



September 15, 2020

VIA ELECTRONIC MAIL

Mr. Stephen Bart Fletcher, Chief of Surveillance and Rate Filings
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Florida Public Utilities Company and Florida Division of Chesapeake Utilities Corporation (Gas Divisions and Electric Division) 2nd Quarter 2020 Surveillance Reports

Dear Ms. Cornelius:

In accordance with Rules 25-6.1352 and 25-7.1352(3), F.A.C, Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation hereby submit their 2nd Quarter Earnings Surveillance Reports for 2020 for all Electric and Gas Divisions.

As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

cc: Shari Cornelius
Curt Mouring

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 RATE OF RETURN REPORT SUMMARY
 June 30, 2020

SCHEDULE 1

	(1) ACTUAL PER BOOKS (JURISDICTIONAL)	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 5,480,980	\$94,795	\$5,565,655	\$0	\$5,565,655
AVERAGE RATE BASE	\$105,055,291	(\$504,748)	\$104,550,533	\$0	\$104,550,533
AVERAGE RATE OF RETURN	5.22%		5.32%		5.32%
II. YEAR-END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$5,480,980	\$77,716	\$5,558,576	\$0	\$5,558,576
YEAR-END RATE BASE	\$108,317,658	(\$555,726)	\$107,761,932	\$0	\$107,761,932
YEAR-END RATE OF RETURN	5.05%		5.16%		5.16%

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	A. INCL COMP RATE ADJ REVENUES	B. EXCL COMP RATE ADJ REVENUES
LOW	5.09%	10.43%
MIDPOINT	5.46%	
HIGH	5.83%	

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.

Mike Cassel
 AVP, Regulatory Affairs

Michael Cassel
 Signature

9/11/20
 Date

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 AVERAGE RATE OF RETURN
 For the 12 Months Ending June 30, 2020
 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	\$137,644,507	(\$35,633,041)	\$101,911,467	\$0	\$3,087,383	\$104,998,849	\$56,431	\$105,055,281
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL								
ELIMINATE ACQUISITION ADJ.	\$0	\$0	\$0	\$0	\$0	\$0	(\$276,093)	(\$276,093)
ELIM. FRANCHISE/CONSENT	(\$14,132)	\$13,811	(\$321)			(\$321)	\$0	(\$321)
ELIM. COMMON PLANT	(\$199,090)	\$83,016	(\$16,075)			(\$116,075)	(\$9,004)	(\$116,075)
FLEXIBLE GAS SERVICE	(\$239,136)	\$153,861	(\$103,286)			(\$103,256)		(\$112,260)
TOTAL FPSC ADJUSTMENTS	(\$472,358)	\$252,707	(\$219,651)	\$0	\$0	(\$219,651)	(\$285,097)	(\$504,748)
FPSC ADJUSTED	\$137,072,149	(\$35,380,334)	\$101,691,815	\$0	\$3,087,383	\$104,779,198	(\$228,665)	\$104,550,533
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$137,072,149	(\$35,380,334)	\$101,691,815	\$0	\$3,087,383	\$104,779,198	(\$228,665)	\$104,550,533
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$137,072,149	(\$35,380,334)	\$101,691,815	\$0	\$3,087,383	\$104,779,198	(\$228,665)	\$104,550,533

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 AVERAGE RATE OF RETURN
 INCOME STATEMENT #REF1

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRIC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$29,278,425	\$ 6,504,233	\$10,528,189	\$3,134,252	\$2,209,352	\$1,321,539				\$ 23,797,565	\$5,480,860
FPSC ADJUSTMENTS:											
1) Interest Synchronization						(\$25,204)				(\$25,204)	\$25,204
2) Acquisition adjust.						\$0				\$0	\$0
3) Elim. Property Tax - Common Plant						\$427				(\$1,315)	\$1,315
4) Elim. amort org costs						\$103				(\$317)	\$317
5) Elim Economic Dev. Expense						\$11				(\$34)	\$34
6) Elim Depreciation Exp- Common Plant						\$4,793				(\$14,753)	\$14,753
7) Elim Non-utility O & M						\$0				\$0	\$0
8) Elim Ind. Assoc. dues						\$2,035				(\$6,265)	\$6,265
9) Elim charitable contributions						\$418				(\$1,286)	\$1,286
10) Elim. Social Activities						\$5,477				(\$16,859)	\$16,859
11) Elim. Professional expenses						\$577				(\$1,778)	\$1,778
12) Elim. CIVIL DUES	\$5,450		\$0			\$0				\$0	\$0
13) Interest Income						\$1,336				(\$713,791)	\$4,113
14) Elim. Rev Related Taxes (Franchise & FPSC Assess)	(\$713,791)					\$0				(\$713,791)	\$0
15) Elim. Conservation Rev & Exp.	(\$1,128,644)	(\$1,122,994)				(\$5,649)				(\$1,128,643)	(\$1)
16) Elim. Sewing Service Expenses and Revenue	(\$5,408,508)	(\$5,381,239)				(\$27,264)				(\$5,408,409)	\$103
17) Elim. Flexible Gas Service	(\$156,500)					(\$2,888)				(\$82,180)	(\$74,440)
18) Remove Potential Refund Booked for State Tax	\$ 113,542		(\$45,184)	(\$10,104)		\$28,333				\$28,333	\$87,209
						\$0				\$0	\$0
						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	(\$7,286,349)	(\$6,504,233)	(\$79,924)	(\$30,070)	(\$751,074)	(\$5,844)				(\$7,371,144)	\$84,795
FPSC ADJUSTED	\$21,992,076	\$0	\$10,548,266	\$3,104,181	\$1,458,278	\$1,315,695	\$0	\$0	\$0	\$16,426,420	\$5,565,655
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$21,992,076	\$0	\$10,548,266	\$3,104,181	\$1,458,278	\$1,315,695	\$0	\$0	\$0	\$16,426,420	\$5,565,655
PROFORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$21,992,076	\$0	\$10,548,266	\$3,104,181	\$1,458,278	\$1,315,695	\$0	\$0	\$0	\$16,426,420	\$5,565,655

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2020
 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	\$ 140,489,379	\$ (36,590,331)	\$ 104,095,048	\$ -	\$ 4,728,136	\$ 108,823,184	\$ (595,529)	\$ 108,317,658
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL								
ELIM. FRANCHISE/CONSENT	\$ (14,132)	\$ 14,021	\$ (111)			\$ (111)	\$ (347,709)	\$ (347,709)
ELIM. COMMON PLANT	\$ (181,417)	\$ 85,767	\$ (95,651)			\$ (95,651)	\$ (9,004)	\$ (85,651)
FLEXIBLE GAS SERVICE	\$ (259,136)	\$ 155,881	\$ (103,256)			\$ (103,256)	\$ -	\$ (112,280)
TOTAL FPSC ADJUSTMENTS	\$ (454,685)	\$ 255,668	\$ (199,018)			\$ (199,018)	\$ (356,709)	\$ (555,726)
FPSC ADJUSTED	\$ 140,030,693	\$ (36,134,663)	\$ 103,896,031	\$ -	\$ 4,728,136	\$ 108,624,166	\$ (892,234)	\$ 107,761,932
COMP RATE ADJ REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED FOR COMP RATE ADJ REVENUE	\$ 140,030,693	\$ (36,134,663)	\$ 103,896,031	\$ -	\$ 4,728,136	\$ 108,624,166	\$ (892,234)	\$ 107,761,932
PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROFORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PROFORMA ADJUSTED	\$ 140,030,693	\$ (36,134,663)	\$ 103,896,031	\$ -	\$ 4,728,136	\$ 108,624,166	\$ (892,234)	\$ 107,761,932

CHESAPEAKE UTILITIES CORPORATION
 FLORIDA DIVISION
 YEAR END RATE OF RETURN
 For the 12 Months Ending June 30, 2020
 INCOME STATEMENT

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPREC. & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) D.I.T. (NET)	(8) I.T.C. (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS	\$ 29,278,425	\$ 6,504,233	\$ 10,628,189	\$ 3,134,252	\$ 2,209,352	\$ 1,321,539				\$ 23,797,565	\$ 5,480,860
FPSC ADJUSTMENTS:											
1) Interest synchronization						(18,125)				(18,125)	\$ 5,462,735
2) Acquisition adjust:						427				(1,319)	\$ 5,464,062
3) Elim. Property Tax - Common Plant				(420)	(1,742)	102				(317)	\$ 5,464,375
4) Elim. Amort. Orig. Costs						11				(24)	\$ 5,464,351
5) Elim. Economic Dev. Expense						4,793				(14,753)	\$ 5,449,598
6) Elim. Depreciation Exp. Common Plant				(19,547)		2,035				(6,265)	\$ 5,443,333
7) Elim. Non-Utility O & M						418				(1,286)	\$ 5,444,619
8) Elim. Ind. Assoc. dues						5,477				(16,658)	\$ 5,427,961
9) Elim. Charitable contributions						577				(1,778)	\$ 5,426,183
10) Elim. Social Activities						1,336				-	\$ 5,427,519
11) Elim. promotional expenses						(0)				(713,791)	\$ 4,713,728
12) Elim. Civic Dues	\$ 5,450					(0)				(713,791)	\$ 4,000,000
13) Interest income	\$ (713,791)					34				(1,128,643)	\$ 2,871,357
14) Elim. Rev. Related Taxes (Franchise & PSC Assess)	\$ (1,128,644)	\$ (1,122,994)				28,333				(2,251,638)	\$ 649,719
15) Elim. Conservation Rev. & Exp.	\$ (5,408,306)	\$ (5,381,239)		(10,104)						(10,792)	\$ 639,027
16) Elim. Swamp Service Expenses	\$ (136,600)		\$ (45,184)							(181,784)	\$ 457,243
17) Elim. Frangible Gas Service	\$ 115,342									28,333	\$ 485,576
18) Remove Potential Netfund Booked for State Tax											\$ 485,576
TOTAL FPSC ADJUSTMENTS	\$ (7,285,349)	\$ (6,504,233)	\$ (79,924)	\$ (30,070)	\$ (751,074)	\$ 1,335				\$ (7,364,065)	\$ 77,716
FPSC ADJUSTED	\$ 21,992,076	\$ -	\$ 10,548,266	\$ 3,104,181	\$ 1,458,278	\$ 1,322,274				\$ 16,433,499	\$ 5,558,576
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -
ADJUSTED FOR COMP RATE ADJ REVENUES	\$ 21,992,076	\$ -	\$ 10,548,266	\$ 3,104,181	\$ 1,458,278	\$ 1,322,274				\$ 16,433,499	\$ 5,558,576
PROFORM ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -
TOTAL PROFORM ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -
PROFORM ADJUSTED	\$ 21,992,076	\$ -	\$ 10,548,266	\$ 3,104,181	\$ 1,458,278	\$ 1,322,274				\$ 16,433,499	\$ 5,558,576

AVERAGE	ADJUSTMENTS				BALANCE	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)			
COMMON EQUITY	\$39,060,248	\$0	\$39,060,248	\$0	(\$232,463)	\$38,827,785	37.14%	9.80%	3.64%	10.80%	4.01%	11.80%	4.38%		
LONG TERM DEBT	\$28,044,185	\$0	\$28,044,185	\$0	(\$166,902)	\$27,877,283	26.66%	3.84%	1.02%	3.84%	1.02%	3.84%	1.02%		
SHORT TERM DEBT	\$17,707,321	\$0	\$17,707,321	\$0	(\$105,383)	\$17,601,938	16.84%	2.39%	0.40%	2.39%	0.40%	2.39%	0.40%		
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
CUSTOMER DEPOSITS	\$1,347,224	\$0	\$1,347,224	\$0	\$0	\$1,347,224	1.29%	2.23%	0.03%	2.23%	0.03%	2.23%	0.03%		
DEFERRED INCOME TAXES	\$18,896,303	\$0	\$18,896,303	\$0	\$0	\$18,896,303	18.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	5.05%	0.00%	5.43%	0.00%	5.80%	0.00%		
TOTAL AVERAGE	\$108,055,281	\$0	\$108,055,281	\$0	(\$504,748)	\$104,550,534	100.00%	5.09%	5.45%	5.83%					

YEAR-END	ADJUSTMENTS				BALANCE	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)			
COMMON EQUITY	\$39,702,701	\$0	\$39,702,701	\$0	(\$251,297)	\$39,451,404	36.61%	9.80%	3.59%	10.80%	3.95%	11.80%	4.32%		
LONG TERM DEBT	\$29,073,660	\$0	\$29,073,660	\$0	(\$184,021)	\$28,889,639	26.81%	3.60%	0.97%	3.60%	0.97%	3.60%	0.97%		
SHORT TERM DEBT	\$19,023,485	\$0	\$19,023,485	\$0	(\$120,409)	\$18,903,076	17.54%	2.16%	0.38%	2.16%	0.38%	2.16%	0.38%		
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
CUSTOMER DEPOSITS	\$1,397,836	\$0	\$1,397,836	\$0	\$0	\$1,397,836	1.30%	2.15%	0.03%	2.15%	0.03%	2.15%	0.03%		
DEFERRED INCOME TAXES	\$19,119,977	\$0	\$19,119,977	\$0	\$0	\$19,119,977	17.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	4.94%	0.00%	5.30%	0.00%	5.67%	0.00%		
TOTAL YEAR-END	\$108,312,658	\$0	\$108,312,658	\$0	(\$555,726)	\$107,761,932	100.00%	4.97%	5.33%	5.70%					