



February 20, 2018

Ms. Donna Nickerson
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904

RE: Chesapeake Utilities Corporation – Delaware Division-Tariff Revision-Annual Rate Class Review Process, Date Change from Twelve Months Ended August to Twelve Months ended May

Dear Ms. Nickerson,

Chesapeake Utilities Corporation-Delaware Division's ("the Company") current tariff language for Rate Schedules RS-1, RS-2, ERS-1, ERS-2, GS, EGS, MVS, EMVS, LVS, and HLFS call for the Company to annually review customers receiving service under these rate schedules, "in order to determine the appropriate firm rate schedule should their annual consumption warrant such a change". The time frame that this annual review process is based on is the "twelve months ended August". With this filing, the Company requests modification of this language in order to complete the review process based on the twelve months ended May.

The Company's annual budgeting process is determined based on actual usage from the twelve months ended May. During this process, a review of annual customer consumption is completed in order to budget estimated customer rate reclassifications. Under the current tariff language, the Company then duplicates this process 3 months later, after the end of August, in order to process actual rate reclassifications. By modifying the tariff language to make the annual review process based on the twelve months ended May, the Company eliminates a duplication of work and is able to more accurately budget rate reclassifications. This change does not impact customers as the rate reclassification review process is still based on twelve months of actual consumption and is done after the months of heaviest usage occur.

These proposed changes are shown on the attached redlined and clean versions of the affected Tariff sheets.

Should you have any questions related to this information, please contact me at 302-382-6299.

Sincerely,

A handwritten signature in blue ink that reads "Heidi Wagner".

Heidi Wagner
Sr. Regulatory Analyst

TARIFF-REDLINE

RATE SCHEDULE "RS - 1"

RESIDENTIAL SERVICE - 1

AVAILABILITY

This Rate Schedule is available to any individually metered Customer using gas in a residential dwelling or unit for space heating, cooking, water heating, or other domestic purpose with an annual consumption of two hundred forty (240) Ccf or less. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm residential Rate Schedule should their annual consumption warrant such a change. A Customer on RS-1 Service will be moved to Rate Schedule with annual consumption equal to or greater than two hundred sixty-four (264) Ccf. This annual review process will be based on the twelve (12) months ended ~~August~~ ^{May}. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

DELIVERY SERVICE RATES

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$13.50 per month
First 20 Ccf	\$0.627 per Ccf
Next 30 Ccf	\$0.300 per Ccf
Over 50 Ccf	\$0.190 per Ccf

GAS SALES SERVICE

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "RS-1" provided on Sheet No. 42.

PAYMENT TERMS

Bills are due within twenty (20) days of their date.

MINIMUM BILL

The minimum monthly bill under this Rate Schedule is the Customer charge.

Issue Date: ~~December 20, 2016~~
Effective Date: ~~May 1, 2018~~ ~~January 1, 2017~~
Authorization: ~~Order No. 8982 dated December 20, 2016 in Docket No. 15-1734~~

RATE SCHEDULE "RS - 2"

RESIDENTIAL SERVICE – 2

AVAILABILITY

This Rate Schedule is available to any individually metered Customer using gas in a residential dwelling or unit for space heating, cooking, water heating, or other domestic purpose with annual consumption of greater than two hundred forty (240) Ccf. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm residential Rate Schedule should their annual consumption warrant such a change. A Customer on RS-1 Service will be moved to this Rate Schedule with annual consumption equal to or greater than two hundred sixty-four (264) Ccf. A Customer on this Rate Schedule will be moved to RS-1 Service with annual consumption less than two hundred sixteen (216) Ccf. This annual review process will be based on the twelve (12) months ended **August May**. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

DELIVERY SERVICE RATES

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$13.50 per month
First 20 Ccf	\$0.621 per Ccf
Next 30 Ccf	\$0.362 per Ccf
Over 50 Ccf	\$0.175 per Ccf

GAS SALES SERVICE

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "RS-2" provided on Sheet No. 42.

PAYMENT TERMS

Bills are due within twenty (20) days of their date.

MINIMUM BILL

The minimum monthly bill under this Rate Schedule is the Customer charge.

Issue Date: ~~December 20, 2016~~
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RATE SCHEDULE "ERS-1"

EXPANSION AREA RESIDENTIAL SERVICE – 1

AVAILABILITY

This Rate Schedule is available to any individually metered Customer within the southeastern Sussex County, Delaware, expansion area using gas in a residential dwelling or unit for space heating, cooking, water heating, or other domestic purpose with an annual consumption of two hundred forty (240) Ccf or less. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three (3) Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm residential Rate Schedule should their annual consumption warrant such a change. A Customer on ERS-1 Service will be moved to Rate Schedule ERS-2 with annual consumption equal to or greater than two hundred sixty-four (264) Ccf. This annual review process will be based on the twelve (12) months ended ~~August~~ **May**. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

DELIVERY SERVICE RATES

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$16.50 per month
First 20 Ccf	\$0.627 per Ccf
Next 30 Ccf	\$0.300 per Ccf
Over 50 Ccf	\$0.190 per Ccf

GAS SALES SERVICE

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "ERS" provided on Sheet No. 42.

PAYMENT TERMS

Bills are due within twenty (20) days of their date.

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RATE SCHEDULE "ERS-2"

EXPANSION AREA RESIDENTIAL SERVICE – 2

AVAILABILITY

This Rate Schedule is available to any individually metered Customer within the southeastern Sussex County, Delaware, expansion area using gas in a residential dwelling or unit for space heating, cooking, water heating, or other domestic purpose with annual consumption of greater than two hundred forty (240) Ccf. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three (3) Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm residential Rate Schedule should their annual consumptions warrant such a change. A Customer on ERS-1 Service will be moved to this Rate Schedule with annual consumption equal to or greater than two hundred sixty-four (264) Ccf. A Customer on this Rate Schedule will be moved to ERS-1 Service with annual consumption less than two hundred sixteen (216) Ccf. This annual review process will be based on the twelve (12) months ended ~~August~~ **May**. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

DELIVERY SERVICE RATES

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$31.75 per month
First 20 Ccf	\$0.621 per Ccf
Next 30 Ccf	\$0.362 per Ccf
Over 50 Ccf	\$0.175 per Ccf

GAS SALES SERVICE

In addition to the above Delivery Service rates, Customers served under this Rate Schedule are subject to the gas cost rate applicable to Rate Schedule "ERS" provided on Sheet No. 42.

PAYMENT TERMS

Bills are due within twenty (20) days of their date.

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**RATE SCHEDULE "GS"
GENERAL SERVICE**

AVAILABILITY

This Rate Schedule is available to any Customer using gas for commercial and/or industrial purposes with an annual consumption of less than four thousand (4,000) Ccf. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial Rate Schedule should their annual consumption warrant such a change. A Customer on General Service will be moved to Rate Schedule MVS with annual consumption equal to or greater than four thousand four hundred (4,400) Ccf. This annual review process will be based on the twelve (12) months ended ~~August~~ May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

DELIVERY SERVICE RATES

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$34.00 per month
First 20 Ccf	\$0.426 per Ccf
Next 30 Ccf	\$0.257 per Ccf
Over 50 Ccf	\$0.119 per Ccf

GAS SALES SERVICE

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "GS" provided on Sheet No. 42.

TRANSPORTATION AND BALANCING RIDER

Transportation service is available to commercial and industrial Customers on this Rate Schedule who meet the eligibility requirements set forth in the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the Customer is subject to the following Firm Balancing Service Rate applied to all gas consumption.

Firm Balancing Service Rate: \$0.076 per Ccf of gas consumed

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RATE SCHEDULE "EGS"

EXPANSION AREA GENERAL SERVICE

AVAILABILITY

This Rate Schedule is available to any Customer within the southeastern Sussex County, Delaware, expansion area using gas for commercial and/or industrial purposes with an annual consumption of less than four thousand (4,000) Ccf. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three (3) Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial rate schedule should their annual consumption warrant such a change. A Customer on Rate Schedule EGS will be moved to Rate Schedule EMVS with annual consumption equal to or greater than four thousand four hundred (4,400) Ccf. This annual review process will be based on the twelve (12) months ended ~~August~~ May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

DELIVERY SERVICE RATES

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$56.00 per month
First 20 Ccf	\$0.426 per Ccf
Next 30 Ccf	\$0.257 per Ccf
Over 50 Ccf	\$0.119 per Ccf

GAS SALES SERVICE

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "EGS" provided on Sheet No. 42.

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**RATE SCHEDULE "MVS"
MEDIUM VOLUME SERVICE**

AVAILABILITY

This Rate Schedule is available to any Customer using gas for commercial and/or industrial purposes with an annual consumption generally equal to or greater than four thousand (4,000) Ccf and less than fifteen thousand (15,000) Ccf. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial Rate Schedule should their annual consumption warrant such a change. A Customer on General Service will be moved to this Rate Schedule with annual consumption equal to or greater than four thousand four hundred (4,400) Ccf. A Customer on this Rate Schedule will be moved to General Service with annual consumption less than three thousand six hundred (3,600) Ccf. The annual review process will be based on the twelve (12) months ended ~~August~~ May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

DELIVERY SERVICE RATES

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$80.00 per month
First 200 Ccf	\$0.242 per Ccf
Over 200 Ccf	\$0.130 per Ccf

GAS SALES SERVICE

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "MVS" provided on Sheet No. 42.

TRANSPORTATION AND BALANCING RIDER

Transportation service is available to commercial and industrial Customers on this Rate who meet the eligibility requirements set forth in the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the customer is subject to the following Firm Balancing Service Rate applied to all gas consumption

Firm Balancing Service Rate:	\$0.100 per Ccf of gas consumed
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RATE SCHEDULE "EMVS"

EXPANSION AREA MEDIUM VOLUME SERVICE

AVAILABILITY

This Rate Schedule is available to any Customer within the southeastern Sussex County, Delaware, expansion area using gas for commercial and/or industrial purposes with an annual consumption generally equal to or greater than four thousand (4,000) Ccf and less than fifteen thousand (15,000) Ccf. The southeastern Sussex County, Delaware, expansion area is defined as the area east of Chesapeake's district regulator station located on Route 9 in Lewes, Delaware, that is connected to Chesapeake's distribution main and any area that is connected to Chesapeake's distribution main behind the three (3) Eastern Shore Natural Gas transmission pipeline City Gates located in Dagsboro, Frankford, and Selbyville, Delaware. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial Rate Schedule should their annual consumption warrant such a change. A Customer on Rate Schedule EGS will be moved to this Rate Schedule with annual consumption equal to or greater than four thousand four hundred (4,400) Ccf. A Customer on this Rate Schedule will be moved to Rate Schedule EGS with annual consumption less than three thousand six hundred (3,600) Ccf. The annual review process will be based on the twelve (12) months ended ~~August~~ **May**. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

DELIVERY SERVICE RATES

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$158.75 per month
First 200 Ccf	\$0.242 per Ccf
Over 200 Ccf	\$0.130 per Ccf

GAS SALES SERVICE

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "EMVS" provided on Sheet No. 42.

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RATE SCHEDULE "LVS"

LARGE VOLUME SERVICE

AVAILABILITY

This Rate Schedule is available to any Customer using gas for commercial and/or industrial purposes with an annual consumption generally equal to or greater than fifteen thousand (15,000) Ccf. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial Rate Schedule should their annual consumption warrant such a change. A Customer on Medium Volume Service will be moved to this Rate Schedule with annual consumption equal to or greater than sixteen thousand five hundred (16,500) Ccf. A Customer on this Rate Schedule will be moved to Medium Volume Service with annual consumption less than thirteen thousand five hundred (13,500) Ccf. The annual review process will be based on the twelve (12) months ended August May. Customers will not be shifted between Rate Schedules due to changes in annual consumption other than at the annual review time.

DELIVERY SERVICE RATES

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer charge:	\$175.00 per month
First 1000 Ccf	\$0.329 per Ccf
Over 1000 Ccf	\$0.086 per Ccf

GAS SALES SERVICE

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "LVS" provided on Sheet No. 42.

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**RATE SCHEDULE "HLFS"
HIGH LOAD FACTOR SERVICE**

AVAILABILITY

This Rate Schedule is available to any Customer using gas for commercial and/or industrial purposes that would otherwise qualify for Medium Volume Service or Large Volume Service and with winter months' consumption, defined as the months of January through March, being less than thirty-five percent (35%) of their annual consumption. In addition, the Customer must use natural gas in at least eleven (11) of the twelve (12) months under review and usage must be fairly evenly distributed throughout the review period. The Company will annually review those Customers receiving service under this Rate Schedule in order to determine the appropriate firm commercial and/or industrial Rate Schedule should their annual consumption or winter months consumption warrant such a change. A Customer will remain on this Rate Schedule as long as winter months' consumption is less than thirty-seven percent (37%) of their annual consumption and the Customer qualifies for Medium Volume Service or Large Volume Service. The annual review process will be based on the twelve (12) months ended ~~August~~ May. Customers will not be shifted between Rate Schedules due to changes in annual consumption or winter months' consumption other than after the annual review.

DELIVERY SERVICE RATES

The following rates for delivering gas to the Customer's location apply to all Customers served under this Rate Schedule.

Customer Charge:	\$125.00	per month
All gas consumed	\$0.088	per Ccf

GAS SALES SERVICE

In addition to the above Delivery Service rates, Customers purchasing their natural gas supply from the Company are subject to the gas cost rate applicable to Rate Schedule "HLFS" provided on Sheet No. 42.

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