

CHESAPEAKE UTILITIES CORP

Form S-3ASR

November 30, 2017

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As filed with the Securities and Exchange Commission on November 30, 2017

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CHESAPEAKE UTILITIES CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Delaware
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

51-0064146
(I.R.S. EMPLOYER
IDENTIFICATION NUMBER)
909 SILVER LAKE BOULEVARD

DOVER, DELAWARE 19904

(302) 734-6799

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

BETH W. COOPER

SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

CHESAPEAKE UTILITIES CORPORATION

909 SILVER LAKE BOULEVARD

DOVER, DELAWARE 19904

(302) 734-6799

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: Sales are expected to take place from time to time after this Registration Statement becomes effective.

If the only securities being registered on the Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

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If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company
		Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of Securities Act

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE (2)
Common Stock, par value \$0.4867 per share	725,262 shares (1)			
Preferred Stock				
Purchase Rights (3)				
Total	725,262			

- (1) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the Securities Act), the number of shares registered includes such additional number of shares of common stock as are required to prevent dilution resulting from any stock split, stock dividend, recapitalization or similar transaction effected without the receipt of consideration that results in an increase in the number of outstanding shares of common stock.
- (2) Pursuant to Rule 415(a)(6) under the Securities Act, 725,262 shares of the registrant's common stock registered hereunder are unsold securities previously registered on Registration Statement No. 333-200937 filed on December 12, 2014 (the Prior Registration Statement). In connection with the registration of such unsold shares of common stock, the Registrant paid filing fees of \$3,947.04, which fees will continue to be applied to such unsold securities included on this registration statement. In accordance with Rule 415(a)(6), no registration fee is due and the Prior Registration Statement shall be deemed terminated as the date hereof.
- (3) The common stock currently includes certain preferred stock purchase rights (collectively, the Rights) issued pursuant to that certain Rights Agreement, dated as of August 20, 1999 (filed on Exhibit 4.1 to the Current Report on Form 8-K dated August 24, 1999, File No. 001-11590), as amended on September 12, 2008 (filed on Exhibit

4.1 to the Current Report on Form 8-K dated September 12, 2008, File No. 001-11590) (the Rights Agreement), between the Registrant and Computershare Trust Company, N.A., a federally chartered trust company, as successor rights agent. Until the occurrence of certain events specified in the Rights Agreement, none of which have occurred, the Rights are not exercisable, are evidenced by the certificate for the common stock and will be transferred along with and only with, and are not severable from, the common stock. The value attributable to the Rights, if any, is reflected in the market price of the common stock. No separate consideration will be payable for the Rights.

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PROSPECTUS

DIVIDEND REINVESTMENT AND DIRECT STOCK PURCHASE PLAN

725,262 SHARES OF COMMON STOCK

(PAR VALUE \$0.4867 PER SHARE)

This Prospectus relates to shares of common stock, par value \$0.4867 per share (including the associated Rights), of Chesapeake Utilities Corporation, a Delaware corporation, which may be offered and sold from time to time pursuant to the terms of our Dividend Reinvestment and Direct Stock Purchase Plan (the Plan). Our common stock is traded on the New York Stock Exchange under the symbol CPK.

Unless otherwise indicated or unless the context requires otherwise, all references in this Prospectus to we, us, our, the Corporation, the Registrant or Chesapeake Utilities mean Chesapeake Utilities Corporation and its subsidiaries.

References in this Prospectus to common stock are to Chesapeake Utilities common stock, par value \$0.4867 (including the associated Rights), and references to a stockholder are to individuals or entities that hold Chesapeake Utilities common stock. The term new investor refers to an individual or entity who is not a Chesapeake Utilities stockholder immediately prior to becoming a participant in the Plan. The Plan is set forth in this Prospectus in a question and answer format. When we refer to our Certificate of Incorporation, we mean Chesapeake Utilities Corporation's Amended and Restated Certificate of Incorporation, as amended through the date hereof, and when we refer to our Bylaws, we mean Chesapeake Utilities Corporation's Amended and Restated Bylaws, as amended through the date hereof.

The Plan has two components:

a Dividend Reinvestment component, which permits Plan participants to elect to invest all or a portion of the dividends on their shares of our common stock, when paid, in additional shares of our common stock.

a Direct Stock Purchase component, which permits Plan participants, other registered stockholders and new investors to purchase shares of our common stock in a convenient manner without incurring transaction/processing fees.

If we sell shares of common stock under the Plan, we will use the proceeds for general corporate purposes.

Investing in our securities involves risks. See Risk Factors beginning on page 4 of this Prospectus for a discussion of information that should be considered in connection with an investment in our securities.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is November 30, 2017

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You should rely only on the information contained in this Prospectus or to which we refer you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this Prospectus may be accurate only on the date of this Prospectus.

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FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference in this Prospectus contain forward-looking statements. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by us. Words such as anticipates, expects, intends, plans, believes, seeks, estimates and variations of these words or similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results could differ materially from those expressed or forecasted in any forward-looking statement as a result of a variety of factors, including those set forth in Risk Factors below and elsewhere in, or incorporated by reference into, this Prospectus. We undertake no obligation to update publicly any forward-looking statement for any reason, even if new information becomes available or other events occur in the future.

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PROSPECTUS SUMMARY

Company Overview

Chesapeake Utilities, incorporated in 1947 in Delaware, is a diversified energy company engaged, through our operating divisions and subsidiaries, in various energy and other businesses. We operate primarily on the Delmarva Peninsula and in Florida, Pennsylvania, and Ohio, providing natural gas distribution, transmission, supply, gathering processing, and marketing; electric distribution and generation; propane distribution; steam generation; and other energy-related services. The core of our business is regulated energy services, which provides stable earnings through our utility operations. Our unregulated businesses provide opportunities to achieve returns greater than those of a traditional utility. We operate within two reportable segments: Regulated Energy and Unregulated Energy. The Regulated Energy segment includes our natural gas distribution, natural gas transmission, and electric distribution operations. All operations in this segment are regulated, as to their rates and service, by the Public Service Commission having jurisdiction in each state in which we operate or by the Federal Energy Regulatory Commission. The Unregulated Energy segment includes our propane distribution and natural gas gathering, processing, marketing, and supply; and steam generation, which are unregulated as to their rates and services. Also included in this segment are other unregulated energy services, such as energy-related merchandise sales; heating, ventilation, and air conditioning, plumbing, and electrical services; and electricity and steam generation services from the combined heat and power plant we placed into service in Nassau County, Florida.

The remainder of our operations is presented as Other businesses and eliminations, which consists of unregulated subsidiaries that own real estate leased to Chesapeake Utilities, as well as certain corporate costs not allocated to other operations.

Our principal executive office is located at 909 Silver Lake Boulevard, Dover, Delaware 19904, and our telephone number is 302.734.6799. Our website address is www.chpk.com. Unless expressly incorporated by reference, information contained on or made available through our website is not a part of this Prospectus or any accompanying Prospectus supplement.

Overview of Offering

This Prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) relating to the offer and sale of up to 725,262 shares of our common stock under the Plan. You should read this Prospectus together with additional information described under the headings, Where You Can Find More Information and Incorporation of Certain Information by Reference.

Key features of the Plan include:

Dividends on shares of our common stock held through the Plan and shares registered in the name of a participant can be fully reinvested or partially reinvested in additional shares of our common stock.

Plan participants may have cash dividends that are not reinvested, deposited directly into a designated account with a U.S. bank or other approved financial institution.

Plan participants and registered Chesapeake Utilities stockholders who are not Plan participants may purchase additional shares of our common stock by making optional cash investments through the Direct Stock Purchase component of the Plan in the minimum amount of \$50 per investment, up to a maximum aggregate amount of \$100,000 per calendar year.

A new investor who does not own shares of our common stock may purchase shares through the Direct Stock Purchase component of the Plan by making an initial minimum investment of \$250, up to a maximum aggregate annual amount of \$100,000.

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Plan participants, other registered stockholders and new investors may make optional cash investments in excess of the maximum aggregate annual amount of \$100,000, if we grant a waiver pursuant to a Request for Waiver submitted by the Plan participant, other registered stockholder or new investor.

Plan participants may elect to have funds for optional cash investments automatically deducted on a one-time or a monthly basis from a designated account with a U.S. bank or other approved financial institution.

A stockholder may deposit any or all of the certificates registered in the stockholder's name with the Plan Administrator for safekeeping.

Our employees, including employees of our subsidiaries, may participate in the Plan through payroll deductions.

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RISK FACTORS

Investing in our securities involves risks. You should carefully consider the risks described under **Risk Factors** in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016 and in the other documents incorporated by reference into this Prospectus (which risk factors are incorporated by reference herein), as well as the other information contained or incorporated by reference in this Prospectus, or in any prospectus supplement hereto, before making a decision to invest in our securities. See also information under the heading, **Where You Can Find More Information**.

USE OF PROCEEDS

If we sell shares of common stock under the Plan, we will use the proceeds for general corporate purposes.

DETERMINATION OF OFFERING PRICE

The purchase price per share of common stock purchased from us (other than purchases pursuant to Requests for Waiver as defined below in the heading titled **Description of the Plan**) will be equal to 100% of the average of the high and low sales prices of the common stock, based on the New York Stock Exchange Composite Transactions by 4:00 p.m. Eastern Time as reported on the investment date, but in no event will we sell shares of common stock under the Plan at less than the par value per share.

For shares purchased on the open market, the Plan Administrator may combine each Plan participant's funds with funds of other purchasing participants. In the event the Plan Administrator combines purchasing participants' funds, the Plan Administrator generally will combine funds relating to same purchase type (*e.g.*, cash dividends, initial cash investments, and optional cash investments), and direct the Plan Administrator's broker to separately execute each purchase type. The Plan Administrator may also direct its broker to execute each purchase type in several batches throughout a trading day. Depending on the number of shares being purchased and current trading volume in shares of common stock, the Plan Administrator's broker may execute purchases for any batch or batches in multiple transactions and over multiple days. If different purchase types are batched, the price per share of common stock purchased for each Plan participant's account, whether purchased with reinvested cash dividends, with initial cash investments, or with optional cash investments, shall be the weighted average price of the specific batch of shares of common stock purchased by the Plan Administrator's broker on the particular investment date. The Plan Administrator has full discretion as to all matters relating to the purchase of shares.

Table of Contents**DESCRIPTION OF THE PLAN**

To enroll in the Plan, a stockholder must complete and return to the Plan Administrator an Enrollment Form. A new investor must complete and submit an Initial Enrollment Form. For further enrollment information, please refer to the Eligibility and Enrollment section of this Prospectus beginning with Question No. 5 below or contact the Plan Administrator.

Fees Associated With the Plan

The following is a list of the principal transactions and services provided to participants in the Plan and the associated fees. Participants are responsible only for those fees not paid by Chesapeake Utilities.

Initial Investment	\$10 Enrollment Fee
Dividend Reinvestment	Paid by Chesapeake Utilities
Direct Deposit of Dividends	Paid by Chesapeake Utilities
Optional Cash Investments	Paid by Chesapeake Utilities
Automatic Debiting for Optional Cash Investments	Paid by Chesapeake Utilities
Market Order Sale of Stock	\$25 per sale plus \$0.12/share
Day Limit Order Sale of Stock	\$25 per sale plus \$0.12/share
Good-Til-Cancelled Limit Order (GTC) Sale of Stock	\$15 per sale plus \$0.12/share
Batch Order Sale of Stock/Termination	(Per share fees cover any applicable brokerage commissions the Plan Administrator is required to pay. Any fractional share will be rounded up to a whole share for purposes of calculating the per share fee.)
Agent Assistance Fee	\$15 per sale
Safekeeping	Paid by Chesapeake Utilities
Book Transfers	Paid by Chesapeake Utilities
Request for Certificate	Paid by Chesapeake Utilities
Returned Check or Failed Electronic Payment	\$25 per occurrence

Our Plan is set forth below in question and answer format as approved by our Board of Directors and as currently in effect. The Plan first became effective on April 27, 1989, and has been amended from time to time thereafter through the date of this Prospectus.

Purpose**1. What is the purpose of the Plan?**

The purpose of the Dividend Reinvestment component of the Plan is to provide our stockholders with a convenient and economical method of reinvesting cash dividends in additional shares of common stock without payment of transaction/processing fees. A new investor may become a stockholder by making an initial minimum investment of \$250. The waiver provision of the Direct Stock Purchase component of the Plan enables Plan participants to make optional cash investments in excess of the maximum aggregate annual limit of \$100,000 if we grant a Request for Waiver. A shareholder receiving a cash dividend can request to have their dividend reinvested through the Plan.

The Plan also provides a stockholder with the opportunity to deposit with the Plan Administrator for safekeeping, certificates for shares of our common stock registered in the stockholder's name. We may direct the Plan Administrator

to purchase shares either in the open market or from us to satisfy the requirements of the Plan. Shares purchased from us will provide us with funds, which we will use for general corporate purposes.

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Advantages

2. What are some of the advantages of the Plan?

Participants have flexibility to reinvest all, a portion or none of their dividends in additional shares of our common stock.

Participants may direct that cash dividends, which are not reinvested, be deposited into a designated account with a U.S. bank or other approved financial institution.

Except for the initial enrollment fee, there are no transaction/processing fees charged to the participant on purchases of our common stock.

Investors who currently do not own shares of our common stock can become Plan participants by making an initial minimum investment of \$250, up to a maximum aggregate annual amount of \$100,000.

Participants and registered stockholders who are not participants in the Plan can purchase additional shares of our common stock by making optional cash investments in the minimum amount of \$50 per investment, up to a maximum aggregate annual amount of \$100,000.

Payments for the purchase of shares can be made by check or through the automatic debiting of a designated account with a U.S. bank or other approved financial institution.

Participants may deposit our common stock certificates registered in their name with the Plan Administrator for safekeeping.

Plan shares can be transferred or given as gifts at no charge to the participant.

Plan shares can be sold through the Plan Administrator.

Our employees, including employees of our subsidiaries, may participate in the Plan through payroll deductions.

Administration

3. Who administers the Plan?

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The Plan is administered by Computershare Trust Company, N.A., (the Plan Administrator or Computershare). The Plan Administrator's responsibilities include effecting purchases of our common stock on behalf of the Plan, maintaining participants' accounts, keeping the necessary records, sending statements of account to participants and performing other administrative duties relating to the operation of the Plan. The Plan Administrator's contact information is shown below.

All questions concerning participation in the Plan or with regard to a participant's account under the Plan should be directed to the Plan Administrator. The Plan Administrator may be contacted in writing, by telephone or via the Internet as indicated below.

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The following address for the Plan Administrator should be used for Plan-related correspondence including, but not limited to, inquiries concerning dividend reinvestment and optional cash investments, assistance with becoming a stockholder through the Direct Stock Purchase component of the Plan, the delivery of stock certificates for the safekeeping of shares and the submission of enrollment forms (except, as more fully described below, where the Enrollment Form is accompanied by a check). **Please note that cash, third party checks, traveler s checks and money orders will not be accepted.**

Computershare Trust Company, N.A.

c/o Chesapeake Utilities Corporation

P.O. Box 505000

Louisville, KY 40233-5000

Telephone: 877.498.8865 (U.S. and Canada)

781.575.2879 (outside of the U.S. and Canada)

Internet: www.computershare.com/investor

Registered stockholders who are not Plan participants should send the Enrollment Form to the address headed **Optional Cash Investments** below.

All checks representing initial cash investments of new investors, along with the Initial Enrollment Form, should be sent to the address headed **Initial Investments** below.

Optional Cash Investments

Computershare Trust Company, N.A.
c/o Chesapeake Utilities Corporation
P.O. Box 6006
Carol Stream, IL 60197-6006

Initial Investments

Computershare Trust Company, N.A.
c/o Chesapeake Utilities Corporation
P.O. Box 505000
Louisville, KY 40233-5000

Checks for both optional cash investments and new investments should be made payable to: **Computershare Chesapeake Utilities Corporation.**

For information relating to payment, please refer to the Methods of Payment section in this Prospectus beginning with Question No. 19.

All shares of our common stock purchased under the Plan or deposited for safekeeping will be registered in the name of the Plan Administrator or its nominee as the agent for the Plan participants. As record holder of shares held for participants accounts, the Plan Administrator will receive and reinvest for the account of a Plan participant dividends both on shares held for the participant by the Plan and on shares held by the participant in certificate form that the participant does not elect to receive in cash. The Plan Administrator will hold all shares of common stock purchased for each participant or deposited for safekeeping under the Plan until directed otherwise by a notice received from the participant. The Plan Administrator also acts as our dividend disbursing agent, transfer agent and registrar.

4. What are the limitations on the responsibilities of Chesapeake Utilities and the Plan Administrator under the Plan?

Neither Chesapeake Utilities nor the Plan Administrator will be liable for any good faith act or for any good faith omission to act in connection with the administration of the Plan, including, without limitation, with respect to the prices or times at which shares of common stock are purchased or sold under the Plan or any claim or liability arising out of failure to cease reinvestment of dividends for a participant's account upon the participant's death prior to receipt of written notice of death from the appropriate fiduciary.

A participant should recognize that neither Chesapeake Utilities nor the Plan Administrator can assure the participant of a profit or protect the participant against a loss from an investment in shares of our common stock purchased under the Plan.

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Eligibility and Enrollment

5. Who is eligible to participate in the Plan?

Any person or entity, whether or not a stockholder, is eligible to participate in the Plan. A registered Chesapeake Utilities stockholder or a person or entity that is not a Chesapeake Utilities stockholder can become a participant in the Plan by completing the appropriate Enrollment Form. A person or entity who is the beneficial owner of our common stock through an account with a broker, bank or other nominee must make appropriate arrangements with the broker, bank or other nominee to become a participant in the Plan (including the payment of any associated fees that may be charged by the broker, bank or other nominee), or the beneficial owner must become a registered stockholder by having the shares transferred into the beneficial owner's name. To have shares registered in his or her name, a beneficial owner must request the issuance of a certificate for the shares from the broker, bank or other nominee. Alternatively, a beneficial owner may become a participant in the Plan by purchasing additional shares of our common stock in accordance with the instructions set forth below for new investors. See Question No. 7. A new investor residing outside of the United States, or its territories and possessions, is responsible for determining whether he or she is subject to any governmental regulation that prohibits participation in the Plan.

We reserve the right to restrict the participation in the Plan of any participant who, in our opinion, is misusing the Plan or is causing us undue expense.

6. How does a registered stockholder become a participant in the Plan?

A registered stockholder may become a participant in the Plan at any time by completing an Enrollment Form and returning it to the Plan Administrator at the address indicated in Question No. 3. Where the stock to be enrolled in the Plan is registered in more than one name (i.e., joint tenants, etc.), all registered stockholders must sign the Enrollment Form. An Enrollment Form may be obtained at any time by contacting the Plan Administrator. A registered stockholder also may become a participant in the Plan by accessing the Plan Administrator's website, authenticating his or her online account and completing an online Enrollment Form.

Prospective Plan participants are urged to read this Prospectus in its entirety before deciding to enroll in the Plan.

7. How does a new investor become a participant in the Plan?

An investor who is not a stockholder may become a participant in the Plan at any time by completing an Initial Enrollment Form, returning it to the Plan Administrator and making an initial minimum investment of \$250, up to a maximum aggregate annual amount of \$100,000. New investors also can make optional cash investments in excess of the \$100,000 maximum if we grant a Request for Waiver. See Question No. 18. Payments for an initial investment can be made by check or by authorizing the one-time online debit of a designated account with a U.S. bank or other approved financial institution as more fully described in Question No. 19. Any amounts of less than \$250 tendered for an initial investment by check or one-time online debit will not be accepted and will be returned. Participants may also make an initial investment by authorizing automatic deductions of \$50 per transaction from a designated account with a U.S. bank or other approved financial institution for at least five consecutive purchases. Recurring automatic deductions will continue indefinitely, beyond the initial five purchases, until the investor notifies the Plan Administrator by telephone or in writing to stop the recurring automatic deductions. A direct debit authorization form is included with the initial enrollment form. **Cash, traveler's checks, money orders and third-party checks will not be accepted.**

The Initial Enrollment Form may be obtained at any time by contacting the Plan Administrator. A new investor also can become a participant in the Plan by enrolling online at www.computershare.com/investor and following the instructions provided.

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Prospective Plan participants are urged to read this Prospectus in its entirety before making an investment decision to purchase shares of our common stock.

8. What are the fees associated with an initial investment by a new investor?

A new investor will be charged a one-time \$10 enrollment fee to establish a Plan account. The \$10 fee will be subtracted from the payment delivered for the purchase of shares (i.e., a new investor is required to send an initial minimum investment of \$250, from which the \$10 fee will be subtracted, leaving \$240 to be invested).

9. When does participation in the Plan by a registered stockholder or new investor become effective?

A registered stockholder or new investor can, at any time, submit the required Enrollment Form to become a participant in the Plan.

In the case of the enrollment in the Plan of shares owned by a registered stockholder, participation in the Plan will commence upon delivery to the Plan Administrator of the required Enrollment Form.

In the case of the enrollment in the Plan by a new investor, participation in the Plan will commence upon delivery to the Plan Administrator of the required Enrollment Form and the initial cash investment amount followed by the subsequent purchase by the Plan Administrator of the shares of our common stock for the participant's account.

When participation in the Plan commences on or prior to any cash dividend record date, the dividends paid on the enrolled shares on the corresponding dividend payment date will be reinvested in accordance with the participant's instructions. If participation commences after a cash dividend record date, the reinvestment of dividends, in accordance with the option selected by the participant, will commence with the next following dividend payment.

Dividend Reinvestment Options

10. What dividend reinvestment options are available to participants in the Plan?

Full Dividend Reinvestment

Directs the Plan Administrator to reinvest automatically, in accordance with the terms of the Plan, dividends on (i) all shares of common stock registered in the participant's name and (ii) all shares of common stock credited to the participant's account under the Plan.

Partial Dividends Paid in Cash

Directs the Plan Administrator to distribute to the Plan participant in cash the dividends on that portion of the participant's shares (including both (i) shares of common stock registered in the participant's name and (ii) shares of common stock credited to the participant's account under the Plan) designated by the participant, and to reinvest automatically, in accordance with the terms of the Plan, dividends on the remainder of the participant's shares.

All Dividends Paid in Cash (no dividend reinvestment)

Directs the Plan Administrator to distribute to the participant in cash the dividends on all of the participant's shares whether registered in the participant's name or credited to the participant's account under the Plan. No dividends will be reinvested.

Regardless of the dividend reinvestment option selected, any dividends that a participant elects to receive in cash will be paid to the participant by check or, if the participant so elects, the dividend may be deposited directly into an account designated by the participant with a U.S. bank or other approved financial institution.

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Under each of the three dividend reinvestment options, a Plan participant may elect to make optional cash investments at any time or to deposit shares with the Plan Administrator for safekeeping.

11. Can a participant change his or her dividend reinvestment option?

Yes. A participant at any time may change his or her dividend reinvestment election to any of the other dividend reinvestment options by accessing his or her account online at the Plan Administrator's website, by contacting the Plan Administrator or by completing a new Enrollment Form and returning it to the Plan Administrator. Any change received by the Plan Administrator on or prior to the record date for a dividend payment will become effective for that dividend payment.

12. When will the dividend reinvestment purchases be made?

The investment date for the reinvestment of cash dividends is the dividend payment date. If a dividend payment date falls on a weekend, holiday or another day on which the New York Stock Exchange is closed, the investment date will be the next trading day. Shares of common stock acquired from us will be purchased on the investment date and will be credited to participants' accounts on that day or as soon as practicable thereafter. The purchase of shares acquired in the open market or in negotiated transactions will begin on the investment date and will be completed as soon as practicable and will be credited to participants' accounts upon the completion of all purchases.

Direct Deposit of Cash Dividends

13. May a participant have cash dividends deposited directly into a designated U.S. bank account?

Yes. Direct deposit of dividends is available to any Plan participant who is receiving cash dividends on all or a portion of his or her shares of our common stock, whether registered in the participant's name or credited to the participant's account under the Plan. A Plan participant may elect to have all cash dividends paid by electronic transfer of funds to a designated account with a U.S. bank or other approved financial institution by sending a completed Authorization for Electronic Direct Deposit Form to the Plan Administrator. This form may be obtained by contacting the Plan Administrator. A stockholder may change the designated account or discontinue receiving direct deposit of dividends at any time by contacting the Plan Administrator.

Optional Cash Investments up to \$100,000 Per Calendar Year

14. How does the optional cash investment feature work for investments up to \$100,000 per year?

Both Plan participants and our registered stockholders who are not Plan participants are permitted to purchase additional shares of our common stock through optional cash investments. Each optional cash investment must be a minimum of \$50 and, in the aggregate, cannot exceed \$100,000 in any calendar year. Funds tendered that are less than the minimum investment amount or in excess of the maximum annual amount will be returned to the investor. There is no obligation to make an optional cash investment nor is there a requirement that the same amount be invested each time an optional cash investment is made. Payments for optional cash investments can be made by check or by online authorization of a one-time debit or automatic monthly debits from a designated account with a U.S. bank or other approved financial institution as more fully described in Question No. 19.

A registered stockholder who is not a Plan participant at the time of an optional cash investment, as a condition to the investment, must enroll in the Plan by completing an Enrollment Form and returning it to the Plan Administrator at the address indicated in Question No. 3. An Enrollment Form may be obtained by contacting the Plan Administrator.

A stockholder also may enroll in the Plan online by accessing the Plan Administrator's website, authenticating his or her online account and completing an online Enrollment Form.

All shares of common stock purchased with optional cash investments will be credited to a participant's account under the Plan (or in the case of a registered stockholder who prior to the purchase was not a Plan participant,

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shares will be credited to a newly-established account under the Plan). Thereafter, all dividends on such shares will either be reinvested or paid to the participant in cash, depending on the participant's dividend reinvestment election. See Question No. 10.

15. When will optional cash investment purchases be made?

The investment date for optional cash investments (other than purchases pursuant to grants of Requests for Waiver as described below) is the fifth day of each month, except months in which the fifth day falls on a weekend, holiday or another day when the New York Stock Exchange is closed, in which case the investment date will be the next trading day. Funds for optional cash investments received by the Plan Administrator on or before the second business day prior to an investment date will be used to purchase shares of common stock on or beginning on the investment date. Funds for optional cash investments received later than the second business day prior to an investment date will be held by the Plan Administrator until the next monthly investment date, unless a request for the return of the funds is received by the Plan Administrator at least two business days prior to the next monthly investment date.

Shares of common stock acquired from us will be purchased on the investment date and will be credited to participants' accounts on that date or as soon as practicable thereafter. The purchase of shares acquired in the open market or in negotiated transactions will begin on the investment date and will be completed as soon as practicable and will be credited to participants' accounts upon the completion of all purchases.

16. Is interest paid on funds tendered for optional cash investments that are received prior to an investment date?

No. Under no circumstances will interest be paid on funds for optional cash investments tendered at any time prior to the investment date. Participants are therefore urged to time the transmittal of funds for optional cash investments so that they are received by the Plan Administrator as close as possible to, but no later than two business days in advance of, an investment date.

17. Under what circumstances may a participant rescind an optional cash investment request?

Funds for optional cash investments received by the Plan Administrator will be returned to the participant upon request if received by the Plan Administrator at least two business days prior to the next monthly investment date.

Requests for Waiver for Optional Cash Investments in Excess of \$100,000

18. Under what circumstances may stockholders and new investors make cash investments in excess of \$100,000 per calendar year?

Optional cash investments in our common stock in excess of \$100,000, including initial investments in excess of \$100,000, may be made by current stockholders (including Plan participants) and new investors only if we grant a waiver of the \$100,000 limit. We may elect in our sole discretion, from time to time or on a periodic schedule as we determine, to initiate the procedures by which stockholders and new investors can request a waiver of the \$100,000 limit (a Request for Waiver). All shares purchased pursuant to a Request for Waiver will be sold by us. We have established the following procedures governing Requests for Waiver.

Submitting a Request for Waiver

On the first business day of each month, we will post a prerecorded telephone message (telephone number: 302.734.6019) either (i) announcing that we are or are not receiving Requests for Waiver for that month or (ii) providing a specified date for prospective investors to call back for an announcement of whether we will be

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accepting Requests for Waiver for that month. If we indicate in the initial or a subsequent announcement that we are receiving Requests for Waiver for that month, the announcement will specify (in each case as more fully described below):

the commencement date of the pricing period and the number of trading days in the pricing period or the date on which we will announce the commencement date and number of trading days in the pricing period;

the threshold price, if we determine that the proposed sale of shares will be subject to a threshold price, or the date on which we will announce whether the proposed sale of shares will be subject to a threshold price;

whether the offering will include the pricing period extension feature, or the date on which we will announce whether the offering will include the pricing period extension feature; and

whether shares are being offered at a discount to the market price and, if so, what percentage, or the date on which we will announce whether shares are being offered at a discount to the market price and, if so, what percentage.

All announcements by Chesapeake Utilities regarding Requests for Waiver will be made by a prerecorded telephone message (telephone number: 302.734.6019) that is posted no later than 9:00 a.m. Eastern Time on the day in question.

A stockholder or new investor wishing to purchase common stock on the terms that we specify must complete and submit a Request for Waiver form to us indicating the dollar amount proposed to be invested. All Requests for Waiver must be received by us via facsimile at 302.734.6750, or via other methods of communication specified in the prerecorded telephone message, no later than 2:00 p.m. Eastern Time on the third business day prior to the commencement of the pricing period. A Request for Waiver form may be obtained by contacting us.

We will decide whether to accept any or all of the Requests for Waiver received, and will notify any investors whose Requests for Waiver have been accepted, by 9:00 a.m. Eastern Time on the second business day prior to the commencement of the pricing period. We may accept Requests for Waiver in whole or in part, in our sole discretion.

The Plan Administrator must receive the funds for the purchase of shares pursuant to an accepted Request for Waiver by wire transfer no later than 2:00 p.m. Eastern Time on the business day prior to the commencement of the pricing period. Wire transfer instructions may be obtained by contacting the Plan Administrator. Once funds are received by the Plan Administrator for the purchase of shares pursuant to a Request for Waiver, the obligation of a stockholder or new investor to purchase the shares becomes legally binding, and the funds will only be returned as we direct. If sufficient funds to cover the full amount of an accepted Request for Waiver are not received by the 2:00 p.m. Eastern Time deadline, we may, in our sole discretion, elect either to revoke our acceptance of the Request for Waiver or to deem the Request for Waiver accepted as to the lesser amount of funds. Any funds received in respect of a revoked Request for Waiver will be returned without interest.

If Requests for Waiver are submitted for a total amount greater than the amount we are willing to accept for any investment date, we may honor the requests received on any basis that we, in our sole discretion, consider appropriate. We have sole and absolute discretion to accept or reject any or all Requests for Waiver and have no obligation to disclose the reasons for our decision.

Aside from posting recorded telephone messages, neither Chesapeake Utilities nor the Plan Administrator is required to provide written or other notice of our decision to receive the submission of Requests for Waiver or the terms on which shares of common stock are being offered. However, we may, if we so elect, provide such further or alternative notices of a decision to receive Requests for Waiver as we determine to be appropriate.

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Without limitation on our right to accept or reject Requests for Waiver in our sole discretion, we reserve the right to terminate any account or deny any Request for Waiver if we believe a purchaser is making excessive optional cash investments through multiple stockholder accounts, is engaging in arbitrage activities or is otherwise engaging in activities under the Plan in a manner which is not in our best interest or which may cause the participant to be treated as an underwriter under the Federal securities laws.

Pricing Period

We will specify in the prerecorded message announcing whether we are receiving Requests for Waiver for a particular month or in a subsequent prerecorded message for that month the number of consecutive trading days (generally between five and ten days) over which the purchase price of our common stock pursuant to accepted Requests for Waiver will be calculated (the pricing period). The purchase price of shares will be calculated based upon the unsolicited volume weighted average price, rounded to four decimal places, of our common stock obtained from Bloomberg, LP for the trading hours from 9:30 a.m. to 4:00 p.m. Eastern Time, up to and including the closing price, (the trading price) for each trading day during the designated pricing period, calculated pro-rata on a daily basis. For example, assume we have established a ten-day pricing period and have granted a Request for Waiver for an investment of \$100,000. To calculate the number of shares of common stock to be purchased, a hypothetical number of shares will be deemed purchased on each day of the pricing period, which will be determined by dividing a pro rata portion of the entire optional cash investment amount, in this case \$10,000 (1/10 of the entire investment amount), by the trading price on that day. On the last day of the pricing period, the entire optional cash investment amount of \$100,000 will be divided by the total number of hypothetical shares deemed purchased over the ten-day pricing period to establish the purchase price (rounded to four decimal places) for the \$100,000 investment. That purchase price will then be reduced by the amount of the waiver discount (as described below), if any. The actual number of shares purchased from us will be calculated by dividing the total investment amount, \$100,000, by the purchase price (or discounted purchase price, if applicable).

The investment date for the purchase of shares of our common stock pursuant to a Request for Waiver will be the last day of the pricing period (or, if applicable, the extended pricing period, as described below). On the investment date, the Plan Administrator will apply all funds submitted pursuant to accepted Requests for Waiver (or a lesser amount if, as more fully described below, a threshold price is established, but not satisfied on one or more days during the pricing period) to the purchase of shares of our common stock from us.

Threshold Price

We may, in our sole discretion, establish for any pricing period, a threshold price applicable to optional cash investments made pursuant to Requests for Waiver. The threshold price will be the minimum price used for the determination of the purchase price of our common stock pursuant to Requests for Waiver during the pricing period. The establishment of a threshold price will be announced either in the prerecorded message announcing the receipt of Requests for Waiver for a particular month or in a subsequent prerecorded message (posted no later than three business days prior to the first day of the pricing period) for that month. We will establish the threshold price in our sole discretion, based on any factors that we consider relevant.

If a threshold price is established for any pricing period, the unsolicited volume weighted average price obtained from Bloomberg, LP (rounded to four decimal places), for the trading hours from 9:30 a.m. to 4:00 p.m. Eastern Time, up to and including the closing price, must equal or exceed the threshold price in order to be taken into account in establishing the purchase price of the shares of our common stock pursuant to accepted Requests for Waiver. In the event the threshold price is not satisfied for one or more trading days in the pricing period or there are no trades of our common stock reported by the New York Stock Exchange for one or more trading days in the pricing period (and

assuming we have not announced the activation of the optional pricing period extension feature, as described below), then (i) those trading days will be excluded from the pricing period and (ii) the amount to be invested pursuant to each accepted Request for Waiver will be reduced in proportion to the number

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of days in the pricing period on which the threshold price was not satisfied or there were no trades in our common stock reported by the New York Stock Exchange. For example, assume we have established a ten-day pricing period and have granted a Request for Waiver for an investment of \$100,000. Further, assume that we have established a threshold price of \$50, which is satisfied on eight of the ten days in the pricing period. As a consequence, the pricing period will be reduced to eight days and the amount permitted to be invested pursuant to the Request for Waiver will be reduced to \$80,000. To calculate the number of shares of our common stock to be purchased, a hypothetical number of shares will be deemed purchased on each day of the eight days in the pricing period, which will be determined by dividing a pro rata portion of the permitted optional cash investment, in this case \$10,000 (1/8 of the permitted investment amount) by the trading price on that day. On the last day of the pricing period, the permitted optional cash investment amount of \$80,000 will be divided by the total number of hypothetical shares deemed purchased over the eight-day pricing period to establish the purchase price (rounded to three decimal places) for the \$80,000 investment. That purchase price will then be reduced by the amount of the waiver discount (as described below), if any. The actual number of shares purchased from us will be calculated by dividing the permitted investment amount, \$80,000, by the purchase price (or discounted purchase price, if applicable).

The portion of the funds tendered that are not used to purchase shares of our common stock will be returned, without interest, to the stockholder or new investor as soon as reasonably practicable after the end of the pricing period.

Optional Pricing Period Extension Feature

We may elect in connection with purchases pursuant to Requests for Waiver during any pricing period whether to activate the optional pricing extension feature. We will announce whether we have elected to activate this feature in the prerecorded message announcing whether we are receiving Requests for Waiver for a particular month or in a subsequent prerecorded message (posted no later than three business days prior to the first day of the pricing period) for that month. If activated, the optional pricing period extension feature provides for an extension of the initial pricing period by the number of days (up to a maximum of five days) during the initial pricing period on which the threshold price is not met or there are no reported trades of our common stock on the New York Stock Exchange. If the threshold price is satisfied on any day during the extended pricing period, that day will be included as a trading day for the pricing period in lieu of the day on which the threshold price was not met or there were no reported trades. For example, if the pricing period is to be ten trading days, and the threshold price is not satisfied for three out of those ten days, and we had previously announced that the optional pricing period extension feature has been activated, then the pricing period will automatically be extended for an additional three trading days, and if the threshold price is satisfied on two of the next three trading days, then those two trading days will be included in the pricing period in lieu of two of the three days on which the threshold price was not met or there are no reported trades of our common stock on the New York Stock Exchange. As a result, the purchase price will be based upon the nine trading days of the initial and extended pricing period on which the threshold price was satisfied and 90% of the funds for optional cash investments pursuant to Requests for Waiver will be invested (as opposed to a pricing period of seven days had the optional pricing period extension feature not been activated, which would have resulted in 30% of the amount tendered for investment pursuant to Requests for Waiver being returned to the stockholder or new investor).

Any portion of the funds tendered that are not used to purchase shares of our common stock will be returned, without interest, to the stockholder or new investor as soon as reasonably practicable after the end of the extended pricing period.

Waiver Discount

We may elect, in our sole discretion, in connection with purchases pursuant to Requests for Waiver during any pricing period whether to establish a waiver discount of up to 2% of the purchase price that otherwise would apply. We will

announce this decision in the prerecorded message announcing whether we are accepting

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Requests for Waiver for a particular month or at a subsequent prerecorded message (posted no later than three business days prior to the first day of the pricing period) for that month. The waiver discount may vary from month to month, but will apply uniformly to all optional cash investments made pursuant to Requests for Waiver with respect to a particular month.

We will determine, in our sole discretion, whether to establish a waiver discount after a review of current market conditions and our current and projected capital needs and any other factors that we consider relevant.

Methods of Payment

19. What payment methods are accepted by the Plan Administrator?

Plan participants, registered stockholders who are not Plan participants and new investors purchasing shares of our common stock through optional cash investments are required to deliver payment for the shares to the Plan Administrator. **Payments should not be mailed or otherwise delivered to us.**

The Plan Administrator will accept the following methods of payment for optional cash investments of \$100,000 or less. Instruction for the submission of payment for investments pursuant to Requests for Waiver has been previously discussed in Question No. 18.

By Check

The Plan Administrator will accept personal checks in U.S. funds and drawn against a U.S. bank or other approved financial institution for payment of optional cash investments by stockholders and new investors. All such checks should be made payable to Computershare Chesapeake Utilities Corporation. Cash, traveler's checks, money orders and third-party checks will not be accepted. If the stockholder making the optional cash investment is not a participant in the Plan, the check must accompany the Enrollment Form, which can be obtained by mail or online, or by calling the Plan Administrator. If a new investor is making an initial investment, the check must accompany the Initial Enrollment Form, which can be obtained by mail or online, or by calling the Plan Administrator. All checks and the appropriate form(s) should be mailed to the Plan Administrator at the address specified in Question No. 3. Checks received without the required accompanying form(s) may be returned by the Plan Administrator.

By One-Time Online Debit From a Designated Account

As an alternative to payment for an optional cash investment by check, a Plan participant or registered stockholder may authorize a one-time online debit from a checking or savings account mai