



April 16, 2020

Mr. Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RE: Docket No. 20180192-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 2019, by Chesapeake Utilities Corporation. – CONSUMMATION REPORT

Dear Mr. Teitzman:

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, 2019 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 December 27, 2018, the Florida Public Service Commission (FPSC) issued Order No. PSC-2018-0611-FOF-GU, which authorized Chesapeake to issue up to 600,000 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 \$650 million in secured and/or unsecured long-term debt for general purposes. The \$650 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, for example, in support of and to fund acquisitions. The Order provides that the Company can issue short-term obligations in an amount not to exceed \$350 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 3,000,000 shares of common stock or an equity-linked instrument equivalent in value to permanently finance the Company's ongoing capital expenditures program, as well as 5,000,000 shares of common stock to be used to finance the Company's ongoing acquisition program. Chesapeake was also authorized to issue up to 2,000,000 shares of Chesapeake preferred stock for possible acquisitions, financing transactions, and other general corporate purposes. 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 \$200 million.

2. Chesapeake now has four unsecured bank lines of credit with four commercial lenders. Chesapeake currently maintains a total bilateral short-term borrowing line capacity of \$220,000,000. As of December 31, 2019, \$194,189,350 was outstanding under the bilateral short-term lines of credit. On October 8, 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, 2019, \$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 revolving 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, 2019, Chesapeake issued the following:
  - (a) 0 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) 25,231 shares of common stock (32,866 gross less 7,635 redeemed for taxes) were issued for the Stock and Incentive Compensation Plan.
  - (c) 0 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.
4. For the twelve-month period ended December 31, 2019, Chesapeake issued unsecured long-term debt in the principal amount of \$200,000,000, consisting of \$100,000,000 at 3.98% issued August 12, 2019 and \$70,000,000 at 2.98% issued December 20, 2019. Chesapeake also issued an intermediate term note in the amount of \$30,000,000 on January 31, 2019, to fund Hurricane Michael restoration efforts. This intermediate term note was paid in full on February 28<sup>th</sup>, 2020.
5. In addition, in December, 2018, we issued another \$30,000,000 unsecured term note to fund Hurricane Michael restoration efforts. This note was paid off in December 2019.
6. For the twelve-month period ended December 31, 2019, Chesapeake did not issue any preferred equity or enter into any agreements for Interest Rate Swap Products.

7. Schedules showing capitalization, pretax interest coverage and debt interest requirements as of December 31, 2019, 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.

8. 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. 20180192-GU, this 16<sup>th</sup> day of April 2020.

Sincerely,

CHESAPEAKE UTILITIES CORPORATION

*Beth W. Cooper*

Beth W. Cooper  
Executive 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, 2019
Exhibit B	Form 10-K for the year ended December 31, 2019

CHESAPEAKE UTILITIES CORPORATION  
Capitalization Ratios Actual December 31, 2018 & Pro Forma after Issuance  
UNAUDITED

TYPE OF CAPITAL	ACTUAL BEFORE ISSUANCE				PRO FORMA AFTER ISSUANCE			
	AMOUNT OUTSTANDING as of 12/31/2018	% OF TOTAL	2019 Changes excluding Long-term Financings	2018 Before PRO FORMA ADJUSTMENT	Financing PRO FORMA ADJUSTMENT	AMOUNT OUTSTANDING as of 12/31/2019	% OF TOTAL	
<u>STOCKHOLDERS' EQUITY</u>								
COMMON STOCK	\$ 7,971,437	0.70%	\$ -	\$ 7,971,437	\$ 12,280	\$ 7,983,717	0.62%	
PAID IN CAPITAL	255,650,835	22.41%	(2,757)	255,648,078	3,604,626	259,252,704	20.07%	
RETAINED EARNINGS	261,530,034	22.92%	39,076,948	300,606,982	-	300,606,982	23.27%	
ACCUMULATED OTHER COMPREHENSIVE INCOME	(6,713,392)	-0.59%	446,323	(6,267,069)	-	(6,267,069)	-0.49%	
DEFERRED COMPENSATION OBLIGATION	3,853,542	0.34%	689,618	4,543,160	-	4,543,160	0.35%	
TREASURY STOCK	(3,853,542)	-0.34%	(689,618)	(4,543,160)	-	(4,543,160)	-0.35%	
PREFERRED STOCK	-	0.00%	-	-	-	-	0.00%	
TOTAL STOCKHOLDERS' EQUITY	\$ 518,438,914	45.44%	\$ 39,520,514	\$ 557,959,428	\$ 3,616,906	\$ 561,576,334	43.47%	
<u>LONG-TERM DEBT</u>								
FIRST MORTGAGE BONDS	\$ 7,986,105	0.70%	\$ 24	\$ 7,986,129	\$ -	\$ 7,986,129	0.62%	
SENIOR NOTES (1) (2) (3)	308,033,825	27.00%	(45,851,857)	262,181,968	170,000,000	432,181,968	33.46%	
OTHER	-	0.00%	-	-	-	-	0.00%	
TOTAL LONG-TERM DEBT	\$ 316,019,930	27.70%	\$ (45,851,833)	\$ 270,168,097	\$ 170,000,000	\$ 440,168,097	34.07%	
TOTAL PERMANENT CAPITAL	\$ 834,458,844	73.14%	\$ (6,331,319)	\$ 828,127,525	\$ 173,616,906	\$ 1,001,744,431	77.55%	
<u>CURRENT PORTION OF LTD</u>	\$ 11,935,402	1.05%	\$ 33,664,598	\$ 45,600,000	\$ -	\$ 45,600,000	3.53%	
<u>SHORT-TERM DEBT</u>								
SHORT-TERM DEBT	\$ 169,458,493	14.85%	\$ 195,000,000	\$ 364,458,493	\$ (170,000,000)	\$ 194,458,493	15.05%	
SHORT-TERM REVOLVER BORROWING	125,000,000	0	(75,000,000)	50,000,000	-	50,000,000	3.87%	
SHORT-TERM DEBT	\$ 294,458,493	25.81%	\$ 120,000,000	\$ 414,458,493	\$ (170,000,000)	\$ 244,458,493	18.92%	
TOTAL CAPITALIZATION	\$ 1,140,852,739	100.00%	\$ 147,333,279	\$ 1,288,186,018	\$ 3,616,906	\$ 1,291,802,924	100.00%	
			\$ -	\$ -	\$ -	\$ -		

(1) \$100,000,000 at 3.98%, \$70,000,000 at 2.98%

(2) \$30,000,000 Intermediate Term Note, dated January 2019 offset by repayment of \$30,000,000 Intermediate Term Note paid off in December, 2019 (issued in December, 2019)

(3) ProForma does not include any 2020 committed LTD that will be funded in 2020.

CHESAPEAKE UTILITIES CORPORATION

Notes to Capitalization, Income and  
Pretax Interest Coverage Schedules  
Actual December 31, 2018 and Pro Forma after Issuance

The following adjustments have been made to capitalization:

1. Common Stock – Number of shares (25,231) times par value (\$0.4867 per share), with the shares issued for the following purposes:

25,231 shares for the Stock and Incentive Compensation Plan

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

25,231 shares at \$91.182 per share on average

3. Long-Term Debt –

\$200,000,000 Issued in 2019

\$100,000,000 - August 2019 at 3.98%

\$70,000,000 – December 2019 at 2.98%

\$30,000,000 – Intermediate Term Note, January 2019

4. Short-Term Debt –

Amount Authorized: \$350,000,000

Amount Outstanding as of December 31, 2019: \$194,189,350  
*(Plus \$50,000,000 under the Revolving Credit Agreement,  
due October 8, 2020, designated as Short-Term Debt)*

CHESAPEAKE UTILITIES CORPORATION  
Statement of Income and Pretax Interest Coverage  
Actual December 31, 2018 & Pro Forma after Issuance

UNAUDITED

	Actual Before Issuance	2019 Changes excluding Long-term Financings	2019 Before PRO FORMA ADJUSTMENT	Pro Forma Adjustment	2019 Actual After Issuance
Statement of Income					
1 Operating revenues	\$717,488,546	(\$96,408,945)	\$621,079,601	\$0	\$621,079,601
2 Operating expenses before income taxes	622,868,137	(106,496,502)	516,371,635	0	516,371,635
3 Income taxes (including Deferrals)	<u>20,993,807</u>	<u>1,624,277</u>	<u>22,618,084</u>	<u>(88,155)</u>	<u>22,529,929</u>
4 Operating Income (1-(2+3))	73,626,602	8,463,280	82,089,882	88,155	82,178,037
5 Other Income, Net	<u>(615,069)</u>	<u>6,143,256</u>	<u>5,528,187</u>	<u>0</u>	<u>5,528,187</u>
6 Income Before Interest Charges (4+5)	73,011,533	14,606,536	87,618,069	88,155	87,706,224
7 Interest Charges (b)	<u>16,431,248</u>	<u>5,795,531</u>	<u>22,226,779</u>	<u>326,500</u>	<u>22,553,279</u>
8 Income from Continuing Operations (6-7)	\$56,580,285	\$8,811,005	\$65,391,290	(\$238,345)	\$65,152,945
9 Preferred stock dividends	\$0	\$0	\$0	\$0	\$0
10 Earnings available to common equity (8-9)	\$56,580,285	\$8,811,005	\$65,391,290	(\$238,345)	\$65,152,945
11 Pretax Interest Coverage ((3+6)/7)	5.72		4.96	N/A	4.89

	Amount	Months	Rate	Annualized Interest
New Issue Debt (8/12/19)	\$ 100,000,000	4.5	3.98%	\$ 1,492,500
Short-Term Financing	\$ (100,000,000)	4.5	3.10%	\$ (1,162,500)
New Issue Debt (12/20/19)	\$ 70,000,000	0.5	2.98%	\$ 86,917
Short-Term Financing	\$ (70,000,000)	0.5	3.10%	\$ (90,417)
New Term Note (1/28/2019)	\$ 30,000,000	11	3.10%	\$ 852,500
Short-Term Financing	\$ (30,000,000)	11	3.10%	\$ (852,500)
New Equity Issuance	\$ -		0.00%	\$ -
				\$ 326,500
			Tax Rate	27%
			Income Taxes	\$ 88,155



**REFERENCE NUMBER**

2FB4738C-DD79-4747-B7DB-0021079668D4

**TRANSACTION DETAILS**

**Reference Number**  
2FB4738C-DD79-4747-B7DB-0021079668D4

**Transaction Type**  
Signature Request

**Sent At**  
04/16/2020 15:29 EDT

**Executed At**  
04/16/2020 16:05 EDT

**Identity Method**  
email

**Distribution Method**  
email

**Signed Checksum**  
95af97c85c234a67782e147370f9cea25d87b33ff51f43e9918e381433c158ce

**Signer Sequencing**  
Disabled

**Document Passcode**  
Disabled

**DOCUMENT DETAILS**

**Document Name**  
2019 Florida Psc Consumation Report - Execution Version

**Filename**  
2019\_florida\_psc\_consumation\_report\_-\_execution\_version.pdf

**Pages**  
8 pages

**Content Type**  
application/pdf

**File Size**  
1.24 MB

**Original Checksum**  
dd911d490792416f75bee32b15bb59e7e478a0c853f4320bf1a11bfff15f9d83

**SIGNERS**

SIGNER	E-SIGNATURE	EVENTS
<b>Name</b> Beth Cooper	<b>Status</b> signed	<b>Viewed At</b> 04/16/2020 16:04 EDT
<b>Email</b> bcooper@chpk.com	<b>Multi-factor Digital Fingerprint Checksum</b> 9f110a60c55752f32fe42de780256a4bfc03b733d809435a61353c2b64102060	<b>Identity Authenticated At</b> 04/16/2020 16:05 EDT
<b>Components</b> 1	<b>IP Address</b> 168.149.161.150	<b>Signed At</b> 04/16/2020 16:05 EDT
	<b>Device</b> Microsoft Edge via Windows	
	<b>Typed Signature</b> 	
	<b>Signature Reference ID</b> 4DD719AC	

**AUDITS**

TIMESTAMP	AUDIT
04/16/2020 16:05 EDT	Beth Cooper (bcooper@chpk.com) signed the document on Microsoft Edge via Windows from 168.149.161.150.
04/16/2020 16:05 EDT	Beth Cooper (bcooper@chpk.com) authenticated via email on Microsoft Edge via Windows from 168.149.161.150.
04/16/2020 16:04 EDT	Beth Cooper (bcooper@chpk.com) viewed the document on Microsoft Edge via Windows from 34.231.157.157.
04/16/2020 16:04 EDT	Beth Cooper (bcooper@chpk.com) viewed the document on Microsoft Edge via Windows from 34.231.157.157.
04/16/2020 16:04 EDT	Beth Cooper (bcooper@chpk.com) viewed the document on Microsoft Edge via Windows from 168.149.161.150.
04/16/2020 15:29 EDT	Beth Cooper (bcooper@chpk.com) was emailed a link to sign.
04/16/2020 15:29 EDT	Debby Frye (dfrye@chpk.com) created document '2019_florida_psc_consumation_report_-_execution_version.pdf' on Internet Explorer via Windows from 199.116.171.12.