

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

IN THE MATTER OF THE APPLICATION OF )  
OF CHESAPEAKE UTILITIES CORPORATION )  
FOR APPROVAL OF NEW RATE SCHEDULE )  
"CLFF" CALLED CITY OF LEWES ) PSC DOCKET NO. 11-401T  
FRANCHISE FEE RIDER TO BE EFFECTIVE )  
NOVEMBER 19, 2011 )  
(FILED SEPTEMBER 19, 2011) )

**ORDER NO. 8052**

**AND NOW**, this 3<sup>rd</sup> day of October, 2011:

**WHEREAS**, on September 19, 2011, Chesapeake Utilities Corporation ("Chesapeake" or the "Company") filed with the Commission ("the Commission") an application seeking approval for a new rate schedule called City of Lewes Franchise Fee Rider ("CLFF") surcharge to be assessed against its gas customers within the City of Lewes; and

**WHEREAS**, the proposed CLFF surcharge of \$0.0181 per Ccf of delivered gas is meant to mirror the volumetric franchise fee imposed upon the Company by the City of Lewes under a twenty-year franchise agreement adopted by the City of Lewes on September 12, 2011; and

**WHEREAS**, the Company has requested that the Commission consider the tariff changes implementing the CLFF so that such changes and the surcharge will be effective no later than November 19, 2011; and

**WHEREAS**, the Commission having determined to consider Chesapeake's application at its regularly scheduled meeting on, Tuesday, November 8, 2011, and to require the Company to publish notice of the filing and such meeting as set forth below;

**NOW, THEREFORE, BY THE AFFIRMATIVE VOTE OF NO FEWER THAN THREE**

**COMMISSIONERS, IT IS HEREBY ORDERED:**

1. That, pursuant to 26 Del. C. §306(a)(1), the tariff changes proposed by Chesapeake Utilities Corporation in its application filed September 19, 2011, which seek to implement a City of Lewes Franchise Fee Rider surcharge to be assessed against its gas subscribers within the City of Lewes, are hereby suspended pending further Order of the Commission.

2. That the Commission will consider the tariff changes to implement the City of Lewes Franchise Fee Rider surcharge as proposed by Chesapeake Utilities Corporation at the Commission's regularly scheduled meeting on Tuesday, November 8, 2011, beginning at 1:00 P.M.

3. That Chesapeake Utilities Corporation shall publish the public notice attached hereto as Exhibit "A" in two column format, outlined in black, in the legal classified sections of The News Journal and Delaware State News newspapers on or about October 10, 2011. Chesapeake Utilities Corporation shall file proof of such publications with the Commission on or before the date of the evidentiary hearing in this matter.

4. That Chesapeake Utilities Corporation is hereby advised that the cost of this proceeding will be charged to it under the provisions of 26 Del. C. §114(b)(1).

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



E X H I B I T "A"

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P U B L I C N O T I C E

TO: ALL NATURAL GAS CUSTOMERS OF CHESAPEAKE UTILITIES CORPORATION AND, IN PARTICULAR, THOSE WITHIN THE CITY OF LEWES, AND OTHER INTERESTED PERSONS

On September 19, 2011, Chesapeake Utilities Corporation ("Chesapeake" or the "Company") filed with the Public Service Commission (the "Commission") an application requesting permission to change its gas service tariff to implement a City of Lewes Franchise Fee Rider ("CLFF") to be assessed against Chesapeake's gas customers within the City of Lewes. The CLFF surcharge, in the amount of \$0.0181 per Ccf of delivered gas, would mirror the volumetric franchise fee that the City of Lewes imposes on Chesapeake under a twenty-year franchise agreement adopted by the City of Lewes on September 12, 2011. The surcharge would only be applied to Chesapeake's customers within the City of Lewes.

On October 3, 2011, the Commission suspended the proposed surcharge until further Order of the Commission. The Commission will consider whether to grant Chesapeake's application for this surcharge

at its regularly scheduled meeting on Tuesday, November 8, 2011, commencing at 1:00 P.M. The meeting will be held in the Commission's office located at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904. The Commission will render a decision based upon the evidence presented to it at this meeting.

If you wish to formally participate as a party in this matter (PSC Docket No. 11-401T) you must file a petition asking for leave to intervene in accordance with Rule 21 of the Commission's Rules of Practice and Procedure (26 *Del. Admin. Code* ch. 1001, §2.9 on or before Friday, **October 21, 2011**. Any petition received thereafter will not be considered except for good cause shown. If you wish, you may file comments concerning this application on or before **October 21, 2011**. A petition to intervene or any comments should be filed with the Commission at its Dover address set forth above. In addition, a copy of any petition or comments shall also be served, by mail or other form of delivery, on Jennifer A. Clausius, Manager of Pricing and Regulation, Chesapeake Utilities Corporation, 350 South Queen Street, Dover, Delaware 19904. Any comments you submit should indicate your interest in the matter, your objections or comments concerning the proposed tariff changes, the facts that you believe might be in dispute, and the procedures you believe the Commission should follow before it reaches a final decision on Chesapeake's application.

If you wish to review Chesapeake's Application and the proposed revised tariff sheets implementing the CLFF surcharge, you may do so

during normal business hours at the Commission's Dover office at the address set forth above.

If you are disabled, you should contact the Commission to discuss any accommodations you may need to allow you to review the documents or participate in the docket. The Commission's toll-free telephone number within Delaware is 1-800-282-8574. The Commission may be reached at (302) 736-7500 (including text telephone communications). Inquiries may be sent to the Commission by Internet e-mail addressed to "funmi.jegade@state.de.us."