CHESAPEAKE UTILITIES CORPORATION

Third Quarter 2015 Earnings Conference Call

Friday, November 6, 2015

10:30 a.m. EST

TOP WORK PLACES

CHESAPEAKE UTILITIES CORPORATION

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 2014 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.

Consolidated 2015 Financial Results

Third Quarter 2015 Performance Summary

For the periods ended September 30,
(in thousands except per share amounts)

	3Q15	3Q14	Change
Operating Income			
Regulated Energy segment	$ 11,828	$ 9,202	$ 2,626
Unregulated Energy segment	(1,022)	(1,972)	$ 950
Other businesses and eliminations	103	562	(459)
Total Operating Income	10,909	7,792	$ 3,117
Other Income (Loss), Net of Other Expense	36	(32)	$ 68
Interest Charges	2,492	2,495	(3)
Pre-tax Income	8,453	5,265	$ 3,188
Income Taxes	3,334	2,085	1,249
Net Income	$ 5,119	$ 3,180	$ 1,939
Diluted Earnings Per Share	$ 0.33	$ 0.22	$ 0.11

Results

- 2015 3rd Quarter earnings per share higher by $0.11 per share
- Continued, profitable growth in the regulated energy segment due to expansions, customer growth, GRIP and regulatory initiatives
- Narrower loss in the unregulated energy segment due to higher retail propane margins

Regulated Energy Segment Results

Third Quarter 2015 Performance Summary

(in thousands)

	2015	2014	Change
Revenue	$ 63,796	$ 59,356	$ 4,440
Cost of Sales	23,161	23,040	121
Gross Margin	40,635	36,316	4,319
Operations & Maintenance	19,882	18,906	976
Depreciation & Amortization	6,129	5,633	496
Other Taxes	2,796	2,575	221
Other Operating Expenses	28,807	27,114	1,693
Operating Income	$ 11,828	$ 9,202	$ 2,626

Results

- Operating income increased by $2.6 million to $11.8 million in the third quarter of 2015 compared to 2014
- Gross margin increased by $4.3 million
  - Natural gas service expansions completed in 2014 and 2015 - $1.7 million
  - Florida GRIP - $1.1 million
  - Customer growth - $896,000
  - Florida electric rate increase - $673,000
- Other operating expenses increased by $1.7 million, almost entirely due to growth

CHESAPEAKE UTILITIES CORPORATION

Unregulated Energy Segment Results

Third Quarter 2015 Performance Summary

(in thousands)	2015	2014	Change
Revenue	$29,609	$ 27,071	$ 2,538
Cost of Sales	19,402	20,623	(1,221)
Gross Margin	10,207	6,448	3,759
Operations & Maintenance	9,305	7,063	2,242
Depreciation & Amortization	1,483	1,014	469
Other Taxes	441	343	98
Other Operating Expenses	11,229	8,420	2,809
Operating Income	$ (1,022)	$ (1,972)	$ 950

Results

- Reduced operating loss of $1.0 million for the third quarter compared to an operating loss of $2.0 million for the same quarter of 2014
- Seasonality typically leads to a loss for this segment in the third quarter
- Gross margin increased by $3.8 million
  - Aspire Energy of Ohio - $2.0 million
  - Propane retail margins - $1.0 million
  - PESCO - $479,000
- $2.8 million in increased other operating expenses, due to growth and Aspire Energy of Ohio ($1.9 million)

Consolidated Financial Results

Year-to-Date 2015 Performance Summary

For the periods ended September 30, (in thousands except per share amounts)	Year-to-Date 2015	Year-to-Date 2014	Change
Operating Income			
Regulated Energy segment	$ 47,616	$ 41,004	$ 6,612
Unregulated Energy and other	13,666	8,843	4,823
Other business and eliminations	305	25	280
Total Operating Income	61,587	49,872	11,715
Other Income (Loss), Net of Other Expenses	(3)	380	(383)
Interest Charges	7,425	6,954	471
Pre-tax Income	54,159	43,298	10,861
Income Taxes	21,638	17,303	4,335
Net Income	$ 32,521	$ 25,995	6,526
Diluted Earnings Per Share	$ 2.16	$ 1.78	$ 0.38

Results

- Year-to-date diluted EPS of $2.16 represents a $0.38 per share, or 21% increase over year-to-date 2014
- Regulated energy operating income increased by $6.6 million as a result of customer growth, service expansions, GRIP and the electric rate case; as well as the non-recurring $1.5 million gain from a customer billing system settlement
- Unregulated energy operating income rose by $4.8 million primarily as a result of higher retail propane margins

Reconciliation of 2015 Results Year-to-Date

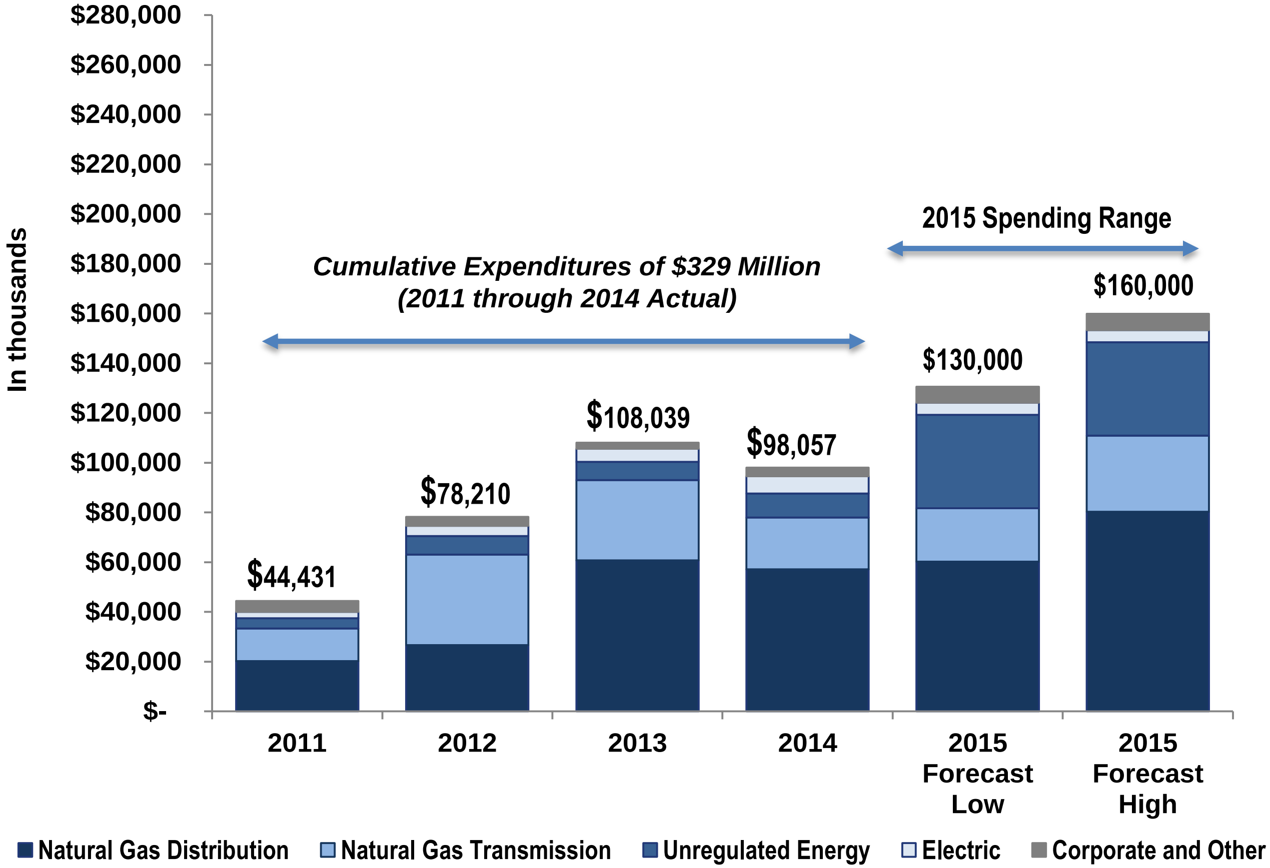
Key variances for the nine months ended September 30, 2015 vs. 2014 included:

(in thousands, except per share)	Pre-tax Income	Net Income	Earnings Per Share
Nine months ended September 30, 2014 Reported Results	$ 43,298	$ 25,995	$ 1.78
Adjusting for Unusual Items:			
Gain from a customer billing system settlement	1,500	902	0.06
Gain on sale of business, recorded in 2014	(397)	(238)	(0.02)
Absence of BravePoint, which was sold in October 2014	303	182	0.01
	1,406	846	0.05
Increased (Decreased) Gross Margins:			
Higher retail propane margins	6,742	4,048	0.28
Service expansions	4,085	2,453	0.17
Contribution from Aspire Energy of Ohio	3,661	2,198	0.15
Natural gas growth (excluding service expansions)	3,149	1,891	0.13
GRIP	3,070	1,843	0.13
FPU electric base rate increase	2,366	1,421	0.10
Propane wholesale marketing	(854)	(513)	(0.04)
	22,219	13,341	0.92
Increased Other Operating Expenses:			
Expenses from Aspire Energy of Ohio	(3,828)	(2,298)	(0.16)
Higher payroll and benefits costs	(2,762)	(1,658)	(0.11)
Higher depreciation, asset removal costs and property tax costs due to recent capital investments	(1,700)	(1,021)	(0.07)
Increased accruals for incentive compensation	(1,150)	(690)	(0.05)
Costs associated with a customer billing system settlement and other transactions	(1,081)	(649)	(0.04)
Higher facility maintenance	(729)	(438)	(0.03)
Higher service contractor and other consulting costs	(694)	(417)	(0.03)
Higher amortization expense	(463)	(278)	(0.02)
	(12,407)	(7,449)	(0.51)
Interest Charges	(471)	(283)	(0.02)
Net Other Changes [1]	114	71	(0.06)
Nine months ended September 30, 2015 Reported Results	$ 54,159	$ 32,521	$ 2.16

[1] The earnings per share impact, net of other changes shown above, includes $(0.06) of dilution from the issuance of 592,970 shares of Chesapeake's common stock in conjunction with the merger of Gatherco into Aspire Energy of Ohio on April 1, 2015.

Building for the Future

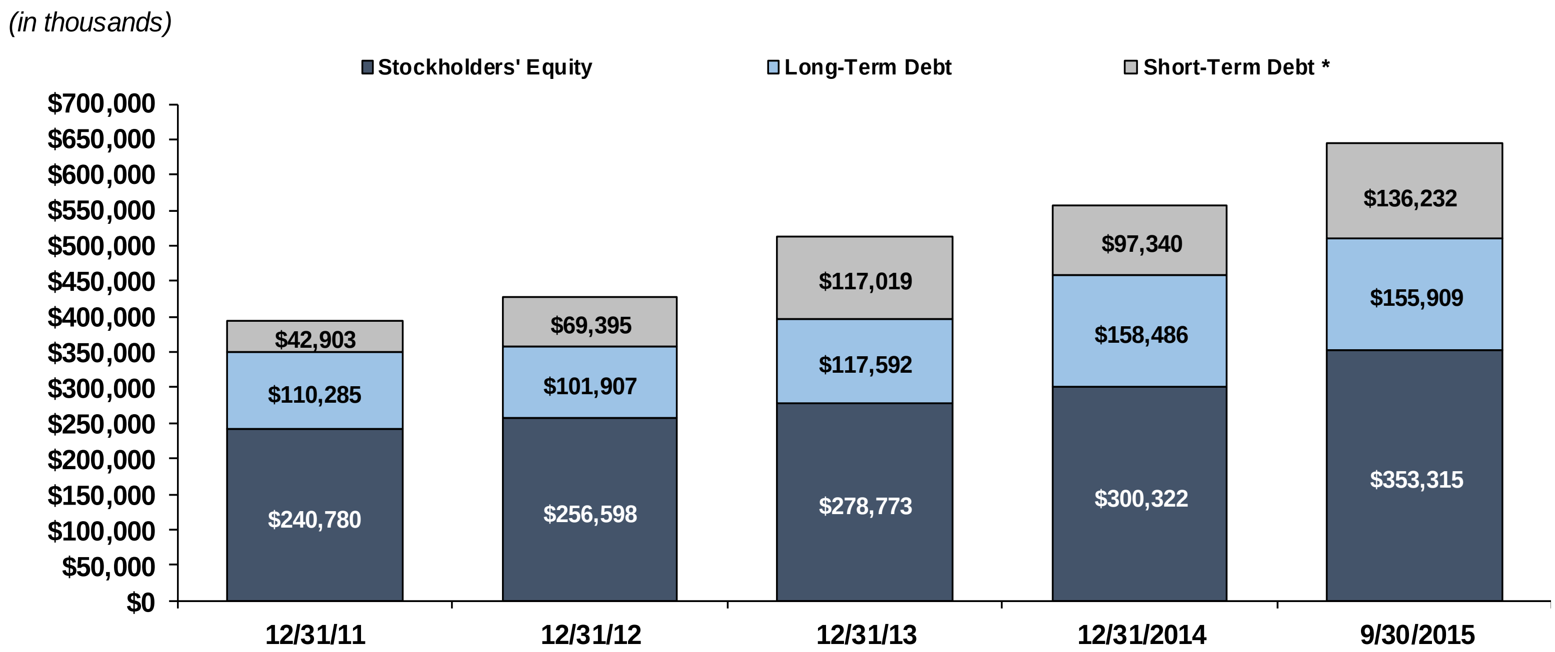
Capital Expenditures



Key Highlights

- Current capital spending forecast for 2015: $130 million to $160 million.
- This forecast does not include $52.5 million expended to purchase Gatherco, Inc. in April
- Major projects underway include the Eight Flags CHP plant, new facilities to serve an industrial customer in Kent County, Delaware, the Eastern Shore Natural Gas system reliability project, and additional GRIP investments

Total Capitalization



Equity/Permanent Capitalization	68.6%	71.6%	70.3%	65.5%	69.4%
Equity/Total Capitalization	61.1%	60.0%	54.3%	54.0%	54.7%

Short-term debt includes current portion of long-term debt.

Two New Financing Agreements

- The Company recently entered into two separate debt financing agreements to provide increased debt capacity given the planned levels of capital expenditures and working capital requirements for the years 2015 through 2018.

Private Shelf Agreement

- **Agreement with Prudential Investment Management**
- **CPK may request Prudential to purchase up to $150 million of CPK unsecured promissory notes over the next 3 years**
- **Notes with a maturity up to 20-years at a fixed rate of interest**

Revolving Credit Agreement

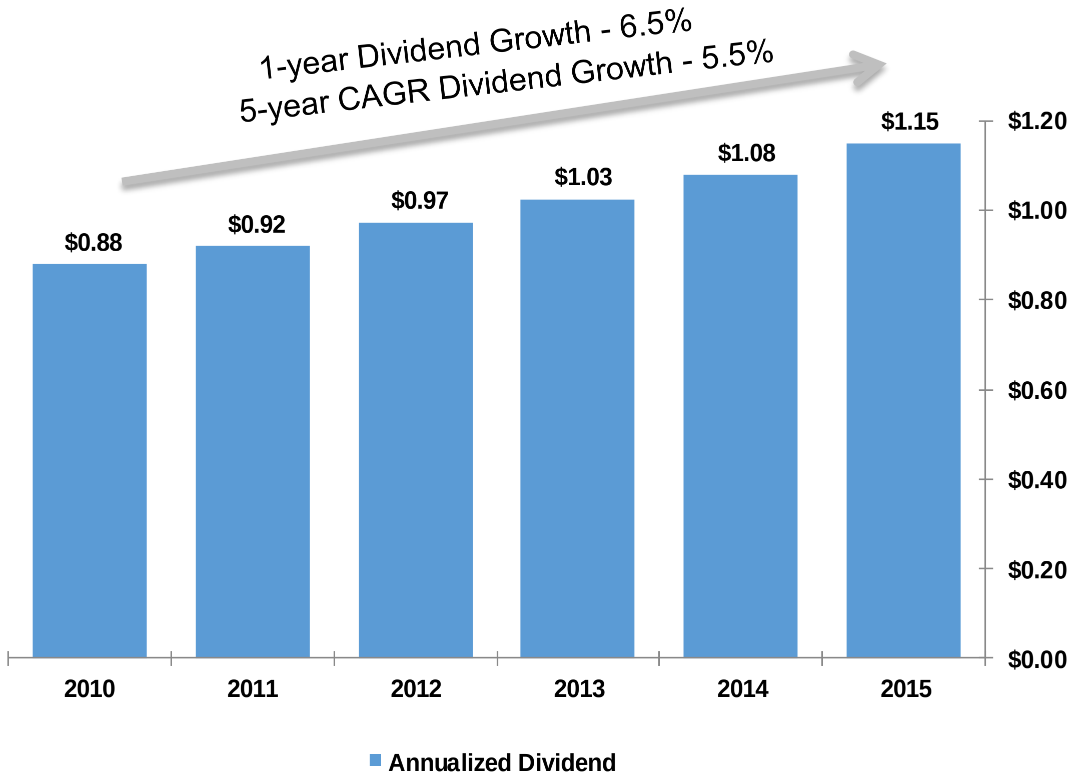
- **Agreement with PNC Bank, NA, Bank of America and other lenders**
- **CPK can borrow up to $150 million for up to 5 years**
- **Interest rate based on LIBOR plus 1.25% or below**

Increased Borrowing Capacity to $300 million

Ultimately, our goal is to align the permanent financing with the in-service dates of the large projects.

Continuous Dividend Growth

We are committed to providing superior dividend growth that is supported by earnings growth.



Results

- Our Board of Directors increased the annualized dividend by $0.07 or 6.5% on May 6, 2015.
- We have delivered 5.5% five-year compound annual dividend growth while continuing to invest in the business to generate future earnings and dividend growth.

Gross Margin

Major Projects and Initiatives

	Gross Margin for the Period							
	Three Months Ended September 30,		Nine Months Ended September 30,		Total 2014	Estimate for		
	2015	2014	2015	2014	Margin	2015	2016	2017
Existing major projects and initiatives	$ 7,490	$ 1,928	$ 17,030	$ 3,848	$ 7,114	$ 25,510	$ 33,438	$ 35,295
Future major projects and initiatives	—	—	—	—	—	—	11,200	17,450
	$ 7,490	$ 1,928	$ 17,030	$ 3,848	$ 7,114	$ 25,510	$ 44,638	$ 52,745

- Gross margin increases through 2017*:
  - $18.4 million increase in 2015 over 2014
  - $19.1 million increase in 2016 over 2015
  - $8.1 million increase in 2017 over 2016
- Existing projects include Aspire Energy of Ohio results, natural gas transmission expansions, GRIP and Florida rate case
- Projects underway include natural gas expansions, capacity expansion and system reliability projects, and the Eight Flags Energy combined heat and power project

**Based upon projects disclosed; does not include other projects under development.*

Gross Margin Highlights

Existing Major Projects and Initiatives

Gross Margin for the Period [1]

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Three Months Ended September 30, Variance	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014	Nine Months Ended September 30, Variance	Total 2014 Margin	Estimate for 2015	Estimate for 2016	Estimate for 2017
Acquisition:										
Aspire Energy of Ohio (formerly Gatherco) [2]	$ 2,037	$ —	$ 2,037	$ 3,661	$ —	$ 3,661	$ —	$ 7,673	$ 13,000	$ 13,000
Natural Gas Transmission Expansions and Contracts:										
Short-term contracts										
New Castle County, Delaware	$ 507	$ 657	$ (150)	$ 1,998	$ 1,256	$ 742	$ 2,026	$ 2,505	$ 2,029	$ 1,561
Kent County, Delaware [3]	1,055	—	1,055	1,453	—	1,453	—	1,663	—	—
Total short-term Contracts	1,562	657	905	3,451	1,256	2,195	2,026	4,168	2,029	1,561
Long-term Contracts										
Kent County, Delaware	463	—	463	1,389	—	1,389	463	1,844	1,815	1,789
Polk County, Florida	340	—	340	501	—	501	—	908	1,627	1,627
Total long-term contracts	$ 803	$ —	$ 803	$ 1,890	$ —	$ 1,890	$ 463	$ 2,752	$ 3,442	$ 3,416
Total Expansions & Contracts	$ 2,365	$ 657	$ 1,708	$ 5,341	$ 1,256	$ 4,085	$ 2,489	$ 6,920	$ 5,471	$ 4,977
Florida GRIP	$ 2,067	$ 923	$ 1,144	$ 5,314	$ 2,244	$ 3,070	$ 3,356	$ 7,355	$ 11,405	$ 13,756
Florida Electric Rate Case	$ 1,021	$ 348	$ 673	$ 2,714	$ 348	$ 2,366	$ 1,269	$ 3,562	$ 3,562	$ 3,562
Total Major Projects and Initiatives	$ 7,490	$ 1,928	$ 5,562	$ 17,030	$ 3,848	$ 13,182	$ 7,114	$ 25,510	$ 33,438	$ 35,295

[1] Gross margin of $4.7 million and $16.5 million for the three and nine months ended September 30, 2014, respectively, and $21.8 million for the year ended December 31, 2014, related to projects initiated prior to 2014. These projects were previously disclosed and are excluded from this table as they no longer result in period-over-period variances.

[2] During the three and nine months ended September 30, 2015, the Company incurred $1.9 million and $3.8 million, respectively, in other operating expenses related to Aspire Energy of Ohio's operation. The Company expects to incur a total of $6.0 million in other operating expenses in 2015.

[3] The gross margin is attributable to interruptible service Eastern Shore provided to an industrial customer beginning in April 2015. The interruptible service will be replaced by a 20-year contract for OPT ≤ 90 Service beginning in the third quarter of 2016.

Status of Aspire Energy of Ohio

Business Opportunities

Aspire Energy of Ohio, provides natural gas midstream services (which include gathering & processing) to over 300 producers, and wholesale natural gas supply to Columbia Gas of Ohio & Consumers Gas Cooperative who deliver gas to over 30,000 end users in Ohio.

With operations in 40 counties throughout the state, Aspire Energy's assets include 16 gathering systems and more than 2,000 miles of pipelines and right-of-way in central and eastern Ohio.

Key Strategies for Growth

- Convert fuel oil and propane customers to natural gas
- Co-Op Customer Growth
- Add gas production gathering volumes

	Quarter	Year-to-Date	2015 Estimate
Gross Margin	$2.0 Million	$3.7 Million	$7.7 Million

Business Update

Organization: Realigned organization to identify and develop growth opportunities and improve execution

Leadership: Chesapeake management processes, brand and service excellence, employee engagement

Integration: Strong collaboration with business units and corporate

Florida Public Utilities (FPU)

Gas Reliability Infrastructure Program (GRIP)

GRIP is a natural gas pipe replacement program approved by the Florida PSC, which:

- is designed to expedite the replacement of qualifying distribution mains and services;
- will enhance the reliability and integrity of the Company's Florida natural gas distribution systems; and
- allows recovery of capital and program-related costs through rates.

Estimated Capital Cost	Invested $69.6 million inception to date; Additional investment of $3.4 million through the end of 2015
Miles of Pipeline	Replaced 200 miles of distribution mains (including 153 miles of bare steel mains) through September 30, 2015
Estimated Margin for 2015	$7.4 million

Recent and Upcoming Rate Cases

FPU Electric (2014)

- An increase in FPU's annual rates by approximately $3.8 million, effective for meter readings on or after November 1, 2014
- $673,000 incremental margin recognized during the third quarter of 2015 compared to third quarter 2014

Sandpiper Energy (2015)

- Filed a revenue neutral rate change to improve competitive position by creating three separate residential rate classes with eligibility based on annual consumption; seeking a December 1, 2015 effective date
- Settlement Agreement requires a rate case filing with the MD PSC to support our currently effective rates no later than November 30, 2015

Delaware Division (2015)

- Delaware Division is preparing a rate case for filing near year-end

ESNG (late 2016/early 2017)

- Settlement Agreement requires a rate case filing with the FERC; proposed new rates are effective on February 1, 2017

Future Major Projects and Initiatives

Project	Estimated In-Service Date	Annualized Margin	Estimate for 2016	Estimate for 2017
Eastern Shore White Oak Mainline Expansion Project in Kent County, Delaware	Third quarter of 2016	$ 5,400	$ 5,400	$ 5,800
Eastern Shore System Reliability Project	Late third quarter of 2016	4,500	—	2,250
Eastern Shore TETLP Capacity Expansion Project	February 2016	2,100	2,100	2,100
Eight Flags CHP plant in Nassau County, Florida	Early third quarter of 2016	7,300	3,700	7,300
		$ 19,300	$ 11,200	$ 17,450

Eastern Shore Natural Gas

Calpine Energy Services – Garrison Energy Center

Eastern Shore Natural Gas (ESNG) will provide natural gas transportation services to Calpine's new electric generating plant in Dover, Delaware, under a 20-year service agreement upon completion of certain facilities, identified below.

Estimated Capital Cost	Approximately $30.0 million
Miles of Pipeline/Compression	7.2 miles of 16-inch looping and 3,550 hp compression
Capacity Increase	45,000 dt/d firm from May to October with allowable interruption period of up to 90 days from November to April (OPT $\leq$ 90)
Estimated Annualized Margin	$5.8 million 1/
Targeted Completion Date	Third quarter of 2016

1/ Annualized margin shown assumes full 90-days of interruption as allowed by service.

Eastern Shore Natural Gas

Natural Gas Transmission System Reliability

- As part of our ongoing efforts to maintain the quality of our service to customers, ESNG continuously monitors its systems to ensure they are operating as designed or expected.
- Given the extremity of the last two winters, ESNG's systems faced considerable challenges.
- Accordingly, we re-evaluated our systems and concluded that we should investment in more facilities to maintain the reliability of our systems and provide more operating flexibility to address unforeseen circumstances.

Estimated Capital Cost	Approximately $32.1 million
Miles of Pipeline/Compression	10.1 miles of 16-inch looping and 1,775 hp compression
Regulatory Status	FERC issued its Notice of Intent to Prepare an Environmental Assessment on the project; the 30-day scoping period has ended with no adverse environmental comments received Requested roll-in rate treatment for facilities; ESNG's next rate case filing in late 2016/early 2017
Estimated Annualized Margin	$4.5 million
Targeted Completion Date	Late third quarter of 2016

Eastern Shore Natural Gas

TETCO Capacity Expansion

Eastern Shore Natural gas (ESNG), conducted an Open Season during June 2015, canvassing the market for additional interest, above existing customer requests, in expanding capacity at the existing TETCO interconnect. The Open Season coupled with the existing requests resulted in customer interest totaling 99,500 dt/d.

Capacity Increase	53,000 dt/day
Regulatory Status	Targeted FERC approval in December 2015
Estimated Annualized Margin	$2.1 million
Targeted Completion Date	First Quarter 2016

Eight Flags Energy, LLC

Combined Heat and Power Plant

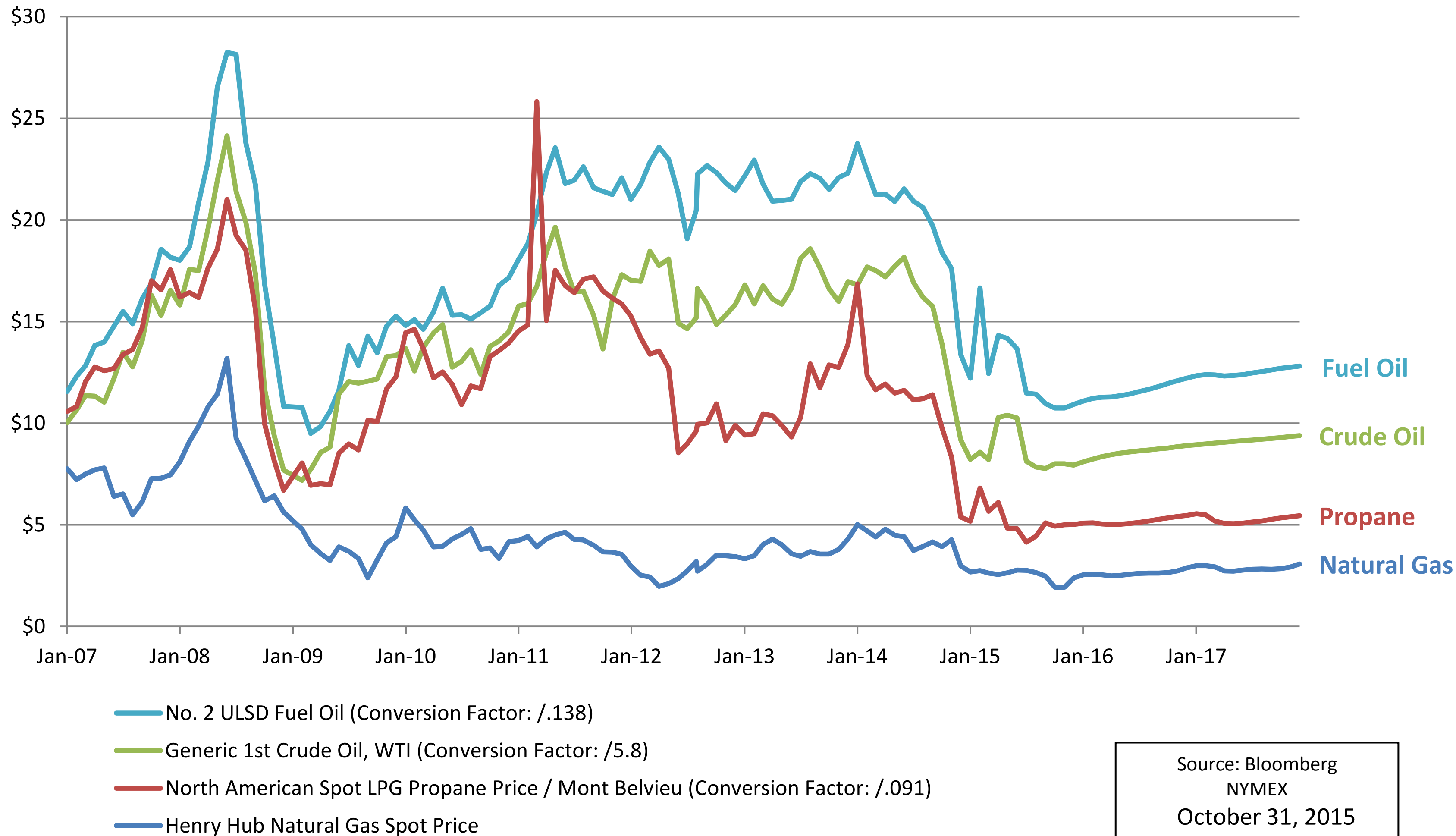
Eight Flags Energy, LLC is a Combined Heat and Power (CHP) plant being developed on Amelia Island in Nassau County, Florida. The CHP plant is a FERC qualifying cogeneration facility, which is under construction on a site leased from Rayonier Performance Fibers, LLC, a subsidiary of Rayonier Advanced Materials.

- The CHP plant will generate steam that will be sold to Rayonier Performance Fibers for use in the operation of its facility.
- The plant will also produce approximately 20MW of base load power that will be sold to Florida Public Utilities Company for distribution to its retail electric customers.
- Site construction started on July 13, 2015.

Estimated Capital Cost	$40.0 million
Estimated Annualized Margin	$7.3 million
Estimated Electric Purchase Savings	$3.0 to $4.0 million per year depending on natural gas prices
Targeted Completion Date	Third quarter of 2016

Natural Gas and Propane Price Advantage

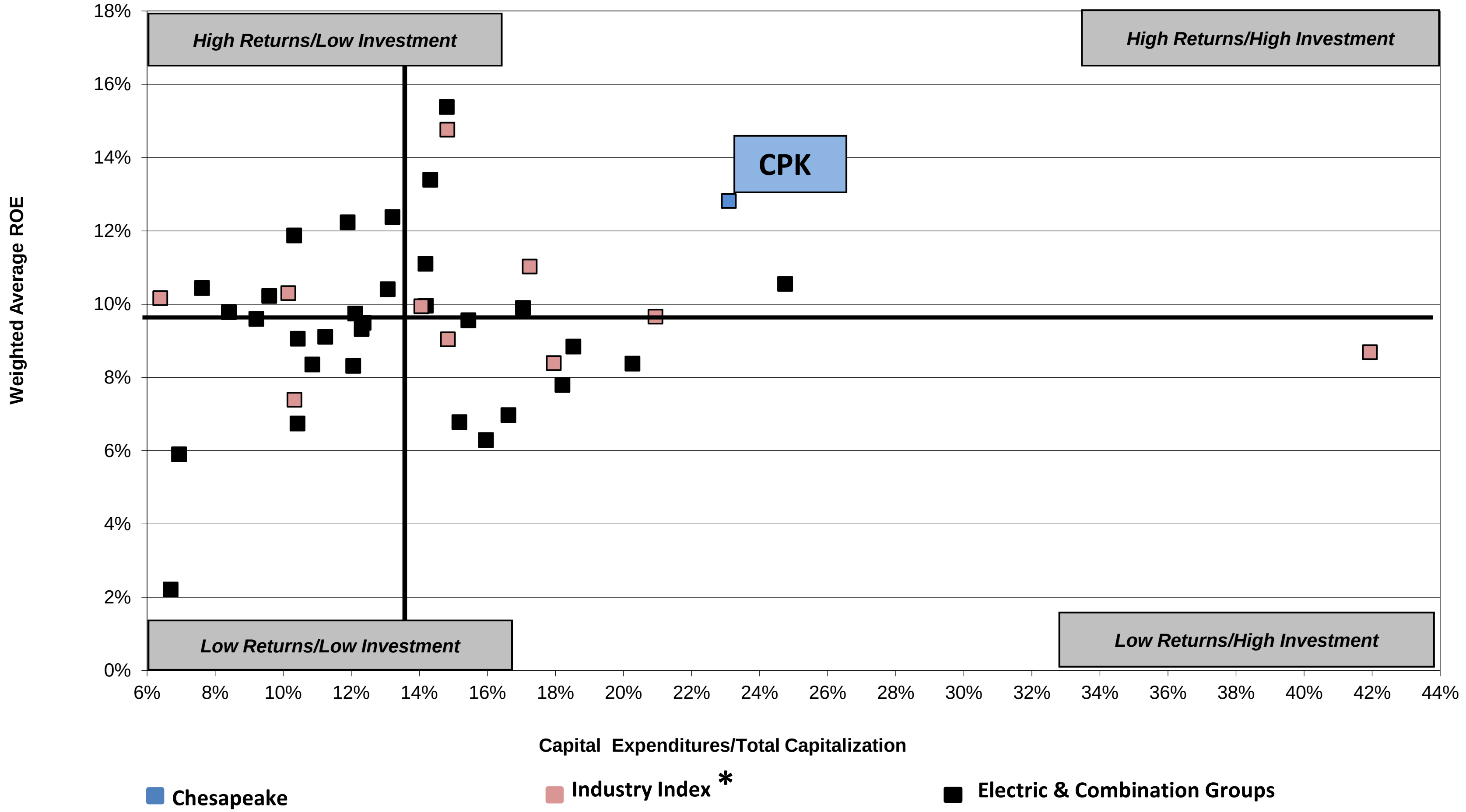
Wholesale Energy Prices ($/mmBtu)



Source: Bloomberg
NYMEX
October 31, 2015

Performance Quadrant

Peer ROE vs. Capital Expenditures
July 1, 2012 – June 30, 2015

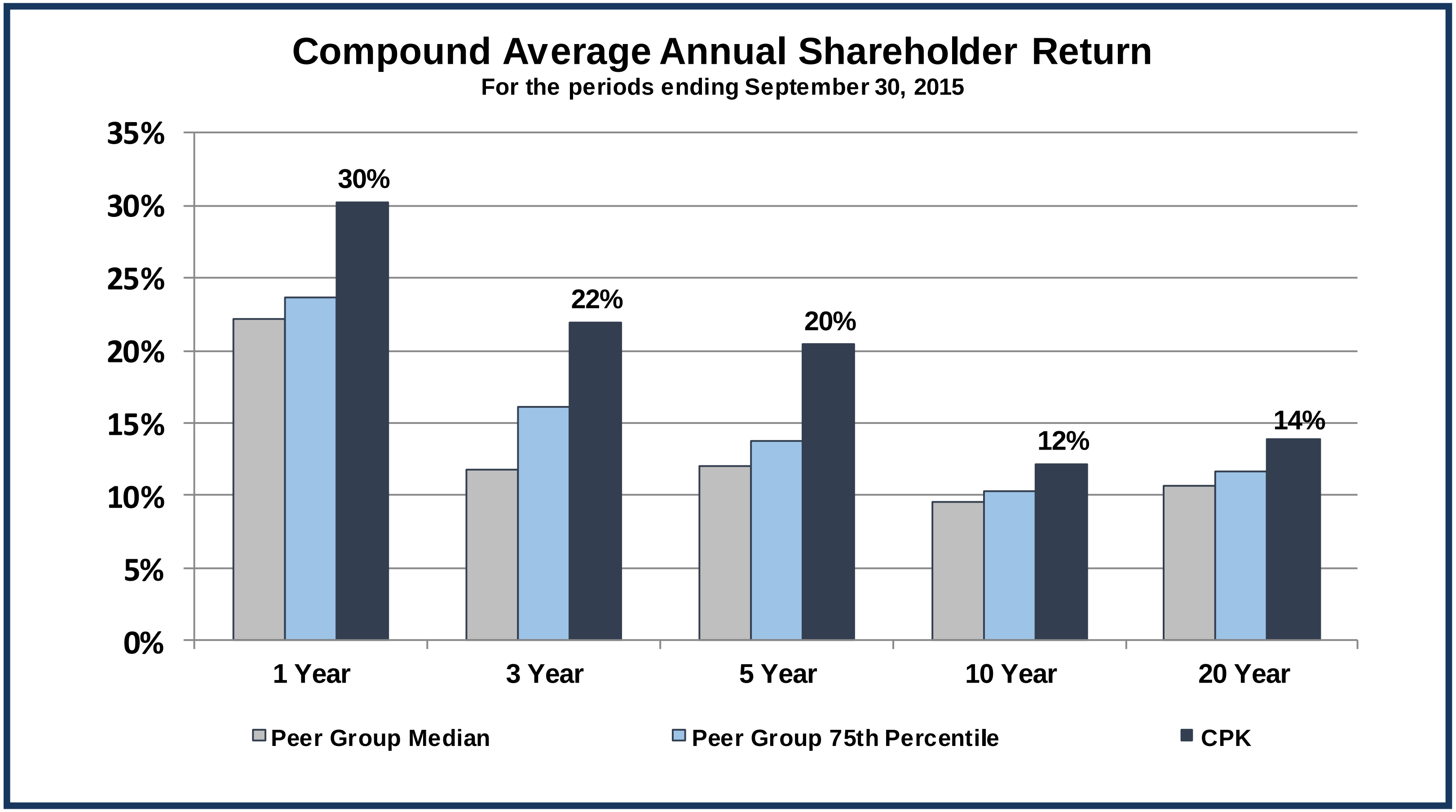


* *Includes companies previously a part of the Edward Jones Natural Gas Distribution peer group.*

Source: Bloomberg

Superior Shareholder Return

Investors in Chesapeake achieved compound average annual returns in excess of 12% over all periods shown.



Financial Metric Summary

We achieved top quartile performance in 19 out of 20 categories.

Performance Metrics *For periods ending 6/30/15 unless otherwise noted*	Chesapeake Results 1 Year	Chesapeake Results 3 Year	Chesapeake Results 5 Year	Chesapeake Percentile Ranking 1 Year	Chesapeake Percentile Ranking 3 Year	Chesapeake Percentile Ranking 5 Year
Capital Expenditures / Total Capitalization	25.2%	23.1%	20.5%	90.9%	90.0%	89.8%
Earnings Per Share Growth (CAGR)	10.4%	15.2%	10.0%	80.0%	64.8%	100.0%
Return on Equity	13.0%	12.8%	12.2%	88.8%	94.1%	88.3%
Dividends Per Share Growth (CAGR) for the periods ending 9/30/15	6.5%	5.7%	5.5%	87.2%	80.9%	82.7%
Earnings Retention Ratio	58.3%	56.5%	53.6%	100.0%	100.0%	100.0%
Shareholder Return (CAGR) for the periods ending 9/30/15	30.2%	21.9%	20.4%	91.5%	100.0%	100.0%

□ ***denotes percentiles in top quartile performance for the corresponding metric***

Source: Bloomberg

Chesapeake's Shareholder Return (CAGR) for 10 and 20 years was 12.2% and 13.9%, respectively; ranking as top performer in the peer group.

Sustainable Growth

Results

- Delivering energy to customers, lowering their energy cost and reducing emissions
- Expanding infrastructure and the availability of natural gas
- Achieving strong growth in earnings and ROE
- Delivering superior shareholder value
- Excellence

Drive to Grow

- Identifying and cultivating opportunities
- Transforming these opportunities into profitable earnings growth
- Disciplined capital allocation process and unwavering financial discipline
- Examples – Capturing new organic growth, new service expansions and new business opportunities

Engaged, Dedicated Employees

- Safety minded and focused
- Reliability of our systems
- Serving our customers and communities with determination, creativity and drive

THANK YOU!

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TOP WORK PLACES

CHESAPEAKE UTILITIES CORPORATION