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SEBRING GAS SYSTEM, INC.

3515 U.S. Hwy. 27, South
Sebring, FL 33870-5452
(813) 385-0194

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FLORIDA PUBLIC
SERVICE COMMISSION
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January 19, 1996

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 960003-GU
Purchased Gas Adjustment (PGA)

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Sebring Gas System, Inc., please find an original and fifteen copies of the following:

1. Petition for Approval of Sebring Gas System's Purchased Gas Adjustment Factor;
2. Direct Testimony of Jerry H. Melendy, Jr.;
3. Exhibit JHM-2: Purchased Gas Projection Filing (April, 1996 - March, 1997).

00862-96
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Sincerely,

Jerry H. Melendy, Jr.
Vice President
Sebring Gas System, Inc.

Petition
DOCUMENT NUMBER-DATE

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas True-up)
_____)

DOCKET NO. 96003-GU

**PETITION FOR APPROVAL OF
SEBRING GAS SYSTEM'S
PURCHASED GAS ADJUSTMENT FACTOR**

Sebring Gas System, Inc. ("the Company"), pursuant to the requirements of this docket, petitions the Commission for approval of the Company's levelized purchased gas adjustment factor ("PGA") to be charged for gas consumption during the period April 1, 1996 to March 31, 1997. In support hereof, the Company states:

1. The exact name of the Company and the address of its principal business office is:

Sebring Gas System, Inc.
3515 U.S. Hwy 27, South
Sebring, Fl 33870

2. The names and addresses of the persons authorize to receive notices and communications in respect to this docket is:

Jerry H. Melendy, Jr.
3515 U.S. Hwy 27, South
Sebring, Fl 33870

DOCUMENT NUMBER-DATE

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3. Pursuant to the requirements of this docket, Sebring Gas has prefiled the PGA true-up forms supplied by the Electric and Gas Department for the April 1994 - March 1995 period in a manner consistent with the Department's instructions.

4. As indicated in the prefiled true-up forms, Sebring Gas has experienced an underrecovery of \$8,075 for the April 1994 - March 1995 period. In the February 1995 hearings in this docket, an estimated underrecovery of \$4,204 for the April 1994 - March 1995 period was approved for calculation of the true-up factor for April 1995 - March 1996. Therefore, a final true-up amount of \$3,871 underrecovery will be included in the current calculation of the April 1996 - March 1997 true-up factor.

5. For the period of April 1995 - March 1996, Sebring Gas projects an overrecovery of \$53, resulting in a net underrecovery of \$3,818 to refund in the April 1996 - March 1997 period. The company projects therm sales of 648,000 therms for the April 1996 - March 1997 period. Therefore, the cumulative true-up factor to be applied to gas bills for this period is .589 cents per therm collected.

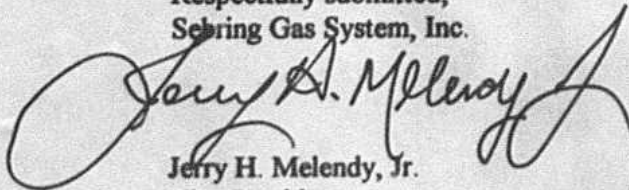
6. As indicated on the attached schedules E-1 through E-5, the Company projects total gas costs for the April 1996 - March 1997 period to be \$188,749. As stated previously, the Company projects therm sales of 648,000 resulting in a weighted average cost of gas (WACOG) of 30.285 cents per therm for the twelve-months period ending March 31, 1997.

7. The Company projects the average cost of gas to be 30.285 cents per therm, which includes the actual estimated cost of gas, plus the projected period's true-up of (.589) per therm, and the total of the two figures multiplied by the tax revenue factor of 1.01911. Because the Company historically experiences higher gas prices during the winter months and in view of the extreme weather conditions this winter, causing unpredictability of the price, The company requests that the highest projected P.G.A. factor of 35.007 per therm (the projection for March, 1996) be approved for the reporting period April 1996 - March 1997.

WHEREFORE, for the purpose of establishing the maximum rate to be charged for all gas sales during the period April 1996 - March 1997, Sebring Gas System petitions the Commission to approve a factor of 35.007 cents per therm.

DATED this 19th day of January, 1996

Respectfully submitted,
Sebring Gas System, Inc.



Jerry H. Melendy, Jr.
Vice President