



Janney Montgomery Road Show

Thursday, December 14, 2017
Boston, MA

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.

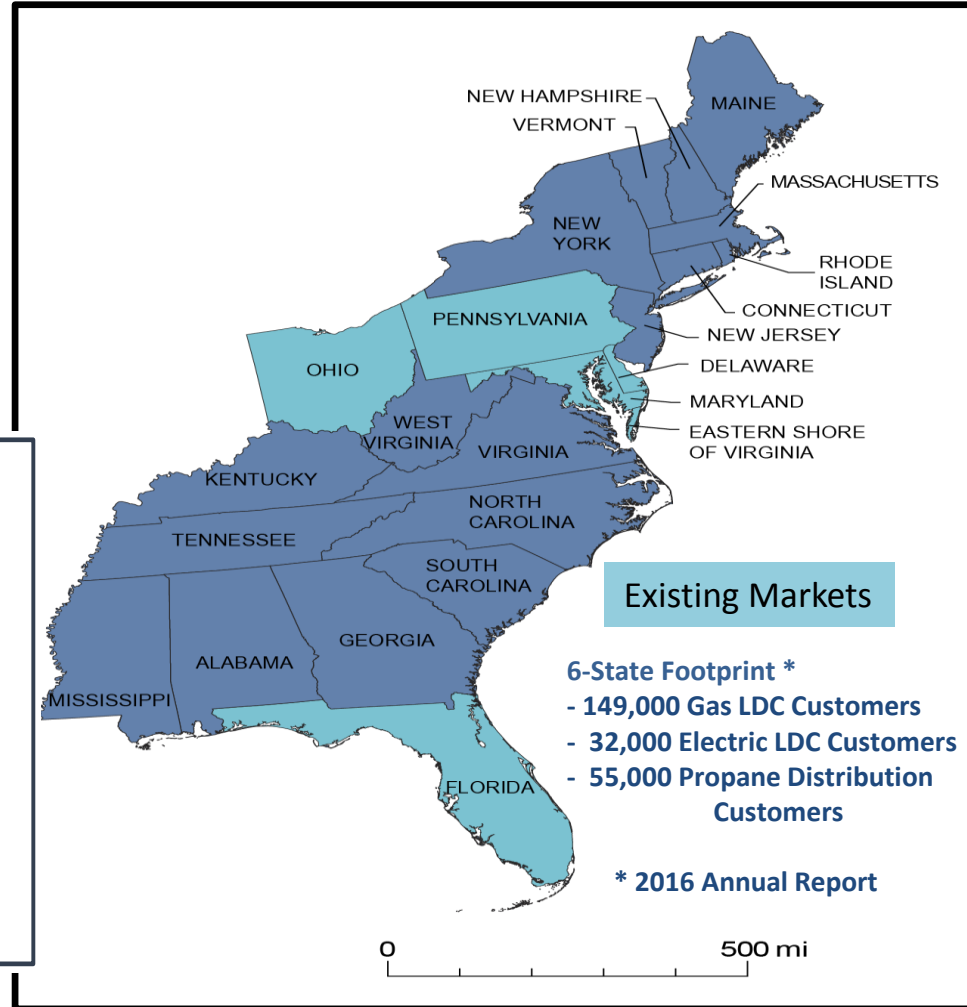
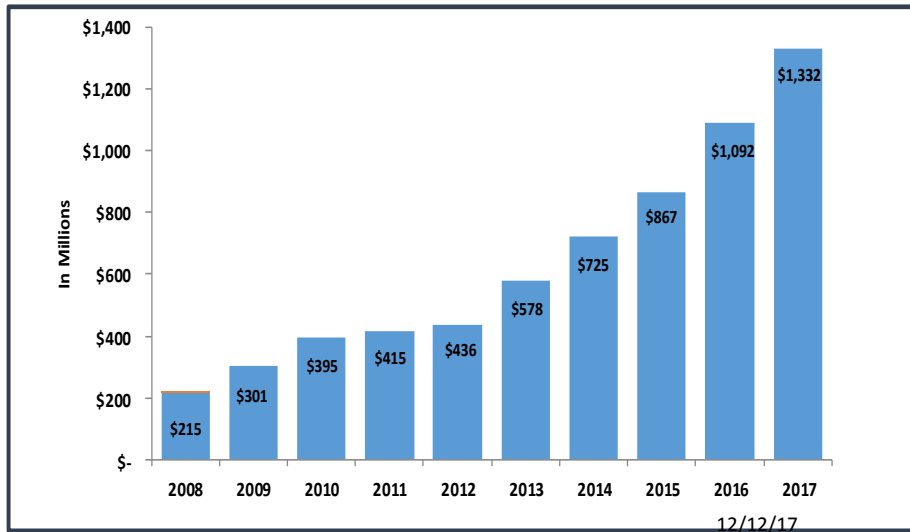
Gross Margin: Gross Margin is determined by deducting the cost of sales from operating revenue. Cost of sales includes the purchased fuel cost for natural gas, electric and propane distribution operations and the cost of labor spent on different revenue-producing activities. Other companies may calculate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

Chesapeake Utilities Corporation

Company Overview

Chesapeake is a \$1.3 billion diversified energy company providing superior care and service to approximately 236,000 customers through regulated energy, unregulated energy, and other business segments.

Market Capitalization



Chesapeake Family of Businesses

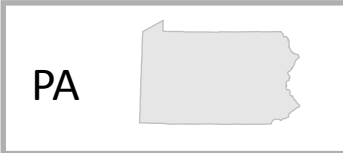
Chesapeake strives to provide operational excellence and positive experiences for the customers and the communities it serves



- Natural Gas Transmission, Distribution, & Marketing
- Propane Distribution and Wholesale Marketing
- CNG and Propane Vehicle Fueling



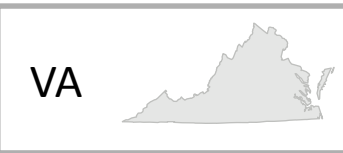
- Natural Gas Transmission, Distribution, Marketing
- Electricity Distribution
- Combined Heat and Power
- Propane Distribution and Wholesale Marketing



- Natural Gas Transmission
- Natural Gas Marketing
- Propane Distribution, Wholesale Marketing and Fueling



- Sale of Natural Gas to LDCs (90%)
- Natural Gas Gathering, Liquids Processing and Marketing

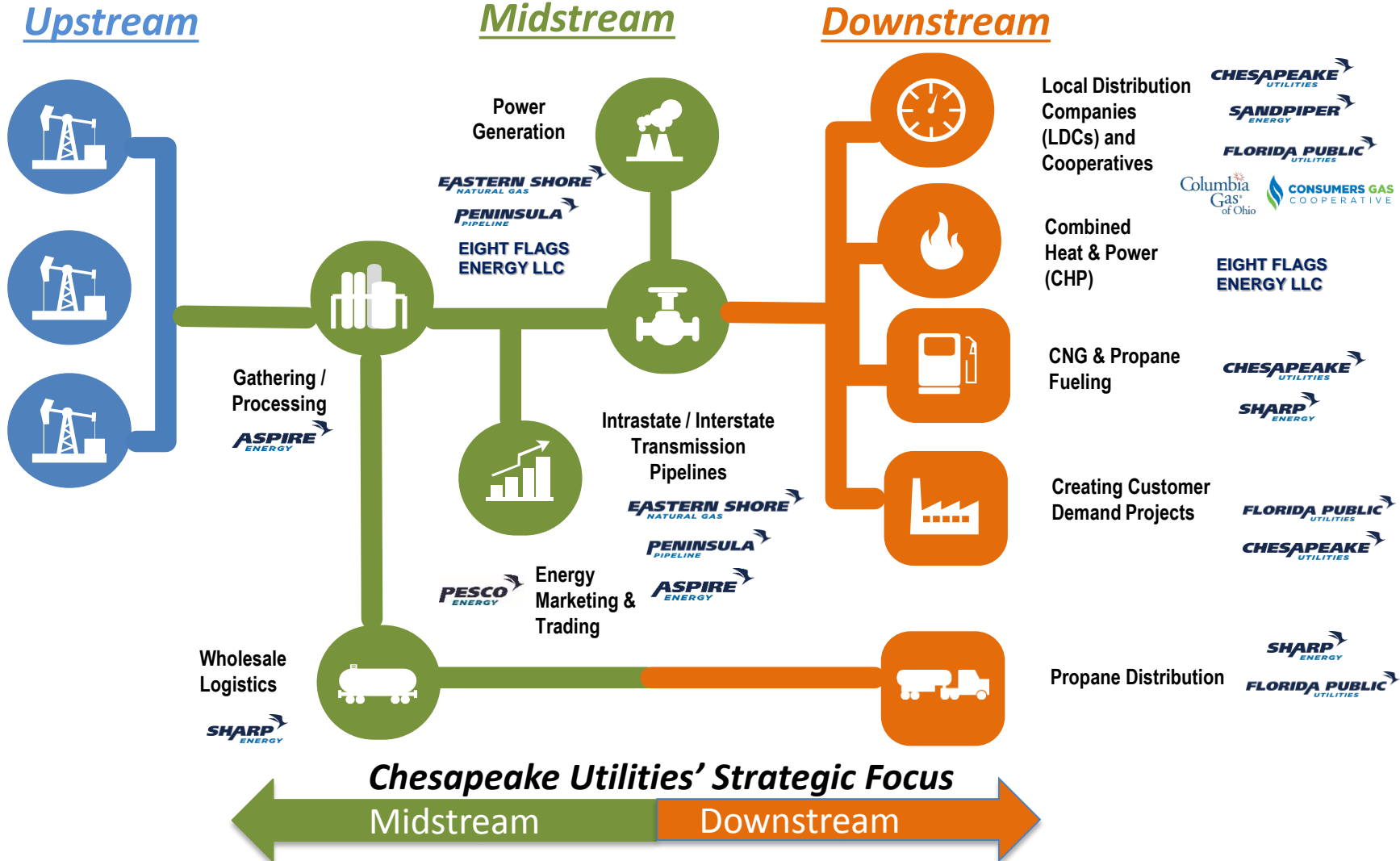


- Propane Distribution and Propane Wholesale Marketing



Growth Across the Energy Value Chain

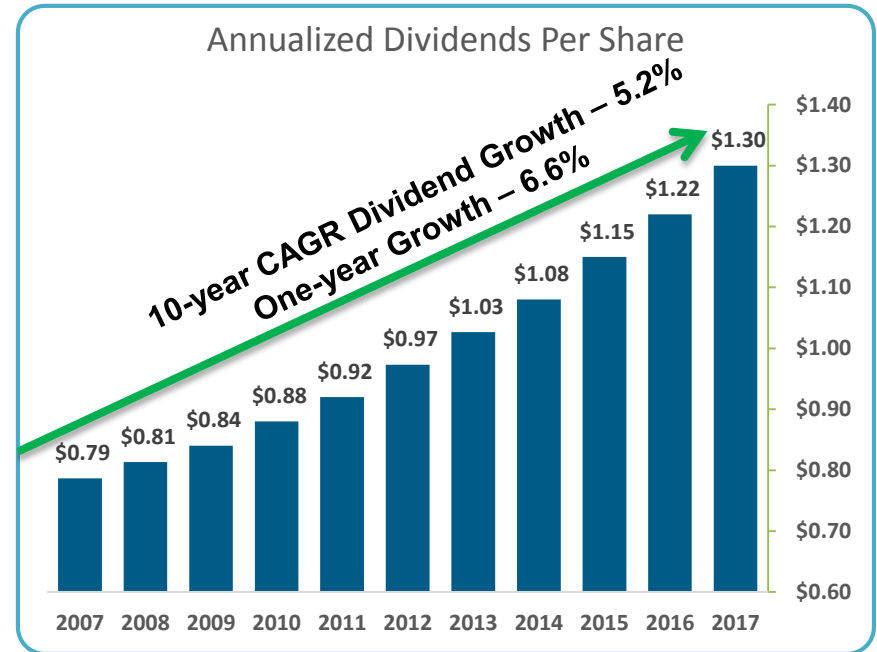
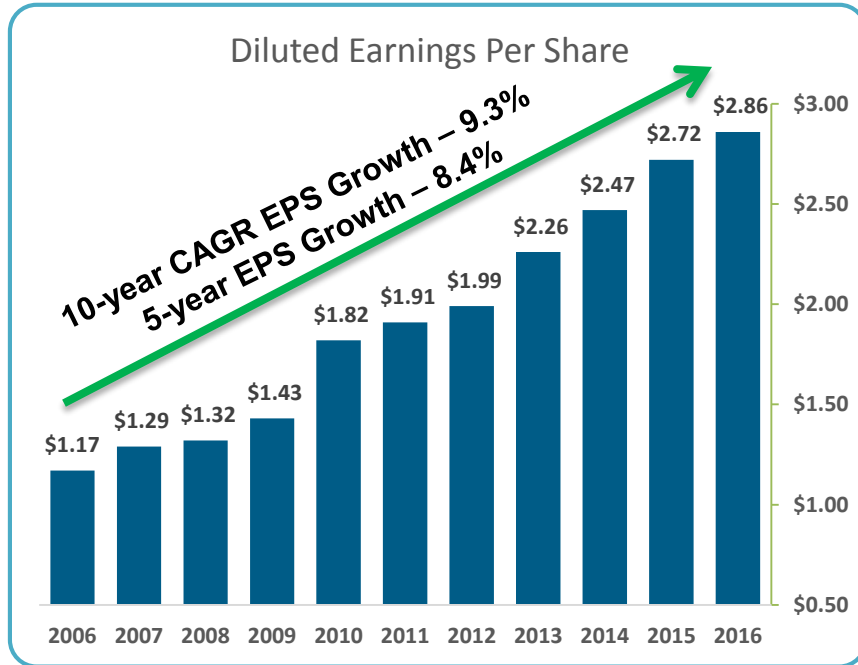
Expanding CPK Energy Services in the Midstream and Downstream sectors



Earnings and Dividends

Ten Years of Consistent Growth

Market capitalization: \$1.3 billion
 Stock share price: \$80.20 (12/12/17)



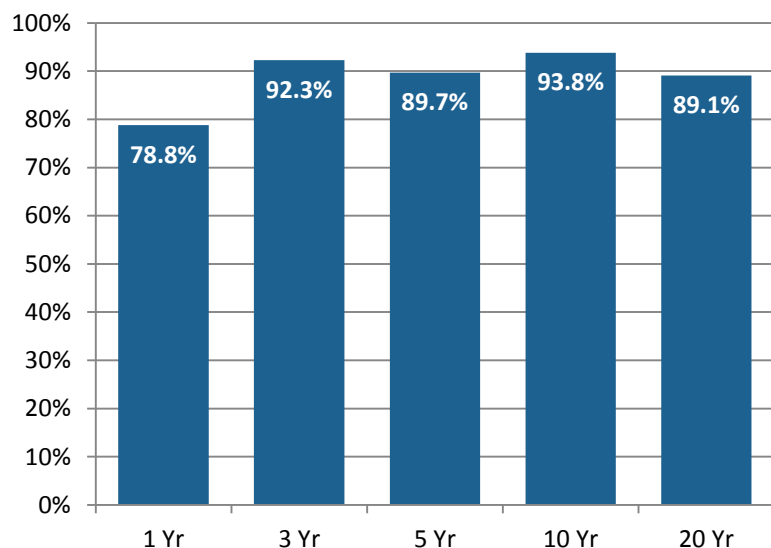
Chesapeake has generated earnings per share growth for ten consecutive years. Chesapeake's earnings growth has led to continuous dividend growth over the period.

Shareholder Return

Comparison to Broader Market – NYSE Companies

- Chesapeake's compound annual return has exceeded 14% for all periods shown.
- Total return relative to the broad market has been in the top quartile of all NYSE companies also for all periods shown.
- Chesapeake is 1 of 43 companies (2%) out of 2,107 total companies, to achieve total returns in the top quartile of all NYSE companies for the 1, 3, 5, 10 and 20 years ended November 30, 2017.

CPK Ranking amongst all NYSE companies for periods ending 11/30/17

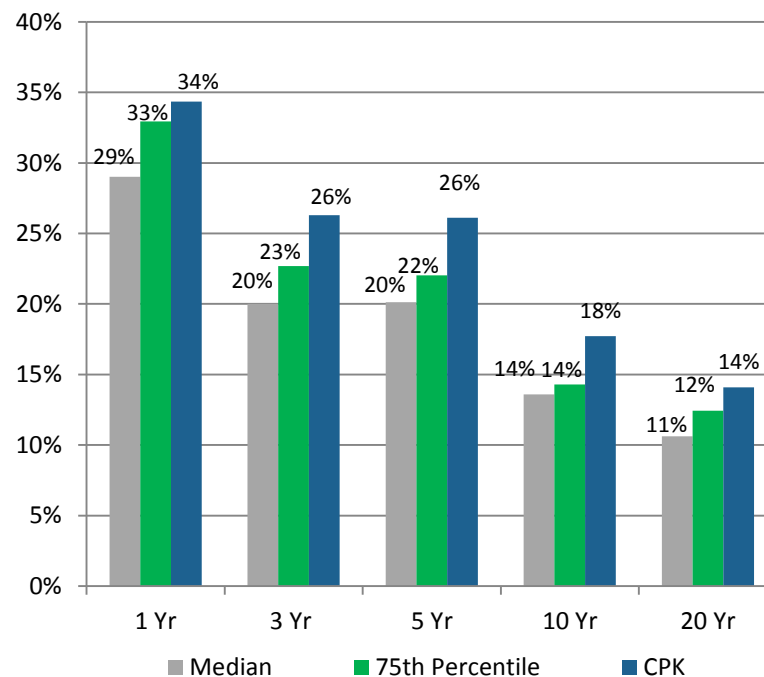


# of Top Quartile Co.	527	277	197	106	43
% of Top Quartile Co.	25.0%	13.1%	9.3%	5.0%	2.0%

Source: Bloomberg

Annualized Shareholder Returns for Performance Peer Group

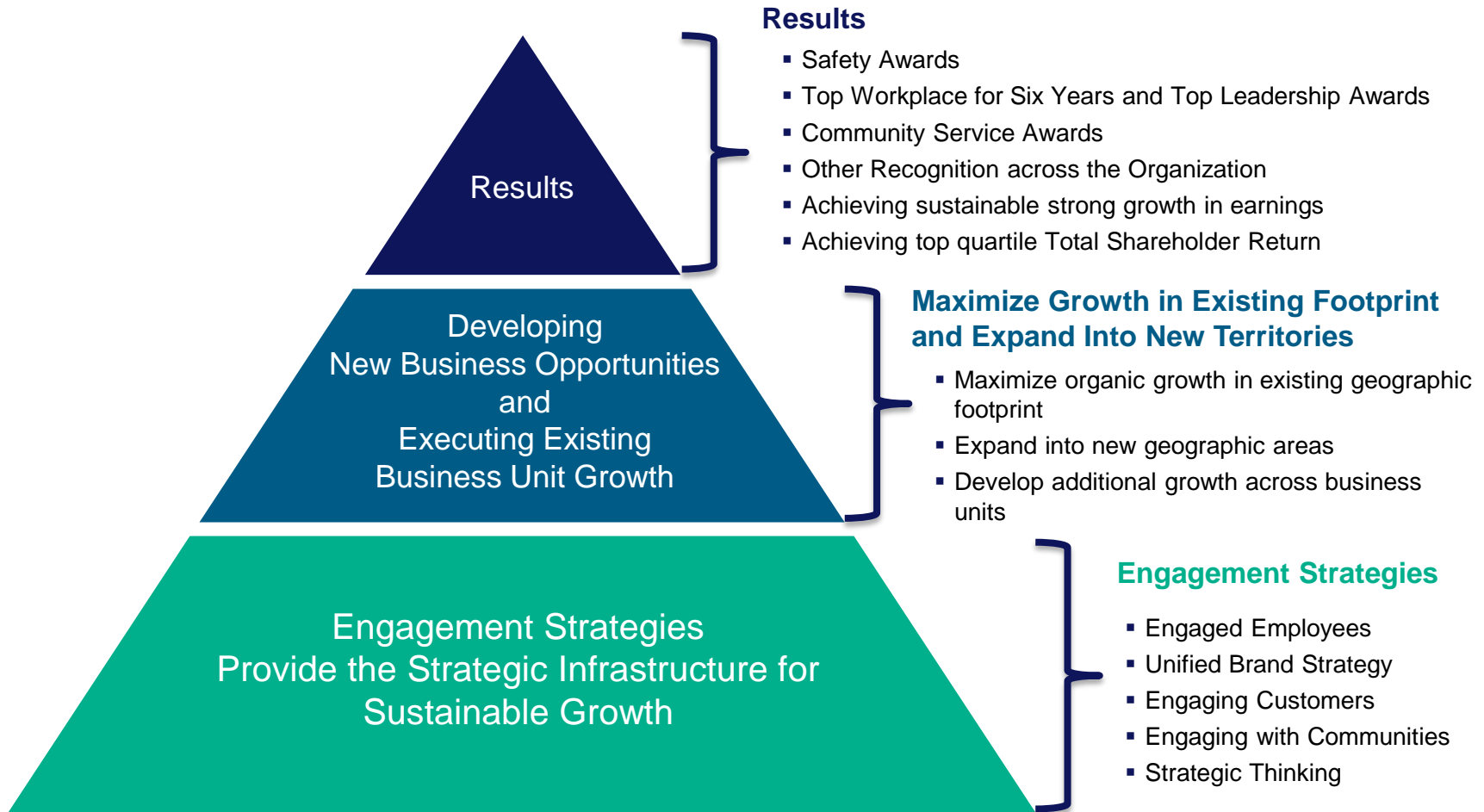
for Periods Ending 11/30/17



All periods through 11/30/2017.

Approach to Reaching New Heights

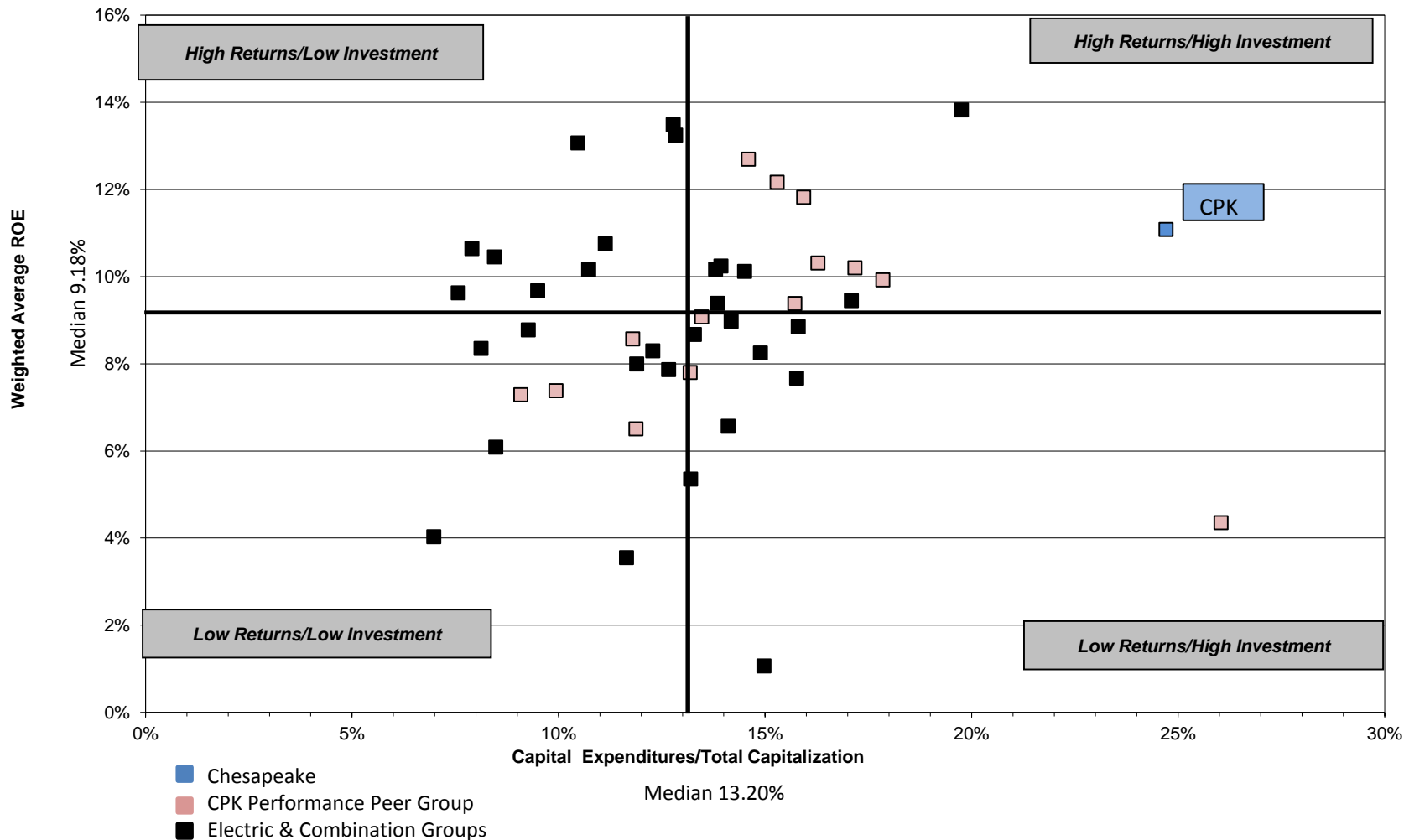
Strategic Platform for Sustainable Growth



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%



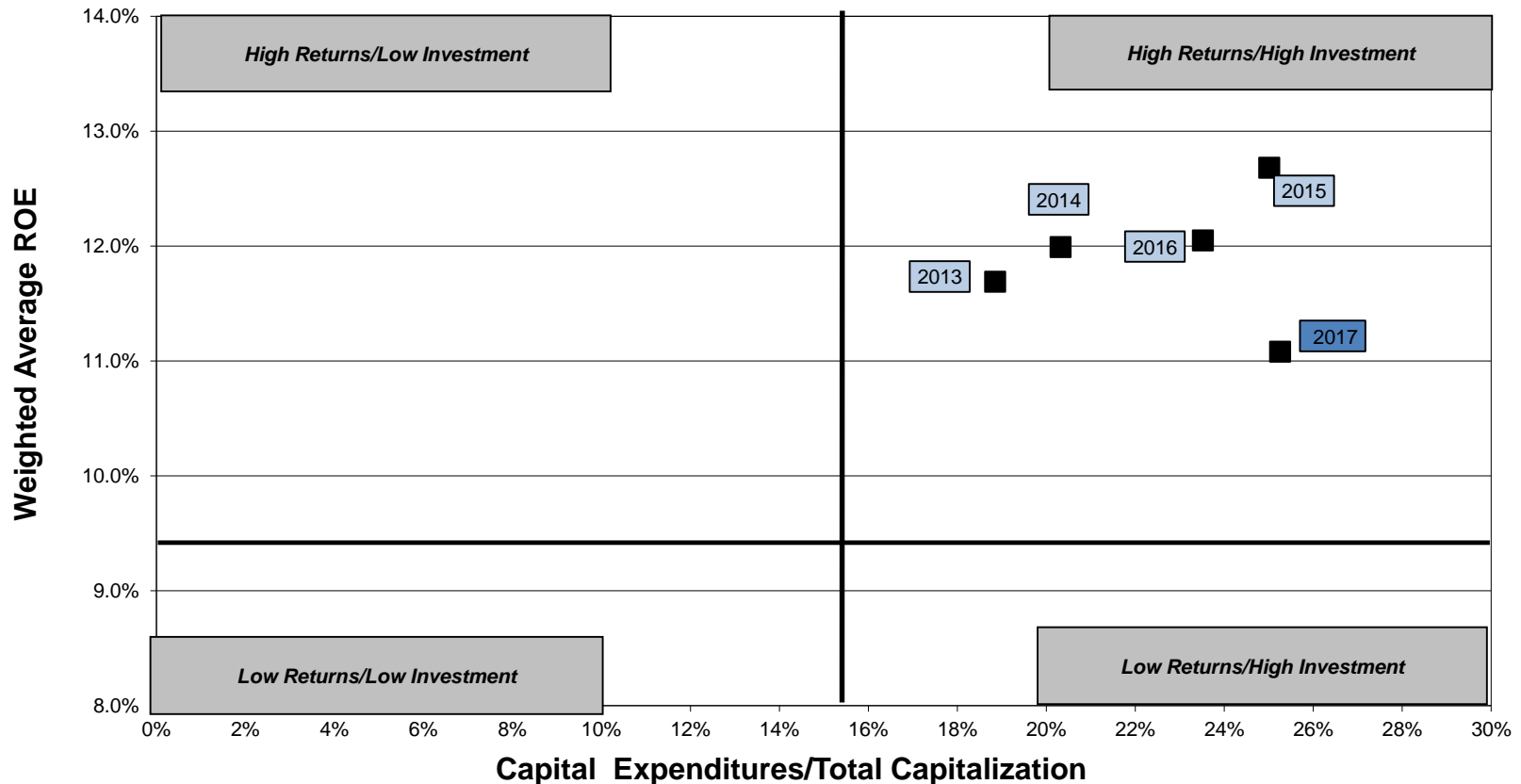
Performance Quadrant

ROE vs. Capital Expenditures

For Three Year Periods Ended September 30th

<u>Three Years Ended 9/30/17</u>		
	<u>Cap Ex</u>	<u>ROE</u>
CPK	25.25%	11.08%
Median	15.29%	9.38%
75 th Percentile	16.28%	10.31%

Chesapeake achieved High Returns/High Investment for each three-year period



Cross hairs are Peer Medians for 3 year period ending September 30, 2017

Eastern Shore Natural Gas

2017 System Expansion Project Details

Capital Investment:

- Updated estimate of \$115M

Annual Estimated Margin:

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

Construction Period:

- FERC approval on 10/4/2017
- TETCO interconnect complete, in-service requested for Dec 13.
- Remaining construction to begin in December - early first quarter 2018
- Remaining segments in service second quarter 2018 – fourth quarter 2018

Project Description:

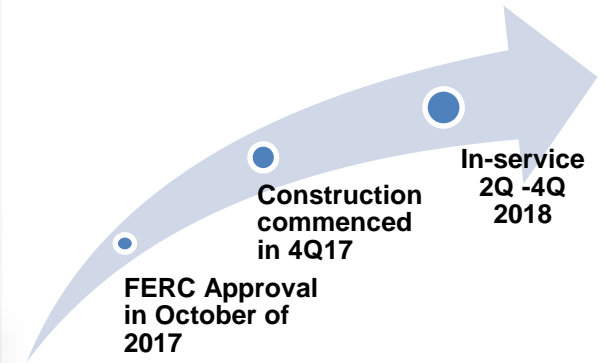
- 23 miles of pipeline looping in PA, DE, & MD
- 17 miles of new mainline extension
- Upgrades to the TETCO interconnect
- 3,750 hp new compression-Daleville Compressor Station

Total Capacity Increase:

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



Construction Period



Eastern Shore Natural Gas

Capital Investments and 2017 Rate Case

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:

- Required come back filing
- Inclusion of System Reliability Investment and investments since previous rate case in 2012
- Overall increased cost of service



2017 ESNG Rate Case:

- Filing made with FERC in January 2017
- Requested return on the 2016 System Reliability Project, other capital improvements and increased operating expenses/cost of service
- Interim rates, subject to refund, effective in August 2017
- Recorded \$1M in margin in 3rd Quarter
- Settlement discussions ongoing

Florida Natural Gas Projects

Northwest Florida Expansion and New Smyrna Expansion

Capital Investment:

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

Annual Estimated Margin:

- \$6.5M combined in the first full year of operations

Construction Period:

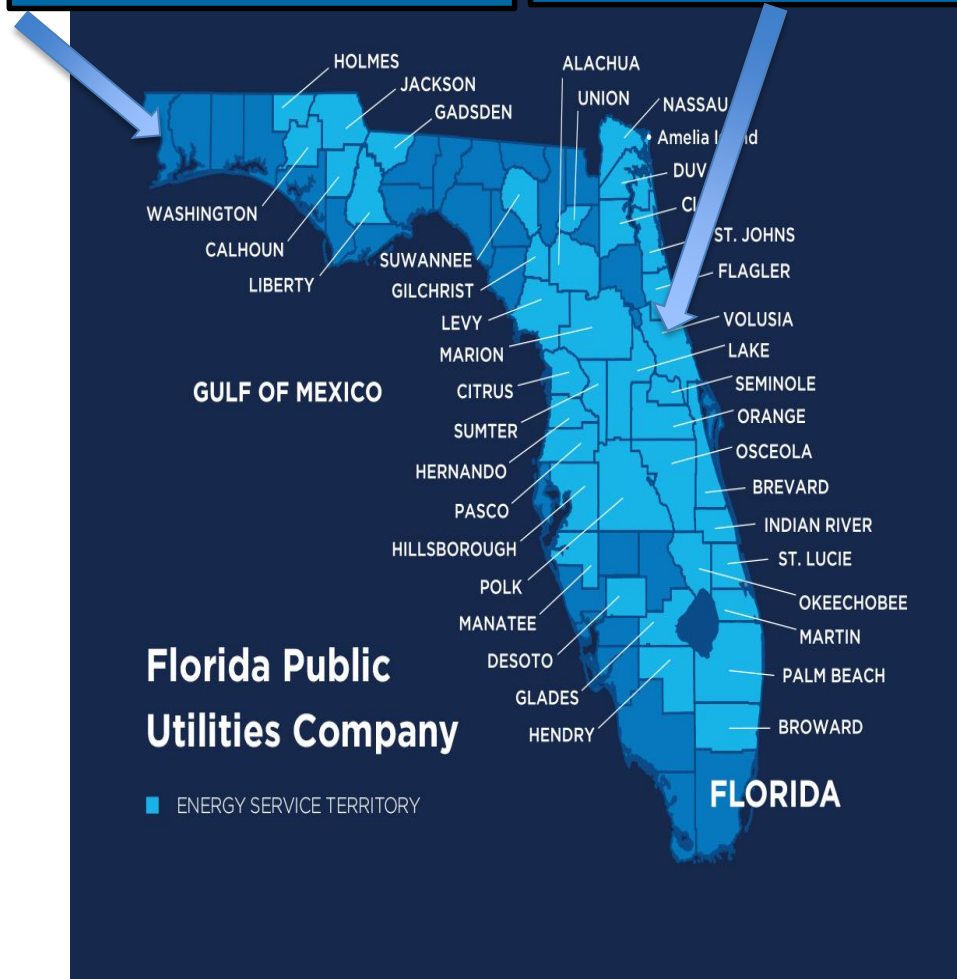
- Projects moving forward as scheduled
- New Smyrna - in service 1Q2018
- Northwest Pipeline – in service 2Q2018

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

Northwest Pipeline Expansion
Pensacola Region

New Smyrna Expansion
(Volusia County)



Gross Margin Highlights

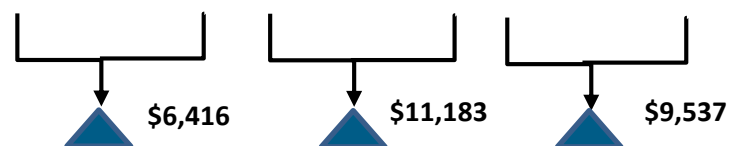
Major Projects and Initiatives Summary

Gross Margin for the Period

<i>Dollars in thousands</i>	Actual	Estimate for		
	2016	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
Settled Delaware Division Rate Case	1,487	2,250	2,250	2,250
Total Existing Major Projects and Initiatives Completed	\$ 31,306	\$ 37,596	\$ 34,064	\$ 34,974
Future Major Projects and Initiatives				
2017 ESNG System Expansion	-	126	9,313	15,799
Northwest Florida Expansion	-	-	3,484	5,127
Othr 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	\$ 37,722	\$ 48,905	\$ 58,442

Note: No dollars included for ESNG rate case as we are in settlement discussions.

Three Year Total ▲ \$27,136



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

Third Quarter 2017 Highlights

- EPS of \$0.42 for third quarter 2018 compared to \$0.29 for third quarter 2017
- 45 percent growth in third Quarter EPS – highest third quarter EPS in Chesapeake's history
- Continued growth across business units led by Propane, ESNG, Natural Gas Distribution and Aspire Energy
- Natural Gas Transmission & Distribution growth and GRIP
- Higher retail and wholesale propane volumes and improved margins
- Lower O&M expense reduced expenses by \$1.9M for the quarter

Key Third Quarter Accomplishments:

- Interim rates effective August 1st for Eastern Shore rate case; settlement discussions continuing
- FERC approved the 2017 Eastern Shore Natural Gas Expansion; limited construction underway
- Northwest Florida Pipeline expansion construction underway
- 14 mile pipeline project to serve FPU customers in New Smyrna, FL; construction underway
- Minimized impact of Hurricane Irma on Florida operations due to successful preparation, execution and timely restoration of services

Consolidated Financial Results

For the periods ended September 30th

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

	Third Quarter		Year-to-Date	
	2017	2016	2017	2016
Operating Income				
Regulated Energy segment	\$ 15,168	\$ 13,115	\$ 51,915	\$ 52,660
Unregulated Energy segment	(989)	(3,080)	10,504	9,267
Other businesses and eliminations	60	121	161	350
Total Operating Income	14,239	10,156	62,580	62,277
Other Income (Expenses)	239	(28)	(643)	(68)
Interest Charges	3,321	2,722	9,133	7,996
Income Before Taxes	11,157	7,406	52,804	54,213
Income Taxes	4,324	2,990	20,781	21,401
Net Income	\$ 6,833	\$ 4,416	\$ 32,023	\$ 32,812
Diluted Earnings Per Share	\$0.42	\$0.29	\$1.96	\$2.14

Continuing to Build for the Future

2017 Forecasted Capital Expenditures of \$215 million

<i>\$ thousands</i>	2017 Forecasted Capital Expenditures
\$93,737	Natural Gas Transmission
87,539	Natural Gas and Electric Distribution
26,875	Unregulated Energy
<u>6,507</u>	Corporate / Other
<u>\$214,658</u>	Total Forecasted Capital Spending

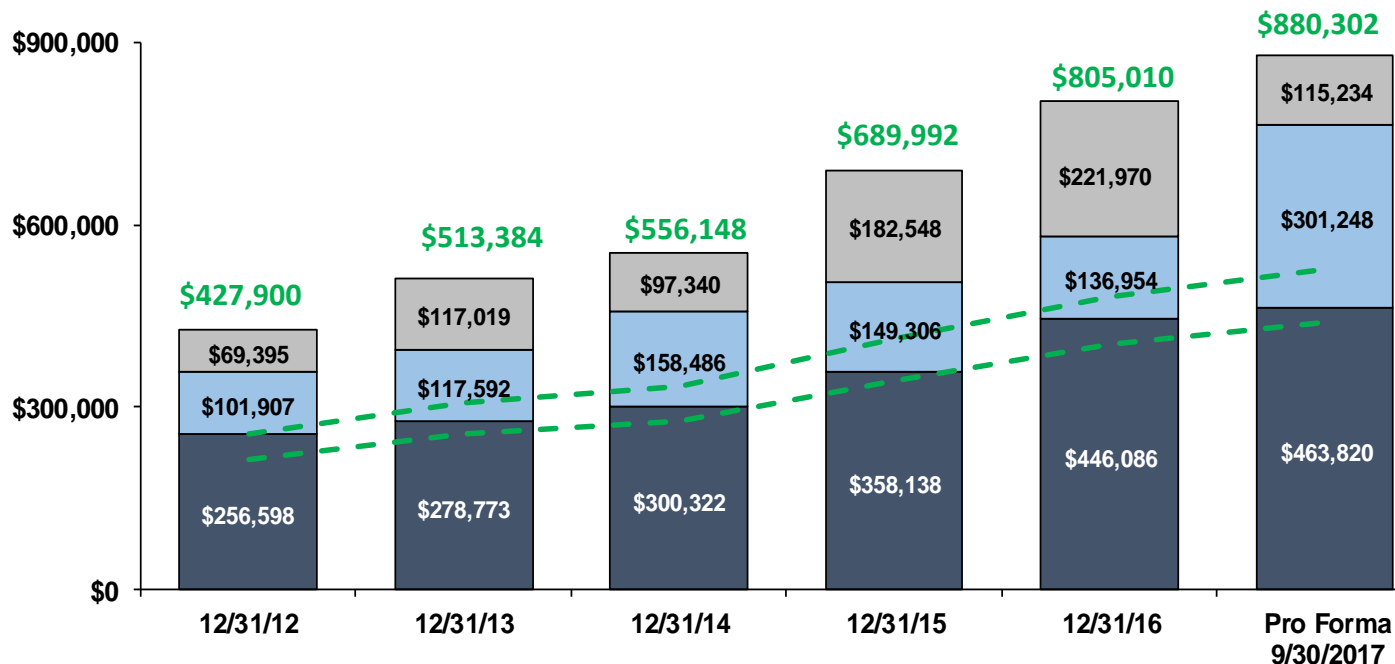
Year-to-date investing activities totaled \$141.5 million

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%	60.6%
Equity/Total Capitalization	60.0%	54.3%	54.0%	51.9%	55.4%	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

Investment Highlights

A High Growth Energy Delivery Investment Proposition

Diversified Asset Base

- Utility foundation with upside from complementary unregulated energy platform
- Natural gas and electric distribution businesses serving approximately 185,000 utility customers
- Sizable presence in both the Mid-Atlantic and Florida markets
- 83% of investment in regulated energy and 17% of investment in unregulated energy as of 9/30/2017

Strong Financial Performance & Consistent Track Record

- Top quartile shareholder returns for 1, 3, 5, 10, and 20 year periods (both compared to peers and the broader market/NYSE)
- 10 consecutive years of EPS growth; 8.4% five year annual compound EPS growth as of 12/31/16
- Consistently generated ROEs that exceed the median peer group ROE over the last 10 years
- 14 consecutive years of dividend growth; 57 consecutive years of dividends
- 6.6% 1-year annualized dividend growth rate

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 representing net plant
- High investment-grade credit ratings (NAIC1) with ample liquidity to support growth
- Recently executed 20-year long-ten debt placement of \$100 million at competitive pricing

Future Earnings Growth Opportunities

- Capital Expenditure forecast in excess of \$200 million for 2017
- Projects to be completed in 2018 that will generate additional earnings growth in 2018 and beyond
- Continuing to pursue and develop new growth opportunities and regulatory strategies that build on our core businesses
- Continued deployment of the strategic planning process and strategies that have generated our success and which provide the strategic infrastructure for sustainable future growth

Appendices

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Growth

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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

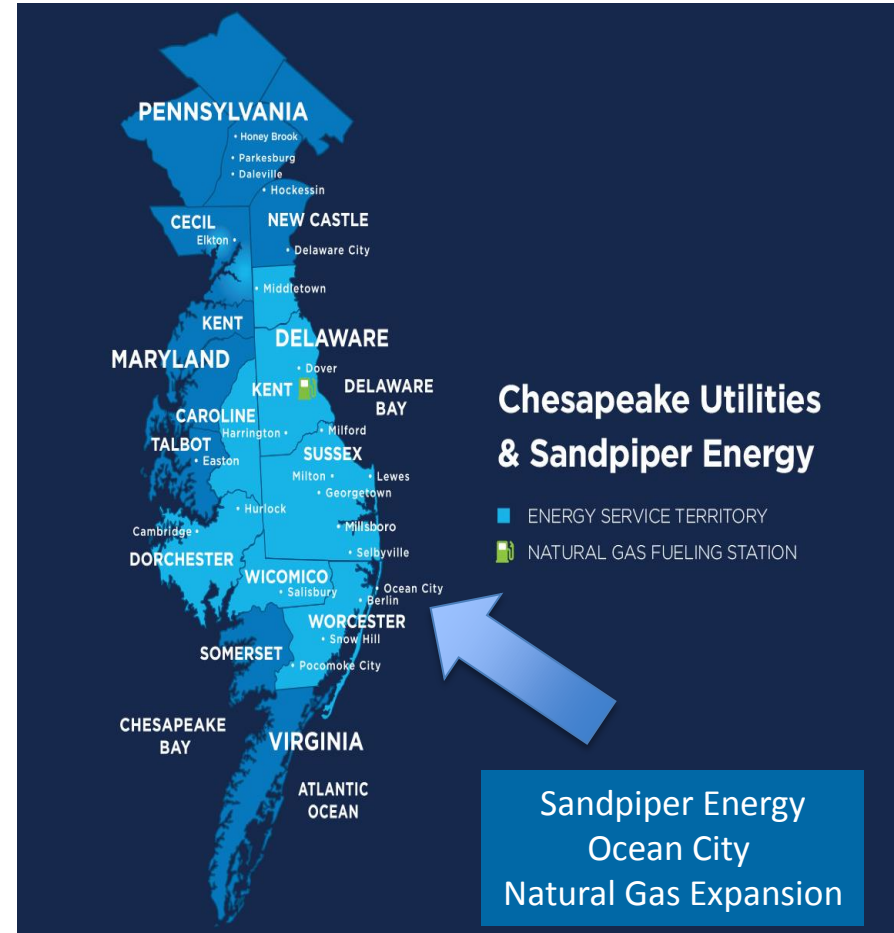
Chesapeake Utilities & Sandpiper Energy



- **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



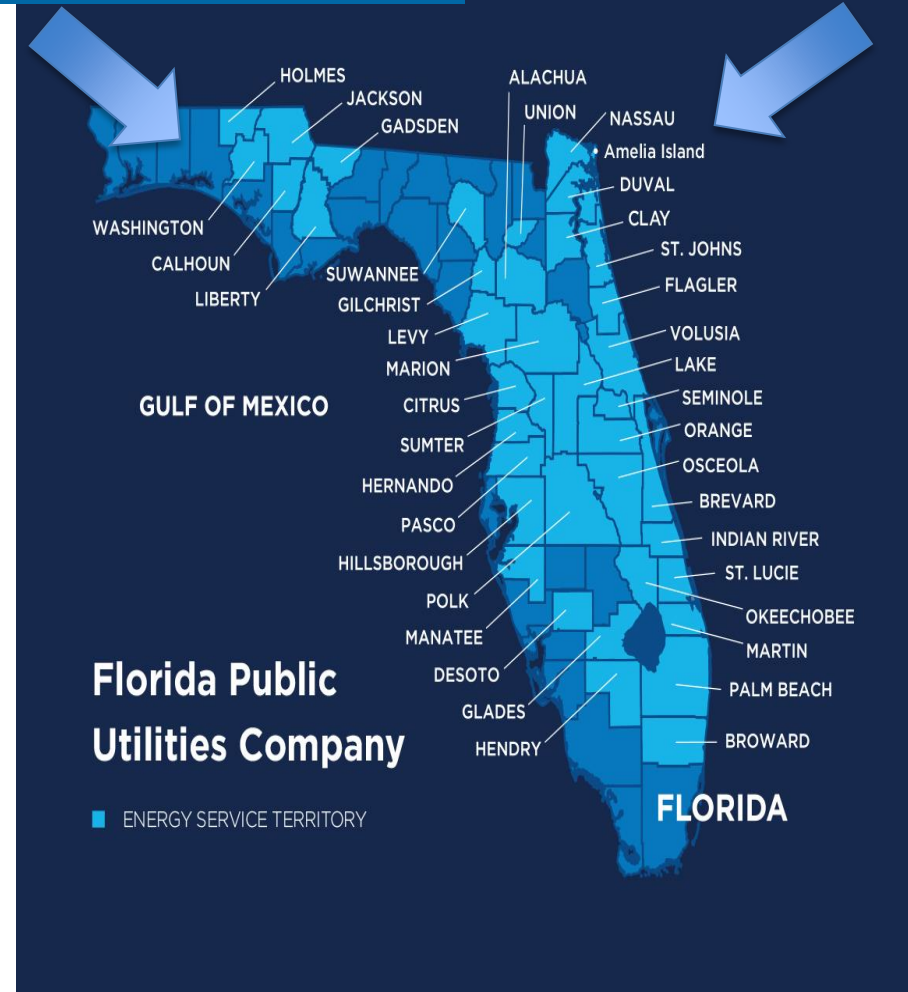
- **Florida Public Utilities and Chesapeake's Central Florida Gas division** distribute natural gas to approximately 76,000 residential and commercial customers throughout Florida, and electricity to approximately 32,000 customers in Marianna and Amelia Island, Florida.
- **Florida Public Utilities'** 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

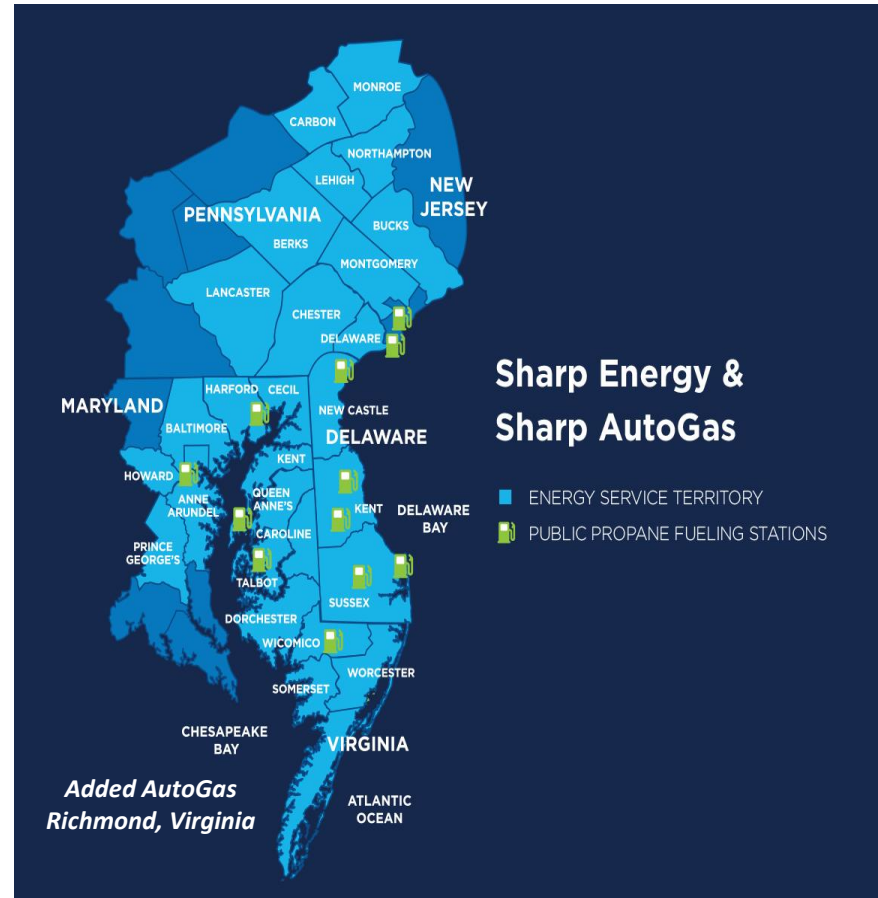


Business Unit Overview

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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