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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DIRECT TESTIMONY OF
GLORIA LOPEZ
ON BEHALF OF NUI CITY GAS COMPANY OF FLORIDA
DOCKET NO. 030004-GU
May 15, 2003

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

A. My name is Gloria Lopez and my business address is 955 East 25th Street, Hialeah, Florida 33013-3498. I am employed by NUI Corporation as Director of Business and Regulatory Affairs.

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 Utility Inc.'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.

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

2 A. To submit the recoverable costs incurred during the period ending

3 December 31, 2002, and to identify the final true-up amount related to

4 that period.

5

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

7 **associated with its energy conservation programs for the period**

8 **you have mentioned?**

9

10 A. Yes. I have prepared and filed together with this testimony Exhibit

11 ___ (GL-1) consisting of Schedules CT-1, CT-2 and CT-3.

12

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

14 **during this period?**

15

16 A. \$2,168,090.

17

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

19 **ending December 31, 2002?**

20

21 A. An over-recovery of \$143,494.

22

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

24

25 A. Yes, it does.

ADJUSTED NET TRUE UP
JANUARY 2002 THROUGH DECEMBER 2002

END OF PERIOD NET TRUE-UP

PRINCIPLE	(275,114)	
INTEREST	(9,557)	(284,671)

LESS PROJECTED TRUE-UP

PRINCIPLE	(131,723)	
INTEREST	(9,454)	(141,177)

ADJUSTED NET TRUE-UP (143,494)

() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2002 THROUGH DECEMBER 2002

	<u>ACTUAL</u>	<u>PROJECTED ***</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	-		-
PAYROLL & BENEFITS	572,156	620,146	(47,990)
MATERIALS & SUPPLIES	-	1,250	(1,250)
ADVERTISING	257,164	259,122	(1,958)
INCENTIVES	1,264,975	1,445,694	(180,719)
OUTSIDE SERVICES	39,330	35,468	3,862
VEHICLES	34,465	36,938	(2,473)
OTHER	<u>-</u>	<u>-</u>	<u>-</u>
SUB-TOTAL	2,168,090	2,398,618	(230,528)
PROGRAM REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PROGRAM COSTS	2,168,090	2,398,618	(230,528)
LESS:			
PAYROLL ADJUSTMENTS	-	-	-
AMOUNTS INCLUDED IN RATE BASE	-	-	-
CONSERVATION ADJUSTMENT REVENUES	(2,443,204)	(2,530,341)	87,137
ROUNDING ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>
TRUE-UP BEFORE INTEREST	(275,114)	(131,723)	(143,391)
INTEREST PROVISION	(9,557)	(9,454)	(103)
END OF PERIOD TRUE-UP	<u>(284,671)</u>	<u>(141,177)</u>	<u>(143,494)</u>

() REFLECTS OVER-RECOVERY

*** Eight months actual and four months projected (Jan-Dec'2002)

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	123,685	-	15,883	1,099,602	-	9,399	-	1,248,569
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	9,849	-	-	16,706	-	1,717	-	28,272
PROGRAM 3: ELECTRIC REPLACEMENT	-	88,767	-	89,116	91,457	-	5,311	-	274,651
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	14	-	-	-	-	75	-	89
PROGRAM 7: WATER HEATER RETENTION	-	29,848	-	-	32,125	-	1,364	-	63,337
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	14,632	-	-	3,768	-	814	-	19,214
PROGRAM 9: COMM/IND CONVERSION	-	264,157	-	-	21,317	-	13,091	-	298,565
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	4,672	-	2,450	-	-	1,603	-	8,725
COMMON COSTS	-	36,532	-	149,715	-	39,330	1,091	-	226,668
TOTAL TOTAL OF ALL PROGRAMS	-	572,156	-	257,164	1,264,975	39,330	34,465	-	2,168,090

CITY GAS COMPANY OF FLORIDA
PROJECTED CONSERVATION COSTS PER PROGRAM
JANUARY 2002 THROUGH DECEMBER 2002
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

PROGRAM NAME	CAPITAL	PAYROLL &	MATERIALS	ADVERTISING	INCENTIVES	OUTSIDE	VEHICLE	OTHER	TOTAL	
	INVESTMENT	BENEFITS	& SUPPLIES			SERVICES				
PROGRAM 1: SINGLE FAMILY HOME BUILDE	-	148,199	-	10,937	1,199,338	-	10,358	-	1,368,832	
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	18,904	-	-	63,506	-	1,879	-	84,289	
PROGRAM 3: ELECTRIC REPLACEMENT	-	97,744	-	61,506	98,183	-	5,625	-	263,058	
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-	
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-	
PROGRAM 6: PROPANE CONVERSION	-	649	-	-	100	-	76	-	825	
PROGRAM 7: WATER HEATER RETENTION	-	31,573	-	-	33,425	-	1,033	-	66,031	
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	14,232	-	-	4,821	-	918	-	19,971	
PROGRAM 9: COMM/IND CONVERSION	-	262,616	-	2,000	26,771	-	8,454	-	299,841	
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	12,874	-	6,400	19,550	-	7,096	-	45,920	
COMMON COSTS	-	33,355	1,250	178,279	-	35,468	1,499	-	249,851	
TOTAL	TOTAL OF ALL PROGRAMS	-	620,146	1,250	259,122	1,445,694	35,468	36,938	-	2,398,618

REVENUES

INTEREST

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2002 THROUGH DECEMBER 2002

PROGRAM NAME	CAPITAL	PAYROLL & MATERIALS	OUTSIDE				TOTAL		
	INVESTMENT	BENEFITS & SUPPLIES	ADVERTISING	INCENTIVES	SERVICES	VEHICLE		OTHER	
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	(24,514)	-	4,946	(99,736)	-	(959)	-	(120,263)
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	(9,055)	-	-	(46,800)	-	(162)	-	(56,017)
PROGRAM 3: ELECTRIC REPLACEMENT	-	(8,977)	-	27,610	(6,726)	-	(314)	-	11,593
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	(635)	-	-	(100)	-	(1)	-	(736)
PROGRAM 7: WATER HEATER RETENTION	-	(1,725)	-	-	(1,300)	-	331	-	(2,694)
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	400	-	-	(1,053)	-	(104)	-	(757)
PROGRAM 9: COMM/IND CONVERSION	-	1,541	-	(2,000)	(5,454)	-	4,637	-	(1,276)
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	(8,202)	-	(3,950)	(19,550)	-	(5,493)	-	(37,195)
COMMON COSTS	-	3,177	(1,250)	(28,564)	-	3,862	(408)	-	(23,183)
TOTAL TOTAL OF ALL PROGRAMS	-	(47,990)	(1,250)	(1,958)	(180,719)	3,862	(2,473)	-	(230,528)

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY MONTH
JANUARY 2002 THROUGH DECEMBER 2002

EXPENSES:	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
PROGRAM 1:	110,696	129,444	96,988	95,180	92,778	82,983	122,441	111,277	100,306	93,569	91,868	121,039	1,248,569
PROGRAM 2:	528	1,089	860	982	1,333	1,362	1,317	17,380	465	1,168	983	805	28,272
PROGRAM 3:	23,373	21,349	25,642	28,811	23,563	16,311	16,087	21,278	24,076	28,321	14,447	31,393	274,651
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	9	9	34	(5)	9	9	8	7	9	-	-	-	89
PROGRAM 7:	8,454	6,565	5,421	5,628	6,192	4,582	4,680	4,917	5,371	4,073	1,937	5,517	63,337
PROGRAM 8:	2,468	1,547	764	1,087	2,160	1,846	1,615	1,498	1,033	1,915	1,254	2,027	19,214
PROGRAM 9:	26,628	25,475	26,051	21,364	26,868	22,188	32,712	21,005	25,086	27,992	22,925	20,271	298,565
PROGRAM 10:	3,397	532	536	550	459	464	385	592	681	431	459	239	8,725
COMMON COSTS:	10,888	6,761	8,743	28,707	18,677	28,959	22,815	19,199	19,599	23,951	18,949	19,420	226,668
TOTAL	186,441	192,771	165,039	182,304	172,039	158,704	202,060	197,153	176,626	181,420	152,822	200,711	2,168,090
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	186,441	192,771	165,039	182,304	172,039	158,704	202,060	197,153	176,626	181,420	152,822	200,711	2,168,090

SCHEDULE CT-2
PROJECTED CONSERVATION COSTS PER MONTH
JANUARY 2002 THROUGH DECEMBER 2002
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

EXPENSES:

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
PROGRAM 1:	110,696	129,444	96,988	95,180	92,778	82,983	122,441	111,277	86,630	147,572	146,038	146,805	1,368,832
PROGRAM 2:	528	1,089	860	982	1,333	1,362	1,317	17,380	1,369	27,312	27,001	3,756	84,289
PROGRAM 3:	23,373	21,349	25,642	28,811	23,563	16,311	16,087	21,278	18,682	23,102	22,207	22,653	263,058
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	9	9	34	(5)	9	9	8	7	256	170	156	163	825
PROGRAM 7:	8,454	6,565	5,421	5,628	6,192	4,582	4,680	4,917	4,563	5,102	4,918	5,009	66,031
PROGRAM 8:	2,468	1,547	764	1,087	2,160	1,846	1,615	1,498	1,945	1,734	1,627	1,680	19,971
PROGRAM 9:	26,628	25,475	26,051	21,364	26,868	22,188	32,712	21,005	21,815	26,157	24,334	25,244	299,841
PROGRAM 10:	3,397	532	536	550	459	464	385	592	11,597	8,910	8,695	9,803	45,920
COMMON COSTS	10,888	6,761	8,743	28,707	18,677	28,959	22,815	19,199	46,410	19,639	19,490	19,563	249,851
TOTAL	186,441	192,771	165,039	182,304	172,039	158,704	202,060	197,153	193,267	259,698	254,466	234,676	2,398,618
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE													
CONSERVATION EXPENSES	186,441	192,771	165,039	182,304	172,039	158,704	202,060	197,153	193,267	259,698	254,466	234,676	2,398,618

SCHEDULE CT-2
SUMMARY OF EXPENSES BY PROGRAM
VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2002 THROUGH DECEMBER 2002

EXPENSES:	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
PROGRAM 1:	-	-	-	-	-	-	-	-	13,676	(54,003)	(54,170)	(25,766)	(120,263)
PROGRAM 2:	-	-	-	-	-	-	-	-	(904)	(26,144)	(26,018)	(2,951)	(56,017)
PROGRAM 3:	-	-	-	-	-	-	-	-	5,394	5,219	(7,760)	8,740	11,593
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	-	-	-	-	-	-	-	(247)	(170)	(156)	(163)	(736)
PROGRAM 7:	-	-	-	-	-	-	-	-	808	(1,029)	(2,981)	508	(2,694)
PROGRAM 8:	-	-	-	-	-	-	-	-	(912)	181	(373)	347	(757)
PROGRAM 9:	-	-	-	-	-	-	-	-	3,271	1,835	(1,409)	(4,973)	(1,276)
PROGRAM 10:	-	-	-	-	-	-	-	-	(10,916)	(8,479)	(8,236)	(9,564)	(37,195)
COMMON COSTS	-	-	-	-	-	-	-	-	(26,811)	4,312	(541)	(143)	(23,183)
TOTAL	-	-	-	-	-	-	-	-	(16,641)	(78,278)	(101,644)	(33,965)	(230,528)
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	-	-	-	-	-	-	-	-	(16,641)	(78,278)	(101,644)	(33,965)	(230,528)

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
1 RCS AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
2 OTHER PROGRAM REVS	-	-	-	-	-	-	-	-	-	-	-	-	-
3 CONSERV ADJ REVS	(185,501)	(163,497)	(172,018)	(132,498)	(124,757)	(128,309)	(126,298)	(129,135)	(119,736)	(121,672)	(140,124)	(153,898)	(1,697,443)
4 TOTAL REVENUES	(185,501)	(163,497)	(172,018)	(132,498)	(124,757)	(128,309)	(126,298)	(129,135)	(119,736)	(121,672)	(140,124)	(153,898)	(1,697,443)
5 PRIOR PERIOD TRUE UP NOT APPLICABLE TO THIS PERIOD CONSERVATION REVENUES	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,147)	(62,144)	(745,761)
6 APPLICABLE TO THE PERIOD	(247,648)	(225,644)	(234,165)	(194,645)	(186,904)	(190,456)	(188,445)	(191,282)	(181,883)	(183,819)	(202,271)	(216,042)	(2,443,204)
CONSERVATION EXPENSES													
7 (FROM CT-3, PAGE 1)	186,441	192,771	165,039	182,304	172,039	158,704	202,060	197,153	176,626	181,420	152,822	200,711	2,168,090
8 TRUE-UP THIS PERIOD	(61,207)	(32,873)	(69,126)	(12,341)	(14,865)	(31,752)	13,615	5,871	(5,257)	(2,399)	(49,449)	(15,331)	(275,114)
9 INTEREST PROVISION THIS PERIOD (FROM CT-3 PAGE 3)	(1,102)	(1,073)	(1,067)	(1,037)	(958)	(903)	(817)	(706)	(622)	(530)	(414)	(329)	(9,557)
10 TRUE-UP & INTER PROV BEGINNING OF MONTH	(745,761)	(745,923)	(717,722)	(725,768)	(676,998)	(630,675)	(601,182)	(526,237)	(458,925)	(402,657)	(343,439)	(331,155)	
11 PRIOR PERIOD TRUE UP													
COLLECTED/(REFUNDED)	62,147	62,147	62,147	62,147	62,147	62,147	62,147	62,147	62,147	62,147	62,147	62,144	
12 TOTAL NET TRUE UP (SUM LINES 8+9+10+11)	(745,923)	(717,722)	(725,768)	(676,998)	(630,675)	(601,182)	(526,237)	(458,925)	(402,657)	(343,439)	(331,155)	(284,671)	(284,671)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2002 THROUGH DECEMBER 2002

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Total
1. INTEREST PROVISION													
BEGINNING TRUE-UP	(745,761)	(745,923)	(717,722)	(725,768)	(676,998)	(630,675)	(601,182)	(526,237)	(458,925)	(402,657)	(343,439)	(331,155)	
2. ENDING TRUE-UP BEFORE INTEREST	(744,821)	(716,649)	(724,701)	(675,962)	(629,716)	(600,280)	(525,420)	(458,219)	(402,035)	(342,909)	(330,741)	(284,342)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(1,490,582)	(1,462,573)	(1,442,423)	(1,401,730)	(1,306,715)	(1,230,954)	(1,126,603)	(984,456)	(860,959)	(745,566)	(674,180)	(615,497)	
4. AVERAGE TRUE-UP* (LINE 3 TIMES 50%)	(745,291)	(731,286)	(721,211)	(700,865)	(653,357)	(615,477)	(563,301)	(492,228)	(430,480)	(372,783)	(337,090)	(307,749)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.780%	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.770%	1.750%	1.800%	1.750%	1.770%	1.750%	1.730%	1.710%	1.760%	1.650%	1.300%	1.290%	
7. TOTAL (SUM LINES 5 & 6)	3.550%	3.520%	3.550%	3.550%	3.520%	3.520%	3.480%	3.440%	3.470%	3.410%	2.950%	2.590%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.775%	1.760%	1.775%	1.775%	1.760%	1.760%	1.740%	1.720%	1.735%	1.705%	1.475%	1.295%	
9. MONTHLY AVG INTEREST RATE	0.148%	0.147%	0.148%	0.148%	0.147%	0.147%	0.145%	0.143%	0.145%	0.142%	0.123%	0.108%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(1,102)	(1,073)	(1,067)	(1,037)	(958)	(903)	(817)	(706)	(622)	(530)	(414)	(329)	(9,557)
10 a INT ADJ													