FLORIDA CITY GAS

NOTICE TO CUSTOMERS

It is our honor to be your choice for clean, efficient natural gas service. We want you to know that we value your business.

FCG is a natural gas utility subject to regulation by the Florida Public Service Commission ("Commission") pursuant to Chapter 366, Florida Statutes. FCG's local distribution operations have been active since 1949. FCG provides safe and reliable service to approximately 125,000 residential, commercial, and industrial customers in counties across the state, including Miami-Dade, Broward, Brevard, Palm Beach, Hendry, Martin, St. Lucie and Indian River counties.

FCG's last general rate case was filed on May 31, 2022, in Docket No. 20220069-GU. In its decision addressing FCG's request, Order No. PSC-2023-0177-FOF-GU[1], the Commission authorized the Company to implement new base rates and charges, effective May 1, 2023, and approved, among other things, a return on equity ("ROE") range of 8.50% to 10.5%, as well as new depreciation parameters for the Company and a Reserve Surplus Amortization Mechanism (RSAM).

On November 30, 2023, FCG was acquired from FPL by Chesapeake Utilities Corporation ("Chesapeake"), which owns and operates other natural gas utilities in Florida, Maryland and Delaware, as well as unregulated propane, renewable, and energy delivery businesses. Chesapeake began as the Dover Gas Light Company, which was formed in 1859. Chesapeake was later incorporated in the State of Delaware as "Chesapeake Utilities Corporation" in 1947.

Since its acquisition by Chesapeake Utilities Corporation, FCG has taken proactive steps to manage costs through a variety of efficiency measures and efforts, including leveraging synergies among Chesapeake's natural gas operations in Florida. While the Company has kept its focus on its service, the very heart of everything the Company does is safety – both for its customers and its employees. This core value has driven improvements in the Company's distribution facilities. While these steps have improved operational efficiencies, allowing the Company to enhance the quality of its customer service, the Company has, nevertheless, seen a significant increase in operating expenses. This increase in expenses has made it challenging for the Company to continue to provide safe and reliable service to its customers at the high standard they have come to expect and meet its compliance requirements.

For the period from January 1, 2024 through December 31, 2025, FCG invested approximately $116 million and projects to invest an additional $64 million over the next two years (2026 through 2027) excluding SAFE investments, in infrastructure and other capital investments to support growth and reinforce the safety and reliability of its facilities. It has also grown by several thousand customers and facilitated significant distribution pipeline projects to provide service to new

[1] Subsequent Order clarifying decision and denying Motion for Reconsideration, Order No. PSC-2023-0299-FOF-GU, issued October 2, 2023. Aspects of the prior orders remain on appeal before the Florida Supreme Court in Case No. SC2023-0988.

customers and also to begin enabling practical solutions for capacity constraints in the southern portions of its service area. Throughout this period of growth and change, FCG has maintained its focus on its customers, which has driven its desire to implement new technology that will further enhance its customer service and customer communications.

On April 20, 2026, the Company filed a request for a rate increase with the Commission asking for a permanent increase in rates, as well as an interim increase in rates pending the Commission's decision in this case. The Commission is the agency, under Florida law[2], charged with setting and regulating the rates, fees, and services of Florida utilities and will review the Company's request. The Docket Number assigned by the Commission for this proceeding is Docket No. 20260026-GU.

The Company is asking that the Commission allow the Company to increase its rates and charges to the extent necessary to generate additional gross annual revenues in the amount of $46.9 million, which will enable the Company to continue to provide safe, reliable natural gas service at a level the customers have come to expect. The Commission will utilize a "test year" for purposes of setting rates for FCG. The Company has used a projected test year of January 1, 2027 through December 31, 2027 for purposes of presenting its case, and believes this time period best represents actual conditions in effect at the time new rates will go into effect, as compared with other prior periods. Specifically, the Company seeks approval to (a) increase its rates and charges in an amount sufficient to generate a total base revenue increase of $63.3 million based on a projected 2027 Test Year, which includes (i) an incremental base rate revenue requirement of $46.9 million, and (ii) the reclassification of the Safety, Access, and Facility Enhancement ("SAFE") program revenues in the amount of $16.4 million from surcharge recovery to base rates, which is ultimately revenue neutral;[3] (b) an 11.25% mid-point return on equity ("ROE") and an equity ratio of 50.14% from investor sources for all regulatory purposes; (c) continuation of the storm cost recovery mechanism approved as part of FCG's 2018 Settlement Agreement and retained in the Commission's decision regarding FCG's 2022 rate petition; (d) retention of the unamortized portion of the acquisition adjustment approved by Order No. PSC-2007-0913-PAA-GU and allowed to be retained by Order No. PSC-2023-0177-FOF-GU; (e) the further implementation of advanced metering infrastructure ("AMI"); and (f) allocation of the Corporate transformation project, ERP, estimated at $121,067,483 in total, across the Corporation. The project is estimated to be in service on June 30, 2027, included for recovery in the 13-month average rate base amount of $12,757,600, but adjusted to the year-end amount of $23,584,551.

If approved, the new rates would become effective in early 2027. The Commission will consider the Company's request for interim rate relief at its July 7, 2026, Agenda Conference. If the request is granted, any interim increase will be placed into effect subject to refund, with interest, if at the conclusion of this proceeding, the Commission determines that some of the interim increase was not justified.

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[2] Chapter 366, Florida Statutes.
[3] Order No. PSC-15-0390-TRF-GU, Docket No. 150116-GU.

FLORIDA CITY GAS

While rates vary from rate class to rate class, the proposed increase, if approved, would increase the typical bill for a residential customer by $13.57/month, or 24.29%, including SAFE and gas costs (PGA).

HEARINGS

The Commission will conduct in-person and virtual customer service hearings to allow customers to express their views on the Company's quality of service and the impact of the requested rate increase at the following dates and times:

In-Person Service Hearing
Wednesday, July 29, 2026, at 9:30 a.m. (EDT)
Brevard County Government Center
2725 Judge Fran Jamieson Way
Viera, FL 32940

Virtual Service Hearings
Monday, August 17, 2026
10:00 a.m. (EDT) (Virtual)
2:00 p.m. (EDT) (Virtual)

Members of the public who wish to present testimony can register in one of the following ways:

1. register using the Commission's online registration form, which will be available at www.FloridaPSC.com, under the "Hot Topics" heading,
2. call the Commission at 850.413.7080,
3. email **speakersignup@psc.state.fl.us**, or
4. register upon arrival at the venue. Online registration for the in-person July 29th service hearing will open on July 15th, 2026 at 9:00 am, and close at noon on July 27th, 2026. Online registration for the virtual service hearings will open on August 3, 2026 at 9:00 a.m., and close at noon on August 14th, 2026.

Please note that the order in which customers will speak is based on the order in which they register. If you have questions about the sign-up process, please call 850.413.7080. One day prior to each virtual hearing, customers who signed up to speak will be provided further instructions on how to participate, including the call-in number, from Commission staff.

All persons who wish to comment are urged to appear promptly at the scheduled customer service hearing times because the hearing may be adjourned early if no witnesses are present to testify, or when those present have testified.

Persons wishing to testify must provide their name, address, and specify which hearing date they wish to testify.

One or more Commissioners will be present at the customer hearings.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this meeting should contact the Office of Commission Clerk no later than five days prior to the meeting at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or 850.413.6770 (Florida Relay Service, 800.955.8770 Voice or 800.955.8771 TDD).

Beginning September 28, 2026, the PSC will conduct a technical hearing to allow the Company and other parties to the proceeding to present testimony and relevant evidence regarding the rate request.

To watch either the customer service hearings or the technical hearing live, visit **floridapsc.com** and look for the "Watch Live and Archived PSC Events" icon on the left side of the webpage. If you do not have access to the internet, you may call **850.413.7999** to listen to the hearings. If you are hearing or speech impaired, you may contact the PSC by using the Florida Relay Service at **800.955.8771** (TDD).

ADDITIONAL RESOURCES

Information regarding the Company's requested rate increase is available by visiting the Company's website at: **https://www.floridacitygas.com/rate-filing/** which includes links to the Commission website and to the respective MFR schedules associated with the Company's filing.

Specifically, you can review the synopsis of the case at:

https://www.floridacitygas.com/rate-filing/synopsis

You may also obtain information about this request by visiting the Commission's website at:

https://www.psc.state.fl.us/clerks-office-dockets-level2?DocketNo=20260026

To provide comments to the Commission you may:

- Speak at one of the scheduled customer service hearings.
- Email your comments to the Commission at **clerk@psc.state.fl.us** using docket number 20260026.
- Fill out and return, by US Mail, email, or online submission, the "Comment Card" attached to this Notice. For online submissions, the "Comment Card" is located under "Hot Topics" at www.floridapsc.com and is available starting July 15, 2026 at 9am.
- Submit written comments to the Commission Clerk at the address below.

  Office of the Commission Clerk
  2540 Shumard Oak Boulevard
  Tallahassee, FL 32399-0850

  Please be sure to include the docket number, 20260026.

Comments are placed on the correspondence side of the docket file. In accordance with Florida Statutes, the Commission will also consider FCG's quality of service and other matters. If you have questions, contact the Commission's Office of Consumer Assistance at 800.342.3552.

You can also contact the Company directly to answer any questions concerning the rate request at the address shown on your bill, by visiting the Company's website: https://www.floridacitygas.com/rate-filing/, or by calling the following telephone number: 800.993.7546 (available between the hours of 7:00 a.m. and 7:00 p.m. EST).

At any time during this process, you may contact the Office of Public Counsel (OPC). The OPC was established by the Florida Legislature to represent you and the other utility consumers before the PSC. The Public Counsel is independent from the Commission and can be reached at **800.342.0222** or **floridaopc.gov**.

Contact information for staff is provided below. You may also find additional information in the Rate Case Overview, which can be viewed at https://www.floridapsc.com/ratecase-overviews

For technical questions, contact:
Orlando Wooten at 850.413.6686 or OWooten@psc.state.fl.us

For legal questions, contact:
Major Thompson at 850.413.6076 or major.thompson@psc.state.fl.us

If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Consumer Assistance and Outreach at the following toll-free number 800.342.3552.

We strive to conform to ADA guidelines to ensure accessibility for all users.
If you experience issues, please contact us at accessibility@chpk.com for assistance.

Application for rate increase by
Florida City Gas

DOCKET NO. 20260026

Name ____

Address ____

To submit your comments about this docket to the Florida Public Service Commission, please complete this comment form and return it by mail, or scan and email to the Commission Clerk at clerk@psc.state.fl.us. Correspondence will be placed in the docket file.

CUSTOMER COMMENTS

Any email or other correspondence sent to a Florida Public Service Commissioner, or any other public official and/or employee of the PSC, in the transaction of public business is considered a public record and is subject to Florida's Public Records Law. This means that Florida law generally requires the PSC to provide a copy of any such email or correspondence, upon request, for inspection and copying to any Florida citizen or any member of the media.

FLORIDA CITY GAS

Comparison of Current & Proposed Rates

	PRESENT RATES	INTERIM RATES	PROPOSED RATES
	Service Charge(s)		
Service Connection (Residential)	$90	$90	$95
Service Connection (Non-Residential)	$150	$150	$150
Outside normal hours/ residential	$110	$110	
Outside normal hours/ non-residential	$200	$200	
Same Day			$200/ residential and non-residential
Reconnection (Residential)	$90	$90	$90
Outside Normal Hours	$105	$105	
Reconnection (Non-Residential)	$105	$105	$120
Outside Normal Hours	$120	$120	
Change of Account	$20	$20	$55
Failed Trip Charge	$20	$20	$55
Temporary Disconnect	$35	$35	$55
Outside Normal Hours	$45	$45	
Bill Collection in Lieu of Disconnect	$25	$25	
Outside Normal Hours	$32	$32	
Meter Read Outside Normal Schedule	$15	$15	
Meter Read *Outside Normal Hours*	$22	$22	
Returned Check Charge	Payment of the full amount of the dishonored payment, plus a service charge of $25 if the face value does not exceed $50, $30 if the face value exceeds $50 but does not exceed $300, $40 if the face value exceeds $300, or 5 percent of the face amount of the dishonored instrument, whichever is greater	No change from Present Rates	Per Statute
Late Payment	1.5% or $5.00 whichever is greater		

FLORIDA CITY GAS

Comparison of Current & Proposed Rates

CURRENT RATE CLASS	PROPOSED RATE CLASS	PRESENT RATES					INTERIM RATES					PROPOSED RATES				
		Customer Charge	Distribution Charge	Demand Charge	SAFE	Total Per Therm Charge	Customer Charge	Distribution Charge	Demand Charge	SAFE	Total Per Therm Charge	Customer Charge	Distribution Charge	Demand Charge	SAFE	Total Per Therm Charge
RS-1	RS	$18.00	$0.67667		$8.70	$0.67667	$18.00	$1.40576		$8.70	$1.40576	$36.50	$0.91502		$0.00	$0.91502
RS-100	RS	$19.00	$0.57421		$8.70	$0.57421	$19.00	$0.91507		$8.70	$0.91507	$36.50	$0.91502		$0.00	$0.91502
RS-600	RS	$25.00	$0.70799		$8.70	$0.70799	$25.00	$0.91517		$8.70	$0.91517	$36.50	$0.91502		$0.00	$0.91502
GS-1	GS-1	$31.00	$0.57949		$8.70	$0.57949	$31.00	$0.71926		$8.70	$0.71926	$85.00	$0.93355		$0.00	$0.93355
GS-6K	GS-1	$44.00	$0.48722		$11.01	$0.48722	$44.00	$0.58814		$11.01	$0.58814	$85.00	$0.93355		$0.00	$0.93355
GS-6K	GS-2 (10K)	$44.00	$0.48722		$11.01	$0.48722	$44.00	$0.58814		$11.01	$0.58814	$155.00	$0.83077		$0.00	$0.83077
GS-25K	GS-2 (10K)	$188.00	$0.44046		$11.01	$0.44046	$188.00	$0.53493		$11.01	$0.53493	$155.00	$0.83077		$0.00	$0.83077
GS-25K	GS-3 (50K)	$188.00	$0.44046		$11.01	$0.44046	$188.00	$0.53493		$11.01	$0.53493	$600.00	$0.73250		$0.00	$0.73250
GS-120K	GS-4 (120K)	$375.00	$0.28336	$0.71900	$11.01	$1.00236	$375.00	$0.34948	$0.71900	$11.01	$1.06848	$750.00	$0.36219	$0.92517	$0.00	$1.28736
GS-1250K	GS-5 (1250K)	$625.00	$0.14073	$0.71900	$11.01	$0.85973	$625.00	$0.17957	$0.71900	$11.01	$0.89857	$1,250.00	$0.14125	$0.92517	$0.00	$1.06642
GS-11M	GS-6 (11M)	$1,250.00	$0.10320	$0.71900	$0.00	$0.82220	$1,250.00	$0.10320	$0.71900	$0.00	$0.82220	$2,500.00	$0.10358	$0.92517	$0.00	$1.02875
GS-25M	GS-7 (25M)	$2,500.00	$0.05160	$0.71900	$11.01	$0.77060	$2,500.00	$0.05160	$0.71900	$11.01	$0.77060	$5,000.00	$0.05179	$0.92517	$0.00	$0.97696
RSG	RSG	$25.00	$0.00000 (Up to 14 Therms) $0.57421 (Over 14 Therms)		$0.00	$0.00000 (Up to 14 Therms) $0.57421 (Over 14 Therms)	$25.00	$0.00000 (Up to 14 Therms) $2.63782 (Over 14 Therms)		$0.00	$0.00000 (Up to 14 Therms) $2.63782 (Over 14 Therms)	$54.27	$0.91502		$0.00	$0.91502
CSG	CSG	$36.00	$0.00000 (Up to 26 Therms) $0.57949 (Over 26 Therms)		$0.00	$0.00000 (Up to 26 Therms) $0.57949 (Over 26 Therms)	$36.00	$0.00000 (Up to 26 Therms) $1.15159 (Over 26 Therms)		$0.00	$0.00000 (Up to 26 Therms) $1.15159 (Over 26 Therms)	$231.58	$0.83077		$0.00	$0.83077
Gas Lighting		$10.69/ Lamp	$0.59363		$8.70	$0.59363	$13.38/ Lamp	$0.74315		$8.70	$0.74315	$0.00	$0.00000		$0.00	$0.00000