

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 030002-EG  
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR**

**Direct Testimony of  
MICHAEL A. PEACOCK  
On Behalf of  
FLORIDA PUBLIC UTILITIES COMPANY**

- 1 Q. Please state your name and business address.
- 2 A. Michael A. Peacock; my business address is P.O. Box 610, Marianna, Florida  
3 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 Development.
- 7 Q. What is the purpose of your testimony at this time?
- 8 A. To advise the Commission as to the Conservation Cost Recovery Clause  
9 Calculation for the period January, 2004 through December, 2004.
- 10 Q. What are the total projected costs for the period January, 2004 through  
11 December, 2004 in the Marianna Division and the Fernandina Beach  
12 Division?
- 13 A. For the Marianna Division, the total projected Conservation Program Costs  
14 are \$240,000. For the Fernandina Beach Division, the total projected  
15 Conservation Program Costs are \$269,000. For each Division, please see its  
16 respective Schedule C-2, page 2, for the programmatic and functional  
17 breakdown of these total costs.

- 1 Q. For each division, what is the true-up amount to be applied to determine the  
2 projected net total costs for the period January, 2003 through December, 2003.
- 3 A. As reflected in the respective "C" Schedules, the true-up amount for the  
4 Marianna Division is (\$31,246). In the Fernandina Beach Division the true-up  
5 is (\$60,587). These amounts are based upon eight months actual and four  
6 months estimated data.
- 7 Q. For each division, what are the resulting net total projected conservation costs  
8 to be recovered during this period?
- 9 A. For the Marianna Division the net total costs to be recovered are \$208,754.  
10 For the Fernandina Beach Division the net total costs to be recovered are  
11 \$208,413.
- 12 Q. For each division, what is the Conservation Adjustment Factor necessary to  
13 recover these projected net total costs.
- 14 A. For the Marianna Division, the Conservation Adjustment Factor is \$.00069  
15 per KWH. For the Fernandina Beach Division, the Factor is \$.00045 per  
16 KWH.
- 17 Q. Are there any exhibits that you wish to sponsor in this proceeding?
- 18 A. Yes. I wish to sponsor as exhibits for each division Schedules C-1, C-2, C-3,  
19 C-4, and C-5 (Composite Prehearing Identification Number MAP-2), which  
20 have been filed with this testimony.
- 21 Q. Mr. Peacock, has FPUC proposed to consolidate the Northwest and Northeast  
22 divisions?

1 A. Yes we have. In Docket No. 030348-EI which is a request for a rate increase  
2 filed by the company we have proposed to consolidate the divisions We  
3 believe there are benefits and advantages to the customers and the company if  
4 we do this. We think there are benefits to consolidating the conservation cost  
5 recovery at this time.

6 Q. Have you prepared schedules reflecting the factors and projections on a  
7 consolidated basis?

8 A. Yes. MAP-3 consists of Schedules C-1, C-2, C-3, and C-4 on a consolidated  
9 basis.

10 Q. Are you asking the Commission to approve the consolidated projection and  
11 factors at this time?

12 A. Yes. The programs are the same and it would be more efficient and cost  
13 effective to have a consolidated recovery factor. Therefore, we are asking that  
14 the consolidated factor be approved in this docket.

15 Q. Does this conclude your testimony?

16 A. Yes.