

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. 14-0299
GAS SALES SERVICE RATES ("GSR"))
TO BE EFFECTIVE NOVEMBER 1, 2014)
(FILED SEPTEMBER 2, 2014))

ORDER NO. 8648

AND NOW, this 30th day of September, 2014, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on September 2, 2014, Chesapeake Utilities Corporation ("Chesapeake" or "the Company") filed with the Commission the above-captioned application (the "Application") seeking approval to change its Gas Sales Service Rates ("GSR") effective for usage on or after November 1, 2014, as follows: (1) decrease the Company's current GSR rate from \$1.132 per Ccf to \$1.069 per Ccf for customers served under rate schedules RS-1, RS-2, GS, MVS and LVS; (2) decrease the Company's current GSR rate from \$0.656 per Ccf to \$0.552 per Ccf for customers served under rate schedules GLR and GLO; (3) decrease the Company's current GSR rate from \$0.941 per Ccf to \$0.849 per Ccf for customers served under rate schedule HLFS; (4) decrease the Company's firm balancing rate for transportation customers served under rate schedule LVS from \$0.072 per Ccf to \$0.058 per Ccf; (5) decrease the Company's firm balancing rate for transportation customers served under rate schedule HLFS from \$0.015 per Ccf to \$0.012 per Ccf; and (6) maintain the Company's interruptible balancing rate for transportation customers served under rate schedule ITS at \$0.001 per Ccf; and

WHEREAS, the Commission has determined, pursuant to 26 *Del. C.*

§§304 and 306, that the proposed GSR changes should be permitted to become effective for usage on and after November 1, 2014, subject to refund and pending the Commission's further review and final decision;

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

1. Pursuant to 26 Del. C. §§303(b), 304, and 306, the following proposed changes to the GSR rates, firm balancing rates, and interruptible balancing rate of Chesapeake, and the accompanying proposed tariff revisions set forth in the Application, are permitted to become effective for natural gas usage on or after November 1, 2014, subject to refund and pending the Commission's final decision:

Rate Schedule	Present Rate	Proposed Rate
RS-1, RS-2, GS, MVS, LVS	\$1.132 per Ccf	\$1.069 per Ccf
GLR, GLO	\$0.656 per Ccf	\$0.552 per Ccf
HLFS	\$0.941 per Ccf	\$0.849 per Ccf

Rate Schedule	Present Firm Balancing Rate	Proposed Firm Balancing Rate
LVS	\$0.072 per Ccf	\$0.058 per Ccf
HLFS	\$0.015 per Ccf	\$0.012 per Ccf

Rate Schedule	Present Interruptible Balancing Rate	Proposed Interruptible Balancing Rate
ITS	\$0.001 per Ccf	\$0.001 per Ccf

2. R. Campbell Hay is designated as the Hearing Examiner for this docket pursuant to 26 Del. C. §502 and 29 Del. C. ch. 101. Hearing Examiner Hay shall schedule and conduct such public evidentiary hearings as may be necessary or appropriate to develop a full and complete record concerning this matter. Hearing Examiner Hay shall thereafter prepare and submit to the Commission a proposed order for the Commission's consideration, which proposed order shall include a brief summary of the evidence and recommended findings of fact based

upon the evidence presented, his recommended conclusions of law, and his recommended decision. Pursuant to 26 *Del. Admin. C.* §1001-2.9.3, Hearing Examiner Hay is delegated the authority to grant or deny petitions to intervene. In addition, Hearing Examiner Hay is delegated the authority under 26 *Del. C.* §102A to determine the content, form, and manner of any further notice in this matter and is delegated the authority under 26 *Del. Admin. C.* §1001-2.1 to grant applications of counsel for admission *pro hac vice*.

3. Chesapeake shall give public notice of the filing of this Application, with the proposed rate changes and this action by the Commission, by publishing notice in the form attached as **Exhibit "A"** in two-column format, outlined in black, in the legal classified section of The News Journal newspaper on **Tuesday, October 7, 2014**, and the Delaware State News newspaper on **Wednesday, October 8, 2014**. Chesapeake shall submit proof of such publications as soon as possible, but no later than the commencement of any evidentiary hearings concerning this matter.

4. The deadline for intervention pursuant to 26 *Del. Admin. C.* §1001-2.9 shall be **October 29, 2014**. Petitions for intervention that are not received by the Commission **on or before October 29, 2014**, will not be granted unless good cause is shown. Pursuant to Rule 1000.6.4 of the Commission's Rules of Practice and Procedure, 26 *Del. Admin. Code* §1000.1.6.4, petitions for intervention should be filed using the Delafile e-filing system, which can be accessed from the Commission's website at <http://depsc.delaware.gov>.

5. Chesapeake is hereby put on notice that it will be charged

the costs incurred by the Commission staff and the Division of the Public Advocate in connection with this proceeding under the provisions of 26 *Del. C.* §114(b)(1).

6. 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:

/s/ Dallas Winslow
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Harold B. Gray
Commissioner

/s/ Jeffrey J. Clark
Commissioner

/s/ Jaymes B. Lester
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

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 OTHER INTERESTED PERSONS

A Hearing Examiner of the Delaware Public Service Commission will conduct a public comment session concerning the above-captioned matter (as further explained below) at the following time and location:

<u>Date</u>	<u>Location</u>
Tuesday, October 28, 2014, at 6:00 p.m.	Delaware Public Service Commission Hearing Room 861 Silver Lake Blvd., Suite 100 Dover, DE 19904

Chesapeake Utilities Corporation's Gas Sales Service Rates Application

Pursuant to 26 Del. C. §§303(b), 304, and 306, Chesapeake Utilities Corporation ("Chesapeake" or "the Company") has filed an application (the "Application") with the Delaware Public Service Commission (the "Commission") seeking to change its Gas Sales Service ("GSR") Rates as follows:

Rate Schedule	Present Rate	Proposed Rate
RS-1, RS-2, GS, MVS, LVS	\$1.132 per Ccf	\$1.069 per Ccf
GLR, GLO	\$0.656 per Ccf	\$0.552 per Ccf
HLFS	\$0.941 per Ccf	\$0.849 per Ccf

Compared to the rates currently in effect, an average RS-2 customer using 700 Ccf per year will experience an annual decrease of approximately 3.8%, or \$3.67 per month. During the winter heating season, a typical RS-2 customer using 110 Ccf per winter month will experience an decrease of approximately 4.2%, or \$6.93 per winter month.

The Company has also proposed the following changes to its firm and interruptible transportation balancing rates:

Rate Schedule	Present Firm Balancing Rate	Proposed Firm Balancing Rate
LVS	\$0.072 per Ccf	\$0.058 per Ccf
HLFS	\$0.015 per Ccf	\$0.012 per Ccf

Rate Schedule	Present Interruptible Balancing Rate	Proposed Interruptible Balancing Rate
ITS	\$0.001 per Ccf	\$0.001 per Ccf

The Commission has permitted the proposed GSR and other rates to become effective with usage on and after November 1, 2014, subject to refund and pending the Commission's final decision after evidentiary hearings and any other proceedings that may be necessary.

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.

If you wish to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a written petition asking for leave to intervene in accordance with the requirements of the Commission's

Rules of Practice and Procedure (26 Del. Admin. C. §1001-2.9) **on or before October 29, 2014.** All such petitions should be e-filed according to the Commission's Rules (26 Del. Admin. C. §1001-1.6.4). Petitions filed after the deadline of October 29, 2014, will not be considered except for good cause shown.

You are invited to review Chesapeake's Application and supporting documents to determine how your interests may be affected. You may review documents posted on the Commission's website at <http://dep.sc.delaware.gov/>. If you would like to review documents at the Commission's offices, please contact Alisa Bentley at alisa.bentley@state.de.us to arrange a time for your review. You may also review copies of Chesapeake's Application and supporting documents at the office of the Division of the Public Advocate located at 29 South State Street, Dover, DE 19901. Please call (302) 241-2555 to arrange for a time to review the documents at that location.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail.php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission's website, <http://dep.sc.delaware.gov/>. 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 psc@state.de.us.