



January 29, 2016

Ms. Donna Nickerson, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904

RE: Chesapeake Utilities Corporation – Town of Laurel Franchise Fee Rider

Dear Ms. Nickerson:

Enclosed for filing is Chesapeake Utilities Corporation's ("Chesapeake") application for a Town of Laurel ("Town") Franchise Fee Rider, Rate Schedule "TLFF", with a proposed effective date of April 1, 2016. Enclosed for reference is a copy of the Franchise Agreement between Chesapeake and the Town, which was signed by the Mayor of Laurel on December 7, 2015. Clean and redlined copies of the proposed tariff sheets are also included.

Under the terms of the Franchise Agreement, the Company will pay to the Town a volumetric franchise fee in the amount of \$0.0181 per Ccf of natural gas delivered to customers through Chesapeake's distribution system within the Town limits for the term of the Franchise Agreement. The Franchise Agreement also permits Chesapeake to collect the surcharge from applicable customers upon approval of the Delaware Public Service Commission. This Franchise Agreement is similar to the agreements Chesapeake maintains with the Town of Smyrna, the City of Milford, the Town of Georgetown, the Town of Millsboro, the City of Seaford, the Town of Milton, the Town of Dagsboro, the City of Lewes, the Town of Selbyville, and the Town of Frederica whose surcharges were previously approved by the Commission.

The Delaware Public Service Commission's "Filing Cover Sheet" along with the application fee of \$100.00 is also enclosed.

Chesapeake Utilities Corporation

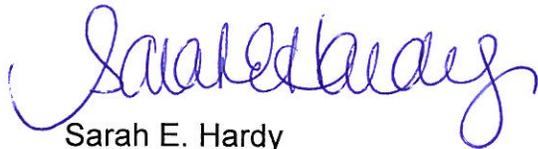
350 South Queen Street • Dover, Delaware 19904 • 302.734.6797 • 302.735.3061 / fax

www.chpkgas.com

Ms. Donna Nickerson
January 29, 2016
Page 2 of 2

Should you have any questions with regard to this submission, please contact me at 302.734.6797, extension 6201.

Sincerely,



Sarah E. Hardy
Regulatory Analyst III

Enclosures

CC: William A. Denman, Esquire
David Bonar, Public Advocate
Jason Smith, Public Utilities Analyst

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE TARIFF FILING OF)
CHESAPEAKE UTILITIES CORPORATION)
FOR APPROVAL OF NEW RATE SCHEDULE) P.S.C. DOCKET NO. 16-
"TLFF" CALLED TOWN OF LAUREL)
FRANCHISE FEE RIDER TO BE EFFECTIVE)
APRIL 1, 2016)

CERTIFICATE OF SERVICE

I, Sarah E. Hardy, do hereby certify that on January 29, 2016, a copy of the attached CHESAPEAKE UTILITIES CORPORATION application was issued to the following persons in the manner indicated:

VIA ELECTRONIC DELIVERY

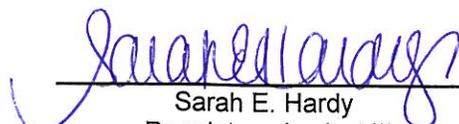
DAVID BONAR, PUBLIC ADVOCATE
DIVISION OF THE PUBLIC ADVOCATE
JOHN G. TOWNSEND BUILDING
401 FEDERAL ST, STE 3 (SOS)
DOVER, DE 19904

VIA ELECTRONIC DELIVERY

WILLIAM A. DENMAN, ESQUIRE
PARKOWSKI, GUERKE AND SWAYZE P.A.
116 WEST WATER STREET
P. O. BOX 598
DOVER, DELAWARE 19903

VIA ELECTRONIC DELIVERY

JASON R. SMITH
DELAWARE PUBLIC SERVICE COMMISSION
861 SILVER LAKE BLVD
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904



Sarah E. Hardy
Regulatory Analyst III

"DRAFT"

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE UTILITIES CORPORATION)
FOR A NEW RATE SCHEDULE "TLFF") PSC DOCKET NO. 16-
CALLED TOWN OF LAUREL)
FRANCHISE FEE RIDER)
(FILED JANUARY 29, 2016))

PUBLIC NOTICE

**TO: ALL NATURAL GAS CUSTOMERS OF CHESAPEAKE UTILITIES
CORPORATION AND OTHER INTERESTED PERSONS**

On January 29, 2016, Chesapeake Utilities Corporation ("Chesapeake" or the "Company") filed with the Delaware Public Service Commission ("the Commission") an application requesting permission to charge all of its respective natural gas customers within the Town of Laurel the franchise fee imposed by the Town of Laurel upon Chesapeake as a condition precedent to the use of the Town of Laurel's public roads and rights-of-way by Chesapeake to provide natural gas service to the Town of Laurel's residents. Chesapeake is required to pay to the Town of Laurel a franchise fee in the amount of \$0.0181 per 100 cubic feet (Ccf) of gas delivered to customers through the Company's distribution system within the limits of the Town of Laurel. Under the terms of the franchise agreement, which is in effect until January 6, 2031, the Company is authorized, subject to any necessary approvals from any state or federal regulatory body having jurisdiction over the Company, to

collect said franchise fee from the Company's customers within the Town of Laurel by way of a surcharge on the customer's bill. The Company has requested that the surcharge be approved with an effective date of April 1, 2016.

The Commission will conduct evidentiary hearings, to be scheduled at a later date, concerning this Application. The Commission's final decision will be based on the evidence presented at such hearings.

Interested persons are afforded the opportunity to file objections to the proposed tariff revisions set forth in the Application. Such objections or written comments shall be filed **on or before** _____, **2016** using the Commission's file management system, DelaFile (<http://delafile.delaware.gov>), and by searching for Docket No. 16-_____.

If the Commission does not receive any material objections or written comments raising significant issues, the Commission may, by later order, approve the proposed tariff revisions set forth in the Application after a duly noticed evidentiary hearing at a regularly-scheduled Commission meeting. If material objections or written comments are filed, the Commission may, by later order, determine the course of any appropriate further proceedings, which may include the appointment of a Hearing Examiner to conduct an evidentiary hearing or the requirement that the Company make a separate regulatory filing in a new docket to address the matter.

You are invited to review Chesapeake's application and supporting documents to determine how your interests may be affected by going to DelaFile (<http://delafile.delaware.gov>), the

Commission's file management system, and by searching for Docket No. 16-_____.

If you would like to review documents at the Commission's offices, please contact Donna Nickerson at (302) 736-7500 or by sending an email addressed to donna.nickerson@state.de.us. You may also review copies of Chesapeake's Application and supporting documents at the office of the Division of the Public Advocate located at either 820 North French Street, 4th Floor, Wilmington, Delaware 19801 or 29 South State Street, Dover, DE 19901. Please call either (302) 577-5077 (Wilmington) or (302) 241-2555 (Dover) to arrange for a time to review the documents at either of those locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. The link to this form can be found on the Commission's website, <http://depsc.delaware.gov>, or by visiting this web address: <https://delafile.delaware.gov/Complaints/FOIA.aspx>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means. If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to jason.r.smith@state.de.us.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

**IN THE MATTER OF THE TARIFF FILING BY)
CHESAPEAKE UTILITIES CORPORATION)
FOR A NEW RATE SCHEDULE "TLFF") P.S.C. DOCKET NO. 16-
CALLED TOWN OF LAUREL)
FRANCHISE FEE RIDER)**

Chesapeake Utilities Corporation (hereinafter sometimes called "Applicant") pursuant to 26 Del. C. 201 and 304, makes the following application for approval by the Commission of a new rate schedule "TLFF", Town of Laurel Franchise Fee Rider, for bills rendered on and after April 1, 2016.

1. Applicant is Chesapeake Utilities Corporation, 909 Silver Lake Boulevard, Dover, Delaware 19904. All communications should be addressed to the Applicant at the following address, Attention: Sarah E. Hardy, Regulatory Analyst III, 350 South Queen Street, P.O. Box 1769, Dover, Delaware 19904 or at the following e-mail address: shardy@chpk.com. The respective phone number and fax numbers are 302.734.6797, extension 6201 and 302.735.3061.

2. Counsel for the Applicant is William A. Denman, Esquire, Parkowski, Guerke & Swayze P.A., 116 West Water Street, P.O. Box 598, Dover, Delaware 19903. Correspondence and other communications concerning this application should be directed to counsel at the foregoing address, or at the following e-mail address: wdenman@pgslegal.com. The respective phone number and fax numbers are 302.678.3262 and 302.678.9415.

3. Applicant requests permission to charge all of its respective natural gas customers within the Town of Laurel the franchise fee paid by the Applicant to the Town of Laurel pursuant to the Franchise Agreement attached hereto as Exhibit A. The franchise

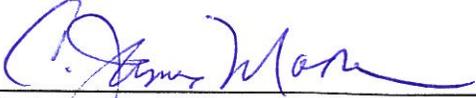
fee payable pursuant to the Franchise Agreement is required as a condition to Applicant's use of the Town of Laurel's public roads and rights-of-way to provide natural gas service to the Town's residents. Under the Franchise Agreement, Applicant is required to pay the Town of Laurel a franchise fee in the amount of \$0.0181 per Ccf of gas delivered to customers through Applicant's distribution system within the limits of the Town of Laurel.

4. Applicant, subject to the Commission's approval, proposes to implement the surcharge effective for bills rendered on and after April 1, 2016, and thereafter until such time as the franchise fee payable to the Town of Laurel is modified or terminated or until further order of the Commission. The volumetric franchise fee will not be applicable to any gas delivered to any customers from whom the Applicant is prohibited by law from collecting said surcharge. A copy of the proposed Rate Schedule "TLFF" is attached to this application as Exhibit B.

WHEREFORE, the Applicant prays as follows:

- A. That the Commission file this Application and schedule it for hearing; and
- B. That the Commission approve the proposed Rate Schedule "TLFF", Town of Laurel Franchise Fee Rider, allowing Applicant to charge customers within the limits of the Town of Laurel a positive surcharge of \$0.0181 per Ccf for all customers, effective for bills rendered on and after April 1, 2016.

CHESAPEAKE UTILITIES CORPORATION

BY: 
C. James Moore
Vice President

Parkowski, Guerke & Swayze P.A.

BY: 
William A. Denman
116 West Water Street
Dover, DE 19903
Attorney for Applicant

DATED: January 29, 2016

DATED: JANUARY 29, 2016

STATE OF DELAWARE)
)
COUNTY OF KENT)

BE IT REMEMBERED that on this 29th day of January, 2016, personally appeared before me, a notary public for the State and County aforesaid, C. James Moore, who being by me duly sworn, did depose and say that he is Vice President for Chesapeake Utilities Corporation, a Delaware corporation and insofar as the Application of Chesapeake Utilities Corporation states facts, said facts are true and correct, and insofar as those facts are not within his personal knowledge, he believes them to be true, and that the schedules accompanying this application and attached hereto are true and correct copies of the originals of the aforesaid schedules, and that he has executed this Application on behalf of the Company.



C. James Moore
Vice President

SWORN TO AND SUBSCRIBED before me the day and year above written.



Notary Public
My Commission Expires: 7.17.18



Approved (83)
PROPOSED FRANCHISE AGREEMENT

TOWN OF LAUREL, DELAWARE

AND

CHESAPEAKE UTILITIES CORPORATION

FRANCHISE AGREEMENT

1. Franchise. (a) The Town of Laurel (“Town”), located in the State of Delaware, hereby grants unto Chesapeake Utilities Corporation, a Delaware Corporation, its successors or assigns (“Chesapeake” or “Company”), the non-exclusive right, privilege and franchise to carry on within the municipal limits of the Town, inclusive of annexation areas granted hereafter, the business of acquiring, distributing and selling natural or mixed gas (“gas”) for light, heat, power and other purposes. The Town and Chesapeake are sometimes hereinafter referred to collectively as the “Parties” and singularly as “Party”. The non-exclusive right, privilege and franchise hereby granted (this Agreement) shall be deemed to include the right to construct, operate and maintain in, along and upon the streets, alleys, bridges, public highways and other public places within the Town, gas mains, valves, manholes, meters, service connections, and other appurtenances for the purpose of distributing gas for light, heat, power and other purposes to the said Town and the inhabitants thereof. The Company’s right hereunder shall not be assigned without the consent of the Town, which consent shall not be unreasonably withheld.

(b) The term of this franchise shall be for the initial term of fifteen (15) years from the effective date hereof, unless terminated sooner in accordance with the other terms and conditions set forth herein. This franchise shall renew for an additional term of fifteen (15) years upon terms and conditions mutually acceptable to both Parties. Failure to agree on a renewal, or an extension, at least 30 days prior to the expiration of the initial term, shall result in the termination of this Agreement at the expiration of the initial term.

(c) The Town may request reasonable extension of the system to serve residents and/or non residents of the Town. In evaluating a request for an extension, Chesapeake shall comply with the terms and conditions of Chesapeake’s line extension policy as set forth in Chesapeake’s tariff on file with the Delaware Public Service Commission. After Chesapeake, at its sole expense, has conducted a cost analysis of any such request by the Town to extend the system, the financial responsibility of Chesapeake, the Town, the property owner, and any other party shall be reasonably determined, subject to the terms and conditions of Chesapeake’s line extension policy.

2. Indemnification. Chesapeake, for itself, its successors and assigns, covenants and agrees to indemnify and hold harmless the Town, its directors, officers, agents, employees or designees, of and from any and all damage, injury, claim, penalty, judgments, costs, charges, expenses (including reasonable attorney's fees) and/or any other liability of any nature arising directly or indirectly from exercise of Chesapeake's rights, privileges and franchise under this Agreement, including, but not limited to, any liability by reason of distribution of gas under this Agreement, and in connection therewith, the operation or use of streets, alleys, bridges, public highways or other public places by Chesapeake. Notwithstanding the foregoing, Chesapeake shall not be obligated to indemnify the Town, its directors, officers, agents, employees or designees for any claim or liability arising directly or indirectly out of the negligence of the Town, its directors, officers, agents, employees, or designees. It is expressly understood and agreed that Chesapeake is and shall be deemed to be an independent contractor for purposes of this Agreement and shall therefore be solely responsible to all parties for its respective acts and/or omissions. This indemnification shall survive the termination of this Agreement. The Town shall be added as an additional insured under Chesapeake's general public liability policy. Chesapeake shall, at its sole cost and expense, provide and keep in force a general liability insurance policy with liability limits acceptable to the Town, protecting and indemnifying Chesapeake and the Town.

3. Permits. Before any street, alley, bridge, public highway or other public place is opened, obstructed or in any manner interfered with for the purpose of altering, installing or making additions to any of the gas mains, valves, manholes, meters, service connections, or other appurtenances for any other purposes, written application shall be made to the Town Manager or such other person as the Town Manager shall designate, setting forth in general terms the nature, location, extent and duration of openings or obstructions desired. Prior to the commencement of any work, a permit shall be obtained by the company from said Town Manager or such other designated person, which permit shall not be unreasonably withheld. In the event of an emergency, the Company may make all necessary repairs to resolve any unsafe conditions without first obtaining a permit and shall there after obtain the required permit within a reasonable time period. All reasonable specifications set forth in said permit as to the minimum or maximum area or depth or both for openings or other matters, shall be observed by the Company.

4. Restorations. The repairing and restoring of all openings and obstructions to the condition of the adjacent road bed shall be completed by the Company or by a firm or person employed by the Company as soon as practical. All work shall be completed in accordance with the Town of Laurel's Standard Specifications and Details for Public Works Construction and at the sole expense of the Company. If without good cause detailed in writing and agreed to by the Town of Laurel, the Company fails to make such repairs and restorations within a 30 days, with a possible 30 day extension period if necessary, of the completion of work, the Town shall have the right to make such repairs or restorations or to employ a person or firm to make such repairs and restorations and charge the Company for all reasonable costs of such repairs and restorations of said openings.

5. Permit and Restoration Fee. The Company will pay the Town of Laurel a Permit Fee in the amount of fifty dollars (\$50.00) for each application prescribed in item 3 that is made for the purpose of constructing a main extension. In each subsequent year, the amount of the fee paid by the franchisee shall equal the amount of the fee in the immediate preceding year increased by the percentage increase or decrease in the Consumer Price Index ("CPI"). Permits. The Permit Fee is required to be paid when the permit is obtained. The Company will pay the Town a Restoration Fee of ten percent (10%) of the actual costs of any restoration relating to a main extension as prescribed in the permit application. The Restoration Fee will not exceed two hundred dollars (\$200.00) per application. The Town will bill the Company monthly for any Restoration Fees due and the fee will be due thirty (30) days from date of invoice. Neither Permit Fees nor Restoration Fees shall be applicable to service line installations or connections.

6. Location of Gas Facilities. If the location of any gas mains, valves, manholes, meters, service connections, or other appurtenances of the erection, laying or removal of the same, does not unreasonably interfere with ordinary travel and/or the use of the streets, utilities, alleys, bridges and public ways of the Town, and/or the use and enjoyment of private property, and otherwise complies with this Agreement, the Town Manager or designated person shall review the application for permit and approve the same and issue a permit or permits therefore, provided all Town requirements are met.

7. Rates. The determination of the Company's rates shall be subject solely to the rules and regulations of the Delaware Public Service Commission, or any other State or Federal authority that shall have jurisdiction over this type of industry or enterprise.

8. Franchise Fee. In consideration of granting of this franchise and pursuant to 26 Del.C. §1301, the Company shall pay the Town of Laurel a franchise fee in the amount of \$0.0181 per 100 cubic feet (ccf) of gas delivered to customers through the Company's distribution system within the limits of the Town of Laurel during the term hereof. The Company is authorized, subject to any necessary approvals from any State or Federal regulatory body having jurisdiction over the Company, to collect said franchise fee from the Company's customers within the Town of Laurel, including any future annexations of the Town of Laurel, by way of a surcharge on the customer's bill. The franchise fee otherwise payable hereunder shall not apply to any gas delivered to any customer of the Company from whom the Company is prohibited by law from collecting said surcharge. The franchise fee payable hereunder shall be paid quarterly. The payment schedule and supporting accounting for the franchise fee amount are prescribed in Exhibit A. The Town agrees to grant no exclusive franchise for the purpose of carrying on the business of acquiring, distributing and selling natural or mixed gas for light, heat, power and other purpose during the term of this Agreement. In the event the Town grants additional non-exclusive franchises for the purpose of carrying on the business of acquiring, distributing and selling natural or mixed gas for light, heat, power and other purposes, each such additional franchise will be required to pay the Town fees at least equivalent to the fees for which the Company is obligated pursuant to this Agreement, or any subsequent franchise agreements, between the Company and the Town.

9. Receivership. Subject to the provisions of the federal bankruptcy laws, the Town shall have the right to cancel this Agreement one hundred twenty (120) days after the appointment of a receiver or trustee to take over and conduct the business of the Company, unless such receivership or trusteeship shall have been vacated prior to the expiration of said one hundred twenty (120) days or unless:

(a) Within one hundred twenty (120) days after the election or appointment, such receiver or trustee shall have fully complied with all the provision of this Agreement and remedied all defaults thereunder; and

(b) Such receiver or trustee, within said one hundred twenty (120) days, shall have executed an agreement, duly approved by the court having jurisdiction in the premises, whereby such receiver or trustee assumes and agrees to be bound by each and every provision of this Agreement.

10. Definitions. For the purpose of this Agreement, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number and words in the singular number include the plural number. The word “shall” is mandatory and “may” is permissive. Words not defined shall be given their common and ordinary meaning.

11. Financial Risk. During the term of this Agreement, if the Company intends to construct certain gas distribution facilities within the Town, for any such investments in gas distribution facilities made by the Company, the Town will not bear the financial risks for any gas distribution facilities constructed by the Company in the Town or any financial investments made by Company.

12. Agreement Cancellation. The Town of Laurel shall have unilateral right to cancel this Agreement anytime after a period of the first fifteen (15) years. The Town will provide at least a twelve (12) month notice to exercise this right.

13. Force and Effect. This Agreement shall become effective and shall constitute a binding contract between the Town and the Company on the later of (a) the date when the same shall have been duly adopted by a majority vote of the Council of the Town in any regular or special meeting wherein action is taken in compliance with the Town Charter; or (b) the date when the provisions hereof shall have been accepted by the Company as signified by the Company’s execution, not to exceed ninety (90) days from Council approval. This Agreement is also

enacted pursuant to and in the manner provided for in 26 Del.C. Section 1301. Performance of the terms of this Agreement shall commence on the effective date of this Agreement.

14. Approval. Chesapeake warrants and represents that this Agreement represents the binding obligation of Chesapeake and that Chesapeake has acquired, or prior to the effective date will acquire, any and all necessary approvals from any third party whose approval is necessary, including but not limited to any approvals required by the Delaware Public Service Commission.

15. Compliance with Laws. Chesapeake shall comply with all applicable federal, state and local laws, ordinances and regulations related to the provision of gas services under this Agreement and any activity related thereto, including but not limited to, any rules and regulations adopted by the Delaware Public Service Commission, the Underground Utility Damage Prevention and Safety Act of Title 26 of the Delaware Code (as amended) and Chapter 13 (“Gas, Water and Oil Corporations”) of Title 26 of the Delaware Code (as amended).

16. Notice. Any notice required herein shall be given by registered or certified mail, postage prepaid, addressed as follows:

If to the Town:

Town of Laurel
Attn: Town Manager or Designee
201 Mechanic Street
Laurel, Delaware 19956

With a copy to:

Laurel Town Solicitor
Steen, Waehler, Schrider-Fox, LLC
Attn. Jim Waehler
P. O. Box 1398
Ocean View, Delaware 19970

If to Chesapeake:

Chesapeake Utilities Corporation
Attn.: Vice President or designee

350 S. Queen St.
Dover, DE 19904

17. Entire Agreement. This Agreement comprises the entire Agreement between the Parties hereto relative to the subject matter hereof, and upon the effective date hereof no earlier agreements, promises or other understandings entered into by either Party or its predecessors or assignors in connection therewith, shall be of any force or effect. Chapter 181A of the Code of the Town of Laurel is repealed in its entirety and this Agreement substituted in lieu thereof as the new Chapter 181A.

18. Dispute Resolution. (a) Any dispute between the Parties with respect to this Agreement may be submitted to arbitration upon the request of either Party pursuant to the following procedures: Each Party shall within thirty (30) days choose one arbitrator who shall sit on a three member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. Arbitrators shall be knowledgeable in natural gas utility matters and shall not have any current or past substantial business or financial relationships with any Party to the arbitration. The arbitrators shall provide each of the Parties an opportunity to be heard and the Parties shall provide the arbitrators any requested information within fifteen (15) days of the request, and except as otherwise provided herein, the arbitrators shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Unless otherwise agreed, the arbitrators shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The direct cost of the arbitration panel shall be divided equally between the Parties; all other costs shall be borne by the Party, which incurs them.

(b) The decision of the arbitrators shall be final and binding upon the Parties, and judgment may be entered in any court having jurisdiction. The decision of the arbitrators may be appealed solely on the grounds that the conduct of the arbitrators, or the decision itself, violated the standards set forth in the Delaware Arbitration Act, or applicable law. The final decision of the arbitrators must also be filed with the Delaware Public Service Commission, or any other regulatory authority having jurisdiction, if it affects jurisdictional rules or facilities.

19. Severability. In the event that any part of this Agreement is ruled invalid or unenforceable, the Parties agree that this Agreement is deemed severable and that the balance of the terms will remain in full force.

20. Amendments. This Agreement shall not be amended except in writing executed by all parties hereto.

21. Contra Proferentum. The fact that one Party has drafted this Agreement shall in no way be used against that Party in construing the terms, conditions, and obligations hereunder.

Adopted with the concurrence of a majority of all members of the Mayor and Council of the Town of Laurel at the regular meeting this 7th day of December, 2015

ATTEST:

MAYOR AND COUNCIL OF
THE TOWN OF LAUREL



TOWN MANAGER



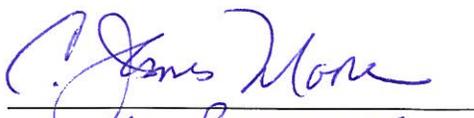
JOHN J. SHWED,
MAYOR

The foregoing franchise is hereby accepted this 6th day of JANUARY,
2016, by Chesapeake Utilities Corporation.

ATTEST:

CHESAPEAKE UTILITIES CORP.





VICE PRESIDENT

EXHIBIT A

FRANCHISE FEE

Chesapeake Utilities will pay the Town of Laurel a franchise fee according to the terms and conditions prescribed in Item 8. Franchise Fee of this Agreement. The payment of the franchise fee and its supporting documentation will be as follows:

1. At the end of each calendar quarter, on March 31st, June 30th, September 30th, and December 31st of each year, Chesapeake will calculate the total consumption of natural gas for the calendar quarter then ended for all Delaware Division natural gas customers who use natural gas within the corporate limits of the Town of Laurel, and who pay a monthly franchise fee according to the terms of this Agreement.
2. The amount payable to the Town of Laurel will be equal to the total ccfs consumed by such natural gas customers, except those who may be exempt from paying a franchise fee, multiplied by the franchise fee per ccf.
3. Within one (1) calendar month of the end of each calendar quarter, Chesapeake will forward the total payment to the Town of Laurel.
4. Chesapeake will enclose the following supporting documentation by month for the calendar quarter with each payment:
 - Number of Customers
 - Total Consumption (in terms of ccf)
 - Franchise Fee

CHESAPEAKE UTILITIES CORPORATION
DELAWARE DIVISION

TABLE OF CONTENTS
(Continued)

RATE SCHEDULES	SHEET NO.
TRANSPORTATION AND BALANCING - GENERAL TERMS AND CONDITIONS	43
"SUP" GAS SUPPLIER REQUIREMENTS	44
"ER" ENVIRONMENTAL RIDER	45
"SFS" SEASONAL FIRM SERVICE	46
"TSFF" TOWN OF SMYRNA FRANCHISE FEE RIDER	47
"CMFF" CITY OF MILFORD FRANCHISE FEE RIDER	48
"TGFF" TOWN OF GEORGETOWN FRANCHISE FEE RIDER	49
"MBFF" TOWN OF MILLSBORO FRANCHISE FEE RIDER	50
"MTFF" TOWN OF MILTON FRANCHISE FEE RIDER	51
"SFFF" CITY OF SEAFORD FRANCHISE FEE RIDER	52
"DBFF" TOWN OF DAGSBORO FRANCHISE FEE RIDER	53
"CLFF" CITY OF LEWES FRANCHISE FEE RIDER	54
"SBFF" TOWN OF SELBYVILLE FRANCHISE FEE RIDER	55
"TFFF" TOWN OF FREDERICA FRANCHISE FEE RIDER	56
"TLFF" TOWN OF LAUREL FRANCHISE FEE RIDER	57

Issue Date: January 29, 2016

Effective Date: For Bills Rendered On And After April 1, 2016

Authorization:

RATE SCHEDULE "TLFF"

TOWN OF LAUREL FRANCHISE FEE RIDER

PURPOSE

The purpose of this rider is to recover the Town of Laurel franchise fee, from all customers within the limits of the Town of Laurel in accordance with the Franchise Agreement between the Company and the Town of Laurel. This franchise fee will be in effect until January 6, 2031.

APPLICABILITY

The Town of Laurel Franchise Fee Rider will be applicable to all firm and interruptible Delivery Service customers within the limits of the Town of Laurel, excluding those customers from whom the Company is prohibited by law from collecting said surcharge.

RATE

The rate applicable to all Delivery Service throughput is \$0.0181 per Ccf.

Issue Date: January 29, 2016

Effective Date: For Bills Rendered On And After April 1, 2016

Authorization:

CHESAPEAKE UTILITIES CORPORATION
DELAWARE DIVISION

TABLE OF CONTENTS
(Continued)

RATE SCHEDULES	SHEET NO.
TRANSPORTATION AND BALANCING - GENERAL TERMS AND CONDITIONS	43
"SUP" GAS SUPPLIER REQUIREMENTS	44
"ER" ENVIRONMENTAL RIDER	45
"SFS" SEASONAL FIRM SERVICE	46
"TSFF" TOWN OF SMYRNA FRANCHISE FEE RIDER	47
"CMFF" CITY OF MILFORD FRANCHISE FEE RIDER	48
"TGFF" TOWN OF GEORGETOWN FRANCHISE FEE RIDER	49
"MBFF" TOWN OF MILLSBORO FRANCHISE FEE RIDER	50
"MTFF" TOWN OF MILTON FRANCHISE FEE RIDER	51
"SFFF" CITY OF SEAFORD FRANCHISE FEE RIDER	52
"DBFF" TOWN OF DAGSBORO FRANCHISE FEE RIDER	53
"CLFF" CITY OF LEWES FRANCHISE FEE RIDER	54
"SBFF" TOWN OF SELBYVILLE FRANCHISE FEE RIDER	55
"TFFF" TOWN OF FREDERICA FRANCHISE FEE RIDER	56
<u>"TLFF" TOWN OF LAUREL FRANCHISE FEE RIDER</u>	<u>57</u>

Issue Date: ~~January 29, 2016~~^{October 31, 2014}

Effective Date: For Bills Rendered On And After ~~April 1, 2016~~^{February 1, 2015}

Authorization: ~~Order No. 8697 in PSC Docket No. 14-0495 dated January 6, 2015~~

RATE SCHEDULE "TLFF"

TOWN OF LAUREL FRANCHISE FEE RIDER

PURPOSE

The purpose of this rider is to recover the Town of Laurel franchise fee, from all customers within the limits of the Town of Laurel in accordance with the Franchise Agreement between the Company and the Town of Laurel. This franchise fee will be in effect until January 6, 2031.

APPLICABILITY

The Town of Laurel Franchise Fee Rider will be applicable to all firm and interruptible Delivery Service customers within the limits of the Town of Laurel, excluding those customers from whom the Company is prohibited by law from collecting said surcharge.

RATE

The rate applicable to all Delivery Service throughput is \$0.0181 per Ccf.

Issue Date: January 29, 2016

Effective Date: For Bills Rendered On And After April 1, 2016

Authorization: