

**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. 12-450F  
GAS SALES SERVICE RATES ("GSR") )  
TO BE EFFECTIVE NOVEMBER 1, 2012 )  
(FILED SEPTEMBER 21, 2012) )

**ORDER NO. 8227**

**AND NOW**, this 9<sup>th</sup> day of October, 2012:

**WHEREAS**, on September 21, 2012, Chesapeake Utilities Corporation ("Chesapeake" or "the Company") filed with the Delaware Public Service Commission (the "Commission") the above-captioned application (the "Application") seeking approval to change its Gas Sales Service Rates ("GSR") effective on November 1, 2012, as follows: (1) decrease the Company's current GSR rate from \$1.027 per Ccf to \$0.997 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 \$0.592 per Ccf to \$0.519 per Ccf for customers served under rate schedules GLR and GLO; (3) decrease the Company's current GSR rate from \$0.830 per Ccf to \$0.817 per Ccf for customers served under rate schedule HLFS; (4) maintain the Company's firm balancing rate for transportation customers served under rate schedule LVS at \$0.063; (5) increase the Company's firm balancing rate for transportation customers served under rate schedule HLFS from \$0.021 per Ccf to \$0.022 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**, by letter dated September 21, 2012, Chesapeake indicated

that due to staffing vacancies, it sought an extension of time to file its GSR application, which was due sixty days prior to November 1 of each year (pursuant to 26 *Del. C.* §304 and Chesapeake's current GSR tariff). The Commission Staff supports such time extension and believes that good cause exists for waiving the 60-day notice requirement in this matter; 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, 2012, 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. That the request filed by Chesapeake Utilities Corporation on September 21, 2012, seeking to extend the time for it to file its application to adjust its Gas Sales Service Rates for the 2012-2013 effective period is hereby granted. Under 26 *Del. C.* §304(a), the Commission finds good cause exists in this matter and therefore waives the sixty-day notice period. Thus, the Commission accepts the application filed by Chesapeake Utilities Corporation on September 21, 2012, for rates effective November 1, 2012.

2. That pursuant to 26 *Del. C.* §§303(b), 304, and 306, the following proposed changes to the Gas Sales Service rates, firm balancing rates and interruptible balancing rate of Chesapeake Utilities Corporation, and the accompanying proposed tariff revisions set forth in the application filed by Chesapeake Utilities Corporation ("Application"), are permitted to become effective for natural gas usage on or after November 1, 2012, subject to refund and pending the

Commission's final decision:

Rate Schedule	Present Rate	Proposed Rate
RS-1, RS-2, GS, MVS, LVS	\$1.027 per Ccf	\$0.997 per Ccf
GLR, GLO	\$0.592 per Ccf	\$0.519 per Ccf
HLFS	\$0.830 per Ccf	\$0.817 per Ccf

Rate Schedule	Present Firm Balancing Rate	Proposed Firm Balancing Rate
LVS	\$0.063 per Ccf	\$0.063 per Ccf
HLFS	\$0.021 per Ccf	\$0.022 per Ccf

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

3. That Robert J. Howatt is designated as the Hearing Examiner for this docket pursuant to 26 *Del. C.* §502 and 29 *Del. C.* ch. 101. Hearing Examiner Howatt 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 Howatt shall thereafter report to the Commission his proposed findings and recommendations based on the evidence presented. Pursuant to 26 *Del. Admin. C.* §1001-2.9.3, Hearing Examiner Howatt is delegated the authority to grant or deny petitions to intervene. In addition, Hearing Examiner Howatt 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*.

4. That Chesapeake Utilities Corporation 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 hereto as Exhibit "A" in two-column format, outlined in

black, in the legal classified section of The News Journal newspaper on **Tuesday, October 16, 2012** and the Delaware State News newspaper on **Wednesday, October 17, 2012**. Chesapeake Utilities Corporation shall submit proof of such publications as soon as possible, but no later than the commencement of any evidentiary hearings concerning this matter.

5. That Chesapeake Utilities Corporation is hereby put on notice that it will be charged the costs incurred in connection with this proceeding under the provisions of 26 Del. C. §114(b)(1).

6. 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:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
/s/ Joann T. Conaway  
Commissioner

\_\_\_\_\_  
/s/ Jeffrey J. Clark  
Commissioner

\_\_\_\_\_  
/s/ Jaymes B. Lester  
Commissioner

\_\_\_\_\_  
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 hearing concerning the above-captioned matter (as further explained below) at the following time and location:

<u>Date</u>	<u>Location</u>
Wednesday, December 5, 2012, at 7:00 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	\$1.027 per Ccf	\$0.997 per Ccf
GLR, GLO	\$0.592 per Ccf	\$0.519 per Ccf
HLFS	\$0.830 per Ccf	\$0.817 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 2%, or \$1.75 per month. During the winter heating season, a typical RS-2 customer using 120 Ccf per winter month will experience a decrease of approximately 2%, or \$3.60 per winter month.

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

<b>Rate Schedule</b>	<b>Present Firm Balancing Rate</b>	<b>Proposed Firm Balancing Rate</b>
LVS	\$0.063 per Ccf	\$0.063 per Ccf
HLFS	\$0.021 per Ccf	\$0.022 per Ccf

  

<b>Rate Schedule</b>	<b>Present Interruptible Balancing Rate</b>	<b>Proposed Interruptible Balancing Rate</b>
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, 2012, subject to refund after evidentiary hearings and any other proceedings that may be necessary.

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

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 November 16, 2012.** All such petitions should be sent to the Commission's address listed above with attention to "PSC Docket No. 12-450F." Petitions filed after the deadline of November 16, 2012, 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://depssc.delaware.gov/default.shtml>. If you would like to review documents at the Commission's offices, please contact Monica Hall at [monica.hall@state.de.us](mailto:monica.hall@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 the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 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://depssc.delaware.gov/default.shtml>. 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](mailto:psc@state.de.us).