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May 11, 2016

**BY HAND DELIVERY**

Ms. Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED-FPSC  
2016 MAY 11 PM 4:30  
COMMISSION  
CLERK

**Re: Docket No. 160085-GU- Joint Petition of Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and the Florida Division of Chesapeake Utilities Corporation for Approval of Swing Service Rider.**

Dear Ms. Stauffer:

Attached for filing, please find the original and 7 copies of the Joint Petitioners' Responses to Staff's First Data Requests in the above-referenced docket. Included with these responses are Attachments A-D, which are provided on CD only. Attachment E includes the following revised tariff pages in clean and legislative versions:

- Florida Public Utilities Company - F.P.S.C. Gas Tariff, Third Revised Volume I – Fourth Revised Tariff Sheet No. 35.6
- Florida Public Utilities Company-Fort Meade-F.P.S.C. Gas Tariff – Original Volume I-Second Revised Tariff Sheet Nos. 33 and Original Sheet No. 64.1
- Florida Public Utilities Company-Indiantown Division – Original Volume 2 – Original Tariff Sheet No. 35.2
- Florida Division of Chesapeake Utilities Corporation – Original Volume No. 4 – Fifth Revised Sheet Nos. 70 and Original Sheet No. 105.4

COM \_\_\_\_\_  
AFD \_\_\_\_\_  
APA \_\_\_\_\_  
ECO STCD  
ENG \_\_\_\_\_  
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IDM \_\_\_\_\_  
TEL \_\_\_\_\_  
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Ms. Carlotta Stauffer, Clerk  
May 11, 2016  
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As always, thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,



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Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

Cc:// Kyesha Mapp, Staff Counsel  
Stephanie Morse, Office of Public Counsel

**Docket No. 160085-GU: Joint petition for approval of swing service rider, by Florida Public Utilities Company, Florida Public Utilities Company-Indiantown Division, Florida Public Utilities Company-Fort Meade, and Florida Division of Chesapeake Utilities Corporation.**

Joint Petitioners' Responses to Staff's First Data Requests

1. Please refer to Paragraph 17 on page 8 of the petition. The second sentence of the paragraph begins by appearing to identify prospective customer groups to which the swing service rider might be applied in the future (*i.e.*, in addition to the transportation rate schedules listed in Exhibit A). However, the sentence concludes by appearing to identify incremental costs that potentially might be included in the swing service rider cost allocations. Staff's observation also applies to Item 3, lines 6-8, on page 14 of the petition. Please clarify the portions of the petition identified above as follows:
  - (a) Please provide a list of existing rate schedules in addition to those identified in Exhibit A (if any) to which the Joint Petitioners plan to apply the swing service rider in the future.
  - (b) Please clarify whether "Compressed Natural Gas (CNG) Temporary Service" will be a potential new customer group/rate schedule for which the Joint Petitioners plan to seek Commission approval.
  - (c) Please clarify that "storage contracts, swing gas sales agreements, upstream pipeline park and loan services, additional capacity used for growth and peaking services, and incremental administrative costs" describe types of costs that the Joint Petitioners plan to recover through the application of the swing service rider. Please provide an estimate of when the Joint Petitioners plan to begin recovering these costs through the proposed swing service rider and state whether any such costs are currently being recovered through the PGA and/or the OBA TTS Pool charges.

**COMPANY RESPONSE:**

- (a) **The rate schedules identified in Exhibit A are the only existing rate schedules to which the swing service rider will apply. The potential future services identified in Paragraph 17 of the Petition are intended to identify types of future services that the Company may seek approval of in the future and to which the swing service would appropriately apply.**
- (b) **"Compressed Natural Gas (CNG) Temporary Service" is listed as a potential future customer group/rate schedule. This service does not currently exist on any of the Companies' tariffs. As stated in the response to 1(a) above, this portion of the Petition is simply intended to identify potential new services to which the swing service charge would likely be extended, upon Commission approval.**
- (c) **"Storage contracts, swing gas sales agreements, upstream pipeline park and loan services, additional capacity used for growth and peaking services and incremental administrative costs" are not services currently offered by the Joint Petitioners. As such, there are no costs currently being incurred or recovered through the PGA and/or the OBA TTS Pools associated with those identified types of services. As stated in the response to 1(a) above, this portion of the Petition is simply intended to identify potential new services to which the swing service charge would likely be extended, upon Commission approval. The types of services referenced are similar in nature to services offered by other investor-owned utilities in the state. At present there are no timelines in place for proposing these services.**

2. Please refer to Paragraph 19 on page 9 of the petition. Please provide numerical illustrations of how the proposed methodology described in Paragraph 19 was used to calculate each of the proposed swing service rider rates shown in the tariff sheets included in Exhibit B. The numerical illustrations should include cost support for the dollar amounts allocated to the rate classes through the swing service rider as well as the following: (a) a presentation of how the initial percentage split between transportation and sales customers relative to total system usage was calculated, and (b) a presentation of the dollars and therms used to arrive at the swing service rider rates to be billed directly to each transportation customer rate class. Please provide the cost support and allocation procedure illustrations separately for each of the four Joint Petitioners. Please provide any supporting spreadsheets in Excel format with all formulas intact and unlocked.

#### **COMPANY RESPONSE:**

**With this response, the Companies are including Attachments A, B, C, and D, which provide the supporting computations for the swing service rider.**

**In response to Staff's request for the cost support and allocation procedure illustrations separately for each of the four Joint Petitioners, the Companies note that consistent with Commission Order No. PSC-15-0321-PAA-GU in Docket No. 150117-GU, the Joint Petitioners have calculated the swing service charge based on the entire Chesapeake Florida system, rather than on a system-by-system basis. Based upon the same rationale accepted in Order No. PSC-15-0321-PAA-GU, the calculation of the swing service rider is done in total for the Chesapeake Florida system, thus spreading the costs across a wider customer base. Once calculated on a total system basis, the allocations are then translated to the individual rate schedules. As such, the Attachments contained in this response show all the Companies together along with the Company designator in the lead column. For ease of reference, "FPU" is Florida Public Utilities Company, "CFG" is for the Florida Division of Chesapeake Utilities Corporation, "IND" is for Florida Public Utilities Company -Indiantown Division and "FTM" is for the Ft. Meade division.**

**The following is a summary of how the numbers were derived:**

#### **Attachment A:**

**Tab A: This tab contains actual PGA therm usage by month for 2015. Line 17 and line 36 carry the transport volumes over from Tab B. Daily volumes are computed. As done in the prior Cost of Service Studies, the peak daily volume is determined and then the average of the other months' daily volumes is determined in Column Q. The allocation between PGA and transport are computed on line 44.**

**Tab B: This tab contains actual transportation therm usage by month. The peak volumes, and average daily volumes were determined in the same method as the PGA usage on tab A and are carried forward in total to tab A. Column A can be filtered to obtain the therms by individual Company.**

**Tab C:** This tab allocates the total dollars of \$5,257,022 between PGA and Transportation based on the allocation percent on line 44 of tab A.

**Tab D:** This tab further allocates the portion of costs allocated to Transport on Tab C of \$3,384,740 to each transport rate class based on the peak and average allocations on Tab B line 106. The dollars for each rate class are then divided by the actual volumes on Tab B line 117 to get the rates used in the tariffs. The individual Company for each rate class is on line 3. Line 3 also designates whether the rate class was considered as TTS (Phase 1) in the analysis on Attachment B.

**Attachment B:**

**Tab A:** This tab is an analysis of the swing service rider allocation. Lines 4 to 17 show the total cost by agreement that total \$5,257,022. Lines 22 to 27 are the therms by specific Company and lines 29 to 33 remove classes not included such as Special Contracts, FTS 13 and Interruptible customers. The analysis on Lines 38 to 45 show the dollars and therms allocated per individual Company using Tab C and D of Attachment A. Average cost per therm is provided.

Lines 54 to 57 compare the Phase 1 cost per therm and customers from Tab B to Phase 2.

**Tab B:** This tab shows the same costs as Tab A but allocated to only the TTS pool customers which were charged in Phase 1.

**Attachment C:**

This is the same schedule as Attachment B, Tab A, but by year. In this schedule the dollars allocated to non-TTS transportation customers were multiplied by 40% on the Year 1 tab, and progressively increased by 15% each year to year 5 to arrive at the impact per therm. The comparison of the impact on Phase 2 to Phase 1 (from Attachment B) is on line 62. There is also a summary tab showing the effect by year.

**Attachment D:**

This schedule multiplies the rates determined in Attachment A, Tab D, by the percent of phase-in for the first year.

3. Please refer to Paragraph 22 on page 10 of the petition. For each Joint Petitioner (as applicable), please provide the number of residential and non-residential customers for which the customers' PGA charge would be impacted by the implementation of the proposed swing service rider. Also, for each Joint Petitioner (as applicable), please provide the number of residential and non-residential TTS Pool customers for which the current process (as approved in Docket 150117-GU) for allocating unreleased intrastate and LDC-to-LDC capacity costs would be replaced by the implementation of the proposed swing service rider.

**COMPANY RESPONSE:**

**Please see Attachment B column R on Tab A for the Phase 2 allocation and Tab B for the Phase 1 allocation.**

4. Please refer to Paragraph 23 on page 10 of the petition. For each Joint Petitioner, please provide the number of customers not currently subject to the PGA or included in the TTS Pool that now would be impacted by the implementation of the proposed swing service rider.

**COMPANY RESPONSE:**

**Please see the response to item 3 above.**

5. Please refer to the portion of Paragraph 23 on page 11 of the petition. Please discuss the rationale for choosing the design of the proposed stepped implementation period for customers other than those in the identified CFG and Indiantown rate schedules. In the discussion, please include the following: (a) why 5 years was chosen as a phase-in period rather than a longer or shorter interval, and (b) why a 40/15/15/15/15 stepped percentage application was chosen rather than a straight line stepped percentage application or some other stepped percentage application.

**COMPANY RESPONSE:**

**As discussed in Paragraph 23 of the Petition, the Companies recognize there is a potential financial impact to the largest volume classes on the Companies' systems. As such, the Companies are attempting to balance a resolution between the long existing inequities in the Companies' tariffs, associated with the costs of unreleased intrastate and LDC to LDC interconnections, while recognizing that retention of these larger customers is beneficial to the utility and the general body of ratepayers due to the very large gas volumes typically used by customers in these rate classes.**

- (a) **The selection of 5 years as the phase-in period was based on the Companies' desire to find the earliest measurable savings to our PGA and TTS Pool customers, while**

**attempting to mitigate some of the financial impact to the largest volume customers on the Companies' systems. The Companies also evaluated a 10-year phase-in period.**

- (b) Similar to the response in 5(a) above, the Companies' selection of a 40/15/15/15/15 stepped percentage application rather than some other application was an attempt to strike a reasonable balance between finding the earliest and largest benefit to our PGA and TTS customers while not overburdening our largest volume transportation customers.**

6. Please refer to Paragraph 24 on page 11 of the petition. For each Joint Petitioner, please provide a numerical illustration of how the \$0.02/therm reduction to PGA and TTS Pool customers (as applicable) was derived for the first year of the proposed stepped implementation process. Please provide any supporting spreadsheets in Excel format with all formulas intact and unlocked.

**COMPANY RESPONSE:**

**See Attachment C on the Year 1 tab, cell G61. The (\$0.019) was rounded up to (\$0.02). Please see the response to item 2 for how the Attachments were calculated.**

7. Please refer to Paragraph 25 on page 12 of the petition. For each Joint Petitioner, please provide a numerical illustration of how the anticipated additional \$0.07/therm reduction to PGA and TTS Pool customers (as applicable) was derived upon completion of the proposed phased-in implementation period. Please provide any supporting spreadsheets in Excel format with all formulas intact and unlocked.

**COMPANY RESPONSE:**

**The \$0.07/therm reduction was calculated on Attachment B, Tab A, on line 56. Please see the response to Data Request 2 for how the Attachments were calculated.**

8. Please refer to Paragraph 29 on page 13 of the petition which states that the Joint Petitioners have been "working with the Shippers...to ensure a smooth transition." Please clarify the meaning of the phrase "...Shippers on both systems..." on the tenth line of Paragraph 29. Also, please elaborate in greater detail regarding completed and planned outreach efforts as follows:
  - (a) Please discuss communications to date and planned outreach efforts by the Joint Petitioners to Shippers.
  - (b) Please discuss communications to date and planned outreach efforts by the Joint Petitioners directly to non-TTS transportation customers.

**COMPANY RESPONSE:**

**The phrase "...Shippers on both systems..." refers to the population of third party companies that fulfill the gas supply and delivery role for the larger transportation customers on our systems. These third-party companies are also sometimes referred to as gas marketers. As it pertains to the Shippers specifically referenced here, this is the group of entities that fulfills the gas supply function for the population of customers that are not subject to the PGA or the TTS Pool.**

**As part of the preparation of this Docket, the Companies evaluated the impact of billing the swing service rider through the shippers rather than directly to the customers.**

- (a) In the evaluation of how the swing service charge would be billed, the Companies hosted an in-person Shipper meeting on May 14 & 15 of 2015 to which all the interested parties, including Staff and OPC Staff, were invited. At the meeting, the Companies provided information regarding the intended filing, as well as an opportunity for attendees to engage in an open dialogue around the execution and implementation of the proposal. Subsequent to the meeting, the Companies communicated directly with the various interested parties, including Shippers, regarding the plans, options, and areas of concern.**
- (b) The Joint Petitioners have also developed a communication strategy that will include some direct communication with the largest transportation customers, as well as notices issued via the bill inserts for the whole population of non-TTS transportation customers. At present, the Companies are having discussions with the appropriate internal groups on how to best inform and educate the impacted customers. In the Petition, the Companies have requested a delayed implementation start date in part to help facilitate these communications.**



9. Please discuss the impacts (if any) that implementation of the proposed swing service rider would have on Shippers that purchase gas for transportation service customers of FPUC and FPUC – Fort Meade.

**COMPANY RESPONSE:**

**The impact directly to Shippers that purchase gas for transportation service customers of FPUC and FPUC- Fort Meade would be minimal. The Companies plan to bill all the impacted customers directly rather than passing the charge on for the Shippers to bill.**

10. Please refer to Item 3 on page 14 of the petition and to Exhibits A and B. Please explain why the Joint Petitioners are not seeking in this filing to apply the proposed swing service rider to the following existing gas transportation service rate schedules:

FPUC: Interruptible Transportation Service (ITS)  
Natural Gas Vehicle Transportation Service (NGVTS)  
Gas Lighting Service Transportation Service (GLSTS)

Fort Meade: Natural Gas Vehicle Transportation Service (NGVT)

Indiantown: Transportation Service – NGV

Chesapeake: Firm Transportation Service-13 (FTS-13)  
Firm Transportation Service-Natural Gas Vehicle (FTS-NGV)

**COMPANY RESPONSE:**

**In general, the Companies are proposing the swing service rider exclude rate schedules historically excluded from other billing adjustments made by the Companies, such as the Conservation Cost Recovery Adjustment Clause.**

**As it relates to the Interruptible Transportation Service on FPUC, the Company excluded this rate schedule because the character of service is substantially different than that of a firm transportation customer base in that it is available to be interrupted at the discretion of the Company. This rate schedule is usually associated with customers that can afford to significantly reduce their consumption when notified by the Company. The Companies are not proposing to apply the swing service charge to this rate class, because the non-firm nature of the ITS class's loads does not demand that the Companies acquire additional firm capacity to support their consumption.**

**Natural Gas Vehicle Transportation Service NGVTS on FPUC, NGVT on Fort Meade, and FTS-NGV on Chesapeake were designed as incentive rates. As such the Joint Petitioners have**

excluded these schedules so as to maintain the full incentive nature of these schedules and continue to encourage the development of natural gas vehicle opportunities.

The Gas Lighting Service Transportation Service – GLSTS on FPUC was excluded because the actual data for this initial period did not include any activity. If, in the future, there is activity included in this rate schedule, the Companies anticipate that they will then propose that it be included in the calculation of the swing service rider.

Finally, Chesapeake has excluded the FTS-13 rate schedule because it is a closed schedule and has one remaining customer on it. This remaining customer has approached the Company in an effort to negotiate a special contract in order to avoid a by-pass situation. As such, including this rate schedule does not make the most sense in the future calculation of the swing service rider.

11. Please refer to Item 4 on page 14 of the petition and to Exhibit B. Assuming hypothetically that the proposed swing service rider were to be approved, please discuss the process by which the Joint Petitioners plan to submit revised swing service rider tariff sheets for Commission approval on an annual basis during the proposed stepped phase-in period. Please include in the discussion an estimate of the expected timing of the filings and an explanation of the effects (if any) that the filings may have on FPUC's PGA filings.

#### **COMPANY RESPONSE:**

The Joint Petitioners anticipate updating the schedules once a year at approximately the same time as that the PGA projection filings are made. To be clear, the Companies are not proposing that the swing service rider updates be included in the PGA proceeding. Instead, procedurally, the Companies propose that the annual update of the tariff amounts be filed in the same general time frame and handled in a manner similar to Gas Reliability Infrastructure Program. The Companies anticipate the swing service rider would be calculated annually based on the most recent 12 months actual data. The initial period would be dependent on the outcome and procedural timing of this Docket (No. 160085-GU). So, for example, assuming these rates are in effect from March 1, 2017 until December 2017, the Companies would use actual data from June 2016 through May 2017 to recalculate the rates to be in effect for January 2018 through December 2018. This proposed time line would allow the Companies sufficient time to calculate the swing service rider in advance of the annual PGA projection clause and thereby incorporating the calculated offset into the PGA proceeding for that current year. If the Companies' requested delayed implementation is approved, the initial period would commence sometime during the first quarter of 2017. The amount calculated and billed, in aggregate, to the transportation customers would then be reflected as a credit to the PGA balance at the time of its calculation.

12. Exhibit A to the petition indicates that the swing service rider would be applied to Large Volume Transportation Service (LVTS) customers of FPUC – Fort Meade. However, Exhibit B to the petition does not include revised tariff sheets for FPUC – Fort Meade LVTS customers. Please clarify either by providing the appropriate revised tariff sheets for FPUC – Fort Meade LVTS customers, or, by revising Exhibit A to indicate that the swing service rider would not be applicable to FPUC – Fort Meade LVTS customers. If the proposed swing service rider is not intended to be applied to Fort Meade LVTS customers, please explain why not.

**COMPANY RESPONSE:**

**The rate computations used in this Petition were based on actual 2015 therms. In 2015, the Company did not have any customers using the FPUC-Fort Meade LVTS tariff. Therefore, no rates were computed. In the future, if there are customers using these tariffs, the data will be included in the worksheets and rates will be calculated for the following year. As discussed in response to question number 11 above, the Companies anticipate using the most recent 12-months actual data annually to recalculate the rates to be in effect for the next 12 month period.**

13. Please refer to Exhibit B to the petition. As a general recommendation applicable to all proposed tariff sheets contained in Exhibit B, please remove the word “fair” from the sentence in the “Definitions” section.

**COMPANY RESPONSE:**

**Revised tariff pages are attached which have removed the word “fair”.**

14. Please refer to Exhibit B, proposed Tariff Sheet No. 33 for FPUC – Fort Meade (clean and legislative versions). For the index entry associated with Tariff Sheet No. 64, please reinstate the phrase “Reserved for Future Use” and remove the inserted title “Gas Reliability Infrastructure Program (GRIP)” such that this index entry will appear like it does on current First Revised Sheet No. 33. Staff notes that GRIP-related revisions to Fort Meade Tariff Sheet Nos. 33 and 64 will be appropriate when FPUC – Fort Meade files its petition to implement 2017 GRIP surcharges later this year pursuant to Order No. PSC-15-0578-TRF-GU (Docket No. 150191-GU). The “Swing Service Rider” index entry on proposed Second Revised Sheet No. 33 for a proposed new Tariff Sheet 64.1 is appropriate.

**COMPANY RESPONSE:**

**Revised Ft. Meade Sheet 33 are attached.**

15. Please provide amended clean and legislative copies of all proposed tariff sheets, reflecting revisions recommended hereinabove, in MSWord and PDF format.

**COMPANY RESPONSE:**

**Tariff sheets with revisions recommended have been provided in Word and PDF format.**

*Docket No. 160085*

RESPONSES TO STAFF'S FIRST DATA REQUESTS

ATTACHMENT A-D  
(CD Only/Excel Spreadsheets)

*Docket No. 160085*

RESPONSES TO STAFF'S FIRST DATA REQUESTS

ATTACHMENT E

*(Revised Tariff Pages – Clean and Legislative Versions)*

*INDEX OF RATE SCHEDULES (Continued)*

|   | <u>Symbol</u> | <u>Sheet No.</u> |
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| Firm Transportation Service – 11                                      | FTS-11        | 88               |
| Firm Transportation Service -12                                       | FTS-12        | 89               |
| Firm Transportation Service -13                                       | FTS-13        | 90 (Closed)      |
| Firm Transportation Service - Natural Gas Vehicle                     | FTS-NGV       | 90.1             |
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| Solar Water-Heating Administrative and Billing Service (Experimental) | SWHS (Exp)    | 96               |
| Off-System Delivery Point Operator Service                            | OS-DPO        | 97               |
| Flexible Gas Service  | FGS           | 97.1             |
| <u>Monthly Rate Adjustments</u>                                       | MRA           |                  |
| Energy Conservation Cost Recovery Adjustment                          |               | 98               |
| Energy Conservation Cost Recovery Adjustment - Experimental           |               | 99               |
| Environmental Surcharge   |               | 100              |
| Competitive Firm Transportation Service Adjustment                    |               | 101              |
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| Shipper of Last Resort Adjustment                                     |               | 105              |
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| Fees and Taxes  | FT            | 106              |

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|   | <u>Symbol</u> | <u>Sheet No.</u> |
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| Firm Transportation Service – 10                                      | FTS-10        | 87               |
| Firm Transportation Service – 11                                      | FTS-11        | 88               |
| Firm Transportation Service -12                                       | FTS-12        | 89               |
| Firm Transportation Service -13                                       | FTS-13        | 90 (Closed)      |
| Firm Transportation Service - Natural Gas Vehicle                     | FTS-NGV       | 90.1             |
| Contract Firm Transportation Service Rider                            | CFTS-Rider    | 91               |
| Area Expansion Program Rider  | AEP-Rider     | 93               |
| Shipper Administrative and Billing Service                            | SABS          | 94               |
| Shipper Administrative Service  | SAS           | 95               |
| Solar Water-Heating Administrative and Billing Service (Experimental) | SWHS (Exp)    | 96               |
| Off-System Delivery Point Operator Service                            | OS-DPO        | 97               |
| Flexible Gas Service  | FGS           | 97.1             |
| <u>Monthly Rate Adjustments</u>                                       | MRA           |                  |
| Energy Conservation Cost Recovery Adjustment                          |               | 98               |
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| Gas Reliability Infrastructure Program (GRIP)                         |               | 105.1-3          |
| <u>Swing Service Rider</u>  |               | 105.4            |
| Fees and Taxes  | FT            | 106              |

RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

| <u>Rate Class</u>               | <u>Classification</u> | <u>Rates Per Therm</u> |
|---------------------------------|-----------------------|------------------------|
| Firm Transportation Service A   | FTS-A                 | \$0.0521               |
| Firm Transportation Service B   | FTS-B                 | \$0.0539               |
| Firm Transportation Service 1   | FTS-1                 | \$0.0591               |
| Firm Transportation Service 2   | FTS-2                 | \$0.0627               |
| Firm Transportation Service 2.1 | FTS-2.1               | \$0.0553               |
| Firm Transportation Service 3   | FTS-3                 | \$0.0504               |
| Firm Transportation Service 3.1 | FTS-3.1               | \$0.0442               |
| Firm Transportation Service 4   | FTS-4                 | \$0.0182               |
| Firm Transportation Service 5   | FTS-5                 | \$0.0173               |
| Firm Transportation Service 6   | FTS-6                 | \$0.0167               |
| Firm Transportation Service 7   | FTS-7                 | \$0.0180               |
| Firm Transportation Service 8   | FTS-8                 | \$0.0150               |
| Firm Transportation Service 9   | FTS-9                 | \$0.0168               |
| Firm Transportation Service 10  | FTS-10                | \$0.0125               |
| Firm Transportation Service 11  | FTS-11                | \$0.0179               |
| Firm Transportation Service 12  | FTS-12                | \$0.0142               |

| <u>Experimental Rate Class</u>  | <u>Classification</u> | <u>Rates Per Bill</u> |
|---------------------------------|-----------------------|-----------------------|
| Firm Transportation Service A   | FTS-A                 | \$0.4481              |
| Firm Transportation Service B   | FTS-B                 | \$0.8193              |
| Firm Transportation Service 1   | FTS-1                 | \$1.2766              |
| Firm Transportation Service 2   | FTS-2                 | \$2.7463              |
| Firm Transportation Service 2.1 | FTS-2.1               | \$8.4332              |
| Firm Transportation Service 3   | FTS-3                 | \$11.2896             |
| Firm Transportation Service 3.1 | FTS-3.1               | \$27.9742             |

Definitions

This surcharge allocates a portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

Issued by: Michael P. McMasters, President  
Chesapeake Utilities Corporation

Effective:



RATE SCHEDULES  
MONTHLY RATE ADJUSTMENTS

Swing Service RiderApplicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

| <u>Rate Class</u>               | <u>Classification</u> | <u>Rates Per Therm</u> |
|---------------------------------|-----------------------|------------------------|
| Firm Transportation Service A   | FTS-A                 | \$0.0521               |
| Firm Transportation Service B   | FTS-B                 | \$0.0539               |
| Firm Transportation Service 1   | FTS-1                 | \$0.0591               |
| Firm Transportation Service 2   | FTS-2                 | \$0.0627               |
| Firm Transportation Service 2.1 | FTS-2.1               | \$0.0553               |
| Firm Transportation Service 3   | FTS-3                 | \$0.0504               |
| Firm Transportation Service 3.1 | FTS-3.1               | \$0.0442               |
| Firm Transportation Service 4   | FTS-4                 | \$0.0182               |
| Firm Transportation Service 5   | FTS-5                 | \$0.0173               |
| Firm Transportation Service 6   | FTS-6                 | \$0.0167               |
| Firm Transportation Service 7   | FTS-7                 | \$0.0180               |
| Firm Transportation Service 8   | FTS-8                 | \$0.0150               |
| Firm Transportation Service 9   | FTS-9                 | \$0.0168               |
| Firm Transportation Service 10  | FTS-10                | \$0.0125               |
| Firm Transportation Service 11  | FTS-11                | \$0.0179               |
| Firm Transportation Service 12  | FTS-12                | \$0.0142               |

| <u>Experimental Rate Class</u>  | <u>Classification</u> | <u>Rates Per Bill</u> |
|---------------------------------|-----------------------|-----------------------|
| Firm Transportation Service A   | FTS-A                 | \$0.4481              |
| Firm Transportation Service B   | FTS-B                 | \$0.8193              |
| Firm Transportation Service 1   | FTS-1                 | \$1.2766              |
| Firm Transportation Service 2   | FTS-2                 | \$2.7463              |
| Firm Transportation Service 2.1 | FTS-2.1               | \$8.4332              |
| Firm Transportation Service 3   | FTS-3                 | \$11.2896             |
| Firm Transportation Service 3.1 | FTS-3.1               | \$27.9742             |

Definitions

This surcharge allocates a portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

Issued by: Michael P. McMasters, President  
Chesapeake Utilities Corporation

Effective:

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*BILLING ADJUSTMENTS*

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Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service Rider factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

| <u>Rate Class</u>    | <u>Rates Per Therm</u> |
|----------------------|------------------------|
| Rate Schedule GSTS-1 | \$0.0180               |
| Rate Schedule GSTS-2 | \$0.0166               |
| Rate Schedule LVTS   | \$0.0166               |

Definitions

This surcharge allocates a portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

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*BILLING ADJUSTMENTS*

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RESERVED FOR FUTURE USE

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service Charge factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

| <u>Rate Class</u>           | <u>Rates Per Therm</u> |
|-----------------------------|------------------------|
| <u>Rate Schedule GSTS-1</u> | <u>\$0.0180</u>        |
| <u>Rate Schedule GSTS-2</u> | <u>\$0.0166</u>        |
| <u>Rate Schedule LVTS</u>   | <u>\$0.0166</u>        |

Definitions

This surcharge allocates a portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

|                         |  |           |
|-------------------------|--|-----------|
| Rate Schedule RS        | Residential Service                        | 34        |
| Rate Schedule GS-1      | General Service - 1                        | 35        |
| Rate Schedule GSTS-1    | General Service Transportation Service - 1 | 36 - 38   |
| Rate Schedule-LVS       | Large Volume Service                       | 39        |
| Rate Schedule-LVTS      | Large Volume Transportation Service        | 40 - 44   |
| Rate Schedule-NGV       | Natural Gas Vehicle Service                | 45        |
| Rate Schedule-NGVT      | Natural Gas Vehicle Transportation Service | 46 - 50   |
| Area Expansion Program  | Area Expansion Surcharge                   | 51        |
| Rate Schedule PM        | Pool Manager Service                       | 52 - 53   |
| Rate Schedule-OSSS-1    | Off Systems Sales Service                  | 54 - 56   |
| Rate Schedule FGS       | Flexible Gas Service                       | 57 - 57.2 |
| Reserved for Future Use |  | 58        |
| Reserved for Future Use |  | 59        |
| Billing Adjustments:    | Taxes and Other Adjustments                | 60        |
|                         | Imbalance Adjustments - Pool Manager       | 60 - 61   |
|                         | Purchased Gas Cost Recovery Factor         | 62        |
|                         | Energy Cost Recovery Adjustment Clause     | 63        |
|                         | Reserved for Future Use                    | 64        |
|                         | Swing Service Rider                        | 64.1      |

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*INDEX OF RATE SCHEDULES*

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|                         |  |             |
|-------------------------|--|-------------|
| Rate Schedule RS        | Residential Service                        | 34          |
| Rate Schedule GS-1      | General Service - 1                        | 35          |
| Rate Schedule GSTS-1    | General Service Transportation Service - 1 | 36 - 38     |
| Rate Schedule-LVS       | Large Volume Service                       | 39          |
| Rate Schedule-LVTS      | Large Volume Transportation Service        | 40 - 44     |
| Rate Schedule-NGV       | Natural Gas Vehicle Service                | 45          |
| Rate Schedule-NGVT      | Natural Gas Vehicle Transportation Service | 46 - 50     |
| Area Expansion Program  | Area Expansion Surcharge                   | 51          |
| Rate Schedule PM        | Pool Manager Service                       | 52 - 53     |
| Rate Schedule-OSSS-1    | Off Systems Sales Service                  | 54 - 56     |
| Rate Schedule FGS       | Flexible Gas Service                       | 57 - 57.2   |
| Reserved for Future Use |  | 58          |
| Reserved for Future Use |  | 59          |
| Billing Adjustments:    | Taxes and Other Adjustments                | 60          |
|                         | Imbalance Adjustments - Pool Manager       | 60 - 61     |
|                         | Purchased Gas Cost Recovery Factor         | 62          |
|                         | Energy Cost Recovery Adjustment Clause     | 63          |
| Reserved for Future Use |  | 64          |
|                         | <u>Swing Service Rider</u>                 | <u>64.1</u> |

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

| <u>Rate Class</u>    | <u>Rates Per Therm</u> |
|----------------------|------------------------|
| Rate Schedule GSTS-1 | \$0.0153               |

Definitions

This surcharge allocates a portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

| <u>Rate Class</u>           | <u>Rates Per Therm</u> |
|-----------------------------|------------------------|
| <u>Rate Schedule GSTS-1</u> | <u>\$0.0153</u>        |

Definitions

This surcharge allocates a portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.

BILLING ADJUSTMENTS

(Continued)

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

| <u>Rate Class</u>        | <u>Classification</u> | <u>Rates Per Therm</u> |
|--------------------------|-----------------------|------------------------|
| Transportation Service 1 | TS1                   | \$0.0441               |
| Transportation Service 2 | TS2                   | \$0.0392               |
| Transportation Service 3 | TS3                   | \$0.0468               |
| Transportation Service 4 | TS4                   | \$0.0277               |

Definitions

This surcharge allocates a portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.



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*BILLING ADJUSTMENTS*

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(Continued)

Swing Service Rider

Applicability

The bill for transportation service supplied to a Customer in any Billing Period shall be adjusted as follows:

The Swing Service factors for the period from the first billing cycle for January 2017 through the last billing cycle for December 2017 are as follows:

| <u>Rate Class</u>        | <u>Classification</u> | <u>Rates Per Therm</u> |
|--------------------------|-----------------------|------------------------|
| Transportation Service 1 | TS1                   | \$0.0441               |
| Transportation Service 2 | TS2                   | \$0.0392               |
| Transportation Service 3 | TS3                   | \$0.0468               |
| Transportation Service 4 | TS4                   | \$0.0277               |

Definitions

This surcharge allocates a portion of intrastate capacity costs to transportation customers in accordance with the PSC approved Swing Service Rider.