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May 8, 2017

VIA HAND DELIVERY

Ms. Carlotta Stauffer, Clerk
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED-FPSC
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COMMISSION
CLERK

Re: **Docket 150251-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 2016, by Chesapeake Utilities Corporation.**

Dear Ms. Stauffer:

Pursuant to the directions contained in Order No. PSC-16-0083-FOF-GU (Docket No. 150251-GU), and in accordance with Rule 25-8.009, Florida Administrative Code, please accept for filing the enclosed original and three copies of the Consummation Report of Chesapeake Utilities Corporation regarding the issuance and sale of securities during the fiscal year ended December 31, 2016.

Thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,


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

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May 8, 2017

Ms. Carlotta Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 150251-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 2016, by Chesapeake Utilities Corporation. – CONSUMMATION REPORT

Dear Ms. Stauffer:

Chesapeake Utilities Corporation (Chesapeake) respectfully files this Consummation Report (original and three copies) on the issuance of securities for the fiscal year ended December 31, 2016 in compliance with Rule 25-8.009, Florida Administrative Code. This is a consolidated filing of Chesapeake Utilities Corporation and Florida Public Utilities Company. In satisfaction of the Consummation Report requirements, Chesapeake sets forth the following information:

1. On February 22, 2016, the Florida Public Service Commission (FPSC) issued Order No. PSC-16-0083-FOF-GU, which authorized Chesapeake to issue up to 465,000 shares of common stock for the purpose of administering Chesapeake's Retirement Savings Plan, Stock and Incentive Compensation Plan, and Dividend Reinvestment and Stock Purchase Plan. The Order further approved the issuance by Chesapeake of up to \$300 million in secured and/or unsecured long-term debt for general purposes. Due to the nature of acquisitions, the \$300 million in secured and/or unsecured debt may be initially issued through a bridge loan in the form of bank notes or some similar form of short-term obligations. The Order provides that the Company can issue short-term obligations in an amount not to exceed \$225 million in support of the bridge financing, which could be under a Revolving Credit Facility, maturing October 8, 2020, and subsequently refinanced as unsecured long-

term debt with an estimated rate of interest of up to 300 basis points above U.S. Treasury rates with an equivalent average life. In addition, the Order authorized Chesapeake to issue up to 2,500,000 shares of common stock or an equity-linked instrument equivalent in value to permanently finance the Company's ongoing capital expenditures program. Chesapeake was also authorized to issue up to 1,000,000 shares of Chesapeake preferred stock for possible acquisitions, financing transactions, and other general corporate purposes, including potential distribution under the Company's Shareholder Rights Agreement adopted by the Board of Directors on August 20, 1999 and subsequently modified and extended by the Board of Directors on September 19, 2008. Lastly, Chesapeake received authorization pursuant to the Order to enter into agreements for Interest Rate Swap Products in an amount, in the aggregate not to exceed \$150 million.

2. Chesapeake now has four unsecured bank lines of credit with three commercial lenders. Chesapeake currently maintains a total bilateral short-term borrowing line capacity of \$170,000,000. As of December 31, 2016, \$159,871,000 was outstanding under the bilateral short-term lines of credit. On October 31, 2015, the Company entered into a committed revolving credit facility with five commercial lenders, available through October 8, 2020 for a total intermediate borrowing capacity of \$150,000,000. The Company may designate borrowings under the revolving credit agreement as short-term or long-term. As of December 31, 2016, \$50,000,000 was outstanding under the revolving credit agreement which was designated as short-term borrowing. The Company may request to extend the expiration date of the revolving credit agreement for up to two (2) additional one year periods on any anniversary date of the credit facility, with such extension subject to each Lender's approval. The Company may also request Lenders to increase the capacity of the credit facility to \$200,000,000, with any increase at the sole discretion of each Lender.

3. For the twelve-month period ended December 31, 2016, Chesapeake issued the following:

- (a) 11,854 shares of common stock were issued for the purpose of administering Chesapeake's Retirement Savings Plan. The Company has the option of administering the plan by issuing new equity, issuing shares from reserves or purchasing shares on the open market.
- (b) 36,099 shares of common stock (48,130 gross less 12,031 redeemed for taxes) were issued for the Stock and Incentive Compensation Plan.
- (c) 24,399 shares of common stock were issued for the purpose of administering Chesapeake's Dividend Reinvestment and Direct Stock Purchase Plan. The Company has the option of administering the plan by issuing new equity, issuing shares from reserves or purchasing shares on the open market.
- (d) 960,488 shares of common stock were issued upon the completion of a public offering in September 2016.

For the twelve-month period ended December 31, 2016, Chesapeake did not issue any unsecured long-term debt. On October 8, 2015, the Company entered into an uncommitted Private Shelf Agreement with Prudential Investment Management, Inc. and other purchasers that may become a party thereto. Under the terms of the Private Shelf Agreement, the Company may request that Prudential purchase, before October 8, 2018, up to \$150,000,000 of its unsecured senior promissory notes of the Company at a fixed interest rate and with a maturity date not to exceed twenty (20) years from the date of issuance (the "Shelf Notes"). Prudential and its affiliates are under no obligation to purchase any of the Shelf Notes. The interest rate and terms of payment of any series of Shelf Notes will be determined at the time of purchase. As of December 31, 2016, there were no notes issued or outstanding under the Private Placement

Shelf Agreement. In May 2016, we submitted a request that Prudential purchase \$70.0 million of 3.25 percent Shelf Notes under the Shelf Agreement. In May 2016, Prudential accepted and confirmed our request. The proceeds received from the issuances of the Shelf Notes will be used to reduce short-term borrowings under our revolving credit facility, lines of credit and/or to fund capital expenditures. The closing of the sale and issuance of the Shelf Notes occurred on April 21, 2017.

1. For the twelve-month period ended December 31, 2016, Chesapeake did not issue any preferred equity or enter into any agreements for Interest Rate Swap Products.
2. Schedules showing capitalization, pretax interest coverage and debt interest requirements as of December 31, 2016, are attached hereto as Exhibit A.

Except for those agreements provided as Exhibits to this document, copies of all Plans, Agreements, registration filings with the Securities and Exchange Commission and Orders of the Delaware Public Service Commission authorizing the issuance of the above securities have been previously filed with the FPSC under Docket Nos. 991631-GU, 080635-GU, 090487-GU, 100444-GU and 110304-GU and are hereby incorporated by reference.

3. Signed copies of the Opinions of Counsel with respect to the legality of all other securities issued have been previously filed with the FPSC as exhibits to the Consummation Reports of Securities issued by Chesapeake Utilities, Docket Nos. 931112-GU, 961194-GU, 971397-GU, 991631-GU, 030942-GU, 041263-GU, and 050630-GU, dated, respectively, April 1, 1994, March 27, 1998, March 29, 1999, March 29, 2001, March 22, 2005, March 28, 2006, and March 29, 2007, respectively, and are hereby incorporated by reference.
4. A copy of Chesapeake's most current Form 10-K as filed with the Securities and Exchange Commission is attached hereto as Exhibit B.

We respectfully submit this Consummation Report on the issuance of securities by Chesapeake Utilities Corporation, Florida Public Service Commission Docket No. 150251-GU, this 8th day of May 2017.

Sincerely,

CHESAPEAKE UTILITIES CORPORATION

A handwritten signature in black ink, appearing to read "Beth W. Cooper", followed by a horizontal line extending to the right.

Beth W. Cooper
Senior Vice President and Chief Financial Officer

CHESAPEAKE UTILITIES CORPORATION
Summary of Exhibits

<u>Exhibit Reference</u>	<u>Description</u>
Exhibit A	Schedules showing capitalization, pretax interest coverage and debt requirements as of December 31, 2016
Exhibit B	Form 10-K for the year ended December 31, 2016

CHESAPEAKE UTILITIES CORPORATION
Capitalization Ratios Actual December 31, 2015 & Pro Forma after Issuance

UNAUDITED

TYPE OF CAPITAL	ACTUAL BEFORE ISSUANCE		PRO FORMA AFTER ISSUANCE		PRO FORMA AFTER ISSUANCE	
	AMOUNT OUTSTANDING	% OF TOTAL	Stock Plans PRO FORMA ADJUSTMENT	Stock Issuances PRO FORMA ADJUSTMENT	AMOUNT OUTSTANDING	% OF TOTAL
STOCKHOLDERS' EQUITY						
COMMON STOCK	\$7,432,000	1.08%	\$35,214	\$467,470	\$7,934,684	1.14%
PAID IN CAPITAL	\$190,311,000	27.59%	\$3,762,783	\$56,693,000	\$250,966,783	36.16%
RETAINED EARNINGS (1)	\$166,235,000	24.10%	\$0	\$688,328	\$166,923,328	24.07%
ACCUMULATED OTHER COMPREHENSIVE INCOME	(\$5,840,000)	-0.85%	\$0	\$0	(\$5,840,000)	-0.84%
DEFERRED COMPENSATION OBLIGATION	\$1,883,000	0.27%	\$0	\$0	\$1,883,000	0.27%
TREASURY STOCK	(\$1,883,000)	-0.27%	\$0	\$0	(\$1,883,000)	-0.27%
PREFERRED STOCK	\$0	0.00%	\$0	\$0	\$0	0.00%
TOTAL STOCKHOLDERS' EQUITY	\$358,138,000	51.83%	\$3,797,997	\$58,048,798	\$419,984,793	60.56%
LONG-TERM DEBT						
FIRST MORTGAGE BONDS	\$7,973,000	1.16%	\$0	\$0	\$7,973,000	1.15%
SENIOR NOTES	\$141,033,000	20.45%	\$0	\$0	\$141,033,000	20.34%
OTHER	\$0	0.00%	\$0	\$0	\$0	0.00%
TOTAL LONG-TERM DEBT	\$149,006,000	21.60%	\$0	\$0	\$149,006,000	21.49%
TOTAL PERMANENT CAPITAL	\$507,144,000	73.53%	\$3,797,997	\$58,048,798	\$568,990,793	82.05%
CURRENT PORTION OF LTD.	\$9,151,000	1.33%	\$0	\$0	\$9,151,000	1.32%
SHORT-TERM DEBT						
SHORT-TERM DEBT	\$138,397,000	20.07%	\$0	(\$58,048,798)	\$80,348,204	11.59%
SHORT-TERM REVOLVER BORROWING	\$35,000,000	5.07%	\$0	\$0	\$35,000,000	5.05%
SHORT-TERM DEBT (2)	\$173,397,000	25.14%	\$0	(\$58,048,798)	\$115,348,204	16.63%
TOTAL CAPITALIZATION	\$689,692,000	100.00%	\$3,797,997	\$0	\$683,489,997	100.00%

CHESAPEAKE UTILITIES CORPORATION

Notes to Capitalization, Income and
Pretax Interest Coverage Schedules
Actual December 31, 2016 and Pro Forma after Issuance

The following adjustments have been made to capitalization:

1. Common Stock – Number of shares (1,032,840) times par value (\$0.4867 per share), with the shares issued for the following purposes:

36,099 shares for the Stock and Incentive Compensation Plan
11,854 shares for the Retirement Savings Plan
24,399 shares for the Dividend Reinvestment and Stock Purchase Plan
960,488 shares for the Common Stock Offering

2. Additional Paid in Capital – Total cash value less the associated Common Stock amount for the following issuances:

36,099 shares at \$42.6051 per share
11,854 shares at \$65.0266 per share
24,399 shares at \$59.5908 per share
960,488 shares at \$61.7733 per share (*\$59.23 after commission and expenses*)

3. Long-Term Debt –

No Long-Term Debt Issued in 2016
(\$70,000,000 Commitment in May 2016, Funded April 21, 2017)

4. Short-Term Debt –

Amount Authorized: \$225,000,000

Amount Outstanding as of December 31, 2016: \$209,871,000
(*Including \$50,000,000 under the Revolving Credit Agreement, designated as Short-Term Debt*)

CHESAPEAKE UTILITIES CORPORATION
Statement of Income and Pretax Interest Coverage
Actual December 31, 2015 & Pro Forma after Issuance

UNAUDITED

	Actual Before <u>Issuance</u>	<u>Annualized Twelve Months</u>	
		<u>Pro Forma Adjustment</u>	<u>Pro Forma After Issuance</u>
Statement of Income			
1 Operating revenues	459,244,000	0	459,244,000
2 Operating expenses before income taxes	381,486,000	0	381,486,000
3 Income taxes (including Deferrals)	<u>26,905,000</u>	<u>458,884</u>	<u>27,363,884</u>
4 Operating Income (1-(2+3))	50,853,000	(458,884)	50,394,116
5 Other Income, Net	<u>293,000</u>	<u>0</u>	<u>293,000</u>
6 Income Before Interest Charges (4+5)	51,146,000	(458,884)	50,687,116
7 Interest Charges (b)	<u>10,006,000</u>	<u>(1,147,209)</u>	<u>8,858,791</u>
8 Income from Continuing Operations (6-7)	41,140,000	688,326	41,828,326
9 Preferred stock dividends	0	0	0
10 Earnings available to common equity (8-9)	41,140,000	688,326	41,828,326
11 Pretax Interest Coverage ((3+6)/7)	7.80	N/A	8.81
	Amount	Rate	Annualized Interest
Short-Term Financing	\$ -	0.00%	\$ -
New Issue Debt	\$ -	0.00%	\$ -
New Equity Issuance	\$ 57,360,470	2.00%	\$ 1,147,209