



FERC Approves Eastern Shore Natural Gas Company Expansion

January 7, 2020

Project to Bring Natural Gas Service to Somerset County, Maryland for the First Time

DOVER, Del., Jan. 7, 2020 /PRNewswire/ -- Chesapeake Utilities Corporation (NYSE: CPK) (Chesapeake Utilities) announced today that the Federal Energy Regulatory Commission (FERC) has issued an order approving the Company's proposed Del-Mar Energy Pathway Project (Docket No. CP18-548-000). The order, which was applied for in September of 2018 by Eastern Shore Natural Gas Company, Chesapeake Utilities' interstate natural gas transmission subsidiary, approves the construction and operation of new infrastructure facilities in Kent and Sussex counties in Delaware, and Wicomico and Somerset counties in Maryland.

"Bringing natural gas to a new area results in many positive enhancements for the community, both environmental and economic," said Jeff Sylvester, Senior Vice President for Chesapeake Utilities Corporation, responsible for the Company's natural gas transmission and regulated distribution businesses. "Studies have shown that a project like this will create more job growth and expansion of services, particularly increased demand and additional local services."

According to a recent study from the Regional Economic Studies Institute of Towson University, the infrastructure project would bring the following economic benefits to the region:

- Direct employment - individuals who are directly associated with the construction project
- In-direct employment - companies that benefit from increased demand and sales of their local services
- Induced employment – increased revenue for local employers and more discretionary spending for local residents

"The FERC's approval enables our Company to continue to meet the growing customer demand for natural gas service in the region," said Jeff Tietbohl, Vice President of Eastern Shore Natural Gas Company. "This project further expands our partnership in the local communities in which we live and work, bringing natural gas service to Somerset County for the first time and providing a cleaner, reliable and more cost-effective energy choice for customers on the Delmarva Peninsula."

The project will add approximately 12 miles of natural gas infrastructure in Kent and Sussex counties and nearly seven miles of infrastructure in Wicomico and Somerset counties. Construction of the Del-Mar Energy Pathway Project is expected to commence within the first quarter of 2020. The estimated completion date will be the fourth quarter of 2021.

Once in service, the new natural gas infrastructure will provide approximately 11.8 million cubic feet per day of additional natural gas firm transportation service and 2.5 million cubic feet of off-peak transportation service to Chesapeake Utilities' natural gas distribution subsidiaries on the Delmarva Peninsula and one industrial customer.

The estimated cost of the project is approximately \$37 million. The anticipated annual gross margin for the Del-Mar Energy Pathway Project is \$5.1 million. For more information on the project, visit <https://bit.ly/2GNiBef>.

About Chesapeake Utilities Corporation

Chesapeake Utilities Corporation is a diversified energy company engaged in natural gas transmission and distribution; electricity generation and distribution; propane gas distribution; and other businesses. Information about Chesapeake Utilities Corporation's businesses is available at www.chpk.com, through the Company's Investor Relations App and on the Annual Report Microsite at cpkannualreport.com.

About Eastern Shore Natural Gas Company

Eastern Shore Natural Gas Company, a subsidiary of Chesapeake Utilities Corporation, owns and operates a 486-mile interstate pipeline that transports natural gas from various points in Pennsylvania to customers in Delaware, Maryland and Pennsylvania. For more information, visit www.esng.com.

Please note that Chesapeake Utilities Corporation is not affiliated with Chesapeake Energy, an oil and natural gas exploration company headquartered in Oklahoma City, Oklahoma.

Cautionary Note Regarding Forward-Looking Statements: Statements in this release that are not historical are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as "expect," "likely," "outlook," "forecast," "would," "could," "should," "can," "will," "project," "intend," "plan," "goal," "target," "continue," "sustain," "believe," "seek," "estimate," "anticipate," "may," "possible," "assume," variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that could cause actual results to vary materially from those indicated, including the factors described in Item 1A (Risk Factors) of our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, each of which is incorporated herein by reference, and in other documents that we file or furnish with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Except to the extent required by law, the Company does not undertake, and expressly disclaims, any duty or obligation to update publicly any forward-looking statement after the date of this release, whether

as a result of new information, future events, changes in assumptions or otherwise.

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