

**DIRECT SUPPLEMENTAL TESTIMONY  
OF  
DONALD E. KITNER  
IN**

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

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

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FPSC-COMMISSION CLERK

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

3 A. Donald E. Kitner – General Manager of Central Florida for Florida Public  
4 Utilities Company (FPU). My business office is 450 S. Hwy 17-92, DeBary,  
5 Florida 32713. In June of 1971 I began working with Equitable Gas Company in  
6 Pittsburgh, Pennsylvania and left in February 1990 while in the position of  
7 Supervisor of Construction and Maintenance. I was involved in budgeting,  
8 construction operations and maintenance activities while at Equitable Gas  
9 Company. I joined FPU in February 1990 as Installation & Maintenance  
10 Superintendent in the West Palm Beach Division and received my Bachelor of  
11 Human Resource Management in 1992 from Palm Beach Atlantic College. In  
12 January 1997 I assumed the position of General Manager of FPU's Central  
13 Florida Division. My work experience at FPU includes all aspects of budgeting,  
14 customer service, engineering, construction, marketing, operations and  
15 maintenance in the Central Florida Division.

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

17 A. To provide additional details to testimony originally filed relating to the GPS,  
18 Dispatching and navigational system and the increases in maintenance of mains  
19 expense account.

20 **Q. Have you presented testimony before the Florida Public Service**  
21 **Commission?**

22 A. Yes. I filed testimony in Docket No.040216-GU, the last base rate proceeding for  
23 the Company.

1 **Q. What is the purpose of the GPS, Dispatching and Navigational System?**

2 A. The GPS, dispatching and navigational system will allow dispatchers and  
3 management to be aware of the exact location of all Company vehicles, at all  
4 times. Dispatchers will be afforded the ability to dispatch the closest qualified  
5 vehicle to customer requests for service or leak calls improving the Company's  
6 response time and overall customer service. The navigational segment of the  
7 system will provide the vehicle's operator with clear concise directions to their  
8 next call with the most direct route and shortest timeframe. This system will  
9 enable management to closely monitor crew activities and locations to optimize  
10 crew utilization. The cost indicated is the actual amount, by contract, from the  
11 vendor. Allowances were made for allocations to Company business units other  
12 than natural gas. A total of 154 vehicles will be equipped with this system. The  
13 natural gas portion for the 2009 projected test year is \$60,900.

14 **Q. When was the GPS system implemented?**

15 A. The Company purchased and implemented a GPS Tracking, Navigating, and  
16 Dispatching system between October and November 2008. Training and full  
17 implementation for all users was completed prior to the end of the 2008 calendar  
18 year.

19 **Q. How were the costs associated with the GPS system applied?**

20 A. The costs associated with the operation of the GPS system are applied to both  
21 natural gas and propane with over 17% of the operating costs being directed to  
22 propane. Only the amount associated with natural gas was listed in Schedule G.

1 **Q. Why is the maintenance of mains account increasing?**

2 A. Several factors are contributing to the increases associated with maintenance of  
3 mains account including but not limited to maintaining cathodic protection, bridge  
4 crossing repairs and various road construction projects.

5 **Q. Why is it necessary to maintain cathodic protection systems?**

6 A. The Federal Code of Regulations, Title 49-Transportation. Part 192-  
7 Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety  
8 Standards, Subpart I-Requirements for Corrosion Control mandate minimum  
9 standards for cathodic protection. The Company is required by these standards to  
10 maintain its cathodic protection at acceptable levels. To continue this process the  
11 Company is taking steps to ensure adequate levels of cathodic protection are  
12 maintained.

13 **Q. What is the extent of the facilities requiring cathodic protection?**

14 A. The Company's coated steel pipeline system presently includes approximately  
15 741 miles of main and 14,440 service lines and approximately 22 miles of  
16 cathodically protected bare steel mainlines and 1,978 bare steel service lines.

17 **Q. What is required to maintain adequate levels of cathodic protection?**

18 A. The Company must replace galvanic anodes at numerous locations throughout its  
19 metallic distribution system along with replacing / upgrading rectifiers and their  
20 associated impressed current ground beds and has implemented a program to  
21 accomplish these tasks.

1 **Q. Why is the bridge crossing repairs and maintenance necessary?**

2 A. The Commission's Bureau of Safety has recommended extensive repair and  
3 maintenance activities on 14 bridge crossings. The cost associated with the repair  
4 and maintenance activities recommended is \$105,000 which we anticipate  
5 amortizing over four years. These repair and maintenance activities are above  
6 and beyond the normal activities required on bridge structures. The Company  
7 received a proposal of \$98,470 if completed in 2008. This estimate is expected to  
8 increase between 6% and 7% for 2009 which is when the work is anticipated to be  
9 completed. The increase to the 2009 projected test year for the bridge crossings  
10 repair and maintenance activities is \$26,850.

11 **Q. What impacts do the various road construction projects have on**  
12 **maintenance of mains?**

13 A. Road construction projects can be as involved as requiring a complete relocation  
14 of facilities to a minor adjustment over, under or around a conflict. With the  
15 increase in road construction projects, in part due to the Federal stimulus package,  
16 we find the majority of conflicts can be addressed with minor adjustments or  
17 relocations that are considered maintenance expenses. It is the increased number  
18 of road projects that is driving the number of these 'minor' adjustments  
19 considerably higher.

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

21 A. Yes.