

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE UTILITIES CORPORATION)
DELAWARE DIVISION'S REQUEST TO)
REVIEW THE DEPRECIATION RATE FOR) PSC DOCKET NO. 17-1077
FERC ACCOUNT 390 GENERAL PLANT -)
STRUCTURES AND IMPROVEMENTS)
(FILED OCTOBER 4, 2017))

ORDER NO. 9191

AND NOW, this 13th day of March, 2018, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on October 4, 2017, Chesapeake filed with the Commission an application (the "Application") requesting that the Commission review the depreciation rate for FERC Account 390; and

WHEREAS, in Order No. 7434, dated September 2, 2008, the Commission adopted a proposed settlement agreement in Docket No. 07-186, which resolved all outstanding issues in the Company's base rate case, one of which was a schedule containing depreciation rates for a number of the Company's expense, production plant, distribution plant, and general plant accounts; and

WHEREAS, pursuant to Order No. 7434, the Company's FERC Account 390 - General Plant - Structures and Improvements, has a depreciation rate of 20%; and

WHEREAS, on October 5, 2017, the Delaware Division of the Public Advocate ("DPA") filed its Statutory Notice of Intervention; and

WHEREAS, on February 21, 2018, after reviewing the Company's Application and performing its own research and investigation, Commission Staff submitted a Memorandum to the Commission recommending

that the Commission approve the Application on a temporary basis until the Company has conducted a complete depreciation study and presented its results in a future base rate case proceeding; and

WHEREAS, in its Memorandum, Commission Staff also recommended that the Company should consider conducting a complete depreciation study for either its next or subsequent base rate proceeding, including for FERC Account 390; and

WHEREAS, pursuant to 26 Del. C. § 313, the Commission has the authority to review and determine reasonable and adequate depreciation rates for each regulated public utility; and

WHEREAS, the Commission has reviewed the Application and Staff's February 21, 2018 Memorandum, and based thereon, we find that the Company's proposed depreciation rate for FERC Account 390 of 2.0% is reasonable and adequate and should therefore be approved;

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

1. That the Commission approves the Company's request to change its depreciation rate for FERC Account 390 - General Plant - Structures and Improvements from 20.0% to 2.0% on a temporary basis until such a time that the Commission approves depreciation rates for the Company based on a complete depreciation study.

2. That the Commission reserves jurisdiction and authority to enter such further orders in this matter as may be necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary