

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

IN THE MATTER OF THE TARIFF FILING BY)
CHESAPEAKE UTILITIES CORPORATION FOR)
A NEW RATE SCHEDULE CALLED TOWN OF) PSC DOCKET NO. 06-364T
MILLSBORO FRANCHISE FEE RIDER ("MBFF"))
(FILED NOVEMBER 9, 2006))

ORDER NO. 7091

AND NOW, to-wit, this 5th day of December, 2006;

WHEREAS, on November 9, 2006, 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 Millsboro Franchise Fee Rider ("MBFF") surcharge to be assessed against its gas customers within the Town of Millsboro; and

WHEREAS, the proposed MBFF 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 Millsboro under a fifteen-year franchise agreement ordinance adopted by the Town of Millsboro on September 5, 2006; and

WHEREAS, the Company has requested that the Commission consider the tariff changes implementing the MBFF so that such changes and the surcharge will be effective no later than February 1, 2007; and

WHEREAS, the Commission having determined to consider Chesapeake's application at its regularly scheduled meeting on Tuesday, January 23, 2007, and to require the Company to publish notice of the filing and such meeting as set forth below; now, therefore;

IT IS ORDERED:

1. That, pursuant to 26 Del. C. § 306(a)(1), the tariff changes proposed by Chesapeake Utilities Corporation in its application filed

November 9, 2006, which seek to implement a Town of Millsboro Franchise Fee Rider surcharge to be assessed against its gas subscribers within the Town of Millsboro, are hereby suspended pending further Order of the Commission.

2. That the Commission will consider the tariff changes to implement the Town of Millsboro Franchise Fee Rider surcharge as proposed by Chesapeake Utilities Corporation at the Commission's regularly scheduled meeting on Tuesday, January 23, 2007, beginning at 1:00 PM.

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 December 15, 2006. 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, under the provisions of 26 Del. C. § 114(b)(1), be charged to the utility.

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:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

PSC Docket No. 06-364T, Order No. 7091 Cont'd.

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
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 MILLSBORO, AND OTHER INTERESTED PERSONS

On November 9, 2006, 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 Millsboro Franchise Fee Rider ("MBFF") to be assessed against Chesapeake's gas customers within the Town of Millsboro. The MBFF surcharge, in the amount of \$0.0181 per Ccf of delivered gas, would mirror the volumetric franchise fee that the Town of Millsboro imposes on Chesapeake under a fifteen-year franchise agreement ordinance adopted by the Town of Millsboro on September 5, 2006. The surcharge would only be applied to Chesapeake's customers within the Town of Millsboro.

On December 5, 2006, 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, January 23, 2007, commencing at 1:00 PM. 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 materials presented to it at this meeting.

If you wish to formally participate as a party in this matter (PSC Docket No. 06-364T) you must, in accordance with Rule 21 of the Commission's Rules of Practice and Procedure, file a petition asking for leave to intervene. You must file such petition with the Commission on or before January 5, 2007. Any petition received thereafter will not be considered except for good cause shown. If you wish, you may file comments concerning this application on or before January 5, 2007. A petition to intervene or any comments should be filed with the Commission at its Dover address set forth above. In addition, a copy of any petition or comments shall also be served, by mail or other form of delivery, on Jennifer A. Clausius, Manager of Pricing and Regulation, Chesapeake Utilities Corporation, 350 South Queen Street, Dover, Delaware 19904. Any comments you submit should indicate your interest in the matter, your objections or comments concerning the proposed tariff changes, the facts that you believe might be in dispute, and the procedures you believe the Commission should follow before it reaches a final decision on Chesapeake's application.

If you wish to review Chesapeake's Application and the proposed revised tariff sheets implementing the MBFF surcharge, you may do so during normal business hours at the Commission's Dover office at the address set forth.

If you are disabled, you should contact the Commission to discuss any accommodations you may need to allow you to review the documents or participate in the docket. If you have questions concerning this matter,

you may contact the Commission at (800) 282-8574 (toll-free in Delaware) or at (302) 739-4333 (including text telephone calls). You can also send your inquiries by Internet e-mail addressed to david.bloom@state.de.us.