

**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 TO) PSC DOCKET NO. 06-339
\$40 MILLION IN COMMON STOCK AND/OR)
DEBT SECURITIES)
(FILED OCTOBER 16, 2006))

ORDER NO. 7065

AND NOW, to-wit, this 31st day of October, 2006;

WHEREAS, Chesapeake Utilities Corporation ("Chesapeake" or "the Company") has applied to the Commission for approval, under 26 Del. C. § 215(e), of a three-year financing plan whereby the Company plans to issue over such period \$40,000,000 ("\$40 million") in common stock and/or debt securities, with the exact aggregate principal amounts, the interest rate(s) payable, the dates of interest payments, and other particulars of such financings to be determined from time to time by the officers authorized to do so; and

WHEREAS, under 26 Del. C. § 215(e)(2), the Commission may make such investigation and hold such hearings in this matter as it deems necessary, and thereafter may approve the plan in whole or in part with such modification and upon such terms and conditions as it deems appropriate; and

WHEREAS, the Commission is required to approve any financing plan when the proposed financings are to be made in accordance with law, for proper purposes, and are consistent with the public interest; and

WHEREAS, under the provisions of 26 Del. C. § 215(e)(2), the Commission may also review the plan for consistency with efficient and reasonable financing principles; and

WHEREAS, under 26 Del. C. § 215(e)(2), the Commission may require the filing of periodic reports as to the action taken pursuant to the plan and shall approve, modify, refuse, or prescribe appropriate terms and conditions with respect to any such plan within thirty (30) days of its filing or, in the absence of such action within such period of time, the proposed financing plan will be deemed to be approved as filed as if the Commission itself had acted favorably thereon; and

WHEREAS, the Commission Staff has reviewed and examined the proposed financing plan and the schedules and exhibits appended thereto, and has determined that the proposed plan is consistent with efficient and reasonable financing principles, is for a proper purpose, is consistent with the public interest, and has recommended Commission approval of said proposed financing plan; now, therefore,

IT IS ORDERED:

1. That, the Commission having independently reviewed this matter and having determined that public notice and hearing are not required, finds that the three-year financing plan filed by Chesapeake Utilities Corporation with the Commission on October 16, 2006 is consistent with efficient and reasonable financing principles, is for a proper purpose, is in accordance with law, is consistent with the public interest, and is, therefore, hereby approved.

2. That, 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 Utilities Corporation, which may be issued or incurred under the financing plan herein approved.

3. That Chesapeake Utilities Corporation, shall, no later than fifteen (15) days after the issuance of any indebtedness or equity under the approval herein granted, file with the Commission a report describing in detail the exact nature of the issued financing, including the amount, term, rate, issuance costs, the date of issuance, revised capitalization ratios, and an opinion of counsel that said issuance was made for a proper purpose, in accordance with law, and consistent with the authority granted herein.

4. That the approval of this application by the Commission is not to be construed as approving any capitalization ratios which result therefrom for any purposes or in any proceedings involving the rates of this utility, nor is the burden of proof as imposed by statute upon the utility affected by this approval.

5. That 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/ Arnetta McRae
Chair

/s/ Jaymes B. Lester
Commissioner

/s/ Joann T. Conaway
Commissioner

/s/ Dallas Winslow
Commissioner

PSC Docket No. 06-339, Order No. 7065 Cont'd.

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary