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**VIA Hand Delivery**

Ms. Connie Kummer  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Docket No. 090125-GU - Petition for increase in rates by Florida Division of Chesapeake Utilities Corporation.**

Dear Ms. Kummer:

Attached, please find the tariff of the Florida Division of Chesapeake Utilities Corporation, in final format, reflecting the Commission's decision in Order No. PSC-10-0029-PAA-GU, regarding the Company's request for rate relief. Should you have any questions whatsoever, please do not hesitate to contact me.

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*Attorneys for the Florida Division of Chesapeake Utilities Corporation*

Enclosures

cc: Ann Cole/Docket File w/enclosures  
Erik Sayler w/o enclosures  
Patricia Christensen w/o enclosures

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Chesapeake Utilities Corporation

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d. Shipper of Last Resort (SOLR) Service

In the event all TTS Shippers are terminated as provided in the Termination of Shipper Status (Section III.B) of this tariff, the Company shall become the Shipper Of Last Resort. The Company shall perform all TTS Shipper functions as defined within this tariff. The SOLR service shall be provided in accordance with the Rules and Regulations set forth in this tariff, the terms and conditions of the TTS Shipper Agreement, and other approved rules or regulations of the Company, as applicable. Monthly Rate Adjustments and Taxes and Fees, as set forth on Sheet Nos. 98 – 106, may also apply. The Company shall provide this service to Consumers until a replacement TTS Shipper is selected as provided in Section III.A.3. of the Rules and Regulations of this tariff and initiates service.

e. Flexible Gas Service (FGS)

Transportation Service provided to a Consumer, at the sole option of the Company, where rates, terms and/or conditions of service other than those provided in this tariff are required to add or retain a Consumer on the Company's distribution system. The negotiated rates and terms provided in a FGS Agreement are subject to the conditions set forth in Commission Order PSC-98-1485-FOF-GU and other approved rules or regulations of the Company, as applicable. All FGS Consumers must demonstrate a viable Alternate Fuel option and shall enter into a written FGS Agreement with the Company.

2. SHIPPER SERVICES:

a. Shipper Administrative and Billing Service (SABS)

Administrative and billing service provided to a Shipper under the SABS rate schedule, in accordance with the Rules and Regulations set forth in this tariff, as applicable. The Company shall provide the following services to Shippers under the SABS: 1) presentment of Automated Meter Reading (AMR) daily readings of applicable Consumer's meters; 2) provision of Consumer projected monthly usage information, along with Transporter capacity quantity to be released to Shipper; 3) provision of Consumer historical usage information to Shipper each month; 4) retention of Consumer's historical usage information; 5) LOA retention and administration; 6) receipt and administration of Shipper's Gas rates for Consumer billing; 7) calculation and presentation of Shipper's Gas billing

## RULES AND REGULATIONS

(Continued)

charges on Company's monthly bill or, at Company's sole option, on a separate bill to Consumers; 8) collection and application of Consumer payments for Shipper's Gas billing charges; 9) remittance of Consumer payments for Shipper's Gas billing charges to Shipper, net of Shipper's billing charges that are bad debt write-offs and recovery of said bad debts, the SABS tariff-approved charges and other applicable charges and adjustments; and 10) other services as the Company may determine necessary to administer Gas deliveries by Shipper's to Consumers. This service is required for TTS Shippers and is optional for CI Shippers. Monthly Rate Adjustments and Taxes and Fees, as set forth on Sheet Nos. 98 – 106, may also apply.

b. Shipper Administrative Service (SAS)

Administrative service provided to a Shipper under the SAS rate schedule, in accordance with the Rules and Regulations set forth in this tariff, as applicable. The Company shall provide the following services to Shippers under the SAS: 1) presentment of AMR daily readings of applicable Consumer's meters; 2) provision of Consumer projected monthly usage information, along with Transporter capacity quantity to be released to Shipper; 3) provision of Consumer historical usage information to Shipper each month; 4) retention of Consumer's historical usage information; 5) LOA retention and administration; and 6) other services as the Company may determine necessary to administer Gas deliveries by Shippers to Consumers. This service is required for CI Shippers, unless CI Shipper selects the SABS or has executed a FGS or Special Contract Agreement; and is not available to TTS Shippers. Monthly Rate Adjustments and Taxes and Fees, as set forth on Sheet Nos. 98 – 106, may also apply.

c. Delivery Point Operator (DPO) Service

Administrative service provided to a Shipper by Company, or Company's agent acting as DPO, in accordance with the Rules and Regulations set forth in this tariff, as applicable. Company shall provide the following services to Shippers under the DPO Service: 1) receipt and administration of scheduled Gas quantities for Shipper's Consumer Pool; 2) compilation of measured Gas quantities for Shipper's Consumer Pool; 3) resolution of monthly imbalances with Transporter (difference between scheduled Gas quantities for all Shippers and measured Gas quantities at the Delivery Point(s) of Company), using approved book-out and/or cash-out processes of Transporter; 4) resolution of monthly imbalances with Shipper (difference between scheduled

## RULES AND REGULATIONS

(Continued)

Gas quantities and measured Gas quantities for Shipper's Consumer Pool), in accordance with this tariff; 5) administration of the OBA account, in accordance with this tariff; 6) administration of Transporter Operational Orders, including financial transactions, if any, in accordance with this tariff; and 7) other services as Company may determine necessary to administer Gas deliveries by Shippers to Consumers. All Shippers shall receive this service from Company. Company costs for this service are recovered through the Monthly Rates for all other rate schedules, as approved in Company previous rate proceeding.

d. Off-System Delivery Point Operator (OS-DPO) Service

Administrative service, in accordance with an executed Off-System Delivery Point Operator Agreement (Sheet Nos. 139 to 148), provided at Transporter delivery point(s) to a Shipper by Company, or Company's agent acting as DPO, in accordance with the Rules and Regulations set forth in this tariff, as applicable. Company shall provide the following services to Shippers under the OS-DPO Service: 1) receipt and administration of scheduled Gas quantities for Shipper's Consumer Pool; 2) compilation of measured Gas quantities for Shipper's Consumer Pool; 3) resolution of monthly imbalances with Transporter (difference between scheduled Gas quantities for all Shippers and measured Gas quantities at the Delivery Point(s) of Company), using approved book-out and/or cash-out processes of Transporter; 4) resolution of monthly imbalances with Shipper (difference between scheduled Gas quantities and measured Gas quantities for Shipper's Consumer Pool), in accordance with this tariff; 5) administration of the OBA account, in accordance with this tariff; 6) administration of Transporter Operational Orders, including financial transactions, if any, in accordance with this tariff; and 7) other services as Company may determine necessary to administer Gas deliveries by Shippers to Consumers. Monthly Rate Adjustments and Taxes and Fees, as set forth on Sheet Nos. 98 – 106, may also apply.

RULES AND REGULATIONS  
(Continued)

option to Company in accordance with the terms and conditions of the open enrollment process. Residential Consumers not designating, in writing, their selection of a Company rate schedule, TTS Shipper or TTS Shipper pricing option, shall retain their existing Company rate schedule, TTS Shipper and TTS Shipper pricing option. In the event Residential Consumers' existing TTS Shipper no longer offers their existing pricing option, and the Residential Consumer does not select an offered pricing option, the Company shall assign such Residential Consumer to their existing TTS Shipper at the standard pricing option as identified in Company's TTS Shipper Agreement with each TTS Shipper. Company does not assume any liability related to the selections made by each Residential Consumer and does not warrant that each Residential Consumer will select the Company rate schedule, TTS Shipper and/or TTS Shipper pricing option that is most advantageous.

2. Non-Residential Consumers

a. Selection of CI Shipper

Non-Residential Consumers in a TTS Consumer Pool may select any approved CI Shipper at any time in accordance with Section II.B.3.a.v.

b. Selection of TTS Shipper

Non-Residential Consumers in a TTS Consumer Pool may change their TTS Shipper and pricing option or existing TTS Shipper's pricing option only during open enrollment periods as defined in Section II.D.1.

E. MISCELLANEOUS CHARGES

The Company shall charge the Consumer the following amounts, as applicable:

<u>Description of Charge</u>	<u>Amount</u>
Connection Charge – FTS-A through FTS-3.1:	\$52.00
Connection Charge – FTS-4 through FTS-6:	\$75.00
Connection Charge – FTS-7 and above:	\$200.00
Temporary Disconnect Charge:	\$21.00
Collection in Lieu of Discontinuance Charge:	\$40.00
Change of Account Charge:	\$13.00
Failed Trip Charge:	\$20.00
Meter Re-Read at Consumer Request Charge:	\$28.00
Return Check Charge:	\$25.00 or 5% of the face value of the check, whichever is greater.
Service Extension Charge (Any size service line):	Actual installed cost

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Chesapeake Utilities Corporation

Effective:

## RULES AND REGULATIONS

(Continued)

Where above services are provided outside of normal business hours, by special appointment, or same day service the charges set forth above shall be multiplied by 1.5.

### F. ASSIGNMENT OF RATE SCHEDULES

#### 1. Initial Rate Schedule Assignment

At the time of meter activation, Company shall estimate the annual therm usage of premise occupied by Consumer (based upon the connected gas consuming appliances or equipment) and shall assign Consumer's premise to the applicable rate schedule. Company shall not be required to make any refunds to Consumers if actual annual usage is below the minimum usage level of the rate schedule assigned.

#### 2. Annual Rate Schedule Review

Company shall review the annual therm usage of each premise at calendar year end and shall assign each premise to the rate schedule that corresponds to its respective annual therm usage. Such rate schedule assignments shall be effective on January 1 of each calendar year. Company shall not be required to make any refunds to Consumers if actual annual usage is below the minimum usage level of the rate schedule assigned.

### G. CONSUMER'S INSTALLATION

#### 1. Type and Maintenance

The Consumer's Installation shall be constructed and maintained in accordance with the Consumer Rules and Regulations of the Company and all governmental regulations applicable to Consumer's Installation. The Consumer shall not utilize any apparatus or device which is not properly constructed, controlled, or protected, or which may adversely affect Transportation Service; and the Company reserves the right to discontinue or withhold Transportation Service to any Consumer on account of any defect in Consumer's Installation.

#### 2. Change of Consumer's Installation

No changes in Consumer's Installation that will affect the operation of any portion of the distribution system of the Company shall be made without written consent of the Company. The Consumer will be liable for any damage to the Company resulting from a violation of this provision.

RULES AND REGULATIONS  
(Continued)

2. The prospective Residential Consumer furnishes a letter from another utility showing the prospective Residential Consumers' satisfactory payment record for the preceding 23 months. Satisfactory payment record will be deemed to be established if the applicant meets the criteria stated below in Section II.K.1.
3. The prospective non-Residential Consumer has an Intelliscore of 60 or above from Experian (credit rating agency for commercial and industrial accounts) or furnishes an irrevocable letter of credit from a bank or a surety bond for the amount shown for the prospective Consumer's projected rate classification in Section II.I.1. below.

I. DEPOSIT REQUIREMENTS

If a prospective Consumer does not satisfy one of the creditworthiness criteria defined in Section H, then payment of an initial deposit shall be required according to the following criteria:

1. Initial Deposit

a. Amount

The amount of the initial deposit shall be determined by the following schedule:

<u>Rate Classification</u>	<u>Initial Deposit Amount</u>
FTS-1	\$ 55.00
FTS-2	\$ 75.00
FTS-2.1	\$ 150.00
FTS-3	\$ 300.00
FTS-3.1	\$ 500.00
FTS-4	\$ 1,000.00
FTS-5	\$ 1,850.00
FTS-6	\$ 3,200.00
FTS-7	\$ 4,300.00
FTS-8	\$ 7,650.00
FTS-9	\$11,500.00
FTS-10	\$17,000.00
FTS-11	\$30,500.00
FTS-12	\$86,500.00

b. Payment Method

The prospective Consumer shall pay a deposit by check, money order, credit card, or debit card prior to the initiation of Transportation Service. A receipt for any

## RULES AND REGULATIONS

(Continued)

shall refund the Residential Consumer's deposit. Company shall, at its option, either refund or pay the higher rate of interest specified in Section II.J. for non-Residential Consumer's deposit provided the non-Residential Consumer has not, in the preceding twelve (12) months: a) made more than one late payment of the bill (after the expiration of twenty (20) days from the date of mailing or delivery by Company); b) paid with a check refused by a bank; c) been disconnected for non-payment; d) tampered with the gas meter; or, e) used service in a fraudulent or unauthorized manner.

2. Termination of Service

Upon termination of service, the deposit and accrued interest may be credited against the final account and the balance, if any, shall be returned promptly to the Consumer but in no event later than fifteen (15) days after service is discontinued.

### L.BILLING

1. Billing Periods

The actual date of the AMR reading used for billing purposes for each Consumer shall be determined by Company and shall be at monthly intervals, advanced or postponed by no more than five (5) days from the actual read date of the prior calendar month, and bills for Transportation Service will be rendered regularly on a monthly basis. Bills will be rendered as soon as practical after determination of their amount and shall be due and payable at the office of the Company in accordance with the Commission rules and regulations, and the requirements of this Section.

2. Partial Month

Upon commencement of Transportation Service less than fifteen (15) days prior to a regular monthly read date and when the Transportation Service continues thereafter to the same Consumer at the same address where the Consumer is receiving Transportation Service on monthly rate schedules, no bill will be rendered for Transportation Service covering such period, but the charge for such period will be included in the bill rendered for the next succeeding monthly billing period.

3. Non-Receipt of Bills

Non-receipt of bills by Consumer shall not release or diminish obligation of Consumer with respect to payment thereof.

RULES AND REGULATIONS  
(Continued)

4. Calculation of Bill

- a. A meter or meters at each Point of Delivery will measure Consumer consumption and the Company shall apply appropriate conversion factors (including BTU factor) to determine Consumer's usage and the Monthly Rates set forth in the applicable rate schedule shall be applied to determine the amount of Company's bill for Transportation Service.
- b. If a Consumer transports under more than one rate schedule, the Transportation Service rendered under each rate schedule shall be separately metered and separate bills shall be calculated. If a Consumer transports under a particular rate schedule but receives delivery thereof at more than a single Point of Delivery, the Company shall consider such deliveries as separate Transportation Service and will calculate separate bills.

5. Billing of Shipper's Charges

The Company shall include TTS Shipper's and may include CI Shipper's charges, if such CI Shipper has elected the SABS service and Company, at its sole option, has elected not to bill separately CI Shipper's charges, for the sale of Gas, separately identified, on its monthly bill to individual Consumers. The Company may, at its sole option, include Shipper's charges for other services on Company's monthly bill to Consumers.

6. Backbilling

The Company may backbill Consumer for any period of up to twelve (12) months for any undercharge in billing which is the result of the Company's error. In such instance, the Company shall allow the Consumer to pay over the same time period as the time period during which the underbilling occurred or some other mutually agreeable time period.

7. Delinquent Bills

Bills are due when rendered, and are delinquent in accordance with the rules established by the Commission. Transportation service will be discontinued after five (5) days written notice to the Consumer subsequent to such delinquent date and, if discontinued, such service will not be restored until all bills are paid in full and a Re-Connection Charge is paid (see Section II.E.).

8. Estimated Bills

When there is good reason for doing so, the Company may estimate the meter

## RULES AND REGULATIONS

(Continued)

provisions of Subsection 9.c. below apply, a Consumer may be billed on an estimate based on previous bills for similar usage.

- c. It shall be understood that when a meter is found to be in error in excess of the prescribed limits of two percent (2%) fast or slow, the figure to be used for calculating the amount of refund or charge in Subsection 9.a. or 9.b. above shall be that percentage of error as determined by the test.
- d. In the event of unauthorized use, the Consumer may be billed on a reasonable estimate of the gas consumed.

### M. PAYMENTS

#### 1. Payment Methods

Consumers may elect to pay their bill by cash, check, money order, credit card, debit card, on-line via Company's website, or through Company's direct bank debit program no later than twenty (20) days from the date of mailing by Company.

- a. Consumers electing to pay their bill by telephone shall be required to furnish a valid credit card number to Company for processing.
- b. Consumers electing to participate in Company's direct bank debit program shall execute the Direct Debit Form (see Sheet No. 113) with Company and agree to the terms and conditions contained thereon.

#### 2. Application of Payments

Consumer payments received by the Company shall be applied to the billed charges as follows:

##### a. Aging of Accounts Receivable

- i. Oldest outstanding billed charges until fully satisfied, following the payment application methodology specified below.
- ii. Proceeding to the next oldest outstanding billed charge until either the entire payment has been applied or until the entire amount owed has been satisfied, following the payment application methodology specified below.

##### b. Payment Application Methodology

- i. Separately stated taxes and fees, until fully satisfied; then,

## RULES AND REGULATIONS

(Continued)

### 3. OS-DPO Rate Schedule

Upon initiation of service, any TTS Shipper or CI Shipper who has executed an Off-System Delivery Point Operator Agreement with Company shall be assigned to the OS-DPO rate schedule.

### D. TERMINATION OF CONSUMER

Any CI Shipper may terminate service for any reason to a non-Residential Consumer upon written submittal to Company ten (10) days prior to the first day of the month of the CI Shipper Consumer Termination Form included in the Standard Forms section of this tariff. Unless Company receives a valid LOA requesting service from a CI Shipper, said non-Residential Consumer shall be assigned to a TTS Shipper in accordance with Section II.B.3.b.

### E. CAPACITY RELEASE

#### 1. Intent of Capacity Release

Company, through its Service Agreements with Transporters, has contracted for firm capacity rights on Transporters' pipeline systems. Company can either: 1) temporarily release to Shippers each month, utilizing the methodology described below, all Transporter capacity for Shippers' use in transporting Gas to its Consumer Pool; or, 2) retain sufficient capacity for the provision of the SOLR Service, in accordance with the applicable provisions of this tariff and release the remainder of Transporter capacity to Shippers' as described herein.

#### 2. Capacity Release Methodology

The Company shall, to the extent Transporter capacity is available, release Transporter capacity for each Existing Consumer (defined as a non-Residential Consumer who was receiving Transportation Service from the Company on or before November 5, 2002) to its selected CI Shipper or its assigned TTS Shipper. The Company shall temporarily release all quantities of such Transporter capacity to Shippers each month in accordance with the Transporter capacity allocation method approved by the Commission in Order No. PSC-02-1646-TRF-GU and as further clarified herein.

#### 3. Quantity of Capacity For Release

Each month, Company shall determine the DCQ to be released to each Shipper using the following methodology:

## RULES AND REGULATIONS

(Continued)

- a. For an Existing Consumer whose annual Gas usage exceeded 100,000 Therms in calendar year 2001:
    - i. the DCQ shall be the daily quantity of Transporter capacity as exhibited in an executed capacity release agreement in effect on November 5, 2002 ("Capacity Agreement"). At the expiration or termination of the Capacity Agreement, Company shall continue to allocate Transporter capacity to the Existing Consumer in the same quantity as exhibited in the executed capacity release agreement; or
    - ii. the DCQ shall be the actual peak month Gas usage quantity in calendar year 2001 divided by the number of days in such peak month, rounded up to the next whole dekatherm.
  - b. For each Existing Consumer whose annual Gas usage was 100,000 Therms or less in calendar year 2001, the DCQ shall be determined by dividing the maximum usage quantity for Existing Consumer's rate classification in calendar year 2001 by 365 days; then dividing the result of this calculation (Therms per Gas Day) by 10 (to convert Therms to Dekatherms); and then rounding up to the next whole Dekatherm.
  - c. The remaining capacity quantity after the allocations resulting from Subsections 3a. and 3b. shall be the DCQ for all Residential Consumers. Company shall determine the ratio of active Residential Consumers in each TTS Shipper's Consumer Pool to the total number of active Residential Consumers on the Company's distribution system. The Residential Consumer DCQ shall be proportionately allocated to TTS Shippers based on the ratio described herein.
  - d. Each month, the Company shall determine the total DCQ for each Shipper, in accordance with the methodology described herein. Adjustments to Shipper's DCQ may occur from time to time to reflect changes in Shipper's Consumer Pool, resulting from the submission of LOAs to the Company from Consumers. In the event a Consumer discontinues Transportation Service, all quantities of capacity allocated to such Consumer and released to the Consumer's designated Shipper as provided in this tariff shall revert to the TTS Pool and be allocated as identified in paragraph c. above.
4. Allocation Of Capacity From Multiple Transporters  
Company has contracted for capacity on two (2) Transporter's pipelines, Florida Gas Transmission (FGT) and Gulfstream Natural Gas System (GNGS). Company shall allocate Transporter capacity, inclusive of Receipt and Delivery

## RULES AND REGULATIONS

(Continued)

### 2. Maximum Daily Transportation Quantity (MDTQ)

Company may establish a MDTQ for Gas for one or more Shipper(s) if, in the reasonable opinion of the Company, it is necessary to protect system integrity or to ensure existing Consumers are not adversely affected by Shipper(s) requiring an MDTQ. Company shall not be obligated to transport Consumer-owned Gas above the Shipper's MDTQ, if established, but may do so if feasible and without adverse affect to other Consumers, in the reasonable opinion of the Company.

### 3. Quality

The quality of Gas delivered by Shipper to the Company shall meet the same specifications as the FERC-approved or Commission-approved tariff requirements of the Transporter connected to Company.

### 4. Shipper's Delivery Obligations

a. Unless excused by Force Majeure, Shipper shall cause Transporters to deliver on each Gas Day to Transporter delivery points where Company is the DPO a quantity of Gas sufficient to reliably serve the requirements of its Consumer Pool and off-system customers. Shipper shall have no obligation to deliver Gas to Company on behalf of Consumers whose service is terminated, either upon request of the Consumer or for cause. Company shall promptly notify the Shipper of any known change in Consumer account status that will affect Gas quantity deliveries.

b. If any act or omission of Shipper causes Company, as the DPO, to incur any Transporter penalties, other expenses or liabilities of any kind, Shipper will indemnify and reimburse Company for all said penalties, other expenses or liabilities. Nothing herein shall be deemed to foreclose Company from employing other remedies, including cessation of deliveries for the unauthorized usage of Gas.

## K. MUTUALLY BENEFICIAL TRANSACTIONS

Shipper recognizes that Company maintains the operation and integrity of Company distribution system on a daily basis. Shipper also recognizes that as DPO for the interstate pipeline interconnects, Company or its agent is subject to the rules and regulations of the Transporters with regard to operational flow rates, pressures and penalties. As such, Company may need Shipper to vary its daily delivery from the nominated delivery quantities. On those occasions, Company may request, at its sole discretion, and Shipper may agree to, a change to Shipper's nominated Gas supply

RULES AND REGULATIONS  
(Continued)

quantities and either Transporter's pipeline capacity. Terms and conditions of such transactions shall be agreed upon at the time of the transaction and shall be recorded and confirmed in writing within two business days after the transaction.

L. SCHEDULING AND NOMINATING

Each Shipper shall submit to Company all scheduling and nominating information simultaneously with its submission to Transporters.

M. GAS MONTH BALANCING

The balancing of the quantity of Gas scheduled and nominated for each Shipper, at all Transporter delivery points for which Company, or Company's agent, is the DPO, and the actual Gas Month usage by the sum of all individual Consumers served by each Shipper shall be done on a monthly basis. The Company and Shipper shall resolve all Gas Month imbalance quantities at the end of each Month, as follows:

1. If the Gas Month imbalance quantity is positive (amount of Gas scheduled is greater than aggregated actual Gas Month usage by Consumers), the Company shall purchase from Shipper such Gas Month imbalance quantity at a price per therm (the "Unit Price") calculated by taking: (i) the lowest weekly average (weeks where Friday is within the Gas Month) of the "Daily price survey" for Gas under the "Midpoint" column for "Florida Gas, zone 1", "Florida Gas, zone 2" or "Florida Gas, zone 3", as reported in *Platts Gas Daily*, for the Gas Month in which the positive Gas Month imbalance quantity was incurred, multiplied by the applicable factor set forth below:

<u>Imbalance Level</u>	<u>Factor</u>
0% to 5%	1.00
Greater than 5% to 20%	0.90
Greater than 20%	0.80

and subtracting: (ii) the monthly per therm charge billed to Company from DPO agent (if any), as such DPO agent charges are specifically approved by the Commission. This charge is calculated by dividing the billed DPO charges by the sum of the absolute value of all Shippers positive Gas Month imbalance quantities

## RULES AND REGULATIONS

(Continued)

and all Shippers negative Gas Month imbalance quantities.

The total amount due Shipper shall be the product of the Unit Price and the positive Gas Month imbalance.

2. If the Gas Month imbalance quantity is negative (amount of Gas scheduled is less than aggregated actual Gas Month usage by Consumers), the Company shall sell to Shipper such Gas Month imbalance quantity at a price per therm (the "Unit Price") calculated by taking the sum of (i) the highest weekly average (weeks where Friday is within the Gas Month) of the "Daily price survey" for Gas posted under the "Midpoint" column for "Florida Gas, zone 1", "Florida Gas, zone 2" or "Florida Gas, zone 3", as reported in *Platts Gas Daily*, for the Gas Month in which the negative Gas Month imbalance quantity was incurred, multiplied by the applicable factor set forth below:

<u>Imbalance Level</u>	<u>Factor</u>
0% to 5%	1.00
Greater than 5% to 20%	1.10
Greater than 20%	1.20

and (ii) the GNGS capacity rate per Therm for 6% maximum hourly flow tariff rate (as it may change from time to time) plus the FGT FTS-1 usage rate per therm (inclusive of all applicable surcharges), and (iii) the monthly per Therm charge billed to Company from DPO agent (if any), as such DPO agent charges are specifically approved by the Commission. This charge is calculated by dividing the billed DPO charges by the sum of the absolute value of all Shippers positive Gas Month imbalance quantities and all Shippers negative Gas Month imbalance quantities.

The total amount due Company shall be the product of the Unit Price and the negative Gas Month imbalance.

## N. OPERATIONAL CONTROLS

### 1. Transporter Notices

All Shippers and Shipper's Designees shall take all necessary actions to ensure that Transporter provides Transporter Operational Control notices directly to

## RULES AND REGULATIONS

(Continued)

Shipper or Shipper's Designee. Company shall have no obligation to provide Transporter Operational Control notices to Shippers or Shipper's Designees.

### 2. Shipper Obligations

Shipper or Shipper's Designee shall be responsible for complying with Transporter's Operational Control notices and/or orders from Transporter.

### 3. Operational Control Orders (OCO)

If Company as the DPO (or Company's agent acting in such capacity under contract with Company), incurs OCO (however denominated by Transporter) penalties from Transporter, the Company and Shipper(s) shall resolve all OCO penalties at the end of each Month, as follows:

#### a. Overage OCO Penalties

For each Gas Day where an overage OCO penalty is incurred, the Company shall determine the Shipper(s) that have a Gas Day positive imbalance (aggregated actual Gas Day usage by Consumers is greater than amount of Gas scheduled). The Company shall charge Shipper(s) for the Gas Day positive imbalance quantity multiplied by the Transporter's OCO rate. If the sum of the overage OCO charges to Shipper(s) exceed the charges incurred by Company, then the OCO charges incurred by Company shall be prorated, based on scheduled Gas quantities, to the Shipper(s).

#### b. Underage OCO Penalties

For each Gas Day where an underage OCO penalty is incurred, the Company shall determine the Shipper(s) that have a Gas Day negative imbalance (amount of Gas scheduled is greater than aggregated actual Gas Day usage by Consumers). The Company shall credit Shipper(s) for the Gas Day negative imbalance quantity multiplied by the Transporter's OCO rate. If the sum of the underage OCO credits to Shipper(s) exceed the credits received by Company, then the OCO credits received by Company shall be prorated, based on scheduled Gas quantities, to the Shipper(s).

### 4. Operational Control Order Amounts

After all OCO amounts are resolved with the Shippers, if any Company-

## RULES AND REGULATIONS

(Continued)

incurred OCO amounts remain, such amounts shall be applied to the Operating Balancing Account ("OBA") and disposed of in accordance with the terms and conditions of the OBA mechanism.

All OCO amounts that Company either pays to or receives from Transporters and Shippers shall be applied to the OBA. Company shall not, under any circumstances, retain any of the OCO amounts collected from either Transporters or Shippers resulting from the application of the OCO provisions of this tariff.

### O. WARRANTY, CONTROL AND INDEMNIFICATION

#### 1. Warranty

Shipper warrants that it will have good and merchantable title to, or that it has good right to deliver, all Gas delivered by Transporter to Company for Shipper's account at the Delivery Point(s), and that such Gas will be free and clear of all liens, encumbrances, and claims whatsoever. In the event any adverse claim in respect to said Gas is asserted, or Shipper breaches its warranty herein, Company shall not be required to perform its obligations to transport and deliver said Gas to Consumer accounts in Shipper's Consumer Pool or, subject to receipt of any necessary regulatory authorization, to continue service hereunder for Shipper until such claim has been finally determined; provided, however, that Shipper may receive service if (i) in the case of an adverse claim, Shipper furnishes a bond to Company, conditioned for the protection of Company with respect to such claim; or (ii) in the case of a breach of warranty, Shipper promptly furnishes evidence, satisfactory to Company, of Shipper's title to said Gas.

#### 2. Control and Possession

Shipper shall be deemed to be in control and possession of Gas prior to delivery to the Delivery Point(s); and Company shall be deemed to be in control and possession of the Gas to be transported by it upon delivery of such Gas by Transporter to the Delivery Point(s), and until it shall have been delivered to Company's Point(s) of Delivery. Each party, while deemed to be in control and possession of such Gas, shall be responsible for, and shall indemnify and hold the other harmless from any and all claims, actions, suits, including attorney's fees, arising out of or relating in any way to custody and control of such Gas

## RULES AND REGULATIONS

(Continued)

way grants, permits, or licenses to enable such party to fulfill its obligations hereunder, the inability of such party to acquire, or the delays on the part of such party in acquiring, at reasonable cost and after the exercise of reasonable diligence, such servitude, rights of way grants, permits, or licenses; and (b) in those instances where either party is required to furnish materials and supplies for the purpose of constructing or maintaining facilities or is required to secure grants or permissions from any governmental agency to enable such party to acquire, or the delays on the part of such party in acquiring, at reasonable cost and after the exercise of reasonable diligence, such materials and supplies, permits and permissions.

3. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of an opposing party when such course is inadvisable in the discretion of the party having the difficulty.

### Q. OPERATIONAL BALANCING ACCOUNT

1. Authorization for Recovery or Refund

It is the intent of this Section that the Company shall be authorized to recover or refund any and all charges or credits related to the provision of Transportation Service, as have historically been recovered from or allocated to Consumers pursuant to the Commission's ongoing Purchased Gas Adjustment cost recovery proceedings.

2. Charges or Credits

The OBA provides the mechanism by which the Company accumulates and allocates the following charges or credits, which include but are not limited to:

- a. Charges or credits associated with balancing, on a monthly basis, the measured Gas quantities at the Company's Delivery Points with Transporters with the scheduled quantities of Gas on Transporter's system.
- b. Charges or credits associated with the Gas Month Balancing provisions defined in Section III.M.

RULES AND REGULATIONS  
(Continued)

- c. Charges or credits associated with the Operational Controls provisions defined in Section III.N. Such charges or credits associated with the Operational Controls shall be recorded in a separate sub-account of the OBA.
- d. Charges or credits associated with any unreleased Transporter capacity.
- e. Other charges or credits related to the provision of Transportation Service that have historically been recovered from or allocated to customers pursuant to the Commission's ongoing Purchased Gas Adjustment cost recovery proceedings.

3. Disposition of OBA Balance

The Company shall, within 30 days after calendar quarter end, dispose of any OBA balance with Shippers, if such balance is at least \$100,000 (debit or credit balance). If the OBA balance at calendar quarter end is below \$100,000 (debit or credit balance), then the Company shall not dispose of the OBA balance until such time that the OBA balance is at least \$100,000 (debit or credit balance) at any subsequent calendar quarter. The Company shall, within 45 days after calendar year end, dispose of the OBA balance, regardless of balance amount, with Shippers. Each Shipper's refund or charge shall be based upon the proportion of scheduled Gas of each Shipper to the total amount of scheduled Gas by all Shippers during the corresponding OBA refund or charge period.

The Company shall track each Operational Control Order event that results in charges or credits to Company to ensure that the responsible Shippers that have already been charged or credited for the Operational Control Order event do not receive any residual charges or credits, if any, from each Operational Control Order event upon disposition of the OBA.

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Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

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Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - A  
Rate Schedule FTS-A

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is 0 therms up to 130 therms. This rate schedule is closed to all Consumers, except those receiving service under rate schedules FTS-A as of December 31, 2009. In addition, Consumers who restore service or apply for new service at a premise where the Company provided service under Rate Schedule FTS-A at the time service was terminated shall receive service at such premise under this Rate Schedule.

Monthly Rate:

Firm Transportation Charge:	\$13.00
Usage Charge:	\$0.46358 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 - 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE – A (Experimental)  
Rate Schedule FTS-A (Exp)

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers assigned to a TTS Shipper whose annual metered transportation volume is 0 therms up to 130 therms. This rate schedule is closed to all Consumers, except those receiving service under rate schedules FTS-A as of December 31, 2009. In addition, Consumers who restore service or apply for new service at a premise where the Company provided service under Rate Schedule FTS-A at the time service was terminated shall receive service at such premise under this Rate Schedule.

Monthly Rate:

Firm Transportation Charge:	\$17.00
Usage Charge:	\$0.00000 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 - 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - B  
Rate Schedule FTS-B

Availability:

Throughout the service area of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 130 therms up to 250 therms. This rate schedule is closed to all Consumers, except those receiving service under rate schedules FTS-A or FTS-B as of March 3, 2005. In addition, Consumers who restore service or apply for new service at a premise where the Company provided service under Rate Schedule FTS-B at the time service was terminated shall receive service at such premise under this Rate Schedule.

Monthly Rate:

Firm Transportation Charge:	\$15.50
Usage Charge:	\$0.49286 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE – B (Experimental)  
Rate Schedule FTS-B (Exp)

Availability:

Throughout the service area of the Company.

Applicability:

Firm Transportation Service available to all Consumers assigned to a TTS Shipper whose annual metered transportation volume is greater than 130 therms up to 250 therms. This rate schedule is closed to all Consumers, except those receiving service under rate schedules FTS-A or FTS-B as of March 3, 2005. In addition, Consumers who restore service or apply for new service at a premise where the Company provided service under Rate Schedule FTS-B at the time service was terminated shall receive service at such premise under this Rate Schedule.

Monthly Rate:

Firm Transportation Charge:	\$23.00
Usage Charge:	\$0.00000 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 1  
Rate Schedule FTS-1

Availability:

Throughout the service area of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is 0 therms up to 500 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or five (5) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$19.00
Usage Charge:	\$0.46310 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE – 1 (Experimental)  
Rate Schedule FTS-1 (Exp)

Availability:

Throughout the service area of the Company.

Applicability:

Firm Transportation Service available to all Consumers assigned to a TTS Shipper whose annual metered transportation volume is 0 therms up to 500 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or five (5) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$29.00
Usage Charge:	\$0.00000 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 2  
Rate Schedule FTS-2

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 500 therms up to 1,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or fifty (50) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$34.00
Usage Charge:	\$0.31960 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE – 2 (Experimental)  
Rate Schedule FTS-2 (Exp)

Availability:

Throughout the service area of the Company.

Applicability:

Firm Transportation Service available to all Consumers assigned to a TTS Shipper whose annual metered transportation volume is greater than 500 therms up to 1,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or fifty (50) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$48.00
Usage Charge:	\$0.00000 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE – 2.1  
Rate Schedule FTS-2.1

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 1,000 therms up to 2,500 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or fifty (50) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$40.00
Usage Charge:	\$0.30827 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE – 2.1 (Experimental)  
Rate Schedule FTS-2 .1(Exp)

Availability:

Throughout the service area of the Company.

Applicability:

Firm Transportation Service available to all Consumers assigned to a TTS Shipper whose annual metered transportation volume is greater than 1,000 therms up to 2,500 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or fifty (50) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$87.00
Usage Charge:	\$0.00000 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE – 3  
Rate Schedule FTS-3

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 2,500 therms up to 5,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or fifty (50) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$108.00
Usage Charge:	\$0.24102 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE – 3 (Experimental)  
Rate Schedule FTS-3 (Exp)

Availability:

Throughout the service area of the Company.

Applicability:

Firm Transportation Service available to all Consumers assigned to a TTS Shipper whose annual metered transportation volume is greater than 2,500 therms up to 5,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or fifty (50) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$162.00
Usage Charge:	\$0.00000 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE – 3.1  
Rate Schedule FTS-3.1

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 5,000 therms up to 10,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or fifty (50) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$134.00
Usage Charge:	\$0.20383 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE – 3.1 (Experimental)  
Rate Schedule FTS-3.1(Exp)

Availability:

Throughout the service area of the Company.

Applicability:

Firm Transportation Service available to all Consumers assigned to a TTS Shipper whose annual metered transportation volume is greater than 5,000 therms up to 10,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or fifty (50) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$263.00
Usage Charge:	\$0.00000 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 4  
Rate Schedule FTS-4

Availability:

Throughout the service area of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 10,000 therms up to 25,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or fifty (50) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$210.00
Usage Charge:	\$0.18900 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 5  
Rate Schedule FTS-5

Availability:

Throughout the service area of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 25,000 therms up to 50,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or fifty (50) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$380.00
Usage Charge:	\$0.16580 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 6  
Rate Schedule FTS-6

Availability:

Throughout the service area of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 50,000 therms up to 100,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or fifty (50) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$600.00
Usage Charge:	\$0.15137 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 7  
Rate Schedule FTS-7

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 100,000 therms up to 200,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or one-hundred (100) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$700.00
Usage Charge:	\$0.12300 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 8  
Rate Schedule FTS-8

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 200,000 therms up to 400,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or one-hundred (100) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$1,200.00
Usage Charge:	\$0.11024 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 9  
Rate Schedule FTS-9

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 400,000 therms up to 700,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or one-hundred (100) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$2,000.00
Usage Charge:	\$0.09133 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 10  
Rate Schedule FTS-10

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 700,000 therms up to 1,000,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or one-hundred (100) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$3,000.00
Usage Charge:	\$0.08318 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 11  
Rate Schedule FTS-11

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 1,000,000 therms up to 2,500,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or one-hundred (100) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$5,500.00
Usage Charge:	\$0.06977 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 12  
Rate Schedule FTS-12

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 2,500,000 therms up to 12,500,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or one-hundred (100) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$9,000.00
Usage Charge:	\$0.06123 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

RATE SCHEDULES  
FIRM TRANSPORTATION SERVICE - 13  
Rate Schedule FTS-13

Availability:

Throughout the service areas of the Company.

Applicability:

Firm Transportation Service available to all Consumers whose annual metered transportation volume is greater than 12,500,000 therms. The maximum delivery pressure provided to Consumers served under this rate schedule shall be the lesser of the MAOP at the Consumer premise or one-hundred (100) p.s.i.g.

Monthly Rate:

Firm Transportation Charge:	\$16,692.25
Usage Charge:	\$0.00000 per therm

Minimum Charge:

The Firm Transportation Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Miscellaneous:

If the Company agrees to provide the necessary natural gas conversion equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Consumer shall be executed. Further, the rates established in the Monthly Rate section of this rate schedule may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time as the Company has recovered its costs of providing the natural gas conversion equipment, transportation under this rate schedule shall be billed at Monthly Rates stated herein.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
SHIPPER ADMINISTRATIVE AND BILLING SERVICE  
Rate Schedule SABS

Availability:

Throughout the service areas of the Company.

Applicability:

Service under this Rate Schedule is mandatory for all TTS Shippers and may be elected by CI Shippers delivering, or causing to be delivered, Gas to the Company's distribution system for transportation to Consumers and who utilize the Company for billing Gas costs to Consumers.

Monthly Rate:

Shipper Administration Charge: \$300.00

Consumer Charge: \$5.50 per Consumer

Minimum Charge:

The Shipper Administration Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

RATE SCHEDULES  
SHIPPER ADMINISTRATIVE SERVICE  
Rate Schedule SAS

Availability:

Throughout the service areas of the Company.

Applicability:

Service under this Rate Schedule is mandatory for all CI Shippers, except those CI Shippers who are also Consumers receiving service through the Special Contract Service or Flexible Gas Service, delivering, or causing to be delivered, Gas to the Company's distribution system for transportation to Consumers, and who have not selected the Company's SABS rate schedule.

Monthly Rate:

Shipper Administration Charge:	\$300.00
Consumer Charge:	\$7.50 per Consumer

Minimum Charge:

The Shipper Administration Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS  
Rate Schedule MRA  
SOLAR WATER-HEATING ADMINISTRATIVE  
AND BILLING SERVICE – (Experimental)  
Rate Schedule SWHS (Exp)

Availability:

Throughout the service areas of the Company.

Applicability:

Service under this Rate Schedule is mandatory for any third party entity (the "SWHS Contractor") installing residential combination thermal solar and natural gas water heating systems on the Company's gas distribution system that have entered into an SWHS agreement with the Company. The Company shall provide a payment agent/collection service for authorized SWHS Contractors. Each month, the Company shall bill applicable Consumers the SWHS Contractor's charge for installing and maintaining the combination solar/gas water heating system. The Company shall remit such funds collected from Consumers, less the SWHS Consumer Charge, to the applicable SWHS Contractors. The Company shall have no obligation to the SWHS Contractor for any charges that are not collected from Consumers.

Monthly Rate:

Consumer Charge: \$7.50 per bill

Minimum Charge:

The Consumer Charge.

Billing Adjustments:

The above rates shall be subject to the applicable MRAs and FTs as set forth on Sheet Nos. 98 – 106.

Issued by: John R. Schimkaitis, President  
Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS

Rate Schedule MRA

1. ENERGY CONSERVATION COST RECOVERY ADJUSTMENT:

Applicability:

All Consumers receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1, FTS-3, FTS-3.1, FTS-4, FTS-5, FTS-6, FTS-7, FTS-8, FTS-9, FTS-10, FTS-11, and FTS-12.

The bill for Firm Transportation Service to a Consumer in any billing period shall be adjusted as follows: the Usage Charge shall be increased or decreased to the nearest .001 cent multiplied by the tax factor of 1.00503 for each Therm to recover the conservation related expenditures by the Company. The Company shall record both projected and actual expenses and revenues associated with the implementation of the Company's energy conservation plan as authorized by the Commission. The procedure for the review, approval, recovery and recording of such costs and revenues is set forth in the Commission Rule 25-17.015, F.A.C.

The cost recovery factor for the period from January 1, 2010 through December 31, 2010 for each rate schedule is as follows:

<u>Rate Schedule</u>	<u>Classification of Service</u>	<u>Dollars per therm</u>
FTS-A	< 130 therms	\$0.02324
FTS-B	> 130 up to 250 therms	\$0.01879
FTS-1	> 0 up to 500 therms	\$0.01652
FTS-2	>500 up to 1,000 therms	\$0.00905
FTS-2.1	>1,000 up to 2,500 therms	\$0.00905
FTS-3	>2,500 up to 5,000 therms	\$0.00595
FTS-3.1	>5,000 up to 10,000 therms	\$0.00595
FTS-4	>10,000 up to 25,000 therms	\$0.00450
FTS-5	>25,000 up to 50,000 therms	\$0.00392
FTS-6	>50,000 up to 100,000 therms	\$0.00345
FTS-7	>100,000 up to 200,000 therms	\$0.00221
FTS-8	>200,000 up to 400,000 therms	\$0.00197
FTS-9	>400,000 up to 700,000 therms	\$0.00161
FTS-10	>700,000 up to 1,000,000 therms	\$0.00153
FTS-11	>1,000,000 up to 2,500,000 therms	\$0.00131
FTS-12	>2,500,000 up to 12,500,000 therms	\$0.00111

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Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS  
Rate Schedule MRA

2. ENERGY CONSERVATION COST RECOVERY ADJUSTMENT (Experimental):

Applicability:

All Consumers, assigned to a TTS Shipper, receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A (Exp), FTS-B (Exp), FTS-1 (Exp), FTS-2 (Exp), FTS-2.1 (Exp.), FTS-3 (Exp), and FTS-3.1 (Exp.).

The bill for Firm Transportation Service to a Consumer in any billing period shall be adjusted as follows: the Firm Transportation Charge shall be increased or decreased to the nearest .01 cent multiplied by the tax factor of 1.00503 for each Consumer bill. The Company shall record both projected and actual expenses and revenues associated with the Company's Energy Conservation Program as authorized by the Commission. The procedure for the review, approval, recovery and recording of such costs and revenues is set forth in the Commission Rule 25-17.015, F.A.C.

The Energy Conservation Cost Recovery Adjustment factor for the period from January 1, 2010 through December 31, 2010 for each rate schedule is as follows:

<u>Consumer Rate Schedule</u>	<u>\$ per bill</u>
FTS-A (Exp)	\$ 0.20
FTS-B (Exp)	\$ 0.28
FTS-1 (Exp)	\$ 0.36
FTS-2 (Exp)	\$ 0.76
FTS-2.1 (Exp)	\$ 0.76
FTS-3 (Exp)	\$ 2.53
FTS-3.1 (Exp)	\$ 2.53

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Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS  
Rate Schedule MRA

3. TEMPORARY ENVIRONMENTAL SURCHARGE:

Applicability:

All Consumers receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1, FTS-3, FTS-3.1, FTS-4, FTS-5, FTS-6, FTS-7, FTS-8, FTS-9, FTS-10, FTS-11, and FTS-12.

The monthly Firm Transportation Service to a Consumer in any billing period shall be adjusted as follows to recover the Company's cost related to the environmental remediation of its manufactured gas plant site.

The cost recovery factor for the period from January 1, 2010 through December 31, 2013 for each rate schedule is as follows:

<u>Rate Schedule</u>	<u>Classification of Service</u>	<u>Dollars per bill</u>
FTS-A	< 130 therms	\$ 0.37
FTS-B	> 130 up to 250 therms	\$ 0.49
FTS-1	> 0 up to 500 therms	\$ 0.62
FTS-2	>500 up to 1,000 therms	\$ 1.04
FTS-2.1	>1,000 up to 2,500 therms	\$ 1.86
FTS-3	>2,500 up to 5,000 therms	\$ 3.44
FTS-3.1	>5,000 up to 10,000 therms	\$ 5.58
FTS-4	>10,000 up to 25,000 therms	\$ 9.55
FTS-5	>25,000 up to 50,000 therms	\$ 17.47
FTS-6	>50,000 up to 100,000 therms	\$ 28.85
FTS-7	>100,000 up to 200,000 therms	\$ 45.48
FTS-8	>200,000 up to 400,000 therms	\$ 79.51
FTS-9	>400,000 up to 700,000 therms	\$127.43
FTS-10	>700,000 up to 1,000,000 therms	\$186.61
FTS-11	>1,000,000 up to 2,500,000 therms	\$332.54
FTS-12	>2,500,000 up to 12,500,000 therms	\$598.88

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Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS

Rate Schedule MRA

4. COMPETITIVE FIRM TRANSPORTATION SERVICE ADJUSTMENT:

Applicability:

All Consumers receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A, FTS-B, FTS-1, FTS-2, FTS-2.1, FTS-3, FTS-3.1, FTS-4, FTS-5, FTS-6, FTS-7, FTS-8, FTS-9, FTS-10, FTS-11, and FTS-12.

The Monthly Rate is subject to adjustment in accordance with the following provisions for prior Shortfalls or Surpluses in the Company's revenues resulting from service provided under the CFTS.

- a. For the purposes of this clause, the following definitions shall apply:
  1. "Actual Revenue" means Company's actual Monthly Rate revenue derived from service provided to CFTS Consumers during a Determination Period.
  2. "Tariff Revenue" means the Monthly Rate revenue which Company would have derived had all gas transported to Consumers, during a Determination Period, been billed at the applicable Firm Transportation Service rate schedule.
  3. "Surplus" means the amount, if any, by which Company's Actual Revenue exceeds its Tariff Revenue for a Determination Period.
  4. "Shortfall" means the amount, if any, by which the Company's Tariff Revenue exceeds its Actual Revenue for a Determination Period.
- b. The existence of a Shortfall or Surplus shall be determined by comparing Florida Division's Actual Revenue with its Tariff Revenue. This determination shall be made each year for the twelve months ending December 31 ("Determination Period").
- c. Adjustments to firm rates pursuant to this clause shall be implemented during an "Adjustment Period," which shall be the twelve months immediately following the Determination Period in the event of a Surplus. In the event of a Shortfall, any twelve successive months ending on a December 31 within five years following the Determination Period may be an Adjustment Period.

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Chesapeake Utilities Corporation

Effective:

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS  
Rate Schedule MRA

- d. In the event of a Surplus, Company shall reduce rates to Consumers to credit them with revenues equal to one-half the Surplus. In the event of a Shortfall, Company may increase rates to Consumers to recover an amount not to exceed one-half the Shortfall. The amount of any credit or recovery is governed by the following:

Surplus credit = (Actual Revenue - Tariff Revenue)

Shortfall recovery = (Tariff Revenue - Actual Revenue)

- e. A Surplus credit or Shortfall recovery shall be implemented during an adjustment period by reducing or increasing the Usage Charge prescribed in each Firm Transportation Service rate schedule of this tariff. An adjustment factor shall be computed for each applicable rate schedule. The computation of adjustment factors for each rate schedule shall conform to the methodology approved by the Commission for use in determining cost recovery factors by rate schedule in the Company's Energy Conservation Cost Recovery Adjustment.
- f. Any variation between the actual credit to Firm Transportation Service Customers and the amount calculated pursuant to the preceding paragraph, or between the Actual Shortfall recovery and the amount that the Company elected to recover in an Adjustment Period, shall be "trued-up" during the succeeding twelve months pursuant to methodology approved by the Commission.
- g. Company may defer all or a portion of a Shortfall recovery to a subsequent Adjustment Period or portion thereof.

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS  
Rate Schedule MRA

5. COMPETITIVE FIRM TRANSPORTATION SERVICE ADJUSTMENT (Experimental):

Applicability:

All Consumers, assigned to a TTS Shipper, receiving Transportation Service from the Company and are assigned to or have selected rate schedules FTS-A (Exp), FTS-B (Exp), FTS-1 (Exp), FTS-2 (Exp), FTS-2.1 (Exp), FTS-3 (Exp), and FTS-3.1 (Exp).

The Monthly Rate is subject to adjustment in accordance with the following provisions for prior Shortfalls or Surpluses in the Company's revenues resulting from service provided under the CFTS.

a. For the purposes of this clause, the following definitions shall apply:

1. "Actual Revenue" means Company's actual Monthly Rate revenue derived from service provided to CFTS Consumers during a Determination Period.
2. "Tariff Revenue" means the Monthly Rate revenue which Company would have derived had all gas transported to Consumers, during a Determination Period, been billed at the applicable Firm Transportation Service rate schedule.
3. "Surplus" means the amount, if any, by which Company's Actual Revenue exceeds its Tariff Revenue for a Determination Period.
4. "Shortfall" means the amount, if any, by which the Company's Tariff Revenue exceeds its Actual Revenue for a Determination Period.

b. The existence of a Shortfall or Surplus shall be determined by comparing Florida Division's Actual Revenue with its Tariff Revenue. This determination shall be made each year for the twelve months ending December 31 ("Determination Period").

c. Adjustments to firm rates pursuant to this clause shall be implemented during an "Adjustment Period," which shall be the twelve months immediately following the Determination Period in the event of a Surplus. In the event of a Shortfall, any twelve successive months ending on a December 31 within five years following the Determination Period may be an Adjustment Period.

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS  
Rate Schedule MRA

- d. In the event of a Surplus, Company shall reduce rates to Consumers to credit them with revenues equal to one-half the Surplus. In the event of a Shortfall, Company may increase rates to Consumers to recover an amount not to exceed one-half the Shortfall. The amount of any credit or recovery is governed by the following:

Surplus credit = (Actual Revenue - Tariff Revenue)

Shortfall recovery = (Tariff Revenue - Actual Revenue)

- e. A Surplus credit or Shortfall recovery shall be implemented during an adjustment period by reducing or increasing the Firm Transportation Charge prescribed in each Firm Transportation Service rate schedule of this tariff. An adjustment factor shall be computed for each applicable rate schedule. The computation of adjustment factors for each rate schedule shall conform to the methodology approved by the Commission for use in determining cost recovery factors by rate schedule in the Company's Energy Conservation Cost Recovery Adjustment (Experimental).
- f. Any variation between the actual credit to Firm Transportation Service Customers and the amount calculated pursuant to the preceding paragraph, or between the Actual Shortfall recovery and the amount that the Company elected to recover in an Adjustment Period, shall be "trued-up" during the succeeding twelve months pursuant to methodology approved by the Commission.
- g. Company may defer all or a portion of a Shortfall recovery to a subsequent Adjustment Period or portion thereof.