

CHESAPEAKE UTILITIES CORP

Form S-4

July 24, 2009

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As filed with the Securities and Exchange Commission on July 24, 2009.

Registration No. 333-[ ]

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form S-4**

**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)*

**4923**  
*(Primary Standard Industrial  
Classification Code Number)*

**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)*

*Copy to:*

**Jeffrey E. Decker, Esq.  
Baker & Hostetler LLP  
200 South Orange Avenue  
Suite 2300  
Orlando, Florida 32801  
(407) 649-4017**

**Approximate date of commencement of the proposed sale of the securities to the public:** As soon as practicable after this registration statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, 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, 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(d) 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.

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  Smaller reporting company   
(Do not check if a smaller reporting company)

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered(1)</b>	<b>Proposed Maximum Offering Price per Share</b>	<b>Proposed Maximum Aggregate Offering Price(2)</b>	<b>Amount of Registration Fee</b>
Common stock, par value \$0.4867 per share	2,600,000	N/A	\$89,591,100	\$4,999.18

(1) Represents the maximum number of shares of common stock, par value of \$0.4867 per share, of Chesapeake Utilities Corporation estimated to be issuable upon the completion of the merger described herein, based on the number of shares of Florida Public Utilities Company common stock estimated to be outstanding immediately prior to the merger described herein, and the exchange of each such share of Florida Public Utilities Company common stock for 0.405 of a share of Chesapeake Utilities Corporation common stock, pursuant to the merger

agreement described herein.

- (2) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(f)(1) and 457(c) under the Securities Act, the proposed maximum aggregate offering price was calculated based upon the market value of shares of Florida Public Utilities Company common stock (the securities to be cancelled in the merger) in accordance with Rule 457(c) under the Securities Act as follows: the product of (1) \$13.955, the average of the high and low prices per shares of Florida Public Utilities Company common stock on July 17, 2009, as quoted on the NYSE Amex, multiplied by (2) 6,420,000, the number of shares of Florida Public Utilities Company common stock that may be exchanged in the merger.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.**

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The information in this preliminary joint proxy statement/prospectus is not complete and may change. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary joint proxy statement/prospectus is not an offer to sell and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**PRELIMINARY COPY SUBJECT TO COMPLETION, DATED JULY 24, 2009**

Dear Chesapeake Utilities Corporation and Florida Public Utilities Company Shareholders:

On behalf of the boards of directors and management teams of Chesapeake and Florida Public Utilities, we are pleased to enclose the joint proxy statement/prospectus relating to the merger of Chesapeake and Florida Public Utilities. Upon completion of the merger, Florida Public Utilities will be a wholly owned subsidiary of Chesapeake. We believe this merger will create a strong combined company that will deliver important benefits to our shareholders, customers and employees and to the communities we serve.

If the merger is completed, Florida Public Utilities shareholders will receive 0.405 shares of Chesapeake common stock for each share of Florida Public Utilities common stock held. The exchange ratio is fixed. Based on the number of Florida Public Utilities common shares outstanding on [ ], 2009, we estimate that Chesapeake will issue approximately [ ] shares of its common stock, par value \$0.4867 per share, to Florida Public Utilities shareholders in connection with the merger. Chesapeake shareholders will continue to own their existing Chesapeake shares. Based on the number of shares of common stock of Chesapeake and Florida Public Utilities outstanding on [ ], 2009, Chesapeake shareholders immediately prior to the merger will own approximately [ ]% of the combined company and former Florida Public Utilities common shareholders will own approximately [ ]% of the combined company. Chesapeake's common stock will continue to be listed on the New York Stock Exchange, under the symbol CPK .

In connection with the merger, Chesapeake and Florida Public Utilities are each holding a special meeting of their shareholders to consider and vote on the merger and certain other matters. The places, dates and times of the special meetings are as follows:

**For Chesapeake shareholders:**

[ ], [ ], 2009  
The Board Room of PNC Bank, Delaware  
222 Delaware Avenue  
Wilmington, Delaware 19801

**For Florida Public Utilities shareholders:**

[ ], [ ], 2009  
Florida Public Utilities corporate headquarters  
401 South Dixie Highway  
West Palm Beach, Florida 33401

At Chesapeake's special meeting, shareholders will be asked to vote on adoption of the merger agreement, approval of the merger and the issuance of Chesapeake common stock in the merger and certain other matters. At Florida Public Utilities' special meeting, shareholders will be asked to vote on approval of the merger agreement and the merger.

**Before voting, you should carefully review all the information contained in the attached joint proxy statement/prospectus. For a discussion of risk factors that you should consider in evaluating the merger, see**

**Risk Factors beginning on page [ ].**

*Your vote is very important.* Whether or not you expect to attend the applicable special meeting, the details of which are described on the following pages, please complete, sign, date and promptly return the accompanying proxy card in the enclosed envelope or submit your vote by telephone or over the Internet if that option is available to you. We enthusiastically support the merger of our two companies and join with our boards of directors in recommending that you vote **FOR** the proposals related to the merger.

Sincerely,

John R. Schimkaitis  
*President and CEO*  
*Chesapeake Utilities Corporation*

Sincerely,

John T. English  
*Chairman, President and CEO*  
*Florida Public Utilities Company*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger described in this joint proxy statement/prospectus nor have they approved or disapproved the issuance of the Chesapeake common stock to be issued in connection with the merger, or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated [ ], 2009, and is first being mailed to the shareholders of Chesapeake and Florida Public Utilities on or about [ ], 2009.

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF  
CHESAPEAKE UTILITIES CORPORATION  
TO BE HELD ON [        ], 2009**

To the Shareholders of Chesapeake Utilities Corporation:

We will hold a special meeting of the shareholders of Chesapeake Utilities Corporation, on [        ], 2009 at [        ], Eastern Daylight Time, in the Board Room of PNC Bank, Delaware, located at 222 Delaware Avenue, Wilmington, Delaware 19801, to consider and vote upon the following matters:

a proposal to adopt the Agreement and Plan of Merger, dated as of April 17, 2009, by and among Chesapeake, Florida Public Utilities Company and CPK Pelican, Inc., and approve the merger and the issuance of Chesapeake common stock in the merger. CPK Pelican, Inc. is a wholly owned subsidiary of Chesapeake that will merge into Florida Public Utilities; and

a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

Only holders of record of Chesapeake common stock at the close of business on [        ], 2009, the record date for the special meeting, are entitled to receive this notice and to vote their shares at the special meeting or any adjournment or postponement of the special meeting.

We cannot complete the merger described above unless holders of a majority of all shares of Chesapeake common stock outstanding that are entitled to vote at the Chesapeake special meeting vote to adopt the merger agreement and approve the merger and the issuance of Chesapeake common stock in the merger.

For more information about the merger and the other transactions contemplated by the merger agreement, please review the accompanying joint proxy statement/prospectus and the merger agreement attached to it.

**The Chesapeake board of directors unanimously recommends that Chesapeake shareholders vote FOR the adoption of the merger agreement and the approval of the merger and the issuance of Chesapeake common stock in the merger and FOR the adjournment of the Chesapeake special meeting if necessary or appropriate to permit further solicitation of proxies.**

By Order of the Board of Directors,

Beth W. Cooper  
*Corporate Secretary*

Dover, Delaware  
[        ], 2009

**IMPORTANT**

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Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy and return it promptly in the enclosed postage-paid envelope. You may also cast your vote by telephone or over the Internet by following the instructions on your proxy card. If you vote by telephone or over the Internet, you do not need to submit your proxy card. **Remember, your vote is important, so please act today!**

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF  
FLORIDA PUBLIC UTILITIES COMPANY  
TO BE HELD ON [        ], 2009**

To the Shareholders of Florida Public Utilities Company:

We will hold a special meeting of the shareholders of Florida Public Utilities Company, on [        ], 2009 at [        ], Eastern Daylight Time, at Florida Public Utilities corporate headquarters, located at 401 South Dixie Highway, West Palm Beach, Florida 33401, to consider and vote upon the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of April 17, 2009, by and among Florida Public Utilities, Chesapeake Utilities Corporation and CPK Pelican, Inc., and the merger contemplated by the merger agreement. CPK Pelican, Inc. is a wholly owned subsidiary of Chesapeake that will merge into Florida Public Utilities; and

a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the foregoing proposal.

Only holders of record of Florida Public Utilities common stock at the close of business on [        ], 2009, the record date for the special meeting, are entitled to receive this notice and to vote their shares at the special meeting or any adjournment or postponement of the special meeting.

We cannot complete the merger described above unless holders of a majority of all shares of Florida Public Utilities common stock outstanding that are entitled to vote at the Florida Public Utilities special meeting vote to approve the merger agreement and the merger.

For more information about the merger and the other transactions contemplated by the merger agreement, please review the accompanying joint proxy statement/prospectus and the merger agreement attached to it.

**The Florida Public Utilities board of directors unanimously recommends that Florida Public Utilities shareholders vote FOR the approval of the merger agreement and the merger and FOR the adjournment of the Florida Public Utilities special meeting if necessary or appropriate to permit further solicitation of proxies.**

By Order of the Board of Directors,

George M. Bachman  
*Secretary*

West Palm Beach, Florida  
[        ], 2009

**IMPORTANT**

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Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign and date the enclosed proxy and return it promptly in the enclosed postage-paid envelope. You may also cast your vote by telephone or over the Internet by following the instructions on your proxy card. If you vote by telephone or over the Internet, you do not need to submit your proxy card. **Please do not send any stock certificates at this time. Remember, your vote is important, so please act today!**

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**REFERENCES TO ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about Chesapeake and Florida Public Utilities from documents that are not included in or delivered with this joint proxy statement/prospectus. You can review documents incorporated by reference in this joint proxy statement/prospectus, other than certain exhibits to those documents, free of charge through the Securities and Exchange Commission website ([www.sec.gov](http://www.sec.gov)) or by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

**Chesapeake Utilities Corporation**

909 Silver Lake Boulevard  
Dover, Delaware 19904  
Attention: Corporate Secretary  
(888) 742-5275

**Florida Public Utilities Company**

401 South Dixie Highway  
West Palm Beach, FL 33401  
Attention: Secretary  
(800) 427-7712

*You will not be charged for any of these documents that you request. Chesapeake and Florida Public Utilities shareholders requesting documents should do so by [ ], 2009, in order to receive them before their respective special meetings.*

See Where You Can Find More Information beginning on page [ ].

**VOTING BY TELEPHONE, INTERNET OR MAIL**

***Chesapeake shareholders of record may submit their proxies by:***

*Telephone.* You can vote by telephone by calling the toll-free number (800) 652-VOTE (8683) in the United States, Canada or Puerto Rico on a touch-tone telephone. You will then be prompted to enter the control number printed on your proxy card and to follow the subsequent instructions. Telephone voting is available 24 hours a day until 11:59 p.m. Eastern Daylight Time on [ ], 2009. If you vote by telephone, you do not need to return your proxy card(s) or voting instruction card(s).

*Internet.* You can vote over the Internet by accessing the website at [www.investorvote.com](http://www.investorvote.com) and following the instructions on the secure website. Internet voting is available 24 hours a day until 11:59 p.m. Eastern Daylight Time on [ ], 2009. If you vote over the Internet, you do not need to return your proxy card(s) or voting instruction card(s).

*Mail.* You can vote by mail by completing, signing, dating and mailing your proxy card(s) or voting instruction card(s) in the postage-paid envelope included with this joint proxy statement/prospectus.

***Florida Public Utilities shareholders of record may submit their proxies by:***

*Telephone.* You can vote by telephone by calling the toll-free number [ ] in the United States, Canada or Puerto Rico on a touch-tone telephone. You will then be prompted to enter the control number printed on your proxy card and to follow the subsequent instructions. Telephone voting is available 24 hours a day until 11:59 p.m. Eastern Daylight Time on [ ], 2009. If you vote by telephone, you do not need to return your proxy card(s) or voting instruction card(s).

*Internet.* You can vote over the Internet by accessing the website at [ ] and following the instructions on the secure website. Internet voting is available 24 hours a day until 11:59 p.m. Eastern Daylight Time on [ ], 2009. If you vote over the Internet, you do not need to return your proxy card(s) or voting instruction card(s).

*Mail.* You can vote by mail by completing, signing, dating and mailing your proxy card(s) or voting instruction card(s) in the postage-paid envelope included with this joint proxy statement/prospectus.

***If you hold your Chesapeake or Florida Public Utilities shares through a bank, broker, custodian or other record holder:***

Please refer to your proxy card or voting instruction form or the information forwarded by your bank, broker, custodian or other record holder to see which voting methods are available to you.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

*The following are answers to certain questions that you may have regarding your special meeting. Chesapeake and Florida Public Utilities urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section may not provide all that might be important to you in determining how to vote. Additional important information is also contained in the annexes to, and the documents incorporated by reference in, this joint proxy statement/prospectus.*

**Q: What will happen in the proposed merger?**

A: Prior to entering into the merger agreement, Chesapeake formed a new wholly owned Florida corporation, CPK Pelican, Inc. CPK Pelican, Inc. will merge into Florida Public Utilities. Florida Public Utilities will continue as the surviving corporation and become a wholly owned subsidiary of Chesapeake.

After the merger, the current shareholders of Chesapeake and common shareholders of Florida Public Utilities will be the shareholders of Chesapeake.

**Q: Why am I receiving this document?**

A: Chesapeake and Florida Public Utilities are delivering this document to you because it is a joint proxy statement being used by both the Chesapeake and Florida Public Utilities boards of directors to solicit proxies of Chesapeake and Florida Public Utilities shareholders in connection with the merger agreement and the merger. In addition, this document is a prospectus being delivered to Florida Public Utilities shareholders because Chesapeake is offering shares of its common stock to be issued in exchange for shares of Florida Public Utilities common stock in connection with the merger.

**Q: What are holders of Florida Public Utilities common stock being asked to vote on?**

A: Holders of Florida Public Utilities common stock are being asked to approve the merger agreement and the merger and to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of approval of the merger agreement and the merger.

**Q: What are holders of Chesapeake common stock being asked to vote on?**

A: Holders of Chesapeake common stock are being asked to adopt the merger agreement and approve the merger and the issuance of Chesapeake common stock in the merger and to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of adoption of the merger agreement and approval of the merger and the issuance of Chesapeake common stock in the merger.

**Q: Why have Chesapeake and Florida Public Utilities decided to merge?**

A: Chesapeake and Florida Public Utilities believe that the merger will provide strategic and financial benefits to shareholders, customers and employees, including:

increased scale and scope of the combined company's energy presence in Florida;

a stronger utility business platform;

a diversified customer base, energy portfolio and utility foundation, as well as a broader geographical presence;  
common regulatory framework and Florida's supportive regulatory climate;  
increased capabilities to serve the expected future growth in Florida;  
combined expertise;  
synergistic opportunities;  
continued focus on reliability and customer service;  
increased financial flexibility and continued access to capital markets; and  
a stronger utility infrastructure to support continued growth in the local communities.

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**Q: Why is my vote important?**

A: If you do not return your proxy card by mail or submit your proxy by telephone or over the Internet or vote in person at your special meeting, it may be difficult for Chesapeake and Florida Public Utilities to obtain the necessary quorum to hold their respective special meetings.

In addition, if you are a Chesapeake shareholder, **your failure to vote will have the same effect as a vote against adoption of the merger agreement and approval of the merger and the issuance of Chesapeake common stock in the merger.** With respect to the proposal to adjourn the special meeting if necessary or appropriate in order to solicit additional proxies, an abstention will have the same effect as a vote against the proposal. **Chesapeake's board of directors unanimously recommends that the Chesapeake shareholders vote FOR the adoption of the merger agreement and the approval of the merger and the issuance of Chesapeake common stock in the merger and FOR the adjournment of the Chesapeake special meeting if necessary or appropriate to permit further solicitation of proxies.**

If you are a Florida Public Utilities shareholder, **your failure to vote will have the same effect as a vote against approval of the merger agreement and the merger.** With respect to the proposal to adjourn the special meeting if necessary or appropriate in order to solicit additional proxies, an abstention will have the same effect as a vote against the proposal. **Florida Public Utilities' board of directors unanimously recommends that the Florida Public Utilities shareholders vote FOR the approval of the merger agreement and the merger and FOR the adjournment of the Florida Public Utilities special meeting if necessary or appropriate to permit further solicitation of proxies.**

**No matter how many or few shares you own you are encouraged to vote and have your voice heard.**

**Q: When and where are the special meetings?**

A: The Chesapeake special meeting will take place on [ ], 2009 at [ ], Eastern Daylight Time, in the Board Room of PNC Bank, Delaware, located at 222 Delaware Avenue, Wilmington, Delaware 19801.

The Florida Public Utilities special meeting will take place on [ ], 2009 at [ ], Eastern Daylight Time, at Florida Public Utilities' corporate headquarters, located at 401 South Dixie Highway, West Palm Beach, Florida 33401.

Additional information relating to the Chesapeake and Florida Public Utilities special meetings is set forth on pages [ ] and [ ], respectively.

**Q: What will I receive for my common shares in Florida Public Utilities?**

A: As a result of the merger, the holders of Florida Public Utilities common stock will receive 0.405 shares of Chesapeake common stock for each share of Florida Public Utilities common stock held. Holders of Florida Public Utilities common stock will receive cash in lieu of fractional shares.

**Q: What vote is required to approve the merger and related matters?**

A: For Chesapeake, the affirmative vote of a majority of its shares of common stock outstanding and entitled to vote as of the record date is required to adopt the merger agreement and approve the merger and the issuance of Chesapeake common stock in the merger.

For Florida Public Utilities, the affirmative vote of a majority of its shares of common stock outstanding and entitled to vote as of the record date is required to approve the merger agreement and the merger.

Additional information on the vote required to approve the merger and related matters is located on page [ ] for Chesapeake and on page [ ] for Florida Public Utilities.

**Q: What will happen to my dividends?**

A: Florida Public Utilities may continue to pay its regular quarterly cash dividend in amounts consistent with past practice and does not currently anticipate making any changes to its dividend policy prior to the consummation of the merger. Similarly, Chesapeake may continue to pay its regular quarterly cash dividend in

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amounts consistent with past practice and does not currently anticipate making any changes to its dividend policy prior to the consummation of the merger.

Chesapeake currently expects to continue its dividend policy after consummation of the merger. Additional information on Chesapeake's expected dividend policy after the merger is located on page [ ].

**Q: What do I need to do now?**

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please vote promptly by calling the toll-free number listed on your proxy card, accessing the Internet website listed on your proxy card or by completing, signing and dating your proxy card and returning it by mail in the enclosed postage-paid envelope. If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. Submitting your proxy by telephone, Internet or mail or directing your bank or broker to vote your shares will ensure that your shares are represented and voted at your special meeting; see *Can I attend the special meeting and vote my shares in person?*

Florida Public Utilities shareholders should not send in their share certificates now. After the merger is approved, holders of Florida Public Utilities common shares will receive instructions as to what to do with their share certificates. Chesapeake shareholders will not need to take any action regarding their share certificates.

Additional information on voting procedures begins on page [ ] for Chesapeake and on page [ ] for Florida Public Utilities.

**Q: How will my proxy be voted?**

A: If you vote by telephone, over the Internet, or by completing, signing, dating and returning your signed proxy card, your proxy will be voted in accordance with your instructions. The proxy confers discretionary authority to the named proxies. Accordingly, if you complete, sign, date and return your proxy card and do not indicate how you want to vote, your shares will be voted, in the case of Chesapeake, FOR the adoption of the merger agreement and the approval of the merger and the issuance of Chesapeake common stock in the merger and, in the case of Florida Public Utilities, FOR the approval of the merger agreement and the merger.

Additional information on voting procedures is located beginning on page [ ] for Chesapeake and on page [ ] for Florida Public Utilities.

**Q: If my broker holds my shares in street name, will my broker automatically vote my shares for me?**

A: No. If you do not provide your broker with instructions on how to vote your street name shares, your broker **will not** be permitted to vote them on your behalf. You should therefore be sure to provide your broker with instructions on how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker to see if the broker offers telephone or Internet voting. **All shareholders are urged to have their voices heard on this important matter please vote your shares today.**

**Q: What if I fail to instruct my broker?**

A: If you fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, referred to as a broker non-vote, the broker non-vote will be counted toward a quorum at your respective special meeting, but effectively will be treated as a vote against the proposals unless you appear and vote in person at your special

meeting.

Information on changing your vote if your shares are held in street name is located on page [ ] for Chesapeake and on page [ ] for Florida Public Utilities.

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**Q: Can I attend the special meeting and vote my shares in person?**

A: Yes. All holders of Chesapeake common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, custodians or any other record holder, are invited to attend the Chesapeake special meeting. Holders of record of Chesapeake common stock as of the record date can vote in person at the Chesapeake special meeting. If you are not a shareholder of record, you must obtain a valid proxy, executed in your favor, from the record holder of your shares, such as a bank, broker, custodian or other record holder, to be able to vote in person at the Chesapeake special meeting.

All holders of Florida Public Utilities common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, custodians or any other record holder, are invited to attend the Florida Public Utilities special meeting. Holders of record of Florida Public Utilities common stock as of the record date can vote in person at the Florida Public Utilities special meeting. If you are not a shareholder of record, you must obtain a valid proxy, executed in your favor, from the record holder of your shares, such as a bank, broker, custodian or other record holder, to be able to vote in person at the Florida Public Utilities special meeting.

If you plan to attend either the Chesapeake or Florida Public Utilities special meeting, as applicable, you must hold your shares in your own name, or have a letter or recent brokerage statement from the record holder of your shares confirming your ownership, and you must bring a form of personal photo identification with you in order to be admitted. Chesapeake and Florida Public Utilities reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification.

**Q: Is the merger expected to be taxable to Florida Public Utilities shareholders?**

A: Generally, no. The merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, referred to as the Code. It is intended that holders of Florida Public Utilities common stock will not recognize any gain or loss for federal income tax purposes on the exchange of shares of Florida Public Utilities common stock for shares of Chesapeake common stock in the merger, except with respect to cash received instead of fractional shares of Chesapeake common stock.

You should read *The Merger – Material Federal Income Tax Consequences of the Merger* beginning on page [ ] for a more complete discussion of the United States federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. **You should consult your tax advisor to determine the tax consequences of the merger to you.**

**Q: What does it mean if I receive more than one set of materials?**

A: This means you own shares of both Chesapeake and Florida Public Utilities or you own shares of Chesapeake or Florida Public Utilities that are registered under different names. For example, you may own some shares directly as a shareholder of record and other shares through a broker, or you may own shares through more than one broker. In these situations, you will receive multiple sets of proxy materials. You must complete, sign, date and return all of the proxy cards or follow the instructions for any alternative voting procedures on each of the proxy cards you receive in order to vote all of the shares you own. Each proxy card you receive will come with its own postage-paid return envelope; if you vote by mail, make sure you return each proxy card in the return envelope that accompanied that proxy card.

**Q: What can I do if I want to change or revoke my vote?**



A: Regardless of the method you used to cast your vote, if you are a holder of record, you may change your vote by completing, signing, dating and returning a new proxy card with a later date, by calling the toll-free number listed on the proxy card or by accessing the Internet website listed on the proxy card by Eastern Daylight Time on [ ], 2009 or by attending your special meeting and voting by ballot at your special meeting. You may also revoke your proxy card by sending a notice of revocation, which must be received prior to your special meeting, to the designated representative of the appropriate company at the address provided under Where You Can Find Additional Information on page [ ].

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If you hold your shares in street name, and wish to change or revoke your vote, please refer to the information on the voting instruction form included with these materials and forwarded to you by your bank, broker, custodian or other record holder to see your voting options.

Additional information on changing your vote is located on page [ ] for Chesapeake and on page [ ] for Florida Public Utilities.

**Q: As a participant in the Chesapeake 401(k) Retirement Savings Plan, how do I vote shares held in my plan account?**

A: If you are a participant in Chesapeake's 401(k) Retirement Savings Plan, you will receive proxy materials and a proxy card from the trustee of the Plan. You can complete the proxy card in order to instruct the trustee how to vote the shares of stock that are allocated to your account. If you do not instruct the trustee how to vote your shares, the trustee will vote them, based upon the recommendation of the Chesapeake board of directors, in favor of the adoption of the merger agreement and approval of the merger and the issuance of Chesapeake common stock in the merger and in favor of adjournment of the Chesapeake special meeting if necessary or appropriate to permit further solicitation of proxies. Likewise, the trustee will vote shares that have not been allocated to any account in the same manner.

**Q: If I am a holder of Florida Public Utilities common stock with shares represented by stock certificates, should I send in my Florida Public Utilities stock certificates now?**

A: No. You should not send in your Florida Public Utilities stock certificates at this time. After completion of the merger, Chesapeake will send you instructions for exchanging Florida Public Utilities stock certificates for the merger consideration.

**Q: Will Chesapeake shareholders receive any shares as a result of the merger?**

A: No. Chesapeake shareholders will continue to hold the Chesapeake shares they currently own.

**Q: When do you expect to complete the merger?**

A: Chesapeake and Florida Public Utilities expect to complete the merger during the fourth quarter of 2009, although completion by any particular date cannot be assured.

**Q: Whom should I call if I have questions about the special meeting or the merger?**

A: Chesapeake shareholders should call Georgeson Inc., Chesapeake's proxy solicitor, at 888-666-2580.

Florida Public Utilities shareholders should call Mackenzie Partners, Inc., Florida Public Utilities' proxy solicitor, at 800-322-2885.

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**SUMMARY**

**This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. To fully understand the merger and for a more complete description of the legal terms of the merger agreement, you should carefully read this entire document and the documents referred to herein. See **Where You Can Find More Information** on page [ ]. Chesapeake and Florida Public Utilities have included page references parenthetically to direct you to a more complete description of the topics presented in this summary.**

**The Companies (see page [ ])**

**Chesapeake Utilities Corporation**

909 Silver Lake Boulevard

Dover, DE 19904

(302) 734-6799

Internet address: *www.chpk.com*

Incorporated in 1947, Chesapeake is a diversified utility company engaged in natural gas distribution, transmission and marketing, propane distribution and wholesale marketing, advanced information services and other related businesses. In total, Chesapeake currently serves approximately 100,000 distribution customers with either natural gas or propane gas. Chesapeake employs 448 people and generated \$291.4 million in revenues for 2008.

**Florida Public Utilities Company**

401 South Dixie Highway

West Palm Beach, Florida 33401

(561) 832-0872

Internet address: *www.fpuc.com*

Founded in 1924, Florida Public Utilities distributes natural gas, propane and electricity to residential, commercial and industrial customers in Florida. Florida Public Utilities is organized into two regulated business segments – natural gas and electric; and one non-regulated business segment – propane gas. Florida Public Utilities also sells merchandise and other service-related products as a complement to its natural gas and propane segments. Florida Public Utilities serves approximately 96,000 customers, employs 348 people and generated \$168.5 million in revenues for 2008.

**The Merger (see page [ ])**

Under the terms of the proposed merger, CPK Pelican, Inc., a wholly owned subsidiary of Chesapeake formed for the purpose of the merger, will be merged with and into Florida Public Utilities. As a result, Florida Public Utilities will continue as the surviving corporation and will become a wholly owned subsidiary of Chesapeake. Accordingly, Florida Public Utilities shares will no longer be publicly traded. Chesapeake common shares will continue to be traded on the New York Stock Exchange, referred to as the NYSE, under the symbol CPK .

The merger agreement is attached as Annex A to this joint proxy statement/prospectus. Please read the merger agreement carefully and fully as it is the legal document that governs the merger. For a summary of the merger agreement, see **The Merger Agreement** on page [ ].

**What Holders of Florida Public Utilities Common Stock Will Receive in the Merger (see page [ ])**

Under the terms of the merger agreement, holders of Florida Public Utilities common stock will have a right to receive 0.405 of a share of Chesapeake common stock for each share of Florida Public Utilities common stock held immediately prior to the merger. Chesapeake will not issue any fractional shares of Chesapeake common stock in the merger. Instead, a holder of Florida Public Utilities common stock who otherwise would have received a fraction of a share of Chesapeake common stock will receive an amount in

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cash rounded to the nearest cent. This cash amount will be determined by multiplying the fraction of a share of Chesapeake common stock to which the holder would otherwise be entitled by the average of the closing sale prices of Chesapeake common stock on the NYSE for the 15 trading days ending on the third trading day immediately preceding the date on which the merger is completed.

*Example: If you own 100 shares of Florida Public Utilities common stock, you will be entitled to receive 40 shares of Chesapeake common stock and a cash payment instead of the 0.5 shares of Chesapeake common stock that you otherwise would have received.*

The number of shares of Chesapeake common stock issued in the merger for each share of Florida Public Utilities common stock is fixed. Accordingly, common shareholders of Florida Public Utilities may receive more or less value depending on fluctuations in the price of Chesapeake common stock. At the time of their respective special meetings, Chesapeake and Florida Public Utilities shareholders will not know the exact value of the Chesapeake common stock that will be issued in connection with the merger.

## **Material Federal Income Tax Consequences of the Merger (see page [ ])**

The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to the respective obligations of Chesapeake and Florida Public Utilities to complete the merger that each of Chesapeake and Florida Public Utilities receive a legal opinion to that effect. Accordingly, the merger generally will be tax-free to holders of Florida Public Utilities common stock for United States federal income tax purposes as to the shares of Chesapeake common stock such holders receive in the merger, except for any gain or loss that may result from the receipt of cash instead of fractional shares of Chesapeake common stock that such holders would otherwise be entitled to receive.

*The United States federal income tax consequences described above may not apply to all holders of Florida Public Utilities common stock. Your tax consequences will depend on your individual situation. Accordingly, please consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.*

## **Recommendations by Boards of Directors (see page [ ])**

### *Recommendation of the Chesapeake Board:*

The Chesapeake board of directors believes that the merger agreement and the merger are in the best interests of Chesapeake and its shareholders and has approved the merger agreement and the merger. The Chesapeake board of directors recommends that Chesapeake shareholders vote **FOR** the proposal to adopt the merger agreement and approve the merger and the issuance of Chesapeake common stock in the merger.

### *Recommendation of the Florida Public Utilities Board:*

The Florida Public Utilities board of directors believes that the merger is in the best interests of Florida Public Utilities and its shareholders and has approved the merger agreement and the merger. The Florida Public Utilities board of directors recommends that Florida Public Utilities shareholders vote **FOR** the proposal to approve the merger agreement and the merger. When you consider the Florida Public Utilities board of directors' recommendation, you should be aware that Florida Public Utilities' directors may have interests in the merger that may be different from, or in addition to, interests of the Florida Public Utilities shareholders. These interests are described in *The Merger Interests of Florida Public Utilities' Directors and Executive Officers in the Merger* beginning on page [ ].

## **Reasons for the Merger (see page [ ])**

The boards of directors of Chesapeake and Florida Public Utilities believe that the merger will benefit shareholders, customers and employees of both companies by creating a combined energy company with greater geographic breadth, organizational capabilities and financial resources to take advantage of existing and new opportunities.

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The boards of both companies believe that the combined company will benefit from:

**Increased Scale and Scope.** The merger will create a larger, regionally focused energy company serving approximately twice the number of energy customers served presently by Chesapeake. As a result of the merger, the combined company's energy presence in Florida will be more comparable to the regional energy presence Chesapeake currently maintains on the Delmarva Peninsula. The combined operations will include sizable customer bases for electric, natural gas and propane in several key markets across Florida including the Southeast, Central, Northeast and Panhandle geographic areas. The increased scale and scope is expected to result in greater efficiencies provided by economies of scale.

**Stronger Utility Business Platform.** Chesapeake's strategy has been to enhance its utility foundation and furthermore to grow its earnings from a stable utility foundation by investing in related businesses and services that provide opportunities for higher returns. The merger will enhance Chesapeake's existing utility foundation as a result of the addition of Florida Public Utilities' natural gas and electric distribution businesses. Increased diversity within the utility portfolio will result from the merger, as Florida Public Utilities' electric business will expand both Chesapeake's energy portfolio and its utility foundation.

**Diversified Portfolio of Investments.** Chesapeake and Florida Public Utilities believe that the combined company will benefit from a more diversified portfolio of investments. Additionally, diversity will result in the combined company's customer base, energy portfolio, utility foundation, as well as its broader geographical presence.

**Common Regulatory Framework and Benefits of Florida's Supportive Regulatory Climate.** Chesapeake and Florida Public Utilities believe that the combined company will benefit from the favorable Florida regulatory framework applicable to the combined company's franchised service areas, diversified regulatory risk and the combined expertise in operating the regulated businesses under complex regulations. In addition, Chesapeake's board of directors considered the long history of the Florida Public Service Commission actively promoting natural gas expansion throughout the state.

**Positioned to Benefit from Future Florida Growth.** Long-term forecasts project Florida to be among the fastest growing states in the country. Although the current economic climate has caused a temporary decline in growth, state projections for Florida anticipate that population growth will begin to slowly increase again in 2010 and accelerate thereafter. Chesapeake and Florida Public Utilities believe that the combined company will be well-positioned to help meet the energy needs of new residential consumers in the combined service territory, along with the commercial development that typically follows. Chesapeake and Florida Public Utilities believe the merger will create a stronger company with increased capabilities to serve the future growth.

**Combined Expertise.** Chesapeake and Florida Public Utilities believe that the combined company will benefit from each company's experience and expertise in the natural gas and propane distribution businesses. In addition, the combined company's natural gas and electric operations will benefit from the regulatory and customer service expertise of each company in Florida. Chesapeake and Florida Public Utilities believe that the combined company will be able to effectively utilize the intellectual capital, technical expertise and experience of a deeper, more diverse workforce.

**Impact on Customers.** Customers will benefit from the economies of scale, the increased availability of capital to extend service to more customers, other operating efficiencies resulting from the merger, and a continued focus on safety and reliability. Chesapeake and Florida Public Utilities believe that the merger will result in a reduction in aggregated rate increase requests for the combined company's natural gas and electric

operations, which would benefit the combined company's utility customers in Florida.

**Synergistic Opportunities.** Chesapeake and Florida Public Utilities believe that the merger presents opportunities to operate more effectively, creating additional efficiencies at all levels of the combined company and enabling further implementation of best practices.



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**Financial Considerations and Increased Financial Strength.** Chesapeake and Florida Public Utilities believe that the increased scale and scope resulting from the merger will generate increased financial flexibility and ensure continued access to capital markets.

**Impact of the Merger on Communities.** Chesapeake and Florida Public Utilities believe that the communities served by the combined company will benefit from each company's history of being a good corporate citizen in their respective communities and supporting growth of the communities they serve. The local communities will benefit from the combined company's ability to provide a stronger utility infrastructure capable of supporting continued growth in the local communities.

As a result, the boards of directors of Chesapeake and Florida Public Utilities believe the merger will lead to more consistent and stronger shareholder and customer value creation over the long-term.

### **Shareholder Votes Required (see page [ ])**

#### *For Chesapeake Shareholders:*

Adoption of the merger agreement and approval of the merger and the issuance of Chesapeake common stock in the merger requires the affirmative vote of at least a majority of the outstanding shares of Chesapeake common stock.

On the record date, directors and executive officers of Chesapeake and their affiliates beneficially owned or had the right to vote [ ] shares of Chesapeake common stock, representing approximately [ ]% of the shares outstanding on the record date. While there are no voting agreements or arrangements with any directors, officers or other shareholders of Chesapeake relating to the merger of which Chesapeake is aware, to Chesapeake's knowledge, directors and executive officers of Chesapeake and their affiliates intend to vote their common stock in favor of the proposal to adopt the merger agreement and approve the merger and the issuance of Chesapeake common stock in the merger.

#### *For Florida Public Utilities Shareholders:*

Approval of the merger agreement and the merger requires the affirmative vote of at least a majority of the outstanding shares of Florida Public Utilities common stock.

On the record date, directors and executive officers of Florida Public Utilities and their affiliates beneficially owned or had the right to vote [ ] shares of Florida Public Utilities common stock, representing approximately [ ]% of the shares of Florida Public Utilities common stock outstanding on the record date. While there are no voting agreements or arrangements with any directors, officers or other shareholders of Florida Public Utilities relating to the merger of which Florida Public Utilities is aware, to Florida Public Utilities' knowledge, directors and executive officers of Florida Public Utilities and their affiliates intend to vote their common stock in favor of the approval of the merger agreement and the merger.

### **Ownership of Chesapeake After the Merger**

Chesapeake will issue approximately [ ] shares of Chesapeake common stock to Florida Public Utilities common shareholders in the merger. At the completion of the merger, it is expected that there will be outstanding approximately [ ] shares of Chesapeake. The shares of Chesapeake common stock to be issued to Florida Public Utilities common shareholders in the merger will represent approximately [ ]% of the outstanding Chesapeake common stock after the merger.

**Conditions to the Completion of the Merger (see page [ ])**

Currently, Chesapeake and Florida Public Utilities expect to complete the merger in the further quarter of 2009. As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, receipt of the requisite approvals of each company s

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shareholders, the receipt of all required regulatory approvals, and the receipt by the companies of a legal opinion regarding the United States federal income tax treatment of the merger.

### **Termination of the Merger Agreement (see page [ ])**

Chesapeake and Florida Public Utilities may mutually agree to terminate the merger agreement before completing the merger, even after Chesapeake shareholder approval and/or Florida Public Utilities shareholder approval, as long as the termination is approved by each of the Chesapeake and Florida Public Utilities board of directors. In addition, either Chesapeake or Florida Public Utilities may terminate the merger agreement, even after Chesapeake shareholder approval and/or Florida Public Utilities shareholder approval, under certain specified circumstances, including:

if the merger has not been completed by January 31, 2010 (subject to possible extension to March 31, 2010 under specified circumstances), unless the failure to complete the merger by that date is due to the terminating party's failure to abide by the merger agreement;

if either party has failed to obtain the requisite vote of its shareholders required for the consummation of the merger at a duly held meeting of its shareholders or at any adjournment or postponement thereof;

if any final and nonappealable government order preventing the merger is in effect;

if the other party materially breaches the merger agreement and such breach is incapable of being or is not timely cured and gives rise to the failure to satisfy a closing condition; or

if the other party suffers a material adverse effect.

In addition, Chesapeake may terminate the merger agreement if Florida Public Utilities' board of directors either changes its recommendation of the merger agreement and the merger in a manner adverse to Chesapeake or recommends a third party takeover proposal of the type described in The Merger Agreement Covenants on page [ ].

Furthermore, Florida Public Utilities may terminate the merger agreement, subject to specified conditions, if Florida Public Utilities' board of directors authorizes Florida Public Utilities to enter into a written agreement concerning a transaction that Florida Public Utilities' board of directors has determined in accordance with the merger agreement is a superior proposal of the type described in The Merger Agreement Covenants on page [ ].

### **Termination Fee (see page [ ])**

Under certain circumstances involving a third-party takeover proposal of Florida Public Utilities or a change in the Florida Public Utilities board of directors' recommendation of the merger agreement and the merger, Florida Public Utilities may be required, subject to certain conditions, to pay a termination fee of \$3.4 million to Chesapeake.

### **No Solicitation (see page [ ])**

The merger agreement restricts the ability of Florida Public Utilities to solicit or engage in discussions or negotiations with a third party regarding a takeover proposal of the type described in The Merger Agreement Covenants. If, however, Florida Public Utilities receives an unsolicited takeover proposal from a third party that Florida Public Utilities' board of directors determines in good faith, after consultation with its legal and financial advisors, constitutes a superior proposal of the type described in The Merger Agreement Covenants or there is a reasonable likelihood that the proposal could result in a superior proposal, Florida Public Utilities may furnish information to the third party and engage in discussions and negotiations regarding the proposal with the third party, subject to other specified

conditions. Florida Public Utilities is also permitted to take and disclose to its shareholders its position with respect to any third-party takeover proposal as may be required under the federal securities laws.

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### **Regulatory Approvals (see page [ ])**

Chesapeake and Florida Public Utilities agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement. These approvals include expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (referred to as the HSR Act), and approvals, to the extent required, from the Florida, Delaware and Maryland Public Service Commissions. The applicable waiting period under the HSR Act expired on June 4, 2009 and all required approvals from the Florida, Delaware and Maryland Public Service Commissions have been obtained. No further action is required of the companies with respect to these regulatory approvals.

### **Shareholder Litigation Related to the Merger (see page [ ])**

Certain litigation is pending in connection with the merger. See The Merger Shareholder Litigation Related to the Merger beginning on page [ ].

### **Chesapeake Board of Directors following Completion of the Merger (see page [ ])**

Upon completion of the merger, the Chesapeake board of directors will consist of those directors serving immediately prior to the completion of the merger and two directors from among the directors of Florida Public Utilities serving immediately prior to the completion of the merger.

### **Transaction, Integration and Merger-Related Costs**

The transaction was valued at approximately \$73.5 million as of the date of its announcement. Chesapeake and Florida Public Utilities also expect to incur costs of approximately \$6.5 million associated with combining the operations of the two companies, which include transaction, integration and merger-related costs (including filing and registration fees with the SEC and New York Stock Exchange, printing and mailing costs associated with this joint proxy statement/prospectus, and legal, accounting, financial advisory, consulting, public relations and proxy solicitation fees), but exclude change in control and stay bonus payments and costs incurred in connection with any shareholder litigation related to the merger. John T. English, the Chairman, President and Chief Executive Officer of Florida Public Utilities, will receive a \$780,000 change in control payment and Florida Public Utilities' other two most highly compensated executive officers, Charles L. Stein and George M. Bachman, will receive stay bonus payments of \$575,000 and \$520,000, respectively. Additional costs may be incurred in the integration of the businesses of Chesapeake and Florida Public Utilities.

### **Listing of Chesapeake Common Stock**

The shares of Chesapeake common stock to be issued in the merger will be listed on the New York Stock Exchange under the ticker symbol CPK .

### **No Dissenters or Appraisal Rights (see page [ ])**

Dissenters or appraisal rights are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Dissenters or appraisal rights are not available in all circumstances, and exceptions to these rights are provided, in the case of Chesapeake, under the Delaware General Corporation Law

(referred to as the DGCL) and, in the case of Florida Public Utilities, under the Florida Business Corporation Act (referred to as the FBCA). As a result of one of the exceptions under the DGCL, the Chesapeake shareholders are not entitled to dissenters' or appraisal rights in connection with the merger. Similarly, as a result of one of the exceptions under the FBCA, Florida Public Utilities shareholders are not entitled to dissenters' or appraisal rights in connection with the merger.

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**Comparison of Shareholder Rights (see page [ ])**

The rights of Florida Public Utilities shareholders are governed by Florida law, as well as Florida Public Utilities restated articles of incorporation and bylaws. After completion of the merger, the rights of former Florida Public Utilities shareholders who receive Chesapeake common stock in the merger will be governed by Delaware law and Chesapeake's restated certificate of incorporation and amended and restated bylaws. This joint proxy statement/prospectus contains descriptions of the material differences in shareholder rights beginning on page [ ].

**Interests of Florida Public Utilities Directors and Executive Officers in the Merger (see page [ ])**

Certain of Florida Public Utilities' directors and executive officers have interests in the merger as individuals that are different from, or in addition to, the interests of Florida Public Utilities' shareholders generally. Certain Florida Public Utilities executives have entered into agreements with Florida Public Utilities and Chesapeake that contain payment provisions that will be triggered by the merger. In addition, Florida Public Utilities' directors and executive officers have rights to indemnification and directors' and officers' liability insurance that will survive completion of the merger. Please see "The Merger - Interests of Florida Public Utilities Directors and Executive Officers in the Merger" on page [ ] for further information on these interests.

**Accounting Treatment of the Merger (see page [ ])**

The merger will be accounted for using the acquisition method of accounting under accounting principles generally accepted in the United States of America with Chesapeake treated as the acquirer. Under the acquisition method of accounting, assets acquired and liabilities assumed will be recorded, as of completion of the merger, at their respective fair values and added to those of Chesapeake. The reported financial condition and results of operations of Chesapeake issued after completion of the merger will reflect Florida Public Utilities' balances and results after completion of the merger, but will not be restated retroactively to reflect the historical financial position or results of operations of Florida Public Utilities.

**Opinion of Chesapeake's Financial Advisor (see page [ ])**

On April 17, 2009, Robert W. Baird & Co. Incorporated, referred to as Baird, rendered its oral opinion to the Chesapeake board of directors to the effect that, as of April 17, 2009 and based upon and subject to the assumptions made, procedures followed, methodologies used, factors considered and limitations upon the review undertaken by Baird as set forth in its opinion, the exchange ratio pursuant to the merger agreement of 0.405 shares of Chesapeake common stock per share of Florida Public Utilities common stock was fair, from a financial point of view, to Chesapeake. This oral opinion was subsequently confirmed in writing by delivery of Baird's written opinion dated the same date. Baird was not requested to express, and did not express, any opinion with respect to any of the other terms, conditions, determinations or actions with respect to the merger. Additionally, Baird's opinion does not address the underlying business decision of Chesapeake to proceed with or effect the merger or the relative merits of the merger as compared to other transactions that may have been available to Chesapeake. The full text of Baird's opinion, which sets forth, among other things, the assumptions made, procedures followed, methodologies used, factors considered and limitations upon the review undertaken by Baird in connection with its opinion, is attached to this joint proxy statement/prospectus as Annex B. You are urged to read the opinion in its entirety. Baird's opinion is addressed to Chesapeake's board of directors, is directed only to the fairness, from a financial point of view, of the exchange ratio to Chesapeake and does not constitute a recommendation to any shareholder as to how any shareholder should vote with respect to any matter relating to the merger agreement or the merger. Baird has assumed no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of its opinion. Chesapeake has agreed

to pay Baird a fee for rendering its opinion, which is not contingent upon the successful completion of the proposed merger, and an additional transaction fee, all of which is only payable upon completion of the merger or receipt of a termination fee from Florida Public Utilities.



**Table of Contents****Opinion of Florida Public Utilities Financial Advisor (see page [ ])**

On April 17, 2009, Houlihan Lokey Howard & Zukin Capital, Inc., referred to as Houlihan Lokey, rendered its oral opinion to the Florida Public Utilities board of directors (which was later confirmed in writing by delivery of Houlihan Lokey's written opinion dated the same date) to the effect that, as of April 17, 2009, the exchange ratio provided for in the proposed merger pursuant to the merger agreement was fair to holders of Florida Public Utilities common stock from a financial point of view. Houlihan Lokey's opinion was directed to the board of directors of Florida Public Utilities and only addressed the fairness, from a financial point of view, to the holders of Florida Public Utilities common stock of the exchange ratio provided for in the proposed merger pursuant to the merger agreement, and did not address any other aspect or implication of the proposed merger. The summary of Houlihan Lokey's opinion in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex C to this joint proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in preparing its opinion. Neither Houlihan Lokey's written opinion nor the summary of its opinion and the related analyses set forth in this joint proxy statement/prospectus are intended to be, and they do not constitute, advice or a recommendation to any shareholder as to how such shareholder should act or vote with respect to any matter relating to the merger.

**Selected Historical Financial Information**

The following tables present selected historical financial information of Chesapeake and selected historical financial information of Florida Public Utilities. Such financial information is provided to assist you in your analysis of the financial aspects of the merger. The historical results included below and elsewhere in this document are not indicative of the future performance of Chesapeake, Florida Public Utilities or the combined company.

**Chesapeake Historical Financial Information.** The annual Chesapeake historical information is derived from the audited consolidated financial statements of Chesapeake as of and for each of the years ended December 31, 2004 through 2008. The Chesapeake information as of and for the three months ended March 31, 2009 and 2008 is derived from interim unaudited financial statements of Chesapeake and, in the opinion of Chesapeake's management, includes all normal and recurring adjustments that are considered necessary for the fair presentation of the results for the interim period. The information is only a summary and should be read in conjunction with Chesapeake's historical consolidated financial statements and related notes contained in the Chesapeake annual report on Form 10-K for the year ended December 31, 2008, and quarterly report on Form 10-Q for the quarter ended March 31, 2009, all of which are incorporated by reference in this joint proxy statement/prospectus, as well as other information that has been filed by Chesapeake with the SEC. See *Where You Can Find More Information* on page [ ] for directions on how you can obtain copies of this information.

	<b>For Three Months</b>		<b>For the Year Ended December 31,</b>				
	<b>Ended March 31, 2009</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2006(1)</b>	<b>2005</b>	<b>2004</b>
<b>(In thousands, except per share data)</b>							
<b>Income Statement Information(2)</b>							
Operating Revenues	\$ 104,479	\$ 100,274	\$ 291,443	\$ 258,286	\$ 231,200	\$ 229,485	\$ 177,955
Operating Income	15,966	14,041	28,479	28,114	23,332	21,921	20,177

Net Income from Continuing Operations	8,593	7,574	13,607	13,218	10,748	10,699	9,686
<b>Per Share Information(2)</b>							
Basic Earnings per Common Share from Continuing Operations	\$ 1.26	\$ 1.11	\$ 2.00	\$ 1.96	\$ 1.78	\$ 1.83	\$ 1.68
Diluted Earnings per Common Share from Continuing Operations	1.24	1.10	1.98	1.94	1.76	1.81	1.64
Dividends Declared per Common Share	0.305	0.295	1.21	1.18	1.16	1.14	1.12

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	As of March 31,		As of December 31,				
	2009	2008	2008	2007	2006(1)	2005	2004
	(In thousands)						
<b>Balance Sheet Information</b>							
Net Property, Plant and Equipment	\$ 281,423	\$ 262,765	\$ 280,671	\$ 260,423	\$ 240,825	\$ 201,504	\$ 177,053
Total Assets	360,170	367,985	385,795	381,557	324,585	295,980	241,938
Long-Term Debt(3)	93,014	69,879	93,079	70,912	78,706	63,920	69,099
Common Stockholders Equity	130,172	125,267	123,073	119,576	111,152	84,757	77,962
Total Capitalization and Short-Term Financing	232,986	241,333	249,152	236,152	217,412	184,159	152,063

- (1) Statement of Financial Accounting Standard (SFAS) No. 123R, *Share-Based Payment*, and SFAS No. 158, *Employers Accounting for Defined Benefit Pension and Other Postretirement Plans An Amendment of FASB Statements Nos. 87, 88, 106 and 132(R)*, were adopted in the year ended December 31, 2006; therefore, they were not applicable for the years prior to 2006.
- (2) These amounts exclude the results of distributed energy and water services due to their reclassification to discontinued operations. Chesapeake closed its distributed energy operations in 2007. The assets of the water businesses were sold in 2004 and 2003.
- (3) These amounts include the portion due within one year.

**Florida Public Utilities Historical Financial Information.** The annual Florida Public Utilities historical information is derived from the audited consolidated financial statements of Florida Public Utilities as of and for each of the years ended December 31, 2004 through 2008. The Florida Public Utilities information as of and for the three months ended March 31, 2009 and 2008 is derived from the interim unaudited financial statements of Florida Public Utilities and, in the opinion of Florida Public Utilities management, includes all normal and recurring adjustments that are considered necessary for the fair presentation of the results for the interim period. The information is only a summary and should be read in conjunction with Florida Public Utilities historical consolidated financial statements and related notes contained in the Florida Public Utilities annual report on Form 10-K for the year ended December 31, 2008, and quarterly report on Form 10-Q for the quarter ended March 31, 2009, all of which are incorporated by reference in this joint proxy statement/prospectus, as well as other information that has been filed by Florida Public Utilities with the SEC. See *Where You Can Find More Information* on page [ ] for directions on how you can obtain copies of this information.

For the Three Months Ended		For the Year Ended December 31,				
March 31,		2008	2007	2006(1)	2005	2004(2)
2009	2008	2008	2007	2006(1)	2005	2004(2)
(In thousands, except per share data)						

**Income Statement  
Information(3)**

Operating Revenues	\$ 45,781	\$ 45,030	\$ 168,548	\$ 136,542	\$ 134,781	\$ 130,285	\$ 110,131
Operating Income	2,005	4,011	9,109	8,821	10,177	10,637	8,986
Net Income	744	1,950	3,486	3,301	4,169	4,248	3,594

**Per Share****Information(3)**

Basic Earnings per Common Share	\$ 0.12	\$ 0.32	\$ 0.57	\$ 0.54	\$ 0.69	\$ 0.71	\$ 0.60
Diluted Earnings per Common Share	0.12	0.32	0.57	0.54	0.69	0.71	0.60
Dividends Declared per Common Share	0.1175	0.1125	0.47	0.45	0.43	0.41	0.40

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	As of March 31,		As of December 31,				
	2009	2008	2008	2007	2006(1)	2005	2004(2)
	(In thousands)						
<b>Balance Sheet Information</b>							
Net Property, Plant and Equipment	\$ 142,374	\$ 139,741	\$ 142,325	\$ 138,372	\$ 129,211	\$ 123,061	\$ 117,191
Total Assets	200,396	196,028	208,931	192,344	181,234	182,666	170,503
Long-Term Debt(4)	49,349	50,792	49,329	50,772	50,702	50,620	50,538
Common Stockholders Equity	49,836	50,435	48,512	48,946	47,572	45,503	43,213
Total Capitalization and Short-Term Financing	102,832	111,507	111,188	111,440	102,340	106,281	100,176

- (1) SFAS No. 123R, *Share-Based Payment*, and SFAS No. 158, *Employers Accounting for Defined Benefit Pension and Other Postretirement Plans An Amendment of FASB Statements Nos. 87, 88, 106 and 132(R)*, were adopted in the year ended December 31, 2006; therefore, they were not applicable for the years prior to 2006.
- (2) On July 25, 2005, a three-for-two stock split in the form of a stock dividend was issued to the shareholders of record on July 15, 2005. All common share information has been restated to reflect the stock split for all periods presented.
- (3) Florida Public Utilities did not report any discontinued operations in the periods presented.
- (4) These amounts include the portion due within one year.

**Selected Unaudited Pro Forma Condensed Combined Financial Information**

The merger will be accounted for under the acquisition method of accounting with Chesapeake treated as the acquirer, which means the assets acquired and liabilities assumed will be recorded, as of completion of the merger, at their respective fair values and added to those of Chesapeake. For a more detailed description of acquisition accounting, see *The Merger Accounting Treatment* on page [ ].

The selected unaudited pro forma condensed combined financial information presented below gives effect to the merger based on the assumption that the merger occurred at the beginning of the periods presented for income statement and per share information and at the date of the balance sheet for balance sheet information and is for illustrative purposes only. The selected unaudited pro forma condensed combined financial information may have been different had the companies actually been combined. The selected unaudited pro forma condensed combined financial information does not reflect the effect of asset dispositions, if any, or revenue, cost or other operating synergies that may result from the merger, nor does it reflect the effects of any financing, liquidity or other balance sheet repositioning that may be undertaken in connection with or subsequent to the merger. You should not rely on the selected unaudited pro forma condensed combined financial information as being indicative of the historical results that would have occurred had the companies been combined or the future results that may be achieved after the merger. The following selected unaudited pro forma condensed combined financial information (i) has been derived from and should be read in conjunction with the Unaudited Pro Forma Condensed Combined Financial Statements

and related notes included in this joint proxy statement/prospectus beginning on page [ ] and (ii) should be read in conjunction

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with the historical consolidated financial statements of Chesapeake and Florida Public Utilities incorporated by reference in this joint proxy statement/prospectus.

	<b>For the Three Months Ended March 31, 2009</b>	<b>For the Year Ended December 31, 2008</b>
	<b>(In thousands, except per share data)</b>	
<b>Pro Forma Income Statement Information</b>		
Operating Revenues	\$ 147,672	\$ 451,292
Operating Income	18,344	38,370
Net Income	9,556	17,528
<b>Pro Forma Per Share Information</b>		
Basic Earnings per Common Share	\$ 1.03	\$ 1.89
Diluted Earnings per Common Share	1.01	1.87
Dividends Declared per Common Share(1)	0.305	1.21

**As of March 31, 2009  
(In thousands)**

<b>Pro Forma Balance Sheet Information</b>		
Net Property, Plant and Equipment	\$	429,926
Total Assets		598,036
Long-Term Debt(2)		149,714
Common Stockholders' Equity		206,517
Total Capitalization and Short-Term Financing		369,078

(1) After the merger, it is currently expected that Chesapeake will continue the dividend policy of Chesapeake in effect at the time of the merger.

(2) The amount includes the portion due within one year.

**Unaudited Comparative Per Share Information**

The following tables set forth selected historical per share information of Chesapeake and Florida Public Utilities and unaudited pro forma combined per share information after giving effect to the merger between Chesapeake and Florida Public Utilities assuming that 0.405 shares of Chesapeake common stock had been issued in exchange for each outstanding share of Florida Public Utilities common stock at the beginning of the periods presented. You should read this information in conjunction with the selected historical financial information included elsewhere in this joint proxy statement/prospectus, the historical financial statements of Chesapeake and Florida Public Utilities and related notes that are incorporated by reference in this joint proxy statement/prospectus. The unaudited pro forma combined per share information is derived from, and should be read in conjunction with, the Unaudited Pro Forma Condensed Combined Financial Statements and related notes included in this joint proxy statement/prospectus beginning on page [ ]. The historical per share information is derived from audited financial statements as of and for the year ended December 31, 2008 and unaudited financial statements as of and for the three months ended March 31, 2009 in the

case of each of Chesapeake and Florida Public Utilities. The unaudited pro forma Chesapeake per share equivalents are calculated by combining the Chesapeake historical share amounts with pro forma amounts from Florida Public Utilities, based on the exchange ratio of 0.405.

*Chesapeake Historical Financial Data:*

	<b>For the Three Months Ended March 31, 2009</b>	<b>For the Year Ended December 31, 2008</b>
Earnings per Common Share Basic	\$ 1.26	\$ 2.00
Earnings per Common Share Diluted	1.24	1.98
Dividends Declared per Common Share	0.305	1.21



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	<b>As of March 31, 2009</b>	<b>As of December 31, 2008</b>
Book Value per Common Share	\$ 19.03	\$ 18.03

**Florida Public Utilities Historical Financial Data:**

	<b>For the Three Months Ended March 31, 2009</b>	<b>For the Year Ended December 31, 2008</b>
Earnings per Common Share Basic	\$ 0.12	\$ 0.57
Earnings per Common Share Diluted	0.12	0.57
Dividends Declared per Common Share	0.1175	0.47

	<b>As of March 31, 2009</b>	<b>As of December 31, 2008</b>
Book Value per Common Share	\$ 8.14	\$ 7.95

**Chesapeake Unaudited Pro Forma Combined Financial Data:**

The Chesapeake unaudited pro forma combined financial data has been prepared for the benefit of both companies shareholders. The data was prepared on the basis of the combined companies pro forma results and reflecting the share exchange ratio of 0.405.

	<b>For the Three Months Ended March 31, 2009</b>	<b>For the Year Ended December 31, 2008</b>
Earnings per Common Share Basic	\$ 1.03	\$ 1.89
Earnings per Common Share Diluted	1.01	1.87
Dividends Declared per Common Share(1)	0.305	1.21

	<b>As of March 31, 2009</b>
Book Value per Common Share	\$ 22.16

(1) After the merger, it is currently expected that Chesapeake will continue the dividend policy of Chesapeake in effect at the time of the merger.

**Florida Public Utilities Equivalent Pro Forma Combined Financial Data:**

The Florida Public Utilities equivalent pro forma financial data was prepared on the basis of the combined companies pro forma results and reflecting the share exchange ratio of 0.405.

	<b>For the Three Months Ended March 31, 2009</b>	<b>For the Year Ended December 31, 2008</b>
Earnings per Common Share Basic	\$ 0.42	\$ 0.77
Earnings per Common Share Diluted	0.41	0.76
Dividends Declared per Common Share(1)	0.124	0.49
		<b>As of March 31, 2009</b>
Book Value per Common Share		\$ 8.97

(1) After the merger, it is currently expected that Chesapeake will continue the dividend policy of Chesapeake in effect at the time of the merger.

#### **Comparative Per Share Market Price and Dividend Information**

Chesapeake common stock is listed on the New York Stock Exchange under the ticker symbol CPK, and Florida Public Utilities common stock is listed on the NYSE Amex under the ticker symbol FPU. The following table shows, for the calendar quarters indicated, based on published financial sources: (1) the high and low sale prices of shares of Chesapeake and Florida Public Utilities common stock as reported,

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respectively, on the New York Stock Exchange Composite Transaction Tape and the NYSE Amex and (2) the cash dividends declared per share of Chesapeake and Florida Public Utilities common stock.

	Chesapeake Common Stock			Florida Public Utilities Common Stock		
	High	Low	Dividends	High	Low	Dividends
<b>2007</b>						
First Quarter	\$ 31.10	\$ 28.85	\$ 0.290	\$ 13.50	\$ 11.90	\$ 0.1075
Second Quarter	35.58	29.92	0.295	12.91	11.01	0.1125
Third Quarter	37.25	28.00	0.295	12.49	11.15	0.1125
Fourth Quarter	36.38	29.59	0.295	12.83	11.24	0.1125
<b>2008</b>						
First Quarter	\$ 33.60	\$ 27.21	\$ 0.295	\$ 12.35	\$ 10.75	\$ 0.1125
Second Quarter	31.88	25.02	0.305	12.25	10.34	0.1175
Third Quarter	34.84	24.65	0.305	13.12	11.40	0.1175
Fourth Quarter	34.66	21.93	0.305	13.09	8.00	0.1175
<b>2009</b>						
First Quarter	\$ 32.35	\$ 22.02	\$ 0.305	\$ 13.15	\$ 8.37	\$ 0.1175

**Recent Closing Prices**

The following table sets forth the closing prices per share of Chesapeake common stock and Florida Public Utilities common stock as reported, respectively, on the New York Stock Exchange Composite Transaction Tape and the NYSE Amex on April 17, 2009, the last full trading day prior to the announcement of the merger agreement, and [ ], 2009, the most recent practicable date prior to the mailing of this joint proxy statement/prospectus to Chesapeake's and Florida Public Utilities' shareholders. This table also sets forth the equivalent price per share of Florida Public Utilities common stock on those dates. The equivalent price per share is equal to the closing price of a share of Chesapeake common stock on that date multiplied by 0.405, the exchange ratio in the merger. These prices will fluctuate prior to the special meetings and the merger, and shareholders are urged to obtain current market quotations prior to making any decision with respect to the merger.

Date	Chesapeake	Florida Public	Florida Public
	Common Stock	Utilities Common Stock	Utilities Common Stock per Share Equivalent
April 17, 2009	\$ 29.65	\$ 10.40	\$ 12.01
[ ], 2009	[ ]	[ ]	[ ]

Although dividends are subject to future approval and declaration by Chesapeake's and Florida Public Utilities' respective boards of directors, Chesapeake and Florida Public Utilities each currently plan to continue to pay regular dividends on their common stock until closing of the merger. The dividend policy following the merger will be determined by Chesapeake's board of directors but is currently expected to remain consistent with past practice.



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**RISK FACTORS**

**Risks Relating to the Merger**

In addition to the other information included and incorporated by reference in this joint proxy statement/prospectus, Chesapeake and Florida Public Utilities shareholders should carefully consider the matters described below to determine whether, in the case of the Chesapeake shareholders, to adopt the merger agreement and approve the merger and the issuance of Chesapeake common stock in the merger and, in the case of the Florida Public Utilities shareholders, to approve the merger agreement and the merger.

***The anticipated benefits of combining the companies may not be realized.***

Chesapeake and Florida Public Utilities entered into the merger agreement with the expectation that the merger would result in various benefits, including, among other things, synergies, cost savings and operating efficiencies. Achieving these synergies, cost savings and operating efficiencies cannot be assured and failure to achieve these benefits will adversely affect expected future performance of the combined company. In addition, the regulatory agencies that have jurisdiction over certain of the combined company's businesses and operations may require it to pass on some of the achieved cost savings to ratepayers.

***The combined company may be unable to successfully integrate operations.***

The merger involves the integration of two companies that have previously operated independently. The difficulties of combining the companies' operations include, among other things:

the necessity of coordinating geographically separated organizations, systems and facilities;

combining the best practices of the two companies, including operations, financial and administrative functions; and

integrating personnel with diverse business backgrounds and different contractual terms and conditions of employment.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or more of the combined company's businesses and the loss of key personnel. The combined company will be subject to employee workforce factors, including loss of employees, availability of qualified personnel, collective bargaining agreements with unions and work stoppages that could affect the business and financial condition of the combined company. The respective management teams of Chesapeake and Florida Public Utilities will dedicate substantial efforts to integrating the businesses. Such efforts could divert management's focus and resources from other strategic opportunities during the integration process. The diversion of management's attention and any delays or difficulties encountered in connection with the merger and the integration of the two companies' operations could result in the disruption of the combined company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with customers, suppliers, employees and others with whom it has business dealings.

***The combined company may incur transaction, integration and merger-related costs that may not be recoverable in rates and that may be in excess of the currently estimated costs, thereby adversely affecting the projected accretive impact to earnings of the merger.***

Chesapeake and Florida Public Utilities expect to incur costs associated with consummating the merger and integrating the operations of the two companies, as well as transaction fees of approximately \$2.9 million in the case of Chesapeake and \$2.6 million in the case of Florida Public Utilities (in each case, excluding change in control and stay bonus payments and costs incurred in connection with any shareholder litigation related to the merger). The amount of transaction fees expected to be incurred by each of Chesapeake and Florida Public Utilities are preliminary estimates and are subject to change. Chesapeake currently estimates integration costs associated with the merger to be approximately \$1 million over the first two years after completion of the merger. Chesapeake is in the early stages of assessing the magnitude of these costs, and,

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therefore, these estimates may change substantially, and additional unanticipated costs may be incurred in the integration of the businesses of Chesapeake and Florida Public Utilities. The costs related to the transaction and integration will not be included as a component of the purchase price but instead will be expensed as incurred as a cost of ongoing operations until such time as Chesapeake deems appropriate to defer these costs under the existing accounting standards based on regulatory developments. Although Chesapeake and Florida Public Utilities expect that the elimination of duplicate costs and realization of other efficiencies related to the integration of the businesses may offset these incremental costs, any actual efficiencies to be achieved are not fully determinable at this time. In addition, the approval of the deferral of these costs as a regulatory asset and any future rate recovery of the merger-related costs, including costs related to the transaction and integration of the companies and any associated premium, cannot be assured.

***The combined company will record goodwill that may not be approved as a deferred regulatory asset and that could become impaired and adversely affect the combined company's operating results.***

The merger will be accounted for using the acquisition method of accounting under accounting principles generally accepted in the United States of America with Chesapeake treated as the acquirer. Under the acquisition method of accounting, the assets acquired and liabilities assumed will be recorded, as of completion of the merger, at their respective fair values and added to those of Chesapeake. The excess of the purchase price over those fair values will be recorded as goodwill. Chesapeake is seeking regulatory approval to treat the goodwill as an acquisition adjustment for which it would receive future rate recovery.

To the extent any portion of goodwill that cannot be treated as an acquisition adjustment becomes impaired, the combined company may be required to incur material charges relating to such impairment. Such a potential impairment charge could have a material impact on the combined company's operating results. Additionally, the treatment of goodwill as an acquisition adjustment and the associated future rate recovery of this acquisition adjustment cannot be determined at this time.

***The merger may cause dilution to Chesapeake's earnings per share and, accordingly, adversely impact the market price of Chesapeake common stock.***

Although the merger is expected to be earnings neutral or slightly accretive in 2010 and meaningfully accretive in 2011, this accretion may not be achieved. The current expectations with respect to the effect of the merger on earnings are based upon preliminary estimates and are subject to change. Chesapeake and Florida Public Utilities could also encounter other transaction and integration-related costs or other factors such as the failure to realize any benefit from synergies anticipated in the merger. All of these factors could adversely impact the market price of Chesapeake common stock.

***A potential downgrade in Chesapeake's credit rating as a result of the merger could adversely affect the combined company's access to capital markets.***

Each of Chesapeake's and Florida Public Utilities' ability to obtain adequate and cost-effective capital depends on their financial performance and the liquidity of financial markets. A downgrade following the merger in Chesapeake's current credit ratings could adversely affect the combined company's access to capital markets, as well as its cost of capital.

***Debt covenant obligations, if triggered because of the merger, may affect the combined company's financial condition.***

Chesapeake s and Florida Public Utilities long-term debt obligations and committed short-term lines of credit contain financial covenants related to debt-to-capital ratios and interest-coverage ratios. Failure to comply with any of these covenants as a result of the merger or otherwise could result in an event of default which, if not cured or waived, could result in the acceleration of outstanding debt obligations or the inability to borrow under certain credit agreements. Any such acceleration would cause a material adverse change in the combined company s financial condition.



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***Failure to complete the merger could adversely impact the stock prices and the future business and financial results of Chesapeake and Florida Public Utilities because of, among other things, the market disruption that would occur as a result of uncertainties relating to a failure to complete the merger.***

There is no assurance that Chesapeake and Florida Public Utilities will obtain the necessary shareholder approvals to complete the merger or satisfy the other conditions to the completion of the merger. If the merger is not completed for any reason, Chesapeake and Florida Public Utilities will be subject to several risks, including the following:

Florida Public Utilities may be required to pay Chesapeake the termination fee (see The Merger Agreement Termination of Merger Agreement beginning on page [ ]);

the respective prices of the common shares of Chesapeake and Florida Public Utilities may decline to the extent that the current market price of such stock reflects a market assumption that the merger will be completed and that the related benefits and synergies will be realized, or as a result of the market's perceptions that the merger was not consummated due to an adverse change in Chesapeake's or Florida Public Utilities business; and

the respective businesses of Chesapeake and Florida Public Utilities may be harmed, and the prices of their stock may decline, to the extent that employees, customers, suppliers and others believe that the companies cannot compete in the marketplace as effectively without the merger or otherwise remain uncertain about the companies' future prospects in the absence of the merger.

***The value of Chesapeake shares to be received in the merger will fluctuate; common shareholders of Florida Public Utilities may receive more or less value depending on fluctuations in the price of Chesapeake common stock.***

The number of shares of Chesapeake common stock issued in the merger for each share of Florida Public Utilities common stock is fixed. The market prices of Chesapeake common stock and Florida Public Utilities common stock may vary from their market prices at the date of this joint proxy statement/prospectus and at the date of the special meetings. Because the exchange ratio will not be adjusted to reflect any changes in the market value of Chesapeake common stock, the market value of Chesapeake common stock issued in the merger may be higher or lower than the value of such shares on earlier dates. During the 12-month period ending on [ ], 2009, the most recent practical date prior to the mailing of this joint proxy statement/prospectus, Chesapeake common stock traded in a range from a low of \$[ ] to a high of \$[ ] and ended that period at \$[ ]. During that time, Florida Public Utilities common stock traded in a range from a low of \$[ ] to a high of \$[ ] and ended that period at \$[ ]. See Summary Comparative Per Share Market Price and Dividend Information on page [ ] for more detailed share price information.

***Certain directors and executive officers of Florida Public Utilities have interests different from Florida Public Utilities shareholders generally that you should consider in deciding your vote regarding the merger.***

Certain directors and executive officers of Florida Public Utilities may have interests that differ from, or are in addition to, Florida Public Utilities shareholders interests. Following the completion of the merger, John T. English, Chairman, President and Chief Executive Officer of Florida Public Utilities, will be a consultant to Chesapeake, as he entered into a consulting agreement with Chesapeake concurrently with the execution of the merger agreement that becomes effective upon consummation of, and contains certain payment provisions that will be triggered by, the merger in accordance with its terms that are described under The Merger Interests of Florida Public Utilities Directors and Executive Officers in the Merger. In addition, Charles L. Stein, Chief Operating Officer and Senior Vice President of Florida Public Utilities, and George M. Bachman, Chief Financial Officer, Secretary and Treasurer of Florida Public Utilities, have entered into amended and restated employment agreements with Chesapeake and Florida Public

Utilities that also become effective upon consummation of, and contain certain payment provisions that will be triggered by, the merger in accordance with their terms that are also described under The Merger Interests of Florida Public Utilities Directors and Executive Officers in the Merger. Two directors from Florida Public Utilities board of directors will be

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appointed to Chesapeake's board of directors after the merger. Florida Public Utilities directors and officers will be entitled to continuation of indemnification and insurance arrangements under the merger agreement as described under "The Merger - Interests of Florida Public Utilities - Directors and Executive Officers in the Merger." You should be aware of the interests described under "The Merger - Interests of Florida Public Utilities - Directors and Executive Officers in the Merger" when you consider your board of directors' recommendation that you vote in favor of the merger.

***A pending shareholder suit could delay or prevent the closing of the merger or otherwise adversely impact the business and operations of Florida Public Utilities and Chesapeake.***

On May 8, 2009, a putative class action lawsuit purportedly on behalf of the shareholders of Florida Public Utilities was filed in Palm Beach County, Florida against Florida Public Utilities, each of its directors and Chesapeake. The complaint alleges, among other things, that approval of the proposed merger by the directors of Florida Public Utilities constituted a breach of their fiduciary duties. The suit seeks to enjoin completion of the merger. See "The Merger - Shareholder Litigation Related to the Merger" on page [ ]. No assurances can be given as to the outcome of this lawsuit, including the costs associated with defending this lawsuit or any other liabilities or costs the parties may incur in connection with the litigation or settlement of this lawsuit. Furthermore, one of the conditions to closing the merger is that there are no injunctions issued by any court preventing the completion of the transactions. No assurance can be given that this lawsuit will not result in such an injunction being issued which could prevent or delay the closing of the transactions contemplated by the merger agreement.

***Chesapeake and Florida Public Utilities will be subject to business uncertainties and contractual restrictions while the merger is pending which could adversely affect their businesses.***

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Chesapeake and Florida Public Utilities and, consequently, on the combined company. These uncertainties may impair Chesapeake's and Florida Public Utilities' ability to attract, retain and motivate key personnel until the merger is consummated and for a period of time thereafter. These uncertainties also could cause customers, suppliers and others that deal with Chesapeake and Florida Public Utilities to seek to change existing business relationships. Employee retention may be particularly challenging during the pendency of the merger, as employees may experience uncertainty about their future roles with the combined company. If key employees depart, the combined company's business could be harmed. In addition, the merger agreement restricts Chesapeake and Florida Public Utilities, without the other party's consent, from making certain acquisitions and taking other specified actions until the merger occurs or the merger agreement terminates. These restrictions may prevent Chesapeake and Florida Public Utilities from pursuing otherwise attractive business opportunities and making other changes to their businesses prior to completion of the merger or termination of the merger agreement.

## **Financial Risks Relating to the Businesses of the Combined Company**

After consummation of the merger, the combined company will be subject to many financial risks and uncertainties. Some of these risks are discussed below. For a discussion of additional financial risks and uncertainties that you should consider, see the risk factors sections of the respective annual reports on Form 10-K for the year ended December 31, 2008 for Chesapeake and Florida Public Utilities, as updated by their respective quarterly reports on Form 10-Q for the quarter ended March 31, 2009, all of which are incorporated by reference in this joint proxy statement/prospectus.

***Instability and volatility in the financial markets could have an adverse impact on the combined company's growth strategy.***

Chesapeake's business strategy includes the continued pursuit of growth, both organically and through acquisitions. To the extent that the combined company does not generate sufficient cash from operations, it may incur additional indebtedness to finance its growth. The turmoil experienced in the credit markets during 2008 and 2009 and its potential impact on the liquidity of major financial institutions may have an adverse

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effect on the combined company's ability to fund its business strategy through borrowings, under either existing or newly created arrangements in the public or private markets on terms the combined company believes to be reasonable. Specifically, Chesapeake relies on access to both short-term and longer-term capital markets as a significant source of liquidity for capital requirements not satisfied by the cash flow from its operations. Currently, \$45 million of the total \$100 million of short-term lines of credit utilized to satisfy Chesapeake's short-term financing requirements are discretionary, uncommitted lines of credit. Chesapeake utilizes discretionary lines of credit to reduce the cost associated with these short-term financing requirements. If the combined company is not able to access capital at competitive rates, its ability to implement its strategic plan, undertake improvements and make other investments required for its future growth may be limited.

***Further changes in economic conditions and interest rates may adversely affect the combined company's results of operations and cash flows.***

A continued downturn in the economies of the regions in which the combined company operates might adversely affect its ability to increase its customer base and cash flows at historical rates. Further, an increase in interest rates, without the recovery of the higher cost of debt in the sales and/or transportation rates the combined company charges its utility customers, could adversely affect future earnings. An increase in short-term interest rates would adversely affect results of operations, which depend on short-term lines of credit to finance accounts receivable and storage gas inventories, and to temporarily finance capital expenditures.

***Current market conditions have had an adverse impact on the return on plan assets for Chesapeake's and Florida Public Utilities' respective pension plans, which may require significant additional funding and adversely affect the combined company's cash flows.***

Each of Chesapeake and Florida Public Utilities has a pension plan that has been closed to new employees. The costs of providing benefits and related funding requirements of these plans are subject to changes in the market value of the assets that fund the plans. As a result of the extreme volatility and disruption in the domestic and international equity and bond markets, during 2008 Chesapeake's pension plan experienced a decline of \$4.3 million in its asset values and Florida Public Utilities' pension plan experienced a decline of \$10.9 million in its asset values. The funded status of the plans and the related costs reflected in the combined company's financial statements are affected by various factors that are subject to an inherent degree of uncertainty, particularly in the current economic environment. Under the Pension Protection Act of 2006, continued losses of asset values may necessitate accelerated funding of the plans in the future to meet minimum federal government requirements. Continued downward pressure on the asset values of the respective pension plans may require the combined company to fund obligations earlier than originally planned, which would have an adverse impact on its cash flows from operations, decrease borrowing capacity and increase interest expense.

***The combined company's operations will be exposed to market risks, beyond its control, which could adversely affect its financial results and capital requirements.***

Chesapeake's natural gas supply and supply management services operations and its propane wholesale marketing operations, conducted through wholly owned subsidiaries, are subject to market risks beyond its control, inc