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December 8, 1999

RECORDS AND
REPORTING

99 DEC -8 PM 3:29

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ORIGINAL

BY HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 990721-EG

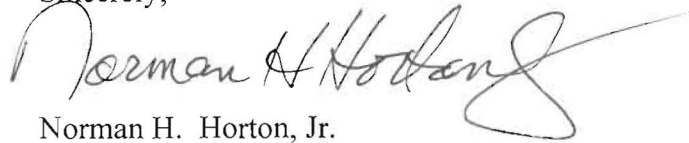
Dear Ms. Bayo:

Enclosed for filing on behalf of Florida Public Utilities Company are an original and fifteen copies of the Direct Testimony of Michael A. Peacock in the above captioned docket.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,



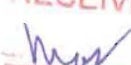
Norman H. Horton, Jr.

NHH/amb

Enclosure

cc: Mr. Michael A. Peacock
Parties of Record

AFA _____
APP _____
CAF _____
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EAC Lead
LEG 2
MAS 3/1/99
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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
15007 DEC-8 99
FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Adoption of Numeric Conservation)
Goals and Consideration of National Energy)
Policy Act Standards (Section 111) by Florida)
Public Utilities Company)
_____)

Docket 990721-EG

DIRECT TESTIMONY

OF

MICHAEL A. PEACOCK

ON BEHALF OF

FLORIDA PUBLIC UTILITIES COMPANY

December 8, 1999

DOCUMENT NUMBER-DATE

15007 DEC-8 8

FPSC-RECORDS/REPORTING

1 **Q. Please state your name and address.**

2 A. My name is Michael A. Peacock and my business address is P.O. Box 610,
3 Marianna, Florida 32446.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Florida Public Utilities Company as Manager of Customer
6 Relations.

7 **Q. What are your responsibilities in that position?**

8 A. I am responsible for the day to day management of programs and goals.

9 **Q. What is the purpose of your testimony?**

10 A. The purpose of my testimony is to describe the existing programs of Florida
11 Public Utilities Company (“FPUC”) and the development of the numeric
12 goals and to make a recommendation as to the goals for FPUC.

13 **Q. Does FPUC have approved goals?**

14 A. Yes. In Docket No. 950441-EG, the Commission established goals for the
15 Company. The goals that were approved were the result of stipulation
16 between the company and Department of Community Affairs (“DCA”).
17 Those goals are attached as Exhibit MAP-1.

18 **Q. Has FPUC implemented programs to achieve these goals?**

19 A. Yes, we have. FPUC has 8 programs, 6 residential and 2 commercial.
20 Initially the Company had 9 programs, but we recently requested that the In
21 Concert program be removed and the Commission allowed us to drop it. Our
22 experience was that it was simply not cost-effective especially considering

1 the time required of non-company personnel.

2 **Q. Could you describe these programs?**

3 A. Yes.

4 Residential Programs

5 Duct Leakage Repair: This program provides FPUC's customers a means to
6 identify house air duct leakage and recommend repairs that can reduce
7 customers KWH energy usage and KW demand. Duct leakage will be
8 determined via a blower door test. This will be available to homeowners,
9 builders, or HVAC contractors in new and existing construction. FPUC will
10 pay a \$25 incentive to offset the cost of the blower door test. Recommended
11 duct repairs are the responsibility of the homeowner, builder, or HVAC
12 contractor. Additionally, FPUC will provide two duct leakage courses for
13 licensed contractors.

14 Residential Geothermal Heat Pump Program: This program will promote the
15 installation of advanced and emerging geothermal systems. Single family
16 participants will be guaranteed heating and cooling costs for two years. If
17 forecasted heating and cooling costs are exceeded, FPUC will pay the
18 differential. Sub-metering equipment will be installed to determine actual
19 usage of the equipment. Multi-family installations will receive a \$500 rebate.

20 Residential Energy Audits: Residential dwellings are inspected for energy
21 efficiency opportunities. Information on energy efficiency improvements are
22 provided to the participating customer. In addition, FPUC will incorporate

1 the JEA's "Appliance Efficiency Education" program. FPUC's customers
2 will be educated on higher efficiency appliances, and the additional expense
3 of second refrigerators and freezers.

4 Low Income Customer Energy Audits: FPUC provides energy information
5 specifically targeted to low income customers. FPUC also plans to expand
6 its outreach to social service agencies in providing energy information for
7 these agencies' clients.

8 FPUC Express Loan Program: FPUC will provide a low-interest loan
9 guarantee/subsidy to participating residential customers for the installation
10 of energy efficiency measures. Loans will receive a guarantee/subsidy for up
11 to \$5,000 with the exception of a geothermal heat pump system. These
12 systems will be eligible for up to \$7,500 for a seven year term.

13 Enhanced Good Cents Home Program: The objective of this program is to
14 provide FPUC's customers with guidance concerning energy efficiency in
15 new construction. FPUC will work with licensed contractors in evaluating
16 current design and building practices compared to those which could receive
17 certification under the program. Certification requires the installation of
18 measures with efficiencies higher than is required by the Energy Efficient
19 Building Code. Certification requires that HVAC systems must be sized
20 according to a Manual J load calculation pursuant to the home subject to
21 certification.

22 Commercial/Industrial Programs

1 Good Cents Building: FPUC will certify commercial buildings, under this
2 program, which meet efficiency requirements higher than the building code.
3 FPUC will analyze the projected energy requirements of building designs and
4 provide builders with options to make the structure more energy efficient.

5 Commercial/Industrial Energy Audits and Technical Assistance Audits:
6 FPUC will inspect existing commercial/industrial buildings and provide
7 energy efficiency recommendations to owners/operators.

8 **Q. How were these programs developed?**

9 A. These programs are derived from programs offered by Gulf Power and JEA.
10 We purchase all of our power from one or the other of these utilities and our
11 service areas are contiguous to them as well.

12 **Q. What has been your experience with these programs?**

13 A. Overall, we consider our results to have been successful. Obviously, some
14 programs have been more successful than others but, overall, we have had
15 success with them.

16 **Q. Has FPUC met the goals established in the prior docket?**

17 A. We are on target to meet them.

18 **Q. What is your proposal in this docket?**

19 A. Our proposal and recommendation is that both the established goals and
20 programs be continued.

21 **Q. Did you conduct any specific studies to arrive at this recommendation?**

22 A. No, not as such. In our situation, we attempted to avoid any unnecessary

1 expenditure. Again, we do not generate any of our power. We have long
2 term firm contracts to purchase needed power from either JEA or Gulf Power
3 and have little control of that. Also, given our relatively small customer base,
4 the established goals are more appropriate.

5 **Q. In your opinion, would continuation of the established goals and**
6 **programs be consistent with the objectives of the PSC?**

7 A. Yes, I think so. We will continue to offer these programs and strive to meet
8 the goals.

9 **Q. Would you summarize your recommendation?**

10 A. Yes. It is our recommendation that the goals and programs currently
11 approved for FPUC be continued. I believe that would be in the best interests
12 of both the public and the Company.

13 **Q. Does this conclude your testimony?**

14 A. Yes, it does.

FPUC's REVISED CONSERVATION GOAL

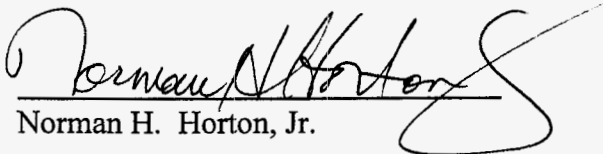
	Residential			Commercial/Industrial		
	Winter MW	Summer MW	Annual GWH	Winter MW	Summer MW	Annual GWH
1996	.22	.19	.16	.03	.04	.02
1997	.47	.41	.33	.07	.09	.05
1998	.75	.65	.50	.10	.14	.07
1999	1.06	.91	.66	.13	.20	.10
2000	1.39	1.19	.83	.17	.26	.12
2001	1.74	1.48	1.00	.20	.33	.14
2002	2.10	1.78	1.15	.23	.40	.17
2003	2.48	2.09	1.33	.26	.48	.19
2004	2.67	2.41	1.49	.30	.57	.22
2005	3.28	2.75	1.65	.33	.66	.24

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the Direct Testimony of Michael A. Peacock on behalf of Florida Public Utilities Company in Docket No. 990721-EG have been served by hand delivery (*) and/or U. S. Mail this 8th day of December, 1999 upon the following:

Cochran Keating, Esq.*
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd., Room 370
Tallahassee, FL 32399-0850

Executive Office of the Governor
Office of Planning and Budget
General Government Unit-Stuart Pollins
The Capitol, Room 1501
Tallahassee, FL 32399-0001


Norman H. Horton, Jr.