

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

IN THE MATTER OF THE APPLICATION)
OF CHESAPEAKE UTILITIES CORPORATION)
FOR APPROVAL OF THE ISSUANCE OF UP) PSC DOCKET NO. 05-114
TO 500,000 SHARES OF COMMON STOCK)
(FILED MARCH 28, 2005))

ORDER NO. 6607

AND NOW, on this 26th day of April, 2005;

WHEREAS, by application dated March 28, 2005, Chesapeake Utilities Corporation ("Chesapeake" or the "Company"), seeks Commission approval to issue up to 500,000 shares of new common stock to be used by the Company for administering the Company's revised Performance Incentive Plan, its revised Directors Stock Compensation Plan, and its Employee Stock Award Plan; with the net proceeds from the issuance to be used for general corporate purposes; and

WHEREAS, the Commission having examined the Company's application and having made such investigation in connection with said matters as the Commission deemed necessary, and having heard the presentation of the Company and the Commission Staff at the Commission's meeting on April 26, 2005; and

WHEREAS, the Commission being limited in its authority with respect to utility financing and stock issuance applications pursuant to 26 Del. C. § 215 under the holding of Diamond State Tel. Co. v. Public Service Commission, 367 A.2d 644 (Del. 1976), to the extent that, among other things, the future rate impact of the proposed financing is not deemed an appropriate consideration in making a determination concerning such applications; and

WHEREAS, the Commission having been advised by Staff, and having determined, that the proposed issuance of 500,000 shares of common stock by Chesapeake is in accordance with law, for a proper purpose, and consistent with the public interest; now, therefore,

IT IS ORDERED THAT:

1. The application filed by Chesapeake Utilities Corporation in this matter on or about March 28, 2005, is hereby approved and Chesapeake Utilities Corporation is hereby authorized to issue up to 500,000 new shares of its common stock. The proceeds from such new issuance of common stock shall be used for the purposes outlined in the application.

2. Approval of Chesapeake Utilities Corporation's application by the Commission shall not be construed as approving any capitalization ratios that result for any purposes or procedures involving ratemaking. Further, the approval here shall not be construed as approving any portions of the revised Performance Incentive Plan, the revised Directors Stock Compensation Plan, or the Employee Stock Award Plan for the purposes of any future rate-making proceeding. This approval shall not waive the Commission's rules regarding the burden of proving the merits of any related issue in a later proceeding. Rather, the Commission's approval of Chesapeake Utilities Corporation's application is limited to that which is necessary under 26 Del. C. § 215 and shall not be construed as having any ratemaking effect in any later rate proceeding.

3. 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 hereof, with respect to the Shares to be issued pursuant to the application and this Order.

