

CHESAPEAKE UTILITIES CORPORATION  
 FLORIDA DIVISION  
 RATE OF RETURN REPORT SUMMARY  
 December 31, 2021

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 6,041,522	(\$120,957)	\$5,920,565	\$0	\$5,920,565
AVERAGE RATE BASE	\$114,832,079	(\$489,731)	\$114,342,348	\$0	\$114,342,348
AVERAGE RATE OF RETURN	5.26%		5.18%		5.18%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$6,041,522	(\$138,041)	\$5,903,481	\$0	\$5,903,481
YEAR-END RATE BASE	\$117,626,386	(\$579,087)	\$117,047,299	\$0	\$117,047,299
YEAR-END RATE OF RETURN	5.14%		5.04%		5.04%
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<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>			<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>		
LOW	5.35%		A. INCL COMP RATE ADJ REVENUES		9.38%
MIDPOINT	5.77%		B. EXCL COMP RATE ADJ REVENUES		9.38%
HIGH	6.19%				

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 official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083. or s. 775.084.

Michelle D. Napier  
 Director, Regulatory Affairs-Distribution

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

CHESAPEAKE UTILITIES CORPORATION  
 FLORIDA DIVISION  
**AVERAGE RATE OF RETURN**  
 For the 12 Months Ending December 31, 2021  
 RATE BASE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$151,279,506	(\$38,974,055)	\$112,305,450	\$0	\$2,390,949	\$114,696,400	\$135,679	\$114,832,079
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL							(\$315,757)	(\$315,757)
ELIMINATE ACQUISITION ADJ.	\$0	\$0	\$0			\$0		\$0
ELIM. FRANCHISE/CONSENT	(\$14,132)	\$14,091	(\$41)			(\$41)		(\$41)
ELIM. COMMON PLANT	(\$126,588)	\$49,760	(\$76,828)			(\$76,828)		(\$76,828)
ELIMINATE INTEREST EARNING CWIP			\$0			\$0		\$0
FLEXIBLE GAS SERVICE	(\$259,136)	\$171,036	(\$88,100)			(\$88,100)	(\$9,004)	(\$97,104)
TOTAL FPSC ADJUSTMENTS	(\$399,857)	\$234,887	(\$164,970)	\$0	\$0	(\$164,970)	(\$324,761)	(\$489,731)
FPSC ADJUSTED	\$150,879,649	(\$38,739,168)	\$112,140,481	\$0	\$2,390,949	\$114,531,430	(\$189,082)	\$114,342,348
COMP RATE ADJ REVENUES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUE	\$150,879,649	(\$38,739,168)	\$112,140,481	\$0	\$2,390,949	\$114,531,430	(\$189,082)	\$114,342,348
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$150,879,649	(\$38,739,168)	\$112,140,481	\$0	\$2,390,949	\$114,531,430	(\$189,082)	\$114,342,348

CHESAPEAKE UTILITIES CORPORATION  
 FLORIDA DIVISION  
**AVERAGE RATE OF RETURN**  
 For the 12 Months Ending December 31, 2021  
 INCOME STATEMENT

SCHEDULE 2  
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$34,207,156	\$ 9,874,063	\$10,360,263	\$3,835,775	\$2,563,664	\$1,531,869				\$ 28,165,634	\$6,041,522
FPSC ADJUSTMENTS:											
1) Interest Synchronization						(\$67,280)				(\$67,280)	\$67,280
2) Acquisition adjust.						\$0				\$0	\$0
3) Elim. Property Tax - Common Plant					(\$1,147)	\$273				(\$874)	\$874
4) Elim. amort org costs				\$0		\$0				\$0	\$0
5) Elim Economic Dev. Expense			(\$4)			\$1				(\$3)	\$3
6) Elim. Depreciation Exp. Common Plant				(\$9,765)		\$2,323				(\$7,442)	\$7,442
7) Elim. Non-utility O & M			\$0			\$0				\$0	\$0
8) Elim. Ind. Assoc dues			(\$10,042)			\$2,389				(\$7,653)	\$7,653
10) Elim. Social Activities			(\$555)			\$132				(\$423)	\$423
11) Elim. promotional expenses			(\$2,538)			\$604				(\$1,934)	\$1,934
12) Elim. Civic Dues			\$0			\$0				\$0	\$0
13) Interest Income	\$2,830					\$673				\$673	\$2,157
14) Elim. Rev Related Taxes (Franchise & PSC Assess)	(\$888,949)				(\$888,949)	\$0				(\$888,949)	\$0
15) Elim. Conservation Rev & Exp.	(\$1,064,494)	(\$1,059,166)			(\$5,328)	\$0				(\$1,064,494)	\$0
16) Elim. Swing Service Expenses and Revenue	(\$8,857,320)	(\$8,814,897)			(\$44,552)	\$507				(\$8,858,943)	\$1,623
18) Elim. Flexible Gas Service	(\$156,600)		(\$45,184)	(\$10,104)	(\$2,688)	(\$23,466)				(\$81,441)	(\$75,159)
19) Remove Potential Refund Booked for State Tax	\$ (151,833)					(\$36,126)				(\$36,126)	(\$115,707)
20) Out of Period			25,562			(\$6,082)				\$19,480	(\$19,480)
						\$0				\$0	\$0
						\$0				\$0	\$0
TOTAL FPSC ADJUSTMENTS	(\$11,116,366)	(\$9,874,063)	(\$32,762)	(\$19,869)	(\$942,664)	(\$126,051)	\$0	\$0	\$0	(\$10,995,409)	(\$120,957)
FPSC ADJUSTED	\$23,090,790	\$0	\$10,327,501	\$3,815,906	\$1,621,000	\$1,405,818	\$0	\$0	\$0	\$17,170,225	\$5,920,565
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$0					\$0				\$0	\$0
ADJUSTED FOR COMP RATE ADJ REVENUES	\$23,090,790	\$0	\$10,327,501	\$3,815,906	\$1,621,000	\$1,405,818	\$0	\$0	\$0	\$17,170,225	5,920,565
PROFORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PRO FORMA ADJUSTED	\$23,090,790	\$0	\$10,327,501	\$3,815,906	\$1,621,000	\$1,405,818	\$0	\$0	\$0	\$17,170,225	\$5,920,565

CHESAPEAKE UTILITIES CORPORATION  
 FLORIDA DIVISION  
**YEAR END RATE OF RETURN**  
 For the 12 Months Ending December 31, 2021  
 RATE BASE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$ 155,613,702	\$ (40,505,542)	\$ 115,108,160	\$ -	\$ 1,259,290	\$ 116,367,450	\$ 1,258,937	\$ 117,626,386
FPSC ADJUSTMENTS:								
ELIMINATIONS TO WORKING CAPITAL							\$ (412,091)	\$ (412,091)
ELIM. FRANCHISE/CONSENT	\$ (14,132)	\$ 14,091	\$ (41)			\$ (41)		\$ (41)
ELIM. COMMON PLANT	\$ (125,775)	\$ 50,873	\$ (74,902)			\$ (74,902)		\$ (74,902)
FLEXIBLE GAS SERVICE	\$ (259,136)	\$ 176,088	\$ (83,049)			\$ (83,049)	\$ (9,004)	\$ (92,053)
TOTAL FPSC ADJUSTMENTS	\$ (399,044)	\$ 241,052	\$ (157,992)	\$ -	\$ -	\$ (157,992)	\$ (421,095)	\$ (579,087)
FPSC ADJUSTED	\$ 155,214,658	\$ (40,264,490)	\$ 114,950,168	\$ -	\$ 1,259,290	\$ 116,209,458	\$ 837,842	\$ 117,047,299
COMP RATE ADJ REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED FOR COMP RATE ADJ REVENUE	\$ 155,214,658	\$ (40,264,490)	\$ 114,950,168	\$ -	\$ 1,259,290	\$ 116,209,458	\$ 837,842	\$ 117,047,299
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 155,214,658	\$ (40,264,490)	\$ 114,950,168	\$ -	\$ 1,259,290	\$ 116,209,458	\$ 837,842	\$ 117,047,299

CHESAPEAKE UTILITIES CORPORATION  
 FLORIDA DIVISION  
**YEAR END RATE OF RETURN**  
 For the 12 Months Ending December 31, 2021  
 INCOME STATEMENT

SCHEDULE 3  
 PAGE 2 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 34,207,156	\$ 9,874,063	\$ 10,360,263	\$ 3,835,775	\$ 2,563,664	\$ 1,531,869				\$ 28,165,634	\$ 6,041,522
FPSC ADJUSTMENTS:											
1) Interest Synchronization						\$ (50,197)				\$ (50,197)	\$ 50,197
2) Acquisition adjust.						\$ -				\$ -	\$ -
3) Elim. Property Tax - Common Plant					\$ (1,147)	\$ 273				\$ (874)	\$ 874
4) Elim. Amort. Org. Costs				\$ -		\$ -				\$ -	\$ -
5) Elim Economic Dev. Expense			\$ (4)			\$ 1				\$ (3)	\$ 3
6) Elim. Depreciation Exp. Common Plant				\$ (9,765)		\$ 2,323				\$ (7,442)	\$ 7,442
7) Elim. Non-utility O & M						\$ -				\$ -	\$ -
8) Elim. Ind. Assoc dues			\$ (10,042)			\$ 2,389				\$ (7,653)	\$ 7,653
10) Elim. Social Activities			\$ (555)			\$ 132				\$ (423)	\$ 423
11) Elim. promotional expenses			\$ (2,538)			\$ 604				\$ (1,934)	\$ 1,934
12) Elim. Civic Dues			\$ -			\$ -				\$ -	\$ -
13) Interest Income	\$ 2,830					\$ 673				\$ 673	\$ 2,157
14) Elim. Rev Related Taxes (Franchise & PSC Assess)	\$ (888,949)				\$ (888,949)	\$ -				\$ (888,949)	\$ -
15) Elim. Conservation Rev & Exp.	\$ (1,064,494)	\$ (1,059,166)			\$ (5,328)	\$ (0)				\$ (1,064,494)	\$ (0)
16) Elim. Swing Service Expenses	\$ (8,857,320)	\$ (8,814,897)			\$ (44,552)	\$ 507				\$ (8,858,943)	\$ 1,623
18) Elim. Flexible Gas Service	\$ (156,600)		\$ (45,184)	\$ (10,104)	\$ (2,688)	\$ (23,466)				\$ (81,441)	\$ (75,159)
19) Remove Potential Refund Booked for State Tax	\$ (151,833)		\$ -	\$ -		\$ (36,126)				\$ (36,126)	\$ (115,707)
20) Out of Period			\$ 25,562			\$ (6,082)				\$ 19,480	\$ (19,480)
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL FPSC ADJUSTMENTS	\$ (11,116,366)	\$ (9,874,063)	\$ (32,762)	\$ (19,869)	\$ (942,664)	\$ (108,967)	\$ -	\$ -	\$ -	\$ (10,978,325)	\$ (138,041)
FPSC ADJUSTED	\$ 23,090,790	\$ -	\$ 10,327,501	\$ 3,815,906	\$ 1,621,000	\$ 1,422,902	\$ -	\$ -	\$ -	\$ 17,187,309	\$ 5,903,481
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$ -					\$ -				\$ -	\$ -
ADJUSTED FOR COMP RATE ADJ REVENUES	\$ 23,090,790	\$ -	\$ 10,327,501	\$ 3,815,906	\$ 1,621,000	\$ 1,422,902	\$ -	\$ -	\$ -	\$ 17,187,309	\$ 5,903,481
PROFORM ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 23,090,790	\$ -	\$ 10,327,501	\$ 3,815,906	\$ 1,621,000	\$ 1,422,902	\$ -	\$ -	\$ -	\$ 17,187,309	\$ 5,903,481

AVERAGE	ADJUSTMENTS		ADJUSTED BOOKS	SPECIFIC	PRO-RATA	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$48,235,972	\$0	\$48,235,972	\$0	(\$251,086)	\$47,984,886	41.97%	9.80%	4.11%	10.80%	4.53%	11.80%	4.95%
LONG TERM DEBT	\$33,855,019	\$0	\$33,855,019	\$0	(\$176,228)	\$33,678,791	29.45%	3.60%	1.06%	3.60%	1.06%	3.60%	1.06%
SHORT TERM DEBT	\$11,990,900	\$0	\$11,990,900	\$0	(\$62,417)	\$11,928,483	10.43%	1.42%	0.15%	1.42%	0.15%	1.42%	0.15%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$1,510,544	\$0	\$1,510,544	\$0	\$0	\$1,510,544	1.32%	2.19%	0.03%	2.19%	0.03%	2.19%	0.03%
DEFERRED INCOME TAXES	\$19,239,644	\$0	\$19,239,644	\$0	\$0	\$19,239,644	16.83%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	5.32%	0.00%	5.74%	0.00%	6.16%	0.00%
<b>TOTAL AVERAGE</b>	<b>\$114,832,079</b>	<b>\$0</b>	<b>\$114,832,079</b>	<b>\$0</b>	<b>(\$489,731)</b>	<b>\$114,342,348</b>	<b>100.00%</b>		<b>5.35%</b>		<b>5.77%</b>		<b>6.19%</b>

YEAR-END	ADJUSTMENTS		ADJUSTED BOOKS	SPECIFIC	PRO-RATA	BALANCE	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	NON-UTILITY						COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$47,927,315	\$0	\$47,927,315	\$0	(\$47,927,315)	\$0	0.00%	9.80%	0.00%	10.80%	0.00%	11.80%	0.00%
LONG TERM DEBT	\$34,590,159	\$0	\$34,590,159	\$0	(\$34,590,159)	\$0	0.00%	3.35%	0.00%	3.35%	0.00%	3.35%	0.00%
SHORT TERM DEBT	\$13,715,943	\$0	\$13,715,943	\$0	(\$13,715,943)	\$0	0.00%	1.18%	0.00%	1.18%	0.00%	1.18%	0.00%
SHORT TERM DEBT REFINANCED LTD	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$1,595,096	\$0	\$1,595,096	\$0	\$0	\$1,595,096	7.46%	2.07%	0.15%	2.07%	0.15%	2.07%	0.15%
DEFERRED INCOME TAXES	\$19,797,873	\$0	\$19,797,873	\$0	\$0	\$19,797,873	92.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>TOTAL YEAR-END</b>	<b>\$117,626,386</b>	<b>\$0</b>	<b>\$117,626,386</b>	<b>\$0</b>	<b>(\$96,233,417)</b>	<b>\$21,392,969</b>	<b>100.00%</b>		<b>0.15%</b>		<b>0.15%</b>		<b>0.15%</b>