FILED 2/27/2025
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FPSC - COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Florida City Gas' 2025 Depreciation Study and for Approval to Amortize Reserve Imbalance	DOCKET NO.: 20250035-EI FILED: February 27, 2025

MOTION TO HOLD PROCEEDINGS IN ABEYANCE

Pursuant to Rule 28-106.211, Florida Administrative Code ("F.A.C."), the Citizens of the State of Florida ("Citizens") represented in this matter by the Florida Office of Public Counsel ("OPC"), hereby file this motion to hold these proceedings in abeyance. In support, OPC provides the following:

Standard of Review

1. Pursuant to Rule 28-106.211 F.A.C., "[t]he presiding officer before whom a case is pending may issue any orders necessary to effectuate discovery, to prevent delay, and to promote the just, speedy, and inexpensive determination of all aspects of the case."

Factual Background

2. On May 31, 2022, Florida City Gas ("FCG") filed a Petition for Approval of Rate Increase and Request for Approval of Depreciation Rates by Florida City Gas ("Petition").

3. In the Petition, FCG requested approval of RSAM-adjusted depreciation rates, which would create a reserve surplus of $52.1 million.[1]

4. On June 9, 2023, the Florida Public Service Commission ("Commission") issued Order No. PSC-2023-0177-FOF-GU ("Final Order"), which, by a 2-1 vote, approved FCG's use of the

[1] Document No. 03276-2022, p. 11, Docket 20220069-GU, *In re: Petition for Rate Increase by Florida City Gas.*

RSAM-adjusted depreciation parameters and the RSAM itself.

5. On June 23, 2023, OPC filed a motion for reconsideration of the Final Order, which the Commission denied via Order PSC-2023-0299-FOF-GU ("Clarifying Order").

6. OPC appealed the Commission's approval of the RSAM and RSAM-adjusted depreciation parameters in the Final Order and the Clarifying Order to the Florida Supreme Court.[2]

7. One of the main issues of contention raised by OPC was that the Commission had unlawfully created a reserve surplus causing intergenerational inequity and violating the matching principle.

8. FCG explicitly denied that the RSAM-adjusted depreciation parameters would create intergenerational inequities.[3]

9. The Florida Supreme Court heard oral argument on December 10, 2024, and has not yet issued a decision in the matter.

10. On February 24, 2025, FCG filed a petition that is the subject of this docket, which requests approval of a 2025 depreciation study and approval to amortize the remainder ($27.3 million) of the reserve surplus created by the Final Order and the Clarifying Order.[4]

11. In support of its petition in the instant docket, FCG asserts that "[a] reserve surplus indicates the existence of intergenerational inequities," and that "[c]orrection of the reserve imbalance over a short period will result in a return to the matching principle."[5]

Argument

12. OPC moves the Commission to hold all proceedings in this docket in abeyance until the

[2] Florida Supreme Court Docket Nos. SC2023-0988; SC2023-1433.
[3] FCG Answer Brief, p. 32, Florida Supreme Court Docket No. SC2023-0988.
[4] Document No. 01103-2025, PSC Docket No. 20250035-GU.
[5] Id. at 3-4.

decision and mandate in the consolidated Florida Supreme Court appeals are issued.

13. The Commission has previously granted motions to hold proceedings in abeyance for a variety of reasons, including pending appeals.[6]

14. It would be premature of the Commission to initiate proceedings regarding amortization of the remaining $27.3 million reserve surplus when the legality of the creation of the reserve surplus is pending before the Florida Supreme Court.

15. If proceedings in this matter continue while the appeals are pending, the efforts and resources of the Commission and the parties could be unnecessarily burdened.

16. Additionally, in its February 24, 2025 petition, FCG identifies "synergies" associated with the acquisition of the company. [7]

17. On December 6, 2023, OPC filed a letter asking the Commission to take steps to consider those synergies. After receiving an objection from FCG, the Commission has yet to take action on the OPC letter. (*Exhibit A*)

18. Reversal and remand of the Final Order and Clarifying Final Order by the Florida Supreme Court could result in the Commission being directed to reverse its decision to create the entire $52.1 million reserve surplus using stipulated depreciation rates borrowed from Peoples Gas System, Inc. Should that occur, there would be no reserve surplus to amortize, thereby making this petition moot.

19. Also, any earnings impact of such a reversal could implicate the existence and consideration of synergies known and being identified as noted in the pending petition.

20. Holding these proceedings in abeyance would promote the just and inexpensive

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[6] Order No. PSC-2002-1722-PCO-WS; Order No. PSC-2009-0053-PCO-TP.
[7] Id. at 4.

determination of this matter by conserving the resources of the Commission and the parties until the Florida Supreme Court issues its decision and mandate in the pending, consolidated appeals.

21. FCG would not be harmed by holding these proceedings in abeyance. FCG is not requesting a change in base rates associated with its petition in this matter, and the most recent earning surveillance report indicates that FCG is earning a 10.00% return on equity, 50 basis points above the currently approved midpoint return on equity of 9.5%. (*Exhibit B)*

22. Additionally, FCG last filed a depreciation study on May 31, 2022; therefore, another depreciation study is not required by Rule 25-7.045(4)(a), F.A.C. until 2027.

23. For these reasons, it is premature for the Commission to entertain FCG's petition in this docket.

Conferral

24. Pursuant to Rule 28-106.204(3), F.A.C., OPC conferred with FCG regarding FCG's position on this motion. FCG opposes the requested abeyance.

WHEREFORE, OPC moves the Commission to hold all proceedings in this matter in abeyance.

Walt Trierweiler
Public Counsel

/s/ Mary A. Wessling
Mary A. Wessling
Associate Public Counsel
Florida Bar No.: 93590

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Attorney for the Citizens
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CERTIFICATE OF SERVICE
DOCKET NO. 20250035-GU

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 27th day of February, 2025, to the following:

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Exhibit A

STATE OF FLORIDA
OFFICE OF PUBLIC COUNSEL

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President of the Senate

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PAUL RENNER
Speaker of the House of Representatives

December 6, 2023

VIA: ELECTRONIC FILING

Adam Teitzman
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Docket No.: 20230000

Re: Request to Consider the Representativeness of the Test Years in Both the Florida Public Utilities Company and Florida City Gas's Most Recent Base Rate Proceedings in Light of the Recently Closed Acquisition by Chesapeake Utilities Corporation, the Parent Company of Florida Public Utilities Company, of Florida City Gas.

Dear Mr. Teitzman,

The Office of Public Counsel (OPC) respectfully requests that the Florida Public Service Commission (Commission) consider reopening the docket of Florida Public Utilities Company's (FPUC) natural gas division's most recent base rate case[1] in order to determine whether those base rates, as well as the recently-determined rates in the still-open Florida City Gas (FCG) base rate docket,[2] took any potential merger/acquisition synergies into consideration. In light of the recent announcement that Chesapeake Utilities Corporation (Chesapeake), FPUC's parent company, has

[1] PSC Docket No. 2022-0067-GU.
[2] PSC Docket No. 2022-0069-GU.

acquired FCG during the period upon which rates were based, OPC is concerned that the rates may no longer be fair, just and reasonable, and that it may be appropriate for the Commission to investigate further pursuant to section 366.06(2), Florida Statutes.

As the Commission is aware, both FPUC and FCG filed petitions for rate increases in 2022. In each case, 2023 was used as the representative test year upon which base rates were set. While the docket for FPUC's base rate proceeding is now closed, the docket for FCG's base rate proceeding remains open pending appeal.

FPUC filed its petition for a rate increase on May 24, 2022.[3] OPC intervened on May 26, 2022.[4] OPC, the Florida Industrial Power Users Group (FIPUG), and Commission Staff engaged in the discovery process and OPC and Commission Staff filed testimony. The Commission held a hearing on October 25-26, 2022. At the hearing, OPC inquired about whether any merger/acquisition activities were under consideration that would affect the level of expenses in the test year, which FPUC answered in the negative.[5]

FCG filed its petition for a rate increase on May 31, 2022.[6] OPC intervened on June 2, 2022.[7] OPC, FIPUG, and Commission Staff engaged in the discovery process and filed testimony. The Commission held a hearing on December 12-13, 2022. OPC inquired into the effect that a merger or acquisition could have on the test year, and FCG provided rebuttal testimony stating that FCG did not forecast any activity associated with a future potential merger or sale in its 2023 test year.[8]

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[3] Document No. 03099-2022.
[4] Document No. 03183-2022.
[5] Document No. 10579-2022, pp. 183-84.
[6] Document No. 03276-2022.
[7] Document No. 03356-2022.
[8] Document No. 0058-2023, p. 822.

In both cases, Issue 1 required the Commission to determine if the projected test period of the twelve months ending December 31, 2023 was appropriate.[9] The Commission approved a 2023 test period in both cases. The Commission established rates for FPUC in Order No. PSC-2023-0130-FOF–GU, issued March 15, 2023.[10] The Commission established rates for FCG in Order No. PSC-2023-0177-FOF–GU, issued June 9, 2023.[11]

To be clear, OPC is not alleging that either FPUC or FCG misled or made misrepresentations to the Commission in any way when they presented their respective cases in 2022. This letter is merely identifying the evidence that the Commission relied on related to potential merger activities and their relation to the test years. Subsequent to both of those proceedings, Chesapeake announced, on September 26, 2023, that it entered into a definitive agreement to acquire FCG and that it expected the acquisition to occur (close) by the end of the fourth quarter of 2023. (See Exhibit A – Chesapeake Press Release dated September 26, 2023). On December 1, 2023, Chesapeake announced that it completed its acquisition of FCG. (See Exhibit B – Chesapeake Press Release dated December 1, 2023). This acquisition may represent a material change in test year facts and may result in immediate synergies achieved by either or both companies. Such synergies could be realized through common control of each company and service agreements, regardless of the timing of a consolidation – if ever – of the operating companies. This material change in facts may impact the test year upon which the Commission

[9] PSC Order No. PSC-2022-0355-PHO-GU, p. 9; PSC Order No. PSC-2022-0413-PHO-GU, pp. 13-14.
[10] The Commission filed an amendatory order, PSC-2023-0130A-FOF-GU, on April 6, 2023, to correct a scrivener's error.
[11] The Commission filed a final order clarifying Order PSC-2023-0177-FOF-GU and denying OPC's motion for reconsideration on October 2, 2023.

relied in setting base rates for both companies has the potential to cause those base rates to no longer comply with the statutory requirements.

In the somewhat analogous circumstances in 2008, FPUC filed a petition for a rate increase with the Commission in Docket No. 080366-GU. The projected test year utilized for setting rates for that proceeding was 2009. During the pendency of the rate proceeding, the Commission became aware of the announcement of a merger of FPUC with Chesapeake. The Commission stated at that time that "[s]uch merger could make the rates we are proposing in this Order to be inappropriate."[12] The Commission then provided a framework for how to address this contingency as follows:

> To allow for this contingency, this docket shall remain open, and in the event the merger is consummated, the following conditions shall apply:
>
> 1. a new docket will be opened;
>
> 2. the Company shall file MFRs and testimony (reflecting at a minimum, the effect of the merger, the synergies of the merger, and the change in capital structure), within 180 days from the date the merger is consummated, based on a 2011 test year; and
>
> 3. the increased revenues granted by this Order shall be held subject to refund from the date that the merger is consummated.[13]

Although that matter was later resolved through a settlement of the parties and the fact of the merger had become known prior to hearing, in an electric case the Commission has also previously initiated a docket to explore, in part, the effects that an acquisition could have on a

[12] PSC Order No. PSC-09-0375-PA-GU, p. 3.
[13] *Id.* at p. 40.

company's earnings.[14] In the event that the Commission investigates this matter further pursuant to section 366.06(2), Florida Statutes, OPC respectfully requests that the Commission consider whether, under its established policy set out in the 2008 case or under other principles of fairness, it would be appropriate to utilize a similar framework with both FPUC and FCG in order to ensure that the rates that FPUC and FCG customers are currently paying are based on more representative test year information and are adjusted for any immediate synergies, if any, that may affect the 2023 test years utilized by both companies in their 2022 base rate proceedings.

Thank you for your attention to this matter.

Sincerely,

Walt Trierweiler
Public Counsel

/s/ Mary A. Wessling
Mary A. Wessling
Associate Public Counsel
Florida Bar No. 93590

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[14] PSC Docket No. 000824-EI, *In re: Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light.*

cc: (continued)
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Exhibit A

September 26, 2023

Chesapeake Utilities Corporation to Acquire Florida City Gas

Transformative acquisition more than doubles operations in high-growth Florida service areas

Positions CPK to execute on additional growth opportunities in regulated and unregulated businesses

Supports long-term earnings and dividend growth; increases capital investment plan; financing plan maintains strong balance sheet

DOVER, Del. – Chesapeake Utilities Corporation (NYSE: CPK) ("Chesapeake Utilities" or "the Company") today announced it has entered into a definitive agreement to acquire Florida City Gas ("FCG") from NextEra Energy, Inc. (NYSE: NEE) for $923 million in cash. Upon closing of the transaction, which is expected to occur by the end of the fourth quarter of 2023, FCG will become a wholly owned subsidiary of Chesapeake Utilities. The Company has increased its capital investment plan and extended its earnings guidance through 2028 to reflect the increased scale and investment opportunities related to the transaction, with an implied earnings per share growth rate of approximately 8% through 2028.

FCG serves approximately 120,000 residential and commercial natural gas customers across eight counties in Florida, including Miami-Dade, Broward, Brevard, Palm Beach, Hendry, Martin, St. Lucie and Indian River. Its natural gas system includes approximately 3,800 miles of distribution main and 80 miles of transmission pipe.

“This acquisition will more than double our natural gas business in Florida, one of the fastest growing states in the nation. For several years, gas distribution customer growth in Florida has significantly exceeded national averages. Demand for natural gas continues to increase as Florida consumers seek reliable, domestic and affordable energy for their homes and businesses,” said Jeff Householder, chairman, president and chief executive officer of Chesapeake Utilities. “We have generated meaningful earnings growth by acquiring businesses in states where we already operate and subsequently developing and executing additional growth opportunities. We see similar opportunities with FCG, and believe we are well positioned to capture additional growth including gas distribution expansion to serve new residential development, as well as infrastructure investments across our other platforms, such as gas transmission. We expect these opportunities, which are a large driver of our increased capital investment plan, to enable us to continue to pursue long-term upper quartile earnings growth.”

“Chesapeake Utilities has a proven track record of deploying its regulatory, operations, supply and business development expertise to drive transformative growth in Florida, as exemplified by our acquisition of Florida Public Utilities in 2009. We are taking the same disciplined approach with this transaction, which is directly aligned with our strategic and financial acquisition criteria, and we anticipate a similar success story with FCG,” said Beth Cooper, executive vice president, chief financial officer, treasurer and assistant corporate secretary of Chesapeake Utilities. “We intend to finance the transaction through a combination of long-term debt and equity, ensuring we maintain a strong balance sheet while supporting our long-term earnings and dividend growth.”

Strategic Rationale: Acquisition of operations in high growth Florida service areas provides enhanced platform for growth, as well as scale and financial benefits

- **Expands platform in Florida:** Post-acquisition, Chesapeake Utilities’ footprint will expand significantly in Florida. The Company’s Florida portfolio following the acquisition is expected to comprise approximately 60% of its total utility net plant and operating income, versus 45% for the standalone business at the end of 2022. This acquisition provides expansion opportunities into unserved and underserved communities throughout a widened service territory. Additionally, the transaction introduces growth opportunities across the Company’s portfolio, from organic growth of the regulated LDC assets to new opportunities for the Company’s natural gas pipeline and virtual pipeline businesses to other sustainable investments such as renewable natural gas, alternative fueling stations and fleet conversions.

- **Enhanced scale and efficiency:** As a result of this transaction, the Company's regulated utility customers and net plant will increase by 50% and 30%, respectively, which will bring enhanced scale and efficiency benefits. This acquisition is expected to benefit from Chesapeake Utilities' core experience and expertise in all facets of natural gas operations, regulatory, supply, business development and project execution. The Company's expertise in navigating Florida's regulatory and political environment as well as expected efficiencies related to the complementary nature of the combined operations will allow the Company to optimize this transaction, further supporting our earnings and dividend growth.
- **Financial benefits:** The transaction supports and extends the Company's long-term EPS guidance and provides approximately $500 million in investment opportunities associated with FCG over the next five years. The financing plan includes a balanced mix of equity and long-term debt, which supports long-term dividend growth and maintains the Company's strong balance sheet.

Transaction Significantly Expands Chesapeake Utilities' Presence in Florida

Chesapeake Utilities has had a natural gas distribution presence in Florida for 40 years, significantly building on that initial presence to include multiple business entities across the energy value chain. The acquisition more than doubles the Company's Florida natural gas operations, expanding Chesapeake Utilities' service territory coverage to include five additional counties in Florida and increasing the Company's presence in five of the top 10 most populous counties in the state.

- With the addition of FCG, Chesapeake Utilities' overall natural gas distribution presence in Florida will include an approved regulated rate base of $941 million, serving more than 211,000 customers through nearly 7,000 miles of natural gas distribution company pipeline.
- After transaction close, the Company's consolidated Florida operations are expected to contribute approximately 60% of Chesapeake Utilities' operating income, total utility net plant and future capital investment plan (5 years).
- The transaction is projected to increase Chesapeake Utilities' regulated natural gas utility customers and net plant by 50% and 30%, respectively, with the regulated business mix reaching 87% (up from 81%).

Guidance Update

As a result of the increased scale and investment opportunities related to the transaction, Chesapeake Utilities is expected to exceed its current capital expenditure guidance ($900 million to $1.1 billion for the five years ended 2025) two years early. The Company is excited to introduce its new guidance: capital expenditure guidance in the range of $1.5 billion to $1.8 billion for the five years ended 2028 and EPS in the range of $7.75 to $8.00 per share for 2028, implying an EPS growth rate of approximately 8% from the current 2025 EPS guidance range, or since 2018, an 8.5% growth rate.

Financing

Chesapeake Utilities plans to finance the transaction with a balanced mix of equity and long-term debt to maintain its strong balance sheet, and has also obtained committed financing from Barclays to fund the purchase price.

Timing and Approvals

The transaction is expected to close by the end of the fourth quarter of 2023, subject to expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, securing financing orders from the Delaware and Maryland Public Service Commissions and other customary closing conditions.

Advisors

Barclays is serving as exclusive financial advisor to Chesapeake Utilities. Shearman & Sterling and Baker Hostetler are serving as legal advisors to Chesapeake Utilities.

Conference Call and Webcast

Chesapeake Utilities Corporation (NYSE: CPK) will host a conference call on Wednesday, September 27, 2023, at 8:30 a.m. ET to discuss details of the FCG acquisition.

To listen to the Company's conference call via live webcast, register here or visit the Company's website at www.chpk.com then proceed to Investors/Events & Presentations and select the Florida City Gas Acquisition tab for additional information.

For investors and analysts that wish to participate by phone for the question and answer portion of the call, please use the following dial-in information below. A replay of the presentation will be made available on the previously noted website following the conclusion of the call.

Toll-free: 800.343.5172

International: 203.518.9848

Conference ID: CPK0927

About Chesapeake Utilities Corporation

Chesapeake Utilities Corporation is a diversified energy delivery company, listed on the New York Stock Exchange. Chesapeake Utilities Corporation offers sustainable energy solutions through its natural gas transmission and distribution, electricity generation and distribution, propane gas distribution, mobile compressed natural gas utility services and solutions and other businesses. For more information, visit www.chpk.com.

Please note that Chesapeake Utilities Corporation is not affiliated with Chesapeake Energy, an oil and natural gas exploration company headquartered in Oklahoma City, Oklahoma.

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Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform

Act of 1995. One can typically identify forward-looking statements by the use of forward-looking words, such as “project,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “continue,” “potential,” “forecast” or other similar words, or future or conditional verbs such as “may,” “will,” “should,” “would” or “could.” These include statements regarding the benefits of the proposed acquisition and associated growth opportunities, anticipated future operating and financial performance and results, including estimates of earnings growth, EPS and EPS growth rate and capital expenditures, dividend growth, financing plans, the expected timing of the closing of the proposed acquisition, among others. These statements are based on our current intentions, plans, expectations, assumptions and beliefs. Forward-looking statements speak only as of the date they are made or as of the date indicated. These statements are subject to many risks and uncertainties, including, but not limited to: the occurrence of any event, change or other circumstance that could give rise to the right of either or both parties to terminate the acquisition agreement; the failure to obtain applicable regulatory approval, including financing orders, in a timely manner or otherwise; the risk that the acquisition may not close in the anticipated timeframe or at all due to one or more of the other closing conditions to the transaction not being satisfied or waived; the risk that there may be unexpected costs, charges or expenses resulting from the proposed acquisition; risks related to the ability of the Company to successfully integrate the business and achieve the expected operating efficiencies within the expected timeframes or at all and the possibility that such integration may be more difficult, time consuming or costly than expected; risks that the proposed transaction disrupts the Company’s current plans and operations; risks related to disruption of each company’s management’s time and attention from ongoing business operations due to the proposed transaction; continued availability of capital and financing; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of the Company’s common stock or credit ratings; the risk that the proposed transaction and its announcement could have an adverse effect on the ability of the Company and FCG to continue to hire, train and retain appropriately qualified personnel, to retain customers and to maintain relationships with each of their respective business partners, suppliers and customers; risks related to unpredictable and severe or catastrophic events on their impact on the each company’s business, financial condition and results of operations; and other business effects, including the effects of industry, market, economic, political or regulatory conditions. Additional risk factors that may cause actual results or events to differ materially from those expressed in the forward-looking statements are described under “Safe Harbor for Forward-Looking Statements” and Item 1A, “Risk Factors” in our Annual Report on Form 10-K and in other reports that we have or may file with the Securities and Exchange Commission.

In light of these risks, uncertainties, and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. You are cautioned not to place undue reliance on any forward-looking statements.

This press release is for informational purposes only and not intended to and does not constitute an offer to sell securities. No offer of securities shall be made except in accordance with applicable law.

Exhibit B

December 1, 2023

Chesapeake Utilities Corporation Completes Acquisition of Florida City Gas

Transformative transaction more than doubles operations in high-growth Florida; expands regulated utility business mix and aligns with long-term earnings and dividend growth targets.

Dover, Delaware – Chesapeake Utilities Corporation (NYSE: CPK) today announced the completion of the acquisition of Florida City Gas (FCG), which is now a wholly-owned subsidiary of the Company. This transaction represents an expansion of Chesapeake Utilities' footprint in the dynamic and high-growth market of Florida, encompassing five of the top 10 most populous counties. By more than doubling Chesapeake Utilities' customer base and natural gas infrastructure in the state, the Company is positioned for substantial future growth.

"We are pleased to formally welcome Florida City Gas and excited about the opportunities we can pursue given our combined capabilities," said Jeff Householder, chairman, president and chief executive officer. "The integration of our businesses creates a compelling foundation: one focused on driving sustainable earnings growth consistent with our long-term track record. Together, we'll strengthen our Florida presence, leveraging our core competencies and building upon our strong community and regulatory relationships, while continuing to meet the growing demand for natural gas."

As previously announced, Chesapeake Utilities' capital expenditure guidance is projected to be $1.5 billion to $1.8 billion for the five-year period ending 2028, an increase of 65% over its previous plan. Approximately 60% of the Company's upcoming five-year capital investment plan will be allocated to Florida, including investments related to pipeline replacement programs, expansions to support customer growth and increased transmission capabilities to reach new developments and support increased demand.

With this transaction, Chesapeake Utilities' regulated operations are projected to represent approximately 87% of its business mix.

"We are excited about the long-term value creation anticipated from the FCG acquisition. Leveraging Chesapeake Utilities' proven track record and disciplined approach, we aim to replicate the success of past acquisitions, like Florida Public Utilities," said Beth Cooper, executive vice president, chief financial officer, treasurer and assistant corporate secretary. "We've successfully implemented the permanent financing plan for this transaction, maintaining a strong balance sheet. Well positioned for 2025 goals, we'll drive earnings growth through strategic investments, regulatory initiatives and a continued focus on efficiencies."

The Company will provide more detail on its acquisition integration plan as part of its Fourth Quarter and Full Year 2023 Earnings communications in February 2024.

About Chesapeake Utilities Corporation

Chesapeake Utilities Corporation is a diversified energy delivery company listed on the New York Stock Exchange. Chesapeake Utilities Corporation offers sustainable energy solutions through its natural gas transmission and distribution, electricity generation and distribution, propane gas distribution, mobile compressed natural gas utility services and solutions and other businesses. For more information, visit www.chpk.com.

Please note that Chesapeake Utilities Corporation has no affiliation with Chesapeake Energy, an oil and natural gas exploration company headquartered in Oklahoma City, Oklahoma.

###

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Exhibit B

FLORIDA CITY GAS
GAS DIVISION
RATE OF RETURN REPORT SUMMARY
For the 12 Months Ending December 31, 2024

SCHEDULE 1

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
NET OPERATING INCOME	$ 44,313,012	($4,747,502)	$39,565,510		$39,565,510
AVERAGE RATE BASE	$987,075,141	($488,649,638)	$498,425,503		$498,425,503
AVERAGE RATE OF RETURN	4.49%		7.94%		7.94%

III. REQUIRED RATES OF RETURN
AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)

LOW	7.25%
MIDPOINT	7.71%
HIGH	8.32%

IV. EARNED RETURN ON EQUITY
(FPSC ADJUSTED BASIS)

A.	INCLUDING ACQ. ADJ.	10.00%

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

> Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083. or s. 775.084.

Michelle D Napier
Director, Regulatory Affairs

Michelle D Napier — Signature

3/15/2024 — Date

FLORIDA CITY GAS
GAS DIVISION
AVERAGE RATE OF RETURN
For the 12 Months Ending December 31, 2024
RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	1,122,353,571.00	(198,239,208.41)	$924,114,363	$0	38,779,886	$962,894,249	24,180,892	$987,075,141
FPSC ADJUSTMENTS:								
1) ELIMINATIONS OF 1/2 OF D & O PREPAID			-			-	(5,207)	(5,207)
2) REMOVE SAFE CLAUSE PLANT	(21,402,715)	328,983	(21,073,732)		(1,033,877)	(22,107,608)		(22,107,608)
3) INTERCOMPANY ACCOUNTS RECEIVABLE			-			-		-
4) REMOVE LEASES	-	-	-			-		-
5) ELIMINATE UNDER-RECOVERIES			-			-	(2,810,510)	(2,810,510)
6) ACCUM. DEFERRED RETIREMENT BENEFITS			-			-	(36,615)	(36,615)
7) REMOVE UNRECOVERED AEP			-			-	(630,460)	(630,460)
8) REMOVE DEFERRED RATE CASE EXPENSE			-			-	(1,253,632)	(1,253,632)
9) OTHER RATE CASE ADJUSTMENTS (1)		(611,402)	(611,402)			(611,402)		(611,402)
10)TEMPORARY CASH INVESTMENTS			-			-	-	-
11)REMOVE GOODWILL	(461,194,203)		(461,194,203)			(461,194,203)		(461,194,203)
TOTAL FPSC ADJUSTMENTS	(482,596,918)	(282,419)	(482,879,337)	-	(1,033,877)	(483,913,213)	(4,736,424)	(488,649,638)
FPSC ADJUSTED	$639,756,653	($198,521,627)	$441,235,026	$0	$37,746,009	$478,981,035	$19,444,468	$498,425,503
COMP RATE ADJ REVENUES		$0	$0	$0	$0	$0	$0	$0
ADJUSTED FOR COMP RATE ADJ REVENUE	$639,756,653	($198,521,627)	$441,235,026	$0	$37,746,009	$478,981,035	$19,444,468	$498,425,503
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS								
PRO FORMA ADJUSTED	$639,756,653	($198,521,627)	$441,235,026	$0	$37,746,009	$478,981,035	$19,444,468	$498,425,503

FLORIDA CITY GAS
GAS DIVISION
AVERAGE RATE OF RETURN
For the 12 Months Ending December 31, 2024
INCOME STATEMENT

	(1) OPERATING REVENUES
PER BOOKS	132,810,444
FPSC ADJUSTMENTS:	
1) INTEREST SYNC	
2) ELIMINATE FUEL & SWING REVENUES AND EXP.	(23,455,566)
3) ELIMINATE CONSERVATION	(6,504,035)
4) ELIMINATE SAFE REVENUES AND COSTS	(2,682,570)
5) ELIMINATE AEP REVENUES AND EXPENSES	(847,388)
6) ELIMINATE REVENUE RELATED TAXES	(6,967,842)
7) 5% OF ECONOMIC DEVELOPMENT	
8) INDUSTRY ASSOCIATION DUES	
9) EXECUTIVE INCENTIVE COMPENSATION	
10)OTHER RATE CASE ADJUSTMENTS (1)	
11)REMOVE 1/2 D & O INSURANCE	
TOTAL FPSC ADJUSTMENTS	($40,457,401)
FPSC ADJUSTED	$92,353,044
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	$0
ADJUSTED FOR COMP RATE ADJ REVENUES	$92,353,044
PROFORMA ADJUSTMENTS	
TOTAL PRO FORMA ADJUSTMENTS	
PRO FORMA ADJUSTED	$92,353,044

(2)	(3)	(4)	(5)
O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME
29,809,658	35,700,734	6,466,073	12,092,407
(23,338,175)			(117,391)
(6,471,483)			(32,552)
	(12,287)	(441,201)	(380,138)
	(3,488)	(622,625)	(4,241)
			(6,967,842)
	(1,771)		
	(194,585)		
		(397,624)	
	(8,832)		
($29,809,658)	($220,963)	($1,461,450)	($7,502,163)
$0	$35,479,771	$5,004,623	$4,590,244
$0	$35,479,771	$5,004,623	$4,590,244
$0	$35,479,771	$5,004,623	$4,590,244

(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES
4,428,560				88,497,433
3,655,174				3,655,174
(0)				(23,455,566)
0				(6,504,035)
(468,615)				(1,302,240)
(55,007)				(685,361)
-				(6,967,842)
449				(1,322)
-				-
49,318				(145,267)
100,778				(296,846)
2,238				(6,594)
$3,284,335	$0	$0	$0	($35,709,899)
$7,712,895	$0	$0	$0	$52,787,534
$0				$0
$7,712,895	$0	$0	$0	$52,787,534
$7,712,895	$0	$0	$0	$52,787,534

(11) NET OPERATING INCOME
$44,313,012
(3,655,174)
-
-
(1,380,330)
(162,027)
-
1,322
-
145,267
296,846
6,594
($4,747,502)
$39,565,510
$0
39,565,510
$39,565,510

FLORIDA PUBLIC UTILITIES COMPANY
NATURAL GAS
CAPITAL STRUCTURE
For the 12 Months Ending December 31, 2024
FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	PER BOOKS	ADJUSTMENTS NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC	BALANCE	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MIDPOINT COST RATE (%)	MIDPOINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
COMMON EQUITY	$ 450,960,548		$ 450,960,548	$ (223,247,146)		$ 227,713,401	45.69%	8.50%	3.88%	9.50%	4.34%	10.50%	4.80%
LONG TERM DEBT - CU	$ 1,924,572		$ 1,924,572	$ (952,756)		$ 971,817	0.20%	4.25%	0.01%	4.25%	0.01%	4.25%	0.01%
SHORT TERM DEBT	$ 66,922,604		$ 66,922,604	$ (33,129,906)		$ 33,792,698	6.78%	6.45%	0.44%	6.45%	0.44%	6.45%	0.44%
LONG TERM DEBT - CITY GAS	$ 430,277,649		$ 430,277,649	$ (213,008,117)		$ 217,269,532	43.59%	6.67%	2.91%	6.67%	2.91%	6.67%	2.91%
CUSTOMER DEPOSITS	$ 5,726,045		$ 5,726,045	$ (2,834,667)		$ 2,891,378	0.58%	2.34%	0.01%	2.34%	0.01%	2.34%	0.01%
DEFFERED INCOME TAXES	$ 13,377,470		$ 13,377,470	$ (6,622,491)		$ 6,754,979	1.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	$ 17,886,252		$ 17,886,252	$ (8,854,554)		$ 9,031,698	1.81%	0.00%	0.00%	0.00%	0.00%	8.16%	0.15%
TOTAL AVERAGE	$ 987,075,140	$ -	$ 987,075,140	$ (488,649,638)	$ -	$ 498,425,502	100.00%		7.25%		7.71%		8.32%

FLORIDA CITY GAS
RESERVE AMOUNT BALANCE AS OF DECEMBER 31, 2024

		AMOUNT
Total Reserve Amount Available Under Current Settlement Agreeme	$	25,000,000
Actual Amortization from 5/31/2023 - 12/31/2023 [(1)]:	$	(9,872,584)
January, 2024		
February, 2024		
March, 2024	$	(2,041,071)
April, 2024		
May, 2024		
June, 2024	$	(7,874,011)
July, 2024		
August, 2024		
September, 2024	$	487,153
October, 2024		
November, 2024		
December, 2024	$	1,180,051
Total Reserved Used at 12/31/2024:	$	(18,120,462)
Remaining Reserve Amount - 12/31/2024	**$**	**6,879,538**