

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:** November 21, 2023

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

**FROM:** Division of Accounting and Finance (Ferrer, D. Buys) *ALM*  
Office of the General Counsel (Sparks) *AH*

**RE:** Docket No. 20230127-GU – Application for authorization to issue and sell securities, and to enter into agreements for interest rate swap products, equity products and other financial derivatives in 2024, by Chesapeake Utilities Corporation.

**AGENDA:** 12/5/2023 - Consent Agenda - Final Action - Interested Persons May Participate

**SPECIAL INSTRUCTIONS:** None

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Please place the following application for authority to issue and sell securities on the consent agenda for approval.

Docket No. 20230127-GU – Application for authorization to issue and sell securities, and to enter into agreements for interest rate swap products, equity products and other financial derivatives in 2024, by Chesapeake Utilities Corporation.

Chesapeake Utilities Corporation (Chesapeake or Company) requests authority to issue during calendar year 2024: up to 9.8 million shares of Chesapeake common stock; up to 2 million shares of Chesapeake preferred stock; up to \$950 million in secured and/or unsecured debt; short-term obligations in an amount not to exceed \$800 million; and to enter into agreements up to \$400 million in interest rate swap products, equity products, and other financial derivatives.

Chesapeake allocates funds to the Florida Public Utilities Company (FPUC) on an as-needed basis. Chesapeake acknowledges that in no event will such allocations to FPUC 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 (1.75 billion) exceeds its expected 2024 capital expenditures of approximately \$281 million for Chesapeake Utilities Corporation (\$146 million for the FPUC). The additional amount requested exceeding the projected capital expenditures allows for financial flexibility for the purposes described in the Company's petition, as well as unexpected events such as hurricanes, financial market disruptions, and other unforeseen

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circumstances. Staff believes the requested amounts are reasonable and appropriate, and therefore recommends the Company's petition to issue the securities enumerated in its petition during the calendar year 2024 be approved.

For monitoring purposes, this docket should remain open until May 2, 2025, to allow the Utility time to file the required Consummation Report.