



SECOND NOTICE

Post Office Box 79226
Baltimore, Maryland 21279-0226
Telephone (202)824-7256
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Chesapeake Utilities Corporation

2021 DUES

CONFIRM MAILING ADDRESS.
GFM 01/23/21

Year ending December 31, 2021

Full Member Company [X] Limited Member Company []

A.G.A. Dues Rules are attached. Dues are based upon the following operating income information (\$000):

Table with 4 columns: Year (2017, 2018, 2019, Average) and Amount (44,864, 57,124, 63,133, 55,040)

YOUR 2020 DUES WERE \$ 216,107

YOUR 2021 DUES ARE \$ 222,633

2021 Payment Schedule

Full amount enclosed Semi-annually (Jan.1, July 1)
Quarterly (Jan.1, Apr.1, July 1, Oct.1) Other (Please state)

Please return this completed form to the A.G.A. Treasurer at the above address. Payments may also be directed to the address noted above.

Invoice to: Approved:
Title
Date:

Table with 2 columns: Rate/Category and Amount. Includes Sandpiper 14.04%, DE 18.48%, MD 8.09%, CFG 19.33%, FPU 40.06%, and Total \$222,633.00

IMPORTANT IRS REQUIRED NOTICE

Dues payments, contributions or gifts to the American Gas Association are not tax deductible as charitable contributions for federal income tax purposes. However, they may be deductible as ordinary and necessary business expenses subject to restrictions imposed as a result of AGA's lobbying activities as defined by the Budget Reconciliation Act of 1993. AGA estimates that the nondeductible portion of your 2021 dues -- the portion that is allocable to lobbying is 3.8%.

AMERICAN GAS ASSOCIATION 2021 DUES RULES

FULL MEMBERS

1. AGA Dues for U.S. Gas Utility members are based on the average of 2017, 2018 and 2019 gas operating income* and the following income blocks and rates:

| | | | |
|---------|-------|----------------|---------|
| Block 1 | First | \$ 10,000,000 | 1.0468% |
| Block 2 | Next | \$ 7,500,000 | .6710% |
| Block 3 | Next | \$ 20,000,000 | .4481% |
| Block 4 | Next | \$ 40,000,000 | .3200% |
| Block 5 | Next | \$ 80,000,000 | .2550% |
| Block 6 | Over | \$ 157,500,000 | .1500% |

In applying the above formula, the maximum annual increase for any company equals 3.02%, and the maximum decrease equals 4.02%.

2. For companies that merge or are acquired whose dues would have decreased, the dues of the resulting company will equal the combined dues of the merging companies immediately prior to the merger for 4 years with no dues increases for increased operating income. After 4 years, the company's dues will be assessed via the formula structure, and any reduction in dues will be phased-in over a 4-year period or until the phased-in amount equals the formula dues, whichever comes first.
3. If necessary, the Board may approve the redistribution of any remaining AGA budget deficit to the members based on each company's share of total dues revenue.
4. For distribution companies with less than 75,000 meters, the maximum distribution company dues are equal to \$0.90/meter** When dues are capped at \$0.90/meter, the maximum annual increase/decrease provision does not apply.
5. No company, whose full company or subsidiary meets the eligibility standards of full membership, will be allowed to join as a Limited Member. All regulated U.S. gas distribution subsidiaries of a parent organization must be included in the dues calculations.
6. Minimum Gas Company 2021 dues are \$2,135.

*Gas operating income is defined as Line 11, Schedule II of the Uniform Statistical Report.

**Meters are defined as Line 17 (total), Schedule XX of the Uniform Statistical Report.

Please contact Kevin Hardardt, Chief Financial and Administrative Officer at (202) 824-7250 regarding any questions about the invoice or rules.



Req Version:10/31/2011

Date 01/21/2021
 Vendor AMERICAN GAS ASSOC
 Address P O BOX 79123 BALTIMORE, MD 21279-0123
 Vendor No. VN000020

| Approval Routing | | Requisition Number |
|------------------|--------------|--------------------|
| Pre-Approval | No | 830833 |
| Requested By | Osei, Connie | |
| 1st Approval | bcooper | |
| 2nd Approval | | |
| 3rd Approval | | |
| 4th Approval | | |

| Description | Territory Code | Dept | Natural Account | Activity Account | GL Number | Project/Ref Code | Task | Expense Type | Price |
|------------------|----------------|-------|-----------------|------------------|-------------------|------------------|------|--------------|-------------|
| SANDPIPER 14.04% | WC00 | 00000 | 1550 | 1650 | WC000000015501650 | | | | \$31,257.67 |
| DE 18.48% DUES | DE00 | 00000 | 1550 | 1650 | DE000000015501650 | | | | \$41,142.58 |
| MD 8.09% DUES | MD00 | 00000 | 1550 | 1650 | MD000000015501650 | | | | \$18,011.01 |
| CFG 19.33% DUES | CF00 | 00000 | 1550 | 1650 | CF000000015501650 | | | | \$43,034.96 |
| FPU 40.06% DUES | FN00 | 00000 | 1550 | 1650 | FN000000015501650 | | | | \$89,186.78 |

| | | |
|-----------------------|-----------------|--------------|
| Special Instructions: | PR Total | \$ 222633.00 |
|-----------------------|-----------------|--------------|

| Accounts Payable Use Only | | |
|---------------------------|----------------|-----------------|
| Vendor Number | Org ID | PostCode/Branch |
| VN000020 | | |
| Business Unit | Invoice Number | Invoice Date |
| Corporate | 01212021 | 01/21/2021 |

| Billing Purposes Only | | |
|-----------------------|---------------|-------------|
| Customer Number | Amount Billed | Date Billed |
| | | |
| WO Type | WO Number | Other |
| | | |

Distribution Stamp: Epicor 7.4 Distribution Stamp

Authorized By: Murray, Geri

Date/Time: 1/23/2021 11:04:42 AM

Company: Chesapeake Utilities
 Organization: CU00
 Vendor Code: VN000020
 Vendor Name: AMERICAN GAS ASSOC
 Vendor Address: PO BOX 79123
 Vendor City, State, Zip: BALTIMORE, MD 21279-0123
 Remit-To Code:
 Remit-To Name:
 Remit-To Address:
 Remit-To City, State, Zip:
 Invoice Number: 830833 2021 DUES
 Invoice Date: 1/21/2021
 Invoice Total: 222,633.00
 PR Number: 830833
 Due Date: 1/4/2020

| <u>Company</u> | <u>Organization</u> | <u>Account Code</u> | <u>Account Name</u> | <u>Ref. Code</u> |
|--------------------|----------------------|----------------------|---------------------|---------------------|
| <u>Description</u> | <u>Amount</u> | <u>Project Code</u> | <u>Task Name</u> | <u>Expense Type</u> |
| CHPK CF00 | CF00-00000-1550-1650 | CF00 Ppd Othr Ppymts | | |
| CFG 19.33% DUES | 43,034.96 | | | |
| CHPK DE00 | DE00-00000-1550-1650 | DE00 Ppd Othr Ppymts | | |
| DE 18.48% DUES | 41,142.58 | | | |
| CHPK FN00 | FN00-00000-1550-1650 | FN00 Ppd Othr Ppymts | | |
| FPU 40.06% DUES | 89,186.78 | | | |
| CHPK MD00 | MD00-00000-1550-1650 | MD00 Ppd Othr Ppymts | | |
| MD 8.09% DUES | 18,011.01 | | | |
| CHPK WC00 | WC00-00000-1550-1650 | WC00 Ppd Othr Ppymts | | |
| SANDPIPER 14.04% | 31,257.67 | | | |

Distribution Total:: 222,633.00

Difference:: 0.00

Internal Comment**APPROVED****1/27/2021 12:29 PM bcooper**