

BEFORE THE DELAWARE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE UTILITIES CORPORATION)
FOR APPROVAL OF A CHANGE IN ITS) P.S.C. DOCKET NO. 17-1021
GAS SALES SERVICE RATES ("GSR"))
TO BE EFFECTIVE NOVEMBER 1, 2017)

REBUTTAL TESTIMONY OF CHRISTOPHER REDD

On Behalf of Chesapeake Utilities Corporation

Delaware Division

Submitted for filing: April 6, 2018

1 Q. PLEASE STATE YOUR NAME, OCCUPATION AND BUSINESS
2 ADDRESS.

3 A. My name is Christopher Redd, and I am the Director of Gas Operations,
4 Engineering and Supply for Chesapeake Utilities Corporation
5 (“Chesapeake”). My business address is 350 South Queen Street, Dover,
6 Delaware 19904. I support Chesapeake’s natural gas distribution
7 businesses in Delaware and Maryland.

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9 Q. DESCRIBE BRIEFLY YOUR EDUCATION AND RELEVANT
10 PROFESSIONAL BACKGROUND.

11 A. I received a Bachelor of Arts in Accounting from Park University in Parkville,
12 Missouri in 2001 and my Masters in Business Administration from
13 Wilmington University in New Castle, Delaware in 2007. I joined
14 Chesapeake in 2004 and spent 2 years in accounting and analytical roles
15 within the corporate office before joining the Delaware and Maryland
16 distribution segment. I held the position of Senior Business Analyst,
17 Distribution Expansion and Planning Manager and Director of Gas
18 Operations and Engineering before I was promoted to Director of Gas
19 Operations, Engineering and Supply in 2016. In my current role I have direct
20 responsibility for engineering, field operations, conversions and gas supply
21 activities in Delaware and Maryland.

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1 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE DELAWARE
2 PUBLIC SERVICE COMMISSION (“COMMISSION”)?

3 A. Yes, I have testified previously before the Delaware Public Service
4 Commission on behalf of Chesapeake’s Delaware Division (the “Company”)
5 in its 2015 Base Rate proceeding.

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7 Q. DID YOU SUBMIT WRITTEN DIRECT TESTIMONY IN THIS CASE?

8 A. No.

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10 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS
11 PROCEEDING?

12 A. The purpose of my rebuttal testimony in this GSR application is to address
13 the following recommendation of Jerome D. Mierzwa from his direct
14 testimony submitted on February 28, 2018, on behalf of the Staff of the
15 Delaware Public Service Commission and the Division of the Public
16 Advocate:

- 17
- 18 • The Company should not retire any of its on-system
19 propane facilities unless it can demonstrate that
20 retirement of a facility is in the best interest of its
ratepayers.

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1 Q. DOES THE COMPANY PLAN TO RETIRE ANY OF ITS ON-SYSTEM
2 PROPANE FACILITIES?

3 A. The Company plans to retire its Queen Street propane-air peak shaving
4 facility in Dover in the 2nd quarter of 2018, when it moves to a new building
5 in east Dover. After the move, the Company intends to sell the property on
6 Queen Street where its office building and propane-air facility are located.

7

8 Q. WHY IS THE COMPANY RETIRING THE DOVER FACILITY?

9 A. Retirement of the Dover facility is in the best interest of our customers and
10 the community because of the high costs of maintenance and repairs and
11 because of safety and security concerns. Most of the core components are
12 obsolete and the controls are antiquated. All of the compressors are all
13 over 30 years old and the boilers are over 25 years old. Repairs and
14 maintenance therefore are costly.

15 In addition, due to the age of this facility, it is grandfathered under
16 several safety and code requirements. The facility, including two 30,000
17 gallon tanks, is within 150 feet of the Dover Police Station and the Justice
18 of the Peace Court. Under current building codes, a facility of this type
19 would not be allowed in this location due to setback requirements.

20 In addition, the facility has come under the jurisdiction of the U.S.
21 Department of Homeland Security Chemical Facility Anti-Terrorism
22 Standards and is in need of significant security upgrades.

1 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

2 A. Yes, it does.