

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for approval to implement gas reliability infrastructure program (GRIP) cost recovery factors for January 2022 through December 2022 by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade and the Florida Division of Chesapeake Utilities Corporation.

DOCKET NO. 20210150-GU  
ORDER NO. PSC-2021-0419-TRF-GU  
ISSUED: November 9, 2021

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman  
ART GRAHAM  
ANDREW GILES FAY  
MIKE LA ROSA  
GABRIELLA PASSIDOMO

ORDER APPROVING GAS RELIABILITY INFRASTRUCTURE PROGRAM  
COST RECOVERY FACTORS

BY THE COMMISSION:

Background

On September 1, 2021, Florida Public Utilities Company (FPUC), Florida Public Utilities Company-Fort Meade (Fort Meade), and Florida Division of Chesapeake Utilities Corporation d/b/a Central Florida Gas (Chesapeake), collectively the companies, filed a joint petition for approval of their gas reliability infrastructure program (GRIP or program) cost recovery factors for the period January through December 2022. We first approved the GRIP for FPUC and Chesapeake in Order No. PSC-12-0490-TRF-GU (2012 Order) to recover the costs of accelerating the replacement of cast iron and bare steel distribution mains and services, including a return on investment, through a surcharge on customers' bills.<sup>1</sup> We originally approved Fort Meade's GRIP in Order No. PSC-15-0578-TRF-GU, and allowed Fort Meade to file its annual petition for GRIP factors concurrently with FPUC and Chesapeake.<sup>2</sup> We approved the current GRIP charges for January through December 2021 in Order No. PSC-2020-0510-TRF-GU.<sup>3</sup>

<sup>1</sup> Order No. PSC-12-0490-TRF-GU, issued September 24, 2012, in Docket No. 20120036-GU, *In re: Joint petition for approval of Gas Reliability Infrastructure Program (GRIP) by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation.*

<sup>2</sup> Order No. PSC-15-0578-TRF-GU, issued December 21, 2015, in Docket No. 20150191-GU, *In re: Joint petition for approval to implement gas reliability infrastructure program (GRIP) for Florida Public Utilities Company-Fort*

During evaluation of the petition, our staff issued a data request to the companies, for which responses were received on September 29, 2021. At the October 12, 2021 Agenda Conference, we suspended the joint petition to allow staff a sufficient opportunity to gather and evaluate all pertinent information related to the tariff proposals in order to present us with an informed recommendation.

Attachment A to this Order includes tables showing pipe replacement progress for each of the companies. Attachment B contains the proposed tariff sheets for each of the companies. We have jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, F.S.

### Decision

The GRIP surcharges have been in place since January 2013 for FPUC and Chesapeake, while Fort Meade's surcharges were first implemented in January 2017. In response to our staff's data request, FPUC stated that during 2021, replacement projects were completed in Palm Beach, West Palm Beach, and Lantana. For 2021, Chesapeake completed replacement projects in Winter Haven, Haines City, and Plant City. The companies stated that they prioritize the potential replacement projects focusing on areas of high consequence and areas more susceptible to corrosion.

Fort Meade completed its replacement program in 2019 and Chesapeake completed its replacement program in 2021. As contemplated in the 2012 Order, FPUC will complete its remaining replacement projects in Palm Beach, West Palm Beach, Boynton Beach, Delray Beach, and Lake Worth by July 2022.<sup>4</sup> Attachment A provides an update of mains and services replaced and replacement forecasts.

### **FPUC'S TRUE-UPS BY YEAR**

FPUC's calculation for the 2022 GRIP revenue requirement and surcharges includes a final true-up for 2020, an actual/estimated true-up for 2021, and projected costs for 2022. In its 2008 rate case, FPUC was authorized to recover \$747,727 of annual bare steel replacement expenses in base rates.<sup>5</sup> Therefore, the \$747,727 recovered from base rates is excluded from the GRIP surcharge calculation.

---

*Meade and for approval of GRIP cost recovery factors by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade and the Florida Division of Chesapeake Utilities Corporation.*

<sup>3</sup> Order No. PSC-2020-0510-TRF-GU, issued December 21, 2020, in Docket No. 20200207-GU, *In re: Joint petition for approval of GRIP cost recovery factors for January 2021 through December 2021, by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.*

<sup>4</sup> Order No. PSC-12-0490-TRF-GU, issued September 24, 2012, in Docket No. 20120036-GU, *In re: Joint petition for approval of Gas Reliability Infrastructure Program (GRIP) by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation.*

<sup>5</sup> Order No. PSC-09-0375-PAA-GU, issued May 27, 2009, in Docket No. 20080366-GU, *In re: Petition for rate increase by Florida Public Utilities Company.*

**Final True-up for 2020**

FPUC stated that the revenues collected through the GRIP surcharges for 2020 were \$9,369,115, compared to a revenue requirement of \$11,020,034, resulting in an under-recovery of \$1,650,921. Therefore, the 2019 over-recovery of \$1,965,077, the 2020 under-recovery of \$1,650,921, and interest of \$11,962 associated with any over- and under-recoveries results in a final 2020 over-recovery of \$326,118.

**Actual/Estimated 2021 True-ups**

FPUC provided actual revenues for January through July 2021 and estimated revenues for August through December 2021, totaling \$10,637,538, compared to an actual/estimated revenue requirement for 2021 of \$12,747,807, resulting in an under-recovery of \$2,110,269. Therefore, the 2020 over-recovery of \$326,118, the 2021 under-recovery of \$2,110,269, and interest of \$112 results in a total 2021 under-recovery of \$1,784,263.

**Projected 2022 Costs**

FPUC expects capital expenditures of \$5,294,520 for the replacement of cast iron/bare steel infrastructure in 2022. This compares with final 2020 expenditures of \$18,862,373 and actual/estimated 2021 expenditures of \$21,618,655. The return on investment (which includes federal income taxes, regulatory assessment fees, and bad debt), depreciation expense, and property tax and customer notification expense associated with that investment are \$14,949,687. Subtracting the revenue requirement for bare steel replacement included in base rates results in a 2022 revenue requirement of \$14,201,960. After including the total 2021 under-recovery of \$1,784,263, the 2022 revenue requirement is \$15,986,222. Table 1 shows FPUC’s 2022 revenue requirement calculation.

**Table 1  
 FPUC 2022 Revenue Requirement Calculation**

|  |                   |
|--|-------------------|
| 2022 Projected Expenditures              | \$5,294,520       |
| Return on Investment                     | \$9,267,172       |
| Depreciation Expense                     | 3,043,810         |
| Property Tax and Customer Notice Expense | <u>2,638,705</u>  |
| 2022 Revenue Requirement                 | \$14,949,687      |
| Less Revenue Requirement in Base Rates   | <u>-747,727</u>   |
| 2022 GRIP Revenue Requirement            | \$14,201,960      |
| Plus 2021 Under-recovery                 | <u>+1,784,263</u> |
| 2022 Total Revenue Requirement           | \$15,986,222      |

Source: Witness Craig Testimony Schedules C-2, Page 4, and D-1, Page 5

**CHESAPEAKE'S TRUE-UPS BY YEAR**

Chesapeake's calculation for the 2022 GRIP revenue requirement and surcharges includes a final true-up for 2020, an actual/estimated true-up for 2021, and projected costs for 2022. Chesapeake does not have a replacement recovery amount embedded in base rates.

**Final True-up for 2020**

Chesapeake stated that the revenues collected for 2020 were \$3,089,373, compared to a revenue requirement of \$3,970,339, resulting in an under-recovery of \$880,966. The 2019 over-recovery of \$599,886, 2020 under-recovery of \$880,966 and \$2,804 for interest associated with any over- and under-recoveries results in a final 2020 under-recovery of \$278,276.

**Actual/Estimated 2021 True-up**

Chesapeake provided actual GRIP revenues for January through July 2021 and estimated revenues for August through December 2021, totaling \$4,218,111, compared to an actual/estimated revenue requirement of \$4,097,241, resulting in an over-recovery of \$120,870. The 2020 under-recovery of \$278,276, 2021 over-recovery of \$120,870, and interest of \$97 associated with any over- and under-recoveries results in a total 2021 under-recovery of \$157,503.

**Projected 2022 Costs**

Chesapeake projects zero capital expenditures for the replacement of cast iron/bare steel infrastructure in 2022, as the company completed the replacement program in 2021. Therefore, the 2022 GRIP factors are designed to only collect the remaining 2021 under-recovery of \$157,503, and the revenue requirement of \$4,074,608 associated with the 2021 year-end total investment. Table 2 shows Chesapeake's 2022 revenue requirement calculation.

**Table 2**  
**Chesapeake 2022 Revenue Requirement Calculation**

|                                |             |
|--------------------------------|-------------|
| 2022 Projected Expenditures    | \$0         |
| Return on Investment           | \$2,466,896 |
| Depreciation Expense           | 873,132     |
| Property Tax Expense           | 734,580     |
| 2022 Revenue Requirement       | \$4,074,608 |
| Plus 2021 Under-recovery       | +157,503    |
| 2022 Total Revenue Requirement | \$4,232,110 |

Source: Witness Craig Testimony Schedules C-2, Page 10, and D-1, Page 11

**FORT MEADE'S TRUE-UPS BY YEAR**

Fort Meade started its replacement program in 2016 and first implemented GRIP surcharges in January 2020. Unlike FPUC and Chesapeake, only bare steel services (and no mains) require replacement in Fort Meade.

**Final True-up for 2020**

Fort Meade stated that the revenues collected for 2020 were \$31,904, compared to a revenue requirement of \$25,486, resulting in an over-recovery of \$6,418. Adding the 2019 over-recovery of \$1,972, the 2020 over-recovery of \$6,418, and \$37 for interest associated with any over- and under-recoveries, the final 2020 over-recovery is \$8,427.

**Actual/Estimated 2021 True-up**

Fort Meade provided actual GRIP revenues for January through July 2021 and estimated revenues for August through December 2021 totaling \$21,743, compared to an actual/estimated revenue requirement of \$24,363, resulting in an under-recovery of \$2,620. Adding the 2020 over-recovery of \$8,427, the 2021 under-recovery of \$2,620, and interest of \$2 associated with any over- and under-recoveries, the resulting total 2021 true-up is an over-recovery of \$5,808.

**Projected 2022 Costs**

Fort Meade projects zero capital expenditures for the replacement of cast iron/bare steel infrastructure in 2022. Therefore, the 2022 GRIP factors are designed to only collect the remaining 2021 over-recovery of \$5,808 and the revenue requirement of \$23,918 associated with the 2021 year-end total investment. Table 3 shows Fort Meade's 2022 revenue requirement calculation.

**Table 3**  
**Fort Meade 2022 Revenue Requirement Calculation**

|                                |               |
|--------------------------------|---------------|
| 2022 Projected Expenditures    | \$0           |
| Return on Investment           | \$13,766      |
| Depreciation Expense           | 5,592         |
| Property Tax Expense           | <u>4,560</u>  |
| 2022 Revenue Requirement       | \$23,918      |
| Less 2021 Over-recovery        | <u>-5,808</u> |
| 2022 Total Revenue Requirement | \$ 18,109     |

Source: Witness Craig Testimony Schedules C-2, Page 16, and D-1, Page 17

### **Approved Surcharges for FPUC, Chesapeake, and Fort Meade**

As established in the 2012 order approving the GRIP program, the total 2022 revenue requirement is allocated to the rate classes using the same methodology used for the allocation of mains and services in the cost of service study used in the utilities' most recent rate case. The respective percentages were multiplied by the 2022 revenue requirements and divided by each rate class' projected therm sales to provide the GRIP surcharge for each rate class.

The approved 2022 GRIP surcharge for FPUC's residential customers on the Residential Service (RS) schedule is \$0.31642 per therm (compared to the current surcharge of \$0.22417 per therm). The monthly bill impact is \$6.33 for a residential customer using 20 therms per month. The proposed FPUC GRIP surcharges, approved herein, are shown in Attachment B to this Order, Tariff Sheet No. 7.907.

The approved 2022 GRIP surcharge for Chesapeake's residential customers on the FTS-1 schedule is \$0.11405 per therm (compared to the current surcharge of \$0.11567). The monthly bill impact is \$2.28 for a residential customer using 20 therms per month. The proposed Chesapeake GRIP surcharges, approved herein, are shown in Attachment B, Tariff Sheet Nos. 7.907 and 7.910.

The approved 2022 GRIP surcharge for Fort Meade's residential customers on the RS schedule is \$0.15245 per therm (compared to the current surcharge of \$0.16325). The monthly bill impact is \$3.05 for a residential customer using 20 therms per month. The proposed Fort Meade GRIP surcharges, approved herein, are shown on Tariff Sheet No. 7.906 in Attachment B.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that joint petition for approval to implement gas reliability infrastructure program (GRIP) cost recovery factors for January 2022 through December 2022 by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade and the Florida Division of Chesapeake Utilities Corporation is approved.

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 9th day of November, 2021.



ADAM J. TEITZMAN  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

RPS

#### NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 30, 2021.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

ATTACHMENT 1

Table 1  
 FPUC Pipe Replacement Program Progress

| Year   | Mains (Miles) |            |                       |                        |        | Number of Services |            |                       |                        |       |
|--------|---------------|------------|-----------------------|------------------------|--------|--------------------|------------|-----------------------|------------------------|-------|
|        | Replaced      |            | Remaining             | Remaining              | Total  | Replaced           |            | Remaining             | Remaining              | Total |
|        | Cast Iron     | Bare Steel | Cast Iron at Year-End | Bare Steel at Year-End |        | Cast Iron          | Bare Steel | Cast Iron at Year-End | Bare Steel at Year-End |       |
|        |               |            |                       |                        |        |                    |            |                       |                        |       |
| Jul-12 |               |            | 0.9                   | 197.10                 | 198.00 |                    |            | 0                     | 7980                   | 7980  |
| 2012   |               | 6.00       | 0.9                   | 191.10                 | 192.00 |                    | 91         | 0                     | 7889                   | 7889  |
| 2013   | 0.6           | 26.40      | 0.3                   | 164.70                 | 165.00 |                    | 2071       | 0                     | 5818                   | 5818  |
| 2014   |               | 38.00      | 0.3                   | 126.70                 | 127.00 |                    | 1275       | 0                     | 4543                   | 4543  |
| 2015   |               | 30.00      | 0.3                   | 96.70                  | 97.00  |                    | 605        | 0                     | 3938                   | 3938  |
| 2016   |               | 22.50      | 0.3                   | 74.20                  | 74.50  |                    | 555        | 0                     | 3383                   | 3383  |
| 2017   |               | 10.30      | 0.3                   | 63.90                  | 64.20  |                    | 335        | 0                     | 3048                   | 3048  |
| 2018   |               | 6.80       | 0.3                   | 57.10                  | 57.40  |                    | 98         | 0                     | 2950                   | 2950  |
| 2019   | 0.3           | 4.10       | 0                     | 53.00                  | 53.00  |                    | 224        | 0                     | 2726                   | 2726  |
| 2020   |               | 19.00      | 0                     | 34.00                  | 34.00  |                    | 330        | 0                     | 2396                   | 2396  |
| 2021   |               | 18.00      | 0                     | 16.00                  | 16.00  |                    | 900        | 0                     | 1496                   | 1496  |
| 2022   |               | 16.00      | 0                     | 0.00                   | 0.00   |                    | 1496       | 0                     | 0                      | 0     |

Table 2  
 Chesapeake Pipe Replacement Program Progress

| Year   | Mains (Miles) |            |                       |                        |        | Number of Services |            |                       |                        |        |
|--------|---------------|------------|-----------------------|------------------------|--------|--------------------|------------|-----------------------|------------------------|--------|
|        | Replaced      |            | Remaining             | Remaining              | Total  | Replaced           |            | Remaining             | Remaining              | Total  |
|        | Cast Iron     | Bare Steel | Cast Iron at Year-End | Bare Steel at Year-End |        | Cast Iron          | Bare Steel | Cast Iron at Year-End | Bare Steel at Year-End |        |
|        |               |            |                       |                        |        |                    |            |                       |                        |        |
| Jul-12 |               |            | 0                     | 152.00                 | 152.00 |                    |            | 0                     | 762                    | 762    |
| 2012   |               | 5.00       | 0                     | 147.00                 | 147.00 |                    | 34         | 0                     | 728                    | 728    |
| 2013   |               | 3.00       | 0                     | 144.00                 | 144.00 |                    | 139        | 0                     | 589                    | 589    |
| 2014   |               | 19.00      | 0                     | 125.00                 | 125.00 |                    | 47         | 0                     | 542                    | 542    |
| 2015   |               | 34.00      | 0                     | 91.00                  | 91.00  |                    | 284        | 0                     | 258                    | 258    |
| 2016   |               | 25.10      | 0                     | 65.90                  | 65.90  |                    | -81        | 0                     | 339                    | 339 ** |
| 2017   |               | 22.80      | 0                     | 43.10                  | 43.10  |                    | 18         | 0                     | 321                    | 321    |
| 2018   |               | 19.80      | 0                     | 23.30                  | 23.30  |                    | 91         | 0                     | 230                    | 230    |
| 2019   |               | 28.00      | 0                     | 17.30                  | 17.30  |                    | 99         | 0                     | 131                    | 131    |
| 2020   |               | 11.10      | 0                     | 6.20                   | 6.20   |                    | 34         | 0                     | 97                     | 97     |
| 2021   |               | 6.20       | 0                     | 0.00                   | 0.00   |                    | 97         | 0                     | 0                      | 0      |
| 2022   |               | 0.00       | 0                     | 0.00                   | 0.00   |                    | 0          | 0                     | 0                      | 0      |

\*\* A total of 111 YTD bare steel services were replaced in 2016. Plus a correction to increase total services remaining by 192 (4th Qtr of 2016). The net equals -81.

Table 3  
 Fort Meade Pipe Replacement Program Progress

| Year   | Mains (Miles) |       |                       |                   |       | Number of Services |       |                       |                   |       |
|--------|---------------|-------|-----------------------|-------------------|-------|--------------------|-------|-----------------------|-------------------|-------|
|        | Replaced      |       | Remaining             | Remaining         | Total | Replaced           |       | Remaining             | Remaining         | Total |
|        | Cast Iron     | Steel | Cast Iron at Year-End | Steel at Year-End |       | Cast Iron          | Steel | Cast Iron at Year-End | Steel at Year-End |       |
|        |               |       |                       |                   |       |                    |       |                       |                   |       |
| Jan-16 |               |       | 0                     | 0                 | 0     |                    |       | 0                     | 250               | 250   |
| 2016   |               | 0     | 0                     | 0                 | 0     |                    | 29    | 0                     | 221               | 221   |
| 2017   |               | 0     | 0                     | 0                 | 0     |                    | 111   | 0                     | 110               | 110   |
| 2018   |               | 0     | 0                     | 0                 | 0     |                    | 20    | 0                     | 90                | 90    |
| 2019   |               | 0     | 0                     | 0                 | 0     |                    | 90    | 0                     | 0                 | 0     |



Florida Public Utilities Company and Florida Division of Chesapeake Utilities  
FPSC Tariff ~~—Second First~~ Revised Sheet  
No. 7.906  
Original Volume No. 1 Cancels ~~Original-First Revised~~ Sheet No. 7.906

---

**All Companies**  
**GAS RELIABILITY INFRASTRUCTURE PROGRAM**

---

Applicability:

The bill for Regulated Gas Sales Service or Transportation Service, as applicable, supplied to a Customer in any Billing Period shall be adjusted as follows:

The GRIP factors for the period from the first billing cycle for January 202~~1~~<sup>2</sup> through the last billing cycle for December 202~~1~~<sup>2</sup> are as follows:

**INDIANTOWN:**

| <u>Rate Schedule</u> | <u>Rates per Therm</u> |
|----------------------|------------------------|
| TS-1                 | Not applicable         |
| TS-2                 | Not applicable         |
| TS-3                 | Not applicable         |
| TS-4                 | Not applicable         |
| NGVTS                | Not applicable         |

**FT. MEADE:**

| <u>Rate Schedule</u> | <u>Rates per Therm</u>     |
|----------------------|----------------------------|
| RS                   | <del>\$0.46325</del> 15245 |
| GS-1                 | <del>\$0.019590</del> 1456 |
| GS-2                 | <del>\$0.019590</del> 1456 |
| GSTS-1               | <del>\$0.019590</del> 1456 |
| GSTS-2               | <del>\$0.019590</del> 1456 |
| LVS                  | \$0.00000                  |
| LVTS                 | \$0.00000                  |
| IS                   | \$0.00000                  |
| ITS                  | \$0.00000                  |
| GLS                  | \$0.00000                  |
| GLSTS                | \$0.00000                  |
| NGV                  | \$0.00000                  |
| NGVTS                | \$0.00000                  |

---

Issued by: Jeffrey Householder, Chief Executive Officer Effective: ~~JAN 01 2021~~  
Florida Public Utilities Company and Chesapeake Utilities Corporation

Florida Public Utilities Company and Florida Division of Chesapeake Utilities  
 FPSC Tariff ~~First~~ Second Revised Sheet  
 No. 7.907  
 Original Volume No. 1 Cancels ~~Original~~ First Revised Sheet No. 7.907

**All Companies**  
**GAS RELIABILITY INFRASTRUCTURE PROGRAM – CONTINUED**

**FLORIDA PUBLIC UTILITIES:**

| <u>Rate Schedule</u> | <u>Rates per Therm</u>       |
|----------------------|------------------------------|
| RS                   | \$0. <del>2241731642</del>   |
| GS-1                 | \$0. <del>1518022966</del>   |
| GS-2                 | \$0. <del>1518022966</del>   |
| GSTS-1               | \$0. <del>1518022966</del>   |
| GSTS-2               | \$0. <del>1518022966</del>   |
| LVS                  | \$0. <del>1022116008</del>   |
| LVTS                 | \$0. <del>1022116008</del>   |
| IS                   | \$0. <del>0611409536</del>   |
| ITS                  | \$0. <del>0611409536</del>   |
| GLS                  | \$0. <del>800461.14051</del> |
| GLSTS                | \$0. <del>800461.14051</del> |
| NGV                  | \$0. <del>1518022966</del>   |
| NGVTS                | \$0. <del>1518022966</del>   |

**CENTRAL FLORIDA GAS:**

| <u>Rate Schedule</u>            | <u>Rates per Therm</u>     |
|---------------------------------|----------------------------|
| FTS-A                           | \$0. <del>7444371307</del> |
| FTS-B                           | \$0. <del>2166721508</del> |
| FTS-1                           | \$0. <del>1156711405</del> |
| FTS-2                           | \$0. <del>1379115536</del> |
| FTS-2.1                         | \$0. <del>1462415932</del> |
| FTS-3                           | \$0. <del>0605705948</del> |
| FTS-3.1                         | \$0. <del>0746907553</del> |
| FTS-4                           | \$0. <del>0790408381</del> |
| FTS-5                           | \$0. <del>0936808987</del> |
| FTS-6                           | \$0. <del>0638705768</del> |
| FTS-7                           | \$0. <del>0789607716</del> |
| FTS-8                           | \$0. <del>0847208318</del> |
| FTS-9                           | \$0. <del>1797912900</del> |
| FTS-10                          | \$0. <del>1078907393</del> |
| FTS-11 <del>FTS-NGV</del> _____ | \$0. <del>1436605328</del> |
| FTS-12                          | \$0. <del>0332603708</del> |
| FTS-13 <del>NGV</del>           | <del>N/A</del> \$0.05329   |

**Definitions:**

The Company has prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. The GRIP Program minimizes impact to Customers, but at the same time, allows the Company to accelerate its replacement

Issued by: Jeffrey Householder, Chief Executive Officer Effective: ~~JAN-01-2021~~  
 Florida Public Utilities Company and Chesapeake Utilities Corporation

Florida Public Utilities Company and Florida Division of Chesapeake Utilities  
FPSC Tariff ~~First~~ Second Revised Sheet  
No. 7.910  
Original Volume No. 1 Cancels ~~Original~~ First Revised Sheet No. 7.910

**CFG**  
**GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP) - FIXED**

Applicability:

All CFG Customers, receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A Fixed), FTS-B (Fixed), FTS-1 Fixed), FTS-2 (Fixed), FTS-2.1 (Fixed), FTS-3 (Fixed), and FTS-3.1 (Fixed).

The Transportation Charge for Transportation Service to each applicable rate classification shall be adjusted by the following recovery factors. The recovery factors for all Meters read for the period January 1, 2024~~2~~ through December 31, 2024~~2~~ for each rate classification are as follows:

| <u>Rate Schedule</u> | <u>Dollars per Bill</u>  |
|----------------------|--------------------------|
| FTS-A (Fixed)        | \$4.44 <del>50</del>     |
| FTS-B (Fixed)        | \$2.24 <del>28</del>     |
| FTS-1 (Fixed)        | \$1.70 <del>69</del>     |
| FTS-2 (Fixed)        | \$7.94 <del>8.17</del>   |
| FTS-2.1 (Fixed)      | \$16.26 <del>58</del>    |
| FTS-3 (Fixed)        | \$17.66 <del>18.01</del> |
| FTS-3.1 (Fixed)      | \$42.92 <del>43.36</del> |

Definitions

The Company has prioritized the potential replacement projects focusing initially on areas of high consequence and areas more susceptible to corrosion. The GRIP Program minimizes impact to Customers, but at the same time, allows the Company to accelerate its replacement Program-eligible infrastructure. Costs incurred to remove the existing eligible distribution Mains and Service Lines are not recoverable under the GRIP Program.

The Eligible Infrastructure Replacement includes the following:

1. Company plant investment that
  - a. Do not increase revenues by directly connecting new Customer to the plant asset,
  - b. is in service and used and useful in providing utility service, and
  - c. was not included in the Company's rate base for purposed of determining the Company's base rates in its most recent general base rate proceeding.
2. Mains and Service Lines, as replacements for existing cast iron, wrought iron and bare steel facilities, and regulation station and other pipeline system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities.

Issued by: Jeffrey Householder, Chief Executive Officer Effective: ~~JAN 01 2021~~  
Florida Public Utilities Company and Chesapeake Utilities Corporation