

Independent Auditors' Report

Board of Directors and Stockholders
Florida Public Utilities Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Florida Public Utilities Company – Natural Gas Division, which comprise the balance sheets-regulatory basis as of December 31, 2021 and 2020, and the related statements of income-regulatory basis for the years then ended, and the statement of retained earnings-regulatory basis for the year ended December 31, 2021, and the related notes to the financial statements included on pages 11.1 through 11.17 of the accompanying Annual Report of Natural Gas Utilities, as filed with the Florida Public Service Commission.

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the assets, liabilities, and proprietary capital of Florida Public Utilities Company – Natural Gas Division as of December 31, 2021 and 2020, and its income and expenses for the years then ended in accordance with the financial reporting provisions of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida Public Utilities Company – Natural Gas Division and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by Florida Public Utilities Company – Natural Gas Division on the basis of the financial reporting provisions of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Florida Public Service Commission, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Florida Public Utilities Company – Natural Gas Division's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida Public Utilities Company – Natural Gas Division's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Restriction on Use

Our report is intended solely for the information and use of management of Chesapeake Utilities Corporation and Florida Public Utilities Company – Natural Gas Division and for filing with the Florida Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

Philadelphia, Pennsylvania
April 27, 2022

**ANNUAL REPORT OF
NATURAL GAS UTILITIES**

Florida Public Utilities Company

(EXACT NAME OF RESPONDENT)

208 Wildlight Avenue

Yulee, FL 32097

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2021

Officer or other person to whom correspondence should be addressed concerning this report:

Name: Michael D. Cassel

Title: Vice President Regulatory & Government Affairs

Address: 208 Wildlight Ave

City: Yulee

State: FL

Telephone No.: (561) 252-0250

PSC/ECR 020-G (12/03)

INSTRUCTIONS FOR FILING THE ANNUAL REPORT OF NATURAL GAS UTILITIES

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or Mcf) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page that is not applicable to the respondent, enter the words "Not Applicable" on the particular page.
- V. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement to the page being supplemented on 8 1/2 by 11 inch paper. Provide the appropriate identification information on the supplemental page, including the title of the page and the page number. Do not change the page numbers.
- VI. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- VII. Wherever schedule pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why different figures were used.
- VIII. Report all gas volumes on a pressure base of 14.73 psia and a temperature base of 60° F.

DEFINITIONS

- I. Btu per cubic foot - The total heating value expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60° F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.665 cm per sec. ²) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)
- II. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

01 Exact Legal Name of Respondent Florida Public Utilities Company	02 Year of Report December 31, 2021
03 Previous Name and Date of Change (if name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 208 Wildlight Avenue, Yulee, FL 32097	
05 Name of Contact Person Michael Cassel	06 Title of Contact Person Vice President of Regulatory & Regulatory Affairs Governmental Affairs
07 Address of Contact Person (Street, City, State, Zip Code) 208 Wildlight Avenue, Yulee, FL 32097	
08 Telephone of Contact Person, Including Area Code (561) 252-0250	09 Date of Report (Mo., Day, Yr) 4/27/2022

ATTESTATION

I certify that I am the responsible accounting officer of

Florida Public Utilities Company

that I have examined the following report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2021 to December 31, 2021, inclusive.

I also certify that all affiliated transfer prices and affiliated cost allocations were determined consistent with the methods reported to this Commission on the appropriate forms included in this report.

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in S. 775.082 and S. 775.083.



Signature

April 27, 2022

Date

Michael D. Galtman

Name

Senior Vice President/Chief Accounting Officer

Title

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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s).

2. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.

1. As of October 28, 2009, Florida Public Utilities Company ("FPU") is a wholly owned subsidiary of Chesapeake Utilities Corporation ("CUC").

2. Chesapeake's annual report on Form 10-K was filed with the Securities Exchange Commission on February 23, 2022. This report was for the fiscal year ended December 31, 2021.

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.

2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.

3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.

2. Direct control is that which is exercised without interposition of an intermediary.

3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.

4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
Flo-Gas Corporation	Propane Gas	100%	
<p>Note: Chesapeake, our parent company directly and indirectly controls other subsidiaries. These organizations are listed in Chesapeake's Form 10-K.</p>			

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policymaking functions.
 2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.

Title (a)	Name of Officer (b)	Salary for Year (c)
Director, Chairman (FPU), President & CEO (CUC)	Jeffry M. Householder	\$ 90,046
Executive Vice President/Secretary/General Counsel/Chief Policy Risk Officer	James Moriarty	\$ 55,564
Executive Vice President/Chief Financial Officer/Assistant Secretary	Beth W. Cooper	\$ 59,142
Senior Vice President (CUC)	Kevin J. Webber (1)	\$ 51,401
President (FPU), Senior Vice President, Pipeline Transmission and Regulated Gas and Electric Distribution (CUC)	Jeffrey S. Sylvester (2)	\$ 58,841
Senior Vice President, Regulatory and External Affairs	Cheryl M. Martin	\$ 50,025
Sr Vice President/Chief Accounting Officer	Michael D. Galtman (3)	\$ 41,604
Vice President/Controller	Joseph D. Steinmetz	\$ 36,194
Chief Information Officer	Vikrant A. Gadgil	\$ 45,520
Vice President/Treasurer	Thomas E. Mahn (4)	\$ 32,002
Chief Human Resources Officer	Lou J. Anatrella (6)	\$ 23,518
Chief Human Resources Officer	William Hughston (7)	\$ 17,972
Vice President of Natural Gas	Shane E. Breakie (8)	\$ 71,754

Note: The salaries above represent only that portion allocated to FPU's natural gas division

(1) In addition to existing title of Senior Vice President (CUC), appointed Chief Development Officer of CUC and all subsidiaries January 1 2022.
 (2) In addition to existing title of President (FPU) and Senior Vice President (CUC), appointed Chief Operating Officer of CUC and all subsidiaries January 1 2022 .
 (3) Appointed Senior Vice President/Chief Accounting Officer of CUC and all subsidiaries in January 2022.
 (4) Retired in December 2021.
 (5) Appointed as Assistant Vice President and Assistant Treasurer of CUC and all subsidiaries in October 2021.
 (6) Retired in July 2021.
 (7) Appointed Chief Human Resources Officer of CUC and all subsidiaries in August 2021.
 (8) Appointed Vice President, Sustainability and Organic Growth of CUC in February 2022.
 (9) Jeffrey R. Tietbohl appointed Vice President of Natural Gas Transmission and Distribution Operations in February 2022, no salary allocated to FPU in 2021.
 (10) Michael D. Cassel appointed Vice President, Government and Regulatory Affairs of CUC and all subsidiaries in January 2022, which makes him an officer of FPU, salary allocated to FPU in 2021 \$54,449.
 (11) Stacie L. Roberts appointed Vice President, Corporate Governance of CUC and all subsidiaries in January 2022, which makes her an officer of FPU, salary allocated to FPU in 2021 \$25,795.

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.
 2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
Jeffry M. Householder, Director, Chairman	500 Energy Lane, Dover Delaware 19904	6	\$ -
Eugene H. Bayard, Director (1)	500 Energy Lane, Dover Delaware 19904	4	\$ -
Thomas J. Bresnan, Director	500 Energy Lane, Dover Delaware 19904	6	\$ -
Ronald G. Forsythe, Jr., Ph.D., Director	500 Energy Lane, Dover Delaware 19904	6	\$ -
Thomas P. Hill, Jr., Director	500 Energy Lane, Dover Delaware 19904	6	\$ -
Dennis S. Hudson, III, Director	500 Energy Lane, Dover Delaware 19904	6	\$ -
Paul L. Maddock, Jr., Director	500 Energy Lane, Dover Delaware 19904	6	\$ -
Calvert A. Morgan, Jr., Director	500 Energy Lane, Dover Delaware 19904	6	\$ -
Dianna F. Morgan, Director	500 Energy Lane, Dover Delaware 19904	6	\$ -
John R. Schimkaitis, Director	500 Energy Lane, Dover Delaware 19904	6	\$ -
Lila A. Jaber, Director	500 Energy Lane, Dover Delaware 19904	6	\$ -
Lisa G. Bisaccia, Director (2)	500 Energy Lane, Dover Delaware 19904	2	\$ -

Notes:
 (1) Eugene H. Bayard passed away on October 30, 2021.
 (2) Lisa G. Bisaccia appointed to Board of Directors October 12, 2021.

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became

vested with voting rights and give others important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders.

VOTING SECURITIES

Name (Title) and Address of Security Holder (a)	Number of votes as of (date):			
	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
TOTAL votes of all voting securities				
TOTAL number of security holders				
TOTAL votes of security holders listed below				
Effective October 28, 2009 FPU became a wholly-owned subsidiary of Chesapeake.				

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquires. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions.

2. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required.

3. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased also the approximate number of customers added or lost and approximate annual revenues of each class of service.

4. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

5. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

- 1 None
- 2 None
- 3 None
- 4 None
- 5 None

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	12	\$ 393,982,906	\$ 432,978,836
3	Construction Work in Progress (107)	12	\$ 3,989,961	\$ 3,841,312
4	TOTAL Utility Plant Total of lines 2 and 3)		\$ 397,972,867	\$ 436,820,148
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	\$ (101,920,229)	\$ (111,487,575)
6	Net Utility Plant (Total of line 4 less 5)		\$ 296,052,638	\$ 325,332,573
7	Utility Plant Adjustments (116)			
8	Gas Stored (117.1, 117.2, 117.3, 117.4)	-		
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)	-	\$ 8,436	\$ 8,436
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-		
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-		
14	Other Investments (124)	-	\$ -	\$ -
15	Special Funds (125, 126, 128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		\$ 8,436	\$ 8,436
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	\$ 123,400	\$ 489,080
19	Special Deposits (132-134)	-		
20	Working Funds (135)	-	\$ 38,952	\$ 38,650
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	\$ 12,142,054	\$ 11,655,090
24	Other Accounts Receivable (143)	-	\$ 106,094	\$ 104,300
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-	\$ (999,192)	\$ (581,834)
26	Notes Receivable from Associated Companies (145)	-		
27	Accounts Receivable from Associated Companies (146)	-	\$ -	\$ (0)
28	Fuel Stock (151)	-		
29	Fuel Stock Expense Undistributed (152)	-		
30	Residuals (Electric) and Extracted Products (Gas) (153)	-		
31	Plant Material and Operating Supplies (154)	-	\$ 431,048	\$ 676,922
32	Merchandise (155)	-	\$ -	\$ -
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Underground & LNG Stored (164.1-164.3)	-		
36	Prepayments (165)	18	\$ 1,008,074	\$ 899,560
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-	\$ 2,960,986	\$ 2,980,105
41	Miscellaneous Current and Accrued Assets (174)	-	\$ -	\$ -
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		\$ 15,811,416	\$ 16,261,873
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-		
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18		
47	Other Regulatory Assets (182.3)	19	\$ 13,659,882	\$ 11,133,038
48	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)	-	\$ -	\$ -
49	Clearing Accounts (184)	-	\$ 541,103	\$ 206,454
50	Temporary Facilities (185)	-		
51	Miscellaneous Deferred Debits (186)	19	\$ 1,017,586	\$ 4,238,611
52	Deferred Losses from Disposition of Utility Plant. (187)	-		
53	Research, Development and Demonstration Expenditures (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	20		
55	Accumulated Deferred Income Taxes (190)	24	\$ 6,037,584	\$ 5,828,762
56	Unrecovered Purchased Gas Costs (191)	-		
57	TOTAL Deferred Debits (Total of lines 44 through 56)		\$ 21,256,155	\$ 21,406,865
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		\$ 333,128,645	\$ 363,009,747

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock (201, 202, 203, 205, 206, 207)	-		
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-214)	-	\$ -	\$ -
5	Retained Earnings (215, 216)	10	\$ 146,478,272	\$ 158,317,996
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	10		
7	(Less) Reacquired Capital Stock (217)	-		
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		\$ 146,478,272	\$ 158,317,996
9	LONG-TERM DEBT			
10	Bonds (221)	21		
11	(Less) Reacquired Bonds (222)	21		
12	Advances from Associated Companies (223)	21		
13	Other Long-Term Debt (224)	21		
14	Unamortized Premium on Long-Term Debt (225)	21		
15	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	21		
16	TOTAL Long-Term Debt (Total of lines 10 through 15)			
17	OTHER NONCURRENT LIABILITIES			
18	Obligations Under Capital Leases - Noncurrent (227)	-	\$ 1,548,543	\$ 931,012
19	Accumulated Provision for Property Insurance (228.1)	-	\$ 662,950	\$ 655,535
20	Accumulated Provision for Injuries and Damages (228.2)	-	\$ -	\$ 44,618
21	Accumulated Provision for Pensions and Benefits (228.3)	-	\$ 8,103,687	\$ 4,846,797
22	Accumulated Miscellaneous Operating Provisions (228.4)	-		
23	Accumulated Provision for Rate Refunds (229)	-	\$ 309,719	\$ -
24	TOTAL Other Noncurrent Liabilities (Total of lines 18 through 23)		\$ 10,624,899	\$ 6,477,962
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)	-		
27	Accounts Payable (232)	-	\$ 8,715,949	\$ 9,677,721
28	Notes Payable to Associated Companies (233)	-		
29	Accounts Payable to Associated Companies (234)	-	\$ 91,264,033	\$ 110,099,346
30	Customer Deposits (235)	-	\$ 8,608,570	\$ 9,011,934
31	Taxes Accrued (236)	-	\$ 776,568	\$ 2,531,072
32	Interest Accrued (237)	-	\$ 172,845	\$ 163,697
33	Dividends Declared (238)	-		
34	Matured Long-Term Debt (239)	-		
35	Matured Interest (240)	-		
36	Tax Collections Payable (241)	-	\$ 931,092	\$ 1,092,995
37	Miscellaneous Current and Accrued Liabilities (242)	22	\$ 942,174	\$ 294,681
38	Obligations Under Capital Leases-Current (243)	-	\$ 411,171	\$ 352,094
39				
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		\$ 111,822,402	\$ 133,223,539
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)	-	\$ 828,054	\$ 695,131
43	Other Deferred Credits (253)	22	\$ 6,542,763	\$ 5,758,660
44	Other Regulatory Liabilities (254)	22	19,169,627	\$ 19,113,639
45	Accumulated Deferred Investment Tax Credits (255)	23	-	-
46	Deferred Gains from Disposition of Utility Plant (256)	-		
47	Unamortized Gain on Reacquired Debt (257)	20		
48	Accumulated Deferred Income Taxes (281-283)	24	\$ 37,662,628	\$ 39,422,821
49	TOTAL Deferred Credits (Total of lines 42 through 48)		\$ 64,203,072	\$ 64,990,251
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		\$ 333,128,645	\$ 363,009,747

STATEMENT OF INCOME

1. Use page 11 for important notes regarding the statement of income or any account thereof.
2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.
3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year

which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

Line No.	Account (a)	Ref. Page No. (b)	Total Gas Utility Current Year (c)	Total Gas Utility Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	26	\$ 104,209,972	\$ 92,962,652
3	Operating Expenses			
4	Operation Expenses (401)	27-29	\$ 62,315,969	\$ 56,966,236
5	Maintenance Expenses (402)	27-29	\$ 1,460,325	\$ 1,349,712
6	Depreciation Expense (403)	15-16	\$ 8,896,895	\$ 8,015,421
7	Amortization & Depletion of Utility Plant (404-405)	-	\$ 1,025,563	\$ 987,065
8	Amortization of Utility Plant Acquisition Adjustment (406)	-	\$ 1,523,148	\$ 1,523,148
9	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	-		
10	Amortization of Conversion Expenses (407.2)	-		
11	Regulatory Debits (407.3)	-	\$ -	\$ -
12	(Less) Regulatory Credits (407.4)	-	\$ -	\$ -
13	Taxes Other Than Income Taxes (408.1)	23	\$ 9,169,242	\$ 8,131,700
14	Income Taxes - Federal (409.1)	25	\$ 2,014,774	\$ 1,422,472
15	- Other (409.1)	-	\$ (172,116)	\$ (108,972)
16	Provision for Deferred Income Taxes (410.1)	24	\$ 4,215,115	\$ 4,121,717
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	24	\$ (2,224,572)	\$ (2,726,466)
18	Investment Tax Credit Adjustment - Net (411.4)	23	\$ -	\$ -
19	(Less) Gains from Disposition of Utility Plant (411.6)	-		
20	Losses from Disposition of Utility Plant (411.7)	-		
21	Other Operating Income (412-414)	-		
22	TOTAL Utility Operating Expenses (Total of lines 4 -21)		\$ 88,224,343	\$ 79,682,033
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		\$ 15,985,629	\$ 13,280,619

STATEMENT OF INCOME (Continued)

Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 8)		\$ 15,985,629	\$ 13,280,619
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-		
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-		
31	Revenues From Nonutility Operations (417)	-		
32	(Less) Expenses of Nonutility Operations (417.1)	-		
33	Nonoperating Rental Income (418)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	10		
35	Interest and Dividend Income (419)	-	\$ 181,214	\$ 135,826
36	Allowance for Other Funds Used During Construction (419.1)	-		
37	Miscellaneous Nonoperating Income (421)	-	\$ 9,522	\$ (5,330)
38	Gain on Disposition of Property (421.1)	-	\$ (6,275)	\$ 130,181
39	TOTAL Other Income (Total of lines 29 through 38)		\$ 184,461	\$ 260,677
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-		
42	Miscellaneous Amortization (425)	33		
43	Miscellaneous Income Deductions (426.1-426.5)	33	\$ (79,233)	\$ (53,637)
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		\$ (79,233)	\$ (53,637)
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-		
47	Income Taxes - Federal (409.2)	-	\$ (138,750)	\$ (79,487)
48	Income Taxes - Other (409.2)	-	\$ (24,212)	\$ (17,661)
49	Provision for Deferred Income Taxes (410.2)	24	\$ -	\$ -
50	(Less) Provision for Deferred Income Taxes - Credit (411.2)	24	\$ -	\$ -
51	Investment Tax Credit Adjustment - Net (411.5)	-		
52	(Less) Investment Tax Credits (420)	-		
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 through 52)		\$ (162,962)	\$ (97,148)
54	Net Other Income and Deductions (Total of lines 39,44,53)		\$ (57,734)	\$ 109,892
55	Interest Charges			
56	Interest on Long-Term Debt (427)	21	\$ 3,349,856	\$ 4,089,211
57	Amortization of Debt Discount and Expense (428)	21	\$ 99,747	\$ 84,516
58	Amortization of Loss on Reacquired Debt (428.1)	21	\$ 57,978	\$ 51,010
59	(Less) Amortization of Premium on Debt - Credit (429)	21		
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-		
61	Interest on Debt to Associated Companies (430)	33	\$ -	\$ -
62	Other Interest Expense (431)	33	\$ 580,589	\$ 854,916
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-		
64	Net Interest Charges (Total of lines 56 through 63)		\$ 4,088,170	\$ 5,079,653
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		\$ 11,839,725	\$ 8,310,858
66	Extraordinary Items			
67	Extraordinary Income (434)	-		
68	(Less) Extraordinary Deductions (435)	-		
69	Net Extraordinary Items (Total of line 67 less line 68)			
70	Income Taxes - Federal and Other (409.3)	-		
71	Extraordinary Items After Taxes (Total of line 69 less line 70)			
72	Net Income (Total of lines 65 and 71)		\$ 11,839,725	\$ 8,310,858

STATEMENT OF RETAINED EARNINGS

- | | |
|--|---|
| <p>1. Report all changes in appropriated retained earnings, and unappropriated retained earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.</p> | <p>5. Show dividends for each class and series of capital stock.</p> <p>6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 11.</p> |
|--|---|

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance - Beginning of Year		\$ 146,478,272
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439):		
4	Credit: Treasury Stock (Rabbi Trust)		\$ -
5	Credit:		
6	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 4 and 5)		
10	Balance Transferred from Income (Account 433 less Account 418.1)		\$ 11,839,725
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
15	FAS 133 Other Comprehensive Income		
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		\$ 158,317,996
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.		
17			
18			
19			
20			
21	TOTAL Appropriated Retained Earnings (Account 215)		
	TOTAL Retained Earnings (Account 215 and 216) (Total of lines 16 and 23)		\$ 158,317,996

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 8-10, such notes may be attached hereto.

See Notes to Financial Statements attached

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1. Organization and Basis of Presentation

Florida Public Utilities Company (“FPU”) is a utility engaged in the natural gas and electric distribution business in Florida. The natural gas division of FPU, excluding the Indiantown and Fort Meade divisions, (“we,” “our” or “us”) is engaged in the distribution of natural gas to approximately 70,000 residential, commercial and industrial customers located in south, central and northeast Florida. Our rates and services are subject to regulation by the Florida Public Service Commission (“FPSC”). FPU is a wholly-owned subsidiary of Chesapeake Utilities Corporation (“Chesapeake Utilities”).

Our financial statements include the accounts of FPU’s natural gas operation, excluding the accounts of the Indiantown and Fort Meade divisions. The FPSC requires FPU’s Indiantown and Fort Meade natural gas divisions to be reported separately from us and therefore, those accounts are excluded from our financial statements. FPU’s electric distribution and unregulated businesses are also excluded from our financial statements.

Our financial statements are prepared in conformity with the accounting requirements of the FPSC, which are substantially equivalent to the accounting requirements of the Federal Energy Regulatory Commission (“FERC”) as set forth in the applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (“US GAAP”). The accounting requirements of the FERC and the FPSC applied by us in these financial statements are consistent with US GAAP, except for:

- lack of reclassification of certain negative balances on the balance sheets;
- the presentation of deferred income tax assets and liabilities separately rather than as a single amount;
- the presentation of cost of removal as a component of accumulated depreciation rather than as a regulatory liability;
- lack of detail property, plant and equipment component costs disclosure;
- lack of detail regulatory assets and liability disclosure;
- the omission of the statements of cash flows;
- the omission of the statement of retained earnings for prior year for a comparative presentation;
- the accounting treatment of acquisition adjustment and regulatory asset associated with the merger-related costs and the presentation of acquisition adjustment;
- the presentation of pass-through revenue taxes, such as gross receipts taxes, franchise taxes and sales taxes, as revenues and operating expenses rather than on a net basis;
- presentation of the components of net benefit costs in operating expenses, whereas for GAAP, only the service cost component is presented in operating expenses; and
- the presentation of operating leases’ right-of-use asset and lease liability in the FERC balance sheet accounts for capital lease assets and liabilities.

In March 2020, the CDC declared a national emergency due to the rapidly growing outbreak of COVID-19. In response to this declaration and the rapid spread of COVID-19 within the United States, federal, state and local governments throughout the country imposed varying degrees of restrictions on social and commercial activity to promote social distancing in an effort to slow the spread of the illness. These restrictions significantly impacted economic conditions in the United States in 2020 and continued into 2021. We are considered an “essential business,” which has allowed us to continue operational activities and construction projects while adhering to the social distancing restrictions that were in place.

Throughout 2021, restrictions continued to be lifted as vaccines have become widely available in the United States. For example, the state of emergency in Florida was terminated in May 2021, resulting in reduced restrictions. The expiration of the states of emergency in our service territories, along with the settlement of our limited proceeding in Florida, has concluded our ability to defer incremental pandemic related costs for consideration through the applicable regulatory process.

We have been closely following the legal process related to the Occupational Safety and Health Administration (“OSHA”) Emergency Temporary Standard (“ETS”) mandating that all employers, with 100 or more employees, require COVID-19 vaccinations or weekly testing, which made its way to the United States Supreme Court. While OSHA has withdrawn the ETS as a temporary standard following the Supreme Court’s ruling, we will continue to monitor its status as a proposed

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rule, and any developments in the various appeals of the various district court orders enjoining the enforcement of the Executive Order regarding the federal contractor vaccine mandate. In light of the continued emergence and growing prevalence of the new variants of COVID-19, such as the Omicron variant, we continue to operate under our pandemic response plan, monitor developments affecting employees, customers, suppliers, and stockholders and take all precautions warranted to operate safely and to comply with the CDC and OSHA standards, in order to protect our employees, customers and the communities we serve. Refer to Note 9, *Rates and Other Regulatory Activities*, for further information on the regulated assets established as a result of the incremental expenses associated with COVID-19.

2. Summary of Significant Accounting Policies

Use of Estimates

Our financial statements are prepared based on the accounting requirements of the FPSC and the FERC, which require management to make estimates in measuring assets and liabilities and related revenues and expenses. These estimates involve judgments with respect to, among other things, various future economic factors that are difficult to predict and are beyond our control; therefore, actual results could differ from those estimates. As additional information becomes available, or actual amounts are determined, recorded estimates are revised. Consequently, operating results can be affected by revisions to prior accounting estimates.

Utility Plant

Utility plant is stated at original cost less accumulated depreciation or fair value, if impaired. Costs include direct labor, materials and third-party construction contractor costs, allowance for funds used during construction (“AFUDC”), and certain indirect costs related to equipment and employees engaged in construction. The costs of repairs and minor replacements are charged to expense as incurred, and the costs of major renewals and betterments are capitalized. Upon retirement or disposition of utility plant, the gain or loss, net of salvage value, is charged to accumulated depreciation or deferred as a regulatory asset or liability as required by the FPSC.

Customer contributions or advances in aid of construction reduce utility plant, unless the amounts are refundable to customers. Contributions or advances may be refundable to customers after a number of years based on the amount of revenues generated from the customers or the duration of the service provided to the customers. Refundable contributions or advances are recorded initially as liabilities. Non-refundable contributions reduce utility plant at the time of such determination. As of December 31, 2021, and 2020, there were \$3.8 million and \$1.3 million, respectively, of non-refunded contributions or advances reducing utility plant.

AFUDC represents the estimated cost of funds, from both debt and equity sources, used to finance the construction of major projects. AFUDC is capitalized in rate base for rate making purposes when the completed projects are placed in service. We did not capitalize AFUDC on utility plant for the years ended December 31, 2021 and 2020.

Asset Impairment Evaluations

We periodically evaluate whether events or circumstances have occurred, which indicate that other long-lived assets may not be fully recoverable. The determination of whether an impairment has occurred is based on an estimate of undiscounted future cash flows attributable to the asset, compared to the carrying value of the asset. When such events or circumstances are present, we record an impairment loss equal to the excess of the asset's carrying value over its fair value, if any.

Depreciation

We compute depreciation expense by applying composite, annual rates as approved by the FPSC. Depreciation and amortization expenses are provided at an annual rate averaging 2.5 percent in both 2021 and 2020, respectively.

In accordance with the accounting requirements of the FERC, we include the accretion of the cost of removal for future retirements of utility assets as depreciation expense. For the years ended December 31, 2021 and 2020, \$1.1 million and \$1.0 million of such accretion was included in depreciation expense. We also report certain depreciation expenses, mainly related to vehicle, computer software and hardware, as operation expenses rather than depreciation and amortization expense to comply with the requirements of the FERC. For the years ended December 31, 2021 and 2020, \$0.4 million and \$0.3 million, respectively, of such depreciation was reported as operation expenses.

Regulated Operations

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NOTES TO FINANCIAL STATEMENTS			

We account for our operations in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 980, *Regulated Operations*. This Topic includes accounting principles for companies whose rates are determined by independent third-party regulators. When setting rates, regulators often make decisions, the economics of which require companies to defer costs or revenues in different periods than may be appropriate for unregulated enterprises. When this situation occurs, a regulated company defers the associated costs as regulatory assets on the balance sheet and records them as expense on the income statement as it collects revenues. Further, regulators can also impose liabilities upon a regulated company for amounts previously collected from customers, and for recovery of costs that are expected to be incurred in the future as regulatory liabilities. If we were required to terminate the application of these provisions to our regulated operations, all such deferred amounts would be recognized in the income statement at that time, which could have a material impact on our financial position, results of operations and cash flows.

We monitor our regulatory and competitive environment to determine whether the recovery of our regulatory assets continues to be probable. If we were to determine that recovery of these assets is no longer probable, we would write off the assets against earnings. We believe that provisions of ASC Topic 980, *Regulated Operations*, continue to apply to our operations and that the recovery of our regulatory assets is probable.

Revenue Recognition

Our operating revenues are based on rates approved by the FPSC. We read meters and bill customers on monthly cycles that do not coincide with the accounting periods used for financial reporting purposes. We accrue unbilled revenues for the charges associated with natural gas delivered, but not yet billed, at the end of an accounting period to the extent that they do not coincide.

We have a fuel cost recovery mechanism. This mechanism provides a method of adjusting the billing rates to reflect changes in the cost of purchased fuel. The difference between the current cost of fuel and the cost of fuel recovered in billed rates is deferred and accounted for as either unrecovered purchased fuel costs or amounts payable to customers. Generally, these deferred amounts are recovered or refunded within one year.

Operation and Maintenance Expenses

Operation and maintenance expenses are costs associated with the operation and maintenance of our natural gas distribution systems. Major cost components include operation and maintenance salaries and benefits, materials and supplies, usage of vehicles, tools and equipment, payments to contractors, utility plant maintenance, customer service, professional fees and other outside services, insurance expense, minor amounts of depreciation and other administrative expenses.

Cash and Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Excess cash generated by our receipts may be transferred to and invested in Chesapeake Utilities’ overnight income-producing accounts. We are allocated the portion of interest income generated from those accounts, which reduced interest expense in the accompanying statements of income.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consist primarily of amounts due for sales of natural gas. An allowance for doubtful accounts is recorded against amounts due to reduce the receivables balance to the amount we reasonably expect to collect based upon our collection’s experiences and management’s assessment of our customers’ inability or reluctance to pay. If circumstances change, our estimates of recoverable accounts receivable may also change. Circumstances which could affect such estimates include, but are not limited to, customer credit issues, the level of natural gas prices and general economic conditions. Accounts are written off when they are deemed to be uncollectible.

Our estimate for expected credit losses has been developed by analyzing our portfolio of financial assets that present potential credit exposure risk. These assets consist solely of our trade receivables from customers and contract assets. The estimate is based on five years of historical collections experience, a review of current economic and operating conditions in our service territories, and an examination of economic indicators which provide a reasonable and supportable basis of potential future activity. Those indicators include metrics which we believe provide insight into the future collectability of our trade receivables such as unemployment rates and economic growth statistics in our service territories.

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When determining estimated credit losses, we analyzed the balance of our trade receivables based of our business. As a regulated energy business, we have the ability to recover our costs through the rate making process, which can include consideration for amounts historically written off to be included in rate base. Therefore, we possess a mechanism to recover credit losses which we believe reduces our exposure to credit risk.

Our estimate of expected credit losses reflects our anticipated losses associated with our trade receivables as a result of non-payment from our customers beginning the day the trade receivable is established. We believe the risk of loss associated with trade receivables classified as current presents the least amount of credit exposure risk and therefore, we assign a lower estimate to our current trade receivables. As our trade receivables age outside of their expected due date, our estimate increases. Our allowance for credit losses relative to the balance of our trade receivables has historically been immaterial as a result of on time payment activity from our customers.

The below table provides a reconciliation of our allowance for credit losses at December 31, 2021:

(in thousands)

Balance at December 31, 2020	\$	999
Additions:		
Provision for credit losses		(37)
Recoveries		48
Deductions:		
Write offs		(429)
Balance at December 31, 2021	<u>\$</u>	<u>581</u>

Inventories

We use the average cost method to value materials and supplies inventory. If market prices drop below cost, inventory balances that are subject to price risk are adjusted to market values.

Pension and Other Postretirement Plans

Our eligible employees participate in FPU's pension and other postretirement plans. FPU allocates our share of its pension and other postretirement plan costs based on a portion of the benefits related to providing our service. FPU's pension and other postretirement plan costs and liabilities are determined on an actuarial basis and are affected by numerous assumptions and estimates including the fair value of plan assets, estimates of the expected returns on plan assets, assumed discount rates, the level of contributions made to the plans, and current demographic and actuarial mortality data. FPU's management annually reviews the estimates and assumptions underlying our pension and other postretirement plan costs and liabilities with the assistance of third-party actuarial firms.

The assumed discount rates and the expected returns on plan assets are the assumptions that generally have the most significant impact on FPU's pension costs and liabilities. The assumed discount rates, the assumed health care cost trend rates and the assumed rates of retirement generally have the most significant impact on FPU's postretirement plan costs and liabilities. A 0.25 percent change in the discount rate could change the FPU's annual pension and postretirement costs by immaterial amount. A 0.25 percent change in the rate of return could change FPU's annual pension cost by \$0.1 million, and would not have an impact on the postretirement and plan because this plan is not funded.

Income Taxes

Deferred tax assets and liabilities are recorded for the income tax effect of temporary differences between the financial statement bases and tax bases of assets and liabilities and are measured using the enacted income tax rates in effect in the years in which the differences are expected to reverse. The portions of our deferred tax liabilities, which have not been reflected in current service rates, represent income taxes recoverable through future rates. Deferred tax assets are recorded net of any valuation allowance when it is more likely than not that such tax benefits will be realized.

We account for uncertainty in income taxes in the financial statements only if it is more likely than not that an uncertain tax position is sustainable based on technical merits. Recognizable tax positions are then measured to determine the

Florida Public Utilities Company			For the Year Ended
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amount of benefit recognized in the financial statements. We recognize penalties and interest related to unrecognized tax benefits as a component of other income.

Financial Instruments

We have entered into agreements with suppliers to purchase natural gas for resale to our customers. Purchases under these contracts either do not meet the definition of derivatives or are considered “normal purchases” and are accounted for on an accrual basis.

Financial assets with carrying values approximating fair value include accounts receivable. Financial liabilities with carrying values approximating fair value include accounts payable and other accrued liabilities.

FASB Statements and Other Authoritative Pronouncements

Recently Adopted Accounting Standards

There are no new accounting pronouncements issued that are applicable to us.

3. Transactions with Affiliates

Financing Arrangements

Our excess cash is transferred to Chesapeake Utilities to be invested in overnight income-producing accounts. We utilize Chesapeake Utilities’ short-term borrowing facility and Chesapeake Utilities’ and FPU’s long-term debt to satisfy our financing needs. For the years ended December 31, 2021 and 2020, Chesapeake Utilities and FPU allocated to us \$3.9 million and \$4.9 million, respectively, in interest expense, which represents a portion of interest from Chesapeake Utilities’ short-term and Chesapeake Utilities’ and FPU’s long-term debt, net of a portion of interest income from the overnight income-producing accounts.

Allocated Costs from Affiliates

Chesapeake Utilities provides us with administrative and support services. These services include certain managerial, accounting, information technology, payroll, human resources and treasury services. For the years ended December 31, 2021 and 2020, Chesapeake Utilities charged us \$8.3 million and \$7.9 million, for these services. Chesapeake Utilities also provides us with shared services which include safety and customer care services. For the years ended December 31, 2021 and 2020, Chesapeake Utilities charged us \$3.8 million and \$3.6 million, respectively, for these services.

Advances from Affiliates

As of December 31, 2021, and 2020, we had net advances payable to Chesapeake Utilities and its subsidiaries in the amount of \$110.1 million and \$91.3 million, respectively. These amounts are reflected as accounts payable to associated companies in the accompanying balance sheets.

Firm Transportation Service and Natural Gas Purchase/Sale

Peninsula Pipeline Company, Inc. (“Peninsula Pipeline”), a wholly-owned subsidiary of Chesapeake Utilities, provided us with firm transportation service in conjunction with our service in Florida. For the years ended December 31, 2021 and 2020, we incurred \$23.4 million and \$20.8 million, respectively, in cost associated with this transportation service, which was included in the cost of fuel and our fuel cost recovery mechanism.

Marlin Gas Services, LLC, a wholly-owned subsidiary of Chesapeake Utilities, provided us natural gas transportation service in conjunction with our service in Florida. For the years ended December 31, 2021 and 2020, we incurred \$1.4 million and \$0.6 million in cost associated with this transportation service, which was included in the cost of fuel and our fuel cost recovery mechanism.

Eight Flags Energy, LLC (“Eight Flags”), a subsidiary of Chesapeake Utilities' OnSight Services, LLC, generates electricity and steam at its Combined Heat and Power (“CHP”) plant located on Amelia Island, Florida. The Eight Flags’ CHP plant is powered by natural gas transported in our distribution system. For the years ended December 31, 2021 and 2020, we recorded \$0.9 million and \$0.7 million, respectively, in revenue associated with transportation service provided to Eight Flags to power its CHP plant.

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4. Income Taxes

FPU is included in the Chesapeake Utilities consolidated federal income tax return, along with all of Chesapeake Utilities' other subsidiaries. At December 31, 2021, the 2015 through 2019 federal income tax returns are under examination, and no report has been issued at this time. FPU files a separate state income tax return in the state of Florida. Income taxes in the accompanying consolidated statements of income have been allocated to us as if we were a separate taxpayer. State income tax returns for FPU for tax years after 2015 are subject to examination.

Income taxes are allocated to us as if we were a separate tax payer. FPU had a state net operating loss ("NOL") in Florida of \$4.7 million and \$7.4 million as of December 31, 2021 and 2020. Chesapeake Utilities expects to have federal NOL totaling \$6.3 million and \$12.2 million in 2019 and 2018 respectively upon the settlement of the Internal Revenue Service examination described above. Under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), discussed below, Chesapeake Utilities elected to carry the losses back to 2015 and 2013.

Tax Law Changes

In March 2020, the CARES Act was signed into law and included several significant changes to the Internal Revenue Code. The CARES Act includes certain tax relief provisions including the ability to carryback five years net operating losses arising in a tax year beginning in 2018, 2019, or 2020. This provision allows a taxpayer to recover taxes previously paid at a 35 percent federal income tax rate during tax years prior to 2018. In addition, the CARES Act removed the taxable income limitation to allow a tax NOL to fully offset taxable income for tax years beginning before January 1, 2021. Chesapeake Utilities' income tax expense for the year ended December 31, 2021 and 2020 included a tax benefit of \$0.9 million and \$1.8 million respectively, attributable to the tax NOL carryback provided under the CARES Act for losses generated in 2018 and 2019 and then applied back to our 2013 and 2015 tax years in which we paid federal income taxes at a 35 percent tax rate.

On December 22, 2017, the Tax Cuts and Jobs Act ("TCJA") was signed into law. Substantially all of the provisions of the TCJA were effective for taxable years beginning on or after January 1, 2018. The provisions that significantly impacted us include the reduction of the corporate federal income tax rate from 35 percent to 21 percent. Our federal income tax expense for periods beginning on January 1, 2018 are based on the new federal corporate income tax rate. ASC 740, *Income Taxes*, requires recognition of the effects of changes in tax laws in the period in which the law is enacted. ASC 740 requires deferred tax assets and liabilities to be measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled. During 2018, we completed the assessment of the impact of accounting for certain effects of the TCJA. At the date of enactment in 2017, we re-measured deferred income taxes based upon the new corporate tax rate. See Note 9, *Rates and Other Regulatory Activities*, for further discussion of the TCJA's impact on our business.

The following tables provide: (a) the components of income tax expense in 2021 and 2020; (b) the reconciliation between the statutory federal income tax rate for 2021 and 2020; and (c) the components of accumulated deferred income tax assets and liabilities at December 31, 2021 and 2020.

<i>(in thousands)</i>	For the Years Ended December 31,	
	2021	2020
Income Tax Expense		
Current	\$ 2,006	\$ 1,411
Deferred	1,991	1,395
Total Income Tax Expense	\$ 3,997	\$ 2,806

Deferred tax expense results primarily from the use of accelerated depreciation for tax purposes and deferred fuel costs. Total income tax expense results primarily from applying the federal income tax statutory rate to book income before tax.

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Other		680	(216)
Total Income Tax Expense	\$	3,997	\$ 2,806

<i>(in thousands)</i>	At December 31,	
	2021	2020
Deferred Income Tax Liabilities		
Property, plant and equipment	\$ 29,925	\$ 28,431
Acquisition adjustment	7,542	8,043
Other	1,956	1,189
Total Deferred Income Tax Liabilities	\$ 39,423	\$ 37,663
Deferred Income Tax Assets		
Environmental costs	\$ 1,024	\$ 1,098
Storm reserve liability	166	168
Amortization - Customer-based intangibles	2,086	1,873
Acquisition adjustment - Tax Reform	1,349	1,501
Other	1,204	1,398
Total Deferred Income Tax Assets	\$ 5,829	\$ 6,038

5. Customer Concentration

We operate entirely in the natural gas distribution business. Our operations include the transportation of natural gas in intra-state commerce. We did not have any customer that accounted for more than 10 percent of our revenues for the years ended December 31, 2021 and 2020.

6. Leases

FPU has entered into lease arrangements for office space, land and warehouses. We utilize these lease arrangements to enable us to better conduct business operations in our service territory, provide adequate workspace for all our employees and to store equipment and materials used in repairs and maintenance for our businesses.

Beginning January 1, 2019, FPU adopted the new lease standard under ASU No. 2016-02, *Leases*, by recognizing and measuring leases existing at or entered into after January 1, 2019. Upon adoption of the new lease standard, and with the permission from the FERC as provided in Docket No. AI19-1-000, Right of Use (“ROU”) assets and liabilities in connection with operating leases were recorded in the FERC balance sheet accounts that have already been established for capital lease assets and liabilities (Accounts 101.1, 227 and 243). Amounts recorded for the lease assets and the related obligations are reduced by equal and offsetting amount over the lease term. There is no change in the recording of expenses related to lease arrangements which will continue to be recorded in accordance with the FERC’s regulations and only amounts paid under a lease agreement will be recorded in the income statement.

As of December 31, 2021, and 2020, our ROU assets and lease liabilities for operating leases were included within the following FERC accounts:

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in thousands

Account	Description		2021		2020
101.1	ROU Asset	\$	1,182	\$	1,887
243	ROU Liability - Current	\$	(352)	\$	(411)
227	ROU Liability - Non-Current	\$	(931)	\$	(1,549)

Rent expense related to these lease agreements was \$0.5 million and \$0.4 million for the years ended December 31, 2021 and 2020, respectively, and will continue to be included within the cost-of-service rates. We have adhered to the FERC requirements as provided in Docket No. AI19-1-000 and are maintaining unique subaccounts to separately identify and track the capitalized operating lease amounts and have in place effective internal controls to ensure there is no impact to the existing ratemaking treatment or practices for leases.

The following table presents the future undiscounted maturities of operating leases allocated to us at December 31, 2021 and for each of the next five years and thereafter:

<i>(in thousands)</i>	Operating Leases
2022	\$ 476
2023	482
2024	454
2025	273
2026	—
Thereafter	—
Total Lease Payments	<u>1,685</u>
Less: Interest	<u>402</u>
Present Value of Lease Liabilities	<u>\$ 1,283</u>

7. Employee Benefit Plans

Eligible FPU employees participate in various benefit plans sponsored by FPU and Chesapeake Utilities. They allocate to us a portion of the benefit costs associated with these plans. Our share of the costs is based on a portion of the benefits related to providing services to us. We recorded benefit costs of \$0.3 million and \$0.6 million for the years ended December 31, 2021 and 2020, respectively, related to these plans.

FPU continues to sponsor and maintain a separate defined benefit pension plan (“FPU Pension Plan”) and a separate unfunded postretirement medical plan (“FPU Medical Plan”) for eligible FPU employees. FPU measures the assets and obligations of the defined benefit pension plan and other postretirement benefits plans to determine the plan’s funded status as of the end of the year as an asset or a liability on its consolidated balance sheets. A portion of this asset or liability related to us is reflected on our balance sheet. At December 31, 2021 and 2020, \$4.8 million and \$8.1 million, respectively, of the pension and postretirement benefit liabilities were assigned to us.

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Defined Benefit Pension Plan

The following schedule sets forth the funded status at December 31, 2021 and 2020 and the net periodic cost for the years ended December 31, 2021 and 2020 for the FPU Pension Plan:

	<u>As of December 31,</u>	
	<u>2021</u>	<u>2020</u>
<i>(in thousands)</i>		
Change in benefit obligation:		
Benefit obligation — beginning of year	\$ 70,366	\$ 65,304
Interest cost	1,714	2,085
Actuarial loss	(1,953)	6,069
Benefits paid	(3,097)	(3,092)
Benefit obligation — end of year	<u>67,030</u>	<u>70,366</u>
Change in plan assets:		
Fair value of plan assets — beginning of year	55,966	49,703
Actual return on plan assets	4,246	6,581
Employer contributions	1,597	2,774
Benefits paid	(3,097)	(3,092)
Fair value of plan assets — end of year	<u>58,712</u>	<u>55,966</u>
Reconciliation:		
Funded status	<u>(8,318)</u>	<u>(14,400)</u>
Accrued pension cost	<u>\$ (8,318)</u>	<u>\$ (14,400)</u>
Assumptions:		
Discount rate	2.75%	2.50%
Expected return on plan assets	6.00%	6.00%
 For the Year Ended December 31,		
	<u>2021</u>	<u>2020</u>
<i>(in thousands)</i>		
Components of net periodic pension cost:		
Interest cost	\$ 1,714	\$ 2,085
Expected return on assets	(3,306)	(2,967)
Amortization of actuarial loss	612	552
Net periodic pension cost	<u>(980)</u>	<u>(330)</u>
Amortization of pre-merger regulatory asset	—	—
Total periodic cost	<u>\$ (980)</u>	<u>\$ (330)</u>
Assumptions:		
Discount rate	2.50%	3.25%
Expected return on plan assets	6.00%	6.00%

Included in the net periodic costs for the FPU Pension Plan is continued amortization of FPU's pension regulatory asset, which represents the portion attributable to FPU's regulated operations for the changes in funded status that occurred, but were not recognized as part of net periodic cost, prior to the merger with Chesapeake Utilities in October 2009. This was previously deferred as a regulatory asset to be recovered through rates pursuant to an order by the FPSC. At December 31, 2019, this regulatory asset was fully amortized. Excluding the service cost component, the other components of the net periodic costs have been recorded or reclassified to other expense, net of tax, in the consolidated statements of income.

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FPU's funding policy provides that payments to the trustee shall be equal to at least the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

The following schedule summarizes the assets of the FPU Pension Plan, by investment type, at December 31, 2021 and 2020:

Asset Category	As of December 31,	
	2021	2020
Equity securities	52%	54%
Debt securities	38%	37%
Other	10%	9%
Total	100%	100%

The investment policy for the FPU Pension Plan is designed to provide the capital assets necessary to meet the financial obligations of the plan. The investment goals and objectives are to achieve investment returns that, together with contributions, will provide funds adequate to pay promised benefits to present and future beneficiaries of the plan, earn a competitive return to increasingly fund a large portion of the plan's retirement liabilities, minimize pension expense and cumulative contributions resulting from liability measurement and asset performance, and maintain the appropriate mix of investments to reduce the risk of large losses over the expected remaining life of each plan.

The following allocation range of asset classes is intended to produce a rate of return sufficient to meet the FPU Pension Plan's goals and objectives:

Asset Allocation Strategy

<u>Asset Class</u>	<u>Minimum Allocation Percentage</u>	<u>Maximum Allocation Percentage</u>
Domestic Equities (Large Cap, Mid Cap and Small Cap)	14%	32%
Foreign Equities (Developed and Emerging Markets)	13%	25%
Fixed Income (Inflation Bond and Taxable Fixed)	26%	40%
Diversifying Assets (High Yield Fixed Income, Commodities, and Real Estate)	7%	19%
Alternative Strategies (Long/Short Equity and Hedge Fund of Funds)	4%	10%
Cash	0%	5%

Due to periodic contributions and different asset classes producing varying returns, the actual asset values may temporarily move outside of the intended ranges. The investments are monitored on a quarterly basis, at a minimum, for asset allocation and performance.

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At December 31, 2021 and 2020, the assets of the FPU Pension Plan were comprised of the following investments:

Asset Category	Fair Value Measurement Hierarchy							
	December 31, 2021				December 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<i>(in thousands)</i>								
Mutual Funds - Equity securities								
U.S. Large Cap ⁽¹⁾	\$ 4,302	\$ -	\$ -	\$ 4,302	\$ 3,615	\$ -	\$ -	\$ 3,615
U.S. Mid Cap ⁽¹⁾	1,835	-	-	1,835	1,672	-	-	1,672
U.S. Small Cap ⁽¹⁾	954	-	-	954	891	-	-	891
International ⁽²⁾	10,863	-	-	10,863	11,307	-	-	11,307
Alternative Strategies ⁽³⁾	5,888	-	-	5,888	5,586	-	-	5,586
	<u>23,842</u>	<u>-</u>	<u>-</u>	<u>23,842</u>	<u>23,071</u>	<u>-</u>	<u>-</u>	<u>23,071</u>
Mutual Funds - Debt securities								
Fixed income ⁽⁴⁾	19,551	-	-	19,551	17,927	-	-	17,927
High Yield ⁽⁴⁾	3,014	-	-	3,014	2,606	-	-	2,606
	<u>22,565</u>	<u>-</u>	<u>-</u>	<u>22,565</u>	<u>20,533</u>	<u>-</u>	<u>-</u>	<u>20,533</u>
Mutual Funds - Other								
Commodities ⁽⁵⁾	2,297	-	-	2,297	2,246	-	-	2,246
Real Estate ⁽⁶⁾	2,729	-	-	2,729	1,954	-	-	1,954
Guaranteed deposit ⁽⁷⁾	-	-	497	497	-	-	846	846
	<u>5,026</u>	<u>-</u>	<u>497</u>	<u>5,523</u>	<u>4,200</u>	<u>-</u>	<u>846</u>	<u>5,046</u>
Total Pension Plan Assets	<u>\$ 51,433</u>	<u>\$ -</u>	<u>\$ 497</u>	<u>\$ 51,930</u>	<u>\$ 47,804</u>	<u>\$ -</u>	<u>\$ 846</u>	<u>\$ 48,650</u>
Investments Measured at net asset value ⁽⁸⁾				<u>6,782</u>				<u>7,316</u>
Total Pension Plan Assets				<u>\$58,712</u>				<u>\$55,966</u>

⁽¹⁾ Includes funds that invest primarily in United States common stocks.

⁽²⁾ Includes funds that invest primarily in foreign equities and emerging markets equities.

⁽³⁾ Includes funds that actively invest in both equity and debt securities, funds that sell short securities and funds that provide long-term capital appreciation. The funds may invest in debt securities below investment grade.

⁽⁴⁾ Includes funds that invest in investment grade and fixed income securities.

⁽⁵⁾ Includes funds that invest primarily in commodity-linked derivative instruments and fixed income securities.

⁽⁶⁾ Includes funds that invest primarily in real estate

⁽⁷⁾ Includes investment in a group annuity product issued by an insurance company.

⁽⁸⁾ Certain investments that were measured at net asset value per share have not been classified in the fair value hierarchy. These amounts are presented to reconcile to total pension plan assets.

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At December 31, 2021 and 2020, all of the investments were classified under the same fair value measurement hierarchy (Level 1 through Level 3). Level 1 investments are recorded at fair value based on unadjusted quoted prices in active markets for identical investments. The Level 3 investments are recorded at fair value based on the contract value of annuity products underlining guaranteed deposit accounts, which was calculated using discounted cash flow models. The contract value of these products represented deposits made to the contract, plus earnings at guaranteed crediting rates, less withdrawals and fees.

The following table sets forth the summary of the changes in the fair value of Level 3 investments for the FPU Pension Plan for the years ended December 31, 2021 and 2020:

	For the Year Ended December 31,	
	2021	2020
<i>(in thousands)</i>		
Balance, beginning of year	\$ 846	\$ 759
Purchases	1,601	2,774
Transfers in	1,525	756
Disbursements	(3,471)	(3,488)
Investment income	(4)	45
Balance, end of year	\$ 497	\$ 846

Other Postretirement Benefits Plan

The following sets forth the funded status of the FPU Medical Plan at December 31, 2021 and 2020 and the net periodic cost for the years ended December 31, 2021 and 2020:

	As of December 31,	
	2021	2020
<i>(in thousands)</i>		
Change in benefit obligation:		
Benefit obligation — beginning of year	\$ 1,009	\$1 1,224
Interest cost	24	30
Plan participants contributions	29	37
Actuarial gain	71	(181)
Benefits paid	(129)	(101)
Benefit obligation — end of year	1,004	1,009
Change in plan assets:		
Fair value of plan assets — beginning of year	—	—
Employer contributions ⁽¹⁾	100	64
Plan participants contributions	29	37
Benefits paid	(129)	(101)
Fair value of plan assets — end of year	—	—
Reconciliation:		
Funded status	(1,004)	(1,009)
Accrued postretirement cost	\$ (1,004)	\$(1,009)
Assumptions:		
Discount rate	2.51%	2.50

⁽¹⁾ The FPU Medical Plan did not receive a significant Medicare part-D subsidy for the post-merger period.

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Net periodic postretirement benefit costs for the FPU Medical Plan for 2021 and 2020 include the following components:

	For the Year Ended December 31,	
	2021	2020
<i>(in thousands)</i>		
Components of net periodic post retirement cost		
Interest cost	\$ 24	\$ 30
Amortization of actuarial gain	(9)	(19)
Net periodic cost	15	11
Amortization of pre-merger regulatory asset	-	6
Total periodic cost⁽¹⁾	\$ 15	\$ 17
Assumptions		
Discount rate	2.50%	3.25%

The following table presents the amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive income/loss or as a regulatory asset as of December 31, 2021:

	FPU Pension Plan	FPU Medical Plan	Total
<i>(in thousands)</i>			
Net loss (gain)	\$ 17,737	\$ (114)	\$ 17,623
Accumulated other comprehensive loss (gain) pre-tax ⁽¹⁾	\$ 3,370	\$ (22)	\$ 3,348
Post-merger regulatory asset	14,367	(92)	14,275
Total unrecognized cost	\$ 17,737	\$ (114)	\$ 17,623

⁽¹⁾ The total amount of accumulated other comprehensive loss recorded in FPU's consolidated balance sheet as of December 31, 2021 is net of income tax benefits of \$0.8 million.

Assumptions

The assumptions used for the discount rate to calculate the benefit obligations of all the FPU plans were based on the interest rates of high-quality bonds in 2021, considering the expected lives of each of the plans. In determining the average expected return on plan assets for the FPU Pension Plan, various factors, such as historical long-term return experience, investment policy and current and expected allocation, were considered. Since the FPU Pension Plan is frozen with respect to additional years of service and compensation, the rate of assumed compensation increases is not applicable.

The health care inflation rate for 2021 used to calculate the benefit obligation is 5.0 percent for the FPU Medical Plan.

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Estimated Future Benefit Payments

In 2022, FPU expects to contribute \$0.3 million and less than \$0.1 million to the FPU Pension Plan and FPU Medical Plan, respectively. The schedule below shows the estimated future benefit payments for each of the plans previously described:

<i>(in thousands)</i>	FPU Pension Plan⁽¹⁾	FPU Medical Plan⁽²⁾
2022	\$ 3,451	\$ 71
2023	\$ 3,537	\$ 70
2024	\$ 3,592	\$ 71
2025	\$ 3,690	\$ 70
2026	\$ 3,720	\$ 69
Years 2027 through 2031	\$ 18,588	\$ 324

⁽¹⁾ The pension plan is funded; therefore, benefit payments are expected to be paid out of the plan assets.

⁽²⁾ Benefit payments are expected to be paid out of FPU's general funds.

Retirement Savings Plan

We offer the Chesapeake Utilities 401(k) Retirement Savings Plan to all eligible employees who have completed three months of service, except for employees represented by a collective bargaining agreement that does not specifically provide for participation in the plan, non-resident aliens with no U.S. source income and individuals classified as consultants, independent contractors or leased employees.

Chesapeake Utilities matches 100 percent of eligible participants' pre-tax contributions to the Chesapeake Utilities 401(k) Retirement Savings Plan up to a maximum of six percent of eligible compensation. The employer matching contribution is made in cash and is invested based on a participant's investment directions. In addition, Chesapeake Utilities may make a discretionary supplemental contribution to participants in the plan, without regard to whether or not they make pre-tax contributions. Any supplemental employer contribution is generally made in Chesapeake Utilities' common stock. With respect to the employer match and supplemental employer contribution, employees are 100 percent vested after two years of service or upon reaching 55 years of age while still employed by Chesapeake Utilities. Employees with one year of service are 20 percent vested and will become 100 percent vested after two years of service. Employees who do not make an election to contribute or do not opt out of the Chesapeake Utilities 401(k) Retirement Savings Plan will be automatically enrolled at a deferral rate of three percent, and the automatic deferral rate will increase by one percent per year up to a maximum of ten percent. All contributions and matched funds can be invested among the mutual funds available for investment. Our contributions to the Chesapeake Utilities 401(k) Retirement Savings Plan net of a portion capitalized, totaled \$0.6 million for both of the years ended December 31, 2021 and 2020, respectively.

Non-Qualified Deferred Compensation Plan

Chesapeake Utilities' executive officers and directors are eligible to participate in the Chesapeake Utilities Corporation Non-Qualified Deferred Compensation Plan. Executive officers can defer up to 80 percent of their base compensation, cash bonuses or any amount of their stock bonuses (net of required withholdings). Executive officers may receive a matching contribution on their cash compensation deferrals up to six percent of their compensation, provided it does not duplicate a match they receive in the Chesapeake Utilities 401(k) Retirement Savings Plan. For each of the years ended December 31, 2021 and 2020, the amounts matched to the Chesapeake Utilities Corporation Non-Qualified Deferred Compensation Plan were immaterial.

8. Share-Based Compensation

Chesapeake Utilities executives have been granted share-based awards through Chesapeake Utilities' Stock Incentive Compensation Plan ("SICP"). The share-based awards are recorded as compensation costs over the respective service period for which services are received in exchange for an award of equity or equity-based compensation. The compensation cost is based primarily on the fair value of the shares awarded, using the estimated fair value of each share on the date it was granted and the number of shares to be issued at the end of the service period.

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These awards are based on multi-year performance plans, which are earned based upon the successful achievement of long-term goals, growth and financial results, which comprised both market-based and performance-based conditions or targets. The fair value of each share of stock tied to a performance-based condition or target is equal to the market price of Chesapeake Utilities common stock on the date of the grant. For the market-based conditions, Monte Carlo valuation is used estimate the fair value of each share of market-based award granted. For the years ended December 31, 2021 and 2020, we were allocated \$0.7 million and \$0.6 million, respectively, in total compensation expense for the awards granted under the SICP.

9. Rates and Other Regulatory Activities

Effect of the TCJA on customers: In February 2018, the FPSC opened dockets to consider the impacts associated with the TCJA. In May 2018, we filed petitions and supporting testimony regarding the disposition of the related impacts of the TCJA. Hearings on this matter took place in November 2018, The FPSC approved Staff’s recommendations on February 5, 2019. Final orders were issued on February 25, 2019 subject to a 30-day appeal period.

The order stated that the net accumulated deferred income tax liability would be amortized and retained by us pursuant to the prescribed schedule. As of December 31, 2021, and 2020 the deferred tax liability balance was \$19.2 million and \$19.3 million. Tax savings arising from the TCJA rate reduction from 35 percent to 21 percent would be retained by us. Tax savings associated with the Gas Reliability Infrastructure Program (“GRIP”) for 2018 will be refunded through the annual GRIP cost recovery mechanism. Future customer GRIP surcharges will be adjusted to reflect tax savings associated with TCJA.

COVID-19 Impact: In March 2020, the CDC declared a national emergency due to the rapidly growing outbreak of COVID-19. In response to this declaration and the rapid spread of COVID-19 within the United States, federal, state and local governments throughout the country imposed varying degrees of restrictions on social and commercial activity to promote social distancing to slow the spread of the illness. These restrictions significantly impacted economic conditions in the United States in 2020 and continued through the fourth quarter of 2021. Chesapeake Utilities is considered an “essential business,” which has allowed us to continue operational activities and construction projects with appropriate safety precautions and personal protective equipment, while being mindful of the social distancing restrictions that were in place.

In response to the COVID-19 pandemic and related restrictions, we experienced reduced consumption of energy largely in the commercial and industrial sectors, higher bad debt expenses and incremental expenses associated with COVID-19, including expenditures associated with personal protective equipment and premium pay for field personnel. The additional operating expenses we incurred support the ongoing delivery of our essential services during these unprecedented times.

In 2021, restrictions were gradually lifted as vaccines became widely available in the United States. The state of emergency in Florida was terminated in May 2021. Considering the winter surge of COVID-19 cases in January 2022 and the prevalence of new variants of COVID-19, we continue to operate under our pandemic response plan, monitor developments affecting employees, customers, suppliers, stockholders and take all precautions warranted to operate safely and to comply with the CDC and OSHA, with a goal of minimizing further exposure for our employees, customers and the communities.

We reached a settlement with the Florida Office of Public Counsel in June 2021 related to incremental expenses incurred due to COVID-19. The settlement allows the units to establish a regulatory asset in a total amount of \$0.6 million as of June 30, 2021. This amount includes COVID-19 related incremental expenses for bad debt write-offs, personal protective equipment, cleaning and business information services for remote work. We will amortize the regulatory asset over two years and recover it through the Purchased Gas Adjustment and Swing Service mechanisms. This settlement agreement was approved by the Florida PSC on July 8, 2021 and the final order was issued on July 22, 2021.

10. Environmental Commitments and Contingencies

We are subject to federal, state and local laws and regulations governing environmental quality and pollution control. These laws and regulations require us to remove or remediate at current and former operating sites the effect on the environment of the disposal or release of specified substances.

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We have participated in the investigation, assessment or remediation, and have exposures at four former manufactured gas plant ("MGP") sites. Those sites are located in West Palm Beach, Sanford, Key West and Pensacola, Florida.

As of December 31, 2021, and 2020, we had approximately \$5.2 million and \$5.9 million, respectively, in environmental liabilities related to all of the MGP sites, representing our estimate of the future costs associated with those sites. These amounts are reflected in environmental liabilities in the accompanying balance sheets. We have approval to recover up to \$14.0 million of the environmental costs related to all of our MGP sites from insurance and from customers through rates, approximately \$12.9 million of which has been recovered as of December 31, 2021. We had approximately \$1.1 million in regulatory assets for future recovery of environmental costs from our customers.

Environmental liabilities for our MGP sites are recorded on an undiscounted basis based on the estimate of future costs provided by independent consultants. We continue to expect that all costs related to environmental remediation and related activities, including any potential future remediation costs for which we do not currently have approval for regulatory recovery, will be recoverable from customers through rates. The following is a summary of our remediation status and estimated costs to implement clean-up of our key MGP sites:

Jurisdiction	MGP Site	Status	Cost to Clean up	Recovery through Rates
Florida	West Palm Beach	Remedial actions approved by the Florida Department of Environmental Protection have been implemented on the east parcel of the site. Similar remedial actions have been initiated on the site's west parcel, and construction of active remedial systems are expected to be completed in 2022.	Between \$3.3 million to \$14.2 million, including costs associated with the relocation of FPU's operations at this site, and any potential costs associated with future redevelopment of the properties.	Yes
Florida	Sanford	In March 2018, the United States Environmental Protection Agency ("EPA") approved a "site-wide ready for anticipated use" status, which is the final step before delisting a site. Construction has been completed and restrictive covenants are in place to ensure protection of human health. The only remaining activity is long-term groundwater monitoring.	FPU's remaining remediation expenses, including attorneys' fees and costs, are anticipated to be immaterial.	Yes

11. Other Commitments and Contingencies

We have entered into contractual commitments to purchase natural gas from various suppliers. The contracts have various expiration dates. The total purchase obligations for natural gas are \$17.6 million for 2022, \$35.0 million for 2023-2024, \$31.0 million for 2025-2026 and \$125.5 million thereafter, with an aggregate total of \$209.1 million.

We are involved in certain other legal actions and claims arising in the normal course of business. We are also involved in certain legal proceedings and administrative proceedings before various governmental agencies concerning rates. In the opinion of management, the ultimate disposition of these proceedings will not have a material effect on our financial position, results of operations or cash flows.

12. Revenue from Contracts with Customers

Florida Public Utilities Company			For the Year Ended
Natural Gas Division			December 31, 2021
NOTES TO FINANCIAL STATEMENTS			

Customer Revenue

We recognize revenue when our performance obligations under contracts with customers have been satisfied, which generally occurs when we have delivered natural gas to customers. We bill customers for both the delivery of natural gas and the related commodity, as our customers are also required to purchase the commodity from us. We consider the delivery of natural gas and the related commodity sale as one performance obligation because the commodity and its delivery are highly interrelated with two-way dependency on one another. Our performance obligation is satisfied over time as natural gas is delivered and consumed by the customer. We recognize revenues based on monthly meter readings, which are based on the quantity of natural gas used and rates approved by the FPSC. We accrue unbilled revenues for natural gas that have been delivered, but not yet billed, at the end of an accounting period, to the extent that billing and delivery do not coincide. We exclude sales taxes and other similar taxes from the transaction price. Typically, our customers pay for the goods and/or services we provide in the month following the satisfaction of our performance obligation.

Contract Balances

The timing of revenue recognition, customer billings and cash collections results in trade receivables, unbilled receivables (contract assets), and customer advances (contract liabilities) in our balance sheets. As of December 31, 2021, and 2020, the balance of our trade receivables, net of our allowance for expected credit losses, was \$7.7 million and \$8.9 million, respectively. As of December 31, 2021, and 2020, there were no material contract assets or liabilities recorded on the Comparative Balance Sheet.

Remaining performance obligations

We have long-term fixed fee contracts with customers in which revenues are recognized as performance obligations are satisfied over the contract term. Revenue for the remaining performance obligations at December 31, 2020 are expected to be recognized as follows:

<i>(in thousands)</i>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027 and thereafter</u>
Natural gas distribution operations	\$1,466	\$1,346	\$1,350	\$1,346	\$1,346	\$4,431

Practical expedients

For agreements that contain variable consideration, we use the invoice practical expedient method. We determined that the amounts invoiced to customers correspond directly with the value to our customers and our performance to date.

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)	Gas (c)
1	UTILITY PLANT		
2	In Service		
3	101 Plant in Service (Classified)	\$ 353,611,929	\$ 353,611,929
4	101.1 Property Under Capital Leases	\$ 1,901,065	\$ 1,901,065
5	102 Plant Purchased or Sold	\$ -	\$ -
6	106 Completed Construction not Classified	\$ 29,029,845	\$ 29,029,845
7	103 Experimental Plant Unclassified	\$ -	\$ -
8	104 Leased to Others	\$ -	\$ -
9	105 Held for Future Use	\$ -	\$ -
10	114 Acquisition Adjustments	\$ 48,435,997	\$ 48,435,997
11	TOTAL Utility Plant (Total of lines 3 through 10)	\$ 432,978,836	\$ 432,978,836
12	107 Construction Work in Progress	\$ 3,841,312	\$ 3,841,312
13	Accum. Provision for Depreciation, Amortization, & Depletion	\$ (111,487,575)	\$ (111,487,575)
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	\$ 325,332,573	\$ 325,332,573
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	\$ 90,055,735	\$ 90,055,735
18	111 Amort. and Depl. of Producing Nat. Gas Land & Land Rights		-
19	111 Amort. of Underground Storage Land and Land Rights		-
20	119 Amortization of Other Utility Plant		-
21	TOTAL in Service (Total of lines 17 through 20)	\$ 90,055,735	\$ 90,055,735
22	Leased to Others		
23	108 Depreciation		
24	111 Amortization and Depletion		
25	TOTAL Leased to Others (Total of lines 23 and 24)		
26	Held for Future Use		
27	108 Depreciation		
28	111 Amortization		
29	TOTAL Held for Future Use (Enter. Tot. of lines 27 and 28)	-	-
30	111 Abandonment of Leases (Natural Gas)		
31	115 Amortization of Plant Acquisition Adjustment	\$ 21,431,840	\$ 21,431,840
32	TOTAL Accum. Provisions (Should agree with line 13 above) (Total of lines 21, 25, 29, 30, and 31)	\$ 111,487,575	\$ 111,487,575

**Annual Status Report
Analysis of Plant in Service Accounts**

Florida Public Utilities Company - Natural Gas Division & Common Plants Allocated to Florida Public Utilities Natural Gas
For the Year Ended December 31, 2021

Page 1 of 2

Acct. No.	Account Description	Depr. Rate	Beginning Balance	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance
General Plant Assets:									
301	Organization		1,134	-	-	-	-	-	1,134
303	Miscellaneous Intangible Plant	10 Yrs	484,449	-	-	-	-	-	484,449
374	Land - Distribution		164,608	-	-	-	-	-	164,608
389	Land - General		975,588	-	-	-	-	-	975,588
	Land - Other								
Amortizable General Plant Assets:									
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
DISTRIBUTION PLANT									
3741	Land Rights	5.50%	12,910	-	-	-	-	-	12,910
375	Structures and Improvements	2.50%	689,406	13,958	-	-	-	-	703,364
3761	Mains - Plastic	2.10%	74,903,629	4,027,475	(110,206)	-	-	-	78,820,898
3762	Mains - Other	2.20%	38,236,094	919,875	(45,586)	-	-	-	39,110,384
378	Meas. And Reg. Sta. Equipment - General	3.50%	1,393,411	108,486	-	-	-	-	1,501,897
379	meas. And Reg. Sta. Equipment - City Gate	3.10%	6,112,372	44,936	-	-	-	-	6,157,307
3801	Services - Plastic	2.20%	43,624,694	6,405,401	(620,828)	-	-	-	49,409,266
3802	Services - Other	9.20%	1,602,828	44,141	(13,955)	-	-	-	1,633,014
381	Meters	3.60%	13,435,869	1,983,072	(122,174)	-	-	-	15,296,767
382	Meter Installations	3.20%	10,814,041	1,423,793	-	-	-	-	12,237,833
383	House Regulators	3.30%	4,233,054	484,399	(8,670)	-	-	-	4,708,782
384	House Reg. Installations	2.70%	1,043,751	-	-	-	-	-	1,043,751
385	Industrial Meas. And Reg. Sta. Equipment	2.30%	55,465	-	-	-	-	-	55,465
386	Other Property on Customers Prem.		-	-	-	-	-	-	-
387	Other Equipment	4.00%	1,851,498	98,510	-	-	-	-	1,950,008
	TOTAL DISTRIBUTION PLANT		199,634,801	15,554,046	(921,419)	-	-	-	214,267,425
GENERAL PLANT									
390	Structures and Improvements	2.30%	6,910,561	3,872	(29,893)	-	-	-	6,884,540
3910	Office Furniture	20 Yrs	263,857	-	(1,750)	-	(638)	-	261,470
3911	Computers & Peripherals	10 Yrs	-	-	-	-	-	-	-
3912	Office Equipment	14 Yrs	1,545,690	35,741	(11,277)	-	-	-	1,570,154
3913	Computer Hardware	10 Yrs	1,079,760	169,712	(128,145)	-	-	-	1,121,326
3914	Software	10 Yrs	5,798,193	206,417	(58,007)	-	-	-	5,946,604
3921	Transportation - Cars	17.40%	162,364	50,091	-	-	-	-	212,454
3922	Transportation - Light Trucks, Vans	8.40%	4,692,247	271,722	(376,957)	-	-	-	4,587,012
3923	Transportation - Heavy Trucks	8.20%	-	-	-	-	-	-	-
3924	Transportation - Trailers	5.80%	69,325	-	-	-	-	-	69,325
393	Stores Equipment	26 Yrs	28,510	1,472	-	-	-	-	29,982
3920	Transportation - equipment		-	-	-	-	-	-	-

**Annual Status Report
Analysis of Plant in Service Accounts**

Florida Public Utilities Company - Natural Gas Division & Common Plants Allocated to Florida Public Utilities Natural Gas
For the Year Ended December 31, 2021

Page 2 of 2

Acct. No.	Account Description	Depr. Rate	Beginning Balance	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance
(Continued)									
21									
394	Tools, Shop, and Garage Equipment	15 Yrs	720,219	54,395	(19,287)	-	-	-	755,327
395	Laboratory Equipment	20 Yrs	-	-	-	-	-	-	-
396	Power Operated Equipment	5.10%	957,350	24,156	(60,902)	-	-	-	920,603
397	Communication Equipment	13 Yrs	1,521,990	75,615	(58,789)	-	-	-	1,538,816
398	Miscellaneous Equipment	17 Yrs	277,181	-	-	-	-	-	277,181
	SUBTOTAL		24,027,247	893,193	(745,007)	-	(638)	-	24,174,794
399	Other Tangible Property	5 Yrs	-	-	-	-	-	-	-
376G	Mains Plastic-GRIP	2.10%	89,609,178	13,744,004	-	-	-	-	103,353,182
380G	Services Plastic-GRIP	2.20%	33,294,745	7,551,629	-	-	-	-	40,846,374
	TOTAL GENERAL PLANT		146,931,170	22,188,826	(745,007)	-	(638)	-	168,374,350
	TOTAL DISTRIBUTION PLANT		199,634,801	15,554,046	(921,419)	-	-	-	214,267,425
	TOTAL GAS PLANT IN SERVICE		346,565,971	37,742,872	(1,666,426)	-	(638)	-	382,641,775
Capital Recovery Schedules:									
NONE									
Total Account 101*			346,565,971	37,742,872	(1,666,426)	-	(638)	-	382,641,775
Amortizable Assets:									
114	Acquisition Adjustment		48,435,995	-	-	-	-	-	48,435,995
104	Leased Plant to Others		-	-	-	-	-	-	-
101.1	Property Under Capital Leases		2,136,515	-	-	-	(235,450)	-	1,901,065
	Rounding		-	2	-	-	-	-	1
Total Utility Plant			397,138,481	37,742,874	(1,666,426)	-	(236,088)	-	432,978,836

Note: * The grand total balances include Florida Public Utilities Company Allocation of Common Plant (see following pages 14.1 and 14.2 for additional details)
* The grand total balances exclude Acct 115 and 107.
* Please see the Company's Notes to Financial Statements regarding leases as reported in account 101.1

Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization

Florida Public Utilities Company - Natural Gas Division & Common Plants Allocated to Florida Public Utilities Natural Gas
 For the Year Ended December 31, 2021

Page 1 of 2

Acct. No.	Account Description	Beginning Balance	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance
Amortizable General Plant Assets:										
301	Organization	(1,134)	-	-	-	-	-	-	-	(1,134)
303	Miscellaneous Intangible Plant	(196,220)	(27,081)	-	-	-	-	-	-	(223,301)
374	Land - Distribution	-	-	-	-	-	-	-	-	-
389	Land - General	-	-	-	-	-	-	-	-	-
	Land - Other - Common	-	-	-	-	-	-	-	-	-
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
DISTRIBUTION PLANT										
3741	Land Rights	(9,038)	(710)	-	-	-	-	-	-	(9,748)
375	Structures and Improvements	(27,257)	(15,359)	-	-	-	-	-	-	(42,615)
3761	Mains - Plastic	(17,636,176)	(1,621,402)	-	110,206	-	11,444	-	-	(19,135,928)
3762	Mains - Other	(22,824,375)	(854,357)	-	45,586	-	600,168	-	-	(23,032,979)
378	Meas. and Reg. Sta. Equipment - General	(362,666)	(51,876)	-	-	-	16,565	-	-	(397,977)
379	Meas. and Reg. Sta. Equipment - City Gate	(2,091,605)	(190,531)	-	-	-	-	-	-	(2,282,136)
3801	Services - Plastic	(10,479,533)	(1,023,685)	-	620,828	-	85,704	-	-	(10,796,686)
3802	Services - Other	(2,715,621)	(131,743)	-	13,955	-	257,521	-	-	(2,575,888)
381	Meters	(4,585,259)	(527,457)	-	122,174	-	72,157	-	-	(4,918,385)
382	Meter Installations	(2,558,107)	(366,449)	-	-	-	-	-	-	(2,924,557)
383	House Regulators	(1,777,900)	(146,785)	-	8,670	-	-	-	-	(1,916,016)
384	House Reg. Installations	(637,051)	(28,181)	-	-	-	-	-	-	(665,232)
385	Industrial Meas. and Reg. Sta. Equipment	(45,534)	(1,276)	-	-	-	-	-	-	(46,810)
386	Other Property on Customers Prem.	-	-	-	-	-	-	-	-	-
387	Other Equipment	(588,274)	(75,932)	-	-	-	-	-	-	(664,206)
	TOTAL DISTRIBUTION PLANT	(66,535,750)	(5,062,825)	-	921,419	-	1,043,559	-	-	(69,633,598)
GENERAL PLANT										
390	Structures and Improvements	(987,199)	(192,750)	-	29,893	(1,275)	-	(475)	-	(1,151,807)
3910	Office Furniture	(981)	(15,473)	-	1,750	-	-	34,369	-	19,665
3911	Computers & Peripherals	-	-	-	-	-	-	-	-	-
3912	Office Equipment	(490,753)	(119,581)	-	11,277	-	-	157,560	-	(441,497)
3913	Computer Hardware	988	(190,381)	-	128,145	-	-	(243,233)	-	(304,481)
3914	Software	(2,027,429)	(689,391)	-	58,007	-	-	(93,732)	-	(2,752,545)
3921	Accum. Dep. - Transportation - Cars	(95,060)	(26,868)	-	-	-	-	-	-	(121,929)
3922	Accum. Dep. - Trans. - Light Trucks, vans	(1,953,722)	(381,839)	-	376,957	(70,768)	-	29,574	-	(1,999,797)
3923	Accum. Dep. - Trans. - Heavy Trucks	-	-	-	-	-	-	-	-	-
3924	Accum. Dep. - Transportation - Trailers	(42,501)	(4,021)	-	-	-	-	-	-	(46,522)
393	Stores Equipment	(13,456)	(1,106)	-	-	-	-	183	-	(14,379)
3920	Transportation - equipment	-	-	-	-	-	-	-	-	-

Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization

Florida Public Utilities Company - Natural Gas Division & Common Plants Allocated to Florida Public Utilities Natural Gas
For the Year Ended December 31, 2021

Page 2 of 2

Acct. No.	Account Description	Beginning Balance	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance
(Continued)										
394	Tools, Shop, and Garage Equipment	(390,824)	(39,148)	-	19,287	-	-	(11,562)	-	(422,247)
395	Laboratory Equipment	-	-	-	-	-	-	-	-	-
396	Power Operated Equipment	(398,088)	(51,093)	-	60,902	-	(3,809)	-	-	(392,088)
397	Communication Equipment	(443,194)	(131,528)	-	58,789	-	-	(48,042)	-	(563,976)
398	Miscellaneous Equipment	(151,280)	(16,305)	-	-	-	-	(9,599)	-	(177,183)
	SUBTOTAL	(6,993,499)	(1,859,485)	-	745,007	(72,043)	(3,809)	(184,957)	-	(8,368,786)
399	Other Tangible Property	-	-	-	-	-	-	-	-	-
376G	Mains Plastic-GRIP	(8,318,019)	(1,950,309)	-	-	-	-	-	-	(10,268,328)
380G	Services Plastic-GRIP	(1,101,275)	(818,502)	-	-	-	-	-	-	(1,919,777)
	TOTAL GENERAL PLANT	(16,412,793)	(4,628,296)	-	745,007	(72,043)	(3,809)	(184,957)	-	(20,556,891)
	TOTAL DISTRIBUTION PLANT	(66,535,750)	(5,062,825)	-	921,419	-	1,043,559	-	-	(69,633,598)
	TOTAL GAS PLANT IN SERVICE	(82,948,543)	(9,691,121)	-	1,666,426	(72,043)	1,039,750	(184,957)	-	(90,190,489)
Capital Recovery Schedules:										
NONE										
Subtotal		(82,948,543)	(9,691,121)	-	1,666,426	(72,043)	1,039,750	(184,957)	-	(90,190,489)
List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 8.										
108	RWIP	321,638	-	-	531,936	-	-	-	-	853,574
104	Leased Plant	-	-	-	-	-	-	-	-	-
	FPU transportation depreciation charges allocated to various business units		369,018						(369,018)	-
108L	Amort of Prop Under Capital Leases	(249,866)	(468,954)							(718,820)
	Allocation of Common Plant from Florida Various Public Utilities consolidated		205,572						(205,572)	-
	Rounding	(4)								-
	Subtotal	71,768	105,636	-	531,936	-	-	-	(574,589)	134,754
Grand Total		(82,876,775)	(9,585,485)	-	2,198,362	(72,043)	1,039,750	(184,957)	(574,590)	(90,055,735)

Note: * The grand total balances include Florida Public Utilities Company Allocation of Common Plant (see following pages 16.1 and 16.2 for additional details)
* The grand total balances exclude Acct 115 and 107.

**Annual Status Report
Analysis of Plant in Service Accounts**

**Common Plants Allocated to Florida Public Utilities Natural Gas
For the Year Ended December 31, 2021**

Page 1 of 2

Acct. No.	Account Description	Depr. Rate	Beginning Balance	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:									
301	Organization		-	-	-	-	-	-	-
303	Miscellaneous Intangible Plant	10 Yrs	-	-	-	-	-	-	-
374	Land - Distribution		-	-	-	-	-	-	-
389	Land - General		239,193	-	-	-	-	-	239,193
	Land - Other								
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
DISTRIBUTION PLANT									
3741	Land Rights	5.50%	-	-	-	-	-	-	-
375	Structures and Improvements	2.50%	-	-	-	-	-	-	-
3761	Mains - Plastic	2.10%	-	-	-	-	-	-	-
3762	Mains - Other	2.20%	-	-	-	-	-	-	-
378	Meas. And Reg. Sta. Equipment - General	3.50%	-	-	-	-	-	-	-
379	meas. And Reg. Sta. Equipment - City Gate	3.10%	-	-	-	-	-	-	-
3801	Services - Plastic	2.20%	-	-	-	-	-	-	-
3802	Services - Other	9.20%	-	-	-	-	-	-	-
381	Meters	3.60%	-	-	-	-	-	-	-
382	Meter Installations	3.20%	-	-	-	-	-	-	-
383	House Regulators	3.30%	-	-	-	-	-	-	-
387	Other Equipment	4.00%	-	-	-	-	-	-	-
	TOTAL DISTRIBUTION PLANT		239,193	-	-	-	-	-	239,193
GENERAL PLANT									
390	Structures and Improvements	2.30%	3,105,779	(1,500)	-	-	-	-	3,104,279
3910	Office Furniture	20 Yrs	173,302	-	-	-	-	-	173,302
3911	Computers & Peripherals	10 Yrs	-	-	-	-	-	-	-
3912	Office Equipment	14 Yrs	295,991	1,370	-	-	-	-	297,360
3913	Computer Hardware	10 Yrs	62,456	-	(45,692)	-	-	-	16,765
3914	Software	10 Yrs	343,115	32,080	-	-	-	-	375,196
3921	Transportation - Cars	17.40%	103,441	-	-	-	-	-	103,441
3922	Transportation - Light Trucks, Vans	8.40%	306,082	-	-	-	-	-	306,082
3923	Transportation - Heavy Trucks	8.20%	-	-	-	-	-	-	-
3924	Transportation - Trailers	5.80%	-	-	-	-	-	-	-

**Annual Status Report
Analysis of Plant in Service Accounts**

**Common Plants Allocated to Florida Public Utilities Natural Gas
For the Year Ended December 31, 2021**

Page 2 of 2

21								
394 Tools, Shop, and Garage Equipment	15 Yrs	-	-	-	-	-	-	-
395 Laboratory Equipment	20 Yrs	-	-	-	-	-	-	-
396 Power Operated Equipment	5.10%	-	-	-	-	-	-	-
397 Communication Equipment	13 Yrs	256,779	-	-	-	-	-	256,779
398 Miscellaneous Equipment	17 Yrs	13,194	-	-	-	-	-	13,194
SUBTOTAL		4,660,139	31,950	(45,692)	-	-	-	4,646,398
399 Other Tangible Property	5 Yrs	-	-	-	-	-	-	-
376G Mains Plastic-GRIP	2.10%	-	-	-	-	-	-	-
380G Services Plastic-GRIP	2.20%	-	-	-	-	-	-	-
TOTAL GENERAL PLANT		4,660,139	31,950	(45,692)	-	-	-	4,646,398
TOTAL DISTRIBUTION PLANT		239,193	-	-	-	-	-	239,193
TOTAL GAS PLANT IN SERVICE		4,899,332	31,950	(45,692)	-	-	-	4,885,591
Capital Recovery Schedules:								
NONE								
Total Account 101*		4,899,332	31,950	(45,692)	-	-	-	4,885,591
Amortizable Assets:								
114 Acquisition Adjustment		3,877,668						3,877,668
104 Leased Plant to Others								-
101.1 Property Under Capital Leases		228,132				(4,987)		223,145
Other - Rounding		-						-
Total Utility Plant		9,005,132	31,950	(45,692)	-	(4,987)	-	8,986,404

Note: * The balances on pages 13.1 FC - 16.1 FC are Florida Public Utilities Company Allocation of Common Plant And Accumulated Depreciation only
* Please see the Company's Notes to Financial Statements regarding leases as reported in account 101.1
* FPUC Allocation of Common Plant and Accumulated Depreciation to this division was 37.37% in 2020 , 40.08% in 2021.

**Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization**

Common Plants Allocated to Florida Public Utilities Natural Gas
For the Year Ended December 31, 2021

Page 1 of 2

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
301	Organization	-	-	-	-	-	-	-	-	-
303	Miscellaneous Intangible Plant	-	-	-	-	-	-	-	-	-
374	Land - Distribution	-	-	-	-	-	-	-	-	-
389	Land - General	-	-	-	-	-	-	-	-	-
	Land - Other - Common	-	-	-	-	-	-	-	-	-
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
DISTRIBUTION PLANT										
3741	Land Rights	-	-	-	-	-	-	-	-	-
375	Structures and Improvements	-	-	-	-	-	-	-	-	-
3761	Mains - Plastic	-	-	-	-	-	-	-	-	-
3762	Mains - Other	-	-	-	-	-	-	-	-	-
378	Meas. and Reg. Sta. Equipment - General	-	-	-	-	-	-	-	-	-
379	Meas. and Reg. Sta. Equipment - City Gate	-	-	-	-	-	-	-	-	-
3801	Services - Plastic	-	-	-	-	-	-	-	-	-
3802	Services - Other	-	-	-	-	-	-	-	-	-
381	Meters	-	-	-	-	-	-	-	-	-
382	Meter Installations	-	-	-	-	-	-	-	-	-
383	House Regulators	-	-	-	-	-	-	-	-	-
387	Other Equipment	-	-	-	-	-	-	-	-	-
	TOTAL DISTRIBUTION PLANT	-	-	-	-	-	-	-	-	-
GENERAL PLANT										
390	Structures and Improvements	(96,436)	(71,463)	-	-	-	-	(475)	-	(168,374)
3910	Office Furniture	61,636	(8,665)	-	-	-	-	43,269	-	96,240
3911	Computers & Peripherals	-	-	-	-	-	-	-	-	-
3912	Office Equipment	(158,244)	(21,191)	-	-	-	-	167,406	-	(12,029)
3913	Computer Hardware	157,737	(4,107)	-	45,692	-	-	(239,485)	-	(40,163)
3914	Software Cost Pool Clearing	(9,166)	(35,908)	-	-	-	-	49,457	-	4,383
3921	Accum. Dep. - Transportation - Cars	(44,449)	(17,999)	-	-	-	-	-	-	(62,448)
3922	Accum. Dep. - Trans. - Light Trucks, vans	(105,748)	(25,711)	-	-	-	-	29,574	-	(101,885)
3923	Accum. Dep. - Trans. - Heavy Trucks	-	-	-	-	-	-	-	-	-
3924	Accum. Dep. - Transportation - Trailers	-	-	-	-	-	-	-	-	-

Annual Status Report

Analysis of Entries in Accumulated Depreciation & Amortization

Common Plants Allocated to Florida Public Utilities Natural Gas
For the Year Ended December 31, 2021

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(Continued)									
394 Tools, Shop, and Garage Equipment	-	-	-	-	-	-	-	-	-
395 Laboratory Equipment	-	-	-	-	-	-	-	-	-
396 Power Operated Equipment	-	-	-	-	-	-	-	-	-
397 Communication Equipment	(46,300)	(19,752)	-	-	-	-	-	(10,914)	(76,967)
398 Miscellaneous Equipment	(33)	(776)	-	-	-	-	-	(3,190)	(3,999)
SUBTOTAL	(241,003)	(205,572)	-	45,692	-	-	49,746	(14,104)	(365,241)
399 Other Tangible Property	-	-	-	-	-	-	-	-	-
376G Mains Plastic-GRIP	-	-	-	-	-	-	-	-	-
380G Services Plastic-GRIP	-	-	-	-	-	-	-	-	-
TOTAL GENERAL PLANT	(241,003)	(205,572)	-	45,692	-	-	49,746	(14,104)	(365,241)
TOTAL DISTRIBUTION PLANT	-	-	-	-	-	-	-	-	-
TOTAL GAS PLANT IN SERVICE	(241,003)	(205,572)	-	45,692	-	-	49,746	(14,104)	(365,241)
Capital Recovery Schedules:									
NONE									
Subtotal	(241,003)	(205,572)	-	45,692	-	-	49,746	(14,104)	(365,241)
List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 8.									
1089 RWIP									-
1040 Leased Plant									-
Subtotal	-	-	-	-	-	-	-	-	-
Grand Total	(241,003)	(205,572)	-	45,692	-	-	49,746	(14,104)	(365,241)

Note: * The balances on pages 13.1-16.1 are Florida Public Utilities Company Allocation of Common Plant And Accumulated Depreciation only

* FPUC Allocation of Common Plant and Accumulated Depreciation to this division was 37.37% in 2020 , 40.08% in 2021.

**Annual Status Report
Analysis of Plant in Service Accounts**

Common Plants Allocated to Florida Public Utilities Natural Gas

For the Year Ended December 31, 2021

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Acct. No.	Account Description	Depr. Rate	Beginning Balance	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:									
301	Organization		1,134	-	-	-	-	-	1,134
303	Miscellaneous Intangible Plant	10 Yrs	-	-	-	-	-	-	-
374	Land - Distribution		-	-	-	-	-	-	-
389	Land - General		-	-	-	-	-	-	-
	Land - Other		-	-	-	-	-	-	-
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
DISTRIBUTION PLANT									
3741	Land Rights	5.50%	-	-	-	-	-	-	-
375	Structures and Improvements	2.50%	-	-	-	-	-	-	-
3761	Mains - Plastic	2.10%	-	-	-	-	-	-	-
3762	Mains - Other	2.20%	-	-	-	-	-	-	-
378	Meas. And Reg. Sta. Equipment - General	3.50%	-	-	-	-	-	-	-
379	meas. And Reg. Sta. Equipment - City Gate	3.10%	-	-	-	-	-	-	-
3801	Services - Plastic	2.20%	-	-	-	-	-	-	-
3802	Services - Other	9.20%	-	-	-	-	-	-	-
381	Meters	3.60%	-	-	-	-	-	-	-
382	Meter Installations	3.20%	-	-	-	-	-	-	-
383	House Regulators	3.30%	-	-	-	-	-	-	-
387	Other Equipment	4.00%	-	-	-	-	-	-	-
	TOTAL DISTRIBUTION PLANT		1,134	-	-	-	-	-	1,134
GENERAL PLANT									
390	Structures and Improvements	2.30%	1,069,106	-	(29,893)	-	-	-	1,039,213
3910	Office Furniture	20 Yrs	25,458	-	-	-	-	-	25,458
3911	Computers & Peripherals	10 Yrs	-	-	-	-	-	-	-
3912	Office Equipment	14 Yrs	212,048	25,005	(11,277)	-	-	-	225,776
3913	Computer Hardware	10 Yrs	803,148	144,590	(50,397)	-	-	-	897,340
3914	Software	10 Yrs	548,694	147,984	(29,612)	-	-	-	667,066
3921	Transportation - Cars	17.40%	-	-	-	-	-	-	-
3922	Transportation - Light Trucks, Vans	8.40%	-	-	-	-	-	-	-
3923	Transportation - Heavy Trucks	8.20%	-	-	-	-	-	-	-
3924	Transportation - Trailers	5.80%	-	-	-	-	-	-	-

**Annual Status Report
Analysis of Plant in Service Accounts**

**Common Plants Allocated to Florida Public Utilities Natural Gas
For the Year Ended December 31, 2021**

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21								
394 Tools, Shop, and Garage Equipment	15 Yrs	-	-	-	-	-	-	-
395 Laboratory Equipment	20 Yrs	-	-	-	-	-	-	-
396 Power Operated Equipment	5.10%	-	-	-	-	-	-	-
397 Communication Equipment	13 Yrs	165,248	(519)	(5,349)	-	-	-	159,380
398 Miscellaneous Equipment	17 Yrs	-	-	-	-	-	-	-
SUBTOTAL		2,823,702	317,060	(126,528)	-	-	-	3,014,234
399 Other Tangible Property	5 Yrs	-	-	-	-	-	-	-
376G Mains Plastic-GRIP	2.10%	-	-	-	-	-	-	-
380G Services Plastic-GRIP	2.20%	-	-	-	-	-	-	-
TOTAL GENERAL PLANT		2,823,702	317,060	(126,528)	-	-	-	3,014,234
TOTAL DISTRIBUTION PLANT		1,134	-	-	-	-	-	1,134
TOTAL GAS PLANT IN SERVICE		2,824,836	317,060	(126,528)	-	-	-	3,015,368
Capital Recovery Schedules:								
NONE								
Total Account 101*		2,824,836	317,060	(126,528)	-	-	-	3,015,368
Amortizable Assets:								
114 Acquisition Adjustment		-						-
104 Leased Plant to Others		-						-
101.1 Property Under Capital Leases		-				-		-
Other - Rounding		-						-
Total Utility Plant		2,824,836	317,060	(126,528)	-	-	-	3,015,368

Note: * The balances on pages 13.1 Corp -16.1 Corp are Florida Public Utilities Company Allocation of Chesapeake Corporate Plant And Accumulated Depreciation only

**Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization**

Common Plants Allocated to Florida Public Utilities Natural Gas
For the Year Ended December 31, 2021

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
301	Organization	(1,134)	-	-	-	-	-	-	-	(1,134)
303	Miscellaneous Intangible Plant	-	-	-	-	-	-	-	-	-
374	Land - Distribution	-	-	-	-	-	-	-	-	-
389	Land - General	-	-	-	-	-	-	-	-	-
	Land - Other - Common	-	-	-	-	-	-	-	-	-
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
DISTRIBUTION PLANT										
3741	Land Rights	-	-	-	-	-	-	-	-	-
375	Structures and Improvements	-	-	-	-	-	-	-	-	-
3761	Mains - Plastic	-	-	-	-	-	-	-	-	-
3762	Mains - Other	-	-	-	-	-	-	-	-	-
378	Meas. and Reg. Sta. Equipment - General	-	-	-	-	-	-	-	-	-
379	Meas. and Reg. Sta. Equipment - City Gate	-	-	-	-	-	-	-	-	-
3801	Services - Plastic	-	-	-	-	-	-	-	-	-
3802	Services - Other	-	-	-	-	-	-	-	-	-
381	Meters	-	-	-	-	-	-	-	-	-
382	Meter Installations	-	-	-	-	-	-	-	-	-
383	House Regulators	-	-	-	-	-	-	-	-	-
387	Other Equipment	-	-	-	-	-	-	-	-	-
	TOTAL DISTRIBUTION PLANT	(1,134)	-	-	-	-	-	-	-	(1,134)
GENERAL PLANT										
390	Structures and Improvements	(226,895)	(58,346)	-	29,893	(1,275)	-	-	-	(256,624)
3910	Office Furniture	(11,810)	(3,639)	-	-	-	-	-	-	(15,450)
3911	Computers & Peripherals	-	-	-	-	-	-	-	-	-
3912	Office Equipment	(70,131)	(23,925)	-	11,277	-	-	-	-	(82,779)
3913	Computer Hardware	(287,041)	(165,521)	-	50,397	-	-	-	-	(402,165)
3914	Software Cost Pool Clearing	(179,276)	(163,120)	-	29,612	-	-	-	-	(312,784)
3921	Accum. Dep. - Transportation - Cars	-	-	-	-	-	-	-	-	-
3922	Accum. Dep. - Trans. - Light Trucks, vans	-	-	-	-	-	-	-	-	-
3923	Accum. Dep. - Trans. - Heavy Trucks	-	-	-	-	-	-	-	-	-
3924	Accum. Dep. - Transportation - Trailers	-	-	-	-	-	-	-	-	-

Annual Status Report

Analysis of Entries in Accumulated Depreciation & Amortization

Common Plants Allocated to Florida Public Utilities Natural Gas
For the Year Ended December 31, 2021

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(Continued)									
394 Tools, Shop, and Garage Equipment	-	-	-	-	-	-	-	-	-
395 Laboratory Equipment	-	-	-	-	-	-	-	-	-
396 Power Operated Equipment	-	-	-	-	-	-	-	-	-
397 Communication Equipment	(72,681)	(23,542)	-	5,349	-	-	-	-	(90,874)
398 Miscellaneous Equipment	-	-	-	-	-	-	-	-	-
SUBTOTAL	(847,834)	(438,093)	-	126,528	(1,275)	-	-	-	(1,160,676)
399 Other Tangible Property	-	-	-	-	-	-	-	-	-
376G Mains Plastic-GRIP	-	-	-	-	-	-	-	-	-
380G Services Plastic-GRIP	-	-	-	-	-	-	-	-	-
TOTAL GENERAL PLANT	(847,834)	(438,093)	-	126,528	(1,275)	-	-	-	(1,160,676)
TOTAL DISTRIBUTION PLANT	(1,134)	-	-	-	-	-	-	-	(1,134)
TOTAL GAS PLANT IN SERVICE	(848,968)	(438,093)	-	126,528	(1,275)	-	-	-	(1,161,810)
Capital Recovery Schedules:									
NONE									
Subtotal	(848,968)	(438,093)	-	126,528	(1,275)	-	-	-	(1,161,810)
List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 8.									
1089 RWIP	-	-	-	-	-	-	-	-	-
1040 Leased Plant	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
Grand Total	(848,968)	(438,093)	-	126,528	(1,275)	-	-	-	(1,161,810)

Note: * The balances on pages 13.1 Corp -16.1 Corp are Florida Public Utilities Company Allocation of Chesapeake Corporate Plant And Accumulated Depreciation only

**Annual Status Report
Analysis of Plant in Service Accounts**

Florida Public Utilities Company - Natural Gas Division
For the Year Ended December 31, 2021

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:									
301	Organization								-
303	Miscellaneous Intangible Plant	10 Yrs	484,449	-	-				484,449
374	Land - Distribution		164,608	-	-				164,608
389	Land - General		736,395	-					736,395
	Land - Other								
Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
DISTRIBUTION PLANT									
3741	Land Rights	5.50%	12,910	-	-				12,910
375	Structures and Improvements	2.50%	689,406	13,958					703,364
3761	Mains - Plastic	2.10%	74,903,629	4,027,475	(110,206)				78,820,898
3762	Mains - Other	2.20%	38,236,094	919,875	(45,586)				39,110,384
378	Meas. And Reg. Sta. Equipment - General	3.50%	1,393,411	108,486					1,501,897
379	meas. And Reg. Sta. Equipment - City Gate	3.10%	6,112,372	44,936					6,157,307
3801	Services - Plastic	2.20%	43,624,694	6,405,401	(620,828)				49,409,266
3802	Services - Other	9.20%	1,602,828	44,141	(13,955)				1,633,014
381	Meters	3.60%	13,435,869	1,983,072	(122,174)				15,296,767
382	Meter Installations	3.20%	10,814,041	1,423,793					12,237,833
383	House Regulators	3.30%	4,233,054	484,399	(8,670)				4,708,782
384	House Reg. Installations	2.70%	1,043,751						1,043,751
385	Industrial Meas. And Reg. Sta. Equipment	2.30%	55,465						55,465
386	Other Property on Customers Prem.		-						-
387	Other Equipment	4.00%	1,851,498	98,510					1,950,008
	TOTAL DISTRIBUTION PLANT		199,394,474	15,554,046	(921,419)	-	-	-	214,027,098
GENERAL PLANT									
390	Structures and Improvements	2.30%	2,735,676	5,373					2,741,048
3910	Office Furniture	20 Yrs	65,097		(1,750)		(638)		62,709
3911	Computers & Peripherals	10 Yrs	-	-					-
3912	Office Equipment	14 Yrs	1,037,652	9,366					1,047,018
3913	Computer Hardware	10 Yrs	214,155	25,123	(32,056)				207,222
3914	Software	10 Yrs	4,906,385	26,353	(28,395)				4,904,343
3921	Transportation - Cars	17.40%	58,922	50,091					109,013
3922	Transportation - Light Trucks, Vans	8.40%	4,386,165	271,722	(376,957)				4,280,930
3923	Transportation - Heavy Trucks	8.20%	-						-
3924	Transportation - Trailers	5.80%	69,325	-	-				69,325
393	Stores Equipment	26 Yrs	28,510	1,472	-				29,982
3920	Transportation - equipment	17.40%		-	-				-

**Annual Status Report
Analysis of Plant in Service Accounts**

Florida Public Utilities Company - Natural Gas Division
For the Year Ended December 31, 2021

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Acct. No.	Account Description	Depr. Rate	Beginning Balance	Additions	Retirements	Reclass	Adjustments	Transfers	Ending Balance*
(Continued)									
21									
394	Tools, Shop, and Garage Equipment	15 Yrs	720,219	54,395	(19,287)				755,327
395	Laboratory Equipment	20 Yrs	-						-
396	Power Operated Equipment	5.10%	957,350	24,156	(60,902)				920,603
397	Communication Equipment	13 Yrs	1,099,962	76,134	(53,440)				1,122,657
398	Miscellaneous Equipment	17 Yrs	263,987						263,987
	SUBTOTAL		16,543,405	544,185	(572,787)		(638)		16,514,164
399	Other Tangible Property	5 Yrs	-	-	-				-
376G	Mains Plastic-GRIP	2.10%	89,609,178	13,744,004					103,353,182
380G	Services Plastic-GRIP	2.20%	33,294,745	7,551,629	-				40,846,374
	TOTAL GENERAL PLANT		139,447,328	21,839,818	(572,787)	-	(638)	-	160,713,720
	TOTAL DISTRIBUTION PLANT		199,394,474	15,554,046	(921,419)	-	-	-	214,027,098
	TOTAL GAS PLANT IN SERVICE		338,841,802	37,393,864	(1,494,206)	-	(638)	-	374,740,818
Capital Recovery Schedules:									
NONE									
Total Account 101*			338,841,802	37,393,864	(1,494,206)	-	(638)	-	374,740,818
Amortizable Assets:									
114	Acquisition Adjustment		44,558,328						44,558,328
104	Leased Plant to Others								-
101.1	Property Under Capital Leases		1,908,383				(230,463)		1,677,920
	Other Rounding								1
Total Utility Plant			385,308,513	37,393,864	(1,494,206)	-	(231,101)	-	420,977,067

Notes: * The grand total balances on pages 13.2-16.2 are Florida Public Utilities Company Natural Gas Division only
* Please see the Company's Notes to Financial Statements regarding leases as reported in account 101.1

**Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization**

Florida Public Utilities Company - Natural Gas Division
For the Year Ended December 31, 2021

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
301	Organization	-								-
303	Miscellaneous Intangible Plant	(196,220)	(27,081)							(223,301)
374	Land - Distribution	-								-
389	Land - General	-								-
	Land - Other - Common									
This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.										
DISTRIBUTION PLANT										
3741	Land Rights	(9,038)	(710)							(9,748)
375	Structures and Improvements	(27,257)	(15,359)							(42,615)
3761	Mains - Plastic	(17,636,176)	(1,621,402)		110,206		11,444			(19,135,928)
3762	Mains - Other	(22,824,375)	(854,357)		45,586		600,168			(23,032,979)
378	Meas. and Reg. Sta. Equipment - General	(362,666)	(51,876)				16,565			(397,977)
379	Meas. and Reg. Sta. Equipment - City Gate	(2,091,605)	(190,531)							(2,282,136)
3801	Services - Plastic	(10,479,533)	(1,023,685)		620,828		85,704		-	(10,796,686)
3802	Services - Other	(2,715,621)	(131,743)		13,955		257,521			(2,575,888)
381	Meters	(4,585,259)	(527,457)		122,174		72,157			(4,918,385)
382	Meter Installations	(2,558,107)	(366,449)				-			(2,924,557)
383	House Regulators	(1,777,900)	(146,785)		8,670					(1,916,016)
384	House Reg. Installations	(637,051)	(28,181)							(665,232)
385	Industrial Meas. and Reg. Sta. Equipment	(45,534)	(1,276)							(46,810)
386	Other Property on Customers Prem.	-								-
387	Other Equipment	(588,274)	(75,932)							(664,206)
	TOTAL DISTRIBUTION PLANT	(66,534,616)	(5,062,824)	-	921,419	-	1,043,559	-	-	(69,632,464)
GENERAL PLANT										
390	Structures and Improvements	(663,869)	(62,941)							(726,810)
3910	Office Furniture	(50,807)	(3,168)		1,750			(8,900)	-	(61,125)
3911	Computers & Peripherals	-							-	-
3912	Office Equipment	(262,378)	(74,465)					(9,846)	-	(346,689)
3913	Computer Hardware	130,292	(20,753)		32,056			(3,748)	-	137,848
3914	Software	(1,838,987)	(490,363)		28,395			(143,189)	-	(2,444,144)
3921	Accum. Dep. - Transportation - Cars	(50,611)	(8,870)							(59,481)
3922	Accum. Dep. - Trans. - Light Trucks, vans	(1,847,974)	(356,128)		376,957	(70,768)	-			(1,897,912)
3923	Accum. Dep. - Trans. - Heavy Trucks	-								-
3924	Accum. Dep. - Transportation - Trailers	(42,501)	(4,021)							(46,522)
393	Stores Equipment	(13,456)	(1,106)					183		(14,379)
3920	Transportation - equipment		-				-			-

Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization

Florida Public Utilities Company - Natural Gas Division
For the Year Ended December 31, 2021

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Acct. No.	Account Description	Beginning Balance	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
394	Tools, Shop, and Garage Equipment	(390,824)	(39,148)		19,287			(11,562)	-	(422,247)
395	Laboratory Equipment	-								-
396	Power Operated Equipment	(398,088)	(51,093)		60,902		(3,809)			(392,088)
397	Communication Equipment	(324,213)	(88,234)		53,440			(37,128)	-	(396,135)
398	Miscellaneous Equipment	(151,247)	(15,529)					(6,409)	-	(173,185)
	SUBTOTAL	(5,904,663)	(1,215,819)	-	572,787	(70,768)	(3,809)	(220,599)	-	(6,842,869)
399	Other Tangible Property	-	-	-	-	-	-	-	-	-
376G	Mains Plastic-GRIP	(8,318,019)	(1,950,309)							(10,268,328)
380G	Services Plastic-GRIP	(1,101,275)	(818,502)							(1,919,777)
	TOTAL GENERAL PLANT	(15,323,957)	(3,984,630)	-	572,787	(70,768)	(3,809)	(220,599)	-	(19,030,974)
	TOTAL DISTRIBUTION PLANT	(66,534,616)	(5,062,824)	-	921,419	-	1,043,559	-	-	(69,632,464)
	TOTAL GAS PLANT IN SERVICE	(81,858,573)	(9,047,454)	-	1,494,206	(70,768)	1,039,751	(220,599)	-	(88,663,438)
Capital Recovery Schedules:										
NONE										
	Subtotal	(81,858,573)	(9,047,454)	-	1,494,206	(70,768)	1,039,751	(220,599)	-	(88,663,438)
List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 8.										
1089	RWIP	321,638			531,936					853,574
1040	Leased Plant	-								-
108L	Amort of Prop Under Capital Leases	(249,866)	(468,954)							(718,820)
	Rounding	(3)								(1)
	Subtotal	71,769	(468,954)	-	531,936	-	-	-	-	134,753
	Grand Total	(81,786,804)	(9,516,408)	-	2,026,142	(70,768)	1,039,751	(220,599)	-	(88,528,685)

Notes: * The grand total balances on pages 13.2-16.2 are Florida Public Utilities Company Natural Gas Division only

CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$500,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	GRIP S Lake Worth	\$ 1,011,087	\$ 1,114,674
2	Various GRIP Projects	\$ 1,441,130	\$ 1,773,874
3	GMS Gas Management	\$ 482,696	\$ 530,680
4	Various Service Projects	\$ 87,154	
5	Various Meter Projects	\$ 11,439	
6	Various Misc Projects	\$ 69,885	
7	Various Mains Projects	\$ 584,499	\$ 1,404,388
8	Various General Plant Projects	\$ 151,229	\$ 131,732
9	Various M&R Equipment Projects	\$ 2,192	
10			
11			
12			
13			
14			
15	TOTAL	\$ 3,841,311	\$ 4,955,348

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.
2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed
and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.
3. Enter on this page engineering, supervision, administrative,, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	Administrative & General	\$ 592,123	\$ -
2	Engineering	\$ 1,318,683	\$ -
3	Operations	\$ 435,516	\$ -
4	Supervision	\$ 821,005	\$ -
5	Total Cost of Construction	\$ -	\$ 32,817,177
6			
7	TOTAL	\$ 3,167,327	\$ 32,817,177

PREPAYMENTS (Account 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Prepayment (a)	Balance at End of Year (In Dollars) (b)
1	Prepaid Insurance	\$ 526,676
2	Prepaid Rents	\$ 40,612
3	Prepaid Taxes	\$ -
4	Prepaid Interest	\$ -
5	Gas Prepayments	\$ -
6	Miscellaneous Prepayments: Membership dues, software maintenance, office security deposit, odorant	\$ 332,272
7		
8	TOTAL	\$ 899,560

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr.)] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	None					
2						
3						
4						
5						
6						
7						
8						
9						
10	TOTAL					

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr.)]	Total Amount of Charges	Costs Recognized During Year	WRITTEN OFF DURING YEAR		Balance at End of Year
				Account Charged	Amount	
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL					

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OTHER REGULATORY ASSETS (Account 182.3)

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includible in other amounts).

2. For regulatory assets being amortized, show period of amortization in column (a).

3. Minor items (amounts less than \$25,000) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amounts (e)	
1	Environmental	\$ 1,603,930	\$ -	405	\$ (456,348)	\$ 1,147,582
2	Pension	\$ 11,239,310	\$ 42,769	926/228	\$ (1,873,776)	\$ 9,408,303
3	Self Ins Asset Othr Reg Assets	\$ 54,504	\$ 56,031		\$ (110,535)	\$ -
4	COVID19 Othr Reg Assets	\$ 762,138	\$ 119,711		\$ (304,696)	\$ 577,153
5						
6						
7						
8						
9						
10						
11						
12						
16	TOTAL	\$ 13,659,882	\$ 218,511		\$ (2,745,355)	\$ 11,133,038

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.

3. Minor items (amounts less than \$25,000) may be grouped by classes.

2. For any deferred debit being amortized, show period of amortization in column (a).

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance Beginning of Year (b)	Debits (c)	Account Charged (d)	Amount (e)	Balance End of Year (f)
1	Unamortized Piping & Conversion Costs	\$ 838,067	\$ 312,060	405	\$ (366,731)	\$ 783,396
2	GRIP	\$ (0)	\$ 6,836,823		\$ (5,050,071)	\$ 1,786,752
3	Goodwill	\$ 223	\$ -		\$ -	\$ 223
4	Purchased fuel cost	\$ 179,296	\$ 1,378,445		\$ (179,296)	\$ 1,378,445
5	Deferred Rate Case Expense	\$ -	\$ 410,739		\$ (120,944)	\$ 289,795
6						
7						
8						
9						
10						
11						
21						
22	Misc. Work in Progress					
23	Deferred Regulatory Comm. Expenses	\$ -	\$ -		\$ -	\$ -
24	TOTAL	\$ 1,017,586	\$ 8,938,067		\$ (5,717,042)	\$ 4,238,611

**SECURITIES ISSUED AND
SECURITIES REFUNDED OR RETIRED DURING THE YEAR**

1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses.
2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded.

and gains or losses relating to securities retired or refunded.
3. Included in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.

Not Applicable

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Recquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with

General Instruction 17 of the Uniform Systems of Accounts
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Recquired Debt, or credited to Account 429.1, Amortization of Gain on Recquired Debit-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	Senior Note 8 - 5.68%	6/24/2011	\$ 29,000,000	\$ 1,461,528	\$ 795,056	\$ 721,355
2						
3						
4						
5						
6						
7						
8						
9						
10	Annual amortization of unamortized loss on required debt allocated to Florida Public Utilities-NG					\$50,669
11						
12	Note: Schedule lists total unamortized loss on reacquired debt for Chesapeake Utilities Corporation. Line number 10 indicates the amount that is allocated to Florida Public Utilities - Natural Gas.					
13						

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. For advances from Associated Companies, report separately demands on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated

companies from which advances were received.

3. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

4. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Original Amount Issued (d)	Interest for Year		Total Amount Outstanding (g)
					Rate (in %) (e)	Amount (f)	
1	Unamortized Issuance Costs (DRP)						
2	Senior Note 6 - 5.5%	12/12/2006	10/12/2020	\$ 20,000,000	5.50%		\$ -
3	Senior Note 7 - 5.93%	10/31/2008	10/31/2023	\$ 30,000,000	5.93%	\$ 459,575	\$ 6,000,000
4	Senior Note 8 - 5.68%	6/24/2011	6/30/2026	\$ 29,000,000	5.68%	\$ 905,960	\$ 14,500,000
5	Senior Note 9 - 6.43%	5/2/2013	5/2/2028	\$ 7,000,000	6.43%	\$ 330,073	\$ 4,900,000
6	Senior Note 10 - 3.73%	12/16/2013	12/16/2028	\$ 20,000,000	3.73%	\$ 593,692	\$ 14,000,000
7	Senior Note 11 - 3.88%	5/15/2014	5/15/2029	\$ 50,000,000	3.88%	\$ 1,624,750	\$ 40,000,000
8	Senior Note 12 - 3.25%	4/21/2017	4/30/2032	\$ 70,000,000	3.25%	\$ 2,275,000	\$ 70,000,000
9	Senior Note 16 - 2.98%	12/20/2019	12/20/2034	\$ 70,000,000	2.98%	\$ 2,086,000	\$ 70,000,000
10	Senior Note 17 - 3.00%	7/15/2020	7/15/2035	\$ 50,000,000	3.00%	\$ 1,500,000	\$ 50,000,000
11	Senior Note 18 - 2.96%	8/14/2020	8/15/2035	\$ 40,000,000	2.96%	\$ 1,187,289	\$ 40,000,000
12	Senior Note 19 - 2.49%	12/20/2021	1/25/2037	\$ 50,000,000	2.49%	\$ 36,814	\$ 50,000,000
13	Tranche 1	5/1/2018	5/31/2038	\$ 50,000,000	3.48%	\$ 1,740,000	\$ 50,000,000
14	Tranche 2	11/1/2018	11/1/2038	\$ 50,000,000	3.58%	\$ 1,790,000	\$ 50,000,000
15	Tranche 3	8/1/2019	8/1/2039	\$ 100,000,000	3.98%	\$ 3,980,000	\$ 100,000,000
16	FPU Bond - 9.08%	6/1/1992	6/1/2022	\$ 8,000,000	9.08%	\$ -	\$ -
17	Shelf Facility-Prudential	10/8/2015	10/8/2030				
18	Shelf Facility-Met Life	3/2/2017	3/2/2032				
19	Shelf Facility-New York Life	3/2/2017	5/31/2038				
20	Equipment Security Note - 2.4619%	9/29/2021	9/29/2031	\$ 9,590,434	2.46%	\$ 58,592	\$ 9,378,298
21							
22							
23							
24							
25							
26							
27							
28							
29	Subtotal			\$ 653,590,434		\$ 18,567,745	\$ 568,778,298
30	Less Current Maturities						\$ (17,961,710)
31							
32							
33	Allocation to Florida Public Utilities - Natural Gas					\$ 3,349,856	
34	Allocation to Other Jurisdictions					\$ 15,217,889	
35	Total Chesapeake Utilities Corp.					\$ 18,567,745	
36							
37	TOTAL			\$ 653,590,434		\$ 18,567,745	\$ 550,816,587

21

UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.

2. Show premium amounts by enclosing the figures in parentheses.

3. In column (b) show the principal amount of bonds or other long-term debt originally issued.

4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.

6. Identify separately indispensed amounts applicable to issues which were redeemed in prior years.

7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt issued (b)	Total Expense Premium or Discount (c)	Amortization Period		Balance at beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
				Date From (d)	Date To (e)			
1	Unamortized Issuance Costs (DRP)		\$259,082			\$ 113,330	\$ (50,474)	\$ 62,856
2	Senior Note 6 - 5.5%	\$20,000,000	\$79,566	12/12/2006	10/12/2020	\$ -	\$ -	\$ -
3	Senior Note 7 - 5.93%	\$30,000,000	\$39,518	10/31/2008	10/31/2023	\$ 1,992	\$ (1,043)	\$ 949
4	Senior Note 8 - 5.68%	\$29,000,000	\$34,794	6/24/2011	6/30/2026	\$ 5,847	\$ (1,809)	\$ 4,038
5	Senior Note 9 - 6.43%	\$7,000,000	\$12,789	5/2/2013	5/2/2028	\$ 3,764	\$ (900)	\$ 2,864
6	Senior Note 10 - 3.73%	\$20,000,000	\$68,794	12/16/2013	12/16/2028	\$ 23,335	\$ (5,228)	\$ 18,107
7	Senior Note 11 - 3.88%	\$50,000,000	\$192,790	5/15/2014	5/15/2029	\$ 72,180	\$ (15,423)	\$ 56,757
8	Senior Note 12 - 3.25%	\$70,000,000	\$150,539	4/21/2017	4/30/2032	\$ 96,023	\$ (14,868)	\$ 81,155
9	Senior Note 16 - 2.98%	\$70,000,000	\$165,643	12/20/2019	12/20/2034	\$ 149,867	\$ (15,776)	\$ 134,091
10	Senior Note 17 - 3.00%	\$50,000,000	\$92,476	7/15/2020	7/15/2035	\$ 88,807	\$ (8,807)	\$ 80,000
11	Senior Note 18 - 2.96%	\$40,000,000	\$72,953	8/14/2020	8/15/2035	\$ 70,637	\$ (6,948)	\$ 63,689
12	Senior Note 19 - 2.49%	\$50,000,000	\$112,375	12/20/2021	1/25/2037	\$ -	\$ 112,375	\$ 112,375
13	Tranche 1	\$50,000,000	\$99,400	5/1/2018	5/31/2038	\$ 82,833	\$ (6,413)	\$ 76,420
14	Tranche 2	\$50,000,000	\$95,036	11/1/2018	11/1/2038	\$ 82,363	\$ (6,083)	\$ 76,280
15	Tranche 3	\$100,000,000	\$167,966	8/1/2019	8/1/2039	\$ 153,518	\$ (10,836)	\$ 142,682
16	FPU Bond - 9.08%	\$8,000,000	\$122,010			\$ -	\$ -	\$ -
17	Shelf Facility-Prudential	\$0	\$58,133	10/8/2015	10/8/2030	\$ 37,791	\$ (3,876)	\$ 33,915
18	Shelf Facility-Met Life	\$0	\$34,250			\$ 25,840	\$ (2,280)	\$ 23,560
19	Shelf Facility-New York Life	\$0	\$8,636			\$ 6,528	\$ (576)	\$ 5,952
20	Equipment Security Note - 2.4619%	\$9,590,434	\$0	9/29/2021	9/29/2031	\$ -	\$ -	\$ -
21								
22	Allocation to Florida Public Utilities - Natural Gas						\$ (18,568)	
23	Allocation to Other Jurisdictions						\$ (20,398)	
24	Total Chesapeake Utilities Corp.						\$ (38,966)	
25	Note: Schedule lists total long-term debt for Chesapeake Utilities Corporation. Line number 26 indicates the amount that is allocated to Florida Public Utilities - Natural Gas.							
26								

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.		2. Minor items (less than \$50,000) may be grouped under appropriate title.	
Line No.	Item	Balance at End of Year	
1	Accrued Payroll	\$	188,119
2	Accrued PTO	\$	106,562
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13	TOTAL	\$	294,681

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor Items (less than \$25,000) may be grouped by classes.						
Line No.	Description	Balance	DEBITS			
1	Conservation Recovery	\$ 275,836	495/186	\$ 2,529,337	\$ 2,820,100	\$ 566,599
2	Environmental	\$ 5,937,782	232/182.3	\$ 1,641,501	\$ 895,780	\$ 5,192,062
3	Over Recovery - Fuel	\$ -	495	\$ 7,145,904	\$ 7,145,904	\$ (0)
4	Gas Reliability Infrastructure Program (GRIP)	\$ 329,145	495/421	\$ 7,493,948	\$ 7,164,803	\$ -
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL	\$ 6,542,763		\$ 18,810,690	\$ 18,026,587	\$ 5,758,660

concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).

of amortization in column (a).

3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	Debits		Credits (d)	Balance End of Year (e)
			Contra Account (b)	Amount (c)		
1	Regulatory Liability-Tax Rate Change	\$ 19,169,627		\$ 331,580	\$ 275,592	\$ 19,113,639
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL	\$ 19,169,627		\$ 331,580	\$ 275,592	\$ 19,113,639

TAXES OTHER THAN INCOME TAXES (Account 408.1)

	Name of Taxing Authority	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environmental, Excise	Franchise	Other*	Total
1	Various Florida Counties	\$ 4,068,370							\$ 1,704,449		\$ 5,772,819
2	State of Florida					\$ 2,074,757					\$ 2,074,757
3	Payroll Taxes				\$ 523,359						\$ 523,359
4	Florida Public Service Commission						\$ 513,751				\$ 513,751
5	Business License / Excise									\$ 284,556	\$ 284,556
6											
7											
8											
9											
10											
11											
12											
13											
14											
15	Less: Charged to Construction										\$ -
16	TOTAL Taxes Charged During Year (Lines 1-15) to Account 408.1	\$ 4,068,370	\$ -	\$ -	\$ 523,359	\$ 2,074,757	\$ 513,751	\$ -	\$ 1,704,449	\$ 284,556	\$ 9,169,242

Note: *List separately each item in excess of \$500.

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below the information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment to the account balance shown in column (f).

Line No.	Account Subdivisions (a)	Balance Beginning of Year (b)	Amount Deferred for Year (c)	Allocations to Current Year's Income		Adjustments (f)	Balance End of Year (g)	Average Period of Allocation to Income (h)
				Acct. No. (d)	Amount (e)			
1	Gas Utility							
2	3%	\$ -			\$ -		\$ -	35 Years
3	4%	\$ -			\$ -		\$ -	35 Years
4	7%	\$ -			\$ -		\$ -	35 Years
5	10%	\$ -			\$ -		\$ -	35 Years
6								
7								
8								
9								
10	TOTAL	\$ -			\$ -		\$ -	

Notes

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

Line No.		Balance at Beginning of Year	Changes During Year				Adjustments				Balance at End of Year
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits		Credits		
							Account No.	Amount	Account No.	Amount	
1	GAS										
2	Fed NOL	\$ 169,730	\$ -	\$ -	\$ -	0	\$ -	-	\$ -	\$ -	\$ 169,730
3	Bad Debts	\$ 253,245	\$ 113,842	\$ 8,063	\$ -	0	\$ -	-	\$ -	\$ -	\$ 147,466
4	Environmental	\$ 1,098,282	\$ 338,857	\$ 265,515	\$ -	0	\$ -	-	\$ -	\$ -	\$ 1,024,940
5	Leases	\$ (44,510)	\$ 194,187	\$ 37,086	\$ -	0	\$ -	-	\$ -	\$ -	\$ (201,611)
6	State Decoupling	\$ 539,170	\$ 463,336	\$ 97,301	\$ -	0	\$ -	0	\$ -	\$ -	\$ 173,135
7	Storm Reserve	\$ 168,009	\$ 3,210	\$ 1,330	\$ -	0	\$ -	-	\$ -	\$ -	\$ 166,129
8	Amortization	\$ 1,873,179	\$ 9,723	\$ 223,083	\$ -	0	\$ -	-	\$ -	\$ -	\$ 2,086,539
9	Reacquired debt	\$ 8	\$ -	\$ -	\$ -	0	\$ -	-	\$ -	\$ -	\$ 8
10	Pipe/Conv Propt LT	\$ 367,017	\$ 5,463	\$ 10,918	\$ -	0	\$ -	0	\$ -	\$ -	\$ 372,472
11	Bonus	\$ 169,933	\$ 206,875	\$ 36,948	\$ -	-	\$ -	0	\$ -	\$ -	\$ 6
12	Self Insurance	\$ (12,197)	\$ 4,679	\$ 11,824	\$ -	0	\$ -	0	\$ -	\$ -	\$ (5,052)
13	OPRB	\$ 100,114	\$ 50,493	\$ 2,201	\$ -	0	\$ -	-	\$ -	\$ -	\$ 51,822
14	SERP	\$ -	\$ -	\$ -	\$ -	-	\$ -	-	\$ -	\$ -	\$ -
15	State NOL	\$ 51,282	\$ 980	\$ 22,666	\$ -	-	\$ -	-	\$ -	\$ -	\$ 72,968
16	25PN Pension	\$ 410,192	\$ -	\$ -	\$ -	-	\$ -	-	\$ 62,875	\$ -	\$ 347,316
17	Acquisition Adjustment - Tax Rate Change	\$ 1,500,791	\$ 75,672	\$ -	\$ -	-	\$ -	283	\$ 75,672	\$ -	\$ 1,349,447
18	Rate Case	\$ -	\$ 3,347	\$ 76,795	\$ -	-	\$ -	-	\$ -	\$ -	\$ 73,448
19	TOTAL Gas (Lines 2 - 10)	\$ 6,644,245	\$ 1,470,664	\$ 793,730	\$ -	\$ -	\$ -	\$ -	\$ 138,547	\$ -	\$ 5,828,763
20	Other (Specify) Rounding								\$ 1	\$ -	\$ 1
21	TOTAL (Account 190) (Total of lines 11 and 12)	\$ 6,644,245	\$ 1,470,664	\$ 793,730	\$ -	\$ -	\$ -	\$ -	\$ 138,548	\$ -	\$ 5,828,762

Notes

FPUC Allocation of ACCUMULATED DEFERRED INCOME TAXES to this division was 37.37% in 2020 , 40.08% in 2021.

ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, 283)

Line No.		Balance at Beginning of Year	Changes During Year				Adjustments				Balance at End of Year
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits		Credits		
							Account No.	Amount	Account No.	Amount	
1	Account 281 - Accelerated Amortization Property										
2	Electric										
3	Gas										
4	Other										
5	TOTAL Account 281 (Lines 2 thru 4)										
6	Account 282 - Other Property										
7	Electric										
8	Gas	\$ 28,611,092	\$ 1,689,075	\$ 381,525				254	\$ 6,506	\$ -	\$ 29,925,148
9	Other										
10	TOTAL Account 282 (Lines 7 thru 9)	\$ 28,611,092	\$ 1,689,075	\$ 381,525	\$ -	\$ -	\$ -	\$ -	\$ 6,506	\$ -	\$ 29,925,148
11	Account 283 - Other										
12	Electric										
13	Gas	\$ 9,315,102	\$ 1,326,288	\$ 1,141,939		190	\$ 75,672		\$ -	\$ -	\$ 9,423,780
14	Other										
15	TOTAL Account 283 - Other (Lines 12 thru 14)	\$ 9,315,102	\$ 1,326,288	\$ 1,141,939	\$ -	\$ -	\$ 75,672		\$ -	\$ -	\$ 9,423,780
16	GAS										
17	Federal Income Tax	29,499,383	2,314,132	1,149,413	-	-	59,251		5,094	\$ -	\$ 30,809,999
18	State Income Tax	8,155,108	641,357	318,557	-	-	16,421		1,412	\$ -	\$ 8,538,928
19											
20	TOTAL Gas (Lines 17 thru 19)	37,654,491	2,955,489	1,467,970	-	-	75,672		6,506	\$ -	\$ 39,348,927
21	OTHER										
22	Federal Income Tax										
23	State Income Tax										
24	TOTAL Other (Lines 22 and 23)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	TOTAL (Total of lines 5, 10 and 15)	\$ 38,007,563	\$ 3,039,823	\$ 1,555,399	\$ -	\$ -	\$ 75,672	\$ -	\$ 6,506	\$ -	\$ 39,422,821

Notes

FPUC Allocation of ACCUMULATED DEFERRED INCOME TAXES to this division was 37.37% in 2020 , 40.08% in 2021.

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 9)	\$ 11,839,725
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		\$ -
6	Deductions Recorded on Books Not Deducted for Return	
7	Current Federal Income Taxes	\$ 2,014,775
8	Deferred Income Taxes	\$ 1,990,544
9	Acquisition Adjustment	\$ 1,491,132
10	Not Deductible for Tax-Other	\$ 77,983
11	Not Deductible for Tax-Penalties	\$ 750
12	Customer Based Intangibles	\$ 841,824
13	Grip Over Recoveries	\$ 329,145
14	Conservation	\$ 290,763
15	Rate Case	\$ 289,794
16	Reserve for Insurance Deductibles	\$ 87,217
17	Capitalized Interest/Overhead	\$ 84,846
18	Self Insurance	\$ 44,618
19	Piping and Conversion	\$ 21,523
20		
21		
22	Income Recorded on Books Not Included in Return	
23		
24	Deductions on Return Not Charged Against Book Income	
25	Meals	\$ (14,451)
26	Asset Gain/Loss	\$ (5,453)
27	Storm Reserve	\$ (7,416)
28	Post Retirement Benefits	\$ (190,540)
29	Environmental	\$ (289,372)
30	Bad Debts	\$ (417,358)
31	Leases	\$ (619,849)
32	Pension	\$ (858,796)
33	Purchased Gas Costs	\$ (1,199,149)
34	Depreciation	\$ (6,155,417)
35		
36		
37	Federal Tax Net Income	\$ 9,646,838
38	Show Computation of Tax:	
39	Tax at 21%	\$ 2,025,836
40		
41	Less Tax Adjustment	\$ (11,062)
42		
43	Total Federal Income Tax Payable	\$ 2,014,774

GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
3. Report quantities of natural gas sold in therms (14.73 psia at 60 F).
4. Report gas service revenues and therms sold by rate schedule.
5. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues		Therms of Natural Gas Sold		Avg. No. of Natural Gas Customers Per Mo.	
		Amount for Year (b)	Amount for Previous Year (c)	Current Year (d)	Previous Year (e)	Current Year (f)	Previous Year (g)
1	Gas Service Revenues						
2	Firm Sales Service						
3	480 Residential Sales	\$37,866,668	\$35,541,347	16,086,940	15,142,956	61,781	58,893
4	481 Comm & Industrial Sales - Small	\$13,269,158	\$11,834,437	7,649,535	6,902,564	3,333	3,284
5	481 Comm & Industrial Sales - Large	\$13,096,544	\$12,137,518	8,202,818	7,704,387	658	652
6	481 Outdoor Lighting	\$185,997	\$168,931	99,723	109,131	29	32
7	481 Natural Gas Vehicles	\$0	\$0	-	-	-	-
8	481						
9	Interruptible Sales Service						
10	481 Comm & Ind Sales - Interruptible	\$8,871				-	-
11	481						
12	Firm Transportation Service						
13	489	\$26,912,335	\$22,136,200	40,043,374	36,489,501	2,494	2,462
14	489						
15	489						
16	Interruptible Transportation Serv.						
17	489 Comm & Gen Service- -Firm Transportation	\$3,048,071	\$3,170,887	9,545,720	10,047,395	18	18
18	484 Interdepartmental	\$9,947	\$11,999	-	-	-	-
19	482 Other Sales to Public Authorities						
20	484 Flex Rate - Refund						
21	TOTAL Sales to Ultimate Consumers	\$94,397,591	\$85,001,319	81,628,110	76,395,933	68,313	65,341
22	483 Sales for Resale						
23	Off-System Sales 4954x & 4955x	\$0	\$0	-	-		
24	TOTAL Nat. Gas Service Revenues	\$0	\$0				
25	TOTAL Gas Service Revenues	\$94,397,591	\$85,001,319				
26	Other Operating Revenues						
27	485 Intracompany Transfers						
28	487 Forfeited Discounts	\$907,632	\$155,970				
29	488 Misc. Service Revenues	\$753,051	\$688,247				
30	489 Rev. from Trans. of Gas of Others						
31	not included in above rate schedules)						
32	493 Rent from Gas Property						
33	494 Interdepartmental Rents						
34	495 Other Gas Revenues						
35	Initial Connection						
36	Overrecoveries Conservation 495.7						
37	AEP & Storm Surcharge 4956	\$333,537	\$240,037				
38	Unbilled Revenue 495.3	\$61,637	\$56,062				
39	Other 495.2	\$6,269,861	\$3,824,008				
40	495.1 Overrecoveries Purchased Gas	\$1,176,944	\$3,140,639				
41	TOTAL Other Operating Revenues	\$9,502,662	\$8,104,963				
42	TOTAL Gas Operating Revenues	\$103,900,253	\$93,106,282				
43	(Less) 496 Provision for Rate Refunds	\$309,719	(\$143,630)				
44	TOTAL Gas Operating Revenues Net of Provision for Refunds	\$104,209,972	\$92,962,652				
45	Sales for Resale						
46	Other Sales to Public Authority						
47	Interdepartmental Sales						
48	TOTAL	\$104,209,972	\$92,962,652	81,628,110	76,395,933		

Notes
Updated formula on Line 42 to reflect the total of Gas Service Revenues and Other Operating Revenues for current and prior year.

December 31, 2021

GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Account	Amount for Current Year	Amount for Previous Year
1	1. Production Expenses		
2	A. TOTAL Manufactured Gas Production (Total of Accounts 700-742)		
3	B. TOTAL Natural Gas Prod. and Gathering (Total of Accts. 750 - 769)		
4	C. TOTAL Products Extraction (Total of Accounts 770 through 791)		
5	D. TOTAL Exploration and Development (Total of Accts. 795 through 798)		
6	E. Other Gas Supply Expenses		
7	Operation		
8	800 Natural Gas Well Head Purchases		
9	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
10	801 Natural Gas Field Line Purchases	\$ 11,730,446	\$ 5,945,666
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases	\$ 32,931,267	\$ 31,061,113
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases	\$ (8,853,984)	\$ (6,142,169)
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)		
17	TOTAL Purchased Gas (Total of Lines 8 to 16)	\$ 35,807,729	\$ 30,864,610
18	806 Exchange Gas		
19	Purchased Gas Expenses		
20	807.1 Well Expenses--Purchased Gas		
21	807.2 Operation of Purchased Gas Measuring Stations		
22	807.3 Maintenance of Purchased Gas Measuring Stations		
23	807.4 Purchased Gas Calculations Expenses		
24	807.5 Other Purchased Gas Expenses	\$ 237,175	\$ 364,725
25	TOTAL Purchased Gas Expenses (Total of lines 20 through 24)	\$ 237,175	\$ 364,725
26	808.1 Gas Withdrawn from Storage--Debit		
27	(Less) 808.2 Gas Delivered to Storage--Credit		
28	809.1 Withdrawals of Liquefied Natural Gas for Processing--Debit		
29	(Less) 809.2 Deliveries of Natural Gas for Processing--Credit		
30	Gas Used in Utility Operations--Credit		
31	810 Gas Used for Compressor Station Fuel--Credit		
32	811 Gas Used for Products Extraction--Credit		
33	812 Gas Used for Other Utility Operations--Credit		
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	\$ -	\$ -
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35)	\$ 36,044,904	\$ 31,229,335
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	\$ 36,044,904	\$ 31,229,335
38	2. Natural Gas Storage, Terminating and Processing Expenses		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)	\$ 1,366	\$ 600
40	B. TOTAL Other Storage Expenses (Total of Accounts 840 through 843.9)		
41	C. TOTAL Liquefied Nat Gas Terminating & Processing Expenses (Total of Accounts 844.1 through 847.8)		
42	TOTAL Natural Gas Storage (Total of lines 39, 40, and 41)	\$ 1,366	\$ 600
43	3. Transmission Expenses		
44	TOTAL Transmission Expenses (Total of Accounts 850 through 867)		
45			
46			

December 31, 2021

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account	Amount for Current Year	Amount for Previous Year
47	4. Distribution Expenses		
48	Operation		
49	870 Operation Supervision and Engineering	\$ 499,304	\$ 381,098
50	871 Distribution Load Dispatching	\$ 259,101	\$ 266,161
51	872 Compressor Station Labor and Expenses	\$ -	\$ -
52	873 Compressor Station Fuel and Power	\$ -	\$ -
53	874 Mains and Services Expenses	\$ 2,633,538	\$ 2,293,565
54	875 Measuring and Regulating Station Expenses--General	\$ 65,041	\$ 60,089
55	876 Measuring and Regulating Station Expenses--Industrial	\$ 40,108	\$ 44,739
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	\$ 194,858	\$ 154,681
57	878 Meter and House Regulator Expenses	\$ 1,746,287	\$ 1,655,215
58	879 Customer Installations Expenses	\$ 253,950	\$ 316,200
59	880 Other Expenses	\$ 206,671	\$ 283,299
60	881 Rents	\$ 11,162	\$ -
61	TOTAL Operation (Total of lines 49 through 60)	\$ 5,910,020	\$ 5,455,047
62	Maintenance		
63	885 Maintenance Supervision and Engineering	\$ 55,762	\$ 74,453
64	886 Maintenance of Structures and Improvements	\$ (264)	\$ 6,094
65	887 Maintenance of Mains	\$ 562,299	\$ 463,255
66	888 Maintenance of Compressor Station Equipment	\$ -	\$ -
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	\$ 65,677	\$ 46,656
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	\$ 7,749	\$ 10,127
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station	\$ 115,750	\$ 126,815
70	892 Maintenance of Services	\$ 347,085	\$ 306,809
71	893 Maintenance of Meters and House Regulators	\$ 99,105	\$ 117,741
72	894 Maintenance of Other Equipment	\$ 81,836	\$ 96,534
73	TOTAL Maintenance (Total of Lines 63 through 72)	\$ 1,334,999	\$ 1,248,484
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	\$ 7,245,019	\$ 6,703,531
75	5. Customer Accounts Expenses		
76	Operation		
77	901 Supervision	\$ 460,638	\$ 401,996
78	902 Meter Reading Expenses	\$ 1,265,281	\$ 1,103,951
79	903 Customer Records and Collection Expenses	\$ 1,781,621	\$ 1,815,948
80	904 Uncollectible Accounts	\$ 337,114	\$ 231,268
81	905 Miscellaneous Customer Accounts Expenses	\$ -	\$ -
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	\$ 3,844,654	\$ 3,553,163
83	6. Customer Service and Informational Expenses		
84	Operation		
85	907 Supervision	\$ -	\$ -
86	908 Customer Assistance Expenses	\$ 2,821,865	\$ 3,210,811
87	909 Informational and Instructional Expenses	\$ 325,949	\$ 641,477
88	910 Miscellaneous Customer Service and Informational Expenses	\$ (192,360)	\$ (177,714)
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	\$ 2,955,454	\$ 3,674,574
90	7. Sales Expenses		
91	Operation		
92	911 Supervision	\$ 36,844	\$ 38,930
93	912 Demonstrating and Selling Expenses	\$ 289,831	\$ 286,114
94	913 Advertising Expenses	\$ 258,718	\$ 180,489
95	916 Miscellaneous Sales Expenses	\$ 12,500	\$ -
96	TOTAL Sales Expenses (Total of lines 92 through 95)	\$ 597,893	\$ 505,533
97			

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account	Amount for Current Year	Amount for Previous Year
98	8. Administrative and General Expenses		
99	Operation		
100	920 Administrative and General Salaries	\$ 5,594,508	\$ 4,936,288
101	921 Office Supplies and Expenses	\$ 2,502,199	\$ 2,669,316
102	(Less) (922) Administrative Expenses Transferred--Credit	\$ -	\$ -
103	923 Outside Services Employed	\$ 1,289,998	\$ 943,622
104	924 Property Insurance	\$ 85,192	\$ 69,282
105	925 Injuries and Damages	\$ 1,299,481	\$ 1,356,679
106	926 Employee Pensions and Benefits	\$ 1,416,104	\$ 1,761,951
107	927 Franchise Requirements		
108	928 Regulatory Commission Expenses	\$ -	\$ 428
109	(Less) (929) Duplicate Charges--Credit		
110	930.1 General Advertising Expenses	\$ 81,993	\$ 136,914
111	930.2 Miscellaneous General Expenses	\$ 332,799	\$ 262,500
112	931 Rents	\$ 359,404	\$ 411,004
113	TOTAL Operation (Total of lines 100 through 112)	\$ 12,961,678	\$ 12,547,984
114	Maintenance		
115	935 Maintenance of General Plant	\$ 125,326	\$ 101,228
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)	\$ 13,087,004	\$ 12,649,212
117			
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	\$ 63,776,294	\$ 58,315,948
119			
120			

NUMBER OF GAS DEPARTMENT EMPLOYEES

	<p>1. The data on number of employees should be reported for payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.</p> <p>2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.</p> <p>3. The number of employees assignable to the gas department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.</p>	
1		
2	1. Payroll Period Ended (Date)	12/31/2021
3	2. Total Regular Full-Time Employees	136
4	3. Total Part-Time and Temporary Employees	-
5	4. Total Employees	136
6		
7		
8		
9		
10		
11		
12		
13		

GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1)

1. Provide totals for the following accounts:
 800 - Natural Gas Well Head Purchases
 800.1- Natural Gas Well Head Purchases
 Intracompany Transfers
 801 - Natural Gas Field Line Purchases
 802 - Natural Gas Gasoline Plant Outlet Purchases
 803 - Natural Gas Transmission Line Purchases
 804 - Natural Gas City Gate Purchases
 804.1- Liquefied Natural Gas Purchases
 805 - Other Gas Purchases
 805.1- Purchases Gas Cost Adjustments

- The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote.
 2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in prior years.
 3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b).
 4. State in column (d) the average cost per Therm to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)

Line No.	Account Title (a)	Gas Purchased- Therms (14.73 psia 60 F) (b)	Cost of Gas (In dollars) (c)	Average Cost Per Therm (To nearest .01 of a cent) (d)
1	800 - Natural Gas Well Head Purchases			
2	800.1 - Natural Gas Well Head Purchases, Intracompany Transfers			
3	801 - Natural Gas Field Line Purchases	23,783,420	\$ 11,730,446	49.32
4	802 - Natural Gas Gasoline Plant Outlet Purchases			
5	803 - Natural Gas Transmission Line Purchases			
6	804 - Natural Gas City Gate Purchases	30,354,412	\$ 32,931,267	108.49
7	804.1 - Liquefied Natural Gas Purchases			
8	805 - Other Gas Purchases		\$ (8,853,984)	
9	805.1 - Purchased Gas Cost Adjustments			
10	TOTAL (Total of lines 1 through 9)	54,137,832	\$ 35,807,729	66.14

Notes to Gas Purchases

805 - Other Gas Purchases amount are Swing Service costs allocated to affiliates.

GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)

1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.
 2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
 3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.

4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).
 5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas Amount of Credit (d)
21	812 Gas used for Other Utility Operations Credit (Report separately for each principal uses. Group minor uses.)			
22	Not applicable			
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38	TOTAL			

REGULATORY COMMISSION EXPENSES (Account 928)

- | | |
|--|--|
| <p>1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.</p> <p>2. Show in column (h) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.</p> | <p>3. The totals of columns (c), (f), (h), and (i) must agree with the totals shown at the bottom of page 19 for Account 186</p> <p>4. List in Column (d) and (e) expenses incurred during year which were charged currently to income, plant, or other accounts.</p> <p>5. Minor items (less than \$25,000) may be grouped.</p> |
|--|--|

Line No.	Description (Name of regulatory commission, the docket number, and a description of the case.) (a)	Total Expenses to Date (b)	Deferred in Account 186 Beginning of Year (c)	Expenses Incurred During Year		Amortized During Year		Deferred in Account 186 End of Year (i)	
				Charged Currently to		Deferred to Account 186 (f)	Contra Account (g)		Amount (h)
				Account No. (d)	Amount (e)				
1	N/A				\$ -		\$ -		
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
17	TOTAL	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	\$ 9,052
2	Experimental and General Research Expenses: (a) Gas Research Institute (GRI) (b) Other	
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the Respondent. number of items so grouped is shown.)	\$ 53,520
5		
6	Directors Expenses	\$ 252,840
7		
8	Economic Development	\$ 17,387
9		
10		
21		
22		
23		
24		
25		
26		
27		
28	TOTAL	\$ 332,799

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	TOTAL Operation and Maintenance - Electric			\$ -
3	Gas			
4	Operation			
5	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	\$ 1,014		
6	Transmission			
7	Distribution	\$ 2,832,900		
8	Customer Accounts	\$ 1,783,242		
9	Customer Service and Informational	\$ 540,759		
10	Sales	\$ 268,724		
11	Administrative and General	\$ 5,758,566		
12	TOTAL Operation (Total of lines 5 through 11)	\$ 11,185,205		
13	Maintenance			
14	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing			
15	Transmission			
16	Distribution	\$ 479,320		
17	Administrative and General	\$ -		
18	TOTAL Maintenance (Total of lines 14 through 17)	\$ 479,320		
19	Total Operation and Maintenance	\$ 11,664,525		
20	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	\$ 1,014		
21	Transmission (Enter Total of lines 6 and 15)	\$ -		
22	Distribution (Total of lines 7 and 16)	\$ 3,312,220		
23	Customer Accounts (Transcribe from line 8)	\$ 1,783,242		
24	Customer Service and Informational (Transcribe from line 9)	\$ 540,759		
25	Sales (Transcribe from line 10)	\$ 268,724		
26	Administrative and General (Total of lines 11 and 17)	\$ 5,758,566		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	\$ 11,664,525	\$ -	\$ 11,664,525
28	Other Utility Departments			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	\$ 11,664,525	\$ -	\$ 11,664,525
31	Utility Plant			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	\$ 3,970,730		\$ 3,970,730
35	Other			
36	TOTAL Construction (Total of lines 33 through 35)	\$ 3,970,730	\$ -	\$ 3,970,730
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	\$ -		\$ -
40	Other			
41	TOTAL Plant Removal (Total of lines 38 through 40)	\$ -	\$ -	\$ -
42	Other Accounts (Specify):			
43	Other/Employee Accounts Receivable	\$ 111,216		\$ 111,216
44	Miscellaneous Deferred Debits	\$ 84,075		\$ 84,075
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55	TOTAL Other Accounts	\$ 195,291	\$ -	\$ 195,291
56	TOTAL SALARIES AND WAGES	\$ 15,830,546	\$ -	\$ 15,830,546

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including		payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities. (a) Name of person or organization rendering services, (b) description of services received, (c) basis of charges, (d) total charges for the year, detailing account charged. 2. For any services which are of a continuing nature, give the date and term of contract. 3. Designate with an asterisk associated companies.		
	Description			Amount
1	SOUTHEAST CONNECTIONS LLC	Other Outside Services	\$	15,932,846
2	GAS SYSTEMS TECHNOLOGY INC	Other Outside Services	\$	5,821,919
3	MAGNOLIA RIVER SERVICES INC	Other Outside Services	\$	3,226,021
4	HEATH CONSULTANTS INCORPORATED	Other Outside Services	\$	2,538,364
5	DEVTECH SALES INC	Other Outside Services	\$	2,114,387
6	MILLER PIPELINE LLC	Other Outside Services	\$	1,809,088
7	DBE MANAGEMENT INC	Other Outside Services	\$	1,743,593
8	TB LANDMARK CONSTRUCTION INC	Consulting Outside Services	\$	901,454
9	SABCON UNDERGROUND LLC	Other Outside Services	\$	601,576
10	CONVERGENCE SOLUTIONS LLC	Other Outside Services	\$	558,875
11	KIMLEY-HORN AND ASSOCIATES INC	Other Outside Services	\$	556,097
12	KUBRA DATA TRANSFER LTD	Consulting	\$	347,193
13	PATRICK ENGINEERING INC	Other Outside Services	\$	374,546
14	PRECISION METER REPAIR INC	Other Outside Services	\$	318,978
15	GAS PLUMBING SERVICES INC	Other Outside Services	\$	454,595
16	TAMRIC DBA GAS UTILITY SERVICE COMPANY	Other Outside Services	\$	240,665
17	PIKE ELECTRIC LLC	Other Outside Services	\$	204,427
18	POND & COMPANY	Other Outside Services	\$	199,068
19	BASS ENGINEERING CO	Other Outside Services	\$	172,936
20	BAKER TILLY	Auditors	\$	152,499
21	GUNSTER YOAKLEY & STEWART PA	Legal	\$	77,712
22	BAKER & HOSTETLER LLP	Legal	\$	81,791
23	PIERPONT AND MCLELLAND LLC	Other Outside Services	\$	56,903
24	JASON PILGER CDJR	Other Outside Services	\$	51,345
25	CORRPRO COMPANIES INC	Other Outside Services	\$	43,137
26	PIKE ENGINEERING LLC	Other Outside Services	\$	42,832
27	KATHY L WELCH	Other Outside Services	\$	34,066
28	CONSOLIDATED PIPE & SUPPLY CO	Other Outside Services	\$	29,529
29	JEM-TECH INC	Other Outside Services	\$	29,006
30	CONCINNITY LLC	Other Outside Services	\$	26,640
31	KENNEDY, BARRY D	Other Outside Services	\$	25,289

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charges, the total of amortization charged for the year, and the period of amortization.

(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.

(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges

	Item	Amount
1	Account 425: Miscellaneous Amortization	\$ -
2		
3	Account 426: Miscellaneous Income Deductions	
4	426.1 Charitable Contributions	\$ (500)
5	426.2 Life Insurance	
6	426.3 Penalties	\$ (750)
7	426.4 Expenditures for Lobbying and Other Politically Related Activities	\$ (77,983)
8	426.5 Other	\$ -
9	TOTAL MISCELLANEOUS INCOME DEDUCTIONS	\$ (79,233)
10		
11		
12	Account 430: Interest on Debt to Associated Company	\$ -
13		
14		
15	Account 431: Other Interest Expense	
16	431.1 Interest on Customer Deposits	\$ 369,027
17	431.2 Interest on ST Debt	\$ 211,562
18	431.3 Interest on Miscellaneous	\$ -
19	TOTAL OTHER INTEREST EXPENSE	\$ 580,589
20		
21		

**Reconciliation of Gross Operating Revenues
 Annual Report versus Regulatory Assessment Fee Return**

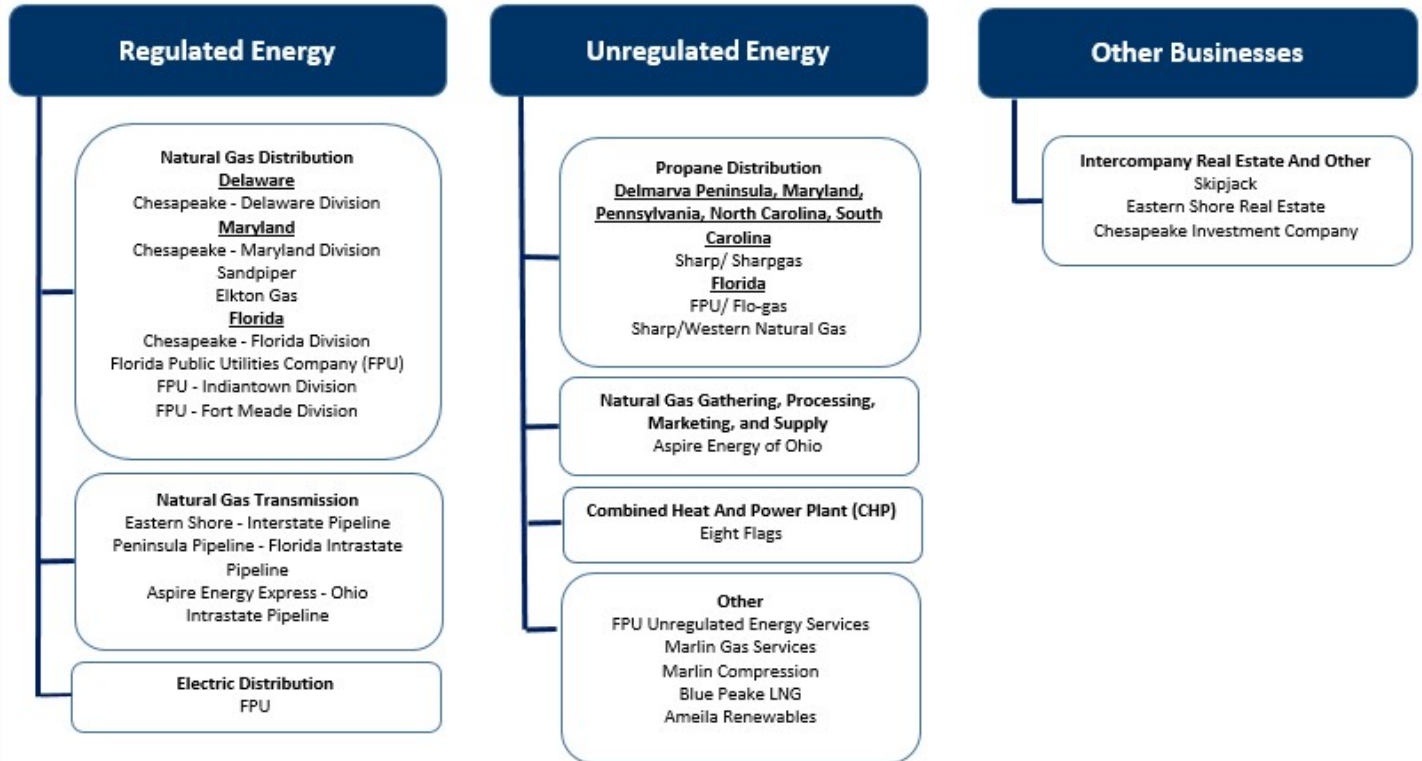
For the current year, reconcile the gross operating revenues as reported on Page 26 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).

	(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Description	Gross Operating Revenues per Page 26	Interstate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Intrastate Gross Operating Revenues per RAF Return	Difference (d) - (e)
1	Total Sales to Ultimate Customers (480-482, 484)	\$ 64,437,185		\$ 64,437,185	64,437,185	\$ (0)
2	Sales for Resale (483)					
3	Total Natural Gas Service Revenues	\$ 64,437,185		\$ 64,437,185	64,437,185	\$ (0)
4	Total Other Operating Revenues (485-495)	\$ 39,463,068		\$ 39,463,068	39,463,068	\$ (0)
5	Total Gas Operating Revenues	\$ 103,900,252		\$ 103,900,252	103,900,253	\$ (0)
6	Provision for Rate Refunds (496)	\$ 309,719		\$ 309,719	309,719	\$ 0
7	Other (Specify)					
8						
9						
10	Total Gross Operating Revenues	\$ 104,209,972		\$ 104,209,972	104,209,972	\$ 0

Notes:

CORPORATE STRUCTURE

Provide an updated organizational chart showing all affiliated companies, partnerships, etc.



SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

- (a) Enter name of affiliate.
- (b) Give description of type of service, or name the product involved.
- (c) Enter contract or agreement effective dates.
- (d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent.
- (e) Enter utility account number in which charges are recorded.
- (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
Chesapeake Utilities Corporation	Parent Company:				
	Corporate Services		p		\$ 4,201,508
	Corporate Overheads		p		\$ 4,080,391
	Shared Services		p		\$ 3,800,890

NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES

Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

Name of Affiliate	Synopsis of Contract
N/A	

INDIVIDUAL AFFILIATED TRANSACTIONS IN EXCESS OF \$25,000

Provide information regarding individual affiliated transactions in excess of \$25,000. Recurring monthly affiliated transactions which exceed \$25,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.

Name of Affiliate	Description of Transaction	Dollar Amount
Peninsula Pipeline Company, Inc.	Firm Transportation Service Agreement between FPUC and PPC	23,368,158
Eight Flags Energy	Capacity Agreement with Eight Flags Energy	850,242
Marlin Gas Services, LLC	Natural Gas Transportation Service	1,384,557

ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.

Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
Purchases from Affiliates:							
None		\$	\$	\$	\$	\$	
Total						\$	
Sales to Affiliates:							
None		\$	\$	\$	\$	Sales Price	
Total						\$	

EMPLOYEE TRANSFERS

List employees earning more than \$50,000 annually transferred to/from the utility to/from an affiliate company.

Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
Flo-Gas	FPU-NG	Gas Utility Worker	Gas Utility Worker	Permanent
Flo-Gas	FPU-NG	Field Coordinator	Measurement Tech I	Permanent
Flo-Gas	FPU-NG	CSR	Cust Billing Rep I	Permanent
FPU-NG	Flo-Gas	Dist Tech II	Prop Op II	10/26/20 - 03/01/2021