

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Conservation Cost Recovery Clause )

DOCKET NO. <sup>000002-EG</sup> 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.**

**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?**

**A. Yes, I am.**

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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

A. To submit the recoverable costs incurred during the period ending December 31, 1999, and to identify the final true-up amount related to that period.

**Q. Has City Gas prepared schedules which show the expenditures associated with its energy conservation programs for the period you have mentioned?**

A. Yes. I have prepared and filed together with this testimony Schedules CT-1, CT-2 and CT-3.

**Q. What amount did City Gas spend on conservation programs during this period?**

A. \$1,394,940.00.

**Q. What is the final true-up amount associated with the period ending December 31, 1999?**

A. An under-recovery of \$74,039.00.

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

1           A.       Yes, it does.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the Prepared Direct Testimony and Exhibits of Carl Smith has been furnished by U.S. Mail to the following parties of record:

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**ADJUSTED NET TRUE UP  
APRIL 1999 THROUGH DECEMBER 1999**

**END OF PERIOD NET TRUE-UP**

PRINCIPLE	120,040	
INTEREST	(2,413)	117,627

**LESS PROJECTED TRUE-UP**

PRINCIPLE	47,335	
INTEREST	(3,747)	43,588

**ADJUSTED NET TRUE-UP 74,039**

( ) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED  
APRIL 1999 THROUGH DECEMBER 1999

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	-		-
PAYROLL & BENEFITS	304,542	351,234	(46,692)
MATERIALS & SUPPLIES	342	1,437	(1,095)
ADVERTISING	157,051	151,280	5,771
INCENTIVES	857,845	966,177	(108,332)
OUTSIDE SERVICES	40,313	29,348	10,965
VEHICLES	34,847	36,707	(1,860)
OTHER	<u>-</u>	<u>-</u>	<u>-</u>
SUB-TOTAL	1,394,940	1,536,183	(141,243)
PROGRAM REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PROGRAM COSTS	1,394,940	1,536,183	(141,243)
LESS:			
PAYROLL ADJUSTMENTS	-	-	-
AMOUNTS INCLUDED IN RATE BASE	-	-	-
CONSERVATION ADJUSTMENT REVENUES	(1,274,900)	(1,488,848)	213,948
ROUNDING ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
TRUE-UP BEFORE INTEREST	120,040	47,335	72,705
INTEREST PROVISION	(2,413)	(3,747)	1,334
END OF PERIOD TRUE-UP	<u>117,627</u>	<u>43,588</u>	<u>74,039</u>

( ) REFLECTS OVER-RECOVERY

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
APRIL 1999 THROUGH DECEMBER 1999

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	73,161	-	10,179	652,940	-	13,100	-	749,380
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	813	-	612	-	-	(483)	-	942
PROGRAM 3: ELECTRIC REPLACEMENT	-	65,397	-	54,849	160,304	-	5,370	-	285,920
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	394	-	4,350	-	-	(112)	-	4,632
PROGRAM 6: PROPANE CONVERSION	-	854	-	-	593	-	(308)	-	1,139
PROGRAM 7: WATER HEATER RETENTION	-	18,227	-	-	13,824	-	2,986	-	35,037
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	9,183	-	-	6,875	-	600	-	16,658
PROGRAM 9: COMM/IND CONVERSION	-	92,781	-	23,460	23,309	-	9,469	-	149,019
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	28,362	-	63,601	-	-	3,103	-	95,066
COMMON COSTS	-	15,370	342	-	-	40,313	1,122	-	57,147
TOTAL TOTAL OF ALL PROGRAMS	-	304,542	342	157,051	857,845	40,313	34,847	-	1,394,940

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
APRIL 1999 THROUGH DECEMBER 1999

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	1,337	-	(10,450)	17,010	-	3,439	-	11,336
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	(3,850)	-	112	(3,000)	-	(378)	-	(7,116)
PROGRAM 3: ELECTRIC REPLACEMENT	-	(9,764)	-	2,054	(36,510)	-	(4,414)	-	(48,634)
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	(771)	(200)	2,400	-	-	-	-	1,429
PROGRAM 6: PROPANE CONVERSION	-	(2,807)	-	(1,365)	(1,407)	-	(324)	-	(5,903)
PROGRAM 7: WATER HEATER RETENTION	-	(2,955)	-	(5,100)	50	-	1,534	-	(6,471)
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	(25)	(200)	(2,100)	(1,857)	-	100	-	(4,082)
PROGRAM 9: COMM/IND CONVERSION	-	(36,853)	-	(8,870)	(27,618)	-	(2,411)	-	(75,752)
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	(2,143)	505	39,090	(55,000)	-	(528)	-	(18,076)
COMMON COSTS	-	11,139	(1,200)	(10,000)	-	10,965	1,122	-	12,026
TOTAL TOTAL OF ALL PROGRAMS	-	(46,692)	(1,095)	5,771	(108,332)	10,965	(1,860)	-	(141,243)

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES



ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY MONTH  
APRIL 1999 THROUGH DECEMBER 1999

EXPENSES:	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Total
PROGRAM 1:	-	-	-	63,498	53,812	39,922	153,143	86,879	41,658	177,537	41,026	91,905	749,380
PROGRAM 2:	-	-	-	(196)	521	-	-	-	5	-	-	612	942
PROGRAM 3:	-	-	-	28,945	45,204	28,797	29,604	30,064	28,841	24,776	19,963	49,726	285,920
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	47	134	179	1,954	2,400	(82)	-	-	-	4,632
PROGRAM 6:	-	-	-	487	317	-	-	253	7	75	-	-	1,139
PROGRAM 7:	-	-	-	3,099	3,647	3,524	3,923	3,623	1,869	3,305	6,151	5,896	35,037
PROGRAM 8:	-	-	-	1,395	4,180	1,966	2,338	1,540	1,167	1,393	2,062	617	16,658
PROGRAM 9:	-	-	-	11,659	21,380	11,737	15,123	17,494	42,100	9,069	7,094	13,363	149,019
PROGRAM 10:	-	-	-	5,534	6,889	7,571	7,359	7,647	55,044	3,084	994	944	95,066
COMMON COSTS	-	-	-	5,504	6,498	3,229	20,528	2,218	5,427	4,205	4,643	4,895	57,147
TOTAL	-	-	-	119,972	142,582	96,925	233,972	152,118	176,036	223,444	81,933	167,958	1,394,940
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	-	-	-	119,972	142,582	96,925	233,972	152,118	176,036	223,444	81,933	167,958	1,394,940

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
APRIL 1999 THROUGH DECEMBER 1999

	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Total
1 RCS AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
2 OTHER PROGRAM REVS	-	-	-	-	-	-	-	-	-	-	-	-	-
3 CONSERV. ADJ REVS				(148,848)	(118,987)	(114,698)	(112,681)	(106,530)	(107,212)	(108,922)	(119,761)	(141,383)	(1,079,022)
4 TOTAL REVENUES	-	-	-	(148,848)	(118,987)	(114,698)	(112,681)	(106,530)	(107,212)	(108,922)	(119,761)	(141,383)	(1,079,022)
5 PRIOR PERIOD TRUE UP NOT APPLICABLE TO THIS PERIOD CONSERVATION REVENUES				(21,764)	(21,764)	(21,764)	(21,764)	(21,764)	(21,764)	(21,764)	(21,764)	(21,765)	(195,878)
6 APPLICABLE TO THE PERIOD	-	-	-	(170,612)	(140,751)	(136,462)	(134,445)	(128,294)	(128,976)	(130,686)	(141,525)	(163,148)	(1,274,900)
7 CONSERVATION EXPENSES (FROM CT-3, PAGE 1)	-	-	-	119,972	142,582	96,925	233,972	152,118	176,036	223,444	81,933	167,958	1,394,940
8 TRUE-UP THIS PERIOD	-	-	-	(50,640)	1,831	(39,537)	99,527	23,824	47,060	92,758	(59,592)	4,810	120,040
9 INTEREST PROVISION THIS PERIOD (FROM CT-3 PAGE 3)	-	-	-	(848)	(860)	(873)	(680)	(339)	(94)	311	490	480	(2,413)
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH				(195,878)	(225,602)	(202,867)	(221,513)	(100,903)	(55,654)	13,076	127,909	90,571	
11 PRIOR PERIOD TRUE UP													
COLLECTED/(REFUNDED)	-	-	-	21,764	21,764	21,764	21,764	21,764	21,764	21,764	21,764	21,765	
12 TOTAL NET TRUE UP (SUM LINES 8+9+10+11)	-	-	-	(225,602)	(202,867)	(221,513)	(100,903)	(55,654)	13,076	127,909	90,571	117,627	117,627

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
APRIL 1999 THROUGH DECEMBER 1999

	Jan-99	Feb-99	Mar-99	Apr-99	May-99	Jun-99	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Total
1. INTEREST PROVISION BEGINNING TRUE-UP	-	-	-	(195,878)	(225,602)	(202,867)	(221,513)	(100,903)	(55,654)	13,076	127,909	90,571	
2. ENDING TRUE-UP BEFORE INTEREST	-	-	-	(224,754)	(202,007)	(220,640)	(100,222)	(55,315)	13,170	127,598	90,081	117,146	
3. TOTAL BEGINNING & ENDING TRUE-UP	-	-	-	(420,632)	(427,610)	(423,507)	(321,736)	(156,218)	(42,484)	140,674	217,990	207,717	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	-	-	-	(210,316)	(213,805)	(211,753)	(160,868)	(78,109)	(21,242)	70,337	108,995	103,859	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH				4.880%	4.800%	4.850%	5.050%	5.100%	5.320%	5.300%	5.300%	5.500%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH				4.800%	4.850%	5.050%	5.100%	5.320%	5.300%	5.300%	5.500%	5.600%	
7. TOTAL (SUM LINES 5 & 6)	0.000%	0.000%	0.000%	9.680%	9.650%	9.900%	10.150%	10.420%	10.620%	10.600%	10.800%	11.100%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	0.000%	0.000%	0.000%	4.840%	4.825%	4.950%	5.075%	5.210%	5.310%	5.300%	5.400%	5.550%	
9. MONTHLY AVG INTEREST RATE	0.000%	0.000%	0.000%	0.403%	0.402%	0.413%	0.423%	0.434%	0.443%	0.442%	0.450%	0.463%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	-	-	-	(848)	(860)	(873)	(680)	(339)	(94)	311	490	480	(2,413)
10. a. INT. ADJ													