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Sandpiper Energy Agrees to a Multi-Year Rate Reduction for Customers, New Service Offerings

DOVER, Del., Nov. 16, 2016 /PRNewswire/ -- Sandpiper Energy, Inc., a wholly owned subsidiary of Chesapeake Utilities Corporation, announced today that the Public Service Commission of Maryland has approved a settlement agreement associated with its 2015 base rate case filing, which will result in a reduction in its delivery service rates over the next six years. The agreement also includes an introduction of several new service offerings, including a natural gas compression service for commercial customers and a program to support the use of propane or natural gas in multi-family housing.



"Sandpiper Energy began conversions to natural gas for the majority of its customers in mid-2013. Since that time we have converted more than 3,700 customers, bringing safe, clean and affordable natural gas to many families and businesses in Worcester County," said Jim Moore, Vice President of Chesapeake Utilities Corporation and Sandpiper Energy. "I'm proud that we are able to provide this preferred energy source to the region while reducing rates and introducing new service offerings. We will continue to execute our strategy to bring natural gas to these areas as efficiently and economically as we can, and we look forward to building upon a tradition of reliable service for all our customers."

The settlement that was just approved includes acceptance of:

- | a Natural Gas Compression Service, under which Sandpiper may construct, own and maintain compression facilities for commercial customers who require enhanced pressure for their operations;
- | a Multi-Family Housing Program, which will provide a contribution to builders and developers that select natural gas or propane as a fuel source for multi-family housing; and
- | an extension of the due date for bill payments from 10 days to 20 days from the bill date.

In addition, the approved settlement maintains Sandpiper Energy's use of a system improvement rate ("SIR"), which is adjusted annually to recover the cost of bare steel replacement and the cost of converting customers to natural gas service.

Sandpiper Energy encourages customers to go to www.sandpiper-energy.com for information on saving energy and money in their home or business. The Company offers a budget payment plan to its customers that will spread out payments on winter heating bills. In addition, customers with financial needs can learn how to receive assistance with their winter heating costs from Sandpiper's Sharing program or from other Maryland public assistance programs. Customers can also make contributions to support the Sharing program by visiting www.chesapeakesharing.com.

Sandpiper Energy

Sandpiper Energy, Inc., a wholly-owned subsidiary of Chesapeake Utilities, provides propane and natural gas through underground distribution mains to approximately 11,000 residential, commercial and industrial customers in Worcester, County, Maryland.

Chesapeake Utilities Corporation

Chesapeake Utilities Corporation (NYSE: CPK) is a diversified energy company engaged in natural gas distribution, transmission, gathering and processing, and marketing; electricity generation and distribution; propane gas distribution and wholesale marketing; and other businesses. In total, the Company currently serves approximately 230,000 customers with natural gas, propane or electricity. Information about Chesapeake Utilities Corporation and the Chesapeake family of businesses is available at www.chpk.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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