

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** December 4, 2014

**TO:** Office of Commission Clerk (Stauffer)

**FROM:** Division of Accounting and Finance (Holmes, Springer, Cicchetti) *MS* *MC* *ALM*  
Office of the General Counsel (Barrera) *JSC*

**RE:** Docket No. 140224-GU - Application for authorization to issue common stock, preferred stock, and secured and/or unsecured debt, and to enter into agreements for interest rate swap products, equity products and other financial derivatives, and to exceed limitation placed on short-term borrowings in 2015, by Chesapeake Utilities Corporation.

**AGENDA:** 12/18/14 - Consent Agenda - Final Order - Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

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## Case Background

Please place the following securities application on the consent agenda for approval.

Docket No. 140224-GU - Chesapeake Utilities Corporation (Chesapeake or Company) seeks authority to issue common stock, preferred stock, and secured and/or unsecured debt, and to enter into agreements for interest rate swap products, equity products and other financial derivatives, and to issue short-term borrowings in 2015.

The Company seeks authority to issue during calendar year 2015: up to 9,765,000 shares of Chesapeake common stock, up to 1,000,000 shares of Chesapeake preferred stock, up to \$300 million in secured and/or unsecured debt, to enter into agreements up to \$150 million in interest rate

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swap products, equity products and other financial derivatives, and to issue short-term obligations in an amount not to exceed \$210 million.

Chesapeake Utilities Corporation allocates funds to the Florida Division, Florida Public Utilities, and Indiantown Gas Company on an as-needed basis, although in no event would such allocations exceed 75 percent of the proposed equity securities (common stock and preferred stock), long-term debt, short-term debt, interest rate swap products, equity products, and financial derivatives.

Staff has reviewed the Company's projected capital expenditures. The amount requested by the Company exceeds its expected capital expenditures. The additional amount requested exceeding the projected capital expenditures allows for financial flexibility for the purposes enumerated in the Company's petition as well as unexpected events such as hurricanes, financial market disruptions, and other unforeseen circumstances. Staff believes the requested amounts are appropriate. Staff recommends the Company's petition to issue securities be approved.

For monitoring purposes, this docket should remain open until April 29, 2016, to allow the Company time to file the required Consummation Report.