BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE TARIFF FILING OF CHESAPEAKE UTILITIES CORPORATION FOR APPROVAL OF CHANGES TO RATE SCHEDULE "NGV" OF ITS DELAWARE TARIFF (FILED FEBRUARY 13, 2015)	)))))	PSC DOCKET NO. 15-0708

ORDER NO. 8725

AND NOW, this 7th day of April, 2015, the Delaware Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on February 13, 2015, Chesapeake Utilities Corporation ("Chesapeake") filed with the Commission an application ("Application") seeking approval to change the price it charges for compressed natural gas ("CNG") under Rate Schedule "NGV" - Natural Gas Vehicle Service ("Rate Schedule 'NGV'") effective on and after April 14, 2015. Chesapeake's proposed revised tariff leafs are attached as **Exhibit "A"**; and

WHEREAS, Chesapeake's Rate Schedule "NGV" presently sets its price per Ccf of CNG at the Ccf-equivalent price of a gallon of unleaded regular gasoline at self-service pumps as published by the Energy Information Administration;[1] and

[1] The Commission first approved Chesapeake's Rate Schedule "NGV" in PSC Docket No. 95-73 via Order No. 4400 (February 4, 1997). At that time the CNG price was set at the equivalent price of unleaded regular gasoline as published by the American Automobile Association. The next revision to the Rate Schedule "NGV" was made in PSC Docket No. 01-307 via Order No. 5932 (April 16, 2002). In that docket, the Commission changed the reference from AAA to the Energy Information Administration, which is part of the U.S. Department of Energy.

WHEREAS, Chesapeake believes that the CNG market for natural gas vehicles has significantly expanded nationally and in the region (Application, ¶6); and

WHEREAS, Chesapeake proposes to change how it establishes pricing of CNG for natural gas vehicle service by setting its CNG price at the average CNG price for natural gas vehicles in the central Atlantic region rather than at the equivalent price per gallon of gasoline (Application, ¶4); and

WHEREAS, Chesapeake proposes to utilize the quarterly Clean Cities Alternative Fuel Price Report ("DOE Price Report") published by the U.S. Department of Energy ("DOE") which calculates the average CNG price for the Central Atlantic region based on 97 data points in the region (Application, ¶6);[2] and

WHEREAS, in Order No. 8714 dated March 3, 2015, the Commission agreed to consider Chesapeake's application at its regularly-scheduled meeting to be held on Tuesday, April 7, 2015; and

WHEREAS, the Commission, pursuant to Order No. 8714, directed that notices of this proposed tariff revision be sent by first-class, United States Postal Service mail, postage prepaid, to each customer who would be affected by its proposed changes to the Rate Schedule 'NGV', that such notices announce that the Commission would conduct a hearing on this proposed tariff revision at its regularly-scheduled meeting on April 7, 2015, and

[2] See the Clean Cities Alternative Fuel Price Report, October 2014, p. 5, at http://www.afdc.energy.gov/uploads/publication/alternative_fuel_price_report_oct_2014.pdf.

that interested persons could intervene on or before March 20, 2015, and that written comments may be filed on or before March 27, 2015; and

WHEREAS, no person or entity sought to intervene in this proceeding; and

WHEREAS, the Commission received filed comments from the Delaware Clean Cities Coalition, dated March 16, 2015, and from the Delaware Sustainable Energy Utility, dated March 24, 2015, both in support of Chesapeake's proposed changes in its Application; and

WHEREAS, the Commission held the announced public hearing on the Company's application at its regularly-scheduled meeting on April 7, 2015; and

WHEREAS, the Company presented to the Commission its arguments and exhibits in support of the application, and the Commission Staff recommended that the Commission approve such proposed tariff revision; and

WHEREAS, the Commission has heard the arguments of the Company and the Commission Staff, reviewed the application and the attached exhibit showing the proposed revised tariff leafs, and has determined that it is appropriate, in this circumstance, to utilize the DOE Price Report published by the DOE to set the price it charges for CNG; and

NOW, THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE VOTE OF NO FEWER THAN THREE COMMISSIONERS:

1. Pursuant to 26 *Del. C.* §306(a)(1), the changes to the Rate Schedule 'NGV' as proposed by Chesapeake in its Application

are hereby approved and shall be effective for bills rendered on or after April 14, 2015. Chesapeake is directed to file revised tariffs with the Commission within five (5) business days of the date of this Order.

2. The Commission reserves the jurisdiction and authority to enter such other or further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Dallas Winslow
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Harold B. Gray
Commissioner

/s/ Jaymes B. Lester
Commissioner

Commissioner

ATTEST:

/s/ Donna Nickerson
Secretary

Exhibit "A"

Proposed Revised & Clean Tariff Leafs

RATE SCHEDULE "NGV"

NATURAL GAS VEHICLE SERVICE

AVAILABILITY

This rate schedule is available to any customer operating a motor vehicle that is capable of using compressed natural gas ("CNG") as a fuel if the equipment installed on the vehicle meets industry recognized standards and if the operator is authorized by the Company to fuel a motor vehicle with the CNG as the result of completing the Company's training program or a program determined by the Company, in its sole discretion, to be an equivalent training program.

This gas service will be available at Chesapeake Utilities Corporation, 350 South Queen Street, Dover, Delaware 19904. Service hereunder is subject to availability of the Company's gas supply, adequate distribution system capabilities and other resources available to and as determined by the Company.

This gas service is subject to interruption, at the Company's option, at any time during the year without notice and for an indefinite period of time. The Company has no obligation whatsoever to make CNG available to any customer and may interrupt service at any time without notice.

TERM

Service under this contract will terminate, with 90 days notice, at the discretion of the Company or the Commission. This notice shall be given by registered letter.

COMMODITY CHARGE (Posted Price)

The price per Ccf of CNG will be posted at the CNG Station on the first day of each month and will be set at the ~~Ccf-equivalent price of a gallon of unleaded regular gasoline at self-service pumps~~ average price for CNG for the central Atlantic region as published by the U.S. Department of Energy in its most recent Clean Cities Alternative Fuel Price Report or its successor publication~~Information Administration~~, plus any applicable tax imposed by any governmental entity on natural gas sales or CNG sales.

The price charged to any customer will be reduced from the posted price to the extent the posted price includes a tax or taxes imposed by any governmental entity on natural gas sales or CNG sales and the customer is exempt from such tax or taxes.

If the customer is exempt from federal or state taxes imposed with respect to sales of CNG~~gasoline~~ for motor vehicle use, the price charged to the customer will be reduced from the posted price by the ~~Ccf-equivalent of the~~ tax or taxes on CNG~~gasoline~~ from which the customer is exempt.

In no event will CNG be sold if the price as determined above is below the price level established for Company-Use Gas.

Effective Date:	**For Bills Rendered on and after ~~September 3, 2008~~**
Authorization:	**~~Order No. 7434 dated September 2, 2008 in PSC Docket No. 07-186~~**

RATE SCHEDULE "NGV"

NATURAL GAS VEHICLE SERVICE

AVAILABILITY

This rate schedule is available to any customer operating a motor vehicle that is capable of using compressed natural gas ("CNG") as a fuel if the equipment installed on the vehicle meets industry recognized standards and if the operator is authorized by the Company to fuel a motor vehicle with the CNG as the result of completing the Company's training program or a program determined by the Company, in its sole discretion, to be an equivalent training program.

This gas service will be available at Chesapeake Utilities Corporation, 350 South Queen Street, Dover, Delaware 19904. Service hereunder is subject to availability of the Company's gas supply, adequate distribution system capabilities and other resources available to and as determined by the Company.

This gas service is subject to interruption, at the Company's option, at any time during the year without notice and for an indefinite period of time. The Company has no obligation whatsoever to make CNG available to any customer and may interrupt service at any time without notice.

TERM

Service under this contract will terminate, with 90 days notice, at the discretion of the Company or the Commission. This notice shall be given by registered letter.

COMMODITY CHARGE (Posted Price)

The price per Ccf of CNG will be posted at the CNG Station on the first day of each month and will be set at the average price for CNG for the central Atlantic region as published by the U.S. Department of Energy in its most recent Clean Cities Alternative Fuel Price Report or its successor publication, plus any applicable tax imposed by any governmental entity on natural gas sales or CNG sales.

The price charged to any customer will be reduced from the posted price to the extent the posted price includes a tax or taxes imposed by any governmental entity on natural gas sales or CNG sales and the customer is exempt from such tax or taxes.

If the customer is exempt from federal or state taxes imposed with respect to sales of CNG for motor vehicle use, the price charged to the customer will be reduced from the posted price by the tax or taxes on CNG from which the customer is exempt.

In no event will CNG be sold if the price as determined above is below the price level established for Company-Use Gas.