



Docket No. 16-0042  
Filed May 16, 2016

May 16, 2016

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

RE: Chesapeake Utilities Corporation – City of Harrington Franchise Fee Rider

Dear Ms. Nickerson:

Enclosed for filing is Chesapeake Utilities Corporation's ("Chesapeake") application for a City of Harrington ("City") Franchise Fee Rider, Rate Schedule "CHFF", with a proposed effective date of August 1, 2016. Enclosed for reference is a copy of the Franchise Agreement between Chesapeake and the City, which was signed by the Mayor of Harrington on May 2, 2016. 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 City 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 City 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, the Town of Frederica, and the Town of Laurel whose surcharges were previously approved by the Commission.

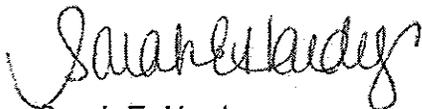
The Delaware Public Service Commission's "Filing Cover Sheet" along with the application fee of \$100.00 is also enclosed.



Ms. Donna Nickerson  
May 16, 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,

A handwritten signature in cursive script that reads "Sarah E. Hardy".

Sarah E. Hardy  
Sr. Marketing Analyst

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-  
"CHFF" CALLED CITY OF HARRINGTON )  
FRANCHISE FEE RIDER TO BE EFFECTIVE )  
AUGUST 1, 2016 )

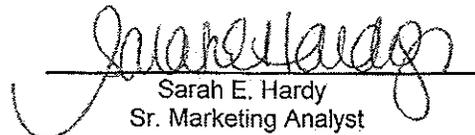
CERTIFICATE OF SERVICE

I, Sarah E. Hardy, do hereby certify that on May 16, 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  
Sr. Marketing Analyst

For PSC Use Only:	
Docket No.	_____
Filing Date:	_____
Reviewer:	_____
Given to:	_____

**DELAWARE PUBLIC SERVICE COMMISSION  
FILING COVER SHEET**

1. NAME OF APPLICANT: Chesapeake Utilities Corporation
2. TYPE OF FILING:
- |                      |                    |
|----------------------|--------------------|
| RATE CHANGE          | ___                |
| FUEL ADJUSTMENT      | ___                |
| ADMINISTRATIVE       | ___                |
| CPCN                 | ___                |
| NEW SERVICE OFFERING | ___                |
| OTHER                | <u>X</u> Surcharge |

IF A TELECOMMUNICATIONS FILING, WHAT TYPE OF SERVICE IS IMPACTED?  
(PLEASE CHECK)

BASIC \_\_\_ COMPETITIVE \_\_\_ DISCRETIONARY \_\_\_

3. PROPOSED EFFECTIVE DATE: August 1, 2016

IS EXPEDITED TREATMENT REQUESTED? YES \_\_\_ NO X

4. SHORT SYNOPSIS OF FILING: Chesapeake Utilities Corporation proposes a new City of Harrington Franchise Fee Rider, Rate Schedule "CHFF".

5. DOES THIS FILING RELATE TO PENDING DOCKETS? YES \_\_\_ NO X

IF SO, PLEASE LIST DOCKET(S) NO(S):

6. IS PUBLIC NOTICE REQUIRED? YES X NO \_\_\_  
IF YES, PLEASE ATTACH COPY OF PROPOSED PUBLIC NOTICE.

7. APPLICANT'S CONTACT PERSON:

(NAME)	Sarah E. Hardy
(TITLE)	Sr. Marketing Analyst
(TELE. NO.)	302.734.6797 x6201
(FAX NO.)	302.735.3061

8. DID YOU PROVIDE A COMPLETE COPY OF THE FILING TO THE PUBLIC ADVOCATE?

YES X NO \_\_\_ IF SO, WHEN? May 16, 2016

9. FILING FEE ENCLOSED: \$100.00  
(AMOUNT)

NOTE: House Bill 681, enacted into law 7/13/98, authorizes the Commission to recover the cost of time spent by in-house staff to process all filings initiated after the date of enactment. You may be required to reimburse the Commission for staff time.

"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 "CHFF" ) PSC DOCKET NO. 16-  
CALLED CITY OF HARRINGTON )  
FRANCHISE FEE RIDER )  
(FILED MAY 16, 2016) )

PUBLIC NOTICE

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

On May 16, 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 City of Harrington the franchise fee imposed by the City of Harrington upon Chesapeake as a condition precedent to the use of the City of Harrington's public roads and rights-of-way by Chesapeake to provide natural gas service to the City of Harrington's residents. Chesapeake is required to pay to the City of Harrington 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 City of Harrington. Under the terms of the franchise agreement, which is in effect until May 12, 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 City of Harrington by way of a surcharge on the customer's bill. The Company has requested that the surcharge be approved with an effective date of August 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](mailto: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, 4<sup>th</sup> 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://depsec.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](mailto:jason.r.smith@state.de.us).

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

<b>IN THE MATTER OF THE TARIFF FILING BY )</b>	
<b>CHESAPEAKE UTILITIES CORPORATION )</b>	
<b>FOR A NEW RATE SCHEDULE "CHFF" )</b>	<b>P.S.C. DOCKET NO. 16-</b>
<b>CALLED CITY OF HARRINGTON )</b>	
<b>FRANCHISE FEE RIDER )</b>	

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 "CHFF", City of Harrington Franchise Fee Rider, for bills rendered on and after August 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, Sr. Marketing Analyst, 350 South Queen Street, P.O. Box 1769, Dover, Delaware 19904 or at the following e-mail address: [shardy@chpk.com](mailto: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](mailto: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 City of Harrington the franchise fee paid by the Applicant to the City of Harrington pursuant to the Franchise Agreement attached hereto as Exhibit A. The

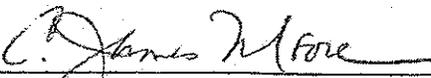
franchise fee payable pursuant to the Franchise Agreement is required as a condition to Applicant's use of the City of Harrington's public roads and rights-of-way to provide natural gas service to the City's residents. Under the Franchise Agreement, Applicant is required to pay the City of Harrington 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 City of Harrington.

4. Applicant, subject to the Commission's approval, proposes to implement the surcharge effective for bills rendered on and after August 1, 2016, and thereafter until such time as the franchise fee payable to the City of Harrington 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 "CHFF" is attached to this application as Exhibit B.

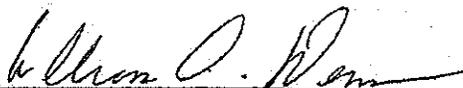
WHEREFORE, the Applicant prays as follows:

- A. That the Commission file this Application and schedule it for hearing; and
- B. That the Commission approve the proposed Rate Schedule "CHFF", City of Harrington Franchise Fee Rider, allowing Applicant to charge customers within the limits of the City of Harrington a positive surcharge of \$0.0181 per Ccf for all customers, effective for bills rendered on and after August 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: May 16, 2016

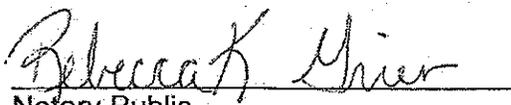
DATED: MAY 16, 2016

STATE OF DELAWARE )  
  )  
COUNTY OF KENT        )

BE IT REMEMBERED that on this 16th day of May, 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

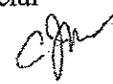


## FRANCHISE AGREEMENT

1. Franchise. The City of Harrington ("City") hereby grants Chesapeake Utilities Corporation, a Delaware Corporation, its successors or assigns ("Chesapeake" or "Company") the right, privilege and franchise to carry on, within the municipal limits of the City, inclusive of areas annexed hereafter, the business of acquiring, distributing and selling natural, or mixed gas ("gas") for light, heat, power and other purposes. The right, privilege and franchise hereby granted 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 City, 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 City and the inhabitants thereof. The Company's rights hereunder shall not be assigned without the consent of the City, which consent shall not be unreasonably withheld.

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. The Company will provide written notification with proof of receipt to the City no later than eighteen (18) months prior to, and no sooner than twenty-four (24) months before, the expiration date of the Agreement as a reminder to the City of the upcoming renewal date. This franchise shall renew for an additional term of fifteen (15) years unless either party hereto provides the other party with written notice of termination at least six (6) months prior to the expiration of the initial term.

The City may request reasonable extensions of the system to serve residents and/or non-residents of the City. 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 City to extend the system, the financial



responsibility of Chesapeake, the City, the property owner, and any other party shall be reasonably determined, subject to the terms and conditions of Chesapeake's line extension policy.

As Company main extensions pass adjacent to City properties with improved structures (pump stations, buildings, etc.), Company shall provide a service connection line stub out for future connection to the gas utility by City if the economics permit such connections.

2. Indemnification. Chesapeake, for itself, its successors and assigns, covenants and agrees to indemnify and hold harmless the City, 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 the exercise of Chesapeake's rights, privileges and franchise under this Agreement, including, but not limited to, any liability by reason of the 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 City, its directors, officers, agents, employees or designees for any claim or liability arising directly or indirectly out of the negligence of the City, 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 City 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 protecting and indemnifying Chesapeake and the City. Chesapeake shall send a copy of the certificate of insurance for their general liability policy to the City of Harrington within 30 days of the policy's renewal and each time the policy is renewed, showing the City as an additional insured on the policy.



3. Permits. In order for the Company to cut into, open or excavate in or under the bed of any city owned street, road, highway, lane, alley, avenue, sidewalk, curb or other public way within the corporate limits of the City 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 purpose, the Company must first obtain from the City Manager or his/her designee a permit to cut into, open or excavate such street, road, highway, lane, alley, avenue, curb, sidewalk or other way, except as hereinafter provided. Upon compliance with the above terms, the City Manager or his/her designee shall then issue a permit for such cutting into, opening or excavating, subject to the above terms and conditions of this Agreement, and upon being satisfied that such opening or excavation is in a proper location and for a lawful purpose.

a. Application Required. If the Company needs to cut into, open or excavate in or under the bed of any city owned street, road, highway, lane, alley, avenue, curb, sidewalk or other public way for any purpose as aforesaid shall first make written application to the City Manager or his/her designee for a permit to conduct such work, stating in such application the name of the street, the name and present or past known address of the person, firm or corporation on whose behalf the cutting into, opening or excavating is to be done, the location on such street where such opening or excavation is to be made, the purpose of the opening or excavation, the length, the width and depth of the opening or excavation and the date when such work will be completed.

b. Fee. Each such application for main extensions shall be accompanied by the utility fees required and approved Chapter 180 of the City of Harrington Code of Ordinances to perform such work. Fees are not applicable for service connections. New subdivisions will require one main extension application and one utility review, unless the master gas plan changes, in which case the plan will be reviewed and fees will be assessed in each occurrence of change.



c. Issuance. Upon compliance with the above terms, the City Manager or his/her designee shall then issue a permit for such cutting into, opening or excavating, subject to the above terms and conditions of this Agreement.

4. Restorations. The Company shall complete the work pursuant to the terms of such permit as promptly as possible and shall take all precaution to protect all persons and property from damage and shall properly protect the public from injury by reason of any such cutting into, opening or excavation. Any hole, opening, excavation, obstruction or dangerous area created incident to such work shall properly barricaded or otherwise guarded per the City of Harrington or DelDOT standards. All work performed and materials used in the making and filling of such cutting into, opening or excavation shall comply with the standard specifications of the City of Harrington, or the Delaware Department of Transportation in effect on the date of applicable permit. Upon completion of the work, the Company shall fully fill any such opening or excavation so made pursuant to the standard specifications of the City and any additional requirements in this Agreement and shall immediately repair and restore the street or way disturbed thereby pursuant to such standard specifications and shall so maintain the same for six months after final inspection and written acceptance by the City Manager or his/her designee on behalf of the City, pursuant to the standard specifications of the City, as aforesaid. In the event the Company fails to comply with these provisions or with the standard specifications of the City, as aforesaid, for 48 hours after written notice to do so shall have been given by the City Manager, said City Manager may proceed to repair, restore and maintain such street, road, highway, lane, alley, avenue, sidewalk, curb or other public way at the cost and expense of the Company. When a City street must be closed to vehicular traffic for a specific period of time, it must be noted on the application with an estimated closing and opening date, not to exceed fifteen (15) working days. Upon good cause shown, the fifteen (15) day period may be extended by the City Manager or his/her designee for an additional period not to exceed fifteen (15) working days. If the street is closed for a period longer than fifteen

(15) working days, a fine of Fifty Dollars (\$50) per day for each successive workday may be levied by the City Manager or his/her designee.

5. Emergencies. (a) In the event of an emergency, i.e. gas leak, severed gas line, etc., and where life and/or property may be in jeopardy, time will be of the essence, and any above operational procedures or language that may inhibit a safe and timely repair are waived.

(b) Chesapeake will provide copies of its Emergency Plan to the City Manager, Fire Chief, and Chief of Police, as well as any other City officials who may request it. Chesapeake will make the City aware if substantive revisions are made to its Emergency Plan. (c) Chesapeake will provide public information to its customers, the appropriate governmental organizations, and persons engaged in excavation-related activities to recognize a gas emergency. The Company will provide information to the public in reporting gas odors, leaks, and other emergencies to the proper Division's emergency number. Periodic training sessions will be offered with all Fire Companies in Chesapeake's service territory. These training sessions will coordinate response, resources, and responsibilities between all parties involved.

6. Rates. The determination of the Company's rates shall be subject solely to the rules and regulations of such state or federal authority that shall have jurisdiction over this type of industry or enterprise.

7. Franchise Fee. As long as the Company remains the only natural gas provider in the City, the Company shall pay the City of Harrington 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 City 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 City, including any future annexations of the City, 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 payment of the franchise fee, once it is approved by the Delaware Public Service Commission and its supporting documentation will be as follows:

1. Within fifteen (15) days after the end of each calendar quarter (i.e., by January 15, April 15, July 15 and October 15) Chesapeake will calculate the total consumption of natural gas for the previous three months for all Chesapeake natural gas customers who use natural gas within the corporate limits of Harrington, and who pay a monthly franchise fee according to the terms of this Agreement.

2. The amount payable to the City of Harrington will be equal to the total ccfs consumed by Chesapeake Delaware Division natural gas customers, except those who may be exempt from paying a franchise fee, multiplied by the franchise fee per ccf.

3. Chesapeake will mail the quarterly franchise fee payment to the City of Harrington no later than thirty (30) days after the end of each calendar quarter (i.e., by January 30, April 30, July 30 and October 30).

4. Chesapeake will enclose the following supporting documentation with each payment:

- Number of Customers
- Total Consumption (ccf)
- Average consumption per Customer
- Franchise Fee

8. Receivership. Subject to the provisions of the federal bankruptcy laws, the City 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 provisions of this Agreement and remedied all defaults hereunder; 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.

9. Interpretation. 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.

10. Financial Risk. During the term of this Agreement, the Company intends to construct certain gas distribution facilities within the City. For any such investments in gas distribution facilities made by the Company, the City will not bear the financial risk associated with the Company's investment in such distribution facilities unless the City enters into a separate agreement with the Company, thereby overriding this section.

11. Forces and Effect. This Agreement shall become effective and shall constitute a binding contract between the City and the Company on the latter of (a) the date when the same shall have been duly adopted by a majority vote of the Council of the City in any regular or special meeting wherein action is taken in compliance with the City Charter; or (b) the date when the provisions hereof shall have been accepted by the Company as signified by the Company's execution. This Agreement is also enacted pursuant to and in the manner provided for in 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). Performance of the terms of this Agreement shall commence on the effective date of this Agreement. 

12. 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, other than approval to collect the franchise fee from the Company's customers within the City, from any third party whose approval is necessary, including but not limited to any approvals required by the Delaware Public Service Commission.

13. 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).

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

If to the City:

City of Harrington  
Attn: City Manager  
106 Dorman Street  
Harrington, DE 19952

With a copy to: City Solicitor

William W. Pepper Sr., Esquire  
414 South State Street  
Dover DE 19901

If to Chesapeake:

Chesapeake Utilities Corporation, Inc.  
Attn: Director, Energy Services 350 S. Queen St.  
Dover, DE 19904



With a copy to:

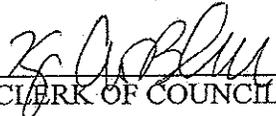
William A. Denman, Esquire  
Parkowski, Guerke & Swayze  
PO Box 598  
Dover, DE 19903

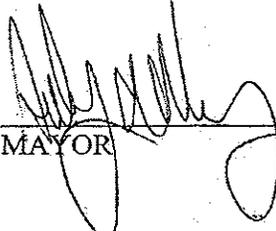
15. Entire Agreement. This Agreement comprises the entire Agreement between the parties hereto relative to the subject matter hereof, and upon the effective date hereof no earlier agreements, promises or other understandings entered into by either party or its predecessors or assignors in connection therewith, shall be of any force or effect.
16. Governing Law. This Agreement shall be governed by the laws of the State of Delaware and the parties hereto agree that any litigation relating to this Agreement shall be conducted in the state courts of Delaware.
17. 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.
18. Amendments. This Agreement shall not be amended except in writing executed by all parties hereto.
19. 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 Council of the City of  
Harrington at the regular meeting this 2<sup>nd</sup> day of May, 2016.

ATTEST:

THE CITY OF HARRINGTON

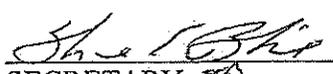
  
\_\_\_\_\_  
CLERK OF COUNCIL

  
\_\_\_\_\_  
MAYOR

The foregoing franchise is hereby accepted this 12 day of MAY, 2016, by Chesapeake  
Utilities Corporation.

ATTEST:

CHESAPEAKE UTILITIES CORPORATION

  
\_\_\_\_\_  
SECRETARY *JD*

  
\_\_\_\_\_  
VICE PRESIDENT

CHESAPEAKE UTILITIES CORPORATION  
DELAWARE DIVISION

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Issue Date: May 16, 2016

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

Authorization:

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

Original Sheet No. 58

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**RATE SCHEDULE "CHFF"**

**CITY OF HARRINGTON FRANCHISE FEE RIDER**

**PURPOSE**

The purpose of this rider is to recover the City of Harrington franchise fee, from all customers within the limits of the City of Harrington in accordance with the Franchise Agreement between the Company and the City of Harrington. This franchise fee will be in effect until May 12, 2031.

**APPLICABILITY**

The City of Harrington Franchise Fee Rider will be applicable to all firm and interruptible Delivery Service customers within the limits of the City of Harrington, 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.

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**Issue Date: May 16, 2016**

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

**Authorization:**

CHESAPEAKE UTILITIES CORPORATION  
DELAWARE DIVISION

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Issue Date: ~~May 16, 2016~~ January 29, 2016  
Effective Date: For Bills Rendered On And After ~~August 1, 2016~~ April 1, 2016  
Authorization: ~~Order No. 8867 in PSC Docket No. 16-0123 dated March 22, 2016~~

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

Original Sheet No. 58

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Issue Date: May 16, 2016

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

Authorization:

