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## **Chesapeake Utilities Corporation To Expand Natural Gas Service Territory In Florida**

### **-Additional Gas Supply to Pensacola Energy Results in Increased Access to Natural Gas for Residents and Businesses of Escambia County, Florida-**

DOVER, Del., May 4, 2017 /PRNewswire/ -- Chesapeake Utilities Corporation (NYSE: CPK) (Chesapeake Utilities) announced today that the Company has entered into an agreement with Pensacola Energy to transport natural gas to the City of Pensacola and other industrial users in the surrounding area in Escambia County. This project will increase Chesapeake Utilities' footprint in Northwest Florida while complementing its natural gas, propane and electric services throughout the state. The expansion in the Company's Florida service territory means residents and businesses of the City of Pensacola and the surrounding area will have greater access to this clean energy option.

"As our Company grows throughout the state of Florida and beyond, our employees are working continuously to identify opportunities that meet the needs of customers while furthering our strategic direction," said Michael P. McMasters, President and Chief Executive Officer of Chesapeake Utilities Corporation. "This project is another example of our commitment, and we're excited to expand our service in Northwest Florida to make the efficient, safe and economic option of natural gas available to more residential, commercial and industrial customers."

"Increased access to natural gas in our community will generate significant local investment, help businesses grow and create jobs, and it will improve the quality of life for all residents," said Pensacola Mayor Ashton Hayward. "This announcement is going to allow more families and businesses across Northwest Florida to have more options on how to heat their homes and workplaces."

Chesapeake Utilities has a long-standing history in Florida, beginning with the acquisition of Central Florida Gas Company in 1985, followed by the acquisition of Florida Public Utilities in 2009. Currently, the Company operates in Florida through its subsidiary, Florida Public Utilities Company (FPU), which services approximately 74,000 residential and commercial natural gas customers, 31,000 electric customers and 16,000 propane customers throughout Florida.

"Our team at FPU is committed to servicing our customers safely and reliably," said Jeffrey M. Householder, FPU President. "With this project, we're able to increase the access Escambia County residents have to natural gas and we'll do so while maintaining our high standards of service."

Chesapeake Utilities will construct an interconnection between Pensacola Energy and Florida Gas Transmission Company's interstate facilities. The project is a \$36M investment and is part of the Company's strategic plan to provide additional transportation and delivery services to residential, commercial and industrial customers throughout Florida and the entire Chesapeake Utilities' service territory. The project was reviewed and approved by the Federal Energy Regulatory Commission in February, 2017, and the Company will seek the required permits from local agencies before beginning construction in June, 2017. The project is expected to be placed into service in Q1 2018 and is projected to generate annualized margin of \$5.1M. The Company is currently meeting with other third parties that have expressed an interest in natural gas service as a result of this expansion.

#### **About Chesapeake Utilities Corporation**

Chesapeake Utilities Corporation is a diversified energy company engaged in natural gas distribution, transmission, gathering and processing, and marketing; electricity generation and distribution; propane gas distribution; and other businesses. Information about Chesapeake Utilities Corporation's businesses is available at [www.chpk.com](http://www.chpk.com).

#### **About Florida Public Utilities Company**

Florida Public Utilities Company is a wholly-owned subsidiary of Chesapeake Utilities Corporation. Headquartered in West Palm Beach, Florida, FPU distributes natural gas and propane and provides electric services to approximately 121,000 customers in markets throughout Florida. For more information, visit [www.fpuc.com](http://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.*

*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.

**For more information, contact:**

Mike Stock  
Sr. Director, Corporate Communications  
Chesapeake Utilities Corporation  
302.736.7808  
[mstock@chpk.com](mailto:mstock@chpk.com)

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