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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 960002-EG

PREPARED DIRECT TESTIMONY
AND EXHIBITS
OF
MARGARET D. NEYMAN

CONSERVATION COST RECOVERY

TRUE-UP

OCTOBER, 1995 - SEPTEMBER, 1996

NOVEMBER 19, 1996

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FPSC-RECORDS/REPORTING

DOCUMENT NUMBER 12268
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FPSC-RECORDS/REPORTING

1 Gulf Power Company

2 Before the Florida Public Service Commission
3 Prepared Direct Testimony of
4 Margaret D. Neyman
5 Docket No. 960002-EG
6 November 19, 1996

7 Q. Will you please state your name, business address,
8 employer and position?

9 A. My name is Margaret D. Neyman and my business address is
10 500 Bayfront Parkway, Pensacola, Florida 32501. I am
11 employed by Gulf Power Company as the Marketing Services
12 Manager.

13 Q. Ms. Neyman, for what purpose are you appearing before
14 this Commission today?

15 A. I am testifying before this Commission on behalf of Gulf
16 Power Company regarding matters related to the Energy
17 Conservation Cost Recovery Clause, specifically the
18 approved programs for October, 1995, through September,
19 1996.

20
21 Q. Are you familiar with the documents concerning the
22 Energy Conservation Cost Recovery Clause and its related
23 true-up and interest provisions?

24 A. Yes, I am.
25

1 Q. Have you verified, that to the best of your knowledge
2 and belief, this information is correct?

3 A. Yes, I have.

4 Counsel: We ask that Ms. Neyman's exhibit consisting of
5 6 Schedules be marked for identification as:
6 Exhibit No. ____ (MDN-1)
7
8

9 Q. Would you summarize for this Commission the deviations
10 resulting from the actual expenditures for this recovery
11 period and the original estimates of expenses?

12 A. The budgeted expenses for the entire recovery period
13 October, 1995, through September, 1996, were \$2,688,204,
14 while the actual costs were \$2,443,533 resulting in a
15 variance of \$244,671 or 9 percent under budget.
16

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18 Q. Ms. Neyman, would you explain this variance during the
19 October, 1995, through September, 1996, time-frame?

20 A. Yes, the major reasons for this variance are increased
21 expenses in residential energy audits, over \$31,746;
22 Gulf Express, over \$44,454; In Concert with the
23 Environment, over \$54,829; Commercial/Industrial Good
24 Cents Buildings, over \$21,266; and Gas Research and
25 Development, over \$1,385. However, decreased expenses in

1 Research and Development, under \$120,111; Good Cents
2 Environmental Home, under \$18,521; Duct Leakage, under
3 \$33,625; Geothermal Heat Pump, under \$47,438; Advanced
4 Energy Management, under \$85,726; Commercial/Industrial
5 E.A. & T.A.A., under \$87,461; Solar for Schools, under
6 \$4,236; TranstexT, under \$1,233; offset these
7 expenses, resulting in the previously referenced
8 variance of \$244,671 under budget. A more detailed
9 description of the deviations are contained in Schedule
10 CT-6.

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12
13 Q. Would you describe the results of your programs during
14 the October, 1995, through September, 1996, recovery
15 period?

16 A. A more detailed review of each of the programs is
17 included in my Schedule CT-6. The following is a
18 synopsis of the accomplishments during this recovery
19 period.

- 20 (1) Home Energy Audits - During this period, we
21 projected to audit 3,350 structures. We actually
22 completed 3,480.
- 23 (2) Gulf Express Loan Program - During this recovery
24 period, a total of 425 loans were completed compared
25 to a budget of 295 or 130 loans above the goal.

- 1 (3) In Concert With The Environment - During this
2 recovery period, no students attended the program
3 compared to a projection of 2,500 students. The
4 data entry portion of the program was being
5 modified and was not available for students during
6 this period.
- 7 (4) Good Cents Environmental Home - During this
8 recovery period, a total of 3 homes were completed
9 compared to a projection of 38 for a deviation of
10 35 units below goal.
- 11 (5) Duct Leakage Program - During this recovery period,
12 no homes were completed compared to a projection of
13 58.
- 14 (6) Geothermal Heat Pump - During this recovery period,
15 a total of 105 heat pumps were installed compared
16 to a projection of 53 for a deviation of 52 units
17 over goal.
- 18 (7) Advanced Energy Management - During this recovery
19 period, no units were installed. Startup of the
20 program was delayed pending a final order in Docket
21 No. 941172-EG. Despite the delayed start, we put
22 reasonable best efforts into trying to achieve this
23 participation level by the end of the projection
24 period. We expect program participation to meet the
25 projected goal on a cumulative basis in subsequent

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- periods.
- (8) Good Cents Building - During this recovery period a total of 230 buildings were built or improved to Good Cents standards, compared to a budget of 281 or 51 units below goal.
 - (9) Energy Audits and Technical Assistance Audits - During this recovery period, a total of 386 EA/TAA were completed compared to a projection of 365 for a deviation of 21 units over goal.
 - (10) Solar for Schools - During this recovery period, the first Solar for Schools project was implemented as was the mechanism to obtain customer contributions for solar projects.
 - (11) Conservation Demonstration and Development - Thirteen research projects have been identified and are detailed in Schedule CT-6.
 - (12) Gas Research and Development - Gulf Power is conducting research in four individual research and demonstration projects. Project details are explained in Schedule C-5 in accordance with Docket No. 950520-EG, Order No. PSC-95-1146-FOF-EG.
 - (13) TranstexT - During this recovery period, expenses for Transtext were incurred in October, November and December, 1995. Beginning in January, 1996, the pilot was ended and all expenses for

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maintenance of existing pilot customers were
charged to the Advanced Energy Management program.

Q. Ms. Neyman, what was Gulf's adjusted net true-up for the
period October, 1995, through September, 1996?

A. There was an over-recovery of \$290,415 as shown on
Schedule CT-1, page 1.

Q. Ms. Neyman, does this conclude your testimony?

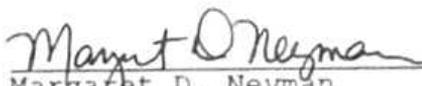
A. Yes, it does.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 960002-EG

Before me the undersigned authority, personally appeared Margaret D. Neyman, who being first duly sworn, deposes and says that she is the Market Services Manager of Gulf Power Company, a Maine Corporation, that the foregoing is true and correct to the best of her knowledge, information and belief. She is personally known to me.


Margaret D. Neyman
Market Services Manager

Sworn to and subscribed before me this 18th day of November, 1996.


Notary Public, State of Florida at Large

