



FPUC Hurricane Michael Settlement Approved by the Florida Public Service Commission

September 24, 2020

Nearly \$67 million in electric system restoration made following the Storm

DOVER, De., Sept. 24, 2020 /PRNewswire/ -- Chesapeake Utilities Corporation (NYSE: CPK) today announced that its electric subsidiary, Florida Public Utilities Company (FPUC), received approval from the Florida Public Service Commission (FPSC) on a settlement agreement between FPUC and the Office of Public Counsel (OPC) regarding final cost recovery and rates associated with Hurricane Michael. Previously, the Commission approved an interim rate increase effective January 1, 2020, associated with the restoration effort following Hurricane Michael. FPUC was able to time this interim rate increase with its efforts to reduce customer fuel costs, leading to an average residential customer experiencing no financial impact on their monthly bill. On September 21, 2020, a final resolution and rates were approved effective November 1, 2020, and as a result, the total bill for an average residential customer will be reduced by approximately \$2.05 per month.

"Because of the collaborative effort of our employees, utility partners, and regulators, FPUC was able to find a creative solution that resolved the devastating impacts of this hurricane while minimizing the impact to our customers' monthly bills," said Jeff Householder, President and Chief Executive Officer of Chesapeake Utilities Corporation.

In October 2018, Hurricane Michael passed through FPUC's electric distribution service territory in northwest Florida. This powerful storm was the first Category 5 hurricane on record to make landfall in the Florida Panhandle, bringing 155 mile-per-hour winds and inflicting heavy damage throughout the region. Hurricane Michael caused widespread and severe damage to FPUC's system resulting in 100 percent of its Panhandle customers losing electrical service. Teams worked around-the-clock shifts to restore service to customers as safely and quickly as possible. Service was first restored to critical infrastructure facilities, including local hospitals, medical facilities, and schools, as well as the primary water treatment and waste management plants.

As part of the restoration effort, FPUC, with the help of mutual assistance crews, rebuilt several miles of power lines, and replaced over 2,000 electric poles and hundreds of transformers with more resilient, storm-hardened equipment capable of withstanding extreme weather. Through the extraordinary efforts of FPUC and its utility partners, service was restored to those customers who were able to accept it within just 22 days. FPUC expended nearly \$67 million in this restoration effort. Additional information will be included in the Company's third quarter Quarterly Report on Form 10-Q regarding the financial impacts of this approved settlement.

About Chesapeake Utilities Corporation

Chesapeake Utilities Corporation is a diversified energy delivery company, listed on the New York Stock Exchange, which is engaged in natural gas transmission and distribution; electricity generation and distribution; propane gas distribution; mobile compressed natural gas (CNG) utility services and solutions; 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 Florida Public Utilities Company

Florida Public Utilities Company (FPUC) is a wholly owned subsidiary of Chesapeake Utilities Corporation. Headquartered in Fernandina Beach, Florida, FPUC distributes natural gas and propane and provides electric services to more than 110,000 customers in markets throughout Florida. For more information, visit www.fpuc.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.

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