

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law
www.lawfla.com

July 29, 2009

RECEIVED-FPSC
09 JUL 29 PM 4:33
COMMISSION CLERK

BY HAND DELIVERY

Ms. Ann Cole, Director, Commission Clerk
Office of Commission Clerk
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket 080366-GU

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Public Utilities Company in the above referenced docket are the following documents:

- 1. An original and fifteen copies of the Direct Supplemental Testimony of Barry Kennedy;
2. An original and fifteen copies of the Direct Supplemental Testimony of Donald E. Kitner;
3. An original and fifteen copies of the Direct Supplemental Testimony of Donald E. Kitner and Doreen B. Cox;
4. An original and fifteen copies of the Direct Supplemental Testimony of April Lundgren;
5. An original and fifteen copies of the Direct Supplemental Testimony of Cheryl Martin; and
6. An original and fifteen copies of the Direct Supplemental Testimony of James V. Mesite, Jr.

Handwritten initials and numbers: DOM 5, GCL I, OPC, RCP I, SSC 2, SGA, ADM, CLK I

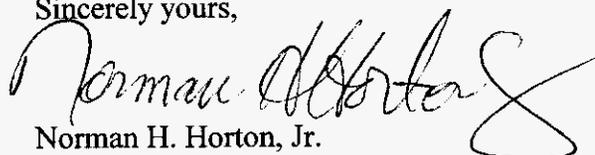
DOCUMENT NUMBER DATE
FPSC-COMMISSION CLERK
07772 JUL 29 08

Ms. Ann Cole, Director, Commission Clerk
July 29, 2009
Page 2

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

Thank you for your assistance with this filing.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Norman H. Horton, Jr.", with a large, stylized flourish at the end.

Norman H. Horton, Jr.

NHH/amb
Enclosures

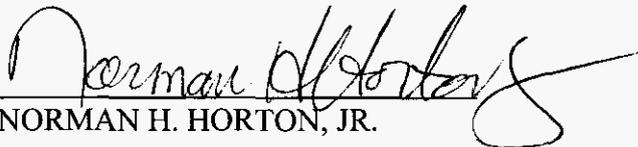
cc: Ms. Cheryl M. Martin
Parties of Record

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by U. S. Mail this 29th day of July, 2009 upon the following:

Ralph Jaeger, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Patricia Christensen
Associate Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400


NORMAN H. HORTON, JR.

**DIRECT SUPPLEMENTAL TESTIMONY
OF
BARRY KENNEDY
IN**

**FLORIDA PUBLIC UTILITIES COMPANY
DOCKET NO 080366-GU**

**IN RE: PETITION OF
FLORIDA PUBLIC UTILITIES COMPANY
FOR A NATURAL GAS RATE INCREASE**

1 **Q. Please state your name, affiliation, business address and summarize your**
2 **academic background and professional experience.**

3 A. My name is Barry Kennedy. I am currently the General Manager of South Florida
4 for Florida Public Utilities (FPU). My business address is 401 S. Dixie Hwy, West
5 Palm Beach, Florida 33401. I joined FPU as Director of Propane Operations in June
6 of 2004. In November of 2005 I assumed the position of General Manager. In my
7 current position I am responsible for propane and natural gas sales, engineering,
8 customer service and operations for South Florida. My responsibilities include all
9 aspects of operating my area including personnel, day to day operations and
10 budgeting. Prior to working at FPU I worked at TECO Peoples Gas for 15 years. I
11 started as the Propane Manager in Orlando and progressed to General Manager of
12 the North Region. Prior to TECO I worked in the propane industry for 18 years in
13 various capacities from service tech to manager. I received my Bachelor of Science
14 in Business from Barry University in 1984.

15 **Q. Have you testified before the Florida Public Service Commission in previous**
16 **cases?**

17 A. No, I participated in rate case preparation and customer meetings as part of rate
18 cases with my previous and current employers but have not testified before the
19 commission.

20 **Q. What is the purpose of your testimony in this proceeding?**

21 A. I am responsible for discussing our proposed Research and Development costs and
22 projected Sales and Marketing Expenses.

1 **Q. Describe how FPU intends to use the funds requested for Research and**
2 **Development.**

3 A. Florida Public Utilities is committed to the development of new and more efficient
4 products and technologies for our customers. We are proposing a budget of \$50,000
5 to help fund R&D programs that work to that end.

6 We expect the results to provide enhanced service and reliability to our customers
7 and to increase customer and employee safety. These funds would be used for
8 capital and expense projects outside of any approved natural gas energy
9 conservation program.

10 FPU is looking to invest in programs that enhance the use of natural gas in
11 areas like;

12 Energy Solutions

13 Residential Applications

14 Commercial Buildings

15 Residential and Commercial Energy Efficiency

16 Gas Foodservice Equipment

17 Natural Gas motor fuel

18 We at FPU believe that participation in the development of these kinds of
19 programs is essential to the growth and stability of our industry and our ability to
20 serve our customers.

21 **Q. Why does FPU forecast sales expense to increase?**

22 A. Due to economic conditions and the slowing of the housing market FPU has
23 allowed a reduction in its sales force. With the slowing of the economy we did not

1 fill some positions that became open due to attrition. We felt it was prudent to
2 make these reductions in response to our financial performance.

3 Going forward FPU intends to increase our marketing efforts in areas that will
4 provide us with the most opportunity for profitable growth. We intend to increase
5 our efforts to saturate the available market that is on our near our mains. This
6 growth can be more economical as far as construction but is much more labor
7 intensive from a marketing perspective. These efforts will allow FPU to provide
8 potential customers who are on main with access to economical, clean efficient and
9 domestically produced natural gas.

10 FPU also looks forward to the opportunity to provide the benefit of our R&D
11 dollars to our customers by marketing the technologies that are developed.

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

13 A. Yes.