

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE UTILITIES CORPORATION FOR)
APPROVAL OF NEW RATE SCHEDULE CALLED)
TOWN OF SELBYVILLE FRANCHISE FEE) PSC DOCKET NO. 12-276T
RIDER ("SBFF") TO BE EFFECTIVE)
AUGUST 20, 2012)
(FILED JUNE 18, 2012))

ORDER NO. 8173

AND NOW, this 3rd day of July, 2012:

WHEREAS, on June 18, 2012, Chesapeake Utilities Corporation ("Chesapeake" or the "Company") filed with the Commission ("the Commission") an application seeking approval for a new rate schedule called Town of Selbyville Franchise Fee Rider ("SBFF") surcharge to be assessed against its gas customers within the Town of Selbyville; and

WHEREAS, the proposed SBFF surcharge of \$0.0181 per Ccf of delivered gas is meant to mirror the volumetric franchise fee imposed upon the Company by the Town of Selbyville under a fifteen-year franchise agreement adopted by the Town of Selbyville on June 11, 2012; and

WHEREAS, the Company has requested that the Commission consider the tariff changes implementing the SBFF surcharge so that such changes and the surcharge will be effective no later than August 20, 2012; and

WHEREAS, the Commission having determined to consider Chesapeake's application at its regularly scheduled meeting on Tuesday, August 7, 2012, and to require the Company to publish notice of the filing and such meeting as set forth below;

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

1. That, pursuant to 26 Del. C. §306(a)(1), the tariff changes proposed by Chesapeake Utilities Corporation in its application filed June 18, 2012, which seek to implement a Town of Selbyville Franchise Fee Rider surcharge to be assessed against its gas subscribers within the Town of Selbyville, are hereby suspended pending further Order of the Commission.

2. That the Commission will consider the tariff changes to implement the Town of Selbyville Franchise Fee Rider surcharge as proposed by Chesapeake Utilities Corporation at the Commission's regularly scheduled meeting on Tuesday, August 7, 2012, beginning at 1:00 P.M.

3. That Chesapeake Utilities Corporation shall publish the public notice attached hereto as Exhibit "A" in two column format, outlined in black, in the legal classified sections of The News Journal and Delaware State News newspapers on or about July 10, 2012. Chesapeake Utilities Corporation shall file proof of such publications with the Commission on or before the date of the evidentiary hearing in this matter.

4. That Chesapeake Utilities Corporation is hereby advised that the cost of this proceeding will be charged to it under the provisions of 26 Del. C. §114(b)(1).

5. That 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:

Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

E X H I B I T "A"

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P U B L I C N O T I C E

TO: ALL NATURAL GAS CUSTOMERS OF CHESAPEAKE UTILITIES CORPORATION AND, IN PARTICULAR, THOSE WITHIN THE TOWN OF SELBYVILLE, AND OTHER INTERESTED PERSONS

On June 18, 2012, Chesapeake Utilities Corporation ("Chesapeake" or the "Company") filed with the Public Service Commission (the "Commission") an application requesting permission to change its gas service tariff to implement a Town of Selbyville Franchise Fee Rider ("SBFF") surcharge to be assessed against Chesapeake's gas customers within the Town of Selbyville. The SBFF surcharge, in the amount of \$0.0181 per Ccf of delivered gas, would mirror the volumetric franchise fee that the Town of Selbyville imposes on Chesapeake under a fifteen-year franchise agreement adopted by the Town of Selbyville on June 11, 2012. The surcharge would only be applied to Chesapeake's customers within the Town of Selbyville.

On July 3, 2012, the Commission suspended the proposed surcharge until further Order of the Commission. The Commission will consider whether to grant Chesapeake's application for this surcharge at its regularly scheduled meeting on Tuesday, August 7, 2012, commencing at 1:00 P.M. The meeting will be held in the Commission's office located

at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904. The Commission will render a decision based upon the evidence presented to it at this meeting.

If you wish to formally participate as a party in this matter (PSC Docket No. 12-276T), you must file a petition asking for leave to intervene in accordance with the Commission's Rules of Practice and Procedure (26 Del. Admin. C. §1001-2.9) **on or before Friday, July 27, 2012**. Any petition received thereafter will not be considered except for good cause shown. If you wish, you may file written comments concerning this application **on or before July 27, 2012**. A petition to intervene or any written comments should be filed with the Commission at its Dover address set forth above. In addition, a copy of any petition or written comments shall also be served, by mail or other form of delivery, on Jeffrey R. Tietbohl, Vice President, Chesapeake Utilities Corporation, 350 South Queen Street, Dover, Delaware 19904.

If you wish to review Chesapeake's application and the proposed revised tariff sheets implementing the SBFF surcharge, you may review documents posted on the Commission's website at <http://dep.sc.delaware.gov/default.shtml>. If you would like to review documents at the Commission's offices, you may do so during normal business hours at the Commission's Dover office at the address set forth above by contacting Monica Hall at monica.hall@state.de.us to arrange a time for your review. You may also review copies of Chesapeake's application and the proposed revised tariff sheets at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington,

Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at that location.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail.php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission's website, <http://dep.sc.delaware.gov/default.shtml>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

If you have a disability and wish to participate in or to review the application or other materials filed by Chesapeake in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means. The Commission's toll-free telephone number within Delaware is 1-800-282-8574. The Commission may also be reached at (302) 736-7500 (including text telephone communications). In addition, you may send questions regarding this matter by Internet e-mail addressed to jason.r.smith@state.de.us.