

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 060001-EI
CONTINUING SURVEILLANCE AND REVIEW OF
FUEL COST RECOVERY CLAUSES OF ELECTRIC UTILITIES

Direct Testimony of
Mark Cutshaw
On Behalf of
Florida Public Utilities Company

- 1 Q. Please state your name and business address.
- 2 A. Mark Cutshaw, 911 South 8th Street, Fernandina Beach, FL 32034.
- 3 Q. By whom are you employed?
- 4 A. I am employed by Florida Public Utilities Company.
- 5 Q. Have you previously testified in this Docket?
- 6 A. No.
- 7 Q. What is the purpose of your testimony relating to the fuel docket?
- 8 A. I am here to explain the measures we have taken and plan to take
- 9 with respect to educating our customers on the upcoming expected
- 10 fuel increases.
- 11 Q. What is the company going to do to alert and prepare customers of
- 12 the expected rate impact?
- 13 A. The following is a list of past events that have informed
- 14 customers of what will occur going forward regarding electricity
- 15 cost, plus other items that are planned.
- 16 1. On May 6, 2005, FPU filed a petition (Docket #050317-EI) to
- 17 begin gradually increasing prices in preparation for the
- 18 increased cost of wholesale power.
- 19 2. During September 2005 public notices were published concerning
- 20 the petition, projected prices and customer hearings to be held
- 21 in both divisions.
- 22 3. During October 2005 customer hearings were held in both
- 23 divisions in which customers were provided information

1 regarding planned future increases and customer comments were
2 taken. Media coverage of these meetings was published in
3 newspaper in each division.

4 4. At the November 2005 FPSC agenda conference, company and
5 customer testimony was presented to the commission in this
6 matter. The Public Service Commission denied the rate request.

7 5. In January 2006 the company contracted for public relations
8 assistance with Curley & Pynn, Maitland, Florida. Curley &
9 Pynn has vast experience within the power industry and has
10 provided assistance with developing a plan for communicating
11 this issue to our customers.

12 6. During May and June 2006, a customer survey of electric
13 customers in both divisions was completed. One of the areas
14 included in the survey was how customers would prefer to see an
15 increase occur (i.e. gradually or all at once). The survey
16 also included a more detailed survey of specific community
17 leaders in each division.

18 7. Media releases have occurred during the first half of 2006
19 regarding energy usage and how customers can reduce their power
20 costs.

21 8. A communication strategy has been developed to provide more
22 detailed information to customers prior to the increase in
23 electric costs. The strategy will be finalized after
24 confirmation of the extent and timing of the rate increases.

25 9. The communication strategy will include finalizing the internal
26 infrastructure to provide needed information to customers,
27 educating employees to accurately communicate information to
28 customers, communicating with community leaders and

1 organizations, and utilizing the media to communicate to
2 customers. A customer outreach program that will involve other
3 entities in the community is also being considered.

4 Q. What was your involvement with the procurement process on the new
5 fuel contracts?

6 A. I was involved on the team that reviewed and made the fuel
7 decision with the assistance of an outside Consulting firm for our
8 new fuel contracts.

9 Q. Does that conclude your testimony?

10 A. Yes.