

AN ORDINANCE, granting to Chesapeake Utilities Corporation, a Delaware corporation, its successors and assigns, the right and franchise to use and occupy the streets, avenues, roads, alleys, lanes, parks, and other public places and ways of the Town of Bridgeville, State of Delaware, for constructing, maintaining, renewing, repairing and/or operating a gas distribution system, and other necessary means for transmitting, distributing, storing and/or selling gas within and/or through the Town of Bridgeville, Delaware.

WHEREAS, by Ordinance dated April 18, 1957, the Town Commissioners of the "Commissioners of Bridgeville" granted unto Sussex Gas Company, a Delaware corporation, its successors and assigns, the right and franchise to use and occupy the streets, avenues, roads, alleys, lanes, parks, and other public places and ways of the Town of Bridgeville, State of Delaware, for constructing, maintaining, renewing, repairing, and/or operating a gas distribution system; and

WHEREAS, said franchise was for a term of twenty five (25) years from and after the date upon which said Ordinance became effective; and

WHEREAS, Sussex Gas Company, a Delaware corporation, was merged into Chesapeake Utilities Corporation, a Delaware corporation, in January of 1960 and by virtue of said merger, Chesapeake Utilities Corporation succeeded to all of the rights of Sussex Gas Company under the terms of the aforesaid franchise; and

WHEREAS, Chesapeake Utilities Corporation and the "Commissioners of Bridgeville" renewed the aforesaid franchise for an additional twenty-five (25) year period by Ordinance dated September 14, 1981; and

WHEREAS, Chesapeake Utilities Corporation has requested the "Commissioners of Bridgeville" to renew the aforesaid franchise for an additional fifteen (15) year period, said renewal to become effective from and after the date upon which the aforesaid franchise expires;

NOW, THEREFORE:

SECTION I. Be it Ordained, by the Town Commissioners of the "Commissioners of Bridgeville", that the franchise and right be, and it is hereby granted to Chesapeake Utilities Corporation, its successors and assigns (hereinafter "Grantee") to construct, operate and/or maintain a gas distribution system and to lay, construct, extend,

maintain, renew, replace and/or repair gas pipes and gas mains over, along, under and/or across any of the public streets, avenues, roads, alleys, lanes, parks and/or other public places and ways in the Town of Bridgeville, in the State of Delaware, and to use and occupy said streets, avenues, roads, alleys, lanes, parks and other public places and/or ways for the purpose of therein laying, constructing, extending, maintaining, renewing, replacing and/or repairing mains and pipes and all appurtenances and appendages thereto used and/or for the transmission, distribution, storage and/or sale of gas within and/or through the present or future corporate limits of the Town of Bridgeville, such franchise and right to continue for fifteen (15) years from and after the date upon which this Ordinance shall become effective;

SECTION II. And Be It Further Ordained by the Town Commissioners of the "Commissioners of Bridgeville", that said franchise and right is granted subject to the following conditions:

- (a) The Grantee shall be entitled to charge for gas furnished by it, such rates as shall be legally fixed and declared to be just and reasonable by the Public Service Commission of the State of Delaware. During such time as there shall be no other duly constituted Governmental authority lawfully exercising such jurisdiction, the Town Commissioners of the "Commissioners of Bridgeville" shall have jurisdiction to prescribe and fix from time to time by Ordinance maximum rates for furnishing such gas and service sufficient at all times to yield a reasonable return upon the fair value of the property of the Grantee used and useful in rendering such services. All rights herein granted and/or authorized shall be subject to and governed only by this Ordinance, provided, however the Town Commissioners of the "Commissioners of Bridgeville" expressly reserves unto itself all of its police power to adopt general ordinances necessary to protect the safety and welfare of the general public in relation to the rights hereby granted not inconsistent with the provisions of this Ordinance.
- (b) The Town Commissioners of the "Commissioners of Bridgeville" shall not hereafter and during the term of the franchise pass any Ordinance

requiring the Grantee to pay a license and/or rental fee for the rights hereby granted.

- (c) The Grantee, upon making an opening upon any of the streets, alleys, or public ways of the Town of Bridgeville, for the purpose of laying, repairing, or maintaining gas mains, shall use due care and caution to prevent injury to persons, and shall replace and restore all public ways to their former condition as nearly as practicable, and within a reasonable time, and shall not unnecessarily obstruct or impede traffic upon the streets, avenues and public ways of said Town.
- (d) In order for the Grantee to cut into, open or excavate in or under the bed of any street, road, highway, lane, alley, avenue, sidewalk, curb or other public way within the corporate limits of the Town for the purpose of altering, installing or making additions to any of the gas mains, valves, manholes, meters, service connections, or other appurtenances for any other purpose, the Grantee must first obtain from the Town a permit to cut into, open or excavate, such street, road, highway, lane, alley, avenue, curb, sidewalk or other way, except as hereinafter provided. If the Grantee needs to cut into, open or excavate in or under the bed of any street, road, highway, lane, alley, avenue, sidewalk, curb or other public way for any purpose as aforesaid shall first make written application to the Town for a permit to conduct such work, stating in such application the name of the street, the name and present or past known address of the person, firm or corporation on whose behalf the cutting into, opening or excavating is to be done, the direct and indirect cost or estimated cost of such work, including but not limited to the cost of labor, materials and equipment rental, the location on such street where such opening or excavation is to be made, the purpose of the opening or excavation, the length, the width and the depth of the opening or excavation and the date when such work will be completed. Each such application shall be accompanied by a permit fee of twenty-five dollars (\$25). The Grantee will also pay the Town a restoration fee of five percent (5%) of the actual costs

of any restoration as prescribed in the application, not to exceed one thousand dollars (\$1,000) per application, payable to the Town, which said fees shall not be returned; provided, however, that such fees shall only be required in cases where the opening or excavation is made in an improved surface, including but not limited to paved streets and concrete sidewalks. Restoration fees shall be placed in a municipal street improvement fund for use in street improvements within the corporate limits of the Town. Upon compliance with the above terms, the Town shall then issue a permit for such cutting into, opening or excavation, subject to the above terms and conditions of this Ordinance, and upon being satisfied that such opening or excavation is in a proper location and for a lawful purpose.

- (e) The Grantee shall complete the work pursuant to the terms of such permit as promptly as possible and shall take all precaution to protect all persons and property from damage and shall properly protect the public from injury by reason of such cutting into, opening or excavation. Any hole, opening, excavation, obstruction or dangerous area created incident to such work shall be roped off or otherwise guarded and caution lights maintained and kept thereat for a period of one hour before sunset to one hour after sunrise. The repairing and restoring of all openings and obstructions to the condition of the adjacent road bed shall be completed by the Grantee or by a firm or person employed by the Grantee as soon as practical and in accordance with the provisions of 26 Del. Code Section 1301(b)(2)a. All work shall be completed in accordance with the Town standards, or if none, reasonable and customary standards of road construction and at the sole expense of the Grantee. If without good cause the Grantee fails to make such repairs and restorations as soon as practical after the completion of the work, the Town shall have the right to make such repairs or restorations or to employ a person or firm to make such repairs and restorations and charge the Grantee for all reasonable costs of such repairs and restoration of said openings. When a Town street must be closed to vehicular traffic for a specific period time, it must be noted on the

application with an estimated closing and opening date, not to exceed fifteen (15) working days. Upon good cause shown, the fifteen-day period may be extended by the Town for an additional period not to exceed fifteen (15) working days. If the street is closed for a period longer than fifteen (15) working days, a fine of twenty-five dollars (\$25) per day for each successive workday may be levied by the Town.

- (f) Said Grantee shall save and keep harmless the said "Commissioners of Bridgeville" from any and all liability by reason of damage or injury to any person or persons whatsoever, on account of negligence of the Grantee in the installation and/or maintenance of its mains and pipe lines along said streets, alleys, and public ways, provided, the Grantee shall have been notified in writing of any claim against the said "Commissioners of Bridgeville" on account thereof and shall have been given ample opportunity to defend the same.
- (g) The Grantee will provide copies of its Emergency Plan to the Town. The Grantee will review its Emergency Plan annually, not to exceed fifteen (15) months, and revisions will be distributed to the Town as soon as the revised plan can be reasonably printed and distributed. The Grantee will provide public information to its customers, the appropriate governmental organizations, and persons engaged in excavation related activities to recognize a gas emergency. The Grantee will provide information to the public in reporting gas odors, leaks, and other emergencies to the proper Division's emergency number. Periodic training sessions will be conducted with all Fire Companies in a Division's service territory. These training sessions will coordinate response, resources, and responsibilities between all parties involved.

SECTION III. And Be It Further Ordained by the Town Commissioners of the "Commissioners of Bridgeville", that whenever the word "Grantee" appears in this Ordinance, it is intended to designate and shall be held to mean Chesapeake Utilities Corporation, a body corporate of the State of Delaware, its successors and assigns.

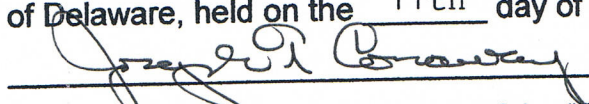
Whenever the word "gas" appears in the Ordinance, it is intended and shall be held to include manufactured, natural and/or commingled gas.

SECTION IV. And Be It Further Ordained by the Town Commissioners of the "Commissioners of Bridgeville", that this Ordinance shall be in full force and effect from and after its passage, and publication according to law, and after the expiration of the aforesaid Ordinance dated September 14, 1981, and upon its acceptance by the Grantee, such acceptance to be in writing and filed with the Secretary of the Town Commissioners of the "Commissioners of Bridgeville", and to be in substantially the following form:

"On this 21st day of June, A.D. 2007, Chesapeake Utilities Corporation hereby accepts the terms of the Ordinance passed on the 11th day of June, A.D. 2007, entitled: "An Ordinance granting to Chesapeake Utilities Corporation, a body corporate of the State of Delaware, its successors and assigns, the right and franchise to use and occupy the streets, avenues, roads, alleys, lanes, parks, and other public places and ways of the Town of Bridgeville, State of Delaware, for constructing, maintaining, renewing, repairing, and/or operating a gas distribution system, and other necessary means for transmitting, distributing, storing and/or selling gas within and/or through the Town of Bridgeville Delaware."

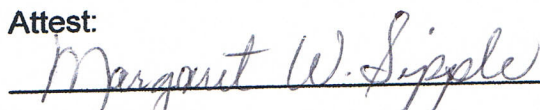
SECTION V. Be It Further Ordained by the Town Commissioners of the "Commissioners of Bridgeville", Sussex County and State of Delaware, that all Ordinances, or parts of Ordinances, conflicting herewith be and the same are hereby repealed.

PASSED AND ADOPTED on its second and final reading at monthly meeting of the Town Commissioners of the "Commissioners of Bridgeville", Sussex County and State of Delaware, held on the 11th day of June, A.D. 2007.



President, Town Commissioners of the "Commissioners of Bridgeville"

Attest:



Secretary

I hereby certify that the foregoing is a true and exact copy of an Ordinance granting to Chesapeake Utilities Corporation, a body corporate of the State of Delaware, its successors and assigns, the right and franchise to use and occupy the streets, avenues, roads, alleys, lanes, parks, and other public places and ways of the Town of Bridgeville, State of Delaware, for constructing, maintaining, renewing, repairing and/or operating a gas works and/or distribution system, and other necessary means for manufacturing, transmitting, distributing, and/or selling gas within and/or through the Town of Bridgeville, Delaware, read and passed on first reading at the regular meeting of the Town Commissioners of the "Commissioners of Bridgeville", State of Delaware, held on the 7th day of May, A.D. 2007, and passed on its second and final reading at the regular meeting of said Town Commissioners of the "Commissioners of Bridgeville", State of Delaware, held on the 11th day of June, A.D. 2007.

AS WITNESS the corporate seal of the Town Commissioners of the "Commissioners of Bridgeville" and the Signature of ^{Commissioner} Sipple, its Secretary, this

11th day of June, A.D. 2007.

Margaret W. Sipple
Secretary

Town Commissioners of

The Commissioners of Bridgeville

Bridgeville, Delaware

On this 21st day of June, A.D. 2007, Chesapeake Utilities Corporation, a Delaware corporation, hereby accepts the term of the Ordinance passed on the 11th day of June, A.D. 2007, entitled: "An Ordinance granting to Chesapeake Utilities Corporation, a body corporate of the State of Delaware, its successors and assigns, the right and franchise to use and occupy the streets, avenues, roads, alleys, lanes, parks and other public places and ways of the Town of Bridgeville, State of Delaware, for constructing, maintaining, renewing, repairing, and/or operating a gas

distribution system, and other necessary means for transmitting, distributing, storing and/or selling gas within and/or through the Town of Bridgeville, Delaware."

As Witness the corporate seal of the said Chesapeake Utilities Corporation, and the signature of its Vice President, attested by its Secretary, the day and year first above written.

CHESAPEAKE UTILITIES CORPORATION

BY:


Vice President

Attested by


Secretary