

# Del-Mar Energy Pathway Project

## PROJECT SNAPSHOT:

<b>Segment</b>	Regulated Energy
<b>Project Type</b>	Pipeline Expansions
<b>Business Unit</b>	Eastern Shore Natural Gas (Eastern Shore)
<b>Capital Investment</b>	Approximately \$47 million
<b>Completed and In-Service</b>	Fourth quarter of 2021
<b>Annualized Gross Margin</b>	\$5.1 million
<b>Primary Location</b>	Sussex County, Delaware; Somerset County, Maryland

## PROJECT OVERVIEW:

Eastern Shore Natural Gas invested approximately \$47 million to construct approximately 12 miles of pipeline looping and extension in Kent and Sussex Counties in Delaware, and approximately seven miles of pipeline extension in Wicomico and Somerset Counties in Maryland, as well as new delivery points. The new natural gas infrastructure facilitated the provision of an additional 11,800 dts of firm natural gas transportation pipeline capacity and 2,500 dts of off-peak natural gas transportation capacity to meet the market needs of Chesapeake Utilities' natural gas distribution subsidiaries on the Delmarva Peninsula and an industrial customer. FERC approval for the project was received in December 2019, and the final leg of the project was placed into service during the fourth quarter of 2021.

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

- ▶ This project extended the pipeline system in eastern Sussex County, Delaware, the fastest growing county in the state, and from Wicomico County into Somerset County, Maryland, to meet the growing natural gas demand in those areas, 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.
- ▶ Approximately 90% of the project's facilities were co-located with existing rights-of-way and facilities, minimizing landowner, community and environmental impacts.
- ▶ During the nearly two-year duration of the construction, there were zero environmental non-compliance events.
- ▶ With this expansion, natural gas distribution services were available for the first time to customers in Somerset County, Maryland, which has been one of Maryland's most economically disadvantaged and underserved counties regarding modern infrastructure.
- ▶ The availability of natural gas allows for new economic development and provides environmental benefits to large energy consumers by offsetting higher carbon energy sources like fuel oil and wood chips.
- ▶ Benefiting the area even further, the pipeline is available to offtake renewable natural gas being produced locally in Somerset County.
- ▶ In addition to the anchor customers of the pipeline, natural gas is available at a technology park in Somerset County, which is attracting more commercial customers and helping to noticeably grow the local economy.
- ▶ The extension is also facilitating a planned mixed-use commercial development near the local HBCU, University of Maryland Eastern Shore, which will include hotels and lodging, professional office space, retail and highway pad sites. This growth is important to the region to develop a robust and resilient economy that encourages future economic growth and investment.