

Worcester Resiliency Upgrade Project

PROJECT SNAPSHOT:

Segment	Regulated Energy
Project Type	Pipeline Expansions and LNG
Business Unit	Eastern Shore Natural Gas (Eastern Shore)
Capital Investment	Approximately \$80 million
Completed and In-Service	Targeted Q3 2025
Annualized Gross Margin	To be disclosed upon project approval
Primary Location	Worcester County, Maryland

PROJECT OVERVIEW:

Eastern Shore will invest approximately \$80 million to build, own, operate and maintain a five-tank horizontal liquefied natural gas (LNG) storage facility capable of storing up to 0.5 million gallons and providing peak supply of up to 14,000 dts/day. The project includes pipeline looping and additional upgrades. The peak supply will be used by affiliated local distribution companies (LDCs) Chesapeake Utilities - Delaware Division, Chesapeake Utilities-Maryland Division and Sandpiper Energy. Eastern Shore is seeking FERC approval for the project by December 2024.

ADVANCING OUR VISION OF DELIVERING ENERGY THAT CONTRIBUTES TO A MORE SUSTAINABLE FUTURE:

- ▶ The LNG storage facility further diversifies natural gas supply sources on the Delmarva Peninsula and enables the participating LDCs to be better prepared for potential upstream supply disruptions or sudden increases in product demand due to severe weather or other unforeseen circumstances.
- ▶ A new supply point added in Eastern Shore's southern service area strengthens the resiliency of the traditionally north-to-south flowing pipeline system, allowing the participating LDCs to continue serving Maryland and Delaware residents with reliable, consistent natural gas for their homes and businesses.
- ▶ Strategically placed to support growth and provide additional capacity required to meet the natural gas demand in those southern areas and furthering our commitment to providing an affordable, reliable, environmentally friendly energy source by delivering energy that makes life better for the people and communities we serve.
- ▶ Renewable natural gas (RNG) could also be liquefied and stored at this facility, which would further increase the regional benefits of this project.