

## **Independent Auditors' Report**

Board of Directors and Stockholder  
Florida Public Utilities Company

We have audited the accompanying financial statements of Florida Public Utilities Company - Natural Gas Division, which comprise the balance sheets - regulatory basis as of December 31, 2020 and 2019, and the related statements of income - regulatory basis for each of the two years in the period ended December 31, 2020 and the statement of retained earnings - regulatory basis for the year ended December 31, 2020, and the related notes to the financial statements, included on pages 6 through 11 of the accompanying Annual Report of Natural Gas Utilities, as filed with the Florida Public Service Commission.

### **Management's Responsibility 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the 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, 2020 and 2019, 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.

## **Regulatory 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. Our opinion is not modified with respect to this matter.

## **Restriction on Use**

Our report is intended solely for the information and use of the board of directors and 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 29, 2021

**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, 2020

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

Name: Michael D. Cassel

Title: Assistant 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. <sup>2</sup>) 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, 2020
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 Assistant Vice President of Regulatory & 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) 04/29/2021

## 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, 2020 to December 31, 2020, 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.

Beth W. Cooper  
Signature

Beth W. Cooper  
Name

04/29/21  
Date

Executive Vice President/Chief Financial Officer/  
Assistant Corporate Secretary  
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 10K 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 ("Chesapeake").
- 2. Chesapeake's Form 10-K report filed with the Securities and Exchange Commission, is for the fiscal year ending December 31, 2020.

**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%	

Note: Chesapeake, our parent company directly and indirectly controls other subsidiaries. These organizations are listed in Chesapeake's Form 10-K.

**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)	Jeffrey M. Householder	\$ 66,048
Executive Vice President/Secretary/General Counsel/Chief Policy Risk Officer	James Moriarty	\$ 49,135
Executive Vice President/Chief Financial Officer/Assistant Secretary	Beth W. Cooper	\$ 53,494
Senior Vice President (CUC)	Kevin J. Webber	\$ 52,287
President (FPU), Senior Vice President, Pipeline Transmission and Regulated Gas and Electric Distribution (CUC)	Jeffrey S. Sylvester	\$ 62,100
Vice President/Controller	Joseph D. Steinmetz	\$ 36,718
Vice President/Chief Accounting Officer	Michael D. Galtman	\$ 41,570
Chief Information Officer	Vikrant A. Gadgil	\$ 46,717
Vice President/Treasurer	Thomas E. Mahn	\$ 31,099
Vice President	Cheryl Martin	\$ 46,049
Chief Human Resources Officer	Lou J. Anatrella	\$ 49,401
Vice President of Natural Gas	Shane Breakie	\$ -

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

**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)
Eugene H. Bayard, Director	909 Silver Lake Blvd., Dover Delaware 19904	8	\$ -
Thomas J. Bresnan, Director	909 Silver Lake Blvd., Dover Delaware 19904	8	\$ -
Ronald G. Forsythe, Jr., Ph.D., Director	909 Silver Lake Blvd., Dover Delaware 19904	8	\$ -
Thomas P. Hill, Jr., Director	909 Silver Lake Blvd., Dover Delaware 19904	8	\$ -
Dennis S. Hudson, III, Director	909 Silver Lake Blvd., Dover Delaware 19904	8	\$ -
Paul L. Maddock, Jr., Director	909 Silver Lake Blvd., Dover Delaware 19904	8	\$ -
Calvert A. Morgan, Jr., Director	909 Silver Lake Blvd., Dover Delaware 19904	8	\$ -
Dianna F. Morgan, Director	909 Silver Lake Blvd., Dover Delaware 19904	8	\$ -
John R. Schimkaitis, Director	909 Silver Lake Blvd., Dover Delaware 19904	8	\$ -
Lila A. Jaber, Director	909 Silver Lake Blvd., Dover Delaware 19904	7	\$ -
Jeffrey M. Householder, Director, Chairman	909 Silver Lake Blvd., Dover Delaware 19904	8	\$ -



**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.

Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
	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	\$ 369,604,898	\$ 393,982,906
3	Construction Work in Progress (107)	12	\$ 2,293,246	\$ 3,989,961
4	TOTAL Utility Plant Total of lines 2 and 3)		\$ 371,898,144	\$ 397,972,867
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	\$ (96,191,312)	\$ (101,920,229)
6	Net Utility Plant (Total of line 4 less 5)		\$ 275,706,832	\$ 296,052,638
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)	-	\$ 1,473,960	\$ 123,400
19	Special Deposits (132-134)	-		
20	Working Funds (135)	-	\$ 38,952	\$ 38,952
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	\$ 9,230,811	\$ 12,142,054
24	Other Accounts Receivable (143)	-	\$ 168,486	\$ 106,094
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-	\$ (156,411)	\$ (999,192)
26	Notes Receivable from Associated Companies (145)	-		
27	Accounts Receivable from Associated Companies (146)	-	\$ -	\$ -
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)	-	\$ 364,596	\$ 431,048
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	\$ 977,677	\$ 1,008,074
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-	\$ 2,661,518	\$ 2,960,986
41	Miscellaneous Current and Accrued Assets (174)	-	\$ -	\$ -
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		\$ 14,759,589	\$ 15,811,416
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	\$ 12,372,504	\$ 13,659,882
48	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)	-	\$ -	\$ -
49	Clearing Accounts (184)	-	\$ 436,311	\$ 541,103
50	Temporary Facilities (185)	-		
51	Miscellaneous Deferred Debits (186)	19	\$ 1,051,225	\$ 1,017,586
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	\$ 6,410,511	\$ 6,037,584
56	Unrecovered Purchased Gas Costs (191)	-		
57	TOTAL Deferred Debits (Total of lines 44 through 56)		\$ 20,270,551	\$ 21,256,155
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		\$ 310,745,408	\$ 333,128,645

**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	\$ 138,167,414	\$ 146,478,272
6	Unappropriated Undistributed Subsidiary Earnings (216.1)	10		
7	(Less) Reacquired Capital Stock (217)	-		
8	TOTAL Proprietary Capital (Total of lines 2 through 7)		\$ 138,167,414	\$ 146,478,272
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)	-	\$ 1,958,767	\$ 1,548,543
19	Accumulated Provision for Property Insurance (228.1)	-	\$ 656,950	\$ 662,950
20	Accumulated Provision for Injuries and Damages (228.2)	-	\$ 102,875	\$ -
21	Accumulated Provision for Pensions and Benefits (228.3)	-	\$ 9,013,351	\$ 8,103,687
22	Accumulated Miscellaneous Operating Provisions (228.4)	-		
23	Accumulated Provision for Rate Refunds (229)	-	\$ 166,089	\$ 309,719
24	TOTAL Other Noncurrent Liabilities (Total of lines 18 through 23)		\$ 11,898,032	\$ 10,624,899
25	CURRENT AND ACCRUED LIABILITIES			
26	Notes Payable (231)	-		
27	Accounts Payable (232)	-	\$ 6,469,810	\$ 8,715,949
28	Notes Payable to Associated Companies (233)	-		
29	Accounts Payable to Associated Companies (234)	-	\$ 71,323,541	\$ 91,264,033
30	Customer Deposits (235)	-	\$ 8,638,831	\$ 8,608,570
31	Taxes Accrued (236)	-	\$ 1,667,309	\$ 776,568
32	Interest Accrued (237)	-	\$ 202,801	\$ 172,845
33	Dividends Declared (238)	-		
34	Matured Long-Term Debt (239)	-		
35	Matured Interest (240)	-		
36	Tax Collections Payable (241)	-	\$ 1,007,285	\$ 931,092
37	Miscellaneous Current and Accrued Liabilities (242)	22	\$ 1,376,315	\$ 942,174
38	Obligations Under Capital Leases-Current (243)	-	\$ 368,336	\$ 411,171
39				
40	TOTAL Current and Accrued Liabilities (Total of lines 26 through 39)		\$ 91,054,228	\$ 111,822,402
41	DEFERRED CREDITS			
42	Customer Advances for Construction (252)	-	\$ 993,725	\$ 828,054
43	Other Deferred Credits (253)	22	\$ 12,806,462	\$ 6,542,763
44	Other Regulatory Liabilities (254)	22	19,192,036	\$ 19,169,627
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	\$ 36,633,511	\$ 37,662,628
49	TOTAL Deferred Credits (Total of lines 42 through 48)		\$ 69,625,734	\$ 64,203,072
50				
51	TOTAL Liabilities and Other Credits (Total of lines 8, 16, 24, 40 and 49)		\$ 310,745,408	\$ 333,128,645

**STATEMENT OF INCOME**

- |  |   |
|--|---|
| <p>1. Use page 11 for important notes regarding the statement of income or any account thereof.</p> <p>2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.</p> <p>3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year</p> | <p>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.</p> <p>4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.</p> |
|--|---|

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	\$ 92,962,652	\$ 85,642,684
3	Operating Expenses			
4	Operation Expenses (401)	27-29	\$ 56,966,236	\$ 49,069,426
5	Maintenance Expenses (402)	27-29	\$ 1,349,712	\$ 1,350,229
6	Depreciation Expense (403)	15-16	\$ 8,015,421	\$ 7,483,517
7	Amortization & Depletion of Utility Plant (404-405)	-	\$ 987,065	\$ 990,958
8	Amortization of Utility Plant Acquisition Adjustment (406)	-	\$ 1,523,148	\$ 1,224,588
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	\$ 8,131,700	\$ 8,136,434
14	Income Taxes - Federal (409.1)	25	\$ 1,422,472	\$ 2,337,318
15	- Other (409.1)	-	\$ (108,972)	\$ 288,508
16	Provision for Deferred Income Taxes (410.1)	24	\$ 4,121,717	\$ 1,731,258
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	24	\$ (2,726,466)	\$ (1,100,458)
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)		\$ 79,682,033	\$ 71,511,778
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		\$ 13,280,619	\$ 14,130,906

**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)		\$ 13,280,619	\$ 14,130,906
26	<b>Other Income and Deductions</b>			
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)	-	\$ 135,826	\$ 93,723
36	Allowance for Other Funds Used During Construction (419.1)	-		
37	Miscellaneous Nonoperating Income (421)	-	\$ (5,330)	\$ (64,622)
38	Gain on Disposition of Property (421.1)	-	\$ 130,181	
39	TOTAL Other Income (Total of lines 29 through 38)		\$ 260,677	\$ 29,101
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	\$ (53,637)	\$ (47,512)
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		\$ (53,637)	\$ (47,512)
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-		
47	Income Taxes - Federal (409.2)	-	\$ (79,487)	\$ 93,672
48	Income Taxes - Other (409.2)	-	\$ (17,661)	\$ 20,813
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)		\$ (97,148)	\$ 114,485
54	Net Other Income and Deductions (Total of lines 39,44,53)		\$ 109,892	\$ 96,074
55	<b>Interest Charges</b>			
56	Interest on Long-Term Debt (427)	21	\$ 4,089,211	\$ 2,710,297
57	Amortization of Debt Discount and Expense (428)	21	\$ 84,516	\$ 35,721
58	Amortization of Loss on Recquired Debt (428.1)	21	\$ 51,010	\$ 54,723
59	(Less) Amortization of Premium on Debt - Credit (429)	21		
60	(Less) Amortization of Gain on Recquired Debt - Credit (429.1)	-		
61	Interest on Debt to Associated Companies (430)	33	\$ -	\$ -
62	Other Interest Expense (431)	33	\$ 854,916	\$ 1,737,720
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-		
64	Net Interest Charges (Total of lines 56 through 63)		\$ 5,079,653	\$ 4,538,461
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		\$ 8,310,858	\$ 9,688,519
66	<b>Extraordinary Items</b>			
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)		\$ 8,310,858	\$ 9,688,519

**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)
<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>			
1	Balance - Beginning of Year		\$ 138,167,414
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)		
7	Debit: Treasury Stock (Rabbi Trust)		\$ -
8	Debit:		
9	TOTAL Debits to Retained Earnings (Account 439) (Total of lines 7 and 8)		
10	Balance Transferred from Income (Account 433 less Account 418.1)		\$ 8,310,858
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)		\$ 146,478,272
<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>			
	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			
22			
23	TOTAL Appropriated Retained Earnings (Account 215)		
	TOTAL Retained Earnings (Account 215 and 216) (Total of lines 16 and 23)		\$ 146,478,272

**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 67,000 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.

We do not have any ownership interests in investments accounted for using the equity method or any variable interests in a variable interest entity. We have assessed and reported on subsequent events through April 29, 2021, the date these financial statements are available to be issued.

On March 13, 2020, the US Centers for Disease Control and Prevention (“CDC”) declared a national emergency due to the rapidly growing outbreak of coronavirus (“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 have continued to significantly impact economic conditions in the United States. We are considered an “essential business,” which allows us to continue our operational activities and construction projects while the social distancing restrictions remain in place. In response to the COVID-19 pandemic and related restrictions, we implemented our pandemic response plan, which includes having all employees who can work remotely do so in order to promote social distancing and providing personal protective equipment to field employees to reduce the spread of COVID-19.

Impacts from the restrictions imposed in our service territories and the implementation of our pandemic response plan, included reduced consumption of energy largely in the commercial and industrial sectors, higher bad debt expenses and incremental expenses associated with COVID-19, including 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 the fourth quarter of 2020, we established regulatory assets, as currently authorized by the



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FPSC, associated with the incremental expenses incurred by our natural gas business as a result of the pandemic. We are continuing to provide timely updates, monitor developments affecting our employees, customers, suppliers and stockholders, and take the necessary precautions to operate safely and comply with the CDC, Occupational Safety and Health Administration, state and local requirements. 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, 2020 and 2019, there were \$1.3 million and \$1.1 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, 2020 and 2019.

### 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 and 2.6 percent in 2020 and 2019, 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 each of the years ended December 31, 2020 and 2019, \$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, 2020 and 2019, \$0.3 million and \$0.4 million, respectively, of such depreciation was reported as operation expenses.

### Regulated Operations

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

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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 Accumulated Provision for Uncollectible Accounts

Accounts receivable consist primarily of amounts due for distribution sales of natural gas to customers. A provision for uncollectible accounts is recorded based upon our collections 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 and general economic conditions. Accounts are written off when they are deemed to be uncollectible.

#### 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

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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 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

Financial Instruments - Credit Losses (ASC 326) - In June 2016, the FASB issued Accounting Standards Update ("ASU") ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, which changes how entities account for credit losses for most financial assets and certain other instruments, and subsequent guidance which served to clarify or amend the original standard. ASU 2016-13 and the related amendments require entities to estimate lifetime expected credit losses for trade receivables and to provide additional disclosure related to credit losses. We adopted ASU 2016-13 on January 1, 2020.

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.

When determining estimated credit losses, we analyzed the balance of our trade receivables based on the underlying line of 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,

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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.

During the first quarter of 2020, COVID-19 began to rapidly spread within the United States. Federal, state and local governments throughout the country imposed restrictions to promote social distancing to slow the spread of the virus, which has also had the effect of limiting commercial activity. These measures have resulted in significant job losses and a slowing of economic activity across the United States and in the areas that we serve. We have considered the impact of COVID-19 on our receivables for the twelve months ended December 31, 2020, monitored developments that impact our customers' ability to pay and have revised our estimates of expected credit losses to reflect these impacts.

*(in thousands)*

<b>Balance at December 31, 2019</b>	<b>\$</b>	<b>156</b>
<b>Additions:</b>		
Provision for credit losses		994
Recoveries		28
<b>Deductions:</b>		
Write offs		(179)
<b>Balance at December 31, 2020</b>	<b>\$</b>	<b>999</b>

Fair Value Measurement (ASC 820) - In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*, which removes, modifies and adds certain disclosure requirements on fair value measurements in ASC 820. We adopted ASU 2018-13 beginning January 1, 2020 and, since the changes only impacted disclosures, its adoption did not have a material impact on our results of operations or financial position.

### 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, 2020 and 2019, Chesapeake Utilities and FPU allocated to us \$4.9 million and \$4.3 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.

In December 2020, Chesapeake Utilities redeemed FPU's 9.08 percent secured first mortgage bonds outstanding of \$8.0 million, prior to their maturity, which included the outstanding principal balances, interest accrued, premium and fees. Chesapeake Utilities used short-term borrowing to finance the redemption of these bonds. The difference between the carrying value of those bonds and the amount paid at redemption totaling \$1.0 million was charged to expense and allocated to us as described above.

#### 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, 2020 and 2019, Chesapeake Utilities charged us \$7.9 million and \$7.1 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, 2020 and 2019, Chesapeake Utilities charged us \$3.6 million and \$3.7 million, respectively, for these services.

#### Advances from Affiliates

As of December 31, 2020 and 2019, we had net advances payable to Chesapeake Utilities and its subsidiaries in the amount of \$91.3 million and \$71.3 million, respectively. These amounts are reflected as accounts payable to associated companies in the accompanying balance sheets.

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#### 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, 2020 and 2019, we incurred \$20.8 million and \$14.0 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 both the years ended December 31, 2020 and 2019, we incurred \$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, 2020 and 2019, we recorded \$0.7 million and \$0.9 million, respectively, in revenue associated with transportation service provided to Eight Flags to power its CHP plant.

#### **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, 2020, 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 \$7.4 million and \$15.7 million as of December 31, 2020 and 2019. 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, 2020 included a tax benefit of \$1.8 million 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, President Trump signed into law the Tax Cuts and Jobs Act (“TCJA”). 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. 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 2020 and 2019; (b) the reconciliation between the statutory federal income tax rate for 2020 and 2019; and (c) the components of accumulated deferred income tax assets and liabilities at December 31, 2020 and 2019.

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<i>(in thousands)</i>	For the Years Ended December 31,	
	2020	2019
<b>Income Tax Expense</b>		
Current	\$ 1,411	\$ 2,511
Deferred	1,395	631
<b>Total Income Tax Expense</b>	<b>\$ 2,806</b>	<b>\$ 3,142</b>

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.

<i>(in thousands)</i>	2020		2019	
	<b>Reconciliation of Effective Income Tax Rates:</b>			
Federal income tax expense, 21% in 2020 and 2019	\$ 2,335	\$ 2,694		
State income taxes, net of federal tax benefit	687	438		
Other	(216)	10		
<b>Total Income Tax Expense</b>	<b>\$ 2,806</b>	<b>\$ 3,142</b>		

	At December 31,	
	2020	2019
<b>Deferred Income Tax Liabilities</b>		
Property, plant and equipment	\$ 28,431	\$ 27,516
Acquisition adjustment	8,043	8,469
Other	1,189	649
<b>Total Deferred Income Tax Liabilities</b>	<b>\$ 37,663</b>	<b>\$ 36,634</b>
<b>Deferred Income Tax Assets</b>		
Environmental costs	\$ 1,098	\$ 1,516
Storm reserve liability	168	167
Amortization - Customer-based intangibles	1,873	1,652
Acquisition adjustment - Tax Reform	1,501	1,501
Other	1,398	1,575
<b>Total Deferred Income Tax Assets</b>	<b>\$ 6,038</b>	<b>\$ 6,411</b>

## 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, 2020 and 2019.

## 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. A119-1-000, 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

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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, 2020 and 2019, our ROU assets and lease liabilities for operating leases were included within the following FERC accounts:

*in thousands*

<b>Account</b>	<b>Description</b>		<b>2020</b>	<b>2019</b>
101.1	ROU Asset	\$	<b>1,887</b>	\$ 2,327
243	ROU Liability - Current	\$	<b>(411)</b>	\$ (368)
227	ROU Liability - Non-Current	\$	<b>(1,549)</b>	\$ (1,959)

Rent expense related to these lease agreements was \$0.4 million and \$0.5 million for the years ended December 31, 2020 and 2019, 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. A119-1-000 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, 2020 and for each of the next five years and thereafter:

<i>(in thousands)</i>	<b>Operating Leases</b>
2021	\$ 452
2022	465
2023	479
2024	453
2025	272
Thereafter	—
Total Lease Payments	<u>2,121</u>
Less: Interest	<u>161</u>
Present Value of Lease Liabilities	<u><u>\$ 1,960</u></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 \$0.6 million and \$1.3 million for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, \$8.1 million and \$9.0 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, 2020 and 2019 and the net periodic cost for the years ended December 31, 2020 and 2019 for the FPU Pension Plan:

	<u>As of December 31,</u>	
	<u>2020</u>	<u>2019</u>
<i>(in thousands)</i>		
<b>Change in benefit obligation:</b>		
Benefit obligation — beginning of year	\$ 65,304	\$ 59,377
Interest cost	2,085	2,452
Actuarial loss	6,069	6,508
Benefits paid	(3,092)	(3,033)
Benefit obligation — end of year	<u>70,366</u>	<u>65,304</u>
<b>Change in plan assets:</b>		
Fair value of plan assets — beginning of year	49,703	43,601
Actual return on plan assets	6,581	7,978
Employer contributions	2,774	1,157
Benefits paid	(3,092)	(3,033)
Fair value of plan assets — end of year	<u>55,966</u>	<u>49,703</u>
<b>Reconciliation:</b>		
Funded status	<u>(14,400)</u>	<u>(15,601)</u>
<b>Accrued pension cost</b>	<u>\$ (14,400)</u>	<u>\$ (15,601)</u>
<b>Assumptions:</b>		
Discount rate	2.50%	3.25%
Expected return on plan assets	6.00%	6.50%

	<u>For the Year Ended</u>	
	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
<i>(in thousands)</i>		
<b>Components of net periodic pension cost:</b>		
Interest cost	\$ 2,085	\$ 2,452
Expected return on assets	(2,967)	(2,770)
Amortization of actuarial loss	552	505
<b>Net periodic pension cost</b>	<u>(330)</u>	<u>187</u>
Amortization of pre-merger regulatory asset	—	543
<b>Total periodic cost</b>	<u>\$ (330)</u>	<u>\$ 730</u>
<b>Assumptions:</b>		
Discount rate	3.25%	4.25%
Expected return on plan assets	6.00%	6.50%

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



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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.

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, 2020 and 2019:

<b>Asset Category</b>	<b>As of December 31,</b>	
	<b>2020</b>	<b>2019</b>
Equity securities	<b>54%</b>	53%
Debt securities	<b>37%</b>	37%
Other	<b>9%</b>	10%
<b>Total</b>	<b>100%</b>	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

<b><u>Asset Class</u></b>	<b><u>Minimum Allocation Percentage</u></b>	<b><u>Maximum Allocation Percentage</u></b>
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%
Alternative Strategies (Long/Short Equity and Hedge Fund of Funds)	6%	14%
Diversifying Assets (High Yield Fixed Income, Commodities, and Real Estate)	7%	19%
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, 2020 and 2019, the assets of the FPU Pension Plan were comprised of the following investments:

Asset Category <i>(in thousands)</i>	Fair Value Measurement Hierarchy							
	December 31, 2020				December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Mutual Funds - Equity securities</b>								
U.S. Large Cap <sup>(1)</sup>	\$ 3,615	\$ -	\$ -	\$ 3,615	\$ 3,553	\$ -	\$ -	\$ 3,553
U.S. Mid Cap <sup>(1)</sup>	1,672	-	-	1,672	1,604	-	-	1,604
U.S. Small Cap <sup>(1)</sup>	891	-	-	891	726	-	-	726
International <sup>(2)</sup>	11,307	-	-	11,307	9,855	-	-	9,855
Alternative Strategies <sup>(3)</sup>	5,586	-	-	5,586	4,739	-	-	4,739
	<u>23,071</u>	<u>-</u>	<u>-</u>	<u>23,071</u>	<u>20,477</u>	<u>-</u>	<u>-</u>	<u>20,477</u>
<b>Mutual Funds - Debt securities</b>								
Inflation Protected <sup>(4)</sup>	-	-	-	-	-	-	-	-
Fixed income <sup>(4)</sup>	17,927	-	-	17,927	15,938	-	-	15,938
High Yield <sup>(4)</sup>	2,606	-	-	2,606	2,476	-	-	2,476
	<u>20,533</u>	<u>-</u>	<u>-</u>	<u>20,533</u>	<u>18,414</u>	<u>-</u>	<u>-</u>	<u>18,414</u>
<b>Mutual Funds - Other</b>								
Commodities <sup>(5)</sup>	2,246	-	-	2,246	1,708	-	-	1,708
Real Estate <sup>(6)</sup>	1,954	-	-	1,954	2,288	-	-	2,288
Guaranteed deposit <sup>(7)</sup>	-	-	846	846	-	-	759	759
	<u>4,200</u>	<u>-</u>	<u>846</u>	<u>5,046</u>	<u>3,996</u>	<u>-</u>	<u>759</u>	<u>4,755</u>
<b>Total Pension Plan Assets</b>	<u>\$ 47,804</u>	<u>\$ -</u>	<u>\$ 846</u>	<u>\$ 48,650</u>	<u>\$ 42,887</u>	<u>\$ -</u>	<u>\$ 759</u>	<u>\$ 43,646</u>
<b>Investments Measured at net asset value <sup>(8)</sup></b>				<u>7,316</u>				<u>6,057</u>
<b>Total Pension Plan Assets</b>				<u>\$55,966</u>				<u>\$ 49,703</u>

<sup>(1)</sup> Includes funds that invest primarily in United States common stocks.

<sup>(2)</sup> Includes funds that invest primarily in foreign equities and emerging markets equities.

<sup>(3)</sup> 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.

<sup>(4)</sup> Includes funds that invest in investment grade and fixed income securities.

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

<sup>(6)</sup> Includes funds that invest primarily in real estate

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

<sup>(8)</sup> 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, 2020 and 2019, 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, 2020 and 2019:

	<b>For the Year Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
<i>(in thousands)</i>		
<b>Balance, beginning of year</b>	<b>\$ 759</b>	<b>\$ 433</b>
Purchases	2,774	1,157
Transfers in	756	2,530
Disbursements	<b>(3,488)</b>	<b>(3,401)</b>
Investment income	45	40
<b>Balance, end of year</b>	<b>\$ 846</b>	<b>\$ 759</b>

#### Other Postretirement Benefits Plan

The following sets forth the funded status of the FPU Medical Plan at December 31, 2020 and 2019 and the net periodic cost for the years ended December 31, 2020 and 2019:

	<b>As of December 31,</b>	
	<b>2020</b>	<b>2019</b>
<i>(in thousands)</i>		
<b>Change in benefit obligation:</b>		
Benefit obligation — beginning of year	<b>\$ 1,224</b>	<b>\$ 1,187</b>
Interest cost	30	48
Plan participants contributions	37	38
Actuarial gain	<b>(181)</b>	47
Benefits paid	<b>(101)</b>	<b>(96)</b>
Benefit obligation — end of year	<b>1,009</b>	1,224
<b>Change in plan assets:</b>		
Fair value of plan assets — beginning of year	—	—
Employer contributions <sup>(1)</sup>	64	58
Plan participants contributions	37	38
Benefits paid	<b>(101)</b>	<b>(96)</b>
Fair value of plan assets — end of year	—	—
<b>Reconciliation:</b>		
Funded status	<b>(1,009)</b>	<b>(1,224)</b>
<b>Accrued postretirement cost</b>	<b>\$ (1,009)</b>	<b>\$ (1,224)</b>
<b>Assumptions:</b>		
Discount rate	<b>2.50%</b>	3.25%

<sup>(1)</sup> 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 2020 and 2019 include the following components:

	<b>For the Year Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
<i>(in thousands)</i>		
<b>Components of net periodic post retirement cost</b>		
Interest cost	\$ 30	\$ 48
Amortization of actuarial gain	(19)	—
Net periodic cost	11	48
Amortization of pre-merger regulatory asset	6	8
<b>Total periodic cost<sup>(1)</sup></b>	<b>\$ 17</b>	<b>\$ 56</b>
<b>Assumptions</b>		
Discount rate	3.25%	4.25%

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, 2020:

	<b>FPU Pension Plan</b>	<b>FPU Medical Plan</b>	<b>Total</b>
<i>(in thousands)</i>			
Net loss (gain)	\$ 21,242	\$ (194)	\$ 21,048
Accumulated other comprehensive loss (gain) pre-tax <sup>(1)</sup>	4,036	(37)	3,999
Post-merger regulatory asset	17,206	(157)	17,049
<b>Total unrecognized cost</b>	<b>\$ 21,242</b>	<b>\$ (194)</b>	<b>\$ 21,048</b>

<sup>(1)</sup> The total amount of accumulated other comprehensive loss recorded in FPU's consolidated balance sheet as of December 31, 2020 is net of income tax benefits of \$1.0 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 2020, 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 2020 used to calculate the benefit obligation is 5.0 percent for the FPU Medical Plan.

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### Estimated Future Benefit Payments

In 2021, FPU expects to contribute \$2.1 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>	<b>FPU Pension Plan<sup>(1)</sup></b>	<b>FPU Medical Plan<sup>(2)</sup></b>
2021	\$ 3,409	\$ 67
2022	\$ 3,493	\$ 67
2023	\$ 3,559	\$ 66
2024	\$ 3,601	\$ 67
2025	\$ 3,680	\$ 67
Years 2026 through 2030	\$ 18,627	\$ 317

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

<sup>(2)</sup> 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 and \$0.5 million for the years ended December 31, 2020 and 2019, 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, 2020 and 2019, 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

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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.

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, 2020 and 2019, we were allocated \$0.6 million and \$0.4 million, respectively, in total compensation expense for the awards granted under the SICP.

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## 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, 2020 the deferred tax liability balance was \$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:* We are monitoring the global outbreak of COVID-19 and taking steps to mitigate the potential risks posed by its spread. We provide an "essential service" to our customers, which means that it is paramount that we keep our employees who operate our business safe and informed. We have taken and are continuously monitoring and updating precautions and protocols to ensure the safety of our employees and customers. As an "essential business" we are allowed to continue operational activity and construction projects with appropriate safety precautions, personal protective equipment and social distancing restrictions in place. We have taken steps to assure our customers that disconnections for non-payment will be temporarily suspended. We are also working with our suppliers to understand the potential impacts to our supply chain; if material negative impacts are identified, we will work to mitigate them. This is a rapidly evolving situation, and could lead to extended disruption of economic activity in our markets. We will continue to monitor developments affecting our employees, customers, suppliers and shareholders, and will take additional precautions as warranted to comply with the CDC, state and local requirements and recommendations to protect our employees, customers and the communities we serve.

As a result of these measures, we are incurring costs associated with crisis management and the pandemic response including restrictions put in place by the Florida PSC on utility disconnects for non-payment, technology costs incurred to expand work from home capabilities, additional sanitation and cleaning costs and costs of acquiring personal protective equipment as well as other expenses.

In October 2020, the Florida PSC approved a joint petition of our natural gas and electric distribution utilities in Florida to establish regulatory asset to record incremental expenses incurred due to COVID-19. This regulatory asset will allow us to seek recovery of these costs in our next base rate proceeding. On November 16, 2020, the Office of Public Counsel filed a protest to the order approving the establishment of this regulatory asset, contending that the order should be a reversed or modified and to request a hearing on the protest. At this time, no hearing date has been established.

In the fourth quarter of 2020, we established regulatory assets based on the net incremental expense resulting from the pandemic for our natural gas distribution and business as currently authorized by the Florida PSC.

## 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.

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, 2020 and 2019, we had approximately \$5.9 million and \$8.0 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,

Florida Public Utilities Company			For the Year Ended
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NOTES TO FINANCIAL STATEMENTS			

approximately \$12.4 million of which has been recovered as of December 31, 2020. We had approximately \$1.6 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	Remediation actions approved by the Florida Department of Environmental Protection have been implemented on the east parcel of the site. Similar remediation actions have been initiated on the site's west parcel, and construction of active remedial systems are expected to be completed in 2021.	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 \$16.2 million for 2021, \$32.3 million for 2022-2023, \$30.6 million for 2024-2025 and \$134.3 million thereafter, with an aggregate total of \$213.4 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

### *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



Florida Public Utilities Company			For the Year Ended
Natural Gas Division			December 31, 2020
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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, 2020 and 2019, the balance of our trade receivables, net of provision for uncollectable accounts, was \$8.9 million and \$7.1 million, respectively. As of December 31, 2020 and 2019, 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:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026 and thereafter</u>
<i>(in thousands)</i>						
Natural gas distribution operations	\$220	\$220	\$220	\$220	\$220	\$238

*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)	\$ 329,699,314	\$ 329,699,314
4	101.1 Property Under Capital Leases	\$ 2,136,515	\$ 2,136,515
5	102 Plant Purchased or Sold	\$ -	\$ -
6	106 Completed Construction not Classified	\$ 13,711,081	\$ 13,711,081
7	103 Experimental Plant Unclassified	\$ -	\$ -
8	104 Leased to Others	\$ -	\$ -
9	105 Held for Future Use	\$ -	\$ -
10	114 Acquisition Adjustments	\$ 48,435,996	\$ 48,435,996
11	TOTAL Utility Plant (Total of lines 3 through 10 )	\$ 393,982,906	\$ 393,982,906
12	107 Construction Work in Progress	\$ 3,989,961	\$ 3,989,961
13	Accum. Provision for Depreciation, Amortization, & Depletion	\$ (101,920,229)	\$ (101,920,229)
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	\$ 296,052,638	\$ 296,052,638
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	\$ 82,011,537	\$ 82,011,537
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)	\$ 82,011,537	\$ 82,011,537
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	\$ 19,908,692	\$ 19,908,692
32	TOTAL Accum. Provisions (Should agree with line 13 above) (Total of lines 21, 25, 29, 30, and 31)	\$ 101,920,229	\$ 101,920,229

**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, 2020

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Acct. No.	Account Description	Depr. Rate	Beginning Balance	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance
<b>General Plant Assets:</b>									
301	Organization		-	-	-	-	-	-	-
303	Miscellaneous Intangible Plant	10 Yrs	471,121	-	-	-	-	13,328	484,449
374	Land - Distribution		164,608	-	-	-	-	-	164,608
389	Land - General		4,501,878	2,727	(3,545,163)	-	-	-	959,441
	Land - Other								
<b>Amortizable General Plant Assets:</b>									
<b>Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC</b>									
<b>DISTRIBUTION PLANT</b>									
3741	Land Rights	5.50%	12,910	-	-	-	-	-	12,910
375	Structures and Improvements	2.50%	1,152,344	6,283	(469,222)	-	-	-	689,406
3761	Mains - Plastic	2.10%	68,573,363	6,352,022	(21,756)	-	-	-	74,903,629
3762	Mains - Other	2.20%	37,775,151	525,888	(64,944)	-	-	-	38,236,094
378	Meas. And Reg. Sta. Equipment - General	3.50%	1,393,411	-	-	-	-	-	1,393,411
379	meas. And Reg. Sta. Equipment - City Gate	3.10%	6,112,372	-	-	-	-	-	6,112,372
3801	Services - Plastic	2.20%	40,457,596	3,598,194	(431,096)	-	-	-	43,624,694
3802	Services - Other	9.20%	1,652,712	-	(49,884)	-	-	-	1,602,828
381	Meters	3.60%	12,270,674	1,380,759	(215,564)	-	-	-	13,435,869
382	Meter Installations	3.20%	9,852,441	961,600	-	-	-	-	10,814,041
383	House Regulators	3.30%	3,857,983	386,662	(11,591)	-	-	-	4,233,054
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%	1,918,308	22,737	(89,547)	-	-	-	1,851,498
	<b>TOTAL DISTRIBUTION PLANT</b>		<b>191,266,088</b>	<b>13,236,872</b>	<b>(4,898,767)</b>	<b>-</b>	<b>-</b>	<b>13,328</b>	<b>199,617,520</b>
<b>GENERAL PLANT</b>									
390	Structures and Improvements	2.30%	5,435,101	298,641	(101,950)	-	-	-	5,631,793
3910	Office Furniture	20 Yrs	281,556	638	(55,495)	-	-	-	226,700
3911	Computers & Peripherals	10 Yrs	-	-	-	-	-	-	-
3912	Office Equipment	14 Yrs	1,280,355	83,787	(50,481)	-	-	-	1,313,661
3913	Computer Hardware	10 Yrs	936,574	165	(664,345)	-	-	-	272,394
3914	Software	10 Yrs	5,627,098	657,171	(1,057,932)	-	-	-	5,226,337
3921	Transportation - Cars	17.40%	144,327	11,053	-	-	-	-	155,380
3922	Transportation - Light Trucks, Vans	8.40%	4,195,350	540,058	(63,823)	-	-	-	4,671,584
3923	Transportation - Heavy Trucks	8.20%	-	-	-	-	-	-	-
3924	Transportation - Trailers	5.80%	69,325	-	-	-	-	-	69,325
393	Stores Equipment	26 Yrs	28,510	-	-	-	-	-	28,510

**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, 2020

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Acct. No.	Account Description	Depr. Rate	Beginning Balance	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance
<b>(Continued)</b>									
394	Tools, Shop, and Garage Equipment	15 Yrs	760,016	52,593	(92,390)	-	-	-	720,219
395	Laboratory Equipment	20 Yrs	95,137	-	-	(95,137)	-	-	-
396	Power Operated Equipment	5.10%	883,746	-	(21,533)	95,137	-	-	957,350
397	Communication Equipment	13 Yrs	1,235,463	160,856	(56,913)	-	-	-	1,339,407
398	Miscellaneous Equipment	17 Yrs	303,180	-	(26,890)	-	-	-	276,290
	<b>SUBTOTAL</b>		<b>21,275,738</b>	<b>1,804,962</b>	<b>(2,191,752)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,888,950</b>
399	Other Tangible Property	5 Yrs	9,331	-	(9,331)	-	-	-	-
376G	Mains Plastic-GRIP	2.10%	79,712,208	9,896,970	-	-	-	-	89,609,178
380G	Services Plastic-GRIP	2.20%	26,433,705	6,861,040	-	-	-	-	33,294,745
	<b>TOTAL GENERAL PLANT</b>		<b>127,430,982</b>	<b>18,562,972</b>	<b>(2,201,083)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,792,873</b>
	<b>TOTAL DISTRIBUTION PLANT</b>		<b>191,266,088</b>	<b>13,236,872</b>	<b>(4,898,767)</b>	<b>-</b>	<b>-</b>	<b>13,328</b>	<b>199,617,520</b>
	<b>TOTAL GAS PLANT IN SERVICE</b>		<b>318,697,070</b>	<b>31,799,844</b>	<b>(7,099,850)</b>	<b>-</b>	<b>-</b>	<b>13,328</b>	<b>343,410,393</b>
<b>Capital Recovery Schedules:</b>									
NONE									
<b>Total Account 101*</b>			<b>318,697,070</b>	<b>31,799,844</b>	<b>(7,099,850)</b>	<b>-</b>	<b>-</b>	<b>13,328</b>	<b>343,410,393</b>
<b>Amortizable Assets:</b>									
114	Acquisition Adjustment		48,435,995	-	-	-	-	-	48,435,995
104	Leased Plant to Others		-	-	-	-	-	-	-
101.1	Property Under Capital Leases		2,317,489	-	-	-	(180,974)	-	2,136,515
	Rounding		-	-	-	-	-	-	3
<b>Total Utility Plant</b>			<b>369,450,554</b>	<b>31,799,844</b>	<b>(7,099,850)</b>	<b>-</b>	<b>(180,974)</b>	<b>13,328</b>	<b>393,982,906</b>

**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.  
\* Balances previously reported incorrectly under account 3911 are now being reported under account 3913.  
\* 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, 2020

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Acct. No.	Account Description	Beginning Balance	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance
<b>Amortizable General Plant Assets:</b>										
301	Organization	-	-	-	-	-	-	-	-	-
303	Miscellaneous Intangible Plant	(164,601)	(26,859)	-	-	-	-	-	(4,760)	(196,220)
374	Land - Distribution	-	-	-	-	-	-	-	-	-
389	Land - General	-	-	-	-	-	-	-	-	-
	Land - Other - Common	-	-	-	-	-	-	-	-	-
<b>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC</b>										
<b>DISTRIBUTION PLANT</b>										
3741	Land Rights	(8,328)	(709)	-	-	-	-	-	-	(9,038)
375	Structures and Improvements	(467,552)	(28,926)	-	469,222	-	-	-	-	(27,257)
3761	Mains - Plastic	(16,183,916)	(1,492,773)	-	21,756	-	18,786	(28)	-	(17,636,176)
3762	Mains - Other	(22,400,382)	(836,064)	-	64,944	-	347,092	34	-	(22,824,375)
378	Meas. and Reg. Sta. Equipment - General	(313,893)	(48,773)	-	-	-	-	-	-	(362,666)
379	Meas. and Reg. Sta. Equipment - City Gate	(1,901,312)	(189,486)	-	-	-	(800)	(6)	-	(2,091,605)
3801	Services - Plastic	(10,268,043)	(906,909)	-	431,096	-	264,322	-	-	(10,479,533)
3802	Services - Other	(2,688,622)	(150,731)	-	49,884	-	73,848	-	-	(2,715,621)
381	Meters	(4,348,601)	(452,260)	-	215,564	-	-	37	-	(4,585,259)
382	Meter Installations	(2,274,426)	(323,430)	-	-	-	39,749	-	-	(2,558,107)
383	House Regulators	(1,658,740)	(130,786)	-	11,591	-	35	-	-	(1,777,900)
384	House Reg. Installations	(608,872)	(28,180)	-	-	-	-	-	-	(637,051)
385	Industrial Meas. and Reg. Sta. Equipment	(44,256)	(1,278)	-	-	-	-	-	-	(45,534)
386	Other Property on Customers Prem.	-	-	-	-	-	-	-	-	-
387	Other Equipment	(600,687)	(77,134)	-	89,547	-	-	-	-	(588,274)
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>(63,932,231)</b>	<b>(4,694,298)</b>	<b>-</b>	<b>1,353,604</b>	<b>-</b>	<b>743,032</b>	<b>37</b>	<b>(4,760)</b>	<b>(66,534,616)</b>
<b>GENERAL PLANT</b>										
390	Structures and Improvements	(725,123)	(130,621)	-	101,950	-	-	-	-	(753,794)
3910	Office Furniture	(29,365)	(18,694)	-	55,495	-	-	(768)	-	6,668
3911	Computers & Peripherals	-	-	-	-	-	-	-	-	-
3912	Office Equipment	(272,765)	(121,705)	-	50,481	-	-	(65,950)	-	(409,939)
3913	Computer Hardware	(357,089)	(31,577)	-	664,345	-	-	1,701	-	277,381
3914	Software	(2,377,244)	(543,130)	-	1,057,932	-	-	14,908	-	(1,847,533)
3921	Accum. Dep. - Transportation - Cars	(65,990)	(26,070)	-	-	-	-	-	-	(92,059)
3922	Accum. Dep. - Trans. - Light Trucks, vans	(1,690,310)	(314,644)	-	63,823	(5,453)	-	-	-	(1,946,583)
3923	Accum. Dep. - Trans. - Heavy Trucks	413	-	(413)	-	-	-	-	-	-
3924	Accum. Dep. - Transportation - Trailers	(39,197)	(3,717)	413	-	-	-	-	-	(42,501)
393	Stores Equipment	(12,482)	(975)	-	-	-	-	-	-	(13,456)

**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, 2020

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Acct. No.	Account Description	Beginning Balance	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance
<b>(Continued)</b>										
394	Tools, Shop, and Garage Equipment	(428,030)	(55,184)	-	92,390	-	-	-	-	(390,824)
395	Laboratory Equipment	-	-	-	-	-	-	-	-	-
396	Power Operated Equipment	(369,699)	(49,922)	-	21,533	-	-	-	-	(398,088)
397	Communication Equipment	(298,201)	(123,109)	-	56,913	-	-	(2,991)	-	(367,388)
398	Miscellaneous Equipment	(155,334)	(21,983)	-	26,890	-	-	(850)	-	(151,277)
	<b>SUBTOTAL</b>	<b>(6,820,416)</b>	<b>(1,441,331)</b>	<b>-</b>	<b>2,191,752</b>	<b>(5,453)</b>	<b>-</b>	<b>(53,950)</b>	<b>-</b>	<b>(6,129,393)</b>
399	Other Tangible Property	(9,331)	-	-	9,331	-	-	-	-	-
376G	Mains Plastic-GRIP	(6,569,684)	(1,736,389)	-	-	-	(11,946)	-	-	(8,318,019)
380G	Services Plastic-GRIP	(463,022)	(639,678)	-	-	-	1,426	-	-	(1,101,275)
	<b>TOTAL GENERAL PLANT</b>	<b>(13,862,453)</b>	<b>(3,817,398)</b>	<b>-</b>	<b>2,201,083</b>	<b>(5,453)</b>	<b>(10,520)</b>	<b>(53,950)</b>	<b>-</b>	<b>(15,548,687)</b>
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>(63,932,231)</b>	<b>(4,694,298)</b>	<b>-</b>	<b>1,353,604</b>	<b>-</b>	<b>743,032</b>	<b>37</b>	<b>(4,760)</b>	<b>(66,534,616)</b>
	<b>TOTAL GAS PLANT IN SERVICE</b>	<b>(77,794,684)</b>	<b>(8,511,696)</b>	<b>-</b>	<b>3,554,687</b>	<b>(5,453)</b>	<b>732,512</b>	<b>(53,913)</b>	<b>(4,760)</b>	<b>(82,083,303)</b>
<b>Capital Recovery Schedules:</b>										
NONE										
<b>Subtotal</b>		<b>(77,794,684)</b>	<b>(8,511,696)</b>	<b>-</b>	<b>3,554,687</b>	<b>(5,453)</b>	<b>732,512</b>	<b>(53,913)</b>	<b>(4,760)</b>	<b>(82,083,303)</b>
<b>List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 8</b>										
108	RWIP	6,006	-	-	315,632	-	-	-	-	321,638
104	Leased Plant	-	-	-	-	-	-	-	-	-
	FPU transportation depreciation charges									
392	allocated to various business units		305,604						(305,604)	(2)
108L	Amort of Prop Under Capital Leases	-	(249,866)							(249,866)
	Allocation of Common Plant from Florida									
Various	Public Utilities consolidated		199,908						(199,908)	
	Rounding									(4)
	<b>Subtotal</b>	<b>6,006</b>	<b>255,646</b>	<b>-</b>	<b>315,632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(505,511)</b>	<b>71,766</b>
<b>Grand Total</b>		<b>(77,788,678)</b>	<b>(8,256,050)</b>	<b>-</b>	<b>3,870,319</b>	<b>(5,453)</b>	<b>732,512</b>	<b>(53,913)</b>	<b>(510,272)</b>	<b>(82,011,537)</b>

**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.  
\* Balances previously reported incorrectly under account 3911 are now being reported under account 3913.  
\* Accumulated Depreciation of \$22,509 in 2018 was incorrectly reported under account 3910 and has been moved to 3912.

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

**Common Plants Allocated to Florida Public Utilities Natural Gas  
For the Year Ended December 31, 2020**

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Acct. No.	Account Description	Depr. Rate	Beginning Balance	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>									
301	Organization		-	-	-	-	-	-	-
303	Miscellaneous Intangible Plant	10 Yrs	-	-	-	-	-	-	-
374	Land - Distribution		-	-	-	-	-	-	-
389	Land - General		220,319	2,727	-	-	-	-	223,046
	Land - Other								
<b>Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>									
<b>DISTRIBUTION PLANT</b>									
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%	-	-	-	-	-	-	-
384	House Reg. Installations	2.70%	-	-	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equipment	2.30%	-	-	-	-	-	-	-
386	Other Property on Customers Prem.		-	-	-	-	-	-	-
387	Other Equipment	4.00%	-	-	-	-	-	-	-
	<b>TOTAL DISTRIBUTION PLANT</b>		220,319	2,727	-	-	-	-	223,046
<b>GENERAL PLANT</b>									
390	Structures and Improvements	2.30%	2,628,318	267,798	-	-	-	-	2,896,117
3910	Office Furniture	20 Yrs	161,603	-	-	-	-	-	161,603
3911	Computers & Peripherals	10 Yrs	-	-	-	-	-	-	-
3912	Office Equipment	14 Yrs	189,635	86,374	-	-	-	-	276,009
3913	Computer Hardware	10 Yrs	77,413	-	(19,173)	-	-	-	58,240
3914	Software	10 Yrs	815,458	25,264	(520,769)	-	-	-	319,953
3921	Transportation - Cars	17.40%	85,405	11,053	-	-	-	-	96,458
3922	Transportation - Light Trucks, Vans	8.40%	285,446	(27)	-	-	-	-	285,419
3923	Transportation - Heavy Trucks	8.20%	-	-	-	-	-	-	-
3924	Transportation - Trailers	5.80%	-	-	-	-	-	-	-
393	Stores Equipment	26 Yrs	-	-	-	-	-	-	-

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

**Common Plants Allocated to Florida Public Utilities Natural Gas**  
**For the Year Ended December 31, 2020**

Page 2 of 2

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
<b>(Continued)</b>									
	394 Tools, Shop, and Garage Equipment	15 Yrs	-	-	-	-	-	-	-
	395 Laboratory Equipment	20 Yrs	-	-	-	-	-	-	-
	396 Power Operated Equipment	5.10%	-	-	-	-	-	-	-
	397 Communication Equipment	13 Yrs	229,339	10,106	-	-	-	-	239,445
	398 Miscellaneous Equipment	17 Yrs	13,577	-	(1,274)	-	-	-	12,303
	<b>SUBTOTAL</b>		<b>4,486,194</b>	<b>400,568</b>	<b>(541,216)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,345,547</b>
	399 Other Tangible Property	5 Yrs	9,331	-	(9,331)	-	-	-	-
	376G Mains Plastic-GRIP	2.10%	-	-	-	-	-	-	-
	380G Services Plastic-GRIP	2.20%	-	-	-	-	-	-	-
	<b>TOTAL GENERAL PLANT</b>		<b>4,495,525</b>	<b>400,568</b>	<b>(550,547)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,345,547</b>
	<b>TOTAL DISTRIBUTION PLANT</b>		<b>220,319</b>	<b>2,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>223,046</b>
	<b>TOTAL GAS PLANT IN SERVICE</b>		<b>4,715,844</b>	<b>403,295</b>	<b>(550,547)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,568,593</b>
<b>Capital Recovery Schedules:</b>									
	NONE								
<b>Total Account 101*</b>			<b>4,715,844</b>	<b>403,295</b>	<b>(550,547)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,568,593</b>
<b>Amortizable Assets:</b>									
	114 Acquisition Adjustment		3,877,668						3,877,668
	104 Leased Plant to Others								-
	101.1 Property Under Capital Leases		299,496				(71,364)		228,132
	Other - Rounding								(1)
<b>Total Utility Plant</b>			<b>8,893,008</b>	<b>403,295</b>	<b>(550,547)</b>	<b>-</b>	<b>(71,364)</b>	<b>-</b>	<b>8,674,392</b>

**Note:** \* The grand total balances on pages 13.1-16.1 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 38.5% in 2019 , 37.37% in 2020.



**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, 2020**

Page 1 of 2

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>										
301	Organization									
303	Miscellaneous Intangible Plant	-	-	-	-	-	-	-	-	-
374	Land - Distribution	-	-	-	-	-	-	-	-	-
389	Land - General	-	-	-	-	-	-	-	-	-
	Land - Other - Common									
<b>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>										
<b>DISTRIBUTION PLANT</b>										
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	-	-	-	-	-	-	-	-	-
384	House Reg. Installations	-	-	-	-	-	-	-	-	-
385	Industrial Meas. and Reg. Sta. Equipment	-	-	-	-	-	-	-	-	-
386	Other Property on Customers Prem.	-	-	-	-	-	-	-	-	-
387	Other Equipment	-	-	-	-	-	-	-	-	-
	<b>TOTAL DISTRIBUTION PLANT</b>	-								-
<b>GENERAL PLANT</b>										
390	Structures and Improvements	(24,396)	(65,529)							(89,926)
3910	Office Furniture	66,563	(8,320)					(768)		57,475
3911	Computers & Peripherals	-								-
3912	Office Equipment	(40,327)	(41,285)					(65,950)		(147,561)
3913	Computer Hardware	127,254	(2,859)		19,173			3,520		147,089
3914	Software Cost Pool Clearing	(524,065)	(20,160)		520,769			14,908		(8,547)
3921	Accum. Dep. - Transportation - Cars	(25,631)	(15,818)							(41,448)
3922	Accum. Dep. - Trans. - Light Trucks, vans	(75,600)	(23,009)							(98,609)
3923	Accum. Dep. - Trans. - Heavy Trucks	-	-	-	-	-	-	-	-	-
3924	Accum. Dep. - Transportation - Trailers	-	-	-	-	-	-	-	-	-
393	Stores Equipment	-	-	-	-	-	-	-	-	-

## 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, 2020

Page 2 of 2

Acct. No.	Account Description	Beginning Balance	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>(Continued)</b>										
	394 Tools, Shop, and Garage Equipment	-	-	-	-	-	-	-	-	-
	395 Laboratory Equipment	-	-	-	-	-	-	-	-	-
	396 Power Operated Equipment	-	-	-	-	-	-	-	-	-
	397 Communication Equipment	(18,905)	(21,279)	-	-	-	-	(2,991)	-	(43,175)
	398 Miscellaneous Equipment	1,194	(1,649)	-	1,274	-	-	(850)	-	(30)
	<b>SUBTOTAL</b>	<b>(513,913)</b>	<b>(199,908)</b>	<b>-</b>	<b>541,216</b>	<b>-</b>	<b>-</b>	<b>(52,131)</b>	<b>-</b>	<b>(224,732)</b>
	399 Other Tangible Property	(9,331)	-	-	9,331	-	-	-	-	-
	376G Mains Plastic-GRIP	-	-	-	-	-	-	-	-	-
	380G Services Plastic-GRIP	-	-	-	-	-	-	-	-	-
	<b>TOTAL GENERAL PLANT</b>	<b>(523,244)</b>	<b>(199,908)</b>	<b>-</b>	<b>550,547</b>	<b>-</b>	<b>-</b>	<b>(52,131)</b>	<b>-</b>	<b>(224,732)</b>
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL GAS PLANT IN SERVICE</b>	<b>(523,244)</b>	<b>(199,908)</b>	<b>-</b>	<b>550,547</b>	<b>-</b>	<b>-</b>	<b>(52,131)</b>	<b>-</b>	<b>(224,732)</b>
<b>Capital Recovery Schedules:</b>										
NONE										
<b>Subtotal</b>		<b>(523,244)</b>	<b>(199,908)</b>	<b>-</b>	<b>550,547</b>	<b>-</b>	<b>-</b>	<b>(52,131)</b>	<b>-</b>	<b>(224,732)</b>
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									-
	<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>(523,244)</b>	<b>(199,908)</b>	<b>-</b>	<b>550,547</b>	<b>-</b>	<b>-</b>	<b>(52,131)</b>	<b>-</b>	<b>(224,732)</b>

**Note:** \* The grand total 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 38.5% in 2019 , 37.37% in 2020.

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

Florida Public Utilities Company - Natural Gas Division  
For the Year Ended December 31, 2020

Page 1 of 2

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>									
301	Organization								-
303	Miscellaneous Intangible Plant	10 Yrs	471,121	-	-			13,328	484,449
374	Land - Distribution		164,608	-	-				164,608
389	Land - General		4,281,559	-	(3,545,163)				736,395
	Land - Other								
<b>Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>									
<b>DISTRIBUTION PLANT</b>									
3741	Land Rights	5.50%	12,910	-	-				12,910
375	Structures and Improvements	2.50%	1,152,344	6,283	(469,222)				689,406
3761	Mains - Plastic	2.10%	68,573,363	6,352,022	(21,756)				74,903,629
3762	Mains - Other	2.20%	37,775,151	525,888	(64,944)				38,236,094
378	Meas. And Reg. Sta. Equipment - General	3.50%	1,393,411						1,393,411
379	meas. And Reg. Sta. Equipment - City Gate	3.10%	6,112,372						6,112,372
3801	Services - Plastic	2.20%	40,457,596	3,598,194	(431,096)				43,624,694
3802	Services - Other	9.20%	1,652,712	-	(49,884)				1,602,828
381	Meters	3.60%	12,270,674	1,380,759	(215,564)				13,435,869
382	Meter Installations	3.20%	9,852,441	961,600	-				10,814,041
383	House Regulators	3.30%	3,857,983	386,662	(11,591)				4,233,054
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%	1,918,308	22,736	(89,547)				1,851,498
	<b>TOTAL DISTRIBUTION PLANT</b>		<b>191,045,769</b>	<b>13,234,144</b>	<b>(4,898,767)</b>	-	-	<b>13,328</b>	<b>199,394,474</b>
<b>GENERAL PLANT</b>									
390	Structures and Improvements	2.30%	2,806,783	30,843	(101,950)				2,735,676
3910	Office Furniture	20 Yrs	119,954	638	(55,495)				65,097
3911	Computers & Peripherals	10 Yrs	-						-
3912	Office Equipment	14 Yrs	1,090,720	(2,587)	(50,481)				1,037,652
3913	Computer Hardware	10 Yrs	859,162	165	(645,172)				214,155
3914	Software	10 Yrs	4,811,640	631,907	(537,163)				4,906,385
3921	Transportation - Cars	17.40%	58,922	-	-				58,922
3922	Transportation - Light Trucks, Vans	8.40%	3,909,904	540,085	(63,823)				4,386,165
3923	Transportation - Heavy Trucks	8.20%	-						-
3924	Transportation - Trailers	5.80%	69,325	-	-				69,325
393	Stores Equipment	26 Yrs	28,510	-	-				28,510

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

Florida Public Utilities Company - Natural Gas Division  
For the Year Ended December 31, 2020

Page 2 of 2

Acct. No.	Account Description	Depr. Rate	Beginning Balance	Additions	Retirements	Reclass	Adjustments	Transfers	Ending Balance*
<b>(Continued)</b>									
394	Tools, Shop, and Garage Equipment	15 Yrs	760,016	52,593	(92,390)				720,219
395	Laboratory Equipment	20 Yrs	95,137			(95,137)			-
396	Power Operated Equipment	5.10%	883,746	-	(21,533)	95,137			957,350
397	Communication Equipment	13 Yrs	1,006,125	150,750	(56,913)				1,099,962
398	Miscellaneous Equipment	17 Yrs	289,603	-	(25,616)				263,987
	<b>SUBTOTAL</b>		<b>16,789,546</b>	<b>1,404,394</b>	<b>(1,650,536)</b>				<b>16,543,405</b>
399	Other Tangible Property	5 Yrs	-	-	-				-
376G	Mains Plastic-GRIP	2.10%	79,712,208	9,896,970					89,609,178
380G	Services Plastic-GRIP	2.20%	26,433,705	6,861,040	-				33,294,745
	<b>TOTAL GENERAL PLANT</b>		<b>122,935,459</b>	<b>18,162,404</b>	<b>(1,650,536)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139,447,328</b>
	<b>TOTAL DISTRIBUTION PLANT</b>		<b>191,045,769</b>	<b>13,234,144</b>	<b>(4,898,767)</b>	<b>-</b>	<b>-</b>	<b>13,328</b>	<b>199,394,474</b>
	<b>TOTAL GAS PLANT IN SERVICE</b>		<b>313,981,228</b>	<b>31,396,548</b>	<b>(6,549,303)</b>	<b>-</b>	<b>-</b>	<b>13,328</b>	<b>338,841,802</b>
<b>Capital Recovery Schedules:</b>									
NONE									
<b>Total Account 101*</b>			<b>313,981,228</b>	<b>31,396,548</b>	<b>(6,549,303)</b>	<b>-</b>	<b>-</b>	<b>13,328</b>	<b>338,841,802</b>
<b>Amortizable Assets:</b>									
114	Acquisition Adjustment		44,558,328						44,558,328
104	Leased Plant to Others								-
101.1	Property Under Capital Leases		2,017,993				(109,610)		1,908,383
	Other Rounding								
<b>Total Utility Plant</b>			<b>360,557,549</b>	<b>31,396,548</b>	<b>(6,549,303)</b>	<b>-</b>	<b>(109,610)</b>	<b>13,328</b>	<b>385,308,513</b>

**Notes:** \* The grand total balances on pages 13.2-16.2 are Florida Public Utilities Company Natural Gas Division only  
\* Balances previously reported incorrectly under account 3911 are now being reported under account 3913.  
\* 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, 2020

Page 1 of 2

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>										
301	Organization	-								-
303	Miscellaneous Intangible Plant	(164,601)	(26,859)						(4,760)	(196,220)
374	Land - Distribution	-								-
389	Land - General	-								-
	Land - Other - Common									
<b>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>										
<b>DISTRIBUTION PLANT</b>										
3741	Land Rights	(8,328)	(709)							(9,038)
375	Structures and Improvements	(467,552)	(28,926)		469,222					(27,257)
3761	Mains - Plastic	(16,183,916)	(1,492,773)				18,786	(28)		(17,636,176)
3762	Mains - Other	(22,400,382)	(836,064)		64,944		347,092	34		(22,824,375)
378	Meas. and Reg. Sta. Equipment - General	(313,893)	(48,773)							(362,666)
379	Meas. and Reg. Sta. Equipment - City Gate	(1,901,312)	(189,486)				(800)	(6)		(2,091,605)
3801	Services - Plastic	(10,268,043)	(906,909)		431,096		264,323			(10,479,533)
3802	Services - Other	(2,688,622)	(150,731)				73,848			(2,715,621)
381	Meters	(4,348,601)	(452,260)		215,564			37		(4,585,259)
382	Meter Installations	(2,274,426)	(323,430)				39,749			(2,558,107)
383	House Regulators	(1,658,740)	(130,786)		11,591		35			(1,777,900)
384	House Reg. Installations	(608,872)	(28,180)							(637,051)
385	Industrial Meas. and Reg. Sta. Equipment	(44,256)	(1,278)							(45,534)
386	Other Property on Customers Prem.	-								-
387	Other Equipment	(600,687)	(77,134)		89,547					(588,274)
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>(63,932,231)</b>	<b>(4,694,298)</b>	-	<b>1,353,604</b>	-	<b>743,033</b>	<b>37</b>	<b>(4,760)</b>	<b>(66,534,616)</b>
<b>GENERAL PLANT</b>										
390	Structures and Improvements	(700,726)	(65,092)		101,950					(663,869)
3910	Office Furniture	(95,928)	(10,374)		55,495					(50,807)
3911	Computers & Peripherals	-								-
3912	Office Equipment	(232,438)	(80,421)							(262,378)
3913	Computer Hardware	(484,343)	(28,718)					(1,819)		130,292
3914	Software	(1,853,179)	(522,970)		537,163					(1,838,987)
3921	Accum. Dep. - Transportation - Cars	(40,359)	(10,252)							(50,611)
3922	Accum. Dep. - Trans. - Light Trucks, vans	(1,614,710)	(291,634)		63,823	(5,453)				(1,847,974)
3923	Accum. Dep. - Trans. - Heavy Trucks	413		(413)						-
3924	Accum. Dep. - Transportation - Trailers	(39,197)	(3,717)	413						(42,501)
393	Stores Equipment	(12,482)	(975)							(13,456)

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

Florida Public Utilities Company - Natural Gas Division  
For the Year Ended December 31, 2020

Page 2 of 2

Acct. No.	Account Description	Beginning Balance	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>(Continued)</b>										
394	Tools, Shop, and Garage Equipment	(428,030)	(55,184)		92,390					(390,824)
395	Laboratory Equipment	-								-
396	Power Operated Equipment	(369,699)	(49,922)		21,533					(398,088)
397	Communication Equipment	(279,296)	(101,830)		56,913					(324,213)
398	Miscellaneous Equipment	(156,528)	(20,334)		25,616					(151,247)
	<b>SUBTOTAL</b>	<b>(6,306,502)</b>	<b>(1,241,423)</b>	<b>-</b>	<b>1,650,536</b>	<b>(5,453)</b>	<b>-</b>	<b>(1,819)</b>	<b>-</b>	<b>(5,904,663)</b>
399	Other Tangible Property	-	-	-	-	-	-	-	-	-
376G	Mains Plastic-GRIP	(6,569,684)	(1,736,389)				(11,946)			(8,318,019)
380G	Services Plastic-GRIP	(463,022)	(639,678)				1,426			(1,101,275)
	<b>TOTAL GENERAL PLANT</b>	<b>(13,339,208)</b>	<b>(3,617,490)</b>	<b>-</b>	<b>1,650,536</b>	<b>(5,453)</b>	<b>(10,520)</b>	<b>(1,819)</b>	<b>-</b>	<b>(15,323,957)</b>
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>(63,932,231)</b>	<b>(4,694,298)</b>	<b>-</b>	<b>1,353,604</b>	<b>-</b>	<b>743,033</b>	<b>37</b>	<b>(4,760)</b>	<b>(66,534,616)</b>
	<b>TOTAL GAS PLANT IN SERVICE</b>	<b>(77,271,439)</b>	<b>(8,311,788)</b>	<b>-</b>	<b>3,004,140</b>	<b>(5,453)</b>	<b>732,513</b>	<b>(1,782)</b>	<b>(4,760)</b>	<b>(81,858,573)</b>
<b>Capital Recovery Schedules:</b>										
NONE										
<b>Subtotal</b>		<b>(77,271,439)</b>	<b>(8,311,788)</b>	<b>-</b>	<b>3,004,140</b>	<b>(5,453)</b>	<b>732,513</b>	<b>(1,782)</b>	<b>(4,760)</b>	<b>(81,858,573)</b>
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	6,006			315,632					321,638
1040	Leased Plant									-
108L	Amort of Prop Under Capital Leases	-	(249,866)							(249,866)
	Rounding	-								(3)
	<b>Subtotal</b>	<b>6,006</b>	<b>(249,866)</b>	<b>-</b>	<b>315,632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,769</b>
<b>Grand Total</b>		<b>(77,265,433)</b>	<b>(8,561,654)</b>	<b>-</b>	<b>3,319,772</b>	<b>(5,453)</b>	<b>732,513</b>	<b>(1,782)</b>	<b>(4,760)</b>	<b>(81,786,804)</b>

**Notes:** \* The grand total balances on pages 13.2-16.2 are Florida Public Utilities Company Natural Gas Division only  
\* Balances previously reported incorrectly under account 3911 are now being reported under account 3913.  
\* Accumulated Depreciation of \$22,509 in 2018 was incorrectly reported under account 3910 and has been moved to 3912.

**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.
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Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Various GRIP Projects	\$ 1,174,307	\$ 1,591,320
2	Various Mains Projects	\$ 546,537	\$ 2,362,046
3	Other	\$ 133,203	\$ 107,437
4	GRIP W Lake Worth Ph1 A1 2in	\$ 829,463	\$ 420,538
5	GRIP Gun Club Estates	\$ 393,176	\$ -
6	Three Rivers	\$ 230,796	\$ 708,368
7	Canopy Creek Ph4 Martin Co	\$ 191,750	\$ 58,961
8	MR Brant Drive BR	\$ 169,156	\$ 77,534
9	The Groves Ph1 Westlake	\$ 113,711	\$ 211,200
10	Nassau Crossing off of Harts Rd1	\$ 105,214	\$ 102,962
11	2530 NW 16th Blvd Okeechobee	\$ 102,648	\$ -
12			
13			
14			
15	<b>TOTAL</b>	<b>\$ 3,989,961</b>	<b>\$ 5,640,366</b>

**CONSTRUCTION OVERHEADS-GAS**

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	\$ 559,561	\$ -
2	Engineering	\$ 1,030,407	\$ -
3	Operations	\$ 699,025	\$ -
4	Supervision	\$ 374,725	\$ -
5	Total Cost of Construction	\$ -	\$ 24,627,014
6			
7			
8			
9			
10			
11			
12	<b>TOTAL</b>	<b>\$ 2,663,718</b>	<b>\$ 24,627,014</b>

**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	\$ 613,856
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	\$ 353,606
7		
8	<b>TOTAL</b>	<b>\$ 1,008,074</b>

**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						

**UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)**

Line No.	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).] (a)	Total Amount of Charges (b)	Costs 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						
11						
12						
13	<b>TOTAL</b>					



December 31, 2020

**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	\$ 2,060,278	\$ -	405	\$ (456,348)	\$ 1,603,930
2	Pension	\$ 10,312,226	\$ 1,232,765	926/228	\$ (305,681)	\$ 11,239,310
3	Self Ins Asset Othr Reg Assets	\$ -	\$ 80,704		\$ (26,200)	\$ 54,504
4	COVID19 Othr Reg Assets	\$ -	\$ 762,138		\$ -	\$ 762,138
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16	TOTAL	\$ 12,372,504	\$ 2,075,607		\$ (788,229)	\$ 13,659,882

**MISCELLANEOUS DEFERRED DEBITS (Account 186)**

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

2. For any deferred debit 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 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	\$ 903,605	\$ 299,653	405	\$ (365,191)	\$ 838,067
2	Conservation Recovery	\$ 147,397	\$ 46,524		\$ (193,921)	\$ (0)
3	Goodwill	\$ 223	\$ -	887	\$ -	\$ 223
4	Purchased fuel cost	\$ -	\$ 699,955		\$ (520,659)	\$ 179,296
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16	Misc. Work in Progress					
17	Deferred Regulatory Comm. Expenses	\$ -	\$ -		\$ -	\$ -
18	TOTAL	\$ 1,051,225	\$ 1,046,132		\$ (1,079,771)	\$ 1,017,586

**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 Reacquired 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 Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired 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	\$ 868,757	\$ 795,056
2						
3						
4						
5						
6						
7						
8						
9						
10	Annual amortization of unamortized loss on required debt allocated to Florida Public Utilities-NG					\$51,010
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 advances 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 5 - 6.64%	10/31/2002	10/31/2017	\$ 30,000,000	6.64%	\$ -	\$ -
3	Senior Note 6 - 5.5%	12/12/2006	10/12/2020	\$ 20,000,000	5.50%	\$ 85,861	\$ -
4	Senior Note 7 - 5.93%	10/31/2008	10/31/2023	\$ 30,000,000	5.93%	\$ 637,475	\$ 9,000,000
5	Senior Note 8 - 5.68%	6/24/2011	6/30/2026	\$ 29,000,000	5.68%	\$ 1,070,680	\$ 17,400,000
6	Senior Note 9 - 6.43%	5/2/2013	5/2/2028	\$ 7,000,000	6.43%	\$ 375,083	\$ 5,600,000
7	Senior Note 10 - 3.73%	12/16/2013	12/16/2028	\$ 20,000,000	3.73%	\$ 668,292	\$ 16,000,000
8	Senior Note 11 - 3.88%	5/15/2014	5/15/2029	\$ 50,000,000	3.88%	\$ 1,818,750	\$ 45,000,000
9	Senior Note 12 - 3.25%	4/21/2017	4/30/2032	\$ 70,000,000	3.25%	\$ 2,275,000	\$ 70,000,000
10	Senior Note 16 - 2.98%	12/20/2019	12/20/2034	\$ 70,000,000	2.98%	\$ 2,086,000	\$ 70,000,000
11	Senior Note 17 - 3.00%	7/15/2020	7/15/2035	\$ 50,000,000	3.00%	\$ 689,516	\$ 50,000,000
12	Senior Note 18 - 2.96%	8/14/2020	8/15/2035	\$ 40,000,000	2.96%	\$ 448,774	\$ 40,000,000
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	Promissory Note	2/1/2010	3/1/2015	\$ 310,000	0.00%	\$ -	\$ -
17	Interim Term Note 1	12/21/2018	1/21/2020	\$ 30,000,000		\$ (32,377)	\$ -
18	Interim Term Note 2	1/31/2019	2/28/2020	\$ 30,000,000		\$ 117,942	\$ -
19	FPU Bond - 9.08%	6/1/1992	6/1/2022	\$ 8,000,000	9.08%	\$ 1,681,580	\$ -
20	Shelf Facility-Prudential	10/8/2015	10/8/2030				
29	<b>Subtotal</b>			<b>\$ 684,310,000</b>		<b>\$ 19,432,576</b>	<b>\$ 523,000,000</b>
30	Less Current Maturities						\$ (13,600,000)
31							
32							
33	Allocation to Florida Public Utilities - Natural Gas					\$ 4,089,211	
34	Allocation to Other Jurisdictions					\$ 15,343,365	
35	Total Chesapeake Utilities Corp.					\$ 19,432,576	
36							
37	<b>TOTAL</b>			<b>\$ 684,310,000</b>		<b>\$ 19,432,576</b>	<b>\$ 509,400,000</b>

Note: Schedule lists total long term debt for Chesapeake Utilities Corporation. Line number 29 indicates the amount that is allocated to Florida Public Utilities - Natural Gas.

**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 indisposed 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)		\$260,501			\$ 18,171	\$ 95,159	\$ 113,330
2	Senior Note 6 - 5.5%	\$20,000,000	\$79,566	12/12/2006	10/12/2020	\$ 628	\$ (628)	\$ (0)
3	Senior Note 7 - 5.93%	\$30,000,000	\$39,518	10/31/2008	10/31/2023	\$ 3,415	\$ (1,423)	\$ 1,992
4	Senior Note 8 - 5.68%	\$29,000,000	\$34,794	6/24/2011	6/30/2026	\$ 7,990	\$ (2,143)	\$ 5,847
5	Senior Note 9 - 6.43%	\$7,000,000	\$12,789	5/2/2013	5/2/2028	\$ 4,787	\$ (1,023)	\$ 3,764
6	Senior Note 10 - 3.73%	\$20,000,000	\$68,794	12/16/2013	12/16/2028	\$ 29,224	\$ (5,889)	\$ 23,335
7	Senior Note 11 - 3.88%	\$50,000,000	\$192,790	5/15/2014	5/15/2029	\$ 89,454	\$ (17,274)	\$ 72,180
8	Senior Note 12 - 3.25%	\$70,000,000	\$150,539	4/21/2017	4/30/2032	\$ 110,891	\$ (14,868)	\$ 96,023
9	Senior Note 16 - 2.98%	\$70,000,000	\$165,643	12/20/2019	12/20/2034	\$ 152,706	\$ (2,839)	\$ 149,867
10	Senior Note 17 - 3.00%	\$50,000,000	\$92,476	7/15/2020	7/15/2035	\$ -	\$ 88,807	\$ 88,807
11	Senior Note 18 - 2.96%	\$40,000,000	\$72,953	8/14/2020	8/15/2035	\$ -	\$ 70,637	\$ 70,637
12	Tranche 1	\$50,000,000	\$99,400	5/1/2018	5/31/2038	\$ 89,246	\$ (6,413)	\$ 82,833
13	Tranche 2	\$50,000,000	\$95,036	11/1/2018	11/1/2038	\$ 88,446	\$ (6,083)	\$ 82,363
14	Tranche 3	\$100,000,000	\$167,966	8/1/2019	8/1/2039	\$ 164,354	\$ (10,836)	\$ 153,518
15	Promissory Note	\$310,000	\$ -			\$ -	\$ -	\$ -
16	Interim Term Note 1	\$30,000,000	\$8,996	12/21/2018	1/21/2020	\$ 692	\$ (692)	\$ -
17	Interim Term Note 2	\$30,000,000	\$21,786	1/31/2019	2/28/2020	\$ 3,352	\$ (3,352)	\$ 0
18	FPU Bond - 9.08%	\$8,000,000	\$122,010			\$ 9,828	\$ (9,828)	\$ 0
19	Shelf Facility-Prudential	\$0	\$58,133	10/8/2015	10/8/2030	\$ 41,667	\$ (3,876)	\$ 37,791
20	Shelf Facility-Met Life	\$0	\$34,250			\$ 28,120	\$ (2,280)	\$ 25,840
21	Shelf Facility-New York Life	\$0	\$8,636			\$ 7,104	\$ (576)	\$ 6,528
22	Bank Credit Facility (Annual)	\$0	\$21,500	10/8/2015	10/8/2016	\$ -	\$ -	\$ -
23	Bank Credit Facility (Annual)	\$0	\$21,500	10/8/2016	10/8/2017	\$ -	\$ -	\$ -
24	Bank Credit Facility (Annual)	\$0	\$21,500	10/8/2017	10/8/2018	\$ -	\$ -	\$ -
25	Bank Credit Facility (Annual)	\$0	\$21,500	10/8/2018	10/8/2019	\$ -	\$ -	\$ -
26	Bank Credit Facility (Annual)	\$0	\$17,066	10/8/2019	10/8/2020	\$ -	\$ -	\$ -
27	Bank Credit Facility (Five Years)	\$0	\$466,119	10/8/2015	10/8/2020	\$ 64,549	\$ (64,549)	\$ -
32	Allocation to Florida Public Utilities - Natural Gas						\$ (36,815)	
33	Allocation to Other Jurisdictions						\$ 136,847	
34	Total Chesapeake Utilities Corp.						\$ 100,032	
35								
36								

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.

**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	\$ 163,552
2	Accrued PTO	\$ 121,139
3	Accrued Bonus	\$ 657,483
4	Accrued Severance	\$ -
5		
6		
7		
8		
9		
10		
11		
12		
13	TOTAL	\$ 942,174

**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 of Other Deferred Credit (a)	Balance Beginning of Year (b)	DEBITS		Credits (e)	Balance End of Year (f)
			Contra Account (c)	Amount (d)		
1	Conservation Recovery	\$ -	495/186	\$ 2,642,867	\$ 2,918,703	\$ 275,836
2	Environmental	\$ 8,043,977	232/182.3	\$ 4,631,535	\$ 2,525,340	\$ 5,937,782
3	Over Recovery - Fuel	\$ 2,696,774	495	\$ 6,053,027	\$ 3,356,253	\$ 0
4	Gas Reliability Infrastructure Program (GRIP)	\$ 2,065,711	495/421	\$ 2,208,328	\$ 471,762	\$ 329,145
5	Reserve for Refund - TCJA	\$ -		\$ -	\$ -	\$ -
6						
7						
8						
9						
10						
11						
12						
13	TOTAL	\$ 12,806,462		\$ 15,535,757	\$ 9,272,058	\$ 6,542,763

**OTHER REGULATORY LIABILITIES (Account 254)**

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

2. For regulatory liabilities being amortized, show period 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	\$ 19,192,036		\$ 348,991	\$ 326,582	\$ 19,169,627
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL	\$ 19,192,036		\$ 348,991	\$ 326,582	\$ 19,169,627

**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	\$ 3,658,878							\$ 1,419,578		\$ 5,078,456
2	State of Florida					\$ 1,882,835					\$ 1,882,835
3	Payroll Taxes				\$ 555,985						\$ 555,985
4	Florida Public Service Commission						\$ 449,266				\$ 449,266
5	Business License / Excise									\$ 165,158	\$ 165,158
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	\$ 3,658,878	\$ -	\$ -	\$ 555,985	\$ 1,882,835	\$ 449,266	\$ -	\$ 1,419,578	\$ 165,158	\$ 8,131,700

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%	\$ -			\$ -		\$ -	
3	4%	\$ -			\$ -		\$ -	
4	7%	\$ -			\$ -		\$ -	
5	10%	\$ -			\$ -		\$ -	
6								
7								
8								
9								
10	TOTAL	\$ -			\$ -		\$ -	

Notes

**ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

1. At Other (Specify), include deferrals relating to other income and deductions.

2. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided.

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									\$ 169,730
3	Bad Debts	\$ 39,642	\$ 9,734	\$ 223,337							\$ 253,245
4	Conservation	\$ -									\$ -
5	Environmental	\$ 1,516,436	\$ 437,209	\$ 19,056							\$ 1,098,283
6	Leases	\$ 1,369	\$ 49,441	\$ 3,563							\$ (44,509)
7	GRIP	\$ -									\$ -
8	Rabbi Trust	\$ -									\$ -
9	State Decoupling	\$ 840,913	\$ 454,961	\$ 153,219							\$ 539,171
10	Storm Reserve	\$ 166,504	\$ 5,072	\$ 6,592							\$ 168,024
11	Amortization	\$ 1,652,246	\$ 10,068	\$ 231,001							\$ 1,873,179
12	Merger Cost Amortization	\$ -									\$ -
13	Requ coast debt	\$ 8									\$ 8
14	Pipe/Conv Propt LT	\$ 353,373	\$ 16,512	\$ 30,156							\$ 367,017
15	Bonus	\$ -									\$ -
16	Self Insurance	\$ 13,876	\$ 37,192	\$ 11,119							\$ (12,197)
17	OPRB	\$ 155,623	\$ 86,256	\$ 37,964							\$ 107,331
18	SERP	\$ -									\$ -
19	State NOL	\$ -	\$ 798	\$ 18,309							\$ 17,511
20	Excess Deferred Tax Rate Change	\$ -									\$ -
21	Acquisition Adjustment - Tax Rate Change	\$ 1,500,791									\$ 1,500,791
22	TOTAL Gas (Lines 2 - 10)	\$ 6,410,511	\$ 1,107,243	\$ 734,316	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,037,584
23	Other (Specify)										\$ -
24	TOTAL (Account 190) (Total of lines 11 and 12)	\$ 6,410,511	\$ 1,107,243	\$ 734,316	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,037,584

**Notes**

**Account 282**

To be consistent with other divisions, the ADIT related to the excess deferred tax rate change has been reclassified to 282

**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	\$ 27,516,330	\$ 2,102,528	\$ 1,195,134		254	6,795	282	\$ -	\$ -	\$ 28,430,519
9	Other										
10	TOTAL Account 282 (Lines 7 thru 9)	\$ 27,516,330	\$ 2,102,528	\$ 1,195,134	\$ -	\$ -	6,795	\$ -	\$ -	\$ -	\$ 28,430,519
11	Account 283 - Other										
12	Electric										
13	Gas	\$ 9,117,181	\$ 911,945	\$ 797,017		283	\$ -	\$ -	\$ -	\$ -	\$ 9,232,109
14	Other										
15	TOTAL Account 283 - Other (Lines 12 thru 14)	\$ 9,117,181	\$ 911,945	\$ 797,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,232,109
16	GAS										
17	Federal Income Tax	28,683,844	2,360,316	1,559,844	-	-	5,320	-	-	-	\$ 29,489,636
18	State Income Tax	7,949,667	654,157	432,307	-	-	1,475	-	-	-	\$ 8,172,992
19	Other										
20	TOTAL Gas (Lines 17 thru 19)	36,633,511	3,014,473	1,992,151	-	-	6,795	-	-	-	\$ 37,662,628
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)	\$ 36,633,511	\$ 3,014,473	\$ 1,992,151	\$ -	\$ -	\$ 6,795	\$ -	\$ -	\$ -	\$ 37,662,628

**Notes**

**Account 282 - Debits**

To be consistent with other divisions, the ADIT related to the excess deferred tax rate change has been reclassified to 282

**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	<b>Net Income for the Year (Page 9)</b>	\$ 8,310,858
2	Reconciling Items for the Year	
3		
4	<b>Taxable Income Not Reported on Books</b>	
5		\$ (228,641)
6	<b>Deductions Recorded on Books Not Deducted for Return</b>	
7	Current Federal Income Taxes	\$ 1,422,472
8	Deferred Income Taxes	\$ 1,395,252
9	Acquisiton Adjustment	\$ 1,491,132
10	Meals	\$ 38,156
11	Not Deductible for Tax-Other	\$ 23,083
12	Not Deductible for Tax-Penalties	\$ 4,395
13	Grip Over Recoveries	\$ 1,736,566
14	Customer Based Intangibles	\$ 871,702
15	Bad Debts	\$ 842,781
16	Conservation	\$ 423,233
17	Asset Gain/Loss	\$ 118,530
18	Capitalized Interest/Overhead	\$ 69,089
19	Piping and Conversion	\$ 53,838
20	Storm Reserve	\$ 6,000
21		
22	<b>Income Recorded on Books Not Included in Return</b>	
23		
24	<b>Deductions on Return Not Charged Against Book Income</b>	
25	Reserve for Insurance Deductibles	\$ (44,668)
26	Self Insurance	\$ (102,875)
27	Purchased Gas Costs	\$ (179,296)
28	Leases	\$ (181,017)
29	Post Retirement Benefits	\$ (190,540)
30	Cost of Removal	\$ (732,512)
31	Environmental	\$ (1,649,847)
32	Pension	\$ (2,389,288)
33	Depreciation	\$ (4,334,725)
34		
35		
36		
37	<b>Federal Tax Net Income</b>	\$ 6,773,678
38	Show Computation of Tax:	
39	Tax at 21%	\$ 1,422,472
40		
41		
42		
43	<b>Total Federal Income Tax Payable</b>	\$ 1,422,472

**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	<b>Gas Service Revenues</b>						
2	<b>Firm Sales Service</b>						
3	480 Residential Sales	\$ 35,541,347	\$ 31,700,760	15,142,956	13,739,686	58,893	56,424
4	481 Comm & Industrial Sales - Small	\$ 11,834,437	\$ 12,796,487	6,902,563	7,731,849	3,284	3,218
5	481 Comm & Industrial Sales - Large	\$ 12,137,518	\$ 13,641,475	7,704,387	9,095,257	652	656
6	481 Outdoor Lighting	\$ 168,931	\$ 171,896	109,131	125,677	32	36
7	481 Natural Gas Vehicles	\$ -	\$ -	-	-	-	-
8	481						
9	<b>Interruptible Sales Service</b>						
10	481 Comm & Ind Sales - Interruptible	\$ -	\$ -	-	-	-	-
11	481						
12	<b>Firm Transportation Service</b>						
13	489 Comm & Gen Service- -Firm Transportator	\$ 22,136,200	\$ 20,814,518	36,489,501	39,696,256	2,462	2,396
14	489	\$ -	\$ -	-	-	-	-
15	489	\$ -	\$ -	-	-	-	-
16	<b>Interruptible Transportation Serv.</b>						
17	489 Comm & Gen Service- -Firm Transportator	\$ 3,170,887	\$ 3,157,051	10,047,395	9,991,203	18	18
18	484 Interdepartmental	\$ 11,999	\$ 13,526	-	-	-	-
19	482 Other Sales to Public Authorities	\$ -	\$ -	-	-	-	-
20	484 Flex Rate - Refund	\$ -	\$ -	-	-	-	-
21	TOTAL Sales to Ultimate Consumers	\$ 85,001,319	\$ 82,295,713	76,395,933	80,379,928	65,341	62,748
22	483 Sales for Resale	\$ -	\$ -	-	-	-	-
23	Off-System Sales 4954x & 4955x	\$ -	\$ -	-	-	-	-
24	TOTAL Nat. Gas Service Revenues	\$ -	\$ -				
25	TOTAL Gas Service Revenues	\$ 85,001,319	\$ 82,295,713				
26	<b>Other Operating Revenues</b>						
27	485 Intracompany Transfers	\$ -	\$ -				
28	487 Forfeited Discounts	\$ 155,970	\$ 717,579				
29	488 Misc. Service Revenues	\$ 688,247	\$ 1,046,686				
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	\$ 240,037	\$ 165,536				
38	Unbilled Revenue 495.3	\$ 56,062	\$ 26,129				
39	Other 495.2	\$ 3,824,008	\$ 1,160,137				
40	495.1 Overrecoveries Purchased Gas	\$ 3,140,639	\$ (1,444,823)				
41	TOTAL Other Operating Revenues	\$ 8,104,963	\$ 1,671,244				
42	TOTAL Gas Operating Revenues	\$ 93,106,282	\$ 83,966,957				
43	(Less) 496 Provision for Rate Refunds	\$ (143,630)	\$ 1,675,727				
44	TOTAL Gas Operating Revenues	\$ 92,962,652	\$ 85,642,684				
	Net of Provision for Refunds	\$ -	\$ -				
45	Sales for Resale	\$ -	\$ -				
46	Other Sales to Public Authority	\$ -	\$ -				
47	Interdepartmental Sales	\$ -	\$ -				
48	TOTAL	\$ 92,962,652	\$ 85,642,684	76,395,933	80,379,928		

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, 2020

**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	<b>1. Production Expenses</b>		
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	\$ 5,945,666	\$ 6,204,723
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases	\$ 31,061,113	\$ 22,127,130
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases	\$ (6,142,169)	\$ (4,568,384)
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)		
17	TOTAL Purchased Gas (Total of Lines 8 to 16)	\$ 30,864,610	\$ 23,763,469
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	\$ 364,725	\$ 471,189
25	TOTAL Purchased Gas Expenses (Total of lines 20 through 24)	\$ 364,725	\$ 471,189
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)	\$ 31,229,335	\$ 24,234,658
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	\$ 31,229,335	\$ 24,234,658
38	<b>2. Natural Gas Storage, Terminating and Processing Expenses</b>		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)	\$ 600	\$ 852
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)	\$ 600	\$ 852
43	<b>3. Transmission Expenses</b>		
44	TOTAL Transmission Expenses (Total of Accounts 850 through 867)		
45			
46			

December 31, 2020

**GAS OPERATION AND MAINTENANCE EXPENSES (Continued)**

Line No.	Account	Amount for Current Year	Amount for Previous Year
47	<b>4. Distribution Expenses</b>		
48	Operation		
49	870 Operation Supervision and Engineering	\$ 381,098	\$ 370,016
50	871 Distribution Load Dispatching	\$ 266,161	\$ 139,834
51	872 Compressor Station Labor and Expenses	\$ -	\$ -
52	873 Compressor Station Fuel and Power	\$ -	\$ -
53	874 Mains and Services Expenses	\$ 2,293,565	\$ 2,128,195
54	875 Measuring and Regulating Station Expenses--General	\$ 60,089	\$ 58,177
55	876 Measuring and Regulating Station Expenses--Industrial	\$ 44,739	\$ 49,294
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	\$ 154,681	\$ 188,016
57	878 Meter and House Regulator Expenses	\$ 1,655,215	\$ 1,620,514
58	879 Customer Installations Expenses	\$ 316,200	\$ 231,973
59	880 Other Expenses	\$ 283,299	\$ 216,937
60	881 Rents	\$ -	\$ -
61	TOTAL Operation (Total of lines 49 through 60)	\$ 5,455,047	\$ 5,002,956
62	Maintenance		
63	885 Maintenance Supervision and Engineering	\$ 74,453	\$ 71,259
64	886 Maintenance of Structures and Improvements	\$ 6,094	\$ 14,825
65	887 Maintenance of Mains	\$ 463,255	\$ 427,288
66	888 Maintenance of Compressor Station Equipment	\$ -	\$ -
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	\$ 46,656	\$ 46,651
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	\$ 10,127	\$ 18,805
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station	\$ 126,815	\$ 179,170
70	892 Maintenance of Services	\$ 306,809	\$ 302,677
71	893 Maintenance of Meters and House Regulators	\$ 117,741	\$ 113,078
72	894 Maintenance of Other Equipment	\$ 96,534	\$ 63,777
73	TOTAL Maintenance (Total of Lines 63 through 72)	\$ 1,248,484	\$ 1,237,530
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	\$ 6,703,531	\$ 6,240,486
75	<b>5. Customer Accounts Expenses</b>		
76	Operation		
77	901 Supervision	\$ 401,996	\$ 546,193
78	902 Meter Reading Expenses	\$ 1,103,951	\$ 1,089,851
79	903 Customer Records and Collection Expenses	\$ 1,815,948	\$ 2,336,090
80	904 Uncollectible Accounts	\$ 231,268	\$ 219,025
81	905 Miscellaneous Customer Accounts Expenses	\$ -	\$ -
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	\$ 3,553,163	\$ 4,191,159
83	<b>6. Customer Service and Informational Expenses</b>		
84	Operation		
85	907 Supervision	\$ -	\$ 26,476
86	908 Customer Assistance Expenses	\$ 3,210,811	\$ 3,157,852
87	909 Informational and Instructional Expenses	\$ 641,477	\$ 525,310
88	910 Miscellaneous Customer Service and Informational Expenses	\$ (177,714)	\$ (998,760)
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	\$ 3,674,574	\$ 2,710,878
90	<b>7. Sales Expenses</b>		
91	Operation		
92	911 Supervision	\$ 38,930	\$ 21,152
93	912 Demonstrating and Selling Expenses	\$ 286,114	\$ 348,617
94	913 Advertising Expenses	\$ 180,489	\$ 170,557
95	916 Miscellaneous Sales Expenses	\$ -	\$ -
96	TOTAL Sales Expenses (Total of lines 92 through 95)	\$ 505,533	\$ 540,326
97			

Name of Respondent Natural Gas Division		For the Year Ended December 31, 2020	
<b>GAS OPERATION AND MAINTENANCE EXPENSES (Continued)</b>			
Line No.	Account	Amount for Current Year	Amount for Previous Year
98	<b>8. Administrative and General Expenses</b>		
99	Operation		
100	920 Administrative and General Salaries	\$ 4,936,288	\$ 4,529,481
101	921 Office Supplies and Expenses	\$ 2,669,316	\$ 2,523,475
102	(Less) (922) Administrative Expenses Transferred--Credit	\$ -	\$ -
103	923 Outside Services Employed	\$ 943,622	\$ 1,093,057
104	924 Property Insurance	\$ 69,282	\$ 62,020
105	925 Injuries and Damages	\$ 1,356,679	\$ 997,408
106	926 Employee Pensions and Benefits	\$ 1,761,951	\$ 2,443,376
107	927 Franchise Requirements		
108	928 Regulatory Commission Expenses	\$ 428	
109	(Less) (929) Duplicate Charges--Credit		
110	930.1 General Advertising Expenses	\$ 136,914	\$ 118,322
111	930.2 Miscellaneous General Expenses	\$ 262,500	\$ 279,762
112	931 Rents	\$ 411,004	\$ 341,696
113	TOTAL Operation (Total of lines 100 through 112)	\$ 12,547,984	\$ 12,388,597
114	Maintenance		
115	935 Maintenance of General Plant	\$ 101,228	\$ 112,699
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)	\$ 12,649,212	\$ 12,501,296
117			
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	\$ 58,315,948	\$ 50,419,655
119			
120			
<b>NUMBER OF GAS DEPARTMENT EMPLOYEES</b>			
	<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)		12/31/2020
3	2. Total Regular Full-Time Employees		149
4	3. Total Part-Time and Temporary Employees		-
5	4. Total Employees		149
6			
7			
8			
9			
10			
11			
12			
13			

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

- |  |   |
|--|---|
| <p>1. Provide totals for the following accounts:<br/>                 800 - Natural Gas Well Head Purchases<br/>                 800.1- Natural Gas Well Head Purchases<br/>                     Intracompany Transfers<br/>                 801 - Natural Gas Field Line Purchases<br/>                 802 - Natural Gas Gasoline Plant Outlet Purchases<br/>                 803 - Natural Gas Transmission Line Purchases<br/>                 804 - Natural Gas City Gate Purchases<br/>                 804.1- Liquefied Natural Gas Purchases<br/>                 805 - Other Gas Purchases<br/>                 805.1- Purchases Gas Cost Adjustments</p> | <p>The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote.<br/>                 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.<br/>                 3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b).<br/>                 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.)</p> |
|--|---|

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	22,121,240	\$ 5,945,666	26.88
4	802 - Natural Gas Gasoline Plant Outlet Purchases			
5	803 - Natural Gas Transmission Line Purchases			
6	804 - Natural Gas City Gate Purchases	32,033,575	\$ 31,061,113	96.96
7	804.1 - Liquefied Natural Gas Purchases			
8	805 - Other Gas Purchases		\$ (6,142,169)	
9	805.1 - Purchased Gas Cost Adjustments			
10	TOTAL (Total of lines 1 through 9)	54,154,815	\$ 30,864,610	56.99

**Notes to Gas Purchases**

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

**GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)**

- |   |   |
|---|---|
| <p>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.<br/>                 2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.<br/>                 3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.</p> | <p>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).<br/>                 5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.</p> |
|---|---|

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas Amount of Credit (d)
1	812 Gas used for Other Utility Operations Credit (Report separately for each principal uses. Group minor uses.)			
2	Not applicable			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18	TOTAL			

**REGULATORY COMMISSION EXPENSES (Account 928)**

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.  
2. Show in column (h) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.  
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  
4. List in Column (d) and (e) expenses incurred during year which were charged currently to income, plant, or other accounts.  
5. Minor items (less than \$25,000) may be grouped.

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 Account No. (d)	Amount (e)	Deferred to Account 186 (f)	Contra Account (g)	
1	Miscellaneous Expense				\$ 428			
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17	TOTAL	\$ -	\$ -		\$ 428	\$ -		\$ -

**MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)**

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	\$ 6,928
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.	\$ 48,854
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown.)	
5		
6	Directors Expenses	\$ 194,717
7		
8	Economic Development	\$ 12,001
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20	TOTAL	\$ 262,500

**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	<b>Electric</b>			
2	TOTAL Operation and Maintenance - Electric			\$ -
3	<b>Gas</b>			
4	Operation			
5	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminating & Processing	\$ 527		
6	Transmission			
7	Distribution	\$ 2,679,872		
8	Customer Accounts	\$ 1,885,250		
9	Customer Service and Informational	\$ 692,659		
10	Sales	\$ 288,402		
11	Administrative and General	\$ 5,123,160		
12	TOTAL Operation (Total of lines 5 through 11)	\$ 10,669,870		
13	Maintenance			
14	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminating & Processing			
15	Transmission			
16	Distribution	\$ 474,839		
17	Administrative and General	\$ -		
18	TOTAL Maintenance (Total of lines 14 through 17)	\$ 474,839		
19	Total Operation and Maintenance	\$ 11,144,709		
20	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminating & Processing	\$ 527		
21	Transmission (Enter Total of lines 6 and 15)	\$ -		
22	Distribution (Total of lines 7 and 16)	\$ 3,154,711		
23	Customer Accounts (Transcribe from line 8)	\$ 1,885,250		
24	Customer Service and Informational (Transcribe from line 9)	\$ 692,659		
25	Sales (Transcribe from line 10)	\$ 288,402		
26	Administrative and General (Total of lines 11 and 17)	\$ 5,123,160		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	\$ 11,144,709	\$ -	\$ 11,144,709
28	<b>Other Utility Departments</b>			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	\$ 11,144,709	\$ -	\$ 11,144,709
31	<b>Utility Plant</b>			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	\$ 3,433,737		\$ 3,433,737
35	Other			
36	TOTAL Construction (Total of lines 33 through 35)	\$ 3,433,737	\$ -	\$ 3,433,737
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	\$ 71,760		\$ 71,760
40	Other			
41	TOTAL Plant Removal (Total of lines 38 through 40)	\$ 71,760	\$ -	\$ 71,760
42				
43	Other Accounts (Specify):			
44	Other/Employee Accounts Receivable	\$ 85,591		\$ 85,591
45	Miscellaneous Deferred Debits	\$ 17,631		\$ 17,631
46				
47				
48				
49				
50				
51				
52				
53	TOTAL Other Accounts	\$ 103,222	\$ -	\$ 103,222
54	TOTAL SALARIES AND WAGES	\$ 14,753,428	\$ -	\$ 14,753,428

**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 an 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	\$	13,380,348
2	GAS SYSTEMS TECHNOLOGY INC	Other Outside Services	\$	4,585,886
3	MILLER PIPELINE LLC	Other Outside Services	\$	2,049,967
4	HEATH CONSULTANTS INC	Other Outside Services	\$	2,021,589
5	MAGNOLIA RIVER SERVICES INC	Other Outside Services	\$	1,750,455
6	DEVTECH SALES INC	Other Outside Services	\$	1,429,835
7	KIMLEY-HORN AND ASSOCIATES INC	Other Outside Services	\$	831,986
8	TB LANDMARK CONSTRUCTION INC	Consulting	\$	653,126
9	DBE MANAGEMENT INC	Other Outside Services	\$	491,842
10	KUBRA DATA TRANSFER LTD	Consulting	\$	310,018
11	GAS PLUMBING SERVICES INC	Other Outside Services	\$	268,534
12	PRECISION METER REPAIR INC	Other Outside Services	\$	259,512
13	PALM BEACH COUNTY ENGINEERING	Other Outside Services	\$	222,026
14	POND & COMPANY	Consulting	\$	219,815
15	TAMRIC DBA GAS UTILITY SERVICE COMPANY	Other Outside Services	\$	194,294
16	BAKER TILLY	Auditors	\$	163,548
17	CONVERGENCE SOLUTIONS LLC	Other Outside Services	\$	151,723
18	BAKER & HOSTETLER LLP	Legal	\$	117,261
19	PATRICK ENGINEERING INC	Other Outside Services	\$	91,310
20	CLASSIC CONTROLS INC	Other Outside Services	\$	82,057
21	SUNSHINE SERVICES UNLIMITED INC	Other Outside Services	\$	57,283
22	BOARD OF COUNTY COMMISSIONERS - PBC	Consulting	\$	56,174
23	GUNSTER YOAKLEY & STEWART PA	Legal	\$	46,163
24	JEM-TECH INC	Other Outside Services	\$	39,880
25	PULTE HOME COMPANY LLC	Other Outside Services	\$	31,065
26	CORRPRO COMPANIES INC	Other Outside Services	\$	30,678
27	TDW (US) INC	Other Outside Services	\$	26,593
28	ULYSSES LEARNING CORP	Other Outside Services	\$	25,181

**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 : 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 c 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 require 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 account: (c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charge: incurred during the year.				
	Item			Amount
1	Account 425: Miscellaneous Amortization		\$	-
2				
3	Account 426: Miscellaneous Income Deductions			
4	426.1 Charitable Contributions		\$	(26,044)
5	426.2 Life Insurance		\$	-
6	426.3 Penalties		\$	(4,395)
7	426.4 Expenditures for Lobbying and Other Politically Related Activities		\$	(23,083)
8	426.5 Other		\$	(115)
9	TOTAL MISCELLANEOUS INCOME DEDUCTIONS		\$	(53,637)
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		\$	210,007
17	431.2 Interest on ST Debt		\$	644,909
18	431.3 Interest on Miscellaneous		\$	-
19	TOTAL OTHER INTEREST EXPENSE		\$	854,916
20				
21				
22				
23				

**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).

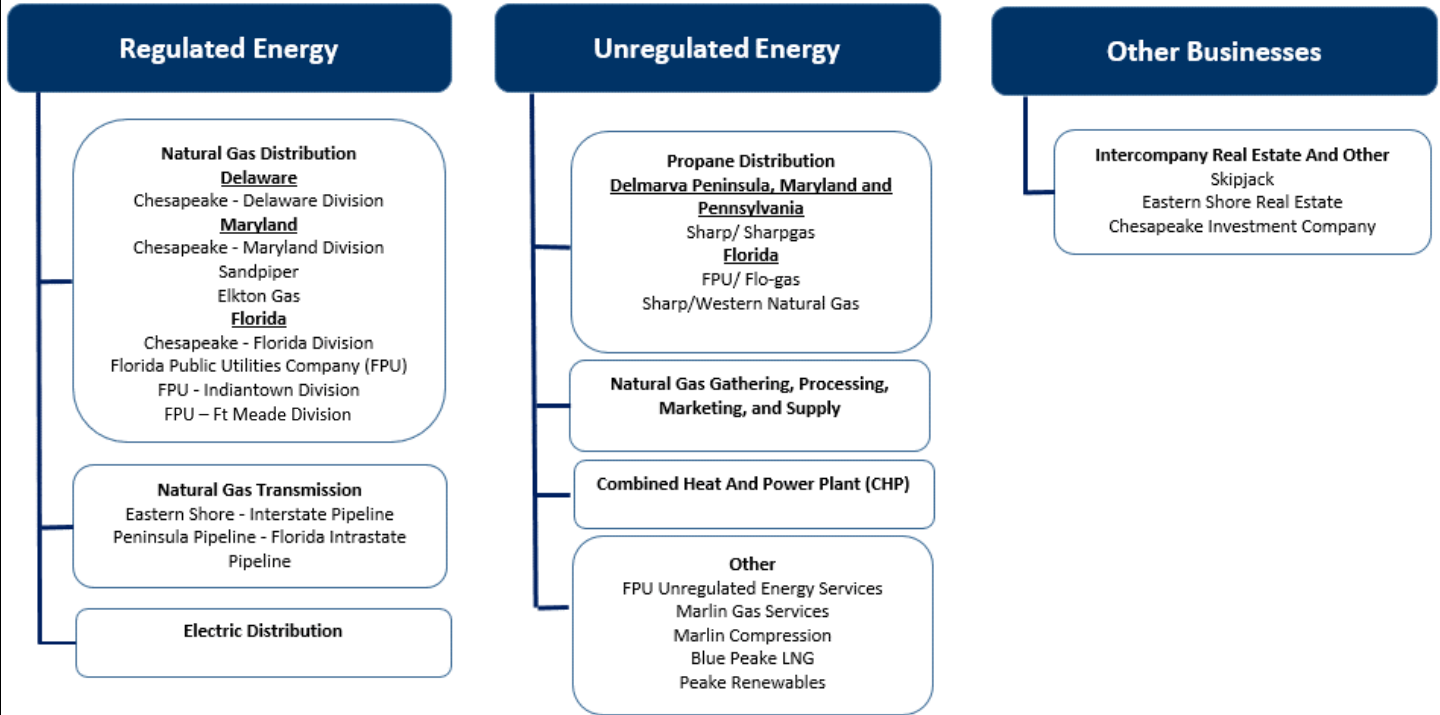
	(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Description	Gross Operating Revenues per Page 26	Interstate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Intrastate Gross Operating Revenues per RAF Return	Difference (d) - (e)
1	Total Sales to Ultimate Customers (480-482, 484)	\$ 59,694,232		\$ 59,694,232	59,694,232	\$ -
2	Sales for Resale (483)					
3	Total Natural Gas Service Revenues	\$ 59,694,232		\$ 59,694,232	59,694,232	\$ -
4	Total Other Operating Revenues (485-495)	\$ 33,412,050		\$ 33,412,050	33,412,050	\$ -
5	Total Gas Operating Revenues	\$ 93,106,282		\$ 93,106,282	93,106,282	\$ -
6	Provision for Rate Refunds (496)	\$ (143,630)		\$ (143,630)	(143,630)	\$ -
7	Other (Specify)					
8						
9						
10	<b>Total Gross Operating Revenues</b>	\$ 92,962,652		\$ 92,962,652	92,962,652	\$ -

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		\$ 4,225,040
	Corporate Overheads		p		\$ 3,637,188
	Shared Services		p		\$ 3,647,008

**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	20,827,415
Eight Flags Energy	Capacity Agreement with Eight Flags Energy	650,424
Marlin Gas Services, LLC	Natural Gas Transportation Service	594,768

**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							
<b>Total</b>						\$	
Sales to Affiliates:		\$	\$	\$	\$	Sales Price	
None							
<b>Total</b>						\$	

**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
FPU-NG	SHARP	Training Coordinator	Safety/Compliance Training Mgr.	Permanent
FPU-NG	Flo-Gas	Distribution Tech II	Propane Operator II	Permanent
Flo-Gas	FPU-NG	Gas Utility Worker	Gas Utility Worker	Permanent
Flo-Gas	FPU-NG	Gas Utility Worker	Operations Tech I	Permanent
FPU-NG	Flo-Gas	Meter Reader	Gas Utility Worker	Permanent