

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

IN THE MATTER OF THE APPLICATION OF )  
CHESAPEAKE UTILITIES CORPORATION FOR ) PSC DOCKET NO. 13-370  
APPROVAL OF THE ISSUANCE OF )  
COMMON STOCK (FILED SEPTEMBER 24, 2013) )

**ORDER NO. 8470**

**AND NOW**, this 22nd day of October, 2013, the Delaware Public Service Commission (the "Commission") determines and orders the following:

**WHEREAS**, on September 24, 2013, Chesapeake Utilities Corporation ("Chesapeake" or the "Company") filed an application (the "Application") pursuant to 26 Del. C. §215(a)(2) seeking authority to issue up to 441,241 shares of common stock pursuant to the Company's 2013 Stock and Incentive Compensation Plan (the "Plan"); and

**WHEREAS**, the Application provides that on May 2, 2013, the Company's stockholders authorized the Company to issue the common stock pursuant to the Plan subject to certain regulatory approvals including approval by the Commission; and

**WHEREAS**, the term of the Plan is ten (10) years from May 2, 2013 (the date the Plan was approved by the stockholders) unless terminated earlier by the Company's board of directors;

**WHEREAS**, the Application provides that the proposed issuance of the common stock pursuant to the Plan provides the Company with the ability to provide competitive compensation to attract and retain executive officers, directors and employees, enhances stockholder value by, among other things, linking the compensation of its

executive officers, directors and employees to increases in the price per share of the Company's common stock, and encouraging ownership in the Company by key personnel whose long-term employment is essential to the Company's long-term success and progress; and

**WHEREAS**, the Application further provides that the Plan authorizes grants of stock options, stock appreciate rights, stock awards, stock unit awards and other stock-based awards, that issuance of the shares is consistent with those previously available under prior approved plans and that the amount of shares to be issued was based upon an estimate of shares proposed to be available for equity and equity based award grants in 2013; and

**WHEREAS**, pursuant to 26 Del. C. §215(a)(2), no public utility, without having first obtained the approval of the Commission, shall issue any stocks, stock certificates, or notes, bonds or other evidences of indebtedness payable in more than 1 year from the date thereof. In addition, 26 Del. C. §215(d) provides that the Commission must approve any issuances when it finds the same to be made in accordance with law, for a proper purpose, and is consistent with the public interest; and

**WHEREAS**, Commission Staff ("Staff") has examined the Application and all attached schedules and exhibits and concludes that the Company has complied with the requirements of 26 Del. C. §215(d) in that the proposed issuances of common stock will be made in accordance with

law, for a proper purpose, and is consistent with the public interest for the reasons set forth above; and

**WHEREAS**, Staff recommends the Commission approve the Application subject to the conditions that the Company (i) may not construe this approval as a ratemaking treatment for future cases filings; (ii) obtain any necessary approval by Chesapeake's board of directors as to the actual amount of stock to be issued and the terms and conditions of any issuance; (iii) obtain any additional necessary approvals from the Maryland and/or Florida Public Service Commission; and (iv) comply with all applicable federal securities laws.

**NOW, THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE VOTE OF  
NOT FEWER THAN THREE COMMISSIONERS:**

1. The Application is granted subject to the conditions that the Company (a) may not construe this approval as a ratemaking treatment for future case filings; (b) obtain any necessary approval by Chesapeake's board of directors as to the actual amount of stock to be issued and the terms and conditions of any issuance; (c) obtain any additional necessary approvals from the Maryland and/or Florida Public Service Commission; and (d) comply with all applicable federal securities laws;

2. Nothing in this Order shall be construed as a guarantee, warranty, or representation by the State of Delaware or by any agency, commission, or department thereof with respect to the indebtedness of Chesapeake that may be issued or incurred pursuant to the Application approved by this Order.

3. The Company is hereby placed on notice that the costs of the proceeding will be charged to it under the provisions of 26 Del. C. §114(b)(1).

4. The Commission reserves the jurisdiction and authority to enter such 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/ Jaymes B. Lester  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

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Commissioner

ATTEST:

/s/ Alisa Carrow Bentley  
Secretary