520,739.29	$645,803.24	$705,894.50	$655,202.61	$675,336.78	$190,502.00	$67,606.28	$0.00	$0.00	$1,884.93	$31,660.52	$176,226.48	$3,670,856.63
Columbia Rayne	$264,286.84	$283,493.70	$286,049.61	$274,844.99	$256,534.27	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,365,209.21
Columbia Storage Injections	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
ESNG Imbalance	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	$3,811,549.84	$4,643,591.85	$7,110,028.57	$6,427,837.73	$5,401,868.41	$3,426,837.16	$1,818,342.34	$1,250,305.78	$1,256,601.12	$1,223,361.83	$1,746,708.86	$2,685,250.90	$40,802,284.39
Dt	385,764	452,202	647,483	584,585	514,817	349,246	186,685	127,498	127,702	124,281	176,368	269,406	3,946,037
Unit Cost per Dt	$9.8805	$10.2688	$10.9810	$10.9956	$10.4928	$9.8121	$9.7402	$9.8065	$9.8401	$9.8435	$9.9038	$9.9673	$10.3401
Unit Cost per Dt w/ESN Com	$9.9023	$10.2906	$11.0028	$11.0174	$10.5146	$9.8339	$9.7620	$9.8283	$9.8619	$9.8653	$9.9256	$9.9891	$10.3619
Unit Cost per Mcf w/ESN Com	$10.2489	$10.6508	$11.3879	$11.4030	$10.8826	$10.1781	$10.1037	$10.1723	$10.2071	$10.2106	$10.2730	$10.3387	$10.7246
Unit Cost per Mcf w/ESN Com + UFG	$10.6168	$11.0332	$11.7967	$11.8124	$11.2733	$10.5435	$10.4664	$10.5375	$10.5735	$10.5772	$10.6418	$10.7099	$11.1096
TOTAL COSTS													
Fixed Costs													
Upstream FT Reservation	$337,465.74	$347,933.92	$347,933.92	$316,529.38	$347,933.92	$337,242.45	$347,710.63	$337,242.45	$347,710.63	$347,710.63	$337,242.45	$347,710.63	$4,100,366.75
Storage Demand & Capacity	$215,288.35	$215,288.35	$215,288.35	$215,288.35	$215,288.35	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$1,076,441.75
ESNG FT Reservation	$913,637.61	$934,005.58	$934,005.58	$934,005.58	$913,637.61	$913,637.61	$762,254.50	$762,254.50	$762,254.50	$762,254.50	$762,254.50	$762,254.50	$10,116,456.57
Add: Capacity Reservation	$0.00	$70,360.00	$55,800.00	$52,200.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$178,360.00
Less: Capacity Release Credits	($92,015.77)	($93,666.68)	($86,247.77)	($87,203.73)	($90,962.59)	($93,921.77)	($90,563.91)	($86,450.86)	($87,634.48)	($84,653.77)	($90,016.94)	($93,535.16)	($1,076,873.43)
Fixed Costs	$1,374,375.93	$1,473,921.17	$1,466,780.08	$1,430,819.58	$1,385,897.29	$1,156,958.29	$1,019,401.22	$1,013,046.09	$1,022,330.65	$1,025,311.36	$1,009,480.01	$1,016,429.97	$14,394,751.64
Commodity Costs													
Upstream FT Commodity	$3,811,549.84	$4,643,591.85	$7,110,028.57	$6,427,837.73	$5,401,868.41	$3,426,837.16	$1,818,342.34	$1,250,305.78	$1,256,601.12	$1,223,361.83	$1,746,708.86	$2,685,250.90	$40,802,284.39
Storage I/W & Commodity	$488,419.44	$1,740,005.83	$2,060,604.93	$1,763,015.20	$802,139.34	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$6,834,184.73
ESNG FT Commodity	$9,350.46	$13,312.67	$18,210.32	$16,252.45	$12,827.90	$7,623.48	$4,075.03	$2,783.08	$2,787.52	$2,712.86	$3,849.84	$5,880.70	$99,666.31
Commodity Costs	$4,289,319.74	$6,396,910.35	$9,188,843.82	$8,207,105.38	$6,216,835.65	$3,434,460.64	$1,822,417.37	$1,253,088.86	$1,259,388.64	$1,226,074.69	$1,750,558.70	$2,691,131.60	$47,736,135.43
Less: CNG Use	$0.00	($142.88)	($57.58)	($20.07)	($210.48)	$0.00	($67.92)	($116.64)	($90.72)	($77.76)	($77.76)	($64.80)	($926.61)
Total Firm Cost of Gas	$5,663,695.67	$7,870,974.40	$10,655,681.48	$9,637,945.03	$7,602,943.42	$4,591,418.93	$2,841,886.51	$2,266,251.59	$2,281,810.01	$2,251,463.81	$2,760,116.47	$3,707,626.37	$62,131,813.68

Chesapeake Utilities Corporation
Delaware Division
Projected Gas Cost Over/(Under) Collection
For The Twelve Months Ending October 31, 2008

	Actual Nov-07	Actual Dec-07	Actual Jan-08	Actual Feb-08	Actual Mar-08	Actual Apr-08	Actual May-08	Actual Jun-08	Estimated Jul-08	Projected Aug-08	Projected Sep-08	Projected Oct-08	Total
Calculation of Current Over/(Under) Collections													
GSR Revenue (RS, GS, MVS, LVS)	$2,375,900.42	$4,899,958.69	$5,925,328.25	$6,143,647.05	$5,022,734.14	$3,173,815.32	$1,510,656.85	$874,385.60	$630,835.16	$727,700.40	$907,817.22	$1,153,381.41	$33,346,160.51
GSR Revenue (HLFS, SFS)	$480,500.46	$570,702.58	$527,467.50	$536,254.79	$503,291.53	$448,798.95	$415,245.75	$349,595.93	$369,003.89	$470,276.95	$519,791.14	$585,541.88	$5,776,471.35
GSR Revenue (GLR, GLO, GCR, GCO)	$188.23	$245.47	$258.68	$285.64	($415.61)	$101.51	$88.82	$101.51	$101.51	$122.33	$130.13	$130.13	$1,338.35
Total GSR Revenue	$2,856,589.11	$5,470,906.74	$6,453,054.43	$6,680,187.48	$5,525,610.06	$3,622,715.78	$1,925,991.42	$1,224,083.04	$999,940.56	$1,198,099.68	$1,427,738.49	$1,739,053.42	$39,123,970.21
Less: Regulatory Assessment	$8,569.77	$16,412.72	$19,359.14	$20,040.56	$16,576.83	$10,868.15	$5,777.97	$3,672.25	$2,999.82	$3,594.30	$4,283.22	$5,217.16	$117,371.89
Net Collections	$2,848,019.34	$5,454,494.02	$6,433,695.29	$6,660,146.92	$5,509,033.23	$3,611,847.63	$1,920,213.45	$1,220,410.79	$996,940.74	$1,194,505.38	$1,423,455.27	$1,733,836.26	$39,006,598.32
Natural Gas Cost	$4,365,684.48	$6,489,651.93	$8,243,825.03	$6,812,822.92	$5,395,620.50	$3,526,043.73	$2,637,979.97	$2,091,087.57	$2,061,683.41	$2,225,872.61	$2,346,220.05	$2,832,031.89	$49,028,524.09
Propane Costs	$0.00	$0.00	$12,279.09	$12,118.09	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$24,397.18
Cost of Interruptible Sales	($405,443.85)	($622,153.00)	($585,538.44)	($613,833.39)	($511,147.53)	($411,808.17)	($371,013.91)	($309,185.52)	($301,564.78)	($174,173.10)	($169,511.21)	($205,704.92)	($4,681,077.82)
Transition Fee	$0.00	$0.00	$0.00	$0.00	$0.00	($2,334.95)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($2,334.95)
Miscellaneous Adjustments	$0.00	($25,890.69)	$0.00	$0.00	$0.00	$0.00	$0.00	($29,317.82)	$0.00	$0.00	$0.00	$0.00	($55,208.51)
Transportation Balancing Rate Credit	($20,305.32)	($29,774.13)	($24,513.06)	($23,944.69)	($21,828.19)	($19,841.56)	($16,443.78)	($12,131.75)	($11,409.37)	($12,377.00)	($23,425.00)	($22,124.00)	($238,117.85)
Transportation Cash In/Out Credit	$92,463.43	$18,419.76	$47,294.97	$138,571.39	$70,364.53	($31,934.42)	$40,255.83	$55,699.93	$64,071.45	$0.00	$0.00	$0.00	$495,206.87
Net Cost	$4,032,398.74	$5,830,253.87	$7,693,347.59	$6,325,734.32	$4,933,009.31	$3,060,124.63	$2,290,778.11	$1,796,152.41	$1,812,780.71	$2,039,322.51	$2,153,283.84	$2,604,202.97	$44,571,389.01
Current (Over)/Under Collection	$1,184,379.40	$375,759.85	$1,259,652.30	($334,412.60)	($576,023.92)	($551,723.00)	$370,564.66	$575,741.62	$815,839.97	$844,817.13	$729,828.57	$870,366.71	$5,564,790.69
Calculation of Carrying Charge on Account #191													
Balance in #191 in the Beginning of Month	($2,635,213.01)	($1,435,712.92)	($1,066,048.06)	($536,611.86)	($877,242.42)	($1,456,896.92)	($2,014,057.28)	($1,763,810.39)	($1,194,137.51)	($1,010,031.24)	($167,981.99)	$561,321.42	
Prior Period Adjustments	$27,650.58	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Prior Period Adjustments to Interest	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	
Adjusted Beginning Balance	($2,607,562.43)	($1,435,712.92)	($1,066,048.06)	($536,611.86)	($877,242.42)	($1,456,896.92)	($2,014,057.28)	($1,763,810.39)	($1,194,137.51)	($1,010,031.24)	($167,981.99)	$561,321.42	
Times Effective Tax Rate	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	
Deferred Income Tax	($1,036,297.46)	($570,581.03)	($423,668.82)	($213,260.29)	($348,633.68)	($578,999.97)	($800,426.64)	($700,973.53)	($474,574.13)	($401,406.62)	($66,759.40)	$223,080.36	($5,392,501.21)
Balance Net of Income Tax	($1,571,264.97)	($865,131.89)	($642,379.24)	($323,351.57)	($528,608.74)	($877,896.95)	($1,213,630.64)	($1,062,836.86)	($719,563.38)	($608,624.62)	($101,222.59)	$338,241.06	($8,176,270.39)
Times 1/12 of Annual Interest Rate	0.688%	0.688%	0.647%	0.647%	0.647%	0.564%	0.564%	0.564%	0.442%	0.442%	0.442%	0.442%	
Interest (Revenue) or Expense	($10,810.30)	($5,952.11)	($4,156.19)	($2,092.08)	($3,420.10)	($4,951.34)	($6,844.88)	($5,994.40)	($3,180.47)	($2,690.12)	($447.40)	$1,495.03	($49,044.36)
Calculation of Ending Balance in Account #191													
Balance in #191 in the Beginning of Period	($2,607,562.43)	($1,435,712.92)	($1,066,048.06)	($536,611.86)	($877,242.42)	($1,456,896.92)	($2,014,057.28)	($1,763,810.39)	($1,194,137.51)	($1,010,031.24)	($167,981.99)	$561,321.42	($2,607,562.43)
Current (Over)/Under Collections	$1,184,379.40	$375,759.85	$1,259,652.30	($334,412.60)	($576,023.92)	($551,723.00)	$370,564.66	$575,741.62	$815,839.97	$844,817.13	$729,828.57	$870,366.71	$5,564,790.69
Supplier Refunds	($1,719.59)	$0.00	($726,002.33)	($4,105.81)	$0.00	($486.02)	($113,404.97)	$0.00	($628,530.65)	$0.00	$0.00	$0.00	($1,474,249.37)
CNG Vehicular Fuel	$0.00	($142.88)	($57.58)	($20.07)	($210.48)	$0.00	($67.92)	($74.34)	($22.58)	($77.76)	($77.76)	($64.80)	($816.17)
Interest Revenue or (Expense)	($10,810.30)	($5,952.11)	($4,156.19)	($2,092.08)	($3,420.10)	($4,951.34)	($6,844.88)	($5,994.40)	($3,180.47)	($2,690.12)	($447.40)	$1,495.03	($49,044.36)
Ending Balance #191 (Over)/Under Collections	($1,435,712.92)	($1,066,048.06)	($536,611.86)	($877,242.42)	($1,456,896.92)	($2,014,057.28)	($1,763,810.39)	($1,194,137.51)	($1,010,031.24)	($167,981.99)	$561,321.42	$1,433,118.36	$1,433,118.36
RS, GS, MVS, LVS Mcf's	194,502	427,940	518,391	537,509	439,424	277,666	132,181	76,497	55,189	60,340	71,538	90,889	2,882,066
HLFS, SFS Mcf's	43,512	54,665	50,524	51,366	48,209	42,988	39,774	33,486	35,345	42,559	44,579	50,218	537,225
GLR, GLO, GCR, GCO Mcf's	19	28	29	33	(46)	12	12	12	12	13	13	13	150
Total Firm Mcf's + Adjusted Sales	238,033	482,633	568,944	588,908	487,587	320,666	171,967	109,995	90,546	102,912	116,130	141,120	3,419,441
RS, GS, MVS, LVS GSR Rate	$11.43	$11.43	$11.43	$11.43	$11.43	$11.43	$11.43	$11.43	$11.43	$12.06	$12.69	$12.69	
HLFS, SFS Rate	$10.44	$10.44	$10.44	$10.44	$10.44	$10.44	$10.44	$10.44	$10.44	$11.05	$11.66	$11.66	
GLR, GLO, GCR, GCO Rate	$8.81	$8.81	$8.81	$8.81	$8.81	$8.81	$8.81	$8.81	$8.81	$9.41	$10.01	$10.01	
Annual Interest Rate	8.250%	8.250%	7.760%	7.760%	7.760%	6.770%	6.770%	6.770%	5.300%	5.300%	5.300%	5.300%	
Effective Tax Rate	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	39.742%	
Supplier Refunds	$1,719.59	$0.00	$726,002.33	$4,105.81	$0.00	$486.02	$113,404.97	$0.00	$628,530.65	$0.00	$0.00	$0.00	

Schedule D.1
November 1, 2008

Chesapeake Utilities Corporation
Delaware Division
Projected Shared Margins Over/(Under) Refund
For The Twelve Months Ending October 31, 2008

	Actual Nov-07	Actual Dec-07	Actual Jan-08	Actual Feb-08	Actual Mar-08	Actual Apr-08	Actual May-08	Actual Jun-08	Estimated Jul-08	Projected Aug-08	Projected Sep-08	Projected Oct-08	Total
Calculation of Current Shared Margins Over/(Under) Refund													
Total Shared Margins	$189,086.15	$248,372.12	$350,066.37	$485,639.79	$423,580.06	$327,431.05	$252,160.61	$212,971.00	$249,109.42	$85,705.00	$91,160.00	$102,347.00	$3,017,628.57
Shared Margin Inherent in Rate	$56,405.58	$119,823.20	$145,149.48	$150,502.52	$123,039.56	$77,746.48	$37,010.68	$21,419.16	$15,452.92	$24,136.00	$37,199.76	$47,262.28	$855,147.62
Less: Regulatory Assessment	$169.21	$359.46	$435.44	$451.51	$369.12	$233.24	$111.03	$64.26	$46.36	$72.41	$111.60	$141.79	$2,565.43
Net Margin Refunded Through Rate	$56,236.37	$119,463.74	$144,714.04	$150,051.01	$122,670.44	$77,513.24	$36,899.65	$21,354.90	$15,406.56	$24,063.59	$37,088.16	$47,120.49	$852,582.19
Shared Margins Expensed	($95,466.00)	($126,350.00)	($202,452.11)	($307,143.63)	($248,378.45)	($197,919.64)	($162,817.69)	($133,842.00)	($166,785.94)	($35,297.00)	($37,542.00)	($42,153.00)	($1,756,147.46)
Current Over/(Under) Refund	($39,229.63)	($6,886.26)	($57,738.07)	($157,092.62)	($125,708.01)	($120,406.40)	($125,918.04)	($112,487.10)	($151,379.38)	($11,233.41)	($453.84)	$4,967.49	($903,565.27)
Calculation of Ending Balance in Account #191SM													
Balance in #191SM in the Beginning of Period	($267,143.16)	($301,169.79)	($308,056.05)	($365,794.12)	($522,886.74)	($648,594.75)	($769,001.15)	($894,919.19)	($1,007,406.29)	($1,158,785.67)	($1,170,019.08)	($1,170,472.92)	($267,143.16)
Prior Period Adjustment	$5,203.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$5,203.00
Adjusted Beginning Balance	($261,940.16)	($301,169.79)	($308,056.05)	($365,794.12)	($522,886.74)	($648,594.75)	($769,001.15)	($894,919.19)	($1,007,406.29)	($1,158,785.67)	($1,170,019.08)	($1,170,472.92)	($261,940.16)
Current Over/(Under) Refund	($39,229.63)	($6,886.26)	($57,738.07)	($157,092.62)	($125,708.01)	($120,406.40)	($125,918.04)	($112,487.10)	($151,379.38)	($11,233.41)	($453.84)	$4,967.49	($903,565.27)
Ending Balance #191SM Over/(Under) Refund	($301,169.79)	($308,056.05)	($365,794.12)	($522,886.74)	($648,594.75)	($769,001.15)	($894,919.19)	($1,007,406.29)	($1,158,785.67)	($1,170,019.08)	($1,170,472.92)	($1,165,505.43)	($1,165,505.43)
RS, GS, MVS, LVS Mcf's	194,502	427,940	518,391	537,509	439,424	277,666	132,181	76,497	55,189	60,340	71,538	90,889	2,882,066
Margin Sharing Credit Per Mcf	$0.29	$0.28	$0.28	$0.28	$0.28	$0.28	$0.28	$0.28	$0.28	$0.40	$0.52	$0.52	

Schedule D.2
November 1, 2008

Chesapeake Utilities Corporation
Delaware Division
Development of Gas Sales Service Rates Effective November 1, 2008

Based on Total Firm Gas Costs Recoverable through GSR effective November 1, 2008

Description	Allocator	Total System Costs	Volume (Ccf)	Cost / Ccf
Fixed Gas Costs	Peak Day Capacity Entitlements	$14,140,066	475,691	$29.73
Variable Gas Costs	Annual Volume	$49,094,790	42,690,022	$1.150
Total Firm Gas Costs	Annual Volume	$63,234,857	42,690,022	$1.481

Development of High Load Factor Service Rates per CCF (54% Load Factor)

Description		Peak Day Cap. Method	System Average Cost	HLFS Average Rate
Demand Rate	($29.73 / 197)	$0.151		
Commodity Rate		$1.150		
Total Gas Sales Service Rate		$1.301	$1.481	$1.391

Total High Load Factor Dollars

Projected Sales	Rate	Total Cost
9,168,852	$1.391	$12,753,873

Development of Gas Lighting Rate per CCF (100% Load Factor)

Description		Peak Day Cap. Method
Demand Rate	($29.73 / 365)	$0.081
Commodity Rate		$1.150
Total Gas Sales Service Rate		$1.231

Total Gas Cooling and Gas Lighting Dollars

Projected Sales	Rate	Total Cost
1,560	$1.231	$1,920

Development of RS1,RS2, GS, MVS, and LVS Rate per CCF

Description	Firm Gas Cost	Volume (CCF)	Rate per CCF	Margin Sharing Rate per CCF	Final Rate per CCF
Total System Gas Cost	$63,234,857	42,690,022			
Less : Allocated to HLFS & SFS	$12,753,873	9,168,852			
Less : Allocated to GL, GC	$1,920	1,560			
Total Remaining System	$50,479,064	33,519,610	$1.506	($0.040)	$1.466

Based on Total Firm Gas Costs Recoverable through GSR effective August 1, 2008

Description	Allocator	Total System Costs	Volume (Ccf)	Cost / Ccf
Fixed Gas Costs	Peak Day Capacity Entitlements	$11,570,528	379,072	$30.52
Variable Gas Costs	Annual Volume	$31,630,406	34,477,470	$0.917
Total Firm Gas Costs	Annual Volume	$43,200,934	34,477,470	$1.253

Development of High Load Factor Service Rate per CCF (65% Load Factor)

Description		Peak Day Cap. Method	System Average Cost	HLFS Average Rate
Demand Rate	($30.52 / 190)	$0.161		
Commodity Rate		$0.917		
Total Gas Sales Service Rate		$1.078	$1.253	$1.166

Total High Load Factor Dollars

Projected Sales	Rate	Total Cost
5,428,590	$1.166	$6,329,736

Development of Gas Lighting Rate per CCF (100% Load Factor)

Description		Peak Day Cap. Method
Demand Rate	($30.52 / 365)	$0.084
Commodity Rate		$0.917
Total Gas Sales Service Rate		$1.001

Total Gas Cooling and Gas Lighting Dollars

Projected Sales	Rate	Total Cost
1,520	$1.001	$1,522

Development of RS1, RS2, GS, MVS, and LVS Rate per CCF

Description	Firm Gas Cost	Volume (CCF)	Rate per CCF	Margin Sharing Rate per CCF	Final Rate per CCF
Total System Gas Cost	$43,200,934	34,477,470			
Less : Allocated to HLFS	$6,329,736	5,428,590			
Less : Allocated to GL, GC	$1,522	1,520			
Total Remaining System	$36,869,676	29,047,360	$1.269	($0.052)	$1.217

Change in Total Firm Gas Costs Recoverable through GSR

Description	Costs	Cost / Ccf
Fixed Gas Costs	$2,569,538	($0.790)
Variable Gas Costs	$17,464,384	$0.233
Total Firm Gas Costs	$20,033,923	$0.228

Change in HLFS and SFS Rate

Description	HLFS Cost / Ccf
Demand Rate	
Commodity Rate	
Total Gas Sales Service Rate	$0.225

Change in GC & GL Rates

Description	GC & GL Cost / Ccf
Demand Rate	
Commodity Rate	
Total Gas Sales Service Rate	$0.230

Change in RS, GS, MVS, and LVS Rates

Description	Rate per CCF	Margin Sharing Rate per CCF	Final Rate per CCF
Total System Gas Cost			
Less : Allocated to HLFS			
Less : Allocated to GL, GC			
Total Remaining System	$0.237	$0.012	$0.249

Schedule E
November 1, 2008

Chesapeake Utilities Corporation
Delaware Division
Firm Cost of Gas Comparison

Description	Projection Inherent In November 1, 2008 GSR Filing: Projected 12 Months Ending Oct-09	Average Cost Per MCF	12 Months Ending Oct-08	Average Cost Per MCF	12 Months Ended Oct-07	Average Cost Per MCF	12 Months Ended Oct-06	Average Cost Per MCF	12 Months Ended Oct-05	Average Cost Per MCF
Firm Fixed Gas Costs										
ESNG FT Reservation	$10,116,457	$2.3697	$9,447,010	$2.7627	$8,964,292	$2.7216	$6,725,789	$2.1574	$6,245,561	$1.9109
Upstream FT Reservation	$4,278,727	$1.0023	$2,452,805	$0.7173	$2,462,733	$0.7477	$2,336,041	$0.7493	$1,896,808	$0.5803
Storage Demand and Capacity	$1,076,442	$0.2522	$1,084,329	$0.3171	$982,450	$0.2983	$979,521	$0.3142	$966,709	$0.2958
Take-Or-Pay Surcharge	$0	$0.0000	$0	$0.0000	$0	$0.0000	$0	$0.0000	$0	$0.0000
Total Firm Fixed Gas Costs	**$15,471,625**	**$3.6242**	**$12,984,144**	**$3.7972**	**$12,409,474**	**$3.7675**	**$10,041,351**	**$3.2209**	**$9,109,078**	**$2.7870**
Firm Variable Gas Costs										
Upstream Commodity	$40,802,284	$9.5578	$28,260,262	$8.2646	$26,083,564	$7.9190	$31,488,139	$10.1002	$20,646,105	$6.3168
ESNG FT Commodity	$99,666	$0.0233	$54,945	$0.0161	$19,332	$0.0059	$47,659	$0.0153	$973,717	$0.2979
CNG for Vehicular Use	($927)	($0.0002)	($816)	($0.0002)	($942)	($0.0003)	($1,121)	($0.0004)	($1,171)	($0.0004)
Storage Injection/Withdrawal & Commodity	$6,834,185	$1.6009	$4,053,814	$1.1855	$4,800,262	$1.4574	$4,951,108	$1.5881	$5,111,494	$1.5639
Propane	$0	$0.0000	$24,397	$0.0071	$37,697	$0.0114	$2,898	$0.0009	$17,052	$0.0052
Total Firm Variable Gas Costs	**$47,735,208**	**$11.1818**	**$32,392,602**	**$9.4731**	**$30,939,913**	**$9.3934**	**$36,488,683**	**$11.7041**	**$26,747,197**	**$8.1834**
Total Firm Gas Costs	**$63,206,834**	**$14.8060**	**$45,376,747**	**$13.2702**	**$43,349,387**	**$13.1609**	**$46,530,034**	**$14.9250**	**$35,856,275**	**$10.9704**
Total Firm Mcf Sales	**4,269,002**		**3,419,441**		**3,293,793**		**3,117,586**		**3,268,458**	

Reconciliation of Total Firm Gas Costs (Schedule F) to Cost Recoverable through GSR (Schedule B):

Total Firm Gas Costs (Schedule F)	$63,206,834
Supplier Refunds (Schedule B)	($73,537)
Recovery of Under Collection from Transp.	$0
ESNG Capacity Release for Transportation	($1,076,873)
Balancing Rate Credit	($241,175)
Environmental Rider Credit	($13,511)
(Over)/Under Collection (Schedule D.1)	$1,433,119
Costs Recoverable through GSR	**$63,234,857**

Schedule F
November 1, 2008

Chesapeake Utilities Corporation
Delaware Division
Unaccounted For Gas Volumes
Twelve Months Ended July 31, 2008

	(1)	(2)	(3)	(4)	(5)	(6)
Month	Total Receipts (Mcf)	Total Sales and Transportation (Mcf)	Unaccounted For and Company Use (Mcf)	Company Use (Mcf)	Pressure Compensation (Mcf)	Unaccounted For Gas (Mcf)
August-07	159,656	153,795	5,861	28	2,297	3,536
September-07	175,053	169,440	5,613	16	2,531	3,066
October-07	231,533	189,396	42,137	16	2,829	39,292
November-07	511,680	378,490	133,190	100	5,653	127,437
December-07	754,747	665,336	89,411	280	9,937	79,194
January-08	829,664	713,324	116,340	324	10,654	105,362
February-08	720,373	741,511	(21,138)	315	11,075	(32,528)
March-08	572,092	630,645	(58,553)	257	9,419	(68,229)
April-08	362,729	459,615	(96,886)	114	6,865	(103,865)
May-08	263,374	289,354	(25,980)	26	4,322	(30,328)
June-08	187,919	197,963	(10,044)	12	2,957	(13,013)
July-08	181,503	178,901	2,602	105	2,672	(175)
Total	4,950,323	4,767,770	182,553	1,593	71,211	109,750

Unaccounted For and Company Use as % of Sales (Column 3 / Column 2)	3.83%
Unaccounted For as % of Receipts (Column 6 / Column 1)	2.22%

Schedule H
November 1, 2008

Chesapeake Utilities Corporation
Delaware Division
Development of Gas Sales Service Rates Effective November 1, 2008
Balancing Rate Credit for Transportation Customers

Rate Class	Projected Nov-08	Projected Dec-08	Projected Jan-09	Projected Feb-09	Projected Mar-09	Projected Apr-09	Projected May-09	Projected Jun-09	Projected Jul-09	Projected Aug-09	Projected Sep-09	Projected Oct-09	Total
Large Volume Service:													
Volumes - Mcf	19,709	28,872	24,740	23,479	24,619	17,479	16,113	12,726	10,843	5,422	9,828	15,365	209,195
Balancing Rate Revenue	$11,825	$17,323	$14,844	$14,087	$14,771	$10,487	$9,668	$7,636	$6,506	$3,253	$5,897	$9,219	$125,516
High Load Factor Service:													
Volumes - Mcf	37,946	41,853	37,419	38,950	41,779	39,108	40,492	34,380	33,024	32,004	39,047	37,276	453,278
Balancing Rate Revenue	$7,210	$7,952	$7,110	$7,401	$7,938	$7,431	$7,693	$6,532	$6,275	$6,081	$7,419	$7,082	$86,124
Negotiated Contract HL:													
Volumes - Mcf	5,623	7,308	8,536	9,022	7,698	4,899	3,744	3,043	2,756	2,726	2,812	3,385	61,552
Balancing Rate Revenue	$1,068	$1,389	$1,622	$1,714	$1,463	$931	$711	$578	$524	$518	$534	$643	$11,695
Interruptible Service:													
Volumes - Mcf	43,058	37,205	32,767	37,318	34,853	37,466	35,335	39,261	32,777	36,897	38,464	40,600	446,000
Balancing Rate Revenue	$1,722	$1,488	$1,311	$1,493	$1,394	$1,499	$1,413	$1,570	$1,311	$1,476	$1,539	$1,624	$17,840
Total Balancing Rate Revenue	$21,825	$28,152	$24,887	$24,695	$25,566	$20,348	$19,485	$16,316	$14,616	$11,328	$15,389	$18,568	$241,175

Chesapeake Utilities Corporation
Delaware Division
Capacity Release Credit Calculations
Development of Gas Sales Service Rates Effective November 1, 2008

	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Total
Zone 1:													
Customer No. 1	312	312	312	312	312	312	312	312	312	312	312	345	
Customer No. 2	69	69	69	69	69	69	69	69	69	69	69	69	
Customer No. 3	94	94	94	94	94	94	94	94	94	94	94	94	
Customer No. 4	24	24	24	24	24	24	24	24	24	24	24	14	
Customer No. 5	69	69	69	69	69	69	69	69	69	71	71	71	
Customer No. 6	6	4	4	4	4	4	4	4	4	4	13	47	
Daily Nomination - DT	574	572	572	572	572	572	572	572	572	574	583	640	
Reservation FT - Zone 1	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	$9.0271	
Capacity Release Credit	$5,181.56	$5,163.50	$5,163.50	$5,163.50	$5,163.50	$5,163.50	$5,163.50	$5,163.50	$5,163.50	$5,181.56	$5,262.80	$5,777.34	$62,711.26
Zone 2:													
Customer No. 7	43	43	43	43	43	43	43	43	43	53	53	53	
Customer No. 8	135	135	135	135	135	135	135	135	135	135	135	138	
Customer No. 9	66	66	66	66	66	66	66	66	66	66	66	66	
Customer No. 10	110	110	110	110	110	110	110	110	110	110	111	111	
Customer No. 11	223	223	223	223	223	223	223	223	223	223	239	239	
Customer No. 12	182	250	62	4	69	123	222	206	187	0	141	202	
Customer No. 13	53	53	53	53	53	53	53	53	53	53	203	110	
Customer No. 14	110	110	110	110	110	110	110	110	110	110	110	110	
Customer No. 15	203	356	356	356	356	356	356	356	356	356	356	356	
Customer No. 16	309	309	309	309	309	309	309	309	309	309	309	194	
Customer No. 17	14	14	14	14	14	14	14	14	14	14	14	16	
Customer No. 18	67	67	67	67	67	67	67	67	67	67	67	67	
Customer No. 19	161	161	161	161	161	161	161	161	161	161	161	161	
Customer No. 20	23	23	23	23	23	23	23	23	23	23	23	23	
Customer No. 21	62	64	64	64	64	64	64	64	64	64	64	64	
Customer No. 22	18	22	22	22	22	22	22	22	22	22	22	22	
Customer No. 23	23	37	37	37	37	37	37	37	37	37	37	37	
Customer No. 24	33	33	33	33	33	33	33	33	33	33	34	34	
Customer No. 25	150	150	150	150	150	150	150	150	150	150	150	150	
Customer No. 26	423	348	399	313	362	360	405	419	390	417	425	480	
Customer No. 27	14	14	14	14	14	14	14	14	14	14	14	14	
Customer No. 28	16	16	16	16	16	16	16	16	16	16	16	16	
Customer No. 29	80	91	162	219	192	215	170	130	108	74	80	86	
Customer No. 30	62	74	62	75	98	68	43	105	109	94	94	67	
Customer No. 31	363	363	363	363	363	363	363	363	363	363	328	339	
Customer No. 32	1	0	0	0	5	0	0	30	43	102	153	139	
Customer No. 33	825	708	358	563	589	745	452	190	286	253	244	503	
Customer No. 34	166	166	166	166	166	166	166	166	166	166	166	166	
Customer No. 35	121	121	121	121	121	121	121	121	121	121	121	121	
Customer No. 36	195	195	195	195	195	195	195	195	195	195	195	195	
Daily Nomination - DT	4,251	4,322	3,894	4,025	4,166	4,362	4,143	3,931	3,974	3,801	4,131	4,279	
Reservation FT - Zone 2	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	$17.3339	
Capacity Release Credit	$73,686.41	$74,917.12	$67,498.21	$69,768.95	$72,213.03	$75,610.47	$71,814.35	$68,139.56	$68,884.92	$65,886.15	$71,606.34	$74,171.76	$854,197.27
Other:													
Customer No. 37	77,340	79,918	79,918	72,184	79,918	77,340	79,918	77,340	79,918	79,918	77,340	79,918	
Volumetric Release Credit	$13,147.80	$13,586.06	$13,586.06	$12,271.28	$13,586.06	$13,147.80	$13,586.06	$13,147.80	$13,586.06	$13,586.06	$13,147.80	$13,586.06	$159,964.90
Total Capacity Release Credit	$92,015.77	$93,666.68	$86,247.77	$87,203.73	$90,962.59	$93,921.77	$90,563.91	$86,450.86	$87,634.48	$84,653.77	$90,016.94	$93,535.16	$1,076,873.43

Schedule I
November 1, 2008

Chesapeake Utilities Corporation
Delaware Division
Cost of Fixed and Variable Gas Supply Resources
Based on November 1, 2008 Gas Costs
Transportation Balancing Services

Description	Monthly Demand in DT	Annual Demand in DT	Average Monthly Rate / DT	Average Annual Rate / DT	Current Annualized Gas Cost
Storage Demand					
Columbia					
FSS (includes assoc. SST)	8,224	98,688	$5.8566	$70.2792	$577,976
Transco					
GSS	2,655	31,860	$3.2558	$39.0694	$103,729
LSS	580	6,960	$4.7822	$57.3868	$33,284
LGA	911	10,932	$1.4901	$17.8814	$16,290
WSS (includes assoc. FT)	1,680	20,160	$18.0494	$216.5924	$363,875
ESS (includes assoc. FT)	1,786	21,432	$17.8763	$214.5162	$383,126
PS Reservation	311	3,732	$9.0792	$108.9510	$33,884
Fuel Retention (0.0%)	0	0			
ESNG Reservation					
MDTQ 365 Day (GSS, ESS)	4,441	53,292	$15.2577	$183.0919	$813,111
MDTQ 181 Day (FSS)	8,224	49,344	$15.2572	$91.5432	$752,851
MDTQ 151 Day (LSS, WSS)	2,260	11,300	$15.2573	$76.2863	$172,407
MDTQ 90 Day (LGA, PS)	1,222	3,666	$26.9182	$80.7545	$98,682
Storage Demand	16,147	193,764	$17.2850	$207.4203	$3,349,216
Storage Capacity					
Columbia					
FSS	472,250	5,667,000	$0.0290	$0.3480	$164,343
Transco					
GSS	131,370	1,576,440	$0.0167	$0.2007	$26,371
LSS	29,000	348,000	$0.0183	$0.2190	$6,351
WSS	142,830	1,713,960	$0.0073	$0.0876	$12,512
ESS	17,967	215,604	$0.0438	$0.5256	$9,443
LGA	5,708	68,496	$0.2609	$3.1314	$17,874
Storage Capacity	799,125	9,589,500	$0.0247	$0.2964	$236,894
Storage Demand & Capacity					
Columbia					
FSS	8,224	98,688	$7.5219	$90.2625	$742,319
Transco					
GSS	2,655	31,860	$4.0835	$49.0020	$130,100
LSS	580	6,960	$5.6947	$68.3368	$39,635
LGA	911	10,932	$3.1251	$37.5016	$34,164
WSS	1,680	20,160	$18.6700	$224.0400	$376,387
ESS	1,786	21,432	$18.3170	$219.8034	$392,569
PS Reservation	311	3,732	$9.0792	$108.9510	$33,884
Fuel Retention (0.0%)	0	0			
ESNG Reservation					
MDTQ 365 Day (GSS, ESS)	4,441	53,292	$15.2577	$183.0919	$813,111
MDTQ 181 Day (FSS)	8,224	49,344	$15.2572	$91.5432	$752,851
MDTQ 151 Day (LSS, WSS)	2,260	11,300	$15.2573	$76.2863	$172,407
MDTQ 90 Day (LGA, PS)	1,222	3,666	$26.9182	$80.7545	$98,682
Storage Demand & Capacity	16,147	193,764	$18.5076	$222.0914	$3,586,110
Propane Peak Shaving	12,048	n/a	n/a	$0.00	$0
Fixed Gas Supply Resources	28,195			**$127.1896**	$3,586,110

Storage Injection & Withdrawal					
GSS	262,740	n/a	$0.0410	n/a	$10,762
LSS	58,000	n/a	$0.0227	n/a	$1,319
LGA	11,416	n/a	$1.3690	n/a	$15,629
WSS	285,660	n/a	$0.0129	n/a	$3,699
ESS	35,934	n/a	$0.0250	n/a	$900
FSS	944,500	n/a	$0.0153	n/a	$14,451
Variable Gas Supply Resources	1,598,250	n/a	$0.0293	n/a	$46,760
Half of Variable Rate For Either Injection or Withdrawal			**$0.0147**		

Chesapeake Utilities Corporation
Delaware Division
Transportation Balancing Services
Development of Firm Balancing Service Rate
Large Volume Service

Fixed Gas Supply Cost	Annual Load Factor	Average Daily Load	Cost Per Gas Supply Entitlement	Average Cost per DT	Average Cost 45.53% Design Day
@ Load Factor of	10%	37	$127.1896	$3.4376	$1.5651
@ Load Factor of	20%	73	$127.1896	$1.7423	$0.7933
@ Load Factor of	30%	110	$127.1896	$1.1563	$0.5265
@ Load Factor of	40%	146	$127.1896	$0.8712	$0.3967
@ Load Factor of	50%	183	$127.1896	$0.6950	$0.3164
@ Load Factor of	60%	219	$127.1896	$0.5808	$0.2644
@ Load Factor of	70%	256	$127.1896	$0.4968	$0.2262
@ Load Factor of	80%	292	$127.1896	$0.4356	$0.1983
@ Load Factor of	90%	329	$127.1896	$0.3866	$0.1760
@ Load Factor of	100%	365	$127.1896	$0.3485	$0.1587
Del. Div. Weighted Average	**27.52%**	**100**	**$127.1896**	**$1.2719**	**$0.5791**

Variable Gas Supply Cost			Average Cost per DT	Estimated Imbalance Percentage	Variable Cost per DT
Variable Commodity Rate			**$0.0147**	**22.26%**	**$0.0033**

Development of Firm Balancing Service Rate		
Fixed Capacity Rate per DT	**$0.5791**	
Variable Commodity Rate per DT	**$0.0033**	
Total Firm Balancing Service Rate per DT	**$0.5824**	
Total Firm Balancing Service Rate per Mcf	**$0.6028**	
Total Firm Balancing Service Rate per Ccf	**$0.060**	

Chesapeake Utilities Corporation
Delaware Division
Transportation Balancing Services
Development of Firm Balancing Service Rate
High Load Factor Service

Fixed Gas Supply Cost	Annual Load Factor	Average Daily Load	Cost Per Gas Supply Entitlement	Average Cost per DT	Average Cost 28.54% Design Day
@ Load Factor of	10%	37	$127.1896	$3.4376	$0.9811
@ Load Factor of	20%	73	$127.1896	$1.7423	$0.4973
@ Load Factor of	30%	110	$127.1896	$1.1563	$0.3300
@ Load Factor of	40%	146	$127.1896	$0.8712	$0.2486
@ Load Factor of	50%	183	$127.1896	$0.6950	$0.1984
@ Load Factor of	60%	219	$127.1896	$0.5808	$0.1658
@ Load Factor of	70%	256	$127.1896	$0.4968	$0.1418
@ Load Factor of	80%	292	$127.1896	$0.4356	$0.1243
@ Load Factor of	90%	329	$127.1896	$0.3866	$0.1103
@ Load Factor of	100%	365	$127.1896	$0.3485	$0.0995
Del. Div. Weighted Average	**53.69%**	**196**	**$127.1896**	**$0.6489**	**$0.1852**

Variable Gas Supply Cost			Average Cost per DT	Estimated Imbalance Percentage	Variable Cost per DT
Variable Commodity Rate			**$0.0147**	**7.24%**	**$0.0011**

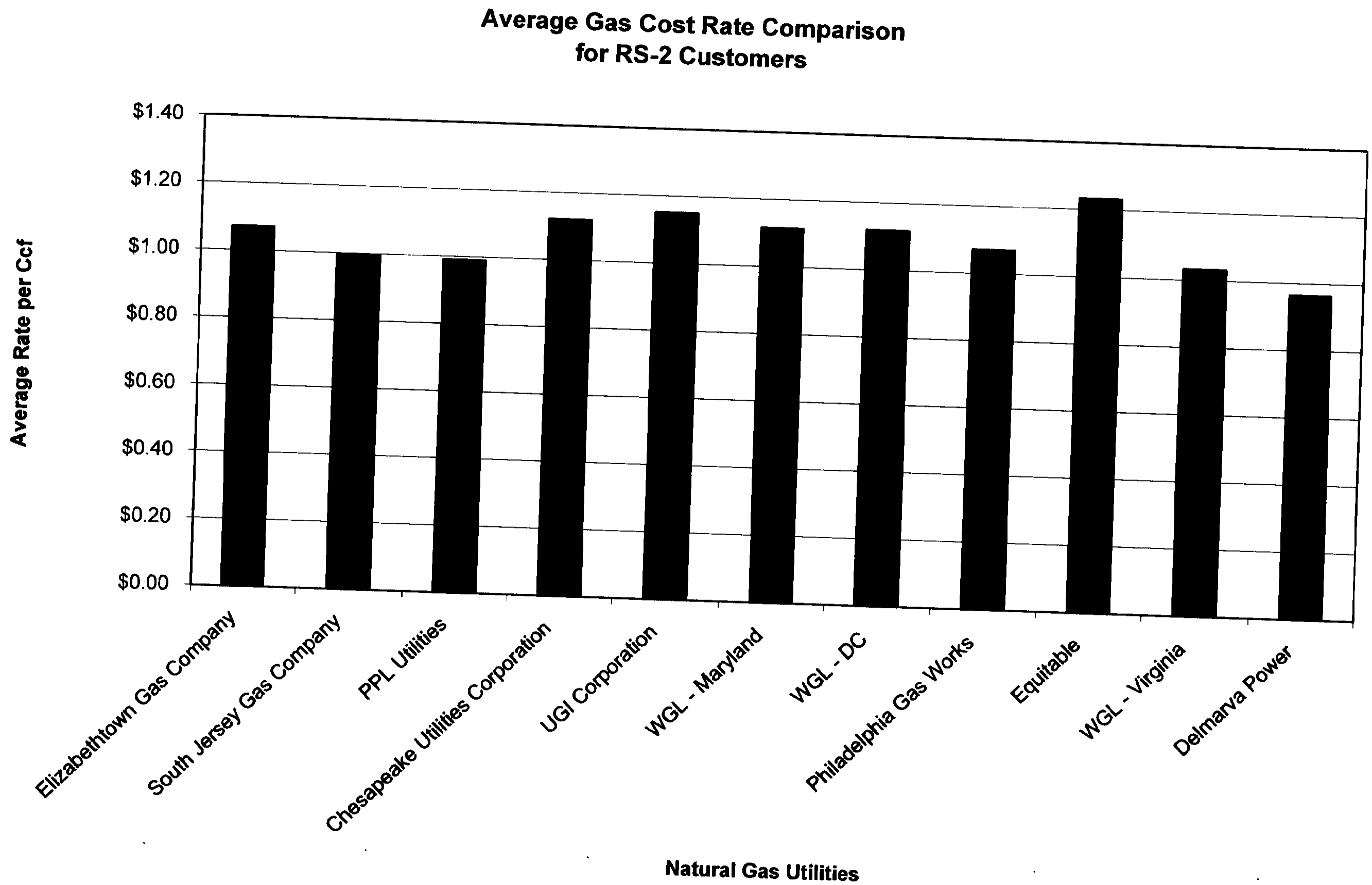
Development of Firm Balancing Service Rate		
Fixed Capacity Rate per DT	**$0.1852**	
Variable Commodity Rate per DT	**$0.0011**	
Total Firm Balancing Service Rate per DT	**$0.1863**	
Total Firm Balancing Service Rate per Mcf	**$0.1928**	
Total Firm Balancing Service Rate per Ccf	**$0.019**	

Chesapeake Utilities Corporation
Delaware Division
Transportation Balancing Services
Development of Interruptible Balancing Service Rate
Interruptible Transportation Service

Fixed Gas Supply Cost	Annual Load Factor	Average Daily Load	Cost Per Gas Supply Entitlement	Average Cost per DT	Average Cost @ Use of 9.60%
@ Load Factor of	10%	37	$127.1896	$3.4376	
@ Load Factor of	20%	73	$127.1896	$1.7423	
@ Load Factor of	30%	110	$127.1896	$1.1563	
@ Load Factor of	40%	146	$127.1896	$0.8712	
@ Load Factor of	50%	183	$127.1896	$0.6950	
@ Load Factor of	60%	219	$127.1896	$0.5808	
@ Load Factor of	70%	256	$127.1896	$0.4968	
@ Load Factor of	80%	292	$127.1896	$0.4356	
@ Load Factor of	90%	329	$127.1896	$0.3866	
@ Load Factor of	100%	365	$127.1896	$0.3485	
Interruptible @ 100% LFR	**100.00%**	**365**	**$127.1896**	**$0.3485**	**$0.0335**

Variable Gas Supply Cost			Average Cost per DT	Estimated Imbalance Percentage	Variable Cost per DT
Variable Commodity Rate			**$0.0147**	**9.60%**	**$0.0014**

Development of Interruptible Balancing Service Rate		
Fixed Capacity Rate per DT	**$0.0335**	
Variable Commodity Rate per DT	**$0.0014**	
Total Balancing Service Rate per DT	**$0.0349**	
Total Balancing Service Rate per Mcf	**$0.0361**	
Total Balancing Service Rate per Ccf	**$0.004**	


Average Gas Cost Rate Comparison
for RS-2 Customers
Average Rate per Ccf
$1.40
$1.20
$1.00
$0.80
$0.60
$0.40
$0.20
$0.00
Elizabethtown Gas Company
South Jersey Gas Company
PPL Utilities
Chesapeake Utilities Corporation
UGI Corporation
WGL - Maryland
WGL - DC
Philadelphia Gas Works
Equitable
WGL - Virginia
Delmarva Power
Natural Gas Utilities

Schedule K