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September 2, 1998

IN REPLY REFER TO:

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## VIA FEDERAL EXPRESS

Blanca S. Bayo, Director  
Division of Records & Reporting  
Florida Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

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9 SEP -4 PM 3:38  
REC'D DIVISION OF RECORDS & REPORTING

**Re: Docket No. 980002-EG -- Energy Conservation Cost Recovery Clause**

Dear Ms. Bayo:

Enclosed for filing with the Commission in the above docket on behalf of Peoples Gas System ("Peoples"), please find the original and 15 copies of the following:

- ◆ Peoples' Petition for Approval of True-Up Amounts for the period October 1997 through April 1998 (attributable to conservation programs of the former Peoples Gas System, Inc., and of the former West Florida Natural Gas Company); *09654-98*
- ◆ Direct Testimony of Vernon I. Krutsinger on behalf of Peoples; *09655-98*
- ◆ Exhibit \_\_\_ (VIK-1) (attached to Mr. Krutsinger's Direct Testimony), consisting of Schedules CT-1 through CT-6 for Peoples' divisions other than the West Florida Region; and *09656-98*
- ◆ Exhibit \_\_\_ (VIK-2) (also attached to Mr. Krutsinger's Direct Testimony), consisting of Schedules CT-1 through CT-6 for Peoples' West Florida Region. *09657-98*

The enclosed testimony and exhibits will be offered by Peoples at the hearing in this docket scheduled to commence on February 17, 1999.

A diskette -- containing both the enclosed petition and the Direct Testimony of Mr. Krutsinger -- is also enclosed.

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*[Signature]*  
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Blanca S. Bayo, Director  
September 2, 1998  
Page 2

Please acknowledge your receipt and the date of filing of the enclosures on the duplicate copy of this letter and return the same to the undersigned in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,



ANSLEY WATSON, JR.

AWjr/a  
Enclosures

cc: Mr. Vernon Krutsinger  
Mr. J. Brent Caldwell  
All Parties of Record

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Energy Conservation :  
Cost Recovery Clause :  
\_\_\_\_\_ :

DOCKET NO. 980002-EG

Submitted for Filing:  
9-3-98

**DIRECT TESTIMONY**

**OF**

**VERNON I. KRUTSINGER**

On Behalf of Peoples Gas System

DOCUMENT NUMBER-DATE

09655 SEP-4 88

REGISTRATION-REPORTING

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**PEOPLES GAS SYSTEM**

**DIRECT TESTIMONY OF VERNON I. KRUTSINGER**

**DOCKET NO. 980002-EG**

**September 3, 1998**

1       **Q.    Please state your name and business address.**

2       A.    My name is Vernon I. Krutsinger. My business address is Peoples Gas  
3            System, a division of Tampa Electric Company, P .O. Box 2562, Tampa,  
4            Florida 33601-2562.

5       **Q.    By whom are you employed and in what capacity?**

6       A.    I am employed by Peoples Gas System, a division of Tampa Electric  
7            Company, as Manager of Energy Conservation.

8       **Q.    Are you familiar with Peoples Gas System's energy conservation  
9            programs?**

10      A.    Yes. As Manager of Energy Utilization, I work with the Company's energy  
11            conservation programs on a daily basis.

12      **Q.    Are you familiar with the costs that Peoples incurs in implementing its  
13            energy conservation programs?**

14      A.    Yes. I am responsible for planning, implementation, coordination, and  
15            maintenance of all of Peoples' energy conservation programs. My  
16            responsibilities include routinely testifying in support of the Company's  
17            energy conservation cost recovery filings.

18      **Q.    Have you previously testified in proceedings before the Florida Public  
19            Service Commission?**

1 A. Yes. I have testified in a number of energy conservation cost recovery  
2 proceedings beginning in 1992. I have also testified in other conservation-  
3 related dockets before the Commission.

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

5 A. My testimony addresses the costs that Peoples has incurred and expects to  
6 incur, and the revenues recovered and expected to be recovered by Peoples  
7 through the energy conservation cost recovery clause, attributable to the  
8 Commission-approved conservation programs of Peoples Gas System. My  
9 testimony supports the revenues and expenses incurred and projected to be  
10 incurred in connection with the conservation programs of both the former  
11 Peoples Gas System, Inc. (the costs of which are recovered under Peoples'  
12 Volume 1 Tariff) and the former West Florida Natural Gas Company (the  
13 costs of which are recovered under Peoples' Volume 2 Tariff). I will  
14 hereinafter refer to the territory within which the Volume 2 Tariff applies as  
15 Peoples' "West Florida Region."

16 Specifically, this part of my testimony addresses the adjusted net true-  
17 up amounts associated with those programs for the period October 1997  
18 through March 1998.

19 Q. Are you sponsoring any exhibits with your testimony?

20 A. Yes. I am sponsoring Exhibit \_\_\_\_ (VIK-1), which contains the  
21 Conservation Cost Recovery True-Up Data in the format requested by the  
22 Commission Staff for the period October 1997 through March 1998 for  
23 Peoples' divisions other than the West Florida Region, and Exhibit \_\_\_\_  
24 (VIK-2), which contains similar information for the same period for Peoples'

1 West Florida Region. Exhibit \_\_\_\_ (VIK-1) consists of twenty pages and  
2 includes summary and detailed data relating to the true-up, conservation  
3 revenues, and actual and projected program costs for Peoples' divisions other  
4 than the West Florida Region. Exhibit \_\_\_\_ (VIK-2), consisting of twenty  
5 pages, includes the same information for Peoples' West Florida Region.

6 **Q. What are the Company's true-up amounts for the period October 1997**  
7 **through March 1998?**

8 A. With respect to Peoples' divisions other than the West Florida Region, as  
9 shown on Schedule CT-1 of Exhibit \_\_\_\_ (VIK-1), the end-of-period net  
10 true-up for the period is an overrecovery of \$836,117, including both  
11 principal and interest. The projected true-up for the period, as approved by  
12 Commission Order No. PSC-98-0403-FOF-EG, was an overrecovery of  
13 \$341,204 (including interest). Subtracting the projected true-up overrecovery  
14 from the actual overrecovery yields the adjusted net true-up of \$494,913  
15 overrecovery (including interest).

16 With respect to Peoples' West Florida Region, as shown on Schedule  
17 CT-1 of Exhibit \_\_\_\_ (VIK-2), the end-of-period net true-up for the period  
18 is an overrecovery of \$253,399, including both principal and interest. The  
19 projected true-up for the period, as approved by Commission Order No.  
20 PSC-98-0403-FOF-EG, was an overrecovery of \$106,596 (including interest).  
21 Subtracting the projected true-up overrecovery from the actual overrecovery  
22 yields the adjusted net true-up of \$146,803 overrecovery (including interest).

23 **Q. What do the rest of the schedules in Exhibits \_\_\_\_ (VIK-1) and \_\_\_\_**  
24 **(VIK-2) show?**

1           A.     Schedule CT-2, in each of the exhibits, presents an analysis of the variance  
2                    between actual and estimated energy conservation program costs for the  
3                    period October 1997 through March 1998. Each exhibit's Schedule CT-3  
4                    presents an analysis of program costs, by month and by program, and  
5                    calculation of the true-up and interest amounts. Schedule CT-4 is not  
6                    applicable to Peoples. Schedule CT-5 provides for a reconciliation and  
7                    explanation of differences between the Company's filing and the  
8                    Commission's audit for the relevant period, and there are no such differences  
9                    to report as of the date of this filing. Each exhibit's Schedule CT-6 contains  
10                  Program Progress Reports for each of Peoples' approved energy conservation  
11                  programs.

12           **Q.     Does this conclude your prefiled direct testimony regarding Peoples'**  
13                    **requested true-up amounts attributable to the conservation programs**  
14                    **approved by the Commission for Peoples Gas System?**

15           A.     Yes, it does.