

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for authorization to issue common stock, preferred stock and secured and/or unsecured debt, and to enter into agreements for interest rate swap products, and to exceed limitation placed on short-term borrowings in 2005, by Florida Division of Chesapeake Utilities Corporation.

DOCKET NO. 041263-GU
ORDER NO. PSC-05-0479-FOF-GU
ISSUED: May 3, 2005

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON
LISA POLAK EDGAR

FINAL ORDER GRANTING APPROVAL FOR AUTHORITY
TO ISSUE AND SELL SECURITIES

BY THE COMMISSION:

On October 29, 2004, Chesapeake Utilities Corporation (Chesapeake or Company) filed its application for authority to issue common stock, preferred stock, secured and/or unsecured debt, to enter into agreements for interest rate swap products, and to exceed limitation placed on short-term borrowings in 2004. By Commission Order No. PSC-04-1184-FOF-GU, issued December 1, 2004, in this docket, the Commission granted Chesapeake's application and authorized the Company to issue equity and debt securities, to enter into agreements for interest rate swap products, and to exceed the limitation placed on short-term borrowings in 2005.

On March 30, 2005, Chesapeake filed an application for modification of authority to issue shares of common stock for administering the new Directors Stock Compensation Plan and Employee Stock Award Plan. Notice that the Commission will take final action on the Company's application was published on April 22, 2005, in the Florida Administrative Weekly, pursuant to Section 366.04(1), Florida Statutes.

In its application, the Company is seeking a modification to its authority to issue common stock during the twelve months ended December 31, 2005. In Order No. PSC-04-1184-FOF-GU, we granted Chesapeake the authority to issue up to 6,000,000 shares of common stock during 2005. Chesapeake now seeks authority to issue up to 75,000 shares of common stock pursuant to its new Directors Stock Compensation Plan and 25,000 shares of common stock pursuant to its Employee Stock Award Plan. Chesapeake's board of directors approved both plans on December 10, 2004 and the plans will be submitted to shareholders for approval at the

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Company's annual meeting on May 5, 2005. This will increase the number of shares of common stock Chesapeake is authorized to issue during 2005 from 6,000,000 to 6,100,000. Accordingly, the Commission grants Chesapeake's application for modification of authority to issue common stock during the twelve months ended December 31, 2005, in order to issue up to 100,000 shares of common stock for purposes of administering its Directors Stock Compensation Plan and its Employees Stock Award Plan.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application of Chesapeake Utilities Corporation for modification of authority to issue shares of common stock during the twelve months ended December 31, 2005 is granted as set forth in this Order. It is further

ORDERED that this docket shall remain open pending the submission of the consummation report by Chesapeake Utilities Corporation.

By ORDER of the Florida Public Service Commission this 3rd day of May, 2005.


BLANCA S. BAYO, Director
Division of the Commission Clerk
and Administrative Services

(SEAL)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.