

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

IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE UTILITIES CORPORATION FOR) PSC DOCKET NO. 10-159T
APPROVAL OF A CHANGE IN ITS NATURAL)
GAS TARIFF (FILED APRIL 28, 2010))

ORDER NO. 7781

AND NOW, this 1st day of June, 2010:

WHEREAS, on December 17, 2009, Chesapeake Utilities Corporation ("Chesapeake" or the "Company") filed an application with the Delaware Public Service Commission (the "Commission"), which was denominated as Docket No. 09-545T, requesting approval, pursuant to 26 *Del. C.* §303(d) ("Section 303(d)") and Rate Schedule NCR of its Tariff, of a special Negotiated Contract Rate ("NCR") for a potential large industrial customer; and

WHEREAS, Section 303(d)(1)e. provides that economic development rates such as that requested by the Company in Docket No. 09-545T may remain in effect for up to five (5) years; and

WHEREAS, the "Contract Term" provision of Tariff Sheet No. 39.1 of the Company's Tariff, dealing with Negotiated Contract Rates, provides that the maximum term of any such contract will be three (3) years; and

WHEREAS, by Order No. 7739 dated February 18, 2010, the Commission approved the NCR requested in Docket No. 09-545T, but ordered the Company to file an application to modify the "Contract Term" provision of Tariff Sheet No. 39.1 of its NCR Schedule to make

that provision consistent with the maximum period set forth in 26 *Del. C.* §303(d)(1)e.; and

WHEREAS, on April 28, 2010 the Company filed an application (the "Application") to modify Tariff Sheet No. 39.1 to change the "Contract Term" provision of its NCR Schedule to five (5) years; to waive the sixty-day notice requirement of 26 *Del. C.* §304; and to waive any requirement for public notice; and

WHEREAS, Commission Staff has reviewed the Application and recommends that it be approved;

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

1. That the Application of Chesapeake Utilities Corporation to modify Tariff Sheet No. 39.1 to make the "Contract Term" provision of its NCR Schedule consistent with the maximum period set forth in 26 *Del. C.* §303(d)(1)e. is approved.
2. That Chesapeake Utilities Corporation's request to waive the sixty-day notice period and any mandatory public notification required by 26 *Del. C.* §304 is hereby granted.
3. That Chesapeake Utilities Corporation is hereby placed on notice that the costs of the proceeding will be charged to it under the provisions of 26 *Del. C.* § 114(b)(1).
4. 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:

/s/ Arnetta McRae
Chair

/s/ Joann T Conaway
Commissioner

/s/ Jaymes B Lester
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey Clark
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary