

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20170190-GU  
ORDER NO. PSC-2017-0437-TRF-GU  
ISSUED: November 16, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman  
ART GRAHAM  
RONALD A. BRISÉ  
DONALD J. POLMANN  
GARY F. CLARK

ORDER APPROVING 2018 GRIP SURCHARGES

BY THE COMMISSION:

On September 1, 2017, Florida Public Utilities Company (FPUC), FPUC-Fort Meade (Fort Meade), and the Florida Division of Chesapeake Utilities Corporation (Chesapeake), collectively the company, filed a joint petition for approval of their gas reliability infrastructure program (GRIP or program) cost recovery factors for the period January through December 2018. The GRIP for FPUC and Chesapeake was originally approved in Order No. PSC-12-0490-TRF-GU (2012 order) to recover the cost of accelerating the replacement of cast iron and bare steel distribution mains and services through a surcharge on customers' bills.<sup>1</sup> Order No. PSC-15-0578-TRF-GU established a GRIP for Fort Meade and required Fort Meade to file its petition for GRIP factors concurrently with FPUC and Chesapeake.<sup>2</sup> The current GRIP surcharges were approved in Order No. PSC-16-0567-TRF-GU.<sup>3</sup> In the 2012 order we found that "[r]eplacement of bare steel pipelines is in the public interest to improve the safety of Florida's natural gas infrastructure, thereby reducing the risk to life and property."

We approved Chesapeake's petition to amend the 2017 GRIP surcharge factor for commercial customers in rate class FTS-9 and to permit Chesapeake to issue refunds to the

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<sup>1</sup> Order No. PSC-12-0490-TRF-GU, issued September 24, 2012, in Docket No. 120036-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. 150191-GU, In re: Joint petition for approval to implement gas reliability infrastructure program (GRIP) for Florida Public Utilities Company-Fort 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-16-0567-TRF-GU, issued December 19, 2016, in Docket No. 160199-GU, In re: Joint petition for approval of gas reliability infrastructure program cost recovery factors by Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Corporation.

affected customers in Order No. PSC-17-0194-GU.<sup>4</sup> After a customer inquiry about the factor, Chesapeake determined that the factor was overstated and that it was appropriate to refund the over-recovery of dollars to the affected customers. Rate class FTS-9 is for customers whose annual therm usage is between 400,000 and 700,000 (compared to about 240 therms per year for residential customers). Chesapeake reported that credits totaling \$71,460.62, including interest, were applied to the six FTS-9 customer accounts on May 30, 2017.

The company waived the 60-day suspension deadline pursuant to Section 366.06(3), Florida Statutes, (F.S.), on September 18, 2017. On September 29, 2017, the company filed responses to Commission staff's first data request, including a corrected Chesapeake tariff sheet No. 105.1. The Office of Public Counsel (OPC) intervened in this docket on October 3, 2017, which was acknowledged by Order No. PSC-2017-0394-PCO-GU, issued October 17, 2017. The proposed tariff sheets are contained in Attachment B (FPUC), Attachment C (Chesapeake), and Attachment D (Fort Meade). We have jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, F.S.

### DECISION

The FPUC and Chesapeake GRIP surcharges have been in effect since January 2013, while Fort Meade's surcharges were first implemented in January 2017. In response to staff's data request, FPUC and Chesapeake stated that the replacement projects scheduled to be completed in 2017 are in Lake Worth, Palm Beach, Bartow, Lake Wales, and Winter Haven. Projects begun in 2017 and scheduled to be completed in early 2018 are in West Palm Beach and Lake Wales. Attachment A provides an update of mains and services replaced and replacement forecasts.

The GRIP replacement program for FPUC and Chesapeake is expected to be completed in 2022 as scheduled. In its response to staff's data request, the company explained that in the early part of the program, based on their Distribution Integrity Management Program (DIMP), FPUC and Chesapeake aggressively replaced high risk qualifying facilities first, which increased capital expenditures. As a result, more than 50 percent of the mains and service projects have been completed with five years remaining in the GRIP. FPUC and Chesapeake stated that they are attempting to allocate the remaining projects over the five years left in the program. The company noted that the program may be accelerated if municipal roadway improvement projects arise where qualifying facilities are located, helping to reduce the replacement costs.

Fort Meade's GRIP replacement program was originally expected to be complete by the end of 2018; the company stated that due to non-FPUC construction work in the area of its qualifying facilities and the lack of available contractor resources, Fort Meade has experienced delays and the replacement may extend beyond 2018.

FPUC agreed to report any depreciation and/or operations and maintenance savings as described in the 2012 order. In its response to staff's data request, the company stated that there were no depreciation and/or operations and maintenance expense savings included as a reduction

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<sup>4</sup> Order No. PSC-17-0194-TRF-GU, issued May 19, 2017, in Docket No. 170062-GU, In re: Petition for approval to amend gas reliability infrastructure program (GRIP) cost recovery factor, by Florida Division of Chesapeake Utilities Corporation.

in expenses. The company stated that it had determined that if there were any depreciation expense savings, they would be offset by other factors, including increased cost of removal.

#### FPUC's True-ups

FPUC's calculations for the 2018 GRIP revenue requirement and surcharges include a final true-up for 2016, an actual/estimated true-up for 2017, and projected costs for 2018. FPUC recovers \$747,727 of annual GRIP expenses in base rates; therefore, the \$747,727 is excluded from the GRIP surcharge calculations.

#### Final True-up for 2016

FPUC stated that the revenues collected for 2016 were \$10,524,264, compared to a revenue requirement of \$9,006,529, resulting in an over-recovery of \$1,517,735. Adding the 2015 under-recovery of \$2,967,684, the 2016 over-recovery of \$1,517,735, and subtracting interest of \$6,494 associated with any over- and under-recoveries, the final 2016 true-up is an under-recovery of \$1,456,443.

#### Actual/Estimated 2017 True-up

FPUC provided actual revenues for January through July and estimated revenues for August through December 2017, totaling \$12,397,877, compared to an actual/estimated revenue requirement for 2017 of \$10,297,955, resulting in an over-recovery of \$2,099,922. Adding the 2016 under-recovery of \$1,456,443, the 2017 over-recovery of \$2,099,922, and interest of \$5,099, the resulting total 2017 over-recovery is \$648,578.

#### Projected 2018 Costs

FPUC projects capital expenditures of \$6,600,000 for the replacement of cast iron/bare steel infrastructure in 2018. This compares with final 2016 expenditures of \$19,571,150 and actual/estimated 2017 expenditures of \$6,071,766. The return on investment, depreciation expense, and property tax and customer notification expense associated with that investment are \$11,640,975. Subtracting the revenue requirement for bare steel replacement investment included in base rates results in a 2018 revenue requirement of \$10,893,248. After subtracting the total 2017 over-recovery of \$648,578, the 2018 revenue requirement is \$10,244,670. Table 1 shows FPUC's 2018 revenue requirement calculation.

Table 1  
FPUC 2018 Revenue Requirement Calculation

|  |                    |
|--|--------------------|
| 2018 Projected Expenditures            | \$6,600,000        |
| Return on Investment                   | \$7,669,444        |
| Depreciation Expense                   | \$2,308,044        |
| Tax and Customer Notice Expense        | <u>\$1,663,487</u> |
| 2018 Revenue Requirement               | \$11,640,975       |
| Less Revenue Requirement in Base Rates | <u>\$747,727</u>   |
| 2018 GRIP Revenue Requirement          | \$10,893,248       |
| Less 2017 Over-recovery                | <u>\$648,578</u>   |
| 2018 Total Revenue Requirement         | \$10,244,670       |

Source: Cassel testimony, page 5 of 5 & Schedule C-2, page 4 of 15

Chesapeake's True-ups

Chesapeake's calculations for the 2018 GRIP revenue requirement and surcharges include a final true-up for 2016, an actual/estimated true-up for 2017, and projected costs for 2018. Chesapeake does not have a replacement recovery amount embedded in base rates.

Final True-up for 2016

Chesapeake stated that the revenues collected for 2016 were \$2,590,372 compared to a revenue requirement of \$2,474,720, resulting in an over-recovery of \$115,652. Adding the 2015 under-recovery amount of \$125,419, the 2016 over-recovery of \$115,652, and interest of \$88 associated with any over- and under-recoveries, the final 2016 under-recovery is \$9,679.

Actual/Estimated 2017 True-up

Chesapeake provided actual GRIP revenues for January through July and estimated revenues for August through December 2017, totaling \$2,924,819, compared to an actual/estimated revenue requirement of \$3,057,660, resulting in an under-recovery of \$132,840. Adding the 2016 under-recovery amount of \$9,679, the 2017 under-recovery of \$132,840, and interest of \$156, the total 2017 true-up is an under-recovery of \$142,364.

Projected 2018 Costs

Chesapeake projects capital expenditures of \$3,300,000 for the replacement of cast iron/bare steel infrastructure in 2018. This compares with final 2016 expenditures of \$6,453,987 and actual/estimated 2017 expenditures of \$2,852,772. The return on investment, depreciation expense, and property tax and customer notification expense to be recovered in 2018 totals \$3,383,086. After adding the total 2017 under-recovery of \$142,364, the total 2018 revenue requirement is \$3,525,450. Table 2 shows Chesapeake's 2018 revenue requirement calculation.

Table 2  
Chesapeake 2018 Revenue Requirement Calculation

|                                 |                  |
|---------------------------------|------------------|
| 2018 Projected Expenditures     | \$3,300,000      |
| Return on Investment            | \$2,190,536      |
| Depreciation Expense            | \$694,550        |
| Tax and Customer Notice Expense | <u>\$498,000</u> |
| 2018 Revenue Requirement        | \$3,383,086      |
| Plus 2017 Under-recovery        | <u>\$142,364</u> |
| 2018 Total Revenue Requirement  | \$3,525,450      |

Source: Cassel testimony, page 5 of 5 & Schedule C-2, page 9 of 15

Fort Meade's True-ups

Fort Meade started its replacement program in 2016 and first implemented GRIP surcharges in January 2017. Unlike FPUC and Chesapeake, only bare steel services (and no mains) require replacement in Fort Meade.

Final True-up for 2016

Since Fort Meade did not have a GRIP surcharge in 2016, the surcharge revenue for 2016 is \$0. The revenue requirement for 2016 is \$2,581. After adding interest associated with the under-recovery of \$1, the total 2016 under-recovery is \$2,582.

Actual/Estimated 2017 True-up

Fort Meade provided actual GRIP revenues for January through July and estimated revenues for August through December 2017, totaling \$33,624, compared to an actual/estimated revenue requirement of \$16,201, resulting in an over-recovery of \$17,603. Adding the 2016 under-recovery of \$2,582, the 2017 over-recovery of \$17,603, and interest of \$82, the resulting total 2017 true-up is an over-recovery of \$15,103.

Projected 2018 Costs

Fort Meade projects capital expenditures of \$100,000 for the replacement of cast iron/bare steel infrastructure in 2018. This compares with 2016 final expenditures of \$70,871 and actual/estimated 2017 expenditures of \$81,716. The return on investment, depreciation expense, and property tax expense to be recovered in 2018 totals \$25,019. After subtracting the total 2017 over-recovery of \$15,103, the total 2018 revenue requirement is \$9,916. Table 3 shows Fort Meade's 2018 revenue requirement calculation.

Table 3  
Fort Meade 2018 Revenue Requirement Calculation

|                                |                 |
|--------------------------------|-----------------|
| 2018 Projected Expenditures    | \$100,000       |
| Return on Investment           | \$16,718        |
| Depreciation Expense           | \$5,313         |
| Tax Expense                    | <u>\$2,988</u>  |
| 2018 Revenue Requirement       | \$25,019        |
| Less 2017 Over-recovery        | <u>\$15,103</u> |
| 2018 Total Revenue Requirement | \$9,916         |

Source: Cassel testimony, page 5 of 5 & Schedule C-2, page 14 of 15

Proposed Surcharges for FPUC, Chesapeake, and Fort Meade

As established in the 2012 order approving the GRIP, the total 2018 revenue requirement is allocated to the rate classes using the same methodology that was used for the allocation of mains and services in the cost of service study used in the companies' most recent rate case. Fort Meade has the same rate schedules as FPUC; therefore, FPUC's allocation factors are used to calculate the GRIP surcharges for Fort Meade. After calculating the percentage of total plant costs attributed to each rate class, the respective percentages were multiplied by the 2018 revenue requirement, resulting in the revenue requirement by rate class. Dividing each rate class' revenue requirement by projected therm sales provides the GRIP surcharge for each rate class.

The proposed 2018 GRIP surcharge for FPUC's residential customers on the RS Schedule is \$0.24395 per therm (compared to the current surcharge of \$0.34225 per therm). The decrease in the surcharge is a result of the decrease in capital expenditures and the 2017 over-recovery discussed earlier. The monthly bill impact is \$4.88 for a residential customer using the typical 20 therms per month. The proposed FPUC tariff page is Attachment B.

The proposed 2018 GRIP surcharge for residential Chesapeake customers on the FTS-1 schedule is \$0.11838 per therm (compared to the current surcharge of \$0.10371 per therm). The monthly bill impact is \$2.37 for a residential customer using the typical 20 therms per month. The proposed Chesapeake tariff pages are contained in Attachment C.

The proposed 2018 GRIP surcharge for residential Fort Meade customers on the RS Schedule is \$0.08198 per therm (compared to the current surcharge of \$0.36931 per therm). The monthly bill impact is \$1.64 for a residential customer using the typical 20 therms per month. The proposed Fort Meade tariff page is provided in Attachment D.

We find that the calculation of the 2018 GRIP surcharge revenue requirement and the proposed GRIP surcharges for FPUC, Chesapeake, and Fort Meade are reasonable and accurate. Therefore, we hereby approve FPUC's, Chesapeake's, and Fort Meade's proposed 2018 GRIP surcharge for each rate class effective for all meter readings for the period January through December 2018.

Based on the above, it is

ORDERED by the Florida Public Service Commission that the Joint Petition for Approval of Gas Reliability Infrastructure Programs (GRIP) for the Florida Public Utilities Company, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation is granted. It is further

ORDERED that Florida Public Utilities Company's, Florida Public Utilities Company-Ft. Meade, and Florida Division of Chesapeake Utilities Corporation's surcharges as stated on Attachments A, B, C and D, incorporated herein by reference, are hereby approved. It is further

ORDERED that Florida Public Utilities Company's, Florida Public Utilities Company-Ft. Meade's, and Florida Division of Chesapeake Utilities Corporation's 2018 GRIP surcharges are effective for each rate class for all meter readings for the period January through December 2018. It is further

ORDERED that if a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues 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 16th day of November, 2017.



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HONG WANG  
Chief Deputy Commission Clerk  
Florida Public Service Commission  
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Tallahassee, Florida 32399  
(850) 413-6770  
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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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 these tariffs 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 December 7, 2017.

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.

**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   |               | 12.00      | 0.3                   | 62.20                  | 62.50  |                    | 375        | 0                     | 3008                   | 3008  |
| 2018   | 0.3           | 13.00      | 0                     | 49.20                  | 49.20  |                    | 650        | 0                     | 2358                   | 2358  |
| 2019   |               | 13.00      | 0                     | 36.20                  | 36.20  |                    | 650        | 0                     | 1708                   | 1708  |
| 2020   |               | 13.00      | 0                     | 23.20                  | 23.20  |                    | 650        | 0                     | 1058                   | 1058  |
| 2021   |               | 13.00      | 0                     | 10.20                  | 10.20  |                    | 650        | 0                     | 408                    | 408   |
| 2022   |               | 10.20      | 0                     | 0.00                   | 0.00   |                    | 408        | 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   |               | 24.00      | 0                     | 41.90                  | 41.90  |                    | 95         | 0                     | 244                    | 244    |
| 2018   |               | 9.00       | 0                     | 32.90                  | 32.90  |                    | 52         | 0                     | 192                    | 192    |
| 2019   |               | 9.00       | 0                     | 23.90                  | 23.90  |                    | 52         | 0                     | 140                    | 140    |
| 2020   |               | 9.00       | 0                     | 14.90                  | 14.90  |                    | 52         | 0                     | 88                     | 88     |
| 2021   |               | 9.00       | 0                     | 5.90                   | 5.90   |                    | 52         | 0                     | 36                     | 36     |
| 2022   |               | 5.90       | 0                     | 0.00                   | 0.00   |                    | 36         | 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     |                    | 56    | 0                     | 165               | 165   |
| 2018   |               | 0     | 0                     | 0                 | 0     |                    | 165   | 0                     | 0                 | 0     |



Florida Public Utilities Company  
 F.P.S.C. Gas Tariff  
 Third Revised Volume No. 1

~~Twelfth~~ ~~Eleventh~~ Revised Sheet No. 35.4  
 Cancels ~~Tenth~~ ~~Eleventh~~ Revised Sheet No. 35.4

BILLING ADJUSTMENTS

(Continued from Sheet No. 35.3)

Gas Reliability Infrastructure Program (GRIP)

Applicability

The bill for gas or transportation service 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 2017~~8~~ through the last billing cycle for December 2017~~8~~ are as follows:

| <u>Rate Class</u>    | <u>Rates Per Therm</u> |
|----------------------|------------------------|
| Rate Schedule RS     | \$0.34225 ,24395       |
| Rate Schedule GS-1   | \$0.23903 ,16442       |
| Rate Schedule GS-2   | \$0.23903 ,16442       |
| Rate Schedule GSTS-1 | \$0.23903 ,16442       |
| Rate Schedule GSTS-2 | \$0.23903 ,16442       |
| Rate Schedule LVS    | \$0.12689 ,09644       |
| Rate Schedule LVTS   | \$0.12689 ,09644       |
| Rate Schedule IS     | \$0.11461 ,06494       |
| Rate Schedule ITS    | \$0.11461 ,06494       |
| Rate Schedule GLS    | \$0.49951 ,37921       |
| Rate Schedule GLSTS  | \$0.49951 ,37921       |
| Rate Schedule NGV    | \$0.23903 ,16442       |
| Rate Schedule NGVTS  | \$0.23903 ,16442       |

(Continued to Sheet No. 35.5)

Issued by: Jeffry Householder, President

Effective:

Florida Division of Chesapeake Utilities Corporation  
 Original Volume No. 4

~~Sixth~~ Fifth Revised Sheet No. 105.1  
 Cancels ~~Fourth~~ Fifth Sheet No. 105.1

*RATE SCHEDULES*  
*MONTHLY RATE ADJUSTMENTS*

Rate Schedule MRA

7. GAS REPLACEMENT INFRASTRUCTURE PROGRAM (GRIP):

Applicability:

All Customers receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1, FTS-3, FTS-3.1, FTS-4, FTS-5, FTS-6, FTS-7, FTS-8, FTS-9, FTS-10, FTS-11, FTS-12, and FTS-13.

The Usage Rate 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, 2017 through December 31, 2017 for each rate classification are as follows:

| <u>Rate Schedule</u> | <u>Classification of Service</u>        | <u>Rate per therm</u>       |
|----------------------|---|-----------------------------|
| FTS A                | < 130 therms                            | \$0.45319 <del>.55340</del> |
| FTS-B                | > 130 therms up to 250 therms           | \$0.15225 <del>.17785</del> |
| FTS-1                | > 0 up to 500 therms                    | \$0.10371 <del>.11838</del> |
| FTS-2                | > 500 therms up to 1,000 therms         | \$0.11170 <del>.12603</del> |
| FTS-2.1              | > 1,000 therms up to 2,500 therms       | \$0.11406 <del>.12095</del> |
| FTS-3                | > 2,500 therms up to 5,000 therms       | \$0.04527 <del>.05359</del> |
| FTS-3.1              | > 5,000 therms up to 10,000 therms      | \$0.06029 <del>.06238</del> |
| FTS-4                | > 10,000 therms up to 25,000- therms    | \$0.07233 <del>.07404</del> |
| FTS-5                | > 25,000 therms up to 50,000 therms     | \$0.07490 <del>.07777</del> |
| FTS-6                | > 50,000 therms up to 100,000 therms    | \$0.05947 <del>.06234</del> |
| FTS-7                | > 100,000 therms up to 200,000 therms   | \$0.08142 <del>.07864</del> |
| FTS-8                | > 200,000 therms up to 400,000 therms   | \$0.06465 <del>.07326</del> |
| FTS-9                | > 400,000 therms up to 700,000 therms   | \$0.08359 <del>.10860</del> |
| FTS-10               | > 700,000 therms up to 1,000,000 therms | \$0.09318 <del>.12848</del> |
| FTS-11               | > 1,000,000 therms up to 2,500,000      | \$0.05475 <del>.12575</del> |
| FTS-12               | > 2,500,000 therms up to 12,500,000     | \$0.03741 <del>.03277</del> |
| FTS-13               | > 12,500,000 therms                     | N/A                         |

(Continued to Sheet No. 105.2)

Issued by: Michael P. McMasters, President  
 Chesapeake Utilities Corporation

Effective:

Florida Division of Chesapeake Utilities Corporation ~~Sixth Fifth~~ Revised Sheet No. 105.2  
Original Volume No. 4 Cancels ~~Fourth Fifth~~ Revised Sheet No. 105.2

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*RATE SCHEDULES*  
*MONTHLY RATE ADJUSTMENTS*

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Rate Schedule MRA  
(Continued from Sheet No. 105.1)

7. GAS INFRASTRUCTURE REPLACEMENT PROGRAM (GRIP) (Experimental):

Applicability:

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

The Firm 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, 2017~~8~~ through December 31, 2017~~8~~ for each rate classification are as follows:

| Consumer<br>Rate Schedule | Rate per bill                    |
|---------------------------|----------------------------------|
| FTS-A (Exp)               | \$ <del>2.93</del> <u>3.39</u>   |
| FTS-B (Exp)               | \$ <del>4.71</del> <u>1.88</u>   |
| FTS-1 (Exp)               | \$ <del>4.70</del> <u>1.81</u>   |
| FTS-2 (Exp)               | \$ <del>6.68</del> <u>7.37</u>   |
| FTS-2.1 (Exp)             | \$ <del>13.09</del> <u>13.82</u> |
| FTS-3 (Exp)               | \$ <del>15.66</del> <u>17.48</u> |
| FTS-3.1 (Exp)             | \$ <del>36.01</del> <u>37.59</u> |

(Continued to Sheet No. 105.3)

Issued by: Michael P. McMasters, President  
Chesapeake Utilities Corporation

Effective:

Florida Public Utilities Company-Fort Meade  
F.P.S.C. Gas Tariff  
Original Volume No. 1

First Revised Sheet No. 64  
Cancels Original Sheet No. 64

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*BILLING ADJUSTMENTS*

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Gas Reliability Infrastructure Program (GRIP)

Applicability

The bill for gas or transportation service 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 2017~~8~~ through the last billing cycle for December 2017~~8~~ are as follows:

| Rate Class           | Rates Per Therm         |
|----------------------|-------------------------|
| Rate Schedule RS     | \$0.36934 <u>.08198</u> |
| Rate Schedule GS-1   | \$0.44672 <u>.02325</u> |
| Rate Schedule GS-2   | \$0.44672 <u>.02325</u> |
| Rate Schedule GSTS-1 | \$0.44672 <u>.02325</u> |
| Rate Schedule GSTS-2 | \$0.44672 <u>.02325</u> |
| Rate Schedule LVS    | \$0.00000               |
| Rate Schedule LVTS   | \$0.00000               |
| Rate Schedule IS     | \$0.00000               |
| Rate Schedule ITS    | \$0.00000               |
| Rate Schedule GLS    | \$0.00000               |
| Rate Schedule GLSTS  | \$0.00000               |
| Rate Schedule NGV    | \$0.00000               |
| Rate Schedule NGVTS  | \$0.00000               |

Issued by: Jeffrey Householder, President

Effective: