

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for authorization to issue sell securities, and to enter into agreements for interest rate swap products, equity products and other financial derivatives, by Chesapeake Utilities Corporation.

DOCKET NO. 20250133-GU
ORDER NO. PSC-2025-0463-FOF-GU
ISSUED: December 22, 2025

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO SMITH

ORDER GRANTING CHESAPEAKE UTILITIES CORPORATION APPROVAL FOR
AUTHORITY TO ISSUE AND SELL SECURITIES

BY THE COMMISSION:

Chesapeake Utilities Corporation (Chesapeake or Company) requests authority to issue in 2026: up to 10,100,000 shares of Chesapeake common stock; up to 2,000,000 shares of Chesapeake preferred stock; up to \$800 million in secured and/or unsecured long-term debt; short-term obligations in an amount not to exceed \$600 million; and, to enter into agreements up to \$600 million in interest rate swap products, equity products, and other financial derivatives.

Chesapeake allocates funds to Florida Public Utilities Company (FPUC) and Florida City Gas (FCG) on an as-needed basis. Chesapeake acknowledges that in no event will such allocations to the Florida regulated electric and gas distribution utilities 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.

Notice of Chesapeake Utilities Corporation's application was given in the Florida Administrative Register on November 20, 2025.

For monitoring purposes, this docket should remain open until May 7, 2027, to allow the Company time to file and staff the time to review the Consummation Report.

Pursuant to Section 366.04, Florida Statutes (F.S.), the Commission has jurisdiction to regulate and supervise each public utility in the issuance and sale of its securities, except a security which is a note or draft maturing not more than one year after the date of such issuance and sale and aggregating to not more than 5% of the par value of the other securities of the public utility then outstanding.

Chesapeake proposes to issue up to 1,100,000 new shares of its common stock during 2026 for the purpose of administering its Retirement Savings Plan, Stock and Incentive Compensation Plan, and Dividend Reinvestment and Direct Stock Purchase Plan. The share breakdown for each specific purpose is as follows:

Number of Shares	Purpose
200,000	Issuance pursuant to the Company's Retirement Savings Plan
200,000	Issuance under the terms of the Company's Stock and Incentive Compensation Plan
700,000	Issuance pursuant to the Company's Dividend Reinvestment and Stock Purchase Plan

In addition, Chesapeake is requesting Commission authorization to issue up to 3,000,000 shares of Chesapeake stock or an equity-linked instrument/security equivalent in value in 2026 to permanently finance Chesapeake's ongoing capital expenditure program. The capital expenditure program is subject to continuous review and modification and is funded from short-term borrowings and cash provided by operating activities. Chesapeake seeks further authorization to issue during 2026 up to an additional 6,000,000 shares of common stock or similar securities. This additional stock would be used to finance Chesapeake's ongoing acquisition program. Chesapeake may, from time to time, permanently finance its short-term borrowings through the issuance of common stock or an equity-linked instrument, as opposed to long-term debt. If the Company were to undertake a stock split or reverse split, such amounts would be adjusted accordingly.

Chesapeake requests Commission authorization to issue up to \$800 million in new secured and/or unsecured long-term debt or similar securities during 2026 for general corporate purposes including, but not limited to, working capital, retirement of short-term debt, retirement of long-term debt, capital improvements, and acquisitions.

Chesapeake seeks Commission authorization to issue short-term obligations up to \$600 million during 2026 to fund its operations, capital expenditures on a short-term basis and/or in support of the execution of its growth strategy. Chesapeake is also requesting authority to issue up to 2,000,000 shares of Chesapeake preferred stock or similar securities in 2026, for possible acquisitions, financing transactions, and other general corporate purposes.

Chesapeake further seeks Commission approval to enter into financial agreements with institutions in 2026 to negotiate and execute financial derivatives enabling the Company to lock in its future financing costs and minimize its risk. The Company identified some of the financial derivatives that the Company may evaluate in 2026, although the listing is not intended to be all-inclusive. Rather, the Company seeks approval to evaluate and employ those financial derivatives that would mitigate its financial risk associated with a particular financing transaction(s).

Chesapeake is proposing to have the flexibility and authority to enter into the following: (a) Treasury rate locks, credit spread locks, interest rate swaps, collars, caps and/or floors (the “Interest Rate Swap Products”); (b) equity collars, floors, prepaid forward contracts, covered calls, forward sales and purchases and/or equity-linked instruments (the “Equity Products”); or (c) any other Financial Derivatives that meet the objectives described above on such terms as Chesapeake considers to be appropriate, provided that the notional amount(s) for said Interest Rate Swap Products, Equity Products, and/or other Financial Derivatives do not, in the aggregate, exceed the sum of \$600 million.

After reviewing the application, we find that the issuance and sale of the aforementioned securities will not impair the ability of Chesapeake to perform the services of the public utility. These transactions are for lawful purposes within the Company's corporate powers. As such, the application is granted subject to the conditions stated herein.

Our approval of the proposed issuance of securities by Chesapeake does not indicate specific approval of any rates, terms, or conditions associated with the issuance. Such matters are properly reserved for review by this Commission within the context of a rate proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application of Chesapeake Utilities Corporation to issue during calendar year 2026: up to 10,100,000 shares of Chesapeake common stock or an equity-linked instrument equivalent; up to 2,000,000 shares of Chesapeake preferred stock or similar securities; up to \$800 million in secured and/or unsecured debt or similar securities; to enter into agreements for up to \$600 million in interest rate swap products, equity products and other financial derivatives; and to issue short-term obligations in an amount not to exceed \$600 million in the calendar year 2026 is hereby granted. It is further

ORDERED that Chesapeake Utilities Corporation may allocate funds to Florida Public Utilities Company (FPUC) and Florida City Gas (FCG) on an as-needed basis. Chesapeake acknowledges that in no event will such allocations to the Florida companies 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. It is further

ORDERED that Chesapeake Utilities Corporation shall file a consummation report in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days of the end of the fiscal year in which it issues any securities authorized by this Order. It is further

ORDERED that this docket shall remain open until May 7, 2027, to monitor the issuance and/or sale of securities until Chesapeake Utilities Corporation submits, and Commission staff has reviewed, the consummation report, at which time it shall be closed administratively.

By ORDER of the Florida Public Service Commission this 22nd day of December, 2025.



ADAM J. TEITZMAN

Commission Clerk

Florida Public Service Commission

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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 OR JUDICIAL REVIEW

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.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.