

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2 DIRECT TESTIMONY OF

3 GLORIA LOPEZ

4 ON BEHALF OF NUI CITY GAS COMPANY OF FLORIDA

5 DOCKET NO. 040004-GU

6
7 **Q. Please state your name, business address, by whom you are**
8 **employed, and in what capacity.**

9
10 **A.** My name is Gloria Lopez and my business address is 955 East 25th Street,
11 Hialeah, Florida 33013-3498. I am employed by NUI Utilities, Inc. as
12 Director of Regulatory and Business Affairs for its City Gas Division.

13
14 **Q. Are you familiar with the energy conservation programs of City Gas**
15 **Company of Florida ("City Gas")?**

16
17 **A.** Yes, I am.

18
19 **Q. Are you familiar with the costs that have been incurred and that are**
20 **projected to be incurred by City Gas in implementing its energy**
21 **conservation programs?**

22
23 **A.** Yes, I am.

24 DOCUMENT NUMBER-DATE

05069 MAY-3 5

FPSC-COMMISSION CLERK

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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, 2003, 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 Exhibit ____ (GL-1) consisting of Schedules CT-1, CT-2 and CT-3.

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

A. \$2,534,873.

Q. What is the final true-up amount associated with the period ending December 31, 2003?

A. An under-recovery of \$147,346.

Q. Does this conclude your testimony?

1

A. Yes, it does.

ADJUSTED NET TRUE UP
JANUARY 2003 THROUGH DECEMBER 2003

END OF PERIOD NET TRUE-UP

PRINCIPLE	(546,163)	
INTEREST	(6,663)	(552,826)

LESS PROJECTED TRUE-UP

PRINCIPLE	(693,290)	
INTEREST	(6,882)	(700,172)

ADJUSTED NET TRUE-UP 147,346

() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2003 THROUGH DECEMBER 2003

	<u>ACTUAL</u>	<u>PROJECTED ***</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	-		-
PAYROLL & BENEFITS	661,620	693,205	(31,585)
MATERIALS & SUPPLIES	-	130	(130)
ADVERTISING	277,351	261,439	15,912
INCENTIVES	1,528,276	1,446,003	82,273
OUTSIDE SERVICES	43,749	39,818	3,931
VEHICLES	23,877	26,383	(2,506)
OTHER	-	-	-
SUB-TOTAL	2,534,873	2,466,978	67,895
PROGRAM REVENUES	-	-	-
TOTAL PROGRAM COSTS	2,534,873	2,466,978	67,895
LESS:			
PAYROLL ADJUSTMENTS	-	-	-
AMOUNTS INCLUDED IN RATE BASE	-	-	-
CONSERVATION ADJUSTMENT REVENUES	(3,081,036)	(3,160,268)	79,232
ROUNDING ADJUSTMENT	-	-	-
TRUE-UP BEFORE INTEREST	(546,163)	(693,290)	147,127
INTEREST PROVISION	(6,663)	(6,882)	219
END OF PERIOD TRUE-UP	(552,826)	(700,172)	147,346

() REFLECTS OVER-RECOVERY

*** Eight months actual and four months projected (Jan-Dec'2003)

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	196,198	-	29,179	1,329,312	-	8,843	-	1,563,532
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	12,361	-	-	-	-	1,197	-	13,558
PROGRAM 3: ELECTRIC REPLACEMENT	-	110,212	-	66,051	105,996	-	3,267	-	285,526
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	-	-	-	1,600	-	-	-	1,600
PROGRAM 7: WATER HEATER RETENTION	-	18,376	-	-	71,675	-	779	-	90,830
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	17,641	-	-	6,827	-	400	-	24,868
PROGRAM 9: COMM/IND CONVERSION	-	272,741	-	-	12,866	-	8,867	-	294,474
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	4,577	-	10,341	-	-	524	-	15,442
COMMON COSTS	-	29,514	-	171,780	-	43,749	-	-	245,043
TOTAL TOTAL OF ALL PROGRAMS	-	661,620	-	277,351	1,528,276	43,749	23,877	-	2,534,873

CITY GAS COMPANY OF FLORIDA
PROJECTED CONSERVATION COSTS PER PROGRAM
JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: SINGLE FAMILY HOME BUILDE	-	177,687	-	16,466	1,217,862	-	9,628	-	1,421,643
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	17,769	-	-	-	-	1,320	-	19,089
PROGRAM 3: ELECTRIC REPLACEMENT	-	130,431	-	67,311	120,199	-	3,676	-	321,617
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	1,192	-	-	1,475	-	-	-	2,667
PROGRAM 7: WATER HEATER RETENTION	-	28,117	-	-	66,481	-	777	-	95,375
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	18,624	-	-	7,460	-	484	-	26,568
PROGRAM 9: COMM/IND CONVERSION	-	282,146	-	1,200	16,026	-	8,115	-	307,487
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	8,715	-	11,541	16,500	-	2,383	-	39,139
COMMON COSTS	-	28,524	130	164,921	-	39,818	-	-	233,393
TOTAL	-	693,205	130	261,439	1,446,003	39,818	26,383	-	2,466,978

REVENUES

INTEREST

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2003 THROUGH DECEMBER 2003

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: SINGLE FAMILY HOME BUILDER	-	18,511	-	12,713	111,450	-	(785)	-	141,889
PROGRAM 2: MULTI FAMILY HOME BUILDER	-	(5,408)	-	-	-	-	(123)	-	(5,531)
PROGRAM 3: ELECTRIC REPLACEMENT	-	(20,219)	-	(1,260)	(14,203)	-	(409)	-	(36,091)
PROGRAM 4: DEALER PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 5: SCHOOLS PROGRAM	-	-	-	-	-	-	-	-	-
PROGRAM 6: PROPANE CONVERSION	-	(1,192)	-	-	125	-	-	-	(1,067)
PROGRAM 7: WATER HEATER RETENTION	-	(9,741)	-	-	5,194	-	2	-	(4,545)
PROGRAM 8: RESIDENTIAL CUT AND CAP	-	(983)	-	-	(633)	-	(84)	-	(1,700)
PROGRAM 9: COMM/IND CONVERSION	-	(9,405)	-	(1,200)	(3,160)	-	752	-	(13,013)
PROGRAM 10: ALTERNATIVE TECHNOLOGY	-	(4,138)	-	(1,200)	(16,500)	-	(1,859)	-	(23,697)
COMMON COSTS	-	990	(130)	6,859	-	3,931	-	-	11,650
TOTAL TOTAL OF ALL PROGRAMS	-	(31,585)	(130)	15,912	82,273	3,931	(2,506)	-	67,895

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
SUMMARY OF EXPENSES BY MONTH
JANUARY 2003 THROUGH DECEMBER 2003

EXPENSES:	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
PROGRAM 1:	111,202	110,495	108,894	91,795	146,909	118,079	131,594	130,346	158,155	134,295	135,539	186,229	1,563,532
PROGRAM 2:	1,210	1,622	1,272	1,574	1,158	746	589	744	2,960	593	540	550	13,558
PROGRAM 3:	41,770	25,983	15,995	16,457	24,941	23,626	25,591	20,105	26,021	27,286	13,361	24,390	285,526
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	125	-	-	550	-	300	500	-	-	125	-	1,600
PROGRAM 7:	3,536	3,360	3,001	3,930	9,206	9,715	11,441	7,361	11,083	9,096	9,933	9,168	90,830
PROGRAM 8:	1,606	1,841	2,729	597	2,272	3,444	1,997	3,131	1,683	3,141	1,403	1,024	24,868
PROGRAM 9:	28,198	20,680	24,462	27,183	24,430	25,179	26,331	22,617	26,601	24,555	22,898	21,340	294,474
PROGRAM 10:	1,380	9,767	395	429	547	452	597	405	501	356	278	335	15,442
COMMON COSTS	12,126	12,054	24,443	29,954	24,944	5,322	21,938	23,111	27,576	22,520	22,586	18,469	245,043
TOTAL	201,028	185,927	181,191	171,919	234,957	186,563	220,378	208,320	254,580	221,842	206,663	261,505	2,534,873
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	201,028	185,927	181,191	171,919	234,957	186,563	220,378	208,320	254,580	221,842	206,663	261,505	2,534,873

SCHEDULE CT-2
PROJECTED CONSERVATION COSTS PER MONTH
JANUARY 2003 THROUGH DECEMBER 2003
EIGHT MONTHS ACTUAL AND FOUR MONTHS ESTIMATED

EXPENSES:	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
PROGRAM 1:	111,202	110,495	108,894	91,795	146,909	118,079	131,594	130,346	148,369	108,759	106,441	108,760	1,421,643
PROGRAM 2:	1,210	1,622	1,272	1,574	1,158	746	589	744	6,273	1,358	1,185	1,358	19,089
PROGRAM 3:	41,770	25,983	15,995	16,457	24,941	23,626	25,591	20,105	46,279	27,717	25,437	27,718	321,619
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	125	-	-	550	-	300	500	168	357	310	357	2,667
PROGRAM 7:	3,536	3,360	3,001	3,930	9,206	9,715	11,441	7,361	5,697	12,944	12,240	12,944	95,375
PROGRAM 8:	1,606	1,841	2,729	597	2,272	3,444	1,997	3,131	1,726	2,493	2,239	2,493	26,568
PROGRAM 9:	28,198	20,680	24,462	27,183	24,430	25,179	26,331	22,617	26,569	28,150	24,838	28,850	307,487
PROGRAM 10:	1,380	9,767	395	429	547	452	597	405	8,960	5,046	4,915	6,246	39,139
COMMON COSTS	<u>12,126</u>	<u>12,054</u>	<u>24,443</u>	<u>29,954</u>	<u>24,944</u>	<u>5,322</u>	<u>21,938</u>	<u>23,111</u>	<u>19,628</u>	<u>20,056</u>	<u>19,761</u>	<u>20,056</u>	<u>233,393</u>
TOTAL	<u>201,028</u>	<u>185,927</u>	<u>181,191</u>	<u>171,919</u>	<u>234,957</u>	<u>186,563</u>	<u>220,378</u>	<u>208,320</u>	<u>263,669</u>	<u>206,880</u>	<u>197,366</u>	<u>208,782</u>	<u>2,466,980</u>
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE													
CONSERVATION EXPENSES	<u>201,028</u>	<u>185,927</u>	<u>181,191</u>	<u>171,919</u>	<u>234,957</u>	<u>186,563</u>	<u>220,378</u>	<u>208,320</u>	<u>263,669</u>	<u>206,880</u>	<u>197,366</u>	<u>208,782</u>	<u>2,466,980</u>

SCHEDULE CT-2
SUMMARY OF EXPENSES BY PROGRAM
VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2003 THROUGH DECEMBER 2003

EXPENSES:	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
PROGRAM 1:	-	-	-	-	-	-	-	-	9,786	25,536	29,098	77,469	141,889
PROGRAM 2:	-	-	-	-	-	-	-	-	(3,313)	(765)	(645)	(808)	(5,531)
PROGRAM 3:	-	-	-	-	-	-	-	-	(20,258)	(431)	(12,076)	(3,328)	(36,093)
PROGRAM 4:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 5:	-	-	-	-	-	-	-	-	-	-	-	-	-
PROGRAM 6:	-	-	-	-	-	-	-	-	(168)	(357)	(185)	(357)	(1,067)
PROGRAM 7:	-	-	-	-	-	-	-	-	5,386	(3,848)	(2,307)	(3,776)	(4,545)
PROGRAM 8:	-	-	-	-	-	-	-	-	(43)	648	(836)	(1,469)	(1,700)
PROGRAM 9:	-	-	-	-	-	-	-	-	32	(3,595)	(1,940)	(7,510)	(13,013)
PROGRAM 10:	-	-	-	-	-	-	-	-	(8,459)	(4,690)	(4,637)	(5,911)	(23,697)
COMMON COSTS	-	-	-	-	-	-	-	-	7,948	2,464	2,825	(1,587)	11,650
TOTAL	-	-	-	-	-	-	-	-	(9,089)	14,962	9,297	52,723	67,893
LESS AMOUNT INCLUDED IN RATE BASE	-	-	-	-	-	-	-	-	-	-	-	-	-
RECOVERABLE CONSERVATION EXPENSES	-	-	-	-	-	-	-	-	(9,089)	14,962	9,297	52,723	67,893

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2003 THROUGH DECEMBER 2003

0.75

15,000

	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
1 RCS AUDIT FEES	-	-	-	-	-	-	-	-	-	-	-	-	-
2 OTHER PROGRAM REVS	-	-	-	-	-	-	-	-	-	-	-	-	-
3 CONSERV. ADJ REVS	(339,822)	(343,953)	(257,236)	(217,277)	(201,889)	(203,912)	(190,584)	(189,152)	(190,460)	(195,953)	(210,904)	(255,223)	(2,796,365)
4 TOTAL REVENUES	(339,822)	(343,953)	(257,236)	(217,277)	(201,889)	(203,912)	(190,584)	(189,152)	(190,460)	(195,953)	(210,904)	(255,223)	(2,796,365)
5 PRIOR PERIOD TRUE UP NOT APPLICABLE TO THIS PERIOD	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,723)	(23,721)	(23,720)	(284,671)
CONSERVATION REVENUES 6 APPLICABLE TO THE PERIOD	(363,545)	(367,676)	(280,959)	(241,000)	(225,612)	(227,635)	(214,307)	(212,875)	(214,183)	(219,676)	(234,625)	(278,943)	(3,081,036)
CONSERVATION EXPENSES 7 (FROM CT-3, PAGE 1)	201,028	185,927	181,191	171,919	234,957	186,563	220,378	208,320	254,580	221,842	206,663	261,505	2,534,873
8 TRUE-UP THIS PERIOD	(162,517)	(181,749)	(99,768)	(69,081)	9,345	(41,072)	6,071	(4,555)	40,397	2,166	(27,962)	(17,438)	(546,163)
9 INTEREST PROVISION THIS PERIOD (FROM CT-3 PAGE 3)	(378)	(528)	(628)	(673)	(689)	(627)	(577)	(573)	(540)	(498)	(475)	(477)	(6,663)
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	(284,671)	(423,843)	(582,397)	(659,070)	(705,101)	(672,722)	(690,698)	(661,481)	(642,886)	(579,306)	(553,915)	(558,631)	
11 PRIOR PERIOD TRUE UP													
COLLECTED/(REFUNDED)	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,723	23,721	23,720	
12 TOTAL NET TRUE UP (SUM LINES 8+9+10+11)	(423,843)	(582,397)	(659,070)	(705,101)	(672,722)	(690,698)	(661,481)	(642,886)	(579,306)	(553,915)	(558,631)	(552,826)	(552,826)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2003 THROUGH DECEMBER 2003

	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Total
1. INTEREST PROVISION													
1. BEGINNING TRUE-UP	(284,671)	(423,843)	(582,397)	(659,070)	(705,101)	(672,722)	(690,698)	(661,481)	(642,886)	(579,306)	(553,915)	(558,631)	
2. ENDING TRUE-UP BEFORE INTEREST	(423,465)	(581,869)	(658,442)	(704,428)	(672,033)	(690,071)	(660,904)	(642,313)	(578,766)	(553,417)	(558,156)	(552,349)	
3. TOTAL BEGINNING & ENDING TRUE-UP	(708,136)	(1,005,711)	(1,240,838)	(1,363,498)	(1,377,134)	(1,362,792)	(1,351,602)	(1,303,795)	(1,221,653)	(1,132,723)	(1,112,071)	(1,110,980)	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	(354,068)	(502,856)	(620,419)	(681,749)	(688,567)	(681,396)	(675,801)	(651,897)	(610,826)	(566,362)	(556,035)	(555,490)	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.290%	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.270%	1.250%	1.180%	1.190%	1.210%	1.000%	1.050%	1.060%	1.060%	1.050%	1.000%	1.060%	
7. TOTAL (SUM LINES 5 & 6)	2.560%	2.520%	2.430%	2.370%	2.400%	2.210%	2.050%	2.110%	2.120%	2.110%	2.050%	2.060%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.280%	1.260%	1.215%	1.185%	1.200%	1.105%	1.025%	1.055%	1.060%	1.055%	1.025%	1.030%	
9. MONTHLY AVG INTEREST RATE	0.107%	0.105%	0.101%	0.099%	0.100%	0.092%	0.085%	0.088%	0.088%	0.088%	0.085%	0.086%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	(378)	(528)	(628)	(673)	(689)	(627)	(577)	(573)	(540)	(498)	(475)	(477)	(6,663)
10. a. INT. ADJ													