

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Conservation Cost Recovery Clause ) DOCKET NO. 990002-EG

DIRECT TESTIMONY  
OF  
CARL SMITH

**Q. Please state your name, business address, by whom you are employed, and in what capacity.**

A. My name is Carl Smith and my business address is 955 East 25th Street, Hialeah, Florida 33013-3498. I am employed by NUI Corporation as Director of Marketing for its regulated businesses, comprising the Florida, North Carolina, Maryland, Pennsylvania, New York and New Jersey utility operations of NUI Corporation.

**Q. Are you familiar with the energy conservation programs of City Gas Company of Florida ("City Gas")?**

A. Yes, I am. City Gas is NUI Corporation's Florida utility operation.

**Q. Are you familiar with the costs that have been incurred and that are projected to be incurred by City Gas in implementing its energy conservation programs?**

1 A. Yes, I am.

2

3 **Q. What is the purpose of your testimony in this docket?**

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5 A. To submit the recoverable costs incurred during the period ending March

6 31, 1999, and to identify the final true-up amount related to that period.

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8 **Q. Has City Gas prepared schedules which show the expenditures**

9 **associated with its energy conservation programs for the period you**

10 **have mentioned?**

11

12 A. Yes. I have prepared and filed together with this testimony Schedules CT-

13 1, CT-2 and CT-3.

14

15 **Q. What amount did City Gas spend on conservation programs during**

16 **this period?**

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18 A. \$2,116,908.00.

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21 **Q. What is the final true-up amount associated with the period**

22 **ending March 31, 1999?**

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24 A. An over-recovery of \$116,427.00.

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

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A. Yes, it does.

**ADJUSTED NET TRUE UP  
FOR MONTHS: APRIL 1998 THROUGH MARCH 1999**

**END OF PERIOD NET TRUE-UP**

PRINCIPLE	(144,024)	
INTEREST	(4,439)	(148,463)

**LESS PROJECTED TRUE-UP**

PRINCIPLE	(29,285)	
INTEREST	(2,751)	(32,036)

<b>ADJUSTED NET TRUE-UP</b>		<b>(116,427)</b>
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( ) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED  
FOR MONTHS: APRIL 1998 THROUGH MARCH 1999

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	-		-
PAYROLL & BENEFITS	643,646	570,206	73,440
MATERIALS & SUPPLIES	2,049	3,400	(1,351)
ADVERTISING	169,857	285,694	(115,837)
INCENTIVES	1,232,677	1,353,503	(120,826)
OUTSIDE SERVICES	10,618	-	10,618
VEHICLES	58,061	41,763	16,298
OTHER	<u>-</u>	<u>600</u>	<u>(600)</u>
SUB-TOTAL	2,116,908	2,255,166	(138,258)
PROGRAM REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PROGRAM COSTS	2,116,908	2,255,166	(138,258)
LESS:			
PAYROLL ADJUSTMENTS	-	-	-
AMOUNTS INCLUDED IN RATE BASE	-	-	-
CONSERVATION ADJUSTMENT REVENUES	(2,260,932)	(2,284,451)	23,519
ROUNDING ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
TRUE-UP BEFORE INTEREST	(144,024)	(29,285)	(114,739)
INTEREST PROVISION	(4,439)	(2,751)	(1,688)
END OF PERIOD TRUE-UP	<u>(148,463)</u>	<u>(32,036)</u>	<u>(116,427)</u>

( ) REFLECTS OVER-RECOVERY

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
FOR MONTHS: APRIL 1998 THROUGH MARCH 1999

PROGRAM NAME	CAPITAL	PAYROLL & MATERIALS	OUTSIDE			VEHICLE	OTHER	TOTAL		
	INVESTMENT	BENEFITS & SUPPLIES	ADVERTISING	INCENTIVES	SERVICES					
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	108,022	-	9,586	863,705	-	12,010	-	993,323	
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	17,467	-	-	32,400	-	959	-	50,826	
PROGRAM 3: ELECTRIC REPLACEMENT	-	183,738	397	147,499	285,152	-	19,207	-	635,993	
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-	
PROGRAM 5: SCHOOLS PROGRAM	-	3,313	1,500	-	-	-	621	-	5,434	
PROGRAM 6: PROPANE CONVERSION	-	13,836	-	-	75	-	1,126	-	15,037	
PROGRAM 7: WATER HEATER RETENTION	-	38,639	-	-	9,063	-	3,458	-	51,160	
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	29,694	-	405	13,386	-	3,074	-	46,559	
PROGRAM 9: COMM/IND CONVERSION	-	154,747	-	2,500	28,896	-	15,139	-	201,282	
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	46,623	-	7,867	-	-	2,467	-	56,957	
COMMON COSTS	-	47,567	152	2,000	-	10,618	-	-	60,337	
TOTAL	TOTAL OF ALL PROGRAMS	-	643,646	2,049	169,857	1,232,677	10,618	58,061	-	2,116,908

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
FOR MONTHS: APRIL 1998 THROUGH MARCH 1999

PROGRAM NAME	CAPITAL	PAYROLL & MATERIALS	OUTSIDE				VEHICLE	OTHER	TOTAL
	INVESTMENT	BENEFITS & SUPPLIES	ADVERTISING	INCENTIVES	SERVICES				
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	(31,704)	-	(14,412)	(29,761)	-	2,433	-	(73,444)
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	4,188	-	(5,000)	29,400	-	959	-	29,547
PROGRAM 3: ELECTRIC REPLACEMENT	-	54,378	397	(12,792)	(6,588)	-	(836)	-	34,559
PROGRAM 4: DEALER PROGRAM	-	-	-	-	(255)	-	-	-	(255)
PROGRAM 5: SCHOOLS PROGRAM	-	(10,874)	(700)	(1,300)	-	-	402	-	(12,472)
PROGRAM 6: PROPANE CONVERSION	-	4,112	-	(5,779)	(4,617)	-	626	-	(5,658)
PROGRAM 7: WATER HEATER RETENTION	-	1,015	-	(12,728)	(16,964)	-	2,585	-	(26,092)
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	15,888	(600)	(3,354)	(6,339)	-	128	-	5,723
PROGRAM 9: COMM/IND CONVERSION	-	(18,018)	-	(36,639)	(19,702)	-	8,351	-	(66,008)
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	6,888	(600)	(13,833)	(66,000)	-	1,650	-	(71,895)
COMMON COSTS	-	47,567	152	(10,000)	-	10,618	-	(600)	47,737
TOTAL TOTAL OF ALL PROGRAMS	-	73,440	(1,351)	(115,837)	(120,826)	10,618	16,298	(600)	(138,258)

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY MONTH  
FOR MONTHS: APRIL 1998 THROUGH MARCH 1999

EXPENSES:	Actual Apr-98	Actual May-98	Actual Jun-98	Actual Jul-98	Actual Aug-98	Actual Sep-98	Actual Oct-98	Actual Nov-98	Actual Dec-98	Actual Jan-99	Actual Feb-99	Actual Mar-99	Total
PROGRAM 1:	117,147	49,966	164,589	76,722	62,965	71,394	68,312	49,913	104,124	67,738	94,041	66,412	993,323
PROGRAM 2:	1,692	1,253	2,306	2,996	2,088	961	34,235	1,911	1,853	616	462	453	50,826
PROGRAM 3:	110,726	54,974	90,163	51,281	40,870	48,325	56,042	27,990	40,271	44,088	28,400	42,863	635,993
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	728	705	1,982	42	57	168	186	780	188	195	198	205	5,434
PROGRAM 6:	-	-	2,003	2,534	2,690	2,292	886	923	971	909	923	906	15,037
PROGRAM 7:	2,788	3,309	5,330	7,001	8,665	2,473	6,355	1,927	2,948	3,127	3,503	3,734	51,160
PROGRAM 8:	2,906	8,732	6,322	3,766	3,329	5,161	1,784	3,184	4,484	2,326	1,904	2,661	46,559
PROGRAM 9:	17,292	12,872	20,224	16,209	13,208	16,145	13,442	18,174	17,270	17,915	15,261	23,270	201,282
PROGRAM 10:	2,839	6,203	2,091	1,940	6,055	7,123	2,238	5,890	12,354	2,989	3,704	3,531	56,957
COMMON COSTS	-	-	-	-	-	1,423	3,632	19,888	4,003	480	7,568	23,343	60,337
TOTAL	256,118	138,014	295,010	162,491	139,927	155,465	187,112	130,580	188,466	140,383	155,964	167,378	2,116,908
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	256,118	138,014	295,010	162,491	139,927	155,465	187,112	130,580	188,466	140,383	155,964	167,378	2,116,908



ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: APRIL 1998 THROUGH MARCH 1999

	Actual Apr-98	Actual May-98	Actual Jun-98	Actual Jul-98	Actual Aug-98	Actual Sep-98	Actual Oct-98	Actual Nov-98	Actual Dec-98	Actual Jan-99	Actual Feb-99	Actual Mar-99	Total
1 RCS AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
2 OTHER PROGRAM REVS	-	-	-	-	-	-	-	-	-	-	-	-	-
3 CONSERV. ADJ REVS	(217,349)	(149,379)	(153,972)	(147,231)	(132,757)	(136,089)	(140,040)	(166,553)	(159,298)	(199,902)	(218,405)	(200,219)	(2,021,194)
4 TOTAL REVENUES	(217,349)	(149,379)	(153,972)	(147,231)	(132,757)	(136,089)	(140,040)	(166,553)	(159,298)	(199,902)	(218,405)	(200,219)	(2,021,194)
5 PRIOR PERIOD TRUE UP NOT APPLICABLE TO THIS PERIOD	(19,978)	(19,978)	(19,978)	(19,978)	(19,978)	(19,978)	(19,978)	(19,978)	(19,978)	(19,978)	(19,978)	(19,980)	(239,738)
CONSERVATION REVENUES													
6 APPLICABLE TO THE PERIOD	(237,327)	(169,357)	(173,950)	(167,209)	(152,735)	(156,067)	(160,018)	(186,531)	(179,276)	(219,880)	(238,383)	(220,199)	(2,260,932)
CONSERVATION EXPENSES													
7 (FROM CT-3, PAGE 1)	256,118	138,014	295,010	162,491	139,927	155,465	187,112	130,580	188,466	140,383	155,964	167,378	2,116,908
8 TRUE-UP THIS PERIOD	18,791	(31,343)	121,060	(4,718)	(12,808)	(602)	27,094	(55,951)	9,190	(79,497)	(82,419)	(52,821)	(144,024)
9 INTEREST PROVISION THIS PERIOD (FROM CT-3 PAGE 3)	(1,017)	(954)	(665)	(308)	(256)	(190)	(40)	(17)	(31)	(91)	(336)	(533)	(4,439)
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(239,738)	(201,986)	(214,306)	(73,933)	(58,981)	(52,067)	(32,880)	14,151	(21,839)	7,298	(52,312)	(115,089)	
11 PRIOR PERIOD TRUE UP													
COLLECTED/(REFUNDED)	19,978	19,978	19,978	19,978	19,978	19,978	19,978	19,978	19,978	19,978	19,978	19,980	
12 TOTAL NET TRUE UP (SUM LINES 079+10+11)	(201,986)	(214,306)	(73,933)	(58,981)	(52,067)	(32,880)	14,151	(21,839)	7,298	(52,312)	(115,089)	(148,463)	(148,463)

