

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:** January 27, 2023

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

**FROM:** Division of Accounting and Finance (D. Buys, Mouring) *ALM*  
Office of the General Counsel (Watrous) *JSC*

**RE:** Docket No. 20220218-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 in 2023, by Chesapeake Utilities Corporation.

**AGENDA:** 02/08/2023 – Consent Agenda – Final Action – Interested Persons May Participate

**SPECIAL INSTRUCTIONS:** None

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Please place the following Securities Application on the consent agenda for approval.

Docket No. 20220218-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 in 2023, by Chesapeake Utilities Corporation.

Chesapeake Utilities Corporation (Chesapeake or Utility) requests authority to issue during calendar year 2023: up to 8.75 million shares of Chesapeake common stock; up to 2 million shares of Chesapeake preferred stock; up to \$650 million in secured and/or unsecured debt; to issue short-term obligations in an amount not to exceed \$500 million, and enter into agreements up to \$400 million in interest rate swap products, equity products and other financial derivatives.

Chesapeake allocates funds to the Chesapeake Utilities Corporation – Florida Division, Florida Public Utilities Company (FPUC), FPUC – Indiantown Division, and FPUC – Fort Meade Division on an as-needed basis. Chesapeake acknowledges that in no event will such allocations to the Florida Divisions 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 issued by Chesapeake.

The amount requested by Chesapeake exceeds its expected 2023 capital expenditures of approximately \$251 million for Chesapeake Utilities Corporation (\$98 million for the Florida Divisions). The additional amount requested exceeding the projected capital expenditures allows for financial flexibility for the purposes described in the Utility's petition, as well as, unexpected

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events such as hurricanes, financial market disruptions, and other unforeseen circumstances. Staff believes the requested amounts are reasonable and appropriate, and therefore, recommends the Utility's petition to issue the securities enumerated in its petition during the calendar year 2023 be approved.

For monitoring purposes, this docket should remain open until May 3, 2024, to allow the Utility time to file the required Consummation Report.