



September 1, 2017

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

RE: Chesapeake Utilities Corporation – Delaware Division  
Gas Sales Service Rates - Effective November 1, 2017

Dear Ms. Nickerson:

Enclosed for filing is an electronic copy of Chesapeake Utilities Corporation's ("Chesapeake") application for a proposed change in its Gas Sales Service Rates ("GSR") to be effective for service rendered on and after November 1, 2017.

Pursuant to the provisions of Chesapeake's GSR tariff clause, Chesapeake submits the following Gas Sales Service Rates to be effective for service rendered on and after November 1, 2017: \$1.023 per Ccf for customers served under rate schedules RS-1, ERS-1, RS-2, ERS-2, GS, EGS, MVS, EMVS and LVS, \$0.468 per Ccf for customers served under rate schedules GLR and GLO, \$0.782 per Ccf for customers served under rate schedule HLFS. The Company also submits the following balancing rates to be effective for service rendered on and after November 1, 2017: \$0.093 per Ccf for transportation customers served under rate schedules GS and EGS; \$0.111 per Ccf for transportation customers served under rate schedules MVS and MEVS; \$0.084 per Ccf for transportation customers served under rate schedule LVS, and \$0.014 per Ccf for transportation customers served under rate schedule HLFS, and \$0.011 per Ccf for transportation customers served under rate schedule ITS.

As compared to the rates in effect on November 1, 2016, an average RS-2 customer using 700 Ccf per year will experience an annual increase of approximately 15.13% or \$11.96 per month. During the winter heating season, a typical RS-2 customer on Chesapeake's system using 110 Ccf per month will experience an increase of approximately 17.08% or \$22.55 per winter month. An RS-2 customer using 120 Ccf per month will experience an increase of approximately 17.38% or \$24.60 per winter month.

The basis and reasons for the proposed changes are discussed and explained in the testimony and schedules accompanying the enclosed application.

Also, enclosed is the Delaware Public Service Commission's "Filing Cover Sheet".

Should you have any questions with regard to this submission, please contact me at 302.734.6797, extension 7614.

Sincerely,



Matthew M. Everngam  
Regulatory Analyst III

Enclosures

CC: William A. Denman, Esquire  
David L. Bonar, Public Advocate  
Jason R. Smith

For PSC Use Only:

Docket No. \_\_\_\_\_

Filing Date: \_\_\_\_\_

Reviewer: \_\_\_\_\_

Given to: \_\_\_\_\_

**DELAWARE PUBLIC SERVICE COMMISSION  
FILING COVER SHEET**

1. NAME OF APPLICANT: Chesapeake Utilities Corporation  
2. TYPE OF FILING: RATE CHANGE \_\_\_\_\_  
FUEL ADJUSTMENT X  
ADMINISTRATIVE \_\_\_\_\_  
CPCN \_\_\_\_\_  
NEW SERVICE OFFERING \_\_\_\_\_  
OTHER \_\_\_\_\_

IF A TELECOMMUNICATIONS FILING, WHAT TYPE OF SERVICE IS IMPACTED?  
(PLEASE CHECK)

BASIC \_\_\_\_\_ COMPETITIVE \_\_\_\_\_ DISCRETIONARY \_\_\_\_\_

3. PROPOSED EFFECTIVE DATE: 11/01/2017

IS EXPEDITED TREATMENT REQUESTED? YES \_\_\_\_\_ NO X

4. SHORT SYNOPSIS OF FILING: Chesapeake Utilities Corporation proposes to change its GSR and balancing charges to be effective with service rendered on and after November 1, 2017.

5. DOES THIS FILING RELATE TO PENDING DOCKETS? YES \_\_\_\_\_ NO X

IF SO, PLEASE LIST DOCKET(S) NO(S):

6. IS PUBLIC NOTICE REQUIRED? YES X NO \_\_\_\_\_  
IF YES, PLEASE ATTACH COPY OF PROPOSED PUBLIC NOTICE.

7. APPLICANT'S CONTACT PERSON: (NAME) Matthew M Everngam  
(TITLE) Regulatory Analyst III  
(TELE. NO.) 302.734.6797 x7614  
(FAX NO.) 302.735.3061

8. DID YOU PROVIDE A COMPLETE COPY OF THE FILING TO THE PUBLIC ADVOCATE?

YES X NO \_\_\_\_\_ IF SO, WHEN? September 1, 2017

9. FILING FEE ENCLOSED: \$100.00  
(AMOUNT)

NOTE: House Bill 681, enacted into law 7/13/98, authorizes the Commission to recover the cost of time spent by in-house staff to process all filings initiated after the date of enactment. You may be required to reimburse the Commission for staff time.

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 ) P.S.C. DOCKET NO. 17-  
GAS SALES SERVICE RATES ("GSR") )  
TO BE EFFECTIVE NOVEMBER 1, 2017 )

CERTIFICATE OF SERVICE

I, Matthew M. Everngam, do hereby certify that on September 1, 2017, a copy of Chesapeake Utilities Corporation – Delaware Division’s application for a proposed change in its Gas Sales Service Rates to be effective for service rendered on and after November 1, 2017 was issued to the following persons in the manner indicated:

**VIA ELECTRONIC DELIVERY**  
JASON R. SMITH  
DELAWARE PUBLIC SERVICE COMMISSION  
861 SILVER LAKE BLVD  
SUITE 100  
DOVER, DELAWARE 19904

**VIA ELECTRONIC DELIVERY**  
WILLIAM A. DENMAN, ESQUIRE  
PARKOWSKI, GUERKE AND SWAYZE P.A.  
116 WEST WATER STREET  
P. O. BOX 598  
DOVER, DELAWARE 19903

**VIA ELECTRONIC DELIVERY**  
ANDREW C SLATER  
DIVISION OF THE PUBLIC ADVOCATE  
JOHN G. TOWNSEND BUILDING  
401 FEDERAL ST, STE 3 (SOS)  
DOVER, DE 19904



Matthew M. Everngam  
Regulatory Analyst III

**“DRAFT”**

**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. 17-  
GAS SALES SERVICE RATES (“GSR”) )  
TO BE EFFECTIVE NOVEMBER 1, 2017 )  
(FILED SEPTEMBER 1, 2017) )

**PUBLIC NOTICE**

**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:

**Date**

TBD

**Location**

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:

<b>Rate Schedule</b>	<b>Present Rate</b>	<b>Proposed Rate</b>
RS-1, ERS-1, RS-2, ERS-2, GS, EGS, MVS, EMVS, LVS	\$0.818 per Ccf	\$1.023 per Ccf
GLR, GLO	\$0.360 per Ccf	\$0.468 per Ccf
HLFS	\$0.628 per Ccf	\$0.782 per Ccf

Compared to the rates currently in effect, an average RS-2 customer using 700 Ccf per year will experience an annual increase of approximately 15.13%, or \$11.96 per month. During the

winter heating season, a typical RS-2 customer using 120 Ccf per winter month will experience an increase of approximately 17.38%, or \$24.60 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>
GS/EGS	\$0.076 per Ccf	\$0.093 per Ccf
MVS/EMVS	\$0.100 per Ccf	\$0.111 per Ccf
LVS	\$0.089 per Ccf	\$0.084 per Ccf
HLFS	\$0.017 per Ccf	\$0.014 per Ccf
ITS	\$0.012 per Ccf	\$0.011 per Ccf

The Commission has permitted the proposed GSR and other rates to become effective with usage on and after November 1, 2017, 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** \_\_\_\_\_, **2017**. All such petitions should be sent to the Commission's address listed above with attention to "PSC Docket No. 17-\_\_\_\_\_" Petitions filed after the deadline of \_\_\_\_\_, 2017, 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 by going to DelaFile

(<http://delafile.delaware.gov>), the Commission's file management system, and by searching for Docket No. 17-.

If you would like to review documents at the Commission's offices, please contact Donna Nickerson at (302) 736-7500 or by sending an email addressed to [donna.nickerson@state.de.us](mailto:donna.nickerson@state.de.us). You may also review copies of Chesapeake's application and supporting documents at the office of the Division of the Public Advocate located at either 820 North French Street, 4th Floor, Wilmington, Delaware 19801 or 29 South State Street, Dover, Delaware 19901. Please call either (302) 577-5077 or (302) 241-2555 to arrange for a time to review the documents at either of those locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. The link to this form can be found on the Commission's website, <http://depsec.delaware.gov> or by visiting this web address: <https://delafile.delaware.gov/Complaints/FOIA.aspx>. 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 [jason.r.smith@state.de.us](mailto:jason.r.smith@state.de.us).

**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 ) P.S.C. DOCKET NO. 17-  
GAS SALES SERVICE RATES ("GSR") )  
TO BE EFFECTIVE NOVEMBER 1, 2017 )**

Chesapeake Utilities Corporation (hereinafter sometimes called "Applicant") pursuant to 26 Del. C. 303(b) and 304, makes the following application for approval by the Commission of a change in its Gas Sales Service Rates ("GSR") and balancing rates to be effective for service rendered on and after November 1, 2017:

1. Applicant is Chesapeake Utilities Corporation, 909 Silver Lake Boulevard, Dover, Delaware 19904. All communications should be addressed to the Applicant at the following address, Attention: Matthew M. Everngam, Regulatory Analyst III, 350 South Queen Street, P.O. Box 1769, Dover, Delaware 19903 or at the following email address: meverngam@chpk.com. The respective phone number and fax number are 302.734.6797, extension 7614 and 302.735.3061.

2. Counsel for the Applicant is William A. Denman, Esquire, Parkowski, Guerke & Swayze P.A., 116 West Water Street, P.O. Box 598, Dover, Delaware 19903. Correspondence and other communications concerning this application should be directed to counsel at the foregoing address, or at the following e-mail address: wdenman@pgslegal.com. The respective phone number and fax number are 302.678.3262 and 302.678.9415.

3. Pursuant to the provisions of Applicant's Gas Sales Service Rate tariff clause, Applicant requests permission to change Applicant's current Gas Sales Service Rates from positive surcharges of \$0.818 per Ccf for customers served under rate

schedules RS-1, ERS-1, RS-2, ERS-2, GS, EGS, MVS, EMVS and LVS, \$0.360 per Ccf for customers served under rate schedules GLR and GLO, and \$0.628 per Ccf for customers served under rate schedule HLFS, to positive surcharges of \$1.023 per Ccf, \$0.468 per Ccf and \$0.782 per Ccf respectively, with said changes to be effective for service rendered on and after November 1, 2017 and thereafter until changed by further order of the Delaware Public Service Commission.

4. Applicant also requests permission to (a) increase Applicant's firm balancing rate for transportation customers served under rate schedules GS and EGS of \$0.076 per Ccf to \$0.093; (b) increase Applicant's firm balancing rate for transportation customers served under rate schedules MVS and EMVS from \$0.100 per Ccf to \$0.111 per Ccf; (c) decrease Applicant's firm balancing rate for transportation customers served under rate schedule "LVS" from \$0.089 per Ccf to \$0.084 per Ccf, (d) decrease Applicant's firm balancing rate for transportation customers served under rate schedule "HLFS" from \$0.017 per Ccf to \$0.014 per Ccf, and (e) decrease Applicant's firm balancing rate for transportation customers served under rate schedule "ITS" from \$0.012 per Ccf to \$0.011 per Ccf

5. The full calculation of the proposed Gas Sales Service Rates is set forth in Schedule A.1 and the calculation of the balancing rates is set forth in Schedule J, both of which are attached to this Application. The reasons and basis for the proposed changes in Applicant's present Gas Sales Service Rates and balancing rates are more fully explained by direct testimony filed herewith.

6. Applicant requests approval of the proposed tariff language on Sheet No. 42, providing the Company with the option to file an adjustment to GSR rates if the over/under collection estimate falls outside of 3%.

WHEREFORE, the Applicant prays as follows:

- A. That the Commission file this Application and schedule it for hearing;
- B. That the Commission approve (i) the proposed increase in Applicant's Gas Sales Service Rates to a positive surcharge of \$1.023 per Ccf for customers served under rate schedules RS-1, ERS-1, RS-2, ERS-2, GS, EGS, MVS, EMVS and LVS; (ii) the proposed increase to a positive surcharge of \$0.468 per Ccf for customers served under rate schedules GLR and GLO; (iii) the proposed increase to a positive surcharge of \$0.782 per Ccf for customers served under rate schedule HLFS; (iv) the proposed increase in Applicant's firm balancing rate for transportation customers served under rate schedules GS and EGS of \$0.093 per Ccf; (v) the proposed increase in Applicant's firm balancing rate for transportation customers served under rate schedules MVS and EMVS of \$0.111 per Ccf; (vi) the proposed decrease in Applicant's firm balancing rate for transportation customers served under rate schedule LVS to a positive surcharge of \$0.084 per Ccf; (vii) the proposed decrease in Applicant's firm balancing rate for transportation customers served under rate schedule HLFS to a positive surcharge of \$0.014 per Ccf; (viii) the Applicant's interruptible balancing rate for transportation customers served under rate schedule ITS will decrease to a positive surcharge of \$0.011 per Ccf; (ix) the proposed tariff language providing the Company with the option to file an adjustment to GSR rates if the over/under collection estimate falls outside of 3%, with all of said changes to be effective for service rendered on and after November 1, 2017.

**SIGNATURES APPEAR ON THE FOLLOWING PAGE(S)**

CHESAPEAKE UTILITIES CORPORATION

BY: Sheri Richard  
Sheri Richard  
Vice President

BY: William O'Brien  
William O'Brien  
909 Silver Lake Blvd.  
Dover, DE 19904  
Associate General Counsel

DATED: September 1, 2017

**Chesapeake Utilities Corporation  
Delaware Division  
Development of Gas Sales Service Rates Effective November 1, 2017**

**Based on Total Firm Gas Costs Recoverable through GSR effective November 1, 2017**

Description	Allocator	Total System Costs	Volume (Ccf)	Cost / Ccf
Fixed Gas Costs	Peak Day Capacity Entitlements	\$29,223,381	880,370	\$33.19
Variable Gas Costs	Annual Volume	\$15,625,043	41,474,993	\$0.377
Total Firm Gas Costs	Annual Volume	\$44,848,424	41,474,993	\$1.081

**Development of High Load Factor Service Rates per CCF (86.81% Load Factor)**

Description	Peak Day Cap. Method	System Average Cost	HLFS Average Rate
Demand Rate (\$33.19 / 317)	\$0.105		
Commodity Rate	\$0.377		
Total Gas Sales Service Rate	<b>\$0.482</b>	<b>\$1.081</b>	<b>\$0.782</b>
<b>Total High Load Factor Dollars</b>			
	Projected Sales	Rate	Total Cost
	<u>3,079,690</u>	<u>\$0.782</u>	<u>\$2,408,318</u>

**Development of Gas Lighting Rate per CCF (100% Load Factor)**

Description	Peak Day Cap. Method		
Demand Rate (\$33.19 / 365)	\$0.091		
Commodity Rate	\$0.377		
Total Gas Sales Service Rate	<b>\$0.468</b>		
<b>Total Gas Lighting Dollars</b>			
	Projected Sales	Rate	Total Cost
	<u>0</u>	<u>\$0.468</u>	<u>\$0</u>

**Development of RS1, ERS1, RS2, ERS2, GS, EGS, MVS, EMVS, and LVS Rate per CCF**

Description	Firm Gas Cost	Volume (CCF)	Rate per CCF	Margin Sharing Rate per CCF	Final Rate per CCF
Total System Gas Cost	\$44,848,424	41,474,993			
Less : Allocated to HLFS	\$2,408,318	3,079,690			
Less : Allocated to GL	\$0	0			
Total Remaining System	\$42,440,106	38,395,303	<b>\$1.105</b>	<b>(\$0.082)</b>	<b>\$1.023</b>

**Chesapeake Utilities Corporation**  
**Delaware Division**  
**Cost of Fixed and Variable Gas Supply Resources**  
**Based on Projected November 1, 2017 Gas Costs**  
**Transportation Balancing Services**

Description	Monthly Demand in DT	Annual Demand in DT	Average Monthly Rate / DT	Average Annual Rate / DT	Current Annualized Gas Cost
<b>Storage Demand</b>					
<b>Columbia</b>					
FSS (includes assoc. SST)	8,224	98,688	\$6.0164	\$72.1964	\$593,743
<b>Transco</b>					
GSS	2,655	31,860	\$3.0630	\$36.7557	\$97,586
LSS	580	6,960	\$4.6254	\$55.5052	\$32,193
WSS (includes assoc. FT)	1,503	18,036	\$7.0774	\$84.9291	\$127,648
ESS (includes assoc. FT)	3,776	45,312	\$10.7795	\$129.3540	\$488,441
PS Reservation	311	3,732	\$8.4101	\$100.9207	\$31,386
Fuel Retention (0.0%)	0	0			
<b>ESNG Reservation</b>					
MDTQ (GSS 365 Day, ESS 243 Day)	6,431	77,172	\$16.9321	\$203.1852	\$1,306,684
MDTQ 181 Day (FSS)	8,224	49,344	\$21.0531	\$126.3187	\$1,038,845
MDTQ 151 Day (LSS, WSS)	2,083	10,415	\$21.0522	\$105.2612	\$219,259
MDTQ 90 Day (PS)	311	933	\$21.0450	\$63.1350	\$19,635
<b>Storage Demand</b>	<b>17,049</b>	<b>204,588</b>	<b>\$19.3336</b>	<b>\$232.0031</b>	<b>\$3,955,421</b>
<b>Storage Capacity</b>					
<b>Columbia</b>					
FSS	472,250	5,667,000	\$0.0288	\$0.3456	\$163,210
<b>Transco</b>					
GSS	131,370	1,576,440	\$0.0161	\$0.1935	\$25,415
LSS	29,000	348,000	\$0.0170	\$0.2044	\$5,928
WSS	142,830	1,713,960	\$0.0082	\$0.0985	\$14,074
ESS	31,660	379,920	\$0.0766	\$0.9198	\$29,120
<b>Storage Capacity</b>	<b>807,110</b>	<b>9,685,320</b>	<b>\$0.0245</b>	<b>\$0.2946</b>	<b>\$237,747</b>
<b>Storage Demand &amp; Capacity</b>					
<b>Columbia</b>					
FSS	8,224	98,688	\$7.6702	\$92.0420	\$756,953
<b>Transco</b>					
GSS	2,655	31,860	\$3.8607	\$46.3282	\$123,001
LSS	580	6,960	\$5.4772	\$65.7259	\$38,121
WSS	1,503	18,036	\$7.8578	\$94.2930	\$141,722
ESS	3,776	45,312	\$11.4222	\$137.0659	\$517,561
PS Reservation	311	3,732	\$8.4101	\$100.9207	\$31,386
Fuel Retention (0.0%)	0	0			
<b>ESNG Reservation</b>					
MDTQ 365 Day (GSS, ESS)	6,431	77,172	\$16.9321	\$203.1852	\$1,306,684
MDTQ 181 Day (FSS)	8,224	49,344	\$21.0531	\$126.3187	\$1,038,845
MDTQ 151 Day (LSS, WSS)	2,083	10,415	\$21.0522	\$105.2612	\$219,259
MDTQ 90 Day (PS)	311	933	\$21.0450	\$63.1350	\$19,635
<b>Storage Demand &amp; Capacity</b>	<b>17,049</b>	<b>204,588</b>	<b>\$20.4957</b>	<b>\$245.9480</b>	<b>\$4,193,168</b>
<b>Propane Peak Shaving</b>	<b>10,176</b>	n/a	n/a	<b>\$0.00</b>	<b>\$0</b>
Summary	27,225			<b>\$154.0190</b>	\$4,193,168
FT Capacity	16,374			<b>\$167.5617</b>	\$2,743,656
<b>Fixed Gas Supply Resources</b>	<b>43,599</b>			<b>\$159.1051</b>	\$6,936,824
<b>Storage Injection &amp; Withdrawal</b>					
GSS	262,740	n/a	\$0.0461	n/a	\$12,125
LSS	58,000	n/a	\$0.0252	n/a	\$1,462
WSS	285,660	n/a	\$0.0146	n/a	\$4,159
ESS	63,320	n/a	\$0.0411	n/a	\$2,604
FSS	944,500	n/a	\$0.0153	n/a	\$14,451
<b>Variable Gas Supply Resources</b>	<b>1,614,220</b>	n/a	<b>\$0.0216</b>	n/a	<b>\$34,801</b>
<b>Half of Variable Rate For Either Injection or Withdrawal</b>			<b>\$0.0108</b>		

**Chesapeake Utilities Corporation**  
**Delaware Division**  
**Transportation Balancing Services**  
**Development of Interruptible Balancing Service Rate**  
**General Service Transportation Service**

Fixed Gas Supply Cost	Annual Load Factor	Average Daily Load	Cost Per Gas Supply Entitlement	Average Cost per DT	Average Cost @ Use of 43.98%
@ Load Factor of	10%	37	\$159.1051	\$4.3001	
@ Load Factor of	20%	73	\$159.1051	\$2.1795	
@ Load Factor of	30%	110	\$159.1051	\$1.4464	
@ Load Factor of	40%	146	\$159.1051	\$1.0898	
@ Load Factor of	50%	183	\$159.1051	\$0.8694	
@ Load Factor of	60%	219	\$159.1051	\$0.7265	
@ Load Factor of	70%	256	\$159.1051	\$0.6215	
@ Load Factor of	80%	292	\$159.1051	\$0.5449	
@ Load Factor of	90%	329	\$159.1051	\$0.4836	
@ Load Factor of	100%	365	\$159.1051	\$0.4359	
<b>Del. Div. Weighted Average</b>	<b>24.08%</b>	<b>88</b>	<b>\$159.1051</b>	<b>\$1.8080</b>	<b>\$0.7952</b>

Variable Gas Supply Cost			Average Cost per DT	Estimated Imbalance Percentage	Variable Cost per DT
Variable Commodity Rate			\$0.0108	29.94%	\$0.0032

<b>Development of Interruptible Balancing Service Rate</b>			
	Fixed Capacity Rate per DT	\$0.7952	
	Variable Commodity Rate per DT	\$0.0032	
	Balancing Service Rate per DT	\$0.7984	
	Balancing Service Rate per Mcf	\$0.8263	
	Capacity Release Recovery per Mcf	\$0.1044	
	<b>Total Balancing Service Rate per Mcf</b>	<b>\$0.9307</b>	
	<b>Total Balancing Service Rate per Ccf</b>	<b>\$0.093</b>	

**Chesapeake Utilities Corporation**  
**Delaware Division**  
**Transportation Balancing Services**  
**Development of Firm Balancing Service Rate**  
**Medium Volume Service**

Fixed Gas Supply Cost	Annual Load Factor	Average Daily Load	Cost Per Gas Supply Entitlement	Average Cost per DT	Average Cost
					46.26% Design Day
					0.5374
@ Load Factor of	10%	37	\$159.1051	\$4.3001	\$1.9890
@ Load Factor of	20%	73	\$159.1051	\$2.1795	\$1.0081
@ Load Factor of	30%	110	\$159.1051	\$1.4464	\$0.6690
@ Load Factor of	40%	146	\$159.1051	\$1.0898	\$0.5041
@ Load Factor of	50%	183	\$159.1051	\$0.8694	\$0.4021
@ Load Factor of	60%	219	\$159.1051	\$0.7265	\$0.3360
@ Load Factor of	70%	256	\$159.1051	\$0.6215	\$0.2875
@ Load Factor of	80%	292	\$159.1051	\$0.5449	\$0.2520
@ Load Factor of	90%	329	\$159.1051	\$0.4836	\$0.2237
@ Load Factor of	100%	365	\$159.1051	\$0.4359	\$0.2016
<b>Del. Div. Weighted Average</b>	<b>20.89%</b>	<b>76</b>	<b>\$159.1051</b>	<b>\$2.0935</b>	<b>\$0.9684</b>

Variable Gas Supply Cost			Average Cost per DT	Estimated Imbalance Percentage	Variable Cost per DT
Variable Commodity Rate			\$0.0108	36.56%	\$0.0039

<b>Development of Firm Balancing Service Rate</b>		
Fixed Capacity Rate per DT		\$0.9684
Variable Commodity Rate per DT		\$0.0039
Firm Balancing Service Rate per DT		\$0.9723
Balancing Service Rate per Mcf		\$1.0063
Capacity Release Recovery per Mcf		\$0.1044
<b>Total Balancing Service Rate per Mcf</b>		<b>\$1.1107</b>
<b>Total Firm Balancing Service Rate per Ccf</b>		<b>\$0.111</b>

**Chesapeake Utilities Corporation**  
**Delaware Division**  
**Transportation Balancing Services**  
**Development of Firm Balancing Service Rate**  
**Large Volume Service**

Fixed Gas Supply Cost	Annual Load Factor	Average Daily Load	Cost Per Gas Supply Entitlement	Average Cost per DT	Average Cost
					42.51% Design Day
@ Load Factor of	10%	37	\$159.1051	\$4.3001	\$1.8280
@ Load Factor of	20%	73	\$159.1051	\$2.1795	\$0.9265
@ Load Factor of	30%	110	\$159.1051	\$1.4464	\$0.6149
@ Load Factor of	40%	146	\$159.1051	\$1.0898	\$0.4633
@ Load Factor of	50%	183	\$159.1051	\$0.8694	\$0.3696
@ Load Factor of	60%	219	\$159.1051	\$0.7265	\$0.3088
@ Load Factor of	70%	256	\$159.1051	\$0.6215	\$0.2642
@ Load Factor of	80%	292	\$159.1051	\$0.5449	\$0.2316
@ Load Factor of	90%	329	\$159.1051	\$0.4836	\$0.2056
@ Load Factor of	100%	365	\$159.1051	\$0.4359	\$0.1853
<b>Del. Div. Weighted Average</b>	<b>26.17%</b>	<b>96</b>	<b>\$159.1051</b>	<b>\$1.6573</b>	<b>\$0.7045</b>

Variable Gas Supply Cost			Average Cost per DT	Estimated Imbalance Percentage	Variable Cost per DT
Variable Commodity Rate			\$0.0108	26.11%	\$0.0028

<b>Development of Firm Balancing Service Rate</b>			
Fixed Capacity Rate per DT		\$0.7045	
Variable Commodity Rate per DT		\$0.0028	
Firm Balancing Service Rate per DT		\$0.7073	
Balancing Service Rate per Mcf		\$0.7321	
Capacity Release Recovery per Mcf		\$0.1044	
<b>Total Balancing Service Rate per Mcf</b>		<b>\$0.8365</b>	
<b>Total Firm Balancing Service Rate per Ccf</b>		<b>\$0.084</b>	

**Chesapeake Utilities Corporation**  
**Delaware Division**  
**Transportation Balancing Services**  
**Development of Firm Balancing Service Rate**  
**High Load Factor Service**

Fixed Gas Supply Cost	Annual Load Factor	Average Daily Load	Cost Per Gas Supply Entitlement	Average Cost per DT	Average Cost 7.73% Design Day
@ Load Factor of	10%	37	\$159.1051	\$4.3001	0.9227 \$0.3325
@ Load Factor of	20%	73	\$159.1051	\$2.1795	\$0.1685
@ Load Factor of	30%	110	\$159.1051	\$1.4464	\$0.1118
@ Load Factor of	40%	146	\$159.1051	\$1.0898	\$0.0843
@ Load Factor of	50%	183	\$159.1051	\$0.8694	\$0.0672
@ Load Factor of	60%	219	\$159.1051	\$0.7265	\$0.0562
@ Load Factor of	70%	256	\$159.1051	\$0.6215	\$0.0481
@ Load Factor of	80%	292	\$159.1051	\$0.5449	\$0.0421
@ Load Factor of	90%	329	\$159.1051	\$0.4836	\$0.0374
@ Load Factor of	100%	365	\$159.1051	\$0.4359	\$0.0337
<b>Del. Div. Weighted Average</b>	<b>86.81%</b>	<b>317</b>	<b>\$159.1051</b>	<b>\$0.5019</b>	<b>\$0.0388</b>

Variable Gas Supply Cost			Average Cost per DT	Estimated Imbalance Percentage	Variable Cost per DT
Variable Commodity Rate			\$0.0108	1.48%	\$0.0002

<b>Development of Firm Balancing Service Rate</b>		
Fixed Capacity Rate per DT		<b>\$0.0388</b>
Variable Commodity Rate per DT		<b>\$0.0002</b>
Firm Balancing Service Rate per DT		<b>\$0.0390</b>
Balancing Service Rate per Mcf		<b>\$0.0404</b>
Capacity Release Recovery per Mcf		<b>\$0.1044</b>
<b>Total Balancing Service Rate per Mcf</b>		<b>\$0.1448</b>
<b>Total Firm Balancing Service Rate per Ccf</b>		<b>\$0.014</b>

**Chesapeake Utilities Corporation**  
**Delaware Division**  
**Transportation Balancing Services**  
**Development of Interruptible Balancing Service Rate**  
**Interruptible Transportation Service**

Fixed Gas Supply Cost	Annual Load Factor	Average Daily Load	Cost Per Gas Supply Entitlement	Average Cost per DT	Average Cost @ Use of 1.00%
@ Load Factor of	10%	37	\$159.1051	\$4.3001	
@ Load Factor of	20%	73	\$159.1051	\$2.1795	
@ Load Factor of	30%	110	\$159.1051	\$1.4464	
@ Load Factor of	40%	146	\$159.1051	\$1.0898	
@ Load Factor of	50%	183	\$159.1051	\$0.8694	
@ Load Factor of	60%	219	\$159.1051	\$0.7265	
@ Load Factor of	70%	256	\$159.1051	\$0.6215	
@ Load Factor of	80%	292	\$159.1051	\$0.5449	
@ Load Factor of	90%	329	\$159.1051	\$0.4836	
@ Load Factor of	100%	365	\$159.1051	\$0.4359	
<b>Interruptible @ 100% LFR</b>	<b>100.00%</b>	<b>365</b>	<b>\$159.1051</b>	<b>\$0.4359</b>	<b>\$0.0044</b>

Variable Gas Supply Cost			Average Cost per DT	Estimated Imbalance Percentage	Variable Cost per DT
Variable Commodity Rate			\$0.0108	19.83%	\$0.0021

<b>Development of Interruptible Balancing Service Rate</b>			
Fixed Capacity Rate per DT		\$0.0044	
Variable Commodity Rate per DT		\$0.0021	
Balancing Service Rate per DT		\$0.0065	
Balancing Service Rate per Mcf		\$0.0067	
Capacity Release Recovery per Mcf		\$0.1044	
<b>Total Balancing Service Rate per Mcf</b>		<b>\$0.1111</b>	
<b>Total Balancing Service Rate per Ccf</b>		<b>\$0.011</b>	

**RATE SCHEDULE "EGS"**

**EXPANSION AREA GENERAL SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING RIDER**

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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:** \$0.093 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

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**Issue Date:** September 1, 2017

**Effective Date:** For Service on and after November 1, 2017

**Authorization:**

**RATE SCHEDULE "EMVS"**

**EXPANSION AREA MEDIUM VOLUME SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING RIDER**

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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:** \$0.111 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

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**Issue Date: September 1, 2017**

**Effective Date: For Service on and after November 1, 2017**

**Authorization: Order No. 9058 dated May 9, 2017 in Docket No. 16-0908**

**RATE SCHEDULE "LVS"**

**LARGE VOLUME SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING SERVICE**

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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: \$0.084 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

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**Issue Date: September 1, 2017**

**Effective Date: For Service Rendered on and after November 1, 2017**

**Authorization: Order No. 9058 dated May 9, 2017 in Docket No. 16-0908**

**RATE SCHEDULE "HLFS"  
HIGH LOAD FACTOR SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING SERVICE**

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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: \$0.014 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

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**Issue Date: September 1, 2017**

**Effective Date: For Service Rendered on and after November 1, 2017**

**Authorization: Order No. 9058 dated May 9, 2017 in Docket No. 16-0908**

**RATE SCHEDULE "ITS"**

**INTERRUPTIBLE TRANSPORTATION SERVICE**

**AVAILABILITY**

This rate schedule is available to any non-residential customer with annual consumption of at least 100,000 Ccf with facilities in operating condition capable of utilizing an alternative fuel due to the fact gas service provided is subject to complete interruption at any time during the year at the Company's option. The definition of an alternative fuel under this rate schedule shall be propane, fuel oil, or electricity. When applying for service under this Rate Schedule, the Customer is required to provide the Company, in writing, with the type and specific grade of alternative fuel utilized by the Customer. The Customer shall submit, within 30 days of any change in operations, written notification when such change affects its alternate fuel capability. Customer must also purchase all of its gas from or through a supplier of natural gas

**DELIVERY SERVICE RATE**

Customer charge: \$935.00 per month

The rate per Ccf of consumption shall be determined on an individual customer basis according to the nature of the interruptible service to be provided. This rate can be adjusted upon one (1) days notice to the Customer.

**TRANSPORTATION AND BALANCING SERVICE**

Customers must have the natural gas delivered to the Company's city gate in accordance with the Transportation and Balancing Rider General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rate, the Customer is subject to the following Interruptible Balancing Service rate applied to all gas consumption.

Interruptible Balancing Service Rate: \$0.011 per Ccf of gas consumed

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**Issue Date: September 1, 2017**

**Effective Date: For Service Rendered on and after November 1, 2017**

**Authorization: Order No. 9058 dated May 9, 2017 in Docket No. 16-0908**

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**RATE SCHEDULE "GSR"**

**GAS SALES SERVICE RATES**

**FIRM SALES RATE SCHEDULES**

The Gas Sales Service Rates applicable to the respective firm rate schedule, as listed below, will be applied to all customers served on that schedule based on a volumetric charge per Ccf (100 cubic feet). The Gas Sales Service Rates only apply to the respective firm rate schedules listed below and do not apply to the Interruptible Transportation Service, Transportation Service, Negotiated Contract Rate, and Interruptible Best Efforts Sales Service. The Gas Sales Service Rates will be calculated to the nearest tenth of a cent (.1¢).

The following lists the applicable Gas Sales Service Rates for the respective firm rate schedules as defined in this tariff:

<u>RATE SCHEDULE</u>	<u>GAS SALES SERVICE RATES</u>
RS, ERS, GS, EGS, MVS, EMVS LVS	\$1.023 per Ccf
HLFS	\$0.782 per Ccf
GLR and GLO	\$0.468 per Ccf

These rates are subject to change based on actual and estimated gas costs. The Company will file with the Commission a copy of these Gas Sales Service Rates at least sixty (60) days prior to the regularly scheduled adjustment date, which shall be each November 1.

The November 1 rates will be based on a projected twelve-month period of November through October (projected period). The rates computed under this rate schedule shall remain in effect for the projected period provided the latest estimated over collection does not exceed 4½% or the latest estimated under collection does not exceed 6% of the actual firm gas costs incurred to date along with the Company's latest firm gas cost estimates for the remainder of the over/under collection period (over/under period). The twelve-month period used for the calculation of the over/under period will be based on the actual nine months ended July 31 of each year and the projected three months ended October 31 of each year. If it appears that the use of these rates for the twelve-month over/under period will result in an over or under collection exceeding these limits, the Company shall apply to the Commission for revised rates to be effective until the next annual adjustment in the rates. If the Company's estimated over or under collection exceeds 3%, but is below the 6% under or 4.5% over collection estimate thresholds as noted above, then the Company has the option of applying to the Commission for revised rates to be effective until the next annual adjustment in rates.

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**Issue Date: September 1, 2017**

**Effective Date: For Service Rendered on and after November 1, 2017**

**Authorization: Order No. 9058 dated May 9, 2017 in Docket No. 16-0908**

**RATE SCHEDULE "GSR"**

**GAS SALES SERVICE RATES  
(Continued)**

**OVERALL METHODOLOGY (Continued)**

A Demand Rate will be determined by dividing the total firm fixed cost components by the firm peak day capacity requirements. A Commodity Rate will be determined by dividing the total firm commodity cost components by total firm consumption for the respective determination period.

**ALLOCATION TO RESPECTIVE FIRM RATE SCHEDULES**

Rate Schedule HLFS - High Load Factor Service will be charged a single gas cost rate per Ccf based on the combination of a weighted average Demand and Commodity Rate developed on an overall 86.81% load factor for the customer class with the overall system weighted average gas cost rate. The purchased gas costs will be allocated to this Rate Schedule based on its annual consumption for the projected period.

Rate Schedule GLO, GLR - The Gas Lighting Services will be charged the weighted average Demand and Commodity Rates through a single gas cost rate per Ccf based on a 100% load factor. The purchased gas costs will be allocated to this Rate Schedule based on its annual consumption for the projected period.

Rate Schedule RS-1, ERS-1, RS-2, ERS-2, GS, EGS, MVS, EMVS, LVS - These rate schedules will be assigned the remaining firm purchased gas costs after the firm purchased gas costs have been allocated to the above mentioned Rate Schedules less the portion of any shared margins resulting from capacity release, or off-system sales. These Rate Schedules will be charged a single gas cost rate per Ccf. This rate will reflect the sum of the projected demand and commodity costs for these classes divided by the sum of their annual consumption for the projected period.

**MARGIN SHARING**

Margins as used herein for off system sales means revenues less: (a) associated gas costs and (b) any applicable taxes based on gross receipts. Margins as used herein for capacity release means revenues less any applicable taxes based on gross receipts. As used in this tariff, the term "Shared Margins" means off system sales margins, and upstream capacity release margins.

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**Issue Date: September 1, 2017**

**Effective Date: For Service Rendered on and after November 1, 2017**

**Authorization: Order No. 9058 dated May 9, 2017 in Docket No. 16-0908**

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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 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. This annual review process will be based on the twelve months ended August. 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:	\$31.50 per month
First 20 Ccf	\$0.555 per Ccf
Next 30 Ccf	\$0.340 per Ccf
Over 50 Ccf	\$0.170 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 with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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

<b>Firm Balancing Service Rate:</b>	<b>\$0.093</b> per Ccf of gas consumed
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**Issue Date: September 1, 2017**

**Effective Date: For Bills Rendered after November 1, 2017**

**Authorization: Order No. 9058 dated May 9, 2017 in Docket No. 16-0908**

**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 4,000 Ccf and less than 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 4,400 Ccf. A Customer on this rate schedule will be moved to General Service with annual consumption less than 3,600 Ccf. The annual review process will be based on the twelve months ended August. 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	\$0.280 per Ccf
Over 200 Ccf	\$0.140 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 with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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

<b>Firm Balancing Service Rate:</b>	\$0.111 per Ccf of gas consumed
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**Issue Date: September 1, 2017**

**Effective Date: For Bills Rendered after November 1, 2017**

**Authorization: Order No. 9058 dated May 9, 2017 in Docket No. 16-0908**

**RATE SCHEDULE "EGS"**

**EXPANSION AREA GENERAL SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING RIDER**

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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~~093 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

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**Issue Date:** September 1, ~~2016~~2017

**Effective Date:** For Service on and after November 1, ~~2016~~2017

**Authorization:**

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**RATE SCHEDULE "EMVS"**

**EXPANSION AREA MEDIUM VOLUME SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING RIDER**

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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.~~400~~111 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

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**Issue Date:** September 1, ~~2016~~2017

**Effective Date:** For Service on and after November 1, ~~2016~~2017

**Authorization:** Order No. 9058 dated May 9, 2017 in Docket No. 16-0908

**RATE SCHEDULE "LVS"**

**LARGE VOLUME SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING SERVICE**

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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.~~089-084~~ per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

**Issue Date:** September 1, ~~2016~~2017

**Effective Date:** For Service Rendered on and after November 1, ~~2016~~2017

**Authorization:** Order No. 9058 dated May 9, 2017 in Docket No. 16-0908

**RATE SCHEDULE "HLFS"  
HIGH LOAD FACTOR SERVICE  
(Continued)**

**TRANSPORTATION AND BALANCING SERVICE**

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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: \$~~0.017~~014 per Ccf of gas consumed

**PUBLIC UTILITIES TAX**

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

**PAYMENT TERMS**

Bills are due within ten (10) days of their date.

**MINIMUM BILL**

The minimum monthly bill under this rate schedule is the customer charge.

**SPECIAL TERMS AND CONDITIONS OF SERVICE**

- (1) Service under this rate is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

**Issue Date:** September 1, ~~2016~~2017

**Effective Date:** For Service Rendered on and after November 1, ~~2016~~2017

**Authorization:** Order No. 9058 dated May 9, 2017 in Docket No. 16-0908

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**RATE SCHEDULE "ITS"**

**INTERRUPTIBLE TRANSPORTATION SERVICE**

**AVAILABILITY**

This rate schedule is available to any non-residential customer with annual consumption of at least 100,000 Ccf with facilities in operating condition capable of utilizing an alternative fuel due to the fact gas service provided is subject to complete interruption at any time during the year at the Company's option. The definition of an alternative fuel under this rate schedule shall be propane, fuel oil, or electricity. When applying for service under this Rate Schedule, the Customer is required to provide the Company, in writing, with the type and specific grade of alternative fuel utilized by the Customer. The Customer shall submit, within 30 days of any change in operations, written notification when such change affects its alternate fuel capability. Customer must also purchase all of its gas from or through a supplier of natural gas

**DELIVERY SERVICE RATE**

Customer charge: \$935.00 per month

The rate per Ccf of consumption shall be determined on an individual customer basis according to the nature of the interruptible service to be provided. This rate can be adjusted upon one (1) days notice to the Customer.

**TRANSPORTATION AND BALANCING SERVICE**

Customers must have the natural gas delivered to the Company's city gate in accordance with the Transportation and Balancing Rider General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rate, the Customer is subject to the following Interruptible Balancing Service rate applied to all gas consumption.

Interruptible Balancing Service Rate: \$~~0.042~~011 per Ccf of gas consumed

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**Issue Date:** September 1, ~~2016~~2017  
**Effective Date:** For Service Rendered on and after November 1, ~~2016~~2017  
**Authorization:** Order No. 9058 dated May 9, 2017 in Docket No. 16-0908

**RATE SCHEDULE "GSR"**

**GAS SALES SERVICE RATES**

**FIRM SALES RATE SCHEDULES**

The Gas Sales Service Rates applicable to the respective firm rate schedule, as listed below, will be applied to all customers served on that schedule based on a volumetric charge per Ccf (100 cubic feet). The Gas Sales Service Rates only apply to the respective firm rate schedules listed below and do not apply to the Interruptible Transportation Service, Transportation Service, Negotiated Contract Rate, and Interruptible Best Efforts Sales Service. The Gas Sales Service Rates will be calculated to the nearest tenth of a cent (.1¢).

The following lists the applicable Gas Sales Service Rates for the respective firm rate schedules as defined in this tariff:

<u>RATE SCHEDULE</u>	<u>GAS SALES SERVICE RATES</u>
RS, ERS, GS, EGS, MVS, EMVS LVS	<del>\$0.848</del> <u>1.023</u> per Ccf
HLFS	<del>\$0.628</del> <u>782</u> per Ccf
GLR and GLO	<del>\$0.360</del> <u>468</u> per Ccf

These rates are subject to change based on actual and estimated gas costs. The Company will file with the Commission a copy of these Gas Sales Service Rates at least sixty (60) days prior to the regularly scheduled adjustment date, which shall be each November 1.

The November 1 rates will be based on a projected twelve-month period of November through October (projected period). The rates computed under this rate schedule shall remain in effect for the projected period provided the latest estimated over collection does not exceed 4½% or the latest estimated under collection does not exceed 6% of the actual firm gas costs incurred to date along with the Company's latest firm gas cost estimates for the remainder of the over/under collection period (over/under period). The twelve-month period used for the calculation of the over/under period will be based on the actual nine months ended July 31 of each year and the projected three months ended October 31 of each year. If it appears that the use of these rates for the twelve-month over/under period will result in an over or under collection exceeding these limits, the Company shall apply to the Commission for revised rates to be effective until the next annual adjustment in the rates. If the Company's estimated over or under collection exceeds 3%, but is below the 6% under or 4.5% over collection estimate thresholds as noted above, then the Company has the option of applying to the Commission for revised rates to be effective until the next annual adjustment in rates.

**Issue Date:** September 1, ~~2016~~2017

**Effective Date:** For Service Rendered on and after November 1, ~~2016~~2017

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**RATE SCHEDULE "GSR"**

**GAS SALES SERVICE RATES  
(Continued)**

**OVERALL METHODOLOGY (Continued)**

A Demand Rate will be determined by dividing the total firm fixed cost components by the firm peak day capacity requirements. A Commodity Rate will be determined by dividing the total firm commodity cost components by total firm consumption for the respective determination period.

**ALLOCATION TO RESPECTIVE FIRM RATE SCHEDULES**

Rate Schedule HLFS - High Load Factor Service will be charged a single gas cost rate per Ccf based on the combination of a weighted average Demand and Commodity Rate developed on an overall 84.0486.81% load factor for the customer class with the overall system weighted average gas cost rate. The purchased gas costs will be allocated to this Rate Schedule based on its annual consumption for the projected period.

Rate Schedule GLO, GLR - The Gas Lighting Services will be charged the weighted average Demand and Commodity Rates through a single gas cost rate per Ccf based on a 100% load factor. The purchased gas costs will be allocated to this Rate Schedule based on its annual consumption for the projected period.

Rate Schedule RS-1, ERS-1, RS-2, ERS-2, GS, EGS, MVS, EMVS, LVS - These rate schedules will be assigned the remaining firm purchased gas costs after the firm purchased gas costs have been allocated to the above mentioned Rate Schedules less the portion of any shared margins resulting from capacity release, or off-system sales. These Rate Schedules will be charged a single gas cost rate per Ccf. This rate will reflect the sum of the projected demand and commodity costs for these classes divided by the sum of their annual consumption for the projected period.

**MARGIN SHARING**

Margins as used herein for off system sales means revenues less: (a) associated gas costs and (b) any applicable taxes based on gross receipts. Margins as used herein for capacity release means revenues less any applicable taxes based on gross receipts. As used in this tariff, the term "Shared Margins" means off system sales margins, and upstream capacity release margins.

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**Issue Date:** September 1, 2016~~2017~~

**Effective Date:** For Service Rendered on and after November 1, 2016~~2017~~

**Authorization:** Order No. 9058 dated May 9, 2017 in Docket No. 16-0908

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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 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. This annual review process will be based on the twelve months ended August. 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:	\$31.50 per month
First 20 Ccf	\$0.555 per Ccf
Next 30 Ccf	\$0.340 per Ccf
Over 50 Ccf	\$0.170 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 with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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~~093 per Ccf of gas consumed

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**Issue Date:** September 1, ~~2016~~2017

**Effective Date:** For Bills Rendered after November 1, ~~2016~~2017

**Authorization: Order No. 9058 dated May 9, 2017 in Docket No. 16-0908**

**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 4,000 Ccf and less than 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 4,400 Ccf. A Customer on this rate schedule will be moved to General Service with annual consumption less than 3,600 Ccf. The annual review process will be based on the twelve months ended August. 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	\$0.280 per Ccf
Over 200 Ccf	\$0.140 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 with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with 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.~~400~~111 per Ccf of gas consumed

**Issue Date:** September 1, ~~2016~~2017

**Effective Date:** For Bills Rendered after November 1, ~~2016~~2017

**Authorization:** Order No. 9058 dated May 9, 2017 in Docket No. 16-0908