



Northeast Road Show

January 9-10, 2018
New York City and Boston

Reaching
New Heights

Transforming
Opportunities

Investing in
Growth

Engaging
Our Team



Forward Looking Statements and Other Disclosures

Safe Harbor Statement: Some of the Statements in this document concerning future Company performance will be forward-looking within the meanings of the securities laws. Actual results may materially differ from those discussed in these forward-looking statements, and you should refer to the additional information contained in Chesapeake Utilities Corporation's 2016 Annual Report on Form 10-K filed with the SEC and our other SEC filings concerning factors that could cause those results to be different than contemplated in today's discussion.

REG G Disclosure: Today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. Although non-GAAP measures are not intended to replace the GAAP measures for evaluation of Chesapeake's performance, Chesapeake believes that the portions of the presentation, which include certain non-GAAP financial measures, provide a helpful comparison for an investor's evaluation purposes.

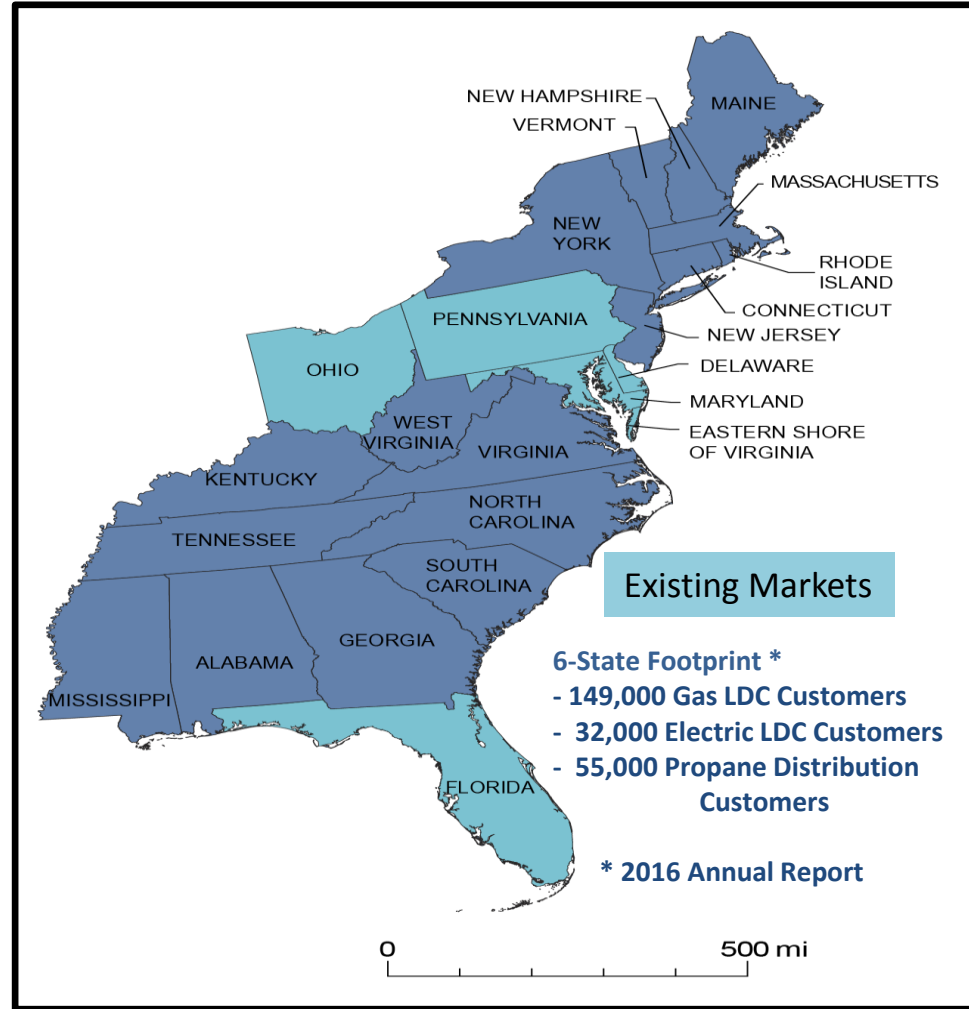
Gross Margin: Gross Margin is determined by deducting the cost of sales from operating revenue. Cost of sales includes the purchased fuel cost for natural gas, electric and propane distribution operations and the cost of labor spent on different revenue-producing activities. Other companies may calculate gross margin in a different manner.

Chesapeake Utilities Corporation

Company Overview

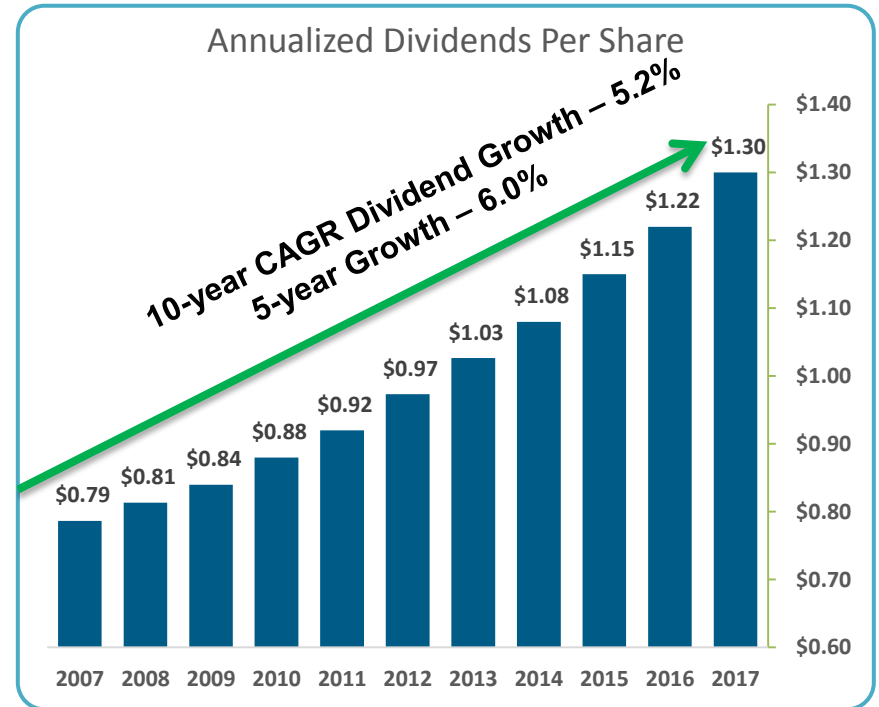
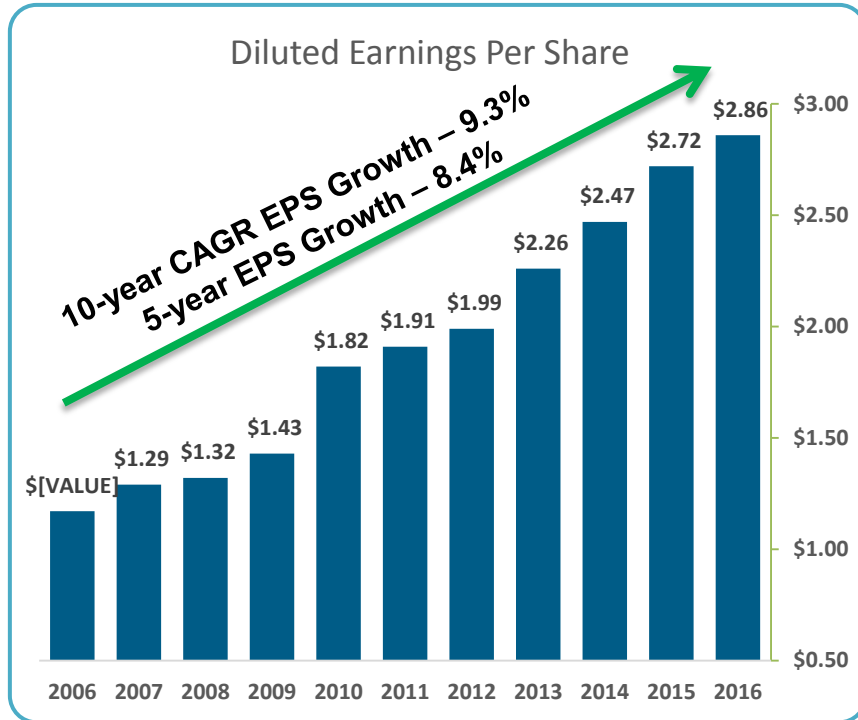
Chesapeake is a \$1.3 billion diversified energy committed to:

- *Providing superior care and service to customers*
- *Generating Superior Earnings and Dividend Growth*
- *Continuing to Find, Cultivate, and Develop Excellent Opportunities for Future Profitable Growth*
- *Extending Our Track Record of Generating Attractive Returns on High Levels of Investment while Effectively Managing Risk*
- *Maintaining a Strong Balance Sheet and Appropriate Payout to Support Capital Investment Opportunities*



Earnings and Dividends

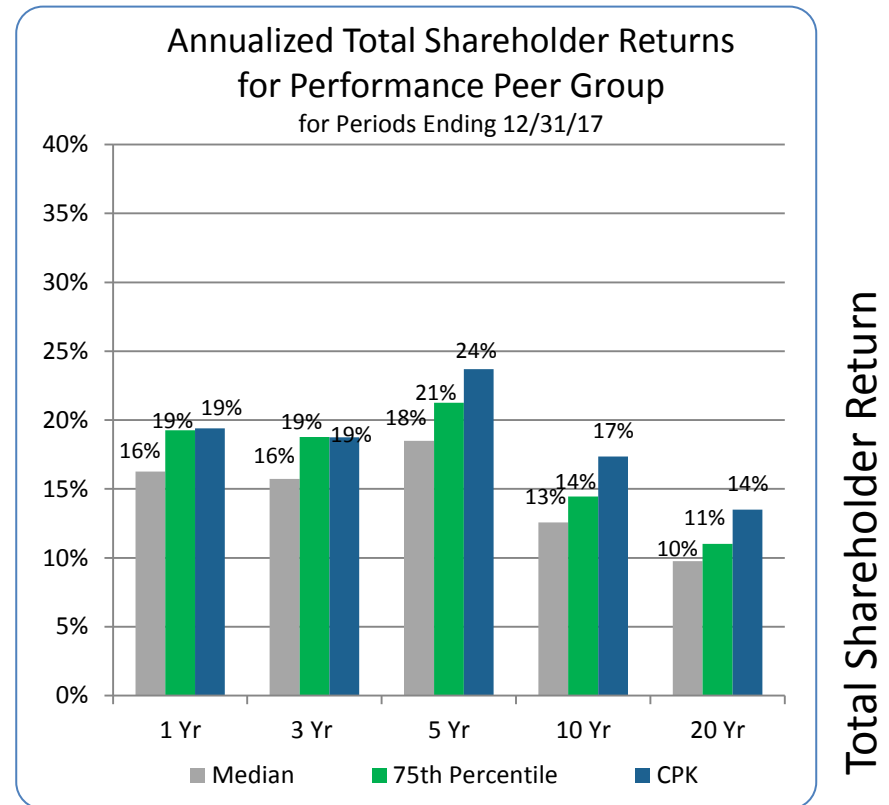
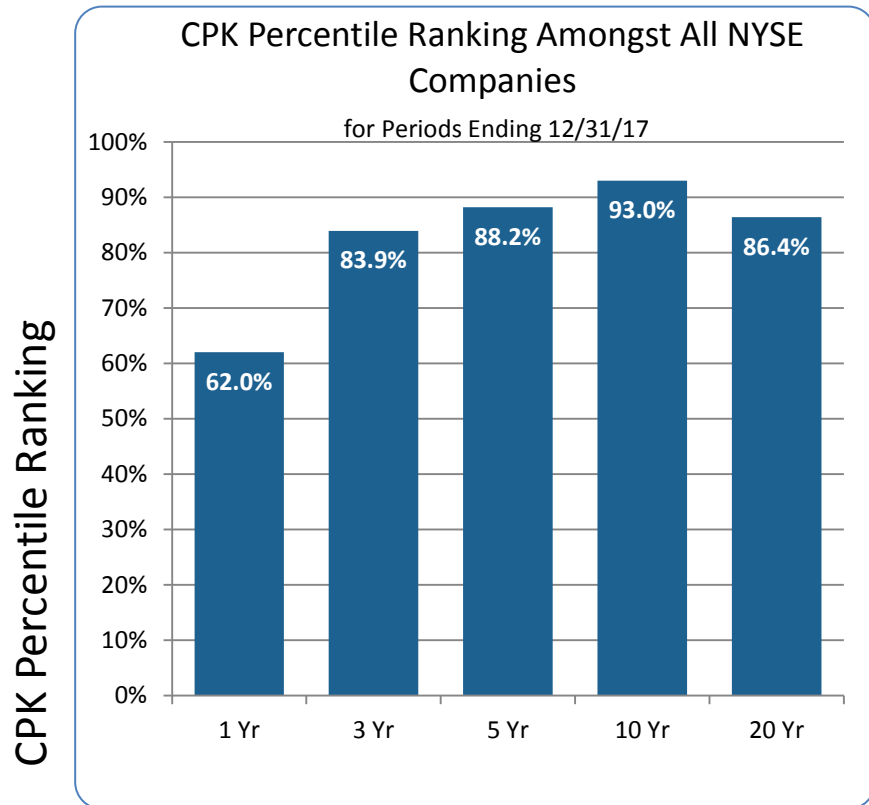
Ten Years of Consistent Growth



*Chesapeake's 10 year earnings growth ranks first in its peer group of nine companies....
.... while dividend growth increased from 2.5% in 2007 to 6.6% in 2017,
and the payout ratio has been reduced from 61% to 45%.*

Shareholder Return

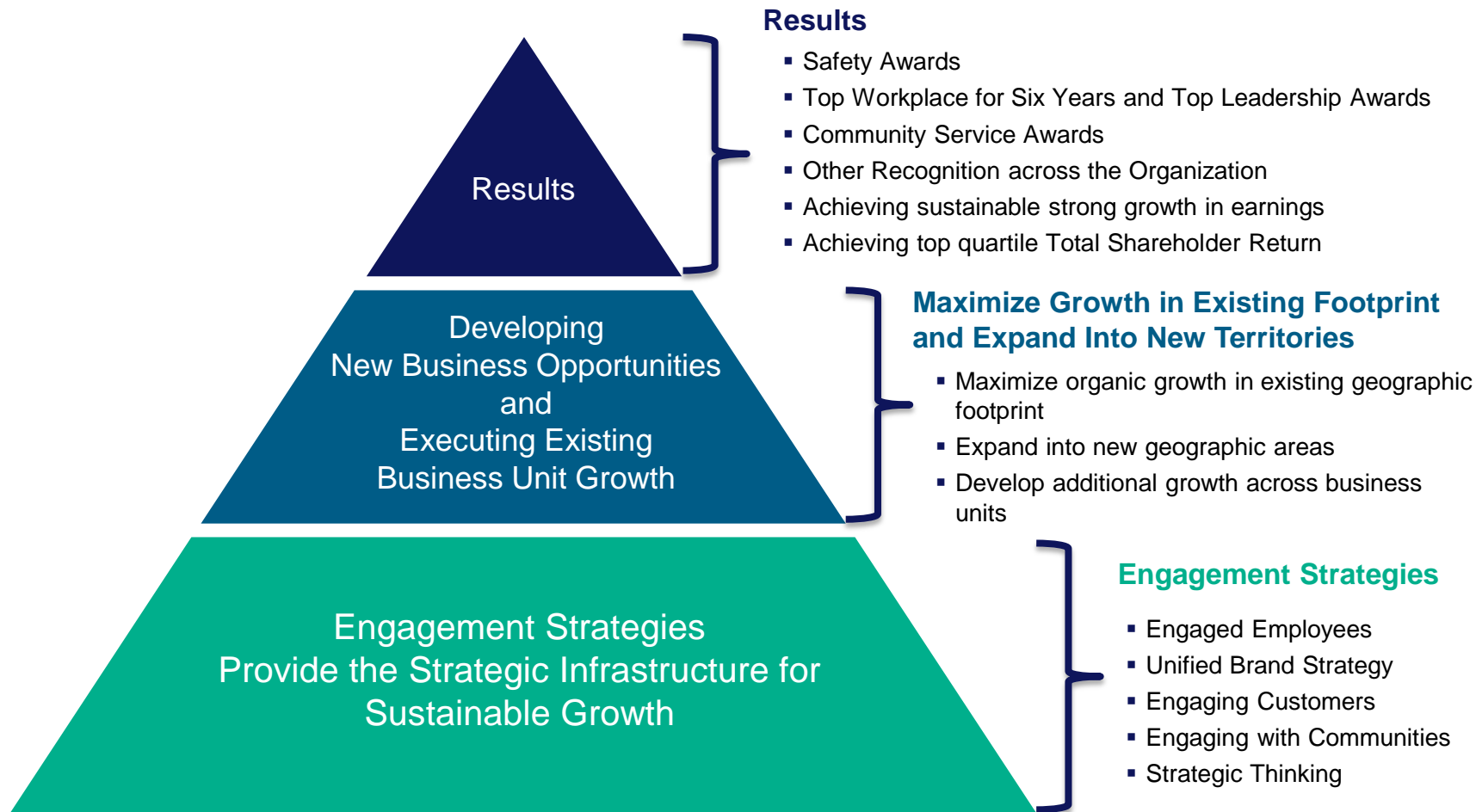
Comparison to Peers and Broader Market



- CPK's compound annual return has exceeded 13.5% for all the past periods ended December 31, 2017.
- CPK's total return ranks in the top quartile of all NYSE companies for the 3, 5, 10 and 20 years ended December 31, 2017.

Proven Approach to Reaching New Heights

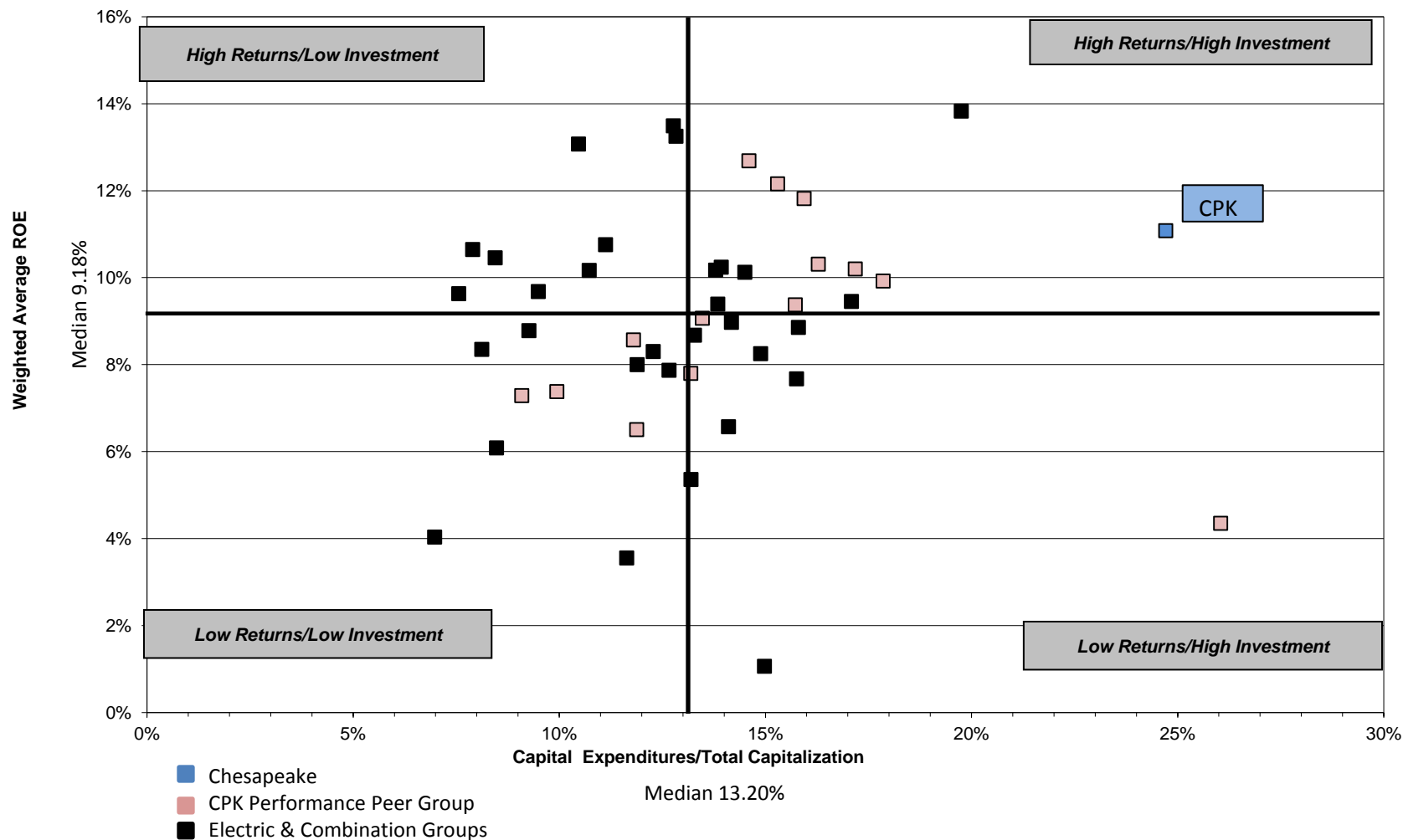
Strategic Platform for Sustainable Growth



Performance Quadrant

Peer ROE vs. Capital Expenditures
2014 – 2017 (10/1/14 – 9/30/17)

	Cap Ex	ROE
CPK	24.71%	11.08%
Median	13.20%	9.18%
75 th Percentile	15.06%	10.26%



Eastern Shore Natural Gas

Capital Investments and 2017 Rate Settlement

2016 System Reliability Project Description:

- 10.1 miles of pipeline in New Castle and Kent Counties in Delaware
- New compressor station at existing Bridgeville, compressor station in Sussex County, Delaware
- 2.5 mile looping segment completed in December 2016
- Remainder of project completed in 2nd Quarter of 2017
- Approximate \$38.0M investment



Drivers for Rate Case:

- ESNG was required to file a rate case in 2016 in its prior rate settlement with FERC in 2012
- Recovery of System Reliability Investment and investments since previous rate case in 2012
- Inclusion of overall increased cost of service



2017 ESNG Rate Case:

- Filing made with FERC in January 2017
- Interim rates, subject to refund, effective in August 2017 - Recorded \$1M in margin in 3rd Quarter
- *Settlement agreement filed 12/13/17 increasing base rates by approximately \$9.8 million annually*

Eastern Shore Natural Gas

2017 System Expansion Project Details

Capital Investment:

- Updated estimate of \$117M

Annual Estimated Margin:

- \$15.8M in the first full year of operation

Construction Period:

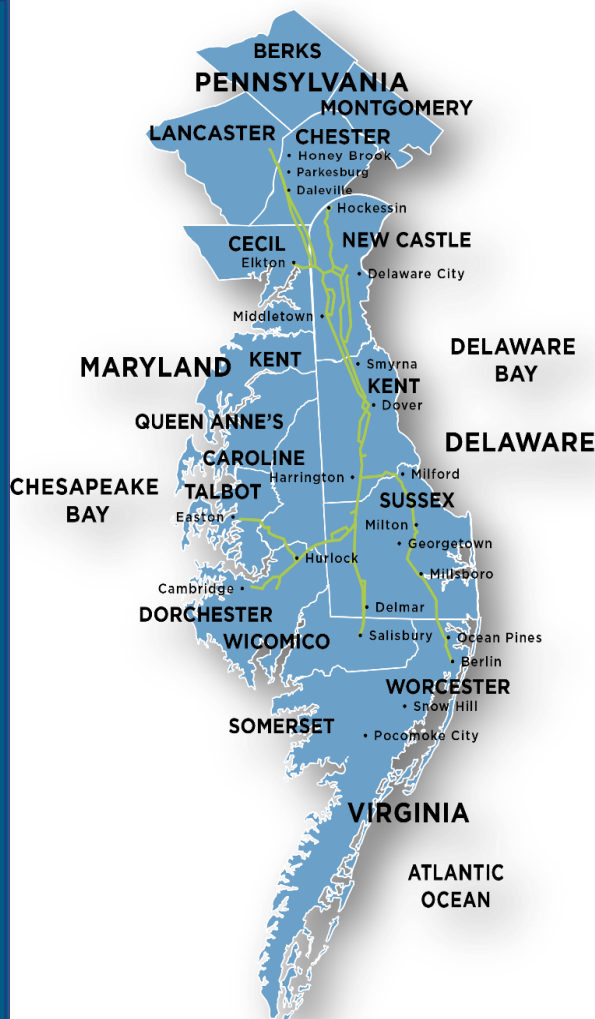
- FERC approval on 10/4/2017
- TETCO interconnect complete, placed into service as requested on December 14, 2017
- Remaining construction to begin during first quarter 2018
- Remaining segments in service second quarter 2018 – fourth quarter 2018

Project Description:

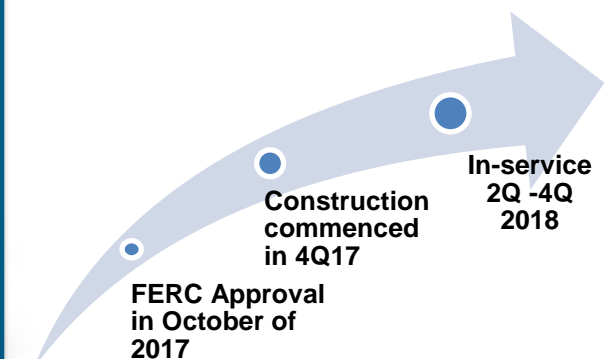
- 23 miles of pipeline looping in PA, DE, & MD
- 17 miles of new mainline extension
- Upgrades to the TETCO interconnect
- 3,750 hp new compression-Daleville Compressor Station

Total Capacity Increase:

- 61,162 dts/d on Eastern Shore's pipeline system



Construction Period



Florida Natural Gas Projects

Northwest Florida Expansion and New Smyrna Expansion

Capital Investment:

- \$35.9M Northwest Expansion
- \$9.1M New Smyrna Expansion
- \$3.8M Belvedere Expansion

Annual Estimated Margin:

- \$7.7M combined in the first full year of operations

Construction Period:

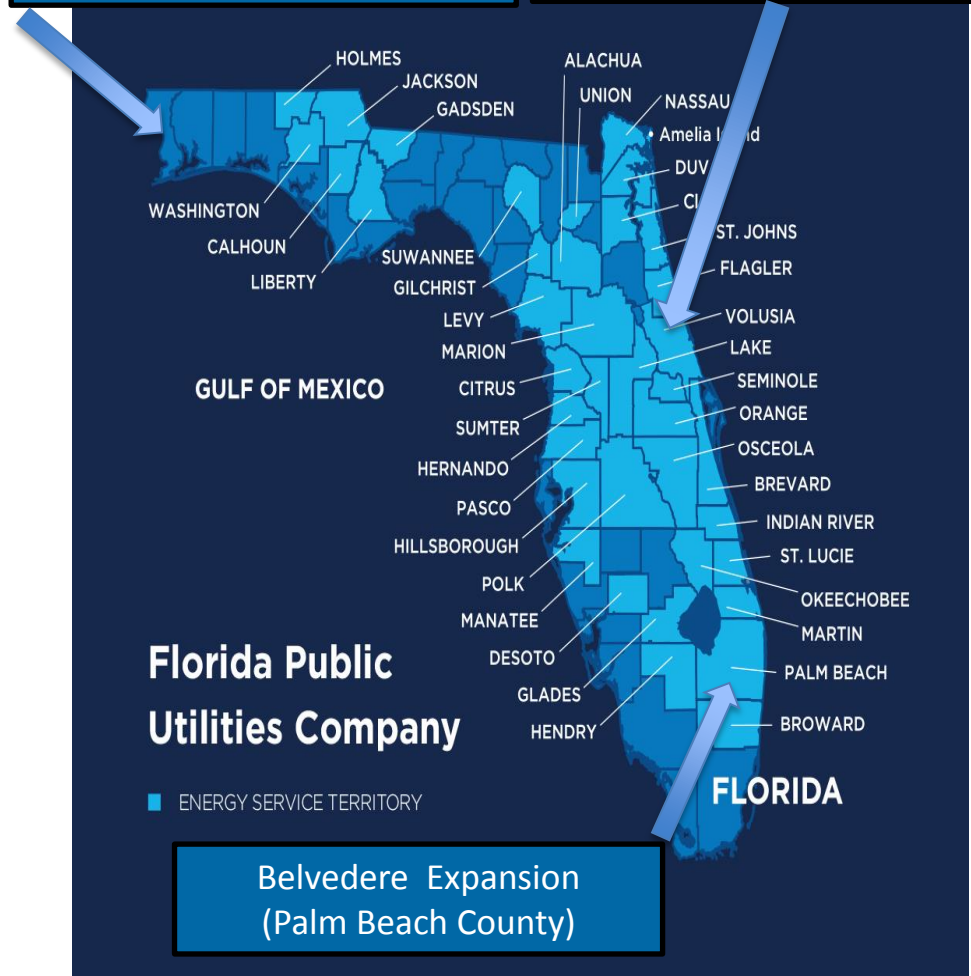
- Projects moving forward as scheduled
- New Smyrna - in service 1Q2018
- Northwest Pipeline – in service 2Q2018
- Belvedere – in service 3Q2018

Project Descriptions:

- Transmission (33 miles) and distribution (8 miles) of pipeline for Northwest Florida
 - Customer Commitments of 68,500 dts/d, with total capacity of 80,000 dts/d
- Transmission (14 miles) of pipeline for New Smyrna expansion to serve LDC customers
- Transmission (2 miles) of pipeline for Belvedere expansion to serve LDC customers

Northwest Pipeline Expansion (Pensacola Region)

New Smyrna Expansion (Volusia County)



Gross Margin Highlights

Major Projects and Initiatives Summary

Gross Margin for the Period

<i>Dollars in thousands</i>	Actual 2016	Estimate for		
		2017	2018	2019
Major Projects and Initiatives Completed				
Natural Gas Transmission Services	\$ 13,269	\$ 13,253	\$ 8,701	\$ 8,679
Florida GRIP	11,552	13,727	14,407	15,085
Eight Flags CHP	4,998	8,366	8,706	8,960
ESNG Uncontested Rate Case Settlement Agreement Filed	-	3,547	9,800	9,800
Delaware Division Rate Case	1,487	2,250	2,250	2,250
Total Existing Major Projects and Initiatives Completed	\$ 31,306	\$ 41,143	\$ 43,864	\$ 44,774
Future Major Projects and Initiatives				
2017 ESNG System Expansion	-	126	9,313	15,799
Northwest Florida Expansion	-	-	3,484	5,127
Other Florida Pipeline Expansions	-	-	2,044	2,542
Total Future Major Projects and Initiatives	\$ -	\$ 126	\$ 14,841	\$ 23,468
Total Completed and Future Projects and Initiatives	\$ 31,306	\$ 41,269	\$ 58,705	\$ 68,242

Note: Organic growth opportunities not included.

Three Year Total ▲ \$36,936

\$9,963

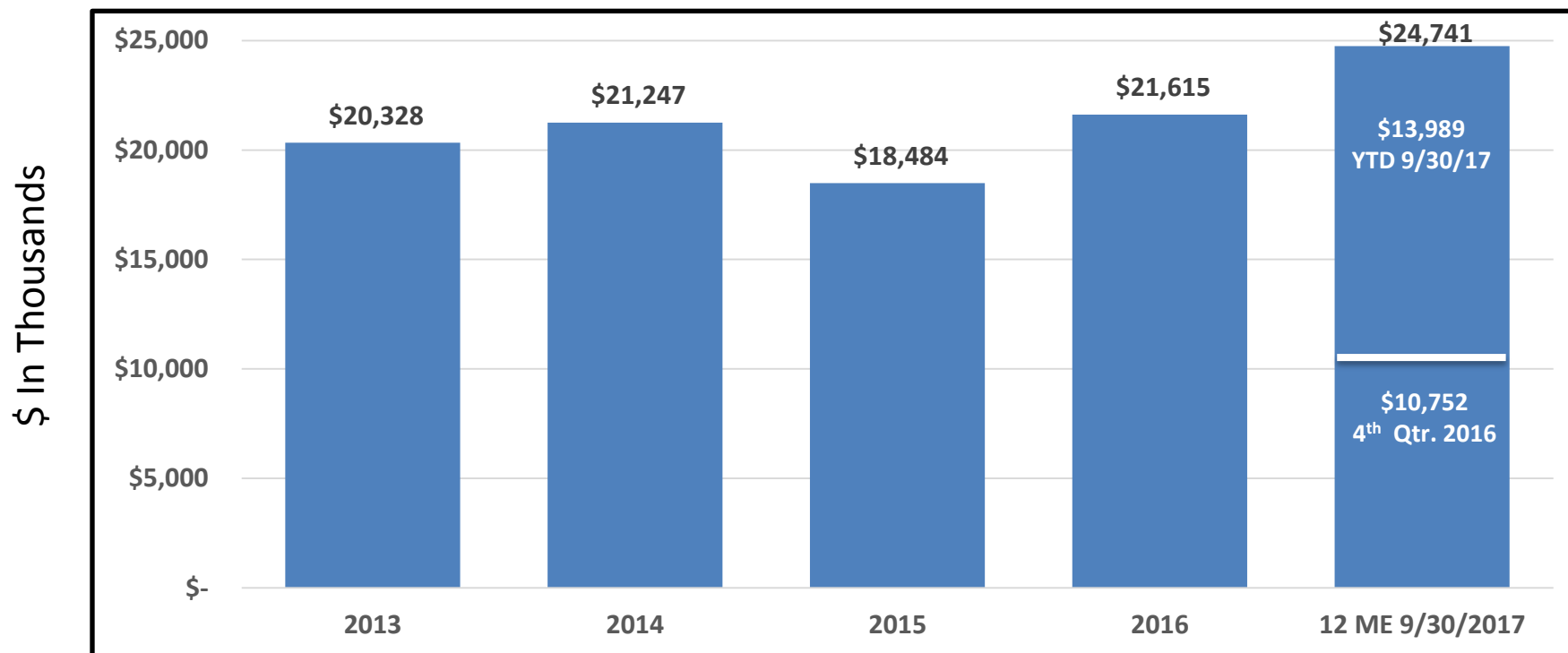
\$17,436

\$9,537

We are focused on developing new growth opportunities that will increase the margin growth beyond 2017.

Chesapeake Utilities Corporation

Annual Gross Margin Increase – 2013 through 12 months ending 9/30/2017



	2013	2014	2015	2016	12ME 9/30/2017
Gross Margin (\$ in thousands)	\$199,471	\$220,718	\$239,202	\$260,817	\$274,807
% Change	11.3%	10.7%	8.4%	9.0%	9.9%

Continuing to Build for the Future

2017 Forecasted Capital Expenditures of \$193 million

<i>\$ thousands</i>	2017 Forecasted Capital Expenditures
\$91,856	Natural Gas Transmission
77,759	Natural Gas and Electric Distribution
15,918	Unregulated Energy
<u>7,452</u>	Corporate / Other
<u>\$192,985</u>	2017 Total

\$141.5 million spent as of 9/30/2017

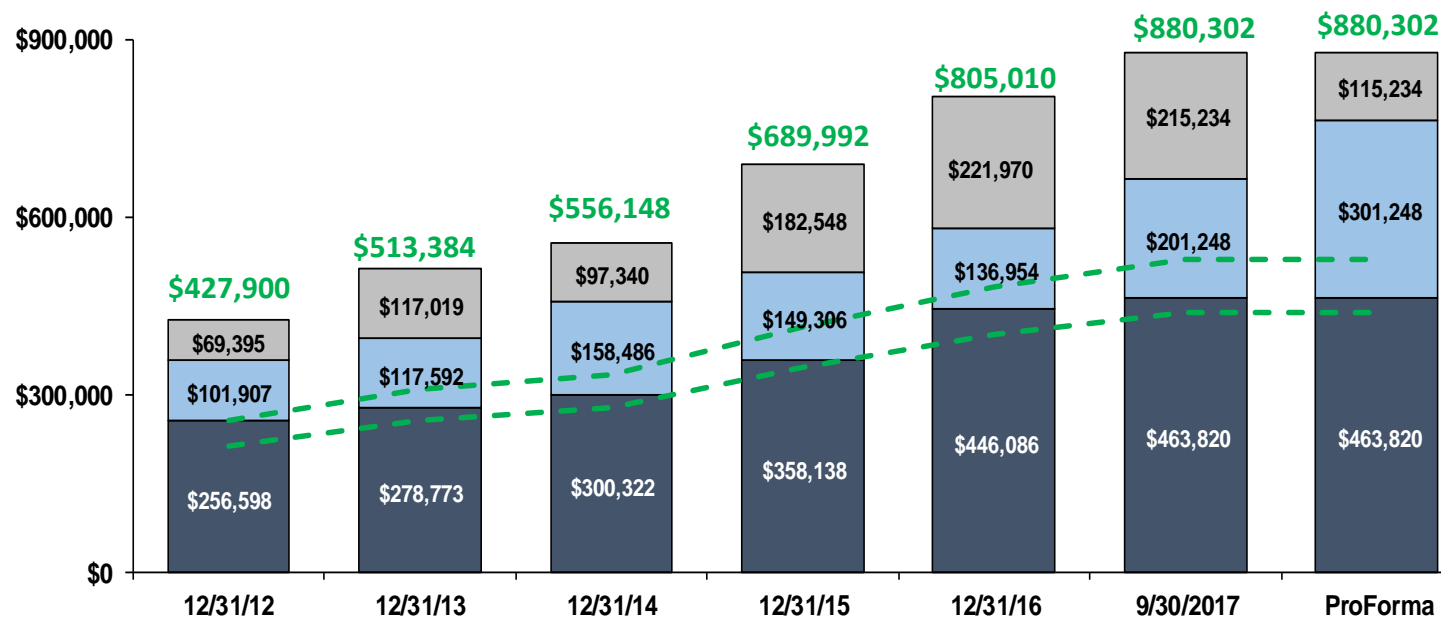
Preliminary 2018 forecasts capital spending of \$181.6 million

Total Capitalization

Strong Balance Sheet to Support Growth

(in thousands)

■ Stockholders' Equity ■ Long-Term Debt ■ Short-Term Debt *



**Target Equity to
Total Capitalization
Ratio of 50% - 60%**

As of 9/30/17
ST Debt Cost 2.15%
LT Debt Cost
4.42%

Pro Forma LTD
20 Year Term
\$50MM 3.48% (May 18)
\$50 MM 3.58% (Nov 18)

Equity/Permanent Capitalization	71.6%	70.3%	65.5%	70.6%	76.5%	69.7%	60.6%
Equity/Total Capitalization	60.0%	54.3%	54.0%	51.9%	55.4%	52.7%	52.7%

* Short-Term Debt includes Current Portion of Long-Term Debt

BB&T \$40 million committed short-term line of credit added 11/28/2017

Chesapeake Utilities Corporation

Key Takeaways from Tax Reform

Corporate Tax

- 2017 Accounting Event
- Federal corporate tax rate permanently reduced to 21%, effective January 1, 2018
- Fully effective for CPK's Unregulated Energy Segment
- Regulatory jurisdictions to prescribe approach regarding customer rates and flow-back of excess ADIT

Cap Ex Expensing

- For CPK's Unregulated Energy Segment, full expensing of capex incurred prior to 2023, with a phase-out over time
 - Covers acquisition of both new and used depreciable property, but not land, goodwill or intangibles
- CPK's regulated utilities no longer have bonus depreciation or qualify for full expensing of capex; MACR depreciation rates will apply

Deductibility of Certain Expenses

- Ability to deduct net interest expense beginning in 2018 limited to:
 - 30% of taxable US EBITDA through 2021 for CPK's Unregulated Energy Segment
 - 30% of taxable US EBIT starting in 2022 for CPK's Unregulated Energy Segment
- CPK's regulated utilities are allowed current period interest deduction
- Disallowed interest deductions can be carried forward indefinitely
- Business related entertainment expenses are no longer deductible

Deferred Tax Liability

- CPK deferred tax liability of \$252 million as of 9/30/17:
 - Regulated energy segment liability of \$225 million
 - Unregulated energy segment liability of \$34 million
 - Other + eliminations (\$6 million)
- 2017 earnings impact for excess ADIT for unregulated energy segment

Investment Highlights

A High Growth Energy Delivery Investment Proposition

Diversified Asset Base

- Growing utility foundation with additional upside from complementary, related energy businesses
- Operations span the Mid-Atlantic to Florida and Ohio Valley markets
- 83% of investment in regulated energy and 17% of investment in unregulated energy

Strong Financial Performance & Consistent Track Record

- Top quartile shareholder returns for 3, 5, 10, and 20 year periods
- 10 consecutive years of EPS growth; 8.4% five year annual compound EPS growth
- Dividend increased by 6.6% in May 2017; 5 year annualized dividend growth rate of 6.0%

Balance Sheet that Supports Growth

- Strong balance sheet with equity to total capitalization target of 50% - 60%
- Total assets of \$1.3 billion with approximately \$1.1 billion of those assets in net plant
- High investment-grade credit ratings (NAIC1) with ample liquidity to support growth

Future Earnings Growth Opportunities

- Capital expenditure forecast of \$193 million for 2017 and \$180 million for 2018
- Projects to be completed in 2018 will generate growth in 2018 and beyond
- Continuing to pursue and develop growth opportunities and regulatory strategies that build on our core competencies

Shareholder Return

Comparison to Broader Market – S & P 500 Industry Sectors

10-Year Total Return Performance Matrix

'08-'17	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Discretionary 257.9%	Staples -15.4%	MLPs 76.4%	MLPs 35.9%	Utilities 19.9%	Financials 28.8%	Discretionary 43.1%	Utilities 29.0%	Discretionary 10.1%	Energy 27.4%	Technology 39.7%
Technology 209.6%	Health Care -22.8%	Technology 61.7%	Discretionary 27.7%	Staples 14.0%	Discretionary 23.9%	Health Care 41.5%	Health Care 25.3%	Health Care 6.9%	Telecom 23.5%	Materials 24.2%
Health Care 186.5%	Utilities -29.0%	Materials 48.6%	Industrials 26.7%	MLPs 13.9%	Telecom 18.3%	Industrials 40.7%	Technology 20.1%	Staples 6.6%	Financials 22.8%	Discretionary 23.8%
Staples 161.2%	Telecom -30.5%	Discretionary 41.3%	Materials 22.2%	Health Care 12.7%	Health Care 17.9%	Financials 35.6%	Staples 16.0%	Technology 5.9%	Industrials 18.9%	Financials 23.0%
Industrials 129.4%	Discretionary -33.5%	S&P 500 26.5%	Energy 20.5%	Telecom 6.3%	S&P 500 16.0%	S&P 500 32.4%	Financials 15.2%	Telecom 3.4%	MLPs 18.3%	Health Care 23.0%
S&P 500 127.2%	Energy -34.9%	Industrials 20.9%	Telecom 19.0%	Discretionary 6.1%	Industrials 15.3%	Technology 28.4%	S&P 500 13.7%	S&P 500 1.4%	Materials 16.7%	S&P 500 22.5%
Utilities 84.4%	MLPs -36.9%	Health Care 19.7%	S&P 500 15.1%	Energy 4.7%	Materials 14.97%	MLPs 27.6%	Industrials 9.8%	Financials -1.5%	Utilities 16.3%	Industrials 21.4%
Materials 82.5%	S&P 500 -37.0%	Financials 17.2%	Staples 14.1%	Technology 2.4%	Technology 14.8%	Staples 26.1%	Discretionary 9.7%	Industrials -2.5%	Technology 13.8%	Staples 13.5%
MLPs 80.0%	Industrials -39.9%	Staples 14.9%	Financials 12.1%	S&P 500 2.1%	Staples 10.8%	Materials 25.6%	Materials 6.9%	Utilities -4.8%	S&P 500 12.0%	Utilities 12.1%
Telecom 65.4%	Technology -43.1%	Energy 13.8%	Technology 10.2%	Industrials -0.6%	MLPs 4.8%	Energy 25.1%	MLPs 4.8%	Materials -8.4%	Discretionary 6.0%	Telecom -0.3%
Financials 45.9%	Materials -45.7%	Utilities 11.9%	Utilities 5.5%	Materials -9.8%	Energy 4.6%	Utilities 13.2%	Telecom 3.0%	Energy -21.1%	Staples 5.4%	Energy -0.6%
Energy 12.7%	Financials -55.3%	Telecom 8.9%	Health Care 2.9%	Financials -17.1%	Utilities 1.3%	Telecom 11.5%	Energy -7.8%	MLPs -32.6%	Health Care -2.7%	MLPs -6.5%



CPK Results: Indicated by Stars above

'08-'17	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
401.6%	3.0%	6.4%	34.7%	8.0%	8.2%	36.1%	27.1%	16.9%	20.3%	19.7%

- CPK's total shareholder return was 401.6% - CPK's total return exceeds each sector over the ten years.
- Over the past ten years CPK's 401.6% total return is 1.5 to 30.6 times all market sectors.
- CPK has generated positive TSR for each year during the ten year period, whereas all sectors had at least one negative return year.

Sources: Wells Fargo Securities LLC and Bloomberg - Data as of 12/28/17



Appendices

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Business Unit Overview

Eastern Shore Natural Gas



- **Eastern Shore Natural Gas Company (“ESNG”)** owns and operates a 448-mile interstate pipeline that transports natural gas from various points in Pennsylvania to customers in Delaware, Maryland and Pennsylvania.
- Operates under the jurisdiction of the Federal Energy Regulatory Commission (FERC)
- Currently inter-connected with 3 upstream pipelines at 4 interconnect points
- Serves a mix of Local Distribution Companies, Industrials and Electric Power Generation customers



Business Unit Overview

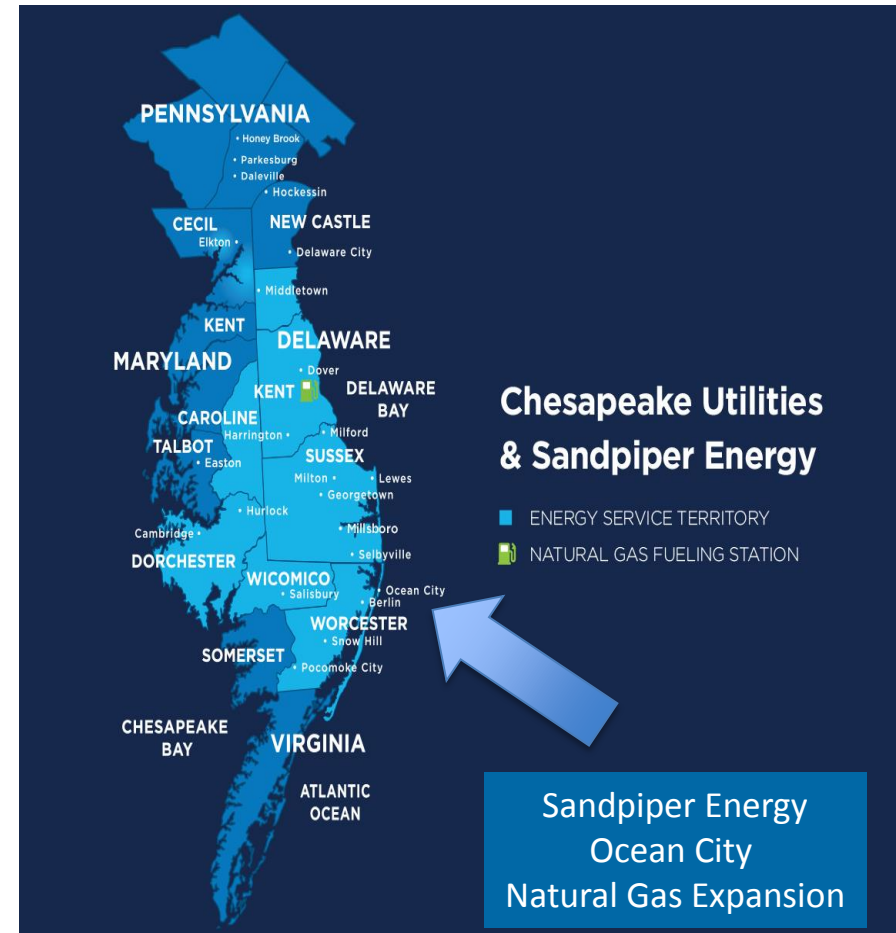
Chesapeake Utilities & Sandpiper Energy



- **Chesapeake Utilities** distributes natural gas to approximately 62,000 residential and commercial customers in Delaware and Maryland.
- In Delaware, Chesapeake continues to expand its system in southeast Sussex County.
- In Maryland, Chesapeake continues to expand its system in Cecil County.



- In Maryland, Chesapeake's **Sandpiper Energy** business unit distributes propane and natural gas to approximately 11,000 customers in Worcester County - primarily through community gas systems.
- Sandpiper continues to extend its distribution mains, including providing natural gas service into Ocean City, Maryland.



Business Unit Overview

Florida Operation



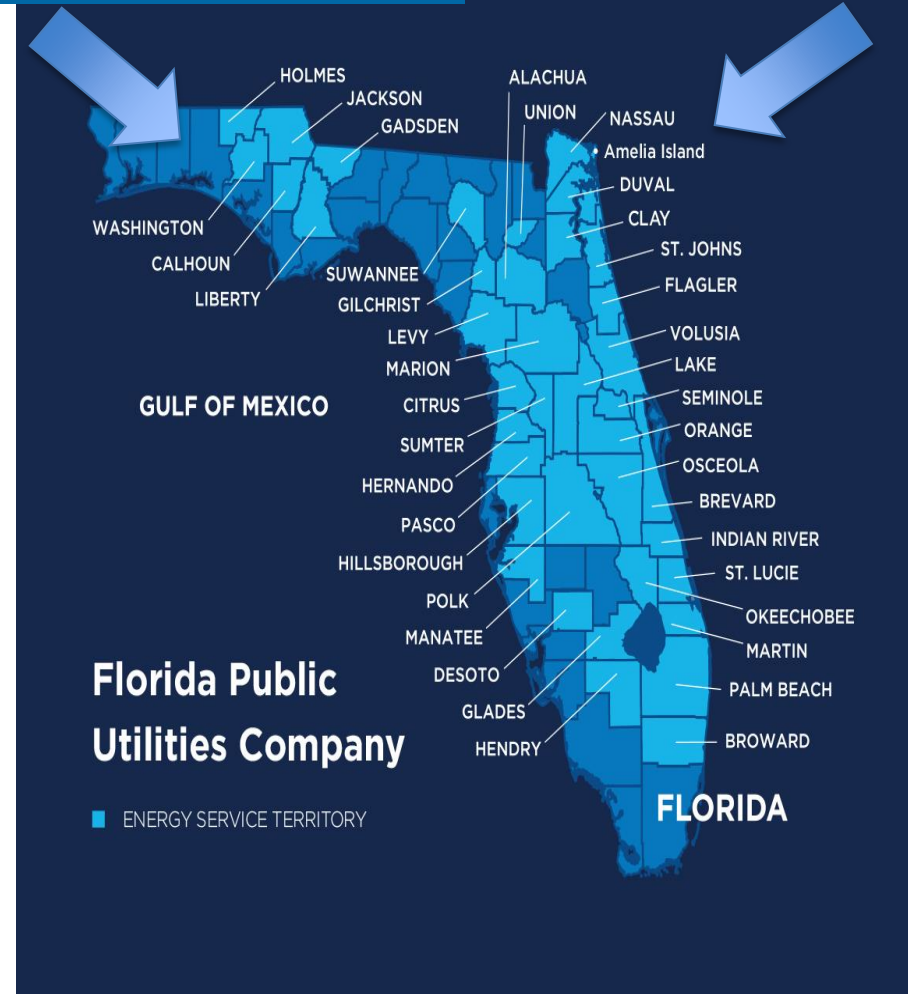
- **Florida Public Utilities and Chesapeake's Central Florida Gas division** distribute natural gas to approximately 76,000 residential and commercial customers throughout Florida, and electricity to approximately 32,000 customers in Marianna and Amelia Island, Florida.
- **Florida Public Utilities'** propane distribution subsidiary provides service to approximately 16,000 customers in various areas of Florida.
- **Eight Flags'** combined heat and power plant produces steam which is sold to Rayonier, and 20 MW of electricity which is distributed to FPU customers on Amelia Island.



- **Peninsula Pipeline Company, Inc.** provides natural gas transmission services in Florida.

Northwest Pipeline Expansion
Pensacola Region

Eight Flags CHP Plant
Amelia Island

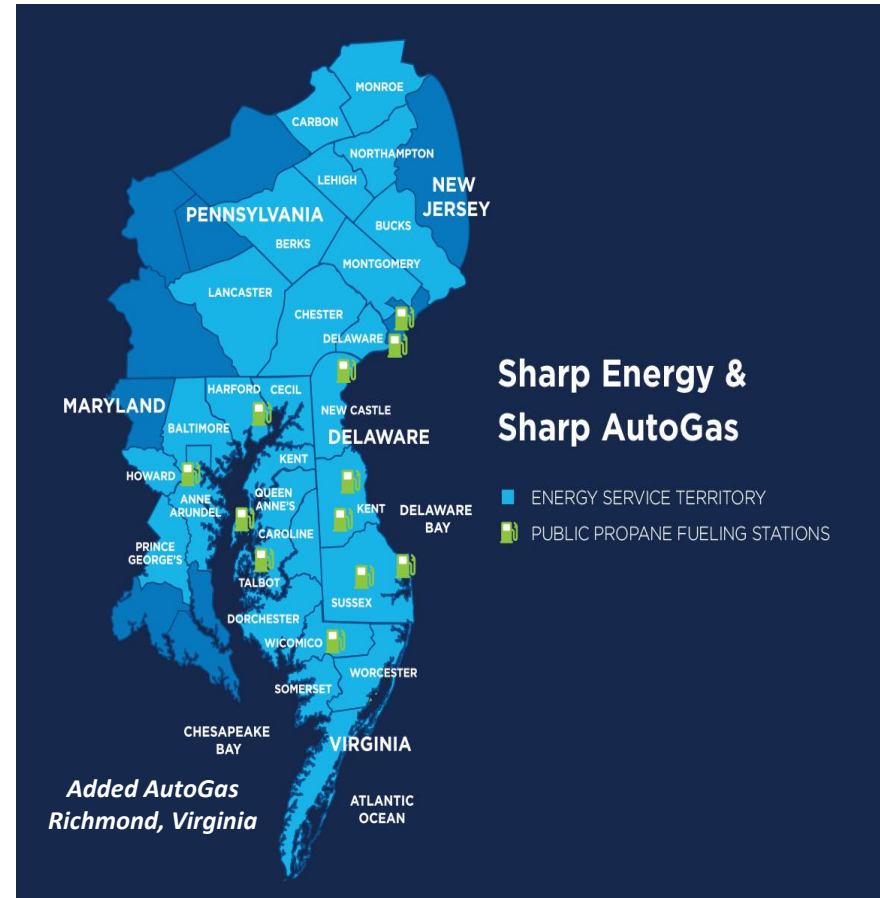


Business Unit Overview

Sharp Energy



- **Sharp Energy** distributes propane to approximately 39,000 customers in Delaware, Maryland and the Eastern Shore of Virginia, and southeastern Pennsylvania.
- Our propane operations have grown organically through our Community Gas Systems (“CGS”) strategy, and our recent expansions of service into the western shore of Maryland and eastern Pennsylvania.
- Sharp AutoGas fuels over 600 independent customer vehicles through 12 multi-fleet propane fueling stations and 19 private-fleet propane fueling stations in Delaware, Maryland, Virginia and Pennsylvania.
- Propane storage capacity is in excess of 5 million gallons; more than any other propane provider on the Delmarva Peninsula.

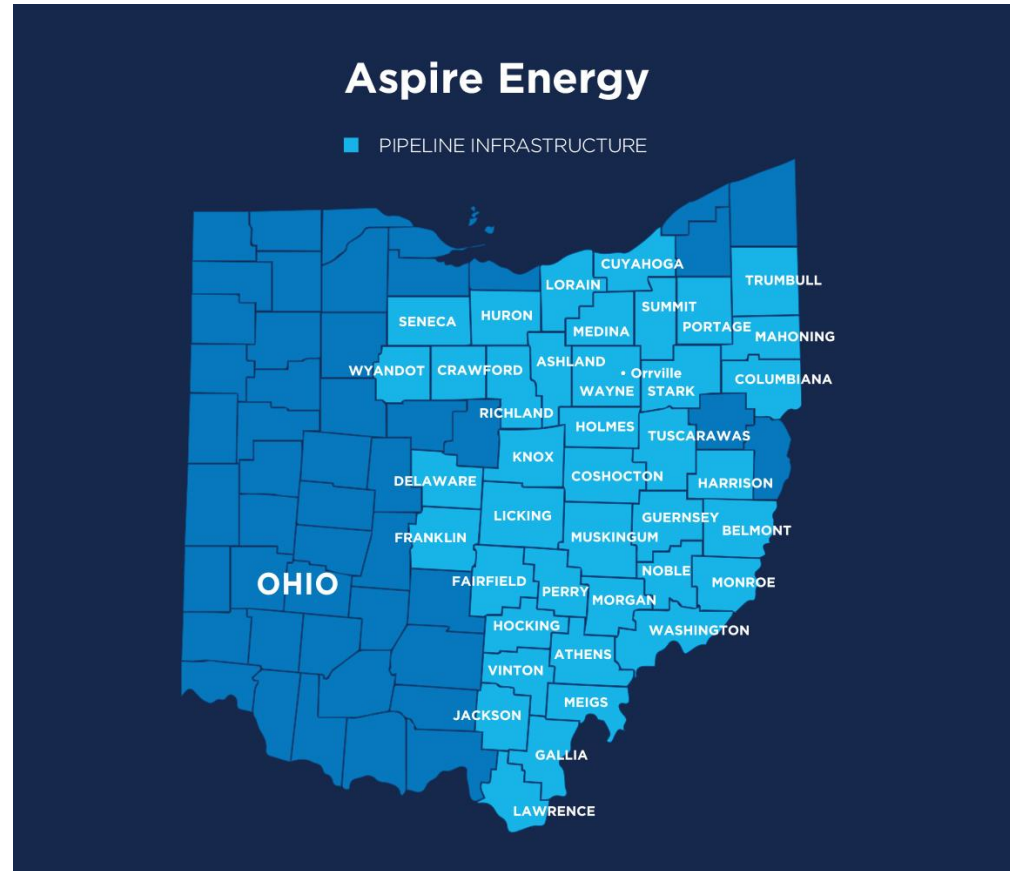


Business Unit Overview

Aspire Energy



- **Aspire Energy** of Ohio is an unregulated natural gas infrastructure company with approximately 2,600 miles of pipeline systems in 40 counties throughout Ohio.
- Aspire Energy provides natural gas supply to various local gas distribution system companies, with an aggregate of more than 20,000 end-use customers.
- Aspire Energy primarily sources gas from more than 300 conventional producers and provides gathering and processing services necessary to maintain quality and reliability to wholesale markets.



Business Unit Overview

PESCO Energy



- Provides energy marketing services, including natural gas supply and related management services to commercial industrial and wholesale customers
- PESCO Energy's strategic growth plan is driven by three key initiatives:

Demand Origination

- Expanding our downstream business on LDC's served by core pipelines on which we have deep experience

Supply Aggregation

- Purchasing physical production in upstream geographies that enable wholesale liquidity and competitive supplies

Optimization

- Utilizing storage, firm transportation and other assets to capture the margin generated by our Demand Origination and Supply Aggregation efforts

Market Area

Serving three geographic regions: Southeast, Mid-Atlantic and Mid-West

Peninsula Energy Services Company

- LEGACY
- NEW IN 2016
- FUTURE EXPANSION



Thank You



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