

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE UTILITIES CORPORATION)
FOR APPROVAL OF A CHANGE IN ITS) PSC DOCKET NO. 15-1516
ENVIRONMENTAL RIDER RATE "ER" TO BE)
EFFECTIVE DECEMBER 1, 2015)
(FILED OCTOBER 29, 2015))

ORDER NO. 8855

AND NOW, this 23rd day of February, 2016, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on October 29, 2015, Chesapeake Utilities Corporation ("Chesapeake" or the "Company") filed the above-captioned application (the "Application") with the Commission seeking approval to increase the rate for its Environmental Rider ("ER") under the process approved in PSC Order No. 4104 (December 19, 1995) in Docket No. 95-73, which authorized an annually adjusted surcharge mechanism to allow the Company to recover the expenses it has incurred or will incur for remediation of environmental damage liabilities. Chesapeake's proposed revised tariff leafs are attached as Exhibit "A"; and

WHEREAS, in its Application, Chesapeake seeks to increase its current ER rate from \$0.0000 per Ccf to a positive surcharge rate of \$0.0001 per Ccf for all firm delivery service customers; and

WHEREAS, in Order No. 8817 dated November 24, 2015, the Commission opened this docket and allowed the proposed rates to become effective on a temporary basis, subject to refund, for gas usage on and after December 1, 2015; and

WHEREAS, by that same order, the Commission ordered that an evidentiary hearing regarding the Application would be conducted at its regularly-scheduled meeting on Tuesday, February 23, 2016, that interested persons or entities be afforded the opportunity to file petitions for leave to intervene on or before December 22, 2015, that written comments or objections to the proposed changes in the ER rate be filed on or before December 31, 2015, and that the Commission would accept public comments on the Application up until immediately prior to the commencement of the evidentiary hearing on February 23, 2016; and

WHEREAS, the Division of the Public Advocate ("DPA") exercised its statutory right of intervention on November 30, 2015; and

WHEREAS, Chesapeake published notice of the filing of its Application and of the public evidentiary hearing in *The News Journal* newspaper on December 2 and 8, 2015 and the *Delaware State News* on December 1 and 8, 2015; and

WHEREAS, the Commission received no written comments in response to the publications of the notices, and no additional petitions for leave to intervene were filed; and

WHEREAS, the Commission has conducted the duly-noticed public evidentiary hearing for this matter; and

WHEREAS, the Company presented to the Commission its arguments and exhibits in support of the Application, and the Commission Staff and DPA recommended that the Commission approve such proposed tariff revisions and a proposed increase to a positive surcharge ER rate of \$0.0001 per Ccf for all firm delivery service customers; and

WHEREAS, the Commission has heard the arguments of the parties, reviewed the application and the attached exhibit showing the proposed revised tariff leafs, and has determined that it is just and reasonable and appropriate, in this circumstance, for the ER rate of \$0.0001 per Ccf for all firm delivery service customers to be approved as final; and

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. The Commission, pursuant to 26 Del. C. §§304(a) and 306(a)(2) and the process set forth by the Commission in Order No. 4104 (December 19, 1995), approves as final the proposed ER rate of \$0.0001 per Ccf for all firm delivery service customers effective with service on and after December 1, 2015.

2. Chesapeake is directed to file revised tariffs with the Commission within five (5) business days of the date of this Order.

3. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary

Exhibit "A"

Proposed Revised & Clean Tariff Leafs

Exhibit "A"

P.S.C. Del. No. 4
Chesapeake Utilities Corporation
Delaware Division

Fourteenth Revised Sheet No. 45

RATE SCHEDULE "ER"

ENVIRONMENTAL RIDER

PURPOSE

The purpose of this rider is to recover reasonable environmental costs associated with cleaning up former manufactured gas plants (MGP). Applicable environmental costs are those incurred as a result of, but not limited to, investigation, testing, monitoring, remediation (including remediation of the groundwater), land acquisition, and legal costs relating to former MGP sites, disposal sites, or sites to which material may have migrated as a result of the earlier operation and/or decommissioning of MGPs. Environmental costs expended will be offset by any payments related to these costs received by the Company from insurance proceeds or from another party. Environmental costs shall not include expenses incurred in connection with litigation by third parties claiming personal injury or by third parties claiming damage to their property as a result of the operation or decommissioning of MGPs or as a result of the migration of materials from MGP sites.

APPLICABILITY

The environmental rider will be applicable to all firm Delivery Service customers.

OPERATION OF THE RIDER

The Company will file with the Commission a copy of the environmental rider computation at least 30 days prior to the proposed effective date, which will be each December 1.

The calculation filed will be supported by all bills and receipts relating to the amount of any environmental costs incurred in the preceding Environmental Cost Year for which the Company seeks to begin recovery. In the same filing, the Company shall include similar material and information to support any expenses and/or recoveries resulting from Third Party claims. The Company shall also submit in its annual filing a projection of environmental costs for the following Environmental Cost Year based on the best information available at the time of filing.

RATE

The rate for the rider effective December 1, 2015 is \$0.0001 per Ccf.

Issue Date: October 29, 2015

Effective Date: For Service Rendered on and after December 1, 2015

Authorization:

RATE SCHEDULE "ER"

ENVIRONMENTAL RIDER

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RATE

The rate for the rider effective December 1, ~~2015~~~~2008~~ is ~~\$0.0001~~~~\$0.0000~~ per Ccf.

Issue Date: ~~October 29, 2015~~~~December 23, 2008~~

Effective Date: For Service Rendered on and after ~~December 1, 2015~~~~December 1, 2008~~

Authorization: ~~Order No. 7360 dated February 5, 2008~~ PSC Docket No. 07-299