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RECORDS AND
REPORTING

ORIGINAL

May 2, 2001

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

HAND DELIVERY

Re: Sebring Gas System, Inc.; Docket No. 010003-GU

Dear Ms. Bayo:

Enclosed for filing on behalf of Sebring Gas System, Inc. in this docket are the original and 10 copies of the Direct Testimony of Jerry H. Melendy, Jr. This testimony was inadvertently omitted from the filing of Sebring Gas System, Inc.'s Petition for Approval of Purchased Gas Cost Recovery True-Up Amount.

Please acknowledge receipt of these documents by stamping the enclosed extra copy of this letter.

Thank you for your assistance.

Sincerely yours,


Norman H. Horton, Jr.

APP _____
CAF _____
CMP _____ NHH/amb
COM 5+ Enclosures
CTR _____ cc: Parties of Record
ECR _____ Mr. Jerry Melendy
LEG 1 _____
OPC _____
PAI _____
RGO _____
SEC 1 _____
SER _____
OTH _____

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

05557 MAY-20

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas Adjustment (PGA) True-Up

Docket No. 010003-GU

**DIRECT TESTIMONY
OF
JERRY H. MELENDY, JR.
On Behalf Of
SEBRING GAS SYSTEM, INC.**

DOCUMENT NUMBER-DATE

05557 MAY-20

FPSC-RECORDS/REPORTING

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

3 A. My name is Jerry H. Melendy, Jr., my business address is
4 3515 U.S. Highway 27, South, Sebring, Florida 33870-5452.
5 I am the Vice President of Sebring Gas System, Inc. (the Company),
6 a Florida Corporation.

7 Q. What are your responsibilities in that position?

8 A. I am responsible for all areas of finance, rates, accounting
9 and taxes as well as general management responsibilities
10 of the company.

11 Q. Please state your educational background.

12 A. I have an Associate of Arts degree from Polk Community
13 College. I have a Bachelor of Arts degree from the University
14 of South Florida.

15 Q. What is the purpose of your testimony?

16 A. The purpose of my testimony is to present the final true-up
17 for the period JANUARY 2000 through DECEMBER 2000.

18 Q. Has the Company prepared the Schedules as prescribed by
19 this Commission for this purpose?

20 A. Yes, it has. The Schedules prescribed by the Commission are
21 being filed at this time. Copies are attached to my testimony.

22 Q. Would you please identify the Schedules which you are filing?

23 A. Yes. The Schedules are identified as follows:
24 A-7 - FINAL FUEL OVER/UNDER RECOVERY - JANUARY 2000
25

1 THROUGH DECEMBER 2000.

2 Q. Were these schedules prepared under your direction and
3 supervision ?

4 A. Yes they were. Beginning in April 1994, the PGA schedules were
5 prepared by myself. Prior to this, the schedules were prepared by
6 my consultants, Regulated Industry Consultants, with my furnishing
7 the data and final approval.

8 Q. What was the total cost of gas to be recovered through the Purchased Gas
9 Adjustment Clause for the period January 2000
10 through December 2000?

11 A. The total cost of gas for the period January 2000 through
12 December 2000 was \$342,091 (Schedule A-7, Line 1, Dec 2000)

13 Q. What was the Actual Fuel Revenues for the Period January 2000 through
14 December 2000?

15 A. The total Actual Fuel Revenues for the Period January 2000
16 through December 2000 was \$327,731 (Schedule A-7, Line 2,
17 Dec 2000)

18 Q. What is the total true-up provision for the period January 2000
19 through December 2000?

20 A. The total true-up provision, including interest, for the period
21 January 2000 through December 2000, is an underrecovery of
22 \$13,696 (Schedule A-7, Line 5, Dec 2000).

23 Q. What is the final estimated true-up to be included in the January
24 2002 through December 2002 PGA factor calculation?

25 A. The final estimated true-up to be included in the January 2002

1 through December 2002 PGA factor calculation is an overrecovery
2 of \$6,642, as indicated in Schedule A-7, Line 7, which is
3 the underrecovery of \$13,696 for the period January 2000 through
4 December 2000, Schedule A-7, Line 5, plus the estimated underrecovery
5 of \$20,338 for the period January 2001 through December 2001, Schedule
6 A-7, Line 6.

7 Q. Does this conclude your testimony?

8 A. Yes it does.

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