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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080004-GU
DETERMINATION OF CONSERVATION COSTS RECOVERY FACTOR

Direct Testimony of
MARC S. SEAGRAVE
On Behalf of
FLORIDA PUBLIC UTILITIES COMPANY
CONSOLIDATED NATURAL GAS DIVISION

- 12 Q. Please state your name and business address.
- 13 A. Marc S. Seagrave. My business address is P.O. Box
14 3395, West Palm Beach, Florida 33402-3395.
- 15 Q. By whom are you employed and in what capacity?
- 16 A. I am employed by Florida Public Utilities Company
17 as Director of Marketing and Sales.
- 18 Q. What is the purpose of your testimony at this time?
- 19 A. To advise the Commission as to the Conservation
20 Cost Recovery Clause Calculation for the period
21 January 2009 through December 2009 and to clarify
22 the use of "Good Cents" branding to support Florida
23 Public Utilities conservation programs.
- 24 Q. What are the total projected costs for the period
25 January 2009 through December 2009 in the
26 Consolidated Natural Gas Division?
- 27 A. The total projected Conservation Program Costs are
28 \$2,250,000. Please see Schedule C-2, page 2, for
29 the programmatic and functional breakdown of these
30 total costs.

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1 Q. What is the true-up for the period January 2008
2 through December 2008?

3 A. As reflected in the Schedule C-3, Page 4 of 5, the
4 True-up amount for the Consolidated Natural Gas
5 Division is an over-recovery of \$409,776.

6 Q. What are the resulting net total projected
7 conservation costs to be recovered during this
8 projection period?

9 A. The total costs to be recovered are \$1,840,224.

10 Q. What is the Conservation Adjustment Factor
11 necessary to recover these projected net total
12 costs?

13 A. The Conservation Adjustment Factors per therm for
14 the Consolidated Natural Gas Division are:

15	Residential	\$.06803
16	General Service and	
17	GS Transportation	\$.02934
18	Large Volume Service and	
19	LV Transportation <50,000	\$.02062
20	Large Volume Transportation	
21	Service >50,000	\$.02062

22 Q. Are there any exhibits that you wish to sponsor in
23 this proceeding?

24 A. Yes. I wish to sponsor as Exhibits Schedules C1,
25 C-2, C-3, and C-5 (Composite Prehearing

1 Identification Number MSS-2), which have been filed
2 with this testimony.

3 Q. How does Florida Public Utilities plan to promote
4 the Commission approved conservation programs to
5 customers?

6 A. These programs will be promoted through the
7 implementation of the company's "Good Cents"
8 branding.

9 Q. What is the "Good Cents" branding?

10 A. "Good Cents" is a nationally recognized, licensed
11 energy conservation branding program. This program
12 is fuel neutral by design and has been successfully
13 utilized by approximately 300 electric and natural
14 gas utilities located across 38 states from Maine,
15 to Florida to California and Washington. In the
16 winter of 2000, Florida Public Utilities expanded
17 its 20 year old branding license arrangement to
18 include the Commission approved natural gas
19 conservation programs.

20 Q. How does Florida Public Utilities utilize this
21 branding?

22 A. The Company uses the "Good Cents" branding to
23 create an awareness of its energy conservation and
24 fuel neutral programs among consumers, businesses,
25 builders and developers. Florida Public Utilities
26 will leverage the high visibility brand, well

1 established national image of quality, value and
2 savings, established public awareness (nearly 30%
3 national average) and proven promotional lift
4 (average 11%) to build participation in our
5 residential and commercial energy conservation
6 programs. We will apply the branding strategy to
7 promotional activities via broadcast and print
8 media, educational events and collateral materials.
9 Through this branding, end users and specifiers can
10 readily identify where to obtain energy expertise
11 to assist them with their energy decisions.

12 Q. Does the campaign meet the guidelines for recovery
13 under Rule 25-17.015, Energy Conservation Cost
14 Recovery?

15 A. Yes, the campaign meets the guidelines established
16 by Rule 25-17.015, Energy Conservation Cost
17 Recovery.

18 Q. Has Florida Public Utilities Company included the
19 estimated cost of the campaign in the projected
20 costs associated with the conservation programs?

21 A. Yes, the estimated cost of the campaign and
22 services are included in the budget projections for
23 2009.

24 Q. The Staff has published two issues to be addressed
25 in this docket for FPUC. Are you familiar with
26 them?

1 A. Yes.

2 Q. Issue 6 identified by Staff addresses expenses
3 associated with the SGA Builders and Developers
4 Conference. Would you explain the basis for
5 including these expenses?

6 A. FPU participates on the residential marketing
7 committee of the Southern Gas Association. As a
8 member of the committee, FPU assists in the
9 planning for the event and the content to which the
10 natural gas industry intends for the
11 builder/developer audience to hear and learn from.
12 Much of the SGA builder and developer conference is
13 centered on the benefits of natural gas to the
14 consumer, much of which encourages construction
15 methods that incorporate the use of natural gas a
16 domestically produced energy source that when used
17 conserves electric generation and the fuel source
18 of that generation.
19 The conference also serves as a platform for
20 builders and developers to network with each other
21 and to make the necessary contacts in the natural
22 gas industry so that they can learn more about
23 constructing homes with natural gas and the
24 conservation rebate programs that are available to
25 them. The attendees are encouraged to bring their
26 spouses along so that they too can be part of the

1 education and decision making process. FPU
2 attendees also bring along spouses so as to balance
3 out the interaction and networking. There are
4 social events planned at each conference for the
5 participants to attend so that they are able to get
6 to know one another on a more personal business.
7 The social activities have long proven to help in
8 the process of getting the natural gas message
9 across and brining the business parties together in
10 a less structured environment.

11 Q. Issue 7 as identified by Staff addresses the
12 expenses associated with the Demo Kitchen. Would
13 you explain this and the basis for including these
14 expenses?

15 A. In an effort to promote energy efficiency and FPU's
16 Natural Gas Conservation Appliance Rebate Programs,
17 FPU decided to construct a kitchen with Energy Star
18 appliances to communicate this message. The goal
19 in creating FPU's Energy Star kitchen was to dispel
20 the myth that a customer must be willing to
21 sacrifice looks and performance to achieve energy
22 efficiency. By creating an Energy Star Kitchen
23 with a high end look, FPU demonstrates to our
24 customers that energy efficiency and style are not
25 mutually exclusive. Additionally, the Energy Star
26 Kitchen promotes energy efficiency by utilizing the

1 brand recognition of the Energy Star label as a
2 means to visually promote our customers to purchase
3 appliances with the highest energy ratings. Lastly,
4 FPU also engaged in creating the Energy Star
5 kitchen as a means to communicate to our customer
6 that FPU has officially become a member of the
7 joint venture between the Environmental Protection
8 Agency and the Department of Energy's Energy Star
9 program.

10 Q. Does this conclude your testimony?

11 A. Yes.