



Northeast Investors Roadshow

December 2016

TOGETHER WE ASPIRE, TOGETHER WE GROW.

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 2015 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

Profile Overview: NYSE-CPK (www.chpk.com)



We are a diversified energy company that provides superior care and service to nearly 232,000 customers through our regulated energy, unregulated energy and other business segments.

| | |
|------------------------|-------------------------------------|
| Market capitalization: | \$1.06 billion (11/30/2016) |
| Shares outstanding: | 16.3 million |
| Closing Stock price: | \$64.80 (11/30/2016) |
| P/E ratio: | 24.0x |
| Market to book value: | 2.3x |
| Top 25 shareholders: | 44% of outstanding shares (9/30/16) |

| | | |
|-----------------------------|--------------|---------------|
| 12 ME 9/30/16 EPS: | \$2.71 | |
| Return on equity (9/30/16): | 1-year 10.9% | 5-Years 11.9% |
| EPS growth (9/30/16): | 1-year -5.9% | 5-Years 7.7% |
| Dividend growth: | 1-year 6.1% | 5-Years 5.8% |
| Annualized dividend: | \$1.22 | |

| | | |
|-----------------------|-------------------------|----------|
| Capital expenditures: | 2016 Forecast | \$160 MM |
| | Five Years through 2016 | \$660 MM |

Our Growth Strategy

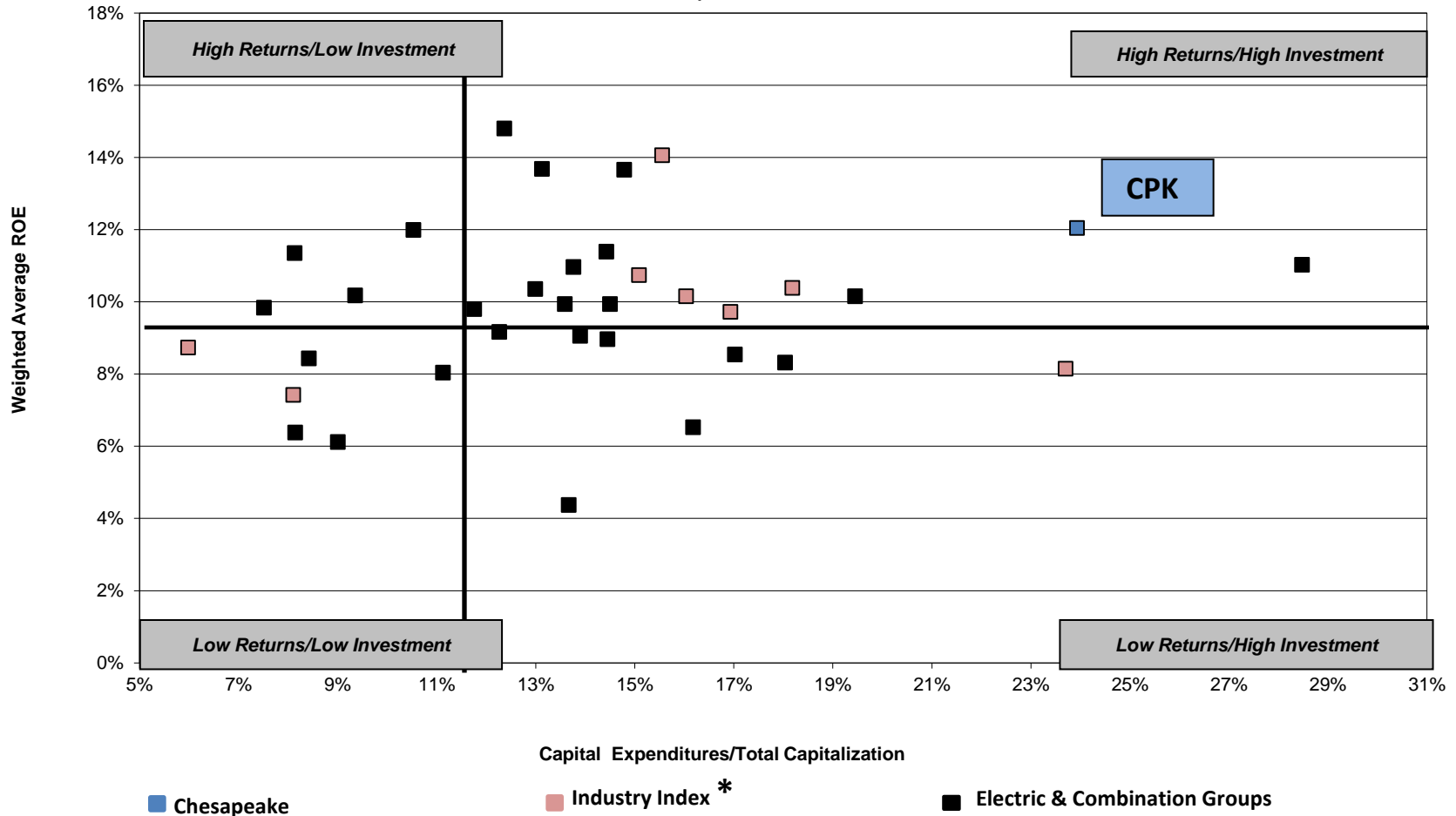


Performance Quadrant

Peer ROE vs. Capital Expenditures



October 1, 2013 – September 30, 2016



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

Source: Bloomberg

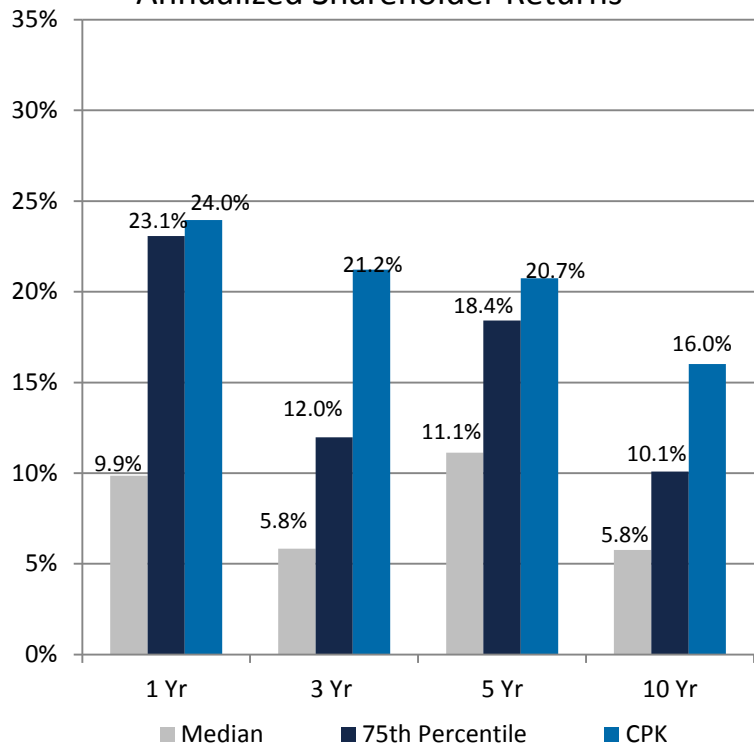
Shareholder Return

Comparison to Broader market – NYSE Companies

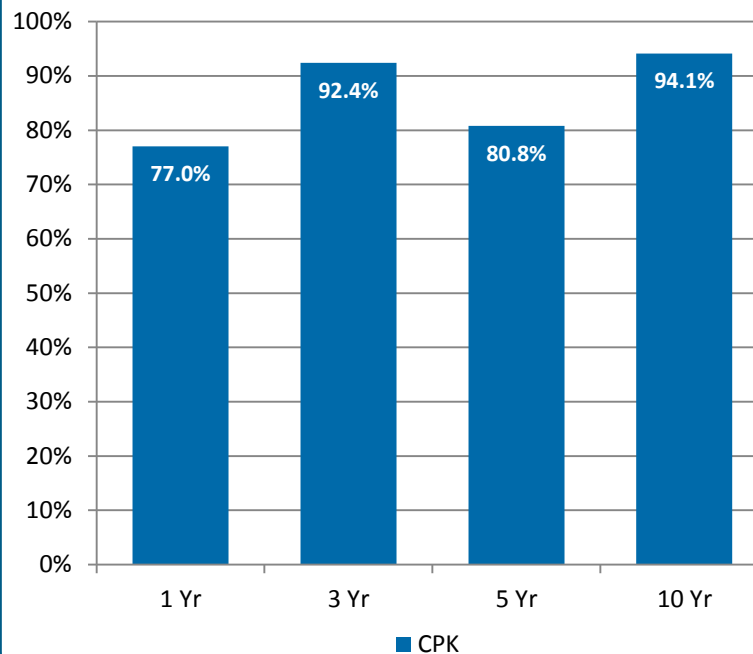


Chesapeake's Total Shareholder Return has been strong relative to the broad market, as compared to all companies listed on the New York Stock Exchange over the past ten years

Annualized Shareholder Returns *



CPK Percentile Ranking amongst all NYSE companies as of 11/30/16 *

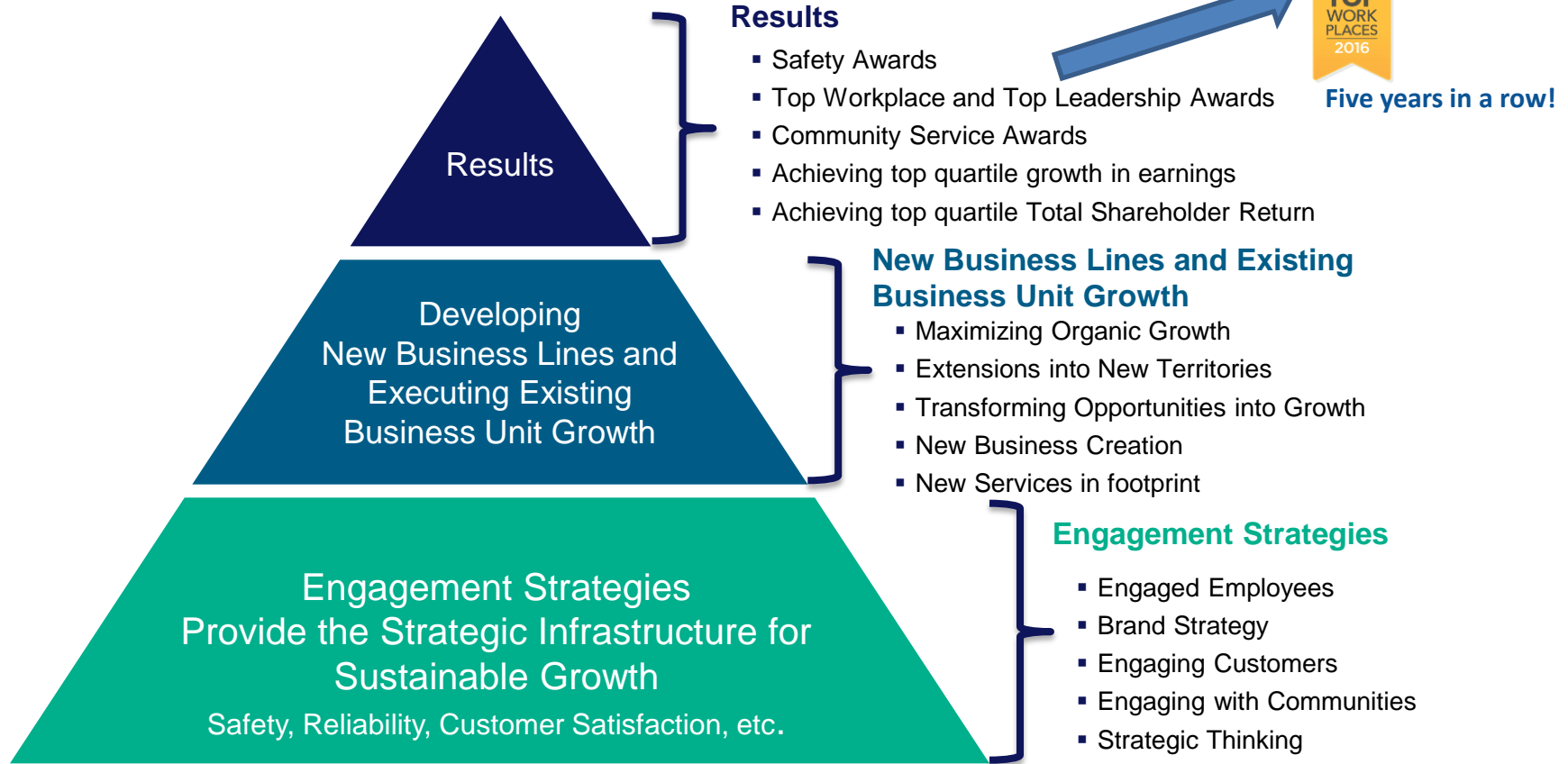


Chesapeake represents one company out of 51 companies that is above the 75th percentile for all periods (2.4% of total)

* Source: Bloomberg

Company Performance & Direction

Strategic Platform for Sustainable Growth



Our strategy continues to produce financial performance with strong growth in earnings, capital investments and return on equity. We are making investments in the strategic infrastructure needed to develop and execute sustainable long-term growth strategies and are committed to continue to invest at returns on capital that will drive shareholder value.

Strategic Planning & Thinking

Focused on Sustaining Long-term Growth



Every Business Unit and Corporate Function is Involved

We carry out strategic thinking sessions to generate insights and inspire strategic thinking throughout the Company.

We involve all of our business units in our strategic planning process to identify and develop new growth opportunities.

Aggressive Growth Targets

Our Strategic Planning process challenges us to achieve aggressive growth targets for the long-term. These targets are deliberately set high enough to require us to think differently.

We follow a disciplined approach to evaluate investment opportunities.

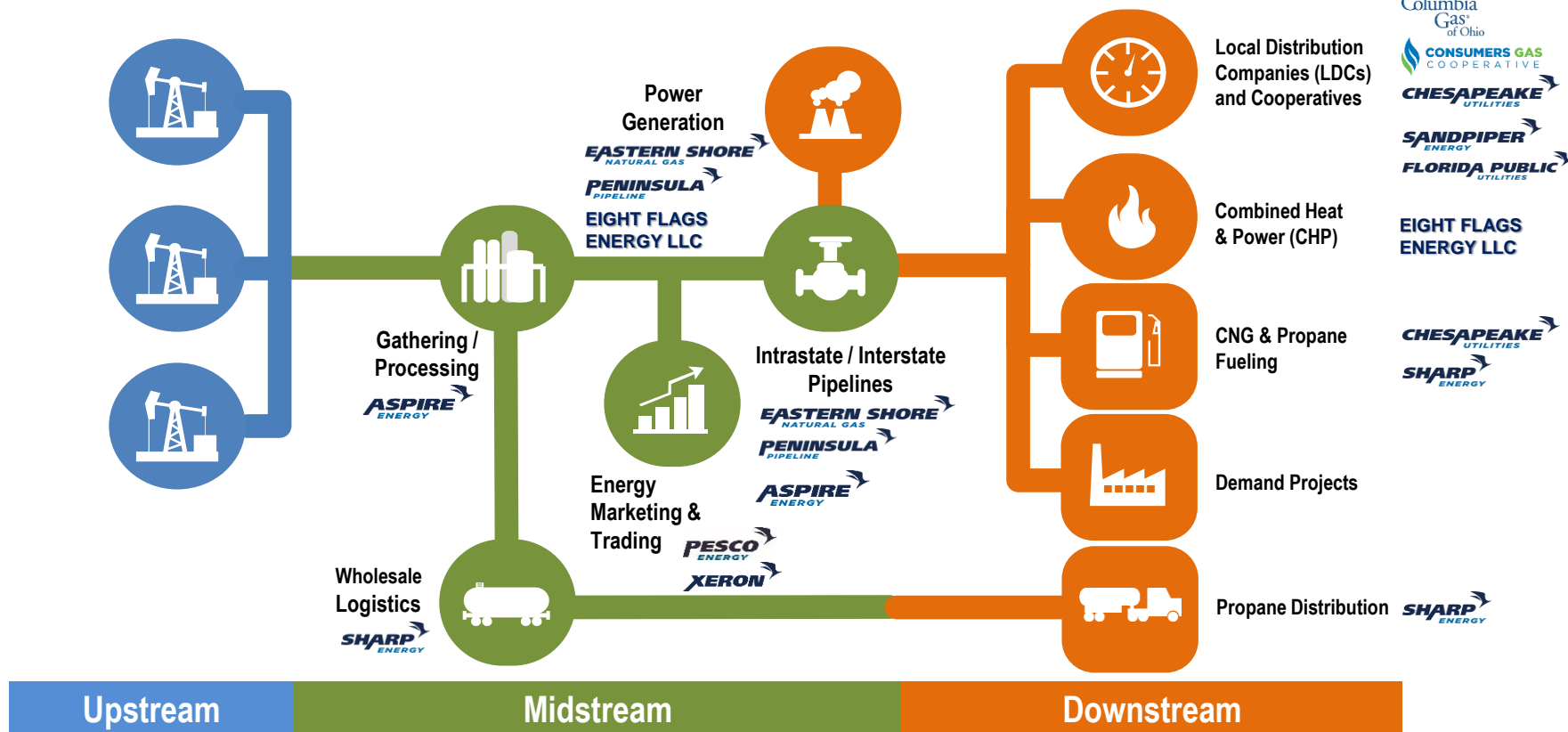
Market Focused and Continuous Adjustment

Our Strategic Plan is updated every year or more often to reflect changes in market conditions.

This concerted effort produces a dynamic plan that challenges us to focus on investment opportunities that can sustain the growth required to achieve our aggressive targets over the long term.

Growth Across the Energy Value Chain

Expanding CPK Geography and Services



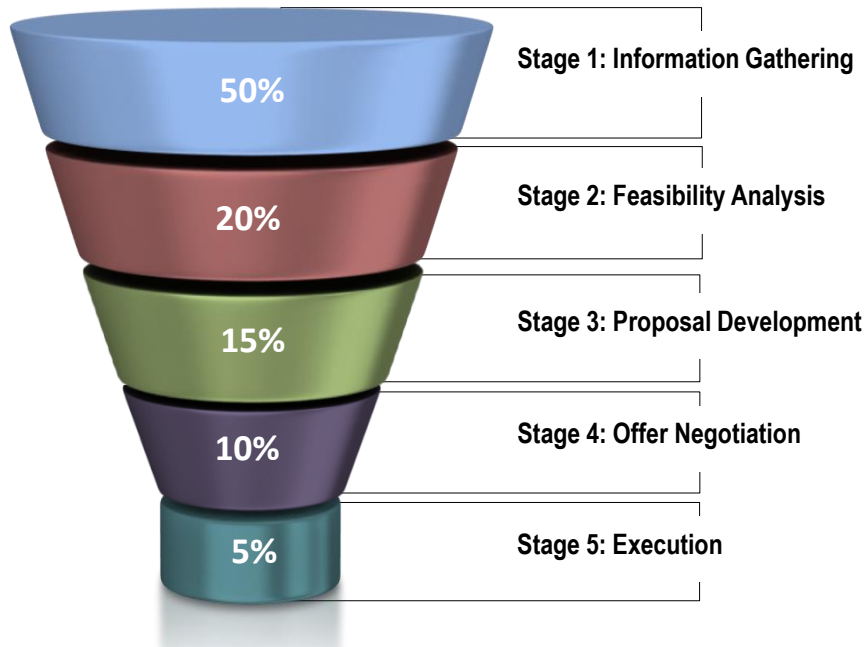
CPK continues to develop growth opportunities across the value chain, with emphasis on midstream and downstream investments that are consistent with our long-term growth strategy and are accretive to earnings per share

Expanding CPK Footprint and Services

Strategic Growth Opportunities



Sample Funnel Allocation



- The funnel has strong strategic alignment with:
 - Development of new pipeline infrastructure projects that provide services and delivery to downstream markets and end users
 - Expansion of downstream infrastructure to provide services and delivery to end-use customers
 - Expansion of existing footprint through acquisitions

We continue our relentless efforts to drive growth by focusing on long-term, sustainable growth opportunities.

Financial Overview

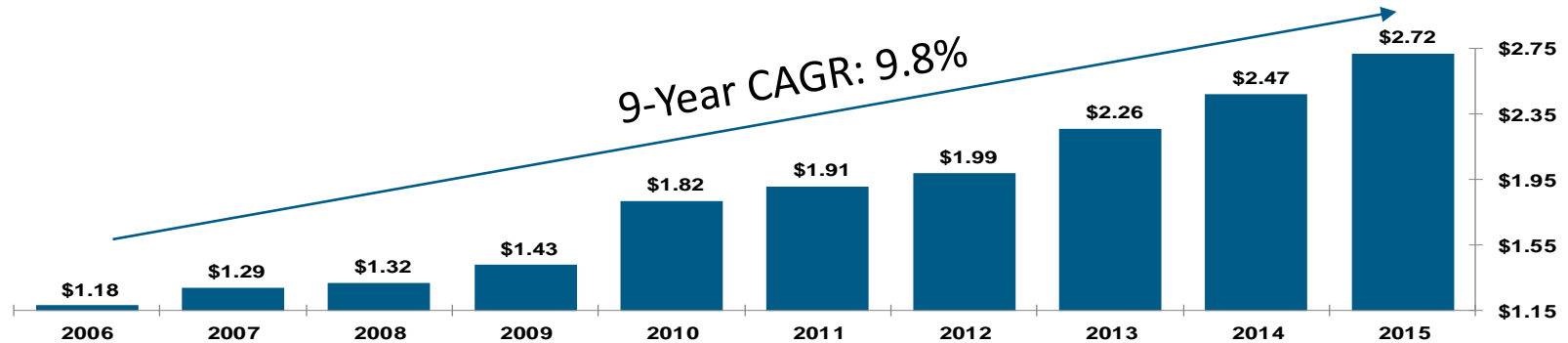


Generating Record Results

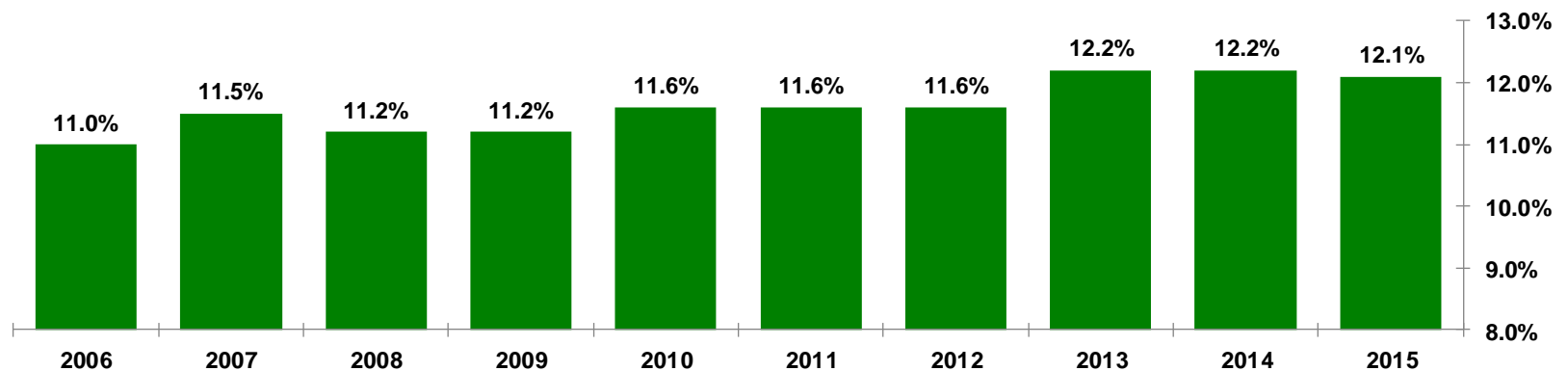
EPS and Return on Equity



Record EPS for 9th Consecutive Year



Consistently Above Utility Regulated Returns



Reconciliation of 2016 Results Year-to-Date

Key variances for the nine months ended September 30, 2016 vs. 2015 included:



| | <u>Pre-Tax Income</u> | <u>Net Income</u> | <u>Earnings Per Share</u> |
|---|---------------------------|-----------------------|-------------------------------|
| <i>(in thousands except per share data)</i> | | | |
| Third Quarter YTD 2015 Reported Results | \$ 54,159 | \$ 32,521 | \$ 2.16 |
| Adjusting for Unusual Items: | | | |
| Weather impact primarily in the first quarter | (7,548) | (4,533) | \$ (0.31) |
| Non-recurring gain from 2015 settlement agreement | (1,367) | (821) | \$ (0.06) |
| Higher Delmarva retail margins per gallon in 2015 | (2,204) | (1,324) | \$ (0.09) |
| | <u>(11,119)</u> | <u>(6,678)</u> | <u>\$ (0.46)</u> |
| Increased Gross Margins: | | | |
| Regulated Energy Segment | 14,075 | 8,452 | \$ 0.56 |
| Unregulated Energy Segment | 2,751 | 1,652 | \$ 0.11 |
| | <u>16,826</u> | <u>10,104</u> | <u>\$ 0.67</u> |
| Increased Other Operating Expenses | (6,445) | (3,871) | \$ (0.26) |
| Net contribution from Aspire Energy (acquisition) | 2,069 | 1,274 | \$ 0.08 |
| Interest Charges and Net Other Charges | (1,277) | (538) | \$ (0.05) |
| Third Quarter YTD 2016 Reported Results | <u>\$ 54,213</u> | <u>\$ 32,812</u> | <u>\$ 2.14</u> |

Results

- Year-to-date through 9/30, earnings per share were \$2.14, despite significantly warmer winter weather in the first quarter of 2016
- The difference in year-over-year temperatures reduced earnings per share by \$0.31/share
- Increased gross margin of \$0.67 per share for the reasons previously mentioned offset the weather impact
- Aspire Energy generated \$0.08 of incremental EPS for the Company on a year-to-date basis through 9/30/16

Gross Margin Highlights

Major Projects and Initiatives Summary



Gross Margin for the Period

| <i>Dollars in thousands</i> | Actual | YTD 9/30 | Estimate | | |
|---|------------------|------------------|------------------|------------------|------------------|
| | 2015 | 2016 | 2016 | 2017 | 2018 |
| Completed Projects since 2014 | | | | | |
| Aspire Energy | \$ 6,324 | \$ 8,203 | \$ 12,674 | \$ 13,376 | \$ 14,302 |
| Natural Gas Transmission Expansions & Contracts | 7,704 | 10,858 | 14,334 | 12,908 | 9,946 |
| Florida GRIP | 7,508 | 8,383 | 11,405 | 13,756 | 15,960 |
| Florida Electric Rate Case | 3,734 | 2,714 | 3,562 | 3,562 | 3,562 |
| Delaware Division Interim Rates | - | 1,347 | 2,164 | 2,500 | 2,500 |
| Eight Flags CHP | - | 2,581 | 3,464 | 8,156 | 8,457 |
| Total Completed Projects since 2014 | \$ 25,270 | \$ 34,086 | \$ 47,603 | \$ 54,258 | \$ 54,727 |
| Projects and Initiatives underway | | | | | |
| ESNG System Reliability and 2017 Expansion Projects | - | - | - | 3,194 | 20,238 |
| Total Projects and Initiatives Underway | \$ - | \$ - | \$ - | \$ 3,194 | \$ 20,238 |
| Major Projects and Initiatives Total | \$ 25,270 | \$ 34,086 | \$ 47,603 | \$ 57,452 | \$ 74,965 |



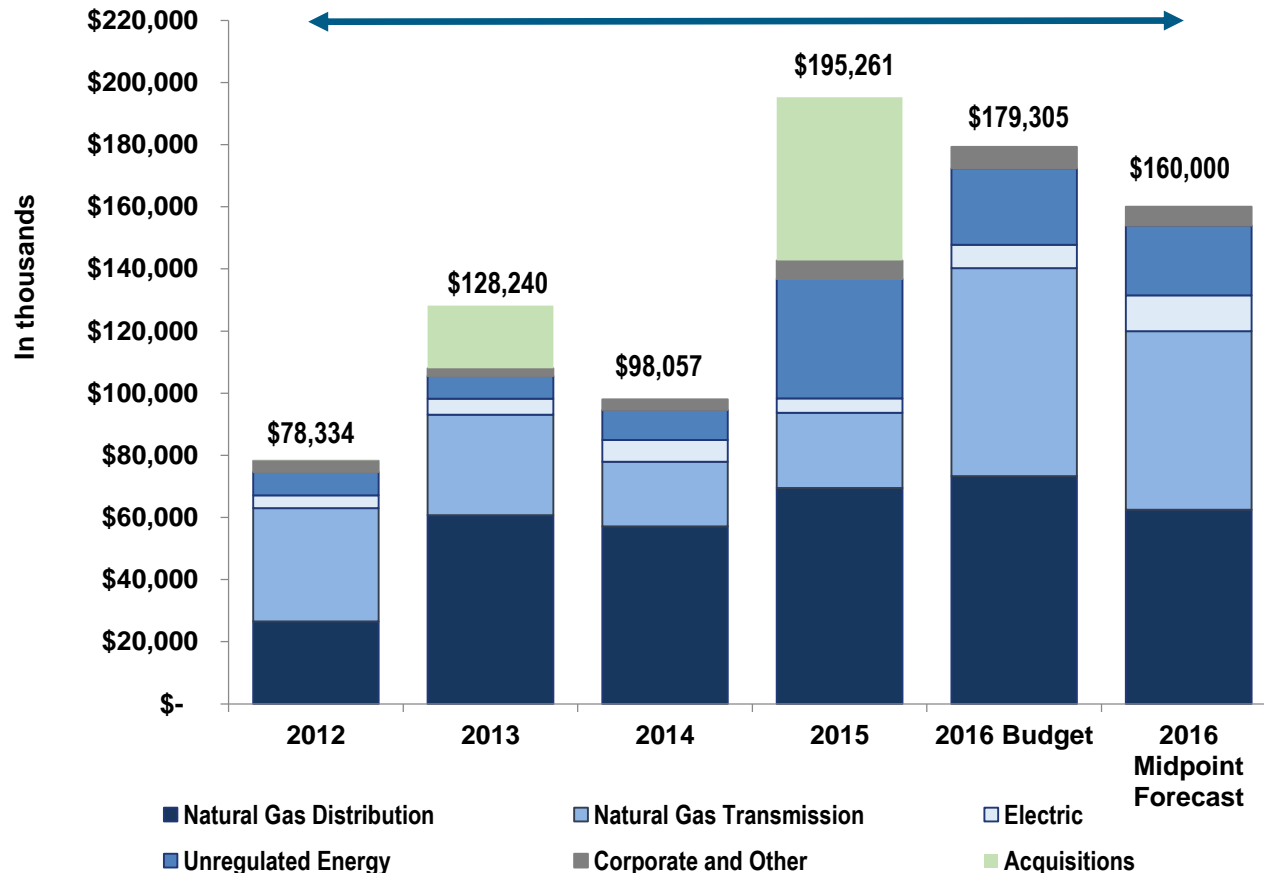
We are focused on developing new growth opportunities that will increase the margin growth in 2017 and beyond

Continuing to Build for the Future

Capital Expenditures



*Cumulative Expenditures and Acquisitions
of \$660 Million
(2012 through 2016 Forecast)*



Major Projects Completed:

- Eight Flags CHP plant

Major Projects Underway:

- Expansion of facilities to serve Calpine power plant
- Eastern Shore Natural Gas system reliability project
- Florida GRIP investments

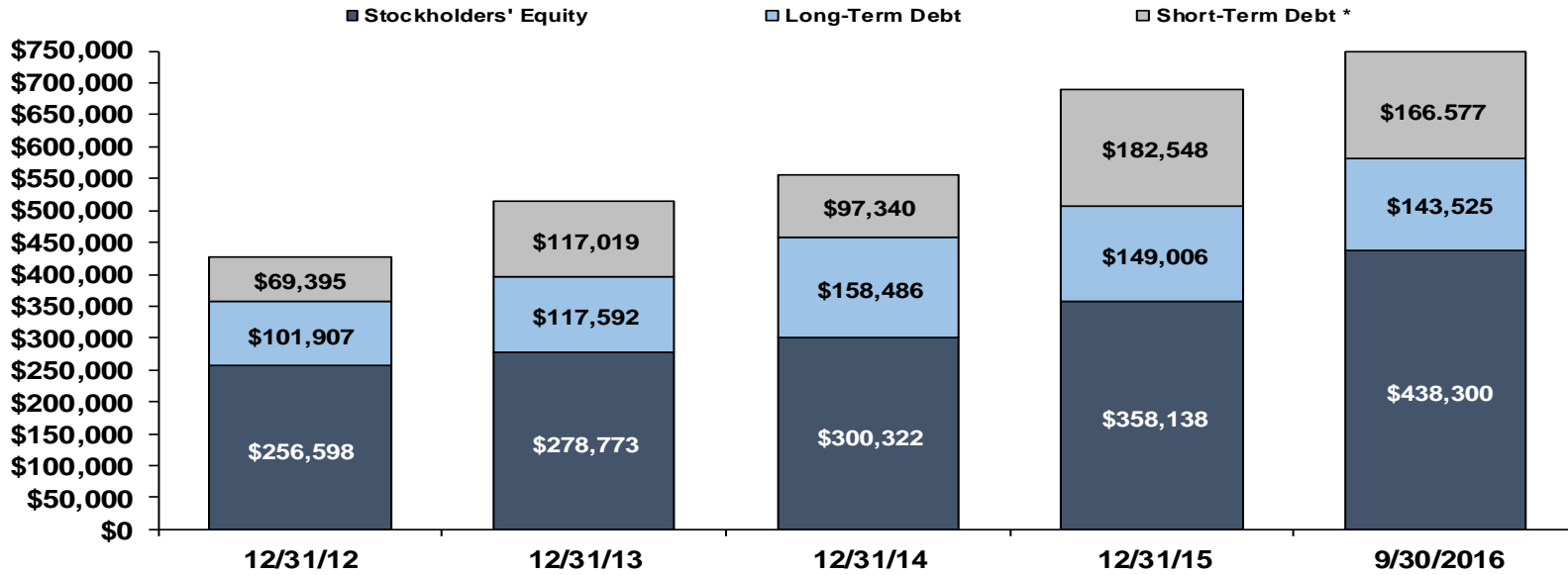
- 2016 year-to-date (through 9/30/16) capital expenditures totaled \$106 million
- We project aggregate capital expenditures between \$150 and \$170 million compared to our initial budget of \$179 million for 2016

Total Capitalization

Strong Balance Sheet to Support Growth



(in thousands)

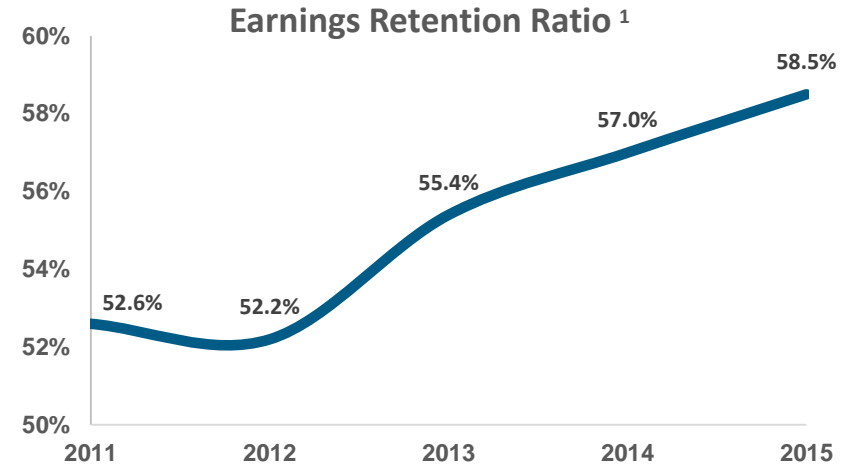
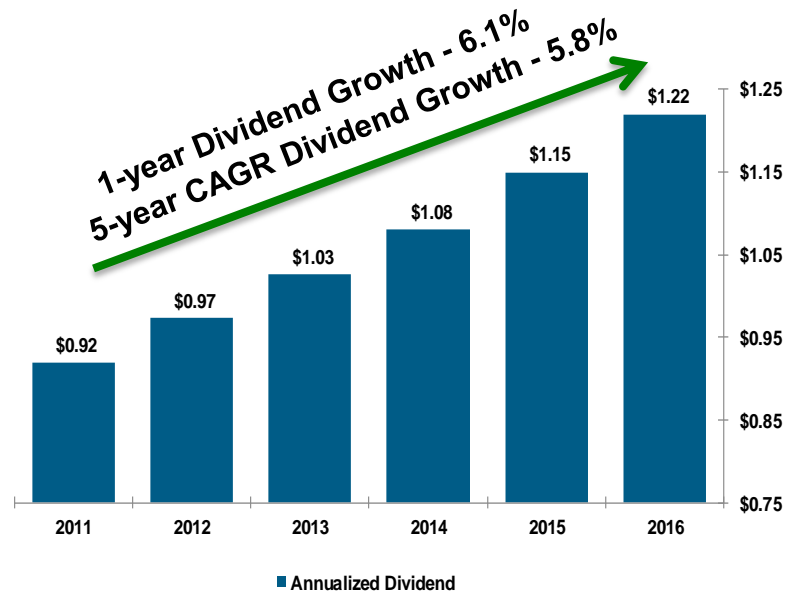


| | | | | | |
|---------------------------------|-------|-------|-------|-------|-------|
| Equity/Permanent Capitalization | 71.6% | 70.3% | 65.5% | 70.6% | 75.3% |
| Equity/Total Capitalization | 60.0% | 54.3% | 54.0% | 51.9% | 58.6% |

*Short-term debt includes current portion of long-term debt and designated revolving credit.

- Target Capital Structure: 50% to 60% Equity to Total Capitalization
- Equity Issuance of \$57.6 million in September 2016
- Funding commitment on \$70 million private placement by April 28, 2017 at 3.25%

Continuous Dividend Growth With Future Growth Potential



¹ Earnings Retention Ratio represents 100% minus the dividend payout ratio (calculated by dividing declared dividends by diluted EPS).

- We are committed to providing dividend growth that is supported by earnings growth
- 6.1% dividend growth in 2016 while still also reinvesting earnings back into the business to fund future growth
- 56 years of continuous dividends; 13th year of consecutive dividend increases
- Very good position – increasing earnings retention ratio while increasing the dividend; future dividend growth opportunity

Projects Overview

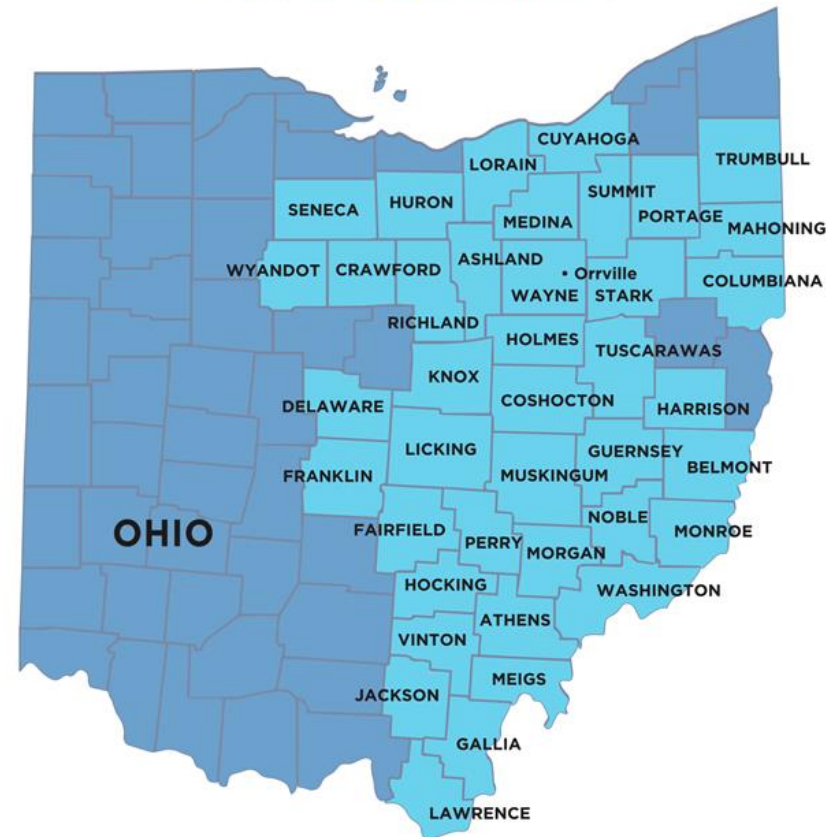


Aspire Energy of Ohio Service Territory



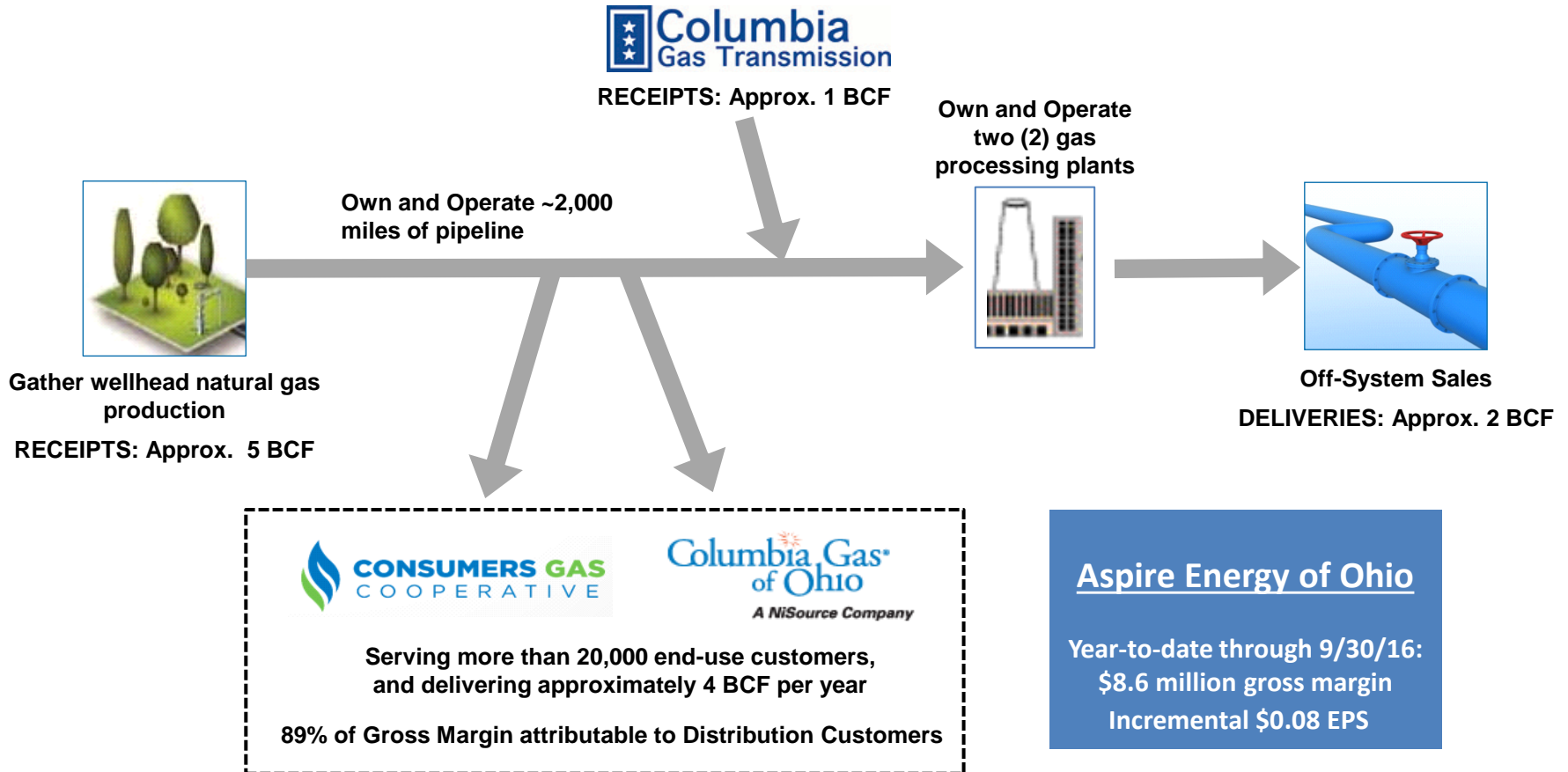
- Aspire Energy operates in 40 of the 88 counties in Ohio, providing natural gas supplies to various local gas cooperatives and local distribution companies, including Consumers Gas Cooperative and Ohio's largest local distribution company, Columbia Gas of Ohio.
- Aspire Energy is an unregulated natural gas business operating 16 gathering systems and more than 2,550 miles of gathering and intrastate pipelines in the Marcellus and Utica shale production areas.

ASPIRE ENERGY



■ PIPELINE INFRASTRUCTURE

Aspire Energy of Ohio Natural Gas Supply Chain



Recent and Upcoming Rate Cases

Maryland (Sandpiper), Delaware (Delaware Division) and FERC (ESNG)



Recent

Sandpiper Energy (Filing: 2015)

- Rate case filed with the MD PSC on December 1, 2015, as required with the PSC approval of the 2013 acquisition
- Settlement reached with PSC on August 10, 2016 and approved on October 29, 2016
- New rates go in effect on December 1, 2016

Delaware Division (Filing: 2015)

- Rate case filed on Dec. 21, 2015 for a \$4.7 million rate increase
- Interim rate increase of \$2.5 million, subject to refund, implemented on February 19, 2016
- Year to date (9/30/2016) we have recorded \$1.35 million of gross margin associated with these interim rates
- All parties reached a settlement on November 16, 2016 for a \$2.25 million rate increase, and PSC is expected to consider the settlement on December 20, 2016

Upcoming

ESNG (Filing early 2017)

- Filing to be made by end of January, 2017 in accordance with last Settlement Agreement
- New rates will be proposed to be effective on March 1, 2017

Current Key Growth Initiatives

Summary of Projects



| | Project | Description | Capacity | Status |
|----------|--|--|--|---|
| Delmarva | Eastern Shore Natural Gas White Oak Expansion | Natural gas transportation services to Calpine's electric generating plant in Dover, DE, under a 20-year service agreement. | Capacity increase of 45,000 dt/d from May to October with allowable interruption period of up to 90 days from November to April | Under construction |
| | Eastern Shore Natural Gas System Reliability | Additional facilities that ensure the quality of service and optimal system design and operation, benefiting all customers on ESG's system. | No new capacity is being created; this project is strictly a reliability project | Under construction |
| | Eastern Shore Natural Gas 2017 Expansion Project | Capacity expansion of ESG's existing pipeline to provide additional natural gas transportation services to several customers, ranging from local distribution companies to industrials and electric power generators. | Capacity increase of up to 61,162 dt/d | Pre-filing process initiated, Precedent Agreements executed |
| Florida | Florida Public Utilities Gas Reliability Infrastructure Program (GRIP) | Natural gas pipe replacement program approved by Florida PSC. Enhances reliability and integrity of systems and allows recovery of capital and related costs through rates. | Replaced 209 miles of distribution mains through 2016 | Ongoing |
| | Eight Flags Energy, LLC | Combined heat and power plant constructed and operating in our natural gas and electric distribution territory on Amelia Island in Nassau County, Florida. The CHP plant is a FERC qualifying cogeneration facility, which is located on a site leased from Rayonier Performance Fibers, LLC, a subsidiary of Rayonier Advanced Materials. | Plant produces approximately 20MW of base load power that is sold to FPU for distribution to its retail electric customers. Steam generated is sold to Rayonier Performance Fibers for use in the operation of its facility. | Fully Operational |
| Ohio | Aspire Energy of Ohio | Acquisition of Gatherco, Inc. on April 1, 2015. Provides natural gas supply to local distribution cooperatives and companies; and sources gas from 300 producers in Eastern Ohio. | 2,550 miles of pipeline | Accretive after first 12 months |

Eastern Shore Natural Gas

White Oak Mainline Project



White Oak Mainline Project – Docket No. CP15-18-000/001



| | |
|--------------------------------------|--|
| Estimated Capital Cost | Approximately \$38 million |
| Miles of Pipeline/Compression | 5.4 miles of 16-inch looping 3,550 hp at Delaware City |
| Capacity Increase (dt/d) | 45,000 firm May – October, with allowable interruption period of up to 90 days from November-April |
| Annualized Margin | \$5,840,046 (assuming full 90 days of interruption) |

Purpose: To provide Calpine's 309 MW electric generation plant in the Garrison Oak Technical Park with 45,000 dt/d of NG transportation served under ESNG's rate schedule OPT \leq 90.

FERC: CP application filed with FERC on November 21, 2014. An amendment was filed on November 18, 2015, to specify the preference for an alternate route for the Kemblesville Loop. A combined Environmental Assessment that included both the White Oak and the System Reliability Projects was issued on April 25, 2016.

Certificate of Public Convenience was issued on July 21, 2016 by the FERC. FERC's notice to proceed was issued on August 4, 2016.

Completing the Project: Facilities are anticipated to be completed during the first quarter of 2017.

Eastern Shore Natural Gas System Reliability Project



| System Reliability Project – Docket No. CP15-498-000 | |
|--|---|
| Estimated Capital Cost | \$36,265,058 |
| Miles of Pipeline/Compression | 10.1 miles of 16-inch looping 1,775 hp at Bridgeville |
| Capacity Increase (dt/d) | No new capacity |
| Rate Recovery | Rate recovery will begin when the rates associated with the 2017 rate case become effective, anticipated mid-2017 |
| Annualized Margin | \$4.5 million ⁽¹⁾ |

Purpose: After an assessment of the challenges encountered during the 2013-14 winter, ESNG developed a project consisting of facilities to significantly aid in handling lower receipt pressure at the Parkesburg interconnect (which was also realized during the 2015 winter) and mitigate risk associated with a portion of the pipeline that was highly critical and currently not looped.

FERC: CP application filed with FERC on May 22, 2015. FERC issued the EA on April 25, 2016. The EA was joint with the White Oak Mainline project.

Certificate of Public Convenience was issued on July 21, 2016 by the FERC. FERC's notice to proceed was issued on August 4, 2016.

Completing the Project: Facilities are anticipated by the end of the first quarter of 2017.

1. This is the estimated margin assuming recovery in the 2017 rate case.

Eastern Shore Natural Gas

2017 Expansion Project Overview



Purpose

- Enables Eastern Shore Natural Gas (ESNG) to meet growing demand for reliable, clean natural gas energy
- Increases firm transportation deliverability on our system by approximately 25 percent, supporting economic growth in the region
- Precedent agreements have been signed by five of ESNG's existing customers, who have requested new firm transportation services

FERC Considerations

- FERC approved ESNG's request to commence the pre-filing review process on May 17, 2016
- Certificate of Public Convenience filing anticipated to occur in the fourth quarter of 2016

Eastern Shore Natural Gas

2017 Expansion Project Details



| | |
|--|--|
| <u>Miles of Pipeline/Compression:</u> | ~23 miles of pipeline looping in Pennsylvania, Maryland and Delaware ~17 miles of new mainline extension and two pressure control stations in Sussex County, Delaware |
| <u>Other Facilities:</u> | Upgrades to the TETCO interconnect 3,550 hp new compression-Daleville Compressor Station Two new pressure control stations |
| <u>Total Capacity Increase (dt/d):</u> | Up to an aggregate of 61,162 dekatherms |
| <u>Capital Investment:</u> | Approximately \$99 Million |
| <u>Annual Estimated Margin:</u> | \$15.7 million in the first full year of operation |
| <u>Construction Commencement:</u> | Second quarter of 2017 - subject to the timing of FERC approval |
| <u>In Service:</u> | Late in fourth quarter 2017 |

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 cast iron and bare steel mains and service lines;
- 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 \$97.3 million since 2012 to date; Additional investment of <\$1 million in the remainder of 2016 |
| Miles of Pipeline | Replaced 209 miles of distribution mains to date |
| Gross Margin for 2015 | \$7.5 million |
| Estimated Gross Margin for 2016 | \$11.4 million |

Eight Flags Energy, LLC

Combined Heat and Power Plant



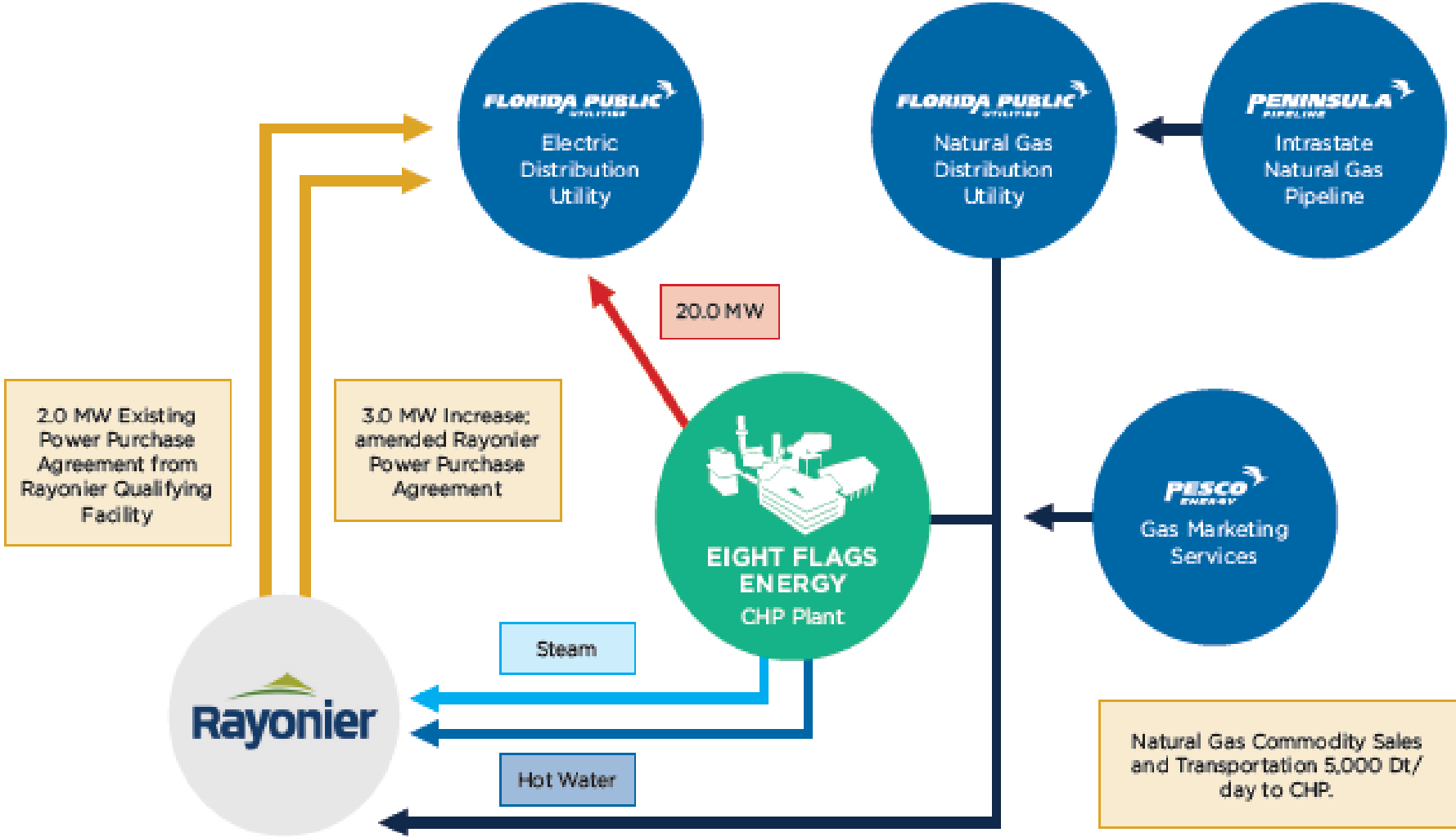
Project completed and fully operational in July 2016

Project Specifics

- **Capital Investment:** \$40.0 Million
- **Capacity:** 20 MW
- **Annual Margin:** \$8.2 Million
- **Est. electric purchase savings:** \$3 to \$4 Million per year depending on natural gas prices

- The Eight Flags Energy CHP Plant is fully commissioned and in service, providing opportunities across our business units to deliver more value to our customers and shareholders
- Year-to-date through 9/30/16 margin of \$2.6 million; and \$3.5 million total expected in 2016
- Eight Flags CHP not affected by Hurricane Matthew in terms of damage
- FPU customers will benefit from reliable, environmentally friendly electricity in their homes and businesses and cost savings in the coming years

Eight Flags CHP - Structure of the Deal



Conclusion



Financial Metric Summary



We achieved top quartile performance in 16 out of 20 categories.

| Performance Metrics <i>For periods ending 9/30/16 unless otherwise noted</i> | Chesapeake Results | | |
|---|--------------------|--------|--------|
| | 1 Year | 3 Year | 5 Year |
| Capital Expenditures / Total Capitalization | 21.3% | 23.9% | 23.0% |
| Earnings Per Share Growth (CAGR) | -5.9% | 5.9% | 7.7% |
| Return on Equity | 10.9% | 12.0% | 11.9% |
| Dividends Per Share Growth (CAGR) | 6.1% | 5.9% | 5.8% |
| Earnings Retention Ratio | 54.8% | 57.0% | 55.2% |
| Shareholder Return (CAGR) <i>for periods ending 11/30/16</i> | 24.0% | 21.2% | 20.7% |

□ denotes percentiles in top quartile performance for the corresponding metric

Source: Bloomberg

Chesapeake's Shareholder Return (CAGR) for 10 and 20 years was 16.0% and 13.7%, respectively; also resulting in top quartile performance for CPK.

Conclusion



- Strategic platform for growth continues to support our path forward
- Opportunities exist across the midstream and downstream energy value chain in Chesapeake's current and contiguous markets that provide opportunities for continued growth
- Disciplined and successful execution of growth strategy
- Third quarter and year-to-date results exceeded our expectations
- In 2016, growth in many of the Company's businesses overcame approximately \$10 million of lower gross margin from warmer weather (\$7.5 million) and retail margins returning to more normal levels (\$2.2 million)
- Well-positioned for continued growth in 2017 and beyond

Appendix

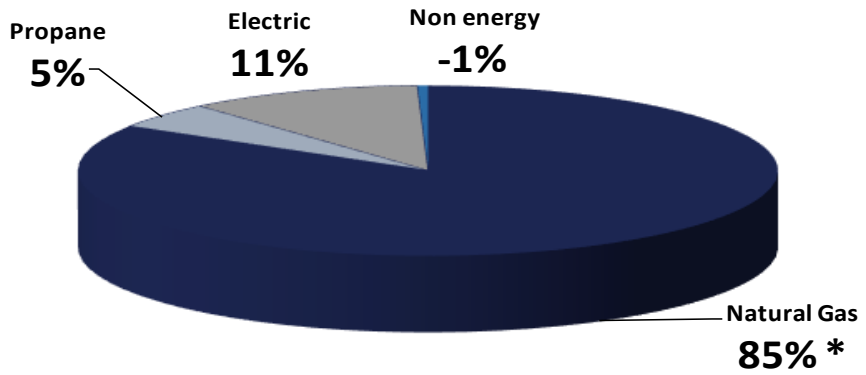


Business Mix

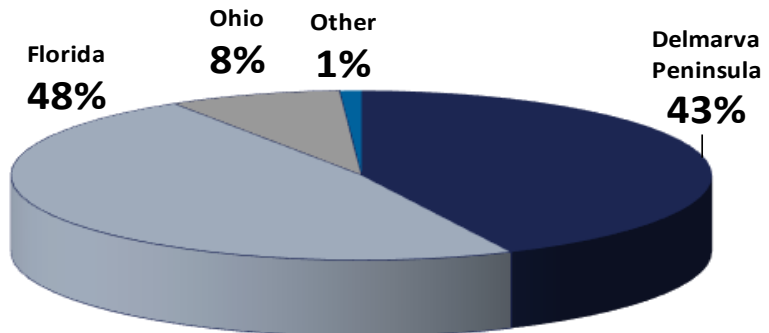
Average Investment for the 13 months ended September 30, 2016



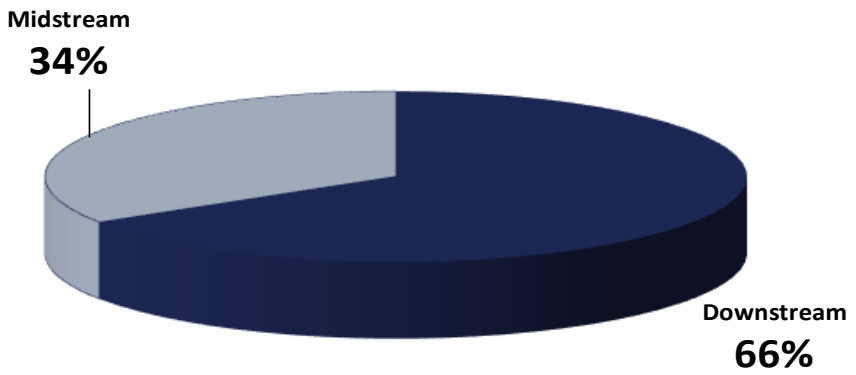
By Energy Served



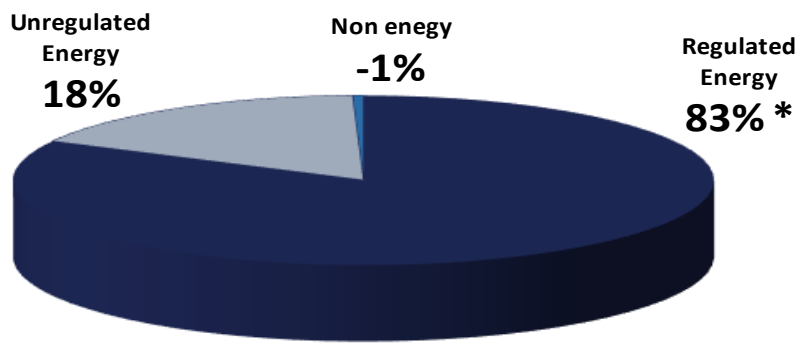
By Region



By Value Chain



By Segment



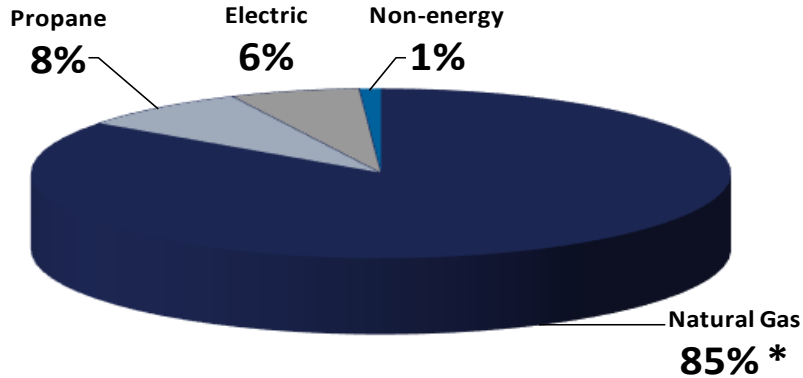
* Aspire Energy of Ohio Natural Gas Operations are Unregulated

Business Mix

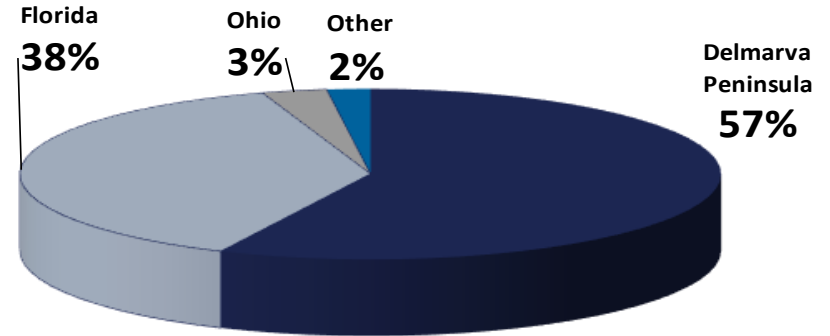
Operating Income Contribution for the 12 months ended September 30, 2016



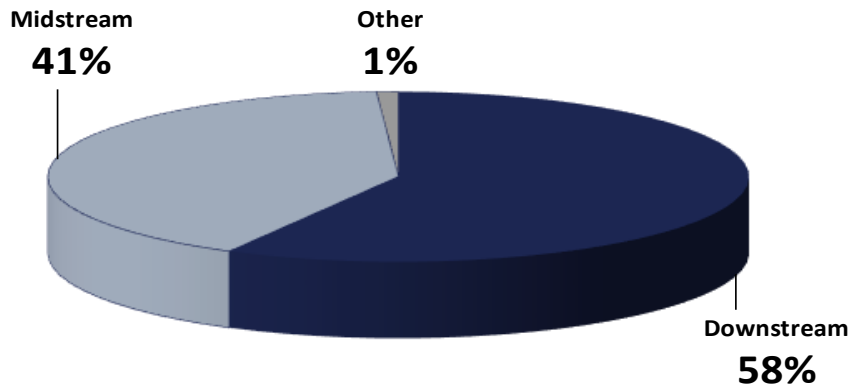
By Energy Served



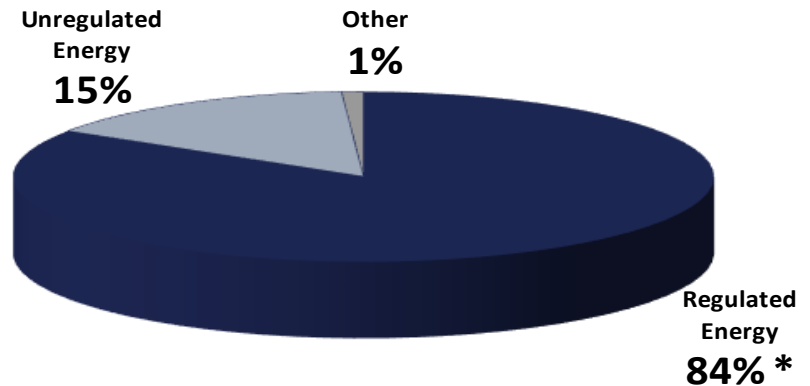
By Region



By Value Chain



By Segment



* Aspire Energy of Ohio Natural Gas Operations are Unregulated



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For additional information,
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TOGETHER WE ASPIRE, TOGETHER WE GROW.

