First Quarter Earnings Conference Call

Friday, May 5, 2017

Wesley College, Dover, DE

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.

First Quarter 2017 Financial Highlights

Margin growth of $6.8 million, which is coming from both regulated and unregulated businesses:

- Additional margin of $2.3 million associated with the operation of Eight Flags' Combined Heat and Power plant (CHP)
- PESCO (natural gas marketing) added $2.2 million in gross margin
- Natural gas transmission and distribution customer growth and service expansions added $1.6 million in gross margin
- Florida Gas Reliability Infrastructure Program ("GRIP") added $680,000 in gross margin

Higher operating costs, depreciation and taxes due to growth particularly in the pipeline business:

- Cost increase associated with growth
- Multiple recent system expansions and growth in unregulated energy businesses (Eight Flags, Aspire and PESCO)
- Due diligence costs recognized during the quarter for growth opportunities that the Company elected not to pursue
- Higher depreciation and taxes associated with capital spending for Florida GRIP, ESNG, Aspire and Eight Flags

Other factors impacting EPS by $0.23:

- Third warmest winter weather on Delmarva Peninsula during the last fifty years cost ($0.12) when compared to normal weather
- Shutdown of Xeron (wholesale propane trading) ($0.02)
- Common Stock Issuance in September 2016 to finance recent capital investments ($0.07)
- Higher interest from increased debt and other expenses ($0.02)

Year to Date Financial Results

First Quarter 2017 Performance Summary

For the periods ended March 31,
(in thousands except per share amounts)

	1Q17	1Q16	Change
Operating Income			
Regulated Energy segment	$ 23,017	$ 24,319	$ (1,302)
Unregulated Energy segment	11,530	11,936	(406)
Other businesses and eliminations	129	125	4
Total Operating Income	34,676	36,380	(1,704)
Other Income	(277)	(34)	(243)
Interest Charges	2,739	2,650	89
Income Before Taxes	31,660	33,696	(2,036)
Income Taxes	12,516	13,329	(813)
Net Income	$ 19,144	$ 20,367	(1,223)
Diluted Earnings Per Share	$ 1.17	$ 1.33	$ (0.16)

Impact of Unusual and Non-recurring Items

Adjusted EPS for the three months ended March 31, 2016 vs. 2017

	Q1 2016		Q1 2017	
Reported Earnings Per Share	$	1.33	$	1.17
Add: Warmer weather impact - Q1 2017 vs. Q1 2016	$	-	$	0.04
Add: Xeron shutdown costs	$	-	$	0.02
Less: Interim OPT 90 services provided in advance of facilities being constructed	$	(0.08)	$	-
Less: Additional decline in Sharp retail margins per gallon recognized in 2017	$	(0.02)	$	-
Adjusted Earnings Per Share	$	1.23	$	1.23

Note: No adjustment is included associated with the revenue requirement on the System Reliability project - $0.17 per share on an annual basis. No impact from the ESNG rate case has been included.

Regulated Energy

First Quarter 2017 Performance Summary

(in thousands)

For the periods ended March 31,	1Q17	1Q16	Change
Revenue	$ 97,654	$ 89,216	$ 8,438
Cost of Sales	40,244	34,905	5,339
Gross Margin	57,410	54,311	3,099
Operations & Maintenance	23,958	20,460	3,498
Depreciation & Amortization	6,885	6,296	589
Other Taxes	3,550	3,236	314
Other Operating Expenses	34,393	29,992	4,401
Operating Income	$ 23,017	$ 24,319	$ (1,302)

Regulated Energy operating income declined $1.3 million despite continued strong margin growth due to costs associated with providing both new and existing services, including expenses that are not fully reflected in rates.

- **Gross margin increased $3.1 million**
  - **+ $831,000 from NG distribution growth**
  - **+ $759,000 from ESNG expansions**
  - **+ $680,000 from Florida GRIP**
  - **+ $546,000 from new Delaware gas rates**
  - **+ $491,000 from natural gas transmission and distribution services to Eight Flags' CHP**
  - **- $527,000 due to warmer weather**
- **O&M Expenses increased by $3.5 million - see slide 7**
- **Depreciation & Taxes increased by $903,000 – reflecting increased net plant from capital investments**

Regulated Energy

Increase in O&M Expenses

Increase in Regulated Energy O&M Expense (in thousands)		
Outside services and Facilities and Maintenance Costs	$ 1,164	
Higher Staffing Costs to Serve Growth	799	
Other Operating Expenses	102	
Total Eastern Shore Natural Gas		$ 2,065
Delmarva NG Distribution O&M	753	
Florida Gas Distribution O&M	474	
Total Distribution		1,227
Other Operating Expenses		206
Total Increase in Regulated Energy O&M Expense		$ 3,498

Unregulated Energy

First Quarter 2017 Performance Summary

(in thousands)

For the periods ended March 31,	1Q17	1Q16	Change
Revenue	$ 92,725	$ 57,516	$ 35,209
Cost of Sales	65,906	34,415	31,491
Gross Margin	26,819	23,101	3,718
Operations & Maintenance	12,425	9,389	3,036
Depreciation & Amortization	1,903	1,183	720
Other Taxes	961	593	368
Other Operating Expenses	15,289	11,165	4,124
Operating Income	$ 11,530	$ 11,936	$ (406)

Unregulated Energy operating income declined $0.4 million as margin from Eight Flags and margin growth from PESCO and Aspire were offset by the impact of weather, lower propane margins, and charges associated with Xeron's closure.

- **Gross margin increased $3.7 million**
  - **+ $2.154 million from PESCO**
  - **+ $1.805 million from Eight Flags' CHP**
  - **+ $0.526 million from Aspire Energy**
  - **- Approximately $1.0 million from Sharp as a result of warmer weather and lower margins**
- **O&M Expenses increased by $3.0 million - see slide 9**
- **Depreciation & Taxes increased by $1.1 million – reflecting increased net plant from capital investments**

Unregulated Energy

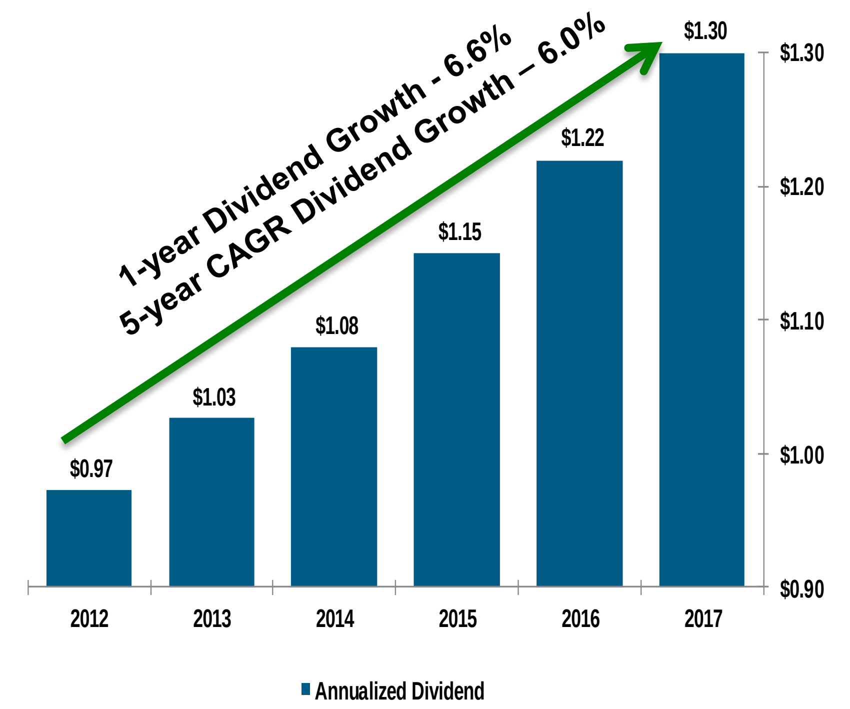
Increase in O&M Expenses

Increase in Unregulated Energy O&M Expense (in thousands)		
Non-Recurring/Unusual Items		
Xeron Closing Costs	$ 514	
Higher Staffing Costs to Serve Growth		$ 514
PESCO	320	
Delmarva Propane Distribution	543	863
Eight Flags (Not in service in 1Q 2016)	803	
Outside Services and Facilities Maintenance Costs	580	
Other Operating Expenses	276	1,659
Total Increase in Unregulated Energy O&M Expense		$ 3,036

Continuous Dividend Growth

Delivering Value to Shareholders

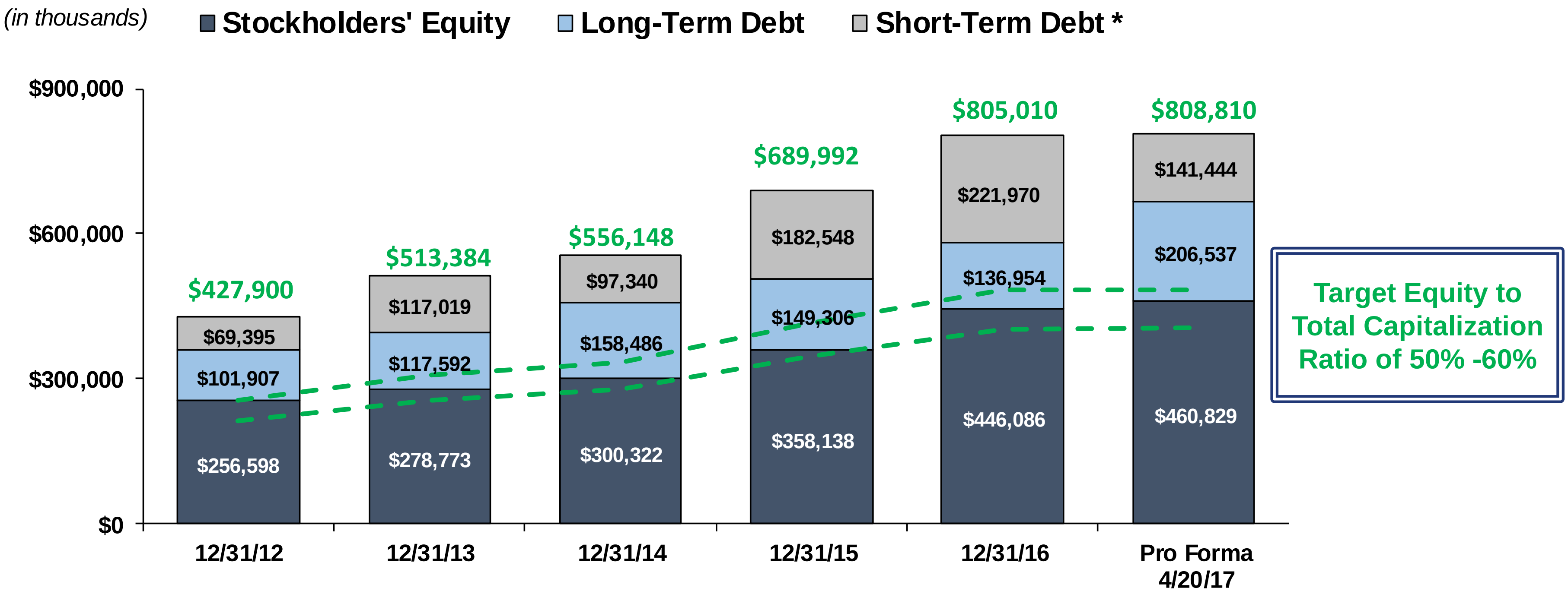
The Board of Directors declared an annual dividend on May 3, 2017 of $1.30
– an increase of 8 cents or 6.6% from the 2016 annualized dividend; and a 6.0% five year annual compound growth rate in the dividend.



We believe our consistent long-term dividend growth, supported by sustainable earnings growth, is a strong indication of our focus on financial discipline, and shareholder returns.

Total Capitalization

Historical Structure and Increased Debt Capacity



Equity/Permanent Capitalization	71.6%	70.3%	65.5%	70.6%	76.5%	69.1%
Equity/Total Capitalization	60.0%	54.3%	54.0%	51.9%	55.4%	57.0%

**** Short-Term Debt includes Current Portion of Long-Term Debt***

Our Strategic Focus

Commitment to Shareholders, Customers, Communities and Employees

Promote the growth and development of our team, including the strategic thinking and creative energy that are vital to identifying and developing future growth opportunities.

Expand our energy delivery services, both organically and into new geographic markets, by employing our expertise in serving natural gas transmission and local distribution customers.

Expand our footprint into new growth markets through strategic initiatives.

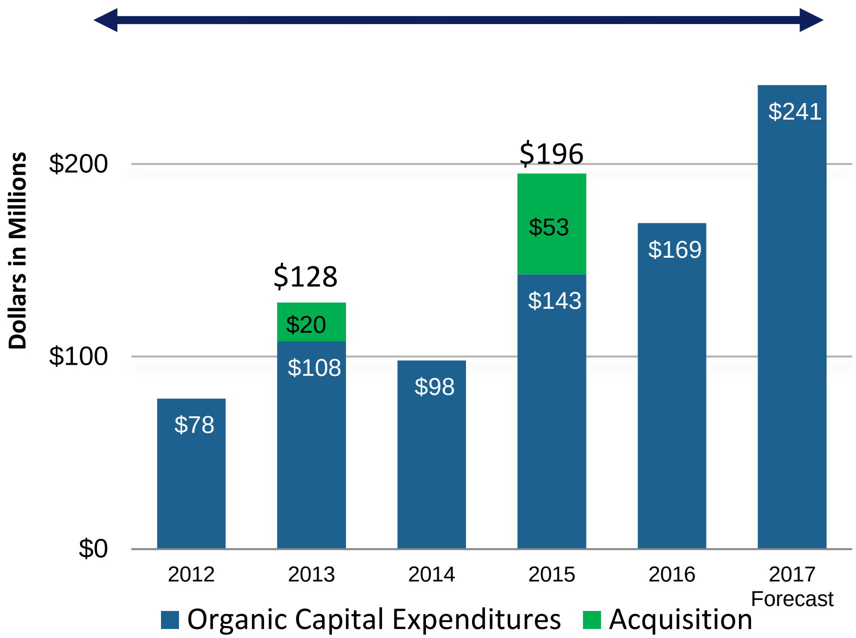
Develop new, unregulated energy services and products that complement our existing businesses and growth strategy.

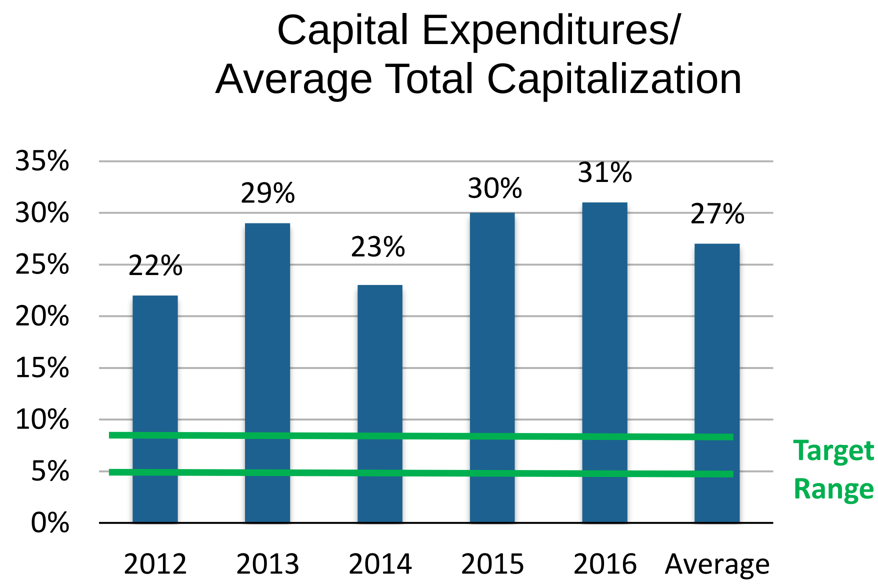
We remain focused and determined to grow our Company with unwavering commitment to service, safety, the environment and the financial discipline that has fostered our success throughout Chesapeake Utilities’ 70 year history.

Capital Expenditures – Investments in Growth

Historical Capital Expenditures

Cumulative Expenditures and Acquisitions of $910 Million since 2012 and as forecasted through 2017



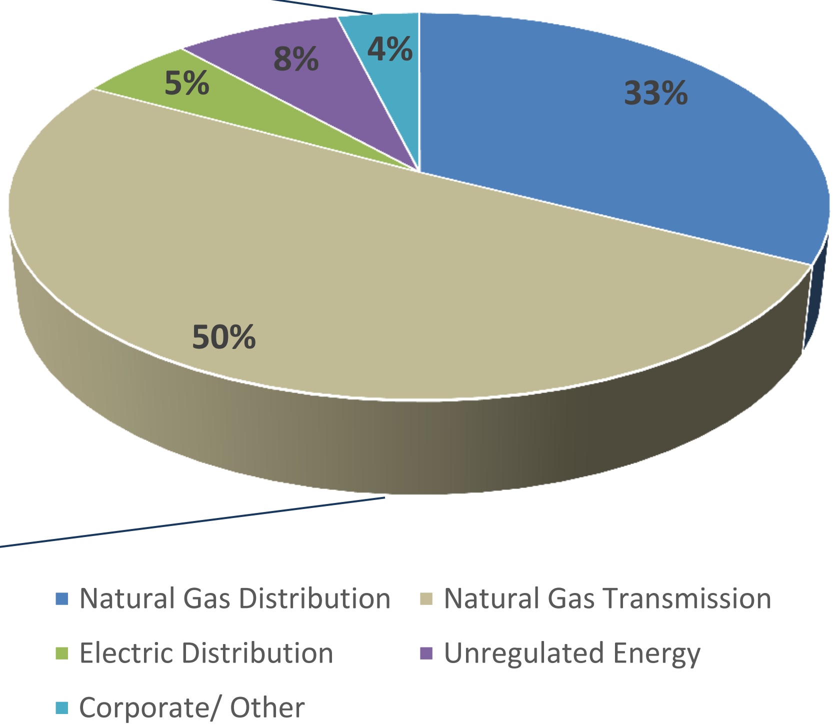


Finding, developing and executing on growth opportunities such Aspire Energy, Sandpiper, Eight Flags CHP, and natural gas transmission and distribution service expansions have led to a successful return on investment.

Continuing to Build for the Future

2017 Forecasted Capital Expenditures of $241 million

$ thousands	**2017 Forecasted Capital Expenditures**
$39,865	Delmarva Natural Gas / Sandpiper
$62,079	Florida Natural Gas
$99,463	Eastern Shore Natural Gas
$13,002	Florida Electric
$5,409	Aspire Energy
$12,075	Propane Distribution
$9,265	Corporate / Other
$241,158	**Total Forecasted Capital Spending**

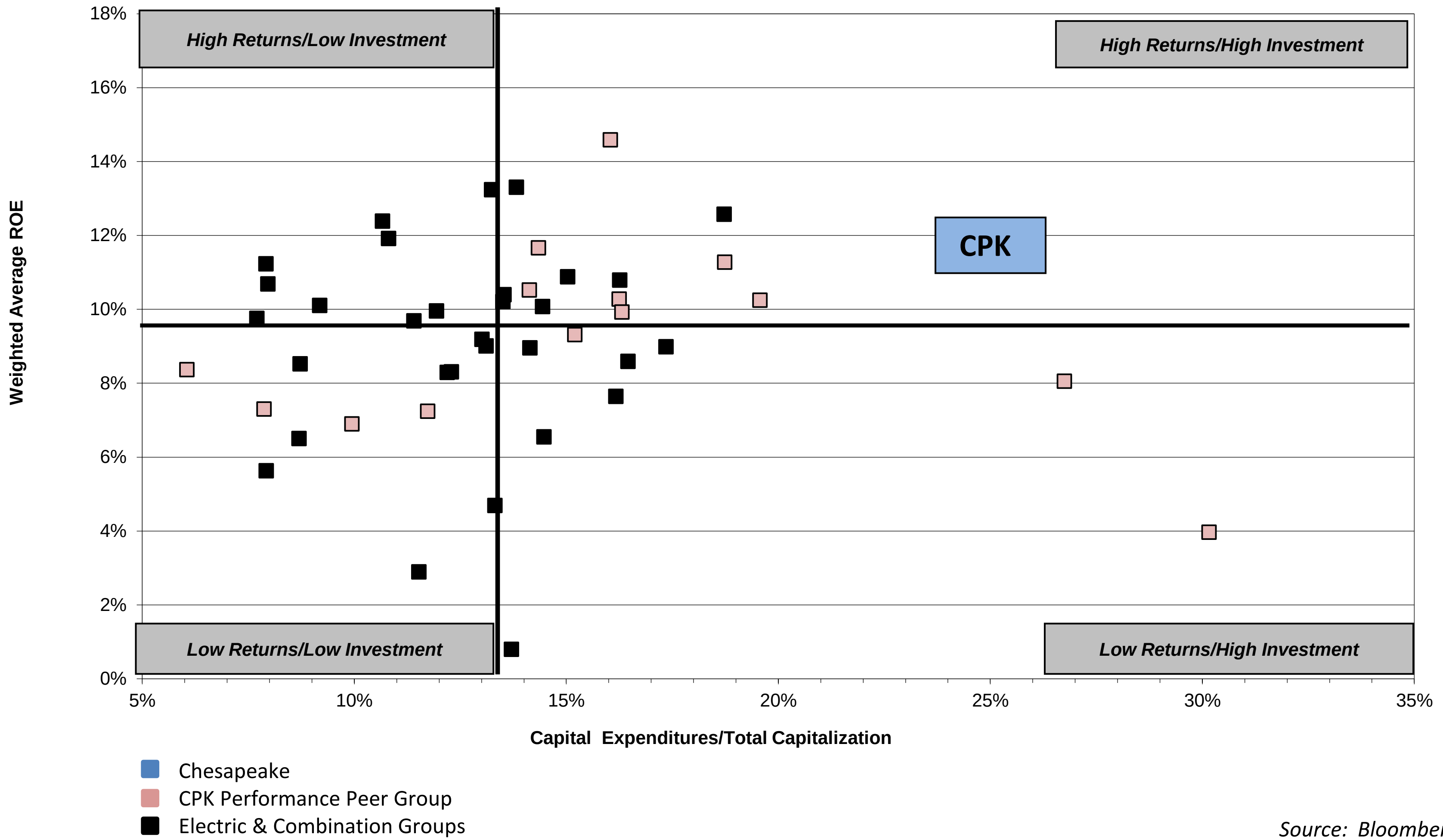


Regulated	88.4%
Unregulated	7.8%
Other	3.8%
Total	100.0%

Performance Quadrant

Average ROE vs. Capital Expenditures/Total Capitalization

January 1, 2014 – December 31, 2016 (Three Year Period)



Source: Bloomberg

Current Growth Initiatives

- Approval and construction of the 2017 Eastern Shore Natural Gas Expansion project to provide 61,162 Dts/d of additional firm natural gas transportation.
- Approval and construction of Northwest Florida Expansion Project in Escambia County, Florida to serve Pensacola area with natural gas.
- Continued investment in the Florida Gas Reliability Infrastructure System and completion of the Eastern Shore Natural Gas System Reliability Project.
- Ocean City, Maryland bay crossing completed; conversions in Ocean City are underway, and will continue to convert Sandpiper Energy customers in the Ocean Pines area to natural gas.
- Limited filing to be completed and filed related to recovery of projects that were recently completed to increase the reliability of FPU's electric system.
- Expansion of PESCO's natural gas marketing operations in three primary markets. Also, PESCO assumed the Asset Manager role for our Delmarva natural gas operations on April 1, 2017.

Gross Margin Highlights

Major Projects and Initiatives Summary

Gross Margin for the Period

Dollars in thousands	Actual	Estimate for		
	2016	2017	2018	2019
Capital Investment Projects:				
Natural Gas Transmission Capital Investment (Expansions & Contracts)	$ 13,269	$ 12,876	$ 9,012	$ 8,990
Florida GRIP	11,552	13,727	14,407	15,085
Eight Flags CHP (Both Regulated and Unregulated Impacts)	4,998	8,366	8,706	8,960
Total Completed Projects since 2014	**$ 29,819**	**$ 34,969**	**$ 32,125**	**$ 33,035**
Regulatory Proceedings:				
Delaware Division Rate Case	1,487	2,250	2,250	2,250
Total Existing Major Projects and Initiatives	**$ 31,306**	**$ 37,219**	**$ 34,375**	**$ 35,285**
Future Major Projects and Initiatives				
Capital Investment Projects *(1)*	-	386	15,551	20,899
Revenue Requirement for System Reliability Project *(2)*	-	1,875	4,500	4,500
Total Future Projects and Initiatives	**$ -**	**$ 2,261**	**$ 20,051**	**$ 25,399**
Total	**$ 31,306**	**$ 39,480**	**$ 54,426**	**$ 60,684**

(1) Primarily includes the ESNG 2017 Expansion Project and the Florida Northwest Pipeline Project.
(2) No ESNG 2017 rate case impact included.

$8,174 **$14,946** **$6,258**

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

Eastern Shore Natural Gas

2017 System Expansion Project Details

Miles of Pipeline/Compression:
~23 miles of pipeline looping in Pennsylvania, Maryland and Delaware
~17 miles of new mainline extension

Other Facilities:
- Upgrades to the TETCO interconnect
- 3,750 hp new compression-Daleville Compressor Station
- Two new pressure control stations

Total Capacity Increase (dt/d):
- 61,162 dts/d on Eastern Shore's pipeline system

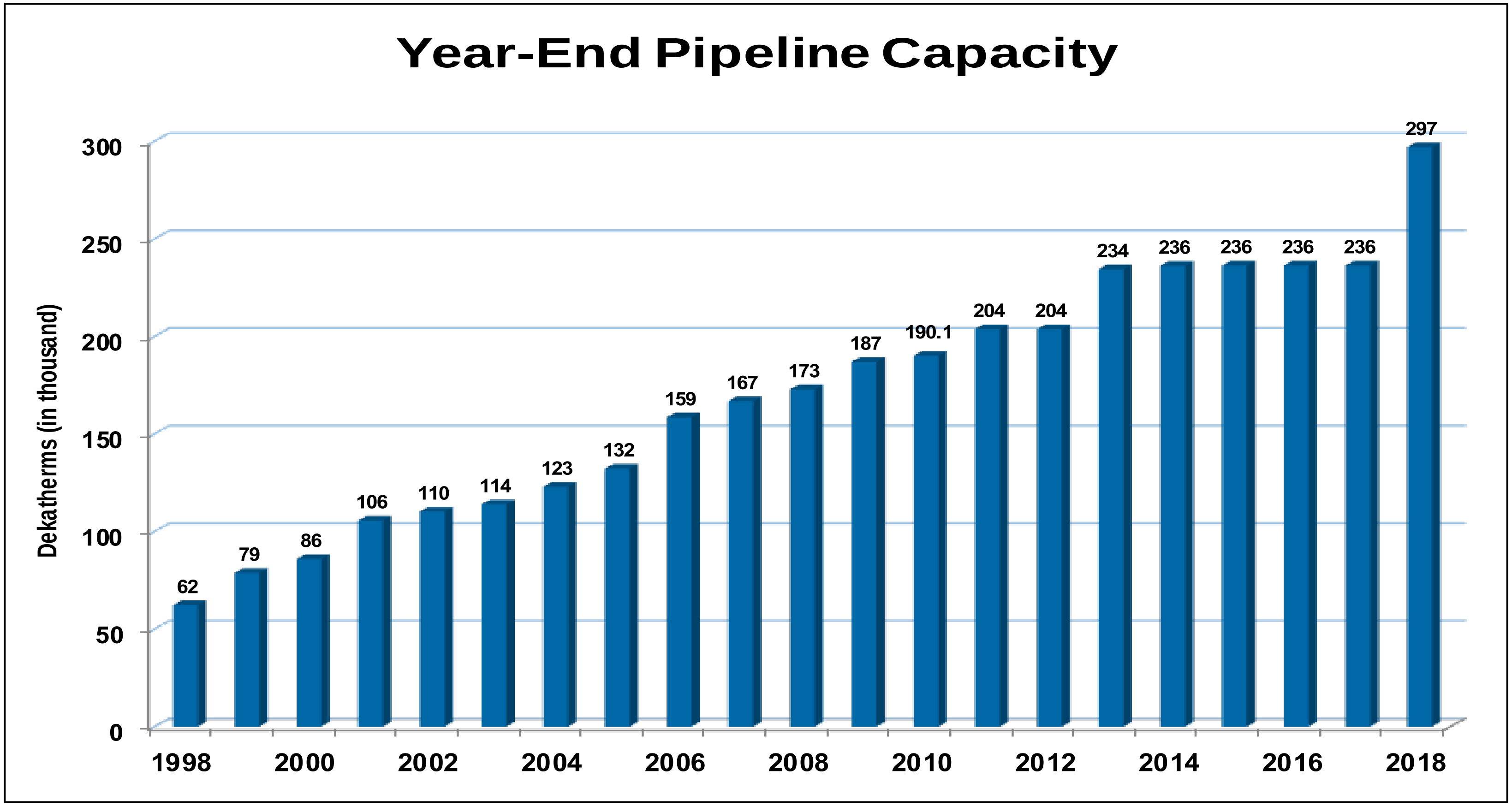
Capital Investment:
- Approximately $98.6 Million

Annual Estimated Margin:
- $15.7 million in the first full year of operation

Construction Commencement:
- Third quarter of 2017
  subject to the timing of FERC approval

In Service:
- Second quarter 2018
  subject to the timing of FERC approval

Eastern Shore Natural Gas
Pipeline Capacity Growth



Florida Natural Gas Project

Northwest Florida Expansion

Miles of Pipeline:
~33 miles of transmission pipeline to interconnect with Florida Gas Transmission (FGT)
~8 miles of distribution pipeline to serve firm LDC commitments in Escambia County (Pensacola), Florida

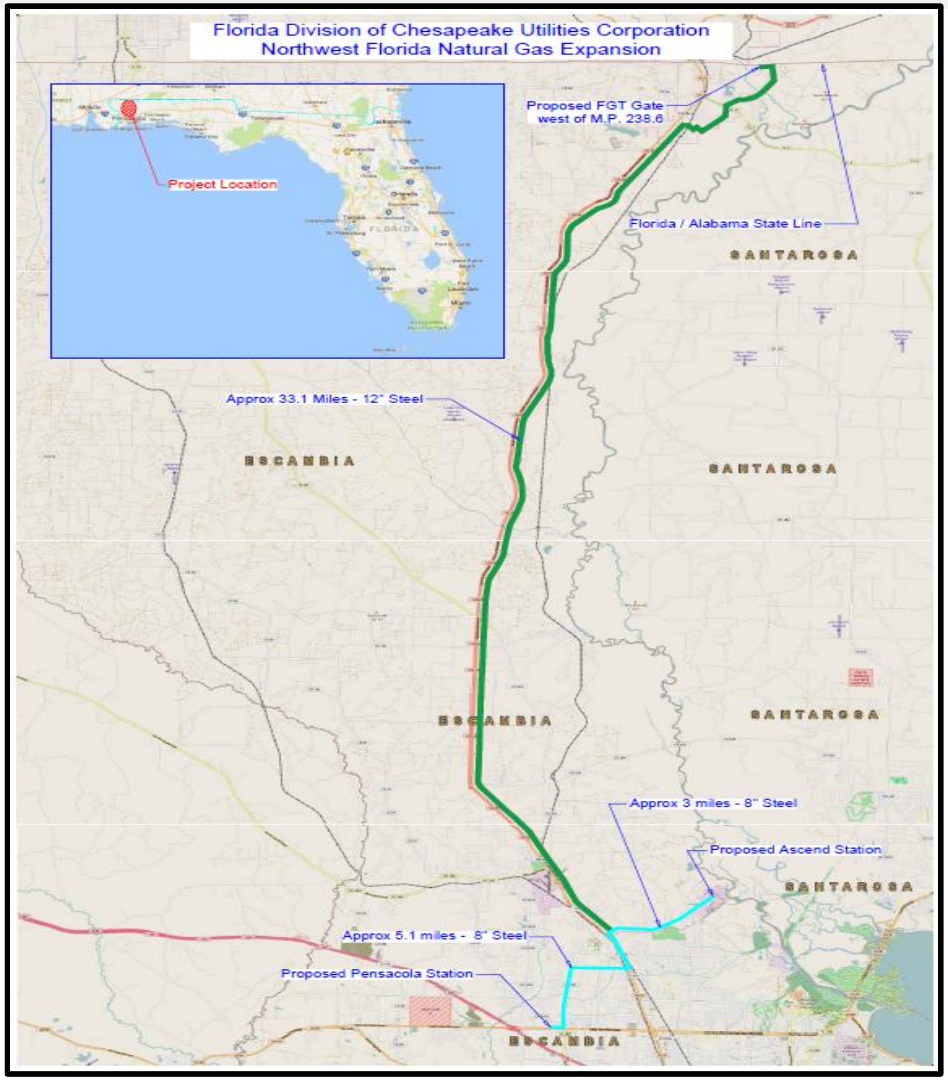
Total Capacity Utilization:
- Committed utilization 68,500 dts/d, with total capacity of 80,000 dts/d

Capital Investment:
- Approximately $35.9 Million

Annual Estimated Margin:
- $5.1 million in the first full year of operation

Construction Commencement:
- FERC approval FGT February 23, 2017
- Florida PSC approval pending
- Permitting is in place, pipe has been ordered
- Construction to begin in May 2017

In Service:
- Second quarter 2018



Regulatory Update

FERC

- White Oak Expansion placed into service in March 2017.
- System Reliability project largely complete; remaining facilities to be placed into service this month.
- 2017 System Expansion Project pending issuance of the environmental assessment in May 2017, with approval of the Project anticipated in August 2017, subject to the Commission having a quorum
- 2017 Rate Case Filing in January 2017 as required by the terms of the 2012 Settlement. New rates to become effective August 2017, subject to FERC approval and refund.

Delaware

- Rate case settlement included annual increase of base rates effective January 1, 2017.
- Approximately $1.5 million of the $2.25 million rate increase recognized in 2016; balance will be recognized in 2017.

Maryland

- The MD PSC approved our appeal to recover $136,000 of prior period gas costs for Sandpiper Energy which had previously been denied. PSC Staff and the Office of Public Counsel have 30 days to appeal this approval.

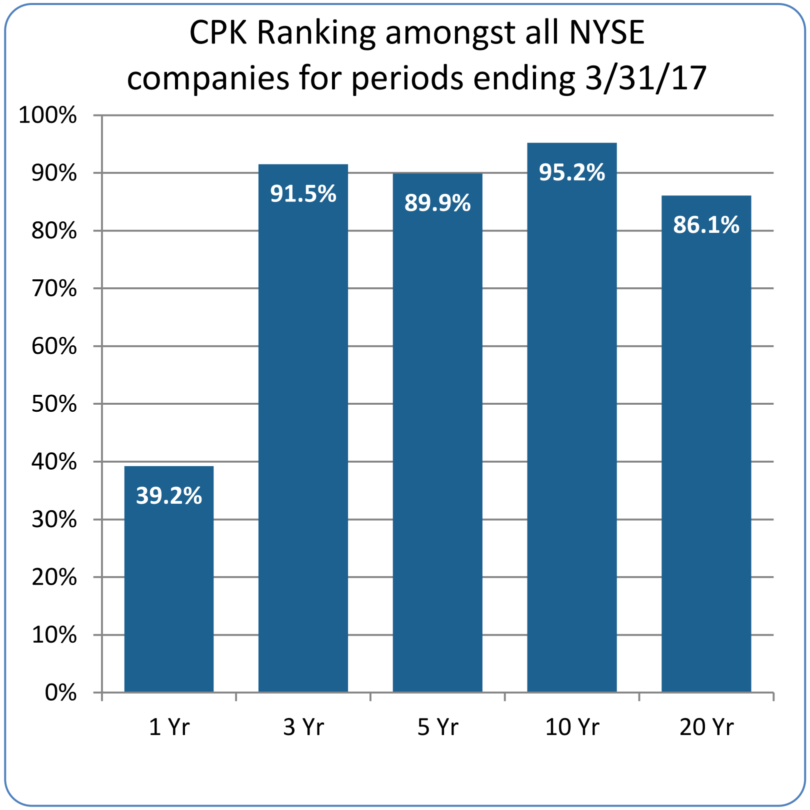
Florida

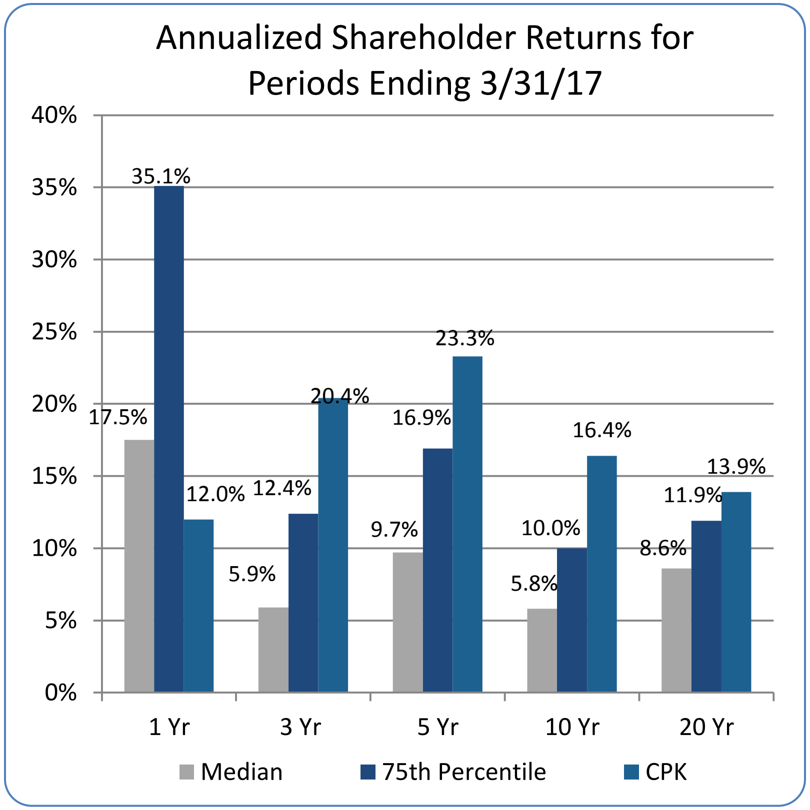
- Filing submitted for a surcharge associated with the modernization of the electric distribution system (ESTAR) to recover the cost and earn a return on $59.8 million in improvement investments over a five-year period.
- FPU withdrew its ESTAR filing and will be filing a limited proceeding for these investments prior to the end of the year, as recommended by the Florida PSC.

Shareholder Return

Comparison to Broader Market – NYSE Companies

- Chesapeake's compound annual return has exceeded 12% for the past 1, 3, 5, 10 and 20 years.
- Total return relative to the broad market has been in the top 15% of all NYSE companies for the 3, 5, and 10 years ended March 31, 2017.





Thank You

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