

MEMORANDUM

December 13, 1995

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FPSC-RECORDS/REPORTING

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (ERSTLING) **YARUE**

RE: DOCKET NO. 951285-GU - APPLICATION FOR AUTHORITY TO ISSUE
COMMON STOCK AND UNSECURED DEBT AND TO EXCEED LIMITATION
LACED ON SHORT-TERM BORROWINGS IN 1996 BY FLORIDA
DIVISION OF CHESAPEAKE UTILITIES CORPORATION.

1589-FOF

Attached is an **ORDER AUTHORIZING CHESAPEAKE UTILITIES CORPORATION TO ISSUE AND SELL SECURITIES DURING 1996** to be issued in the above-referenced docket. (Number of pages in Order - 3).

SLE:smj
Attachment
cc: Division of Electric and Gas
I:951285OR.SLE

the company may issue up to 2,000,000 shares of common stock and up to 25,000,000 of long-term debt to finance its aggressive acquisition program. According to the Company, due to the nature of typical cash for stock acquisitions, the \$25,000,000 in unsecured debt may be issued initially through a bridge loan in the form of notes held by banks or some similar form of short-term obligation. Therefore, Chesapeake seeks approval to exceed the limitation placed on short-term borrowings by Section 366.04, Florida Statutes, so as to issue short-term obligations in an amount not to exceed \$25,000,000.

Chesapeake advises that the bridge financing will be refinanced as unsecured long-term debt with an estimated rate of interest of up to 200 basis points above U.S. Treasury rates with equivalent average life.

Having reviewed this petition, it is the finding of this Commission that the issuance of the above-discussed securities, within the limits prescribed, will not impair Chesapeake's ability to perform its services as a public utility, are for lawful purpose within its corporate power, and that the petition should be granted subject to the conditions hereinafter stated.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application of the Florida Division of Chesapeake Utilities Corporation for authorization to issue and sell 2,981,870 shares of common stock and \$40,000,000 in unsecured long-term debt and to issue short-term obligations in an amount not to exceed \$25,000,000 is hereby granted. It is further

ORDERED that Chesapeake Utilities Corporation shall file a Consummation Report with the Commission in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days after the end of the fiscal year in which it issues securities pursuant to the authorization conferred by this Order. It is further

ORDERED that the foregoing authorization is without prejudice to the authority of this Commission with respect to rates, service, accounts, evaluation, estimates or determinations of costs, or any other matter whatsoever, not pending or which may come before this Commission, as provided in Section 366.04, Florida Statutes.

ORDER NO. PSC-95-1589-FOF-GU
DOCKET NO. 951285-GU
PAGE 3

By ORDER of the Florida Public Service Commission, this 27th
day of December, 1995.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Dugan
Chief, Bureau of Records

(S E A L)

SLE

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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 Records and Reporting, 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 Records and Reporting 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.