

  
**MESSER CAPARELLO**  
**Attorneys At Law**  
*Strategically Positioned in Florida's Capital*

May 5, 2015

Electronic Filing/E-Portal

Ms. Carlotta Stauffer  
Commission Clerk  
Florida Public Services Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

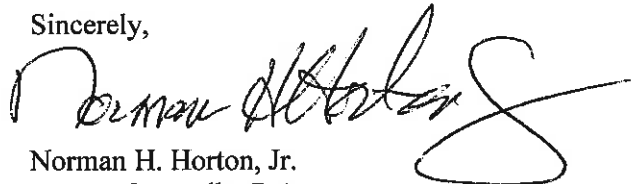
**RE: Docket No. 15004-GU – Natural Gas Conservation Cost Recovery Clause**

Dear Ms. Stauffer:

Attached for filing, please find the Direct Testimony and Exhibit JM-1 of Mr. Jerry Melendy, submitted in the referenced Docket on behalf of Sebring Gas System, Inc., along with the Company's Petition for Approval of Final True-Up Amount.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Norman H. Horton, Jr.  
Messer Caparello, P.A.  
2618 Centennial Place  
Tallahassee, FL 32308  
850-222-0720

NHH:bjm  
Cc: Parties of Record

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural Gas Conservation Cost        )  
Recovery Clause                                )  
\_\_\_\_\_)

Docket No. 150004-GU  
Filed: May 5, 2015

**PETITION FOR APPROVAL OF SEBRING GAS SYSTEM, INC.' S  
CONSERVATION COST RECOVERY TRUE-UP AMOUNT**

Sebring Gas System, Inc. (“the Company”), through undersigned counsel and pursuant to the requirements of this docket, hereby petitions the Commission to approve its conservation cost recovery true-up amount for its natural gas division for the period January 2014 through December 2014. In support hereof, the Company states:

1) The Company is a natural gas utility company within the jurisdiction of this Commission. Its principal business address is:

3515 U.S. Highway 27 South  
Sebring, FL 33870

2) The name and address of the person authorized to receive notices and communications with respect to this Petition are:

Norman H. Horton, Jr.,  
Messer Caparello, P. A.  
2618 Centennial Place  
P.O. Box 15579  
Tallahassee, FL 32317  
Email: [nhorton@lawfla.com](mailto:nhorton@lawfla.com)

Jerry H. Melendy  
Sebring Gas System, Inc.  
3515 U.S. Highway 27 South  
Sebring, FL 33870

3) Pursuant to the requirements of this Docket, the Company has prefiled testimony and the conservation cost recovery true-up forms (Composite Exhibit JHM-1) supplied by the Commission Staff in a manner consistent with the Commission Staff's instructions.


4) As indicated in the prefiled testimony and true-up forms, the Company underrecovered \$11,008 for January 2014 through December 2014.

WHEREFORE, the Company respectfully requests that this Commission enter its order approving the Company's true-up amount for its natural gas division for the period January 2014 through December 2014.

DATED this 5th day of May, 2015.

Respectfully submitted,

MESSER CAPARELLO, P. A.  
Post Office Box 15579  
Tallahassee, FL 32317  
[nhorton@lawfla.com](mailto:nhorton@lawfla.com)  
(850) 222-0720



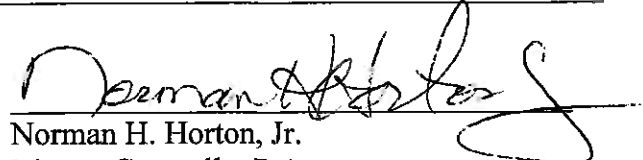
NORMAN H. HORTON, JR., ESQ.

Attorneys for Sebring Gas System, Inc.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of Sebring Gas' Petition for Approval of the Conservation Cost Recovery True-Up Amount in Docket No. 150004-SG, along with the Testimony and Exhibit of Mr. Melendy, has been furnished by Electronic Mail or Hand Delivery to the following parties of record this 5<sup>th</sup> day of May, 2015.

Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantown Cheryl Martin 911 South 8 <sup>th</sup> Street Fernandina Beach, FL 32034	MacFarlane Ferguson Law Firm Ansley Watson, Jr./Andrew Brown/Ashley Kellgren P.O. Box 1531 Tampa, FL 33601-1531
Beth Keating Gunster, Yoakley & Stewart, P.A. 215 South Monroe Street, Suite 601 Tallahassee, FL 32301	Office of Public Counsel J.R. Kelly/Charles Rehwinkel/Patricia Christensen c/o The Florida Legislature 111 West Madison Street, Rm 812 Tallahassee, FL 32399-1400
Peoples Gas System Paula Brown Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111	St. Joe Natural Gas Company, Inc. Mr. Charles A. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549
AGL Resources, Inc. Elizabeth Wade/Shannon Pierce Ten Peachtree Place Location 1470 Atlanta, GA 30309	Florida City Gas Carolyn Bermudez 933 East 25 <sup>th</sup> Street Hialeah, FL 33013-3498
Kelley Corbari/Leslie Ames Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399	

  
Norman H. Horton, Jr.  
Messer Caparello, P.A.  
2618 Centennial Place  
Tallahassee, FL 32308  
850-222-0720

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET 150004-GU**

**DIRECT TESTIMONY OF**

**JERRY H. MELENDY**

**ON BEHALF OF SEBRING GAS SYSTEM, INC.**

**MAY 5, 2015**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Jerry H. Melendy. My business address is Sebring Gas System,  
3 Inc., 3515 U.S. Highway 27 South, Sebring FL 33870

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am President of Sebring Gas System, Inc. (the "Company").

6 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S CURRENT**  
7 **ENERGY CONSERVATION PROGRAMS?**

8 A. Yes.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. My testimony presents data and summaries that describe the planned and  
11 actual activities and expenses for the Company's energy conservation  
12 programs incurred during the period January 2014 through December 2014. I  
13 will also identify the final conservation true-up amount for the above  
14 referenced period.

1 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**  
2 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**  
3 **WITH THESE PROGRAMS?**

4 A. Yes. Summaries of the Company's four approved programs for which costs  
5 were incurred during the period January 2014 through December 2014 are  
6 included in Schedule CT-6 of Exhibit JHM-1. Included are the Residential  
7 New Construction Program, the Residential Appliance Replacement Program,  
8 the Residential Appliance Retention Program, Commercial New, Commercial  
9 Retrofit, Commercial Retention and the Conservation Education Program.

10 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**  
11 **EXPENDITURES ASSOCIATED WITH THE COMPANY'S ENERGY**  
12 **CONSERVATION PROGRAMS FOR THE APPLICABLE PERIOD?**

13 A. Yes. Exhibit JHM-1 includes schedules CT-1, CT-2 and CT-3 detail the  
14 Company's actual conservation related expenditures for the period, along with  
15 a comparison of the actual program costs and true-up to the projected costs  
16 and true-up for the period.

17 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY**  
18 **TO ADMINISTER ITS FOUR CONSERVATION PROGRAMS FOR**  
19 **THE TWELVE MONTH PERIOD ENDING DECEMBER 2012?**

20 A. As indicated on Schedule CT-2, page 2, of Exhibit JHM-1, the Company's  
21 total 2014 programs costs were \$58,382.

1 Q. HAVE YOU PREPARED A SCHEDULE WHICH SHOWS THE  
2 VARIANCE OF ACTUAL FROM PROJECTED COSTS BY  
3 CATEGORIES OF EXPENSES?

4 A. Yes. Schedule CT-2, page 3, of Exhibit JHM-1, displays these variances.

5 Q. WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE  
6 MONTHS ENDING DECEMBER 2013?

7 A. The final true-up amount as shown on Schedule CT-1, of Exhibit JHM-1 is an  
8 underrecovery of \$11,008.

9 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

10 A. Yes.

ADJUSTED NET TRUE-UP  
FOR MONTHS: JANUARY 2014 THROUGH DECEMBER 2014

END OF PERIOD TRUE-UP

PRINCIPLE	\$15,464	
INTEREST	<u>\$2</u>	\$15,466

LESS PROJECTED TRUE-UP

PRINCIPLE	\$4,456	
INTEREST	<u>\$2</u>	<u>\$4,458</u>

ADJUSTED NET TRUE-UP \$11,008



ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

JANUARY 2014 THROUGH DECEMBER 2014

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	\$0	\$0	\$0
PAYROLL & BENEFITS	\$14,552	\$9,582 C-3, 1	\$4,970
MATERIALS & SUPPLIES	\$0	\$0	\$0
ADVERTISING	\$10,482	\$9,316 C-3, 1	\$1,166
INCENTIVES	\$24,200	\$25,950 C-3, 1	(\$1,750)
OUTSIDE SERVICES	\$9,148	\$6,520 C-3, 1	\$2,628
VEHICLES	\$0	\$0 C-3, 1	\$0
OTHER	<u>\$0</u>	<u>\$0</u> C-3, 1	<u>\$0</u>
SUB TOTAL	\$58,382	\$51,368 C-3, 1	\$7,014
PROGRAM REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL PROGRAM COSTS	\$58,382	\$51,368 C-3, 1	\$7,014
LESS: PRIOR PERIOD TRUE-UP	(\$5,238)	(\$5,238) C-3, 5	\$0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(\$42,919)	(\$46,912) C-3,5 line 5	\$3,993
ROUNDING ADJUSTMENTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TRUE-UP BEFORE INTEREST	\$15,464	\$4,456	\$11,007
INTEREST PROVISION	\$2	\$2 C-3,4(9)	\$0
END OF PERIOD TRUE-UP	<u>\$15,466</u>	<u>\$4,458</u>	<u>\$11,007</u>
( ) REFLECTS OVER-RECOVERY			

Actual Conservation Program Costs per Program  
For Months: January 2014 through December 2014

Program Name	<u>Capital Investment</u>	<u>Payroll &amp; Benefits</u>	<u>Materials &amp; Supplies</u>	<u>Advertising</u>	<u>Incentives</u>	<u>Outside Services</u>	<u>Vehicles</u>	<u>Other</u>	<u>TOTAL</u>
Program 1: Res. New Home Const.	\$0	\$4,827	\$0	\$3,438	\$0	\$1,465	\$0	\$0	\$9,730
Program 2: Res. Appliance Replace	\$0	\$4,854	\$0	\$3,497	\$17,350	\$1,465	\$0	\$0	\$27,166
Program 3: Customer Retention	\$0	\$4,871	\$0	\$3,547	\$6,850	\$1,465	\$0	\$0	\$16,733
Program 4: Comm. New Home Const.	\$0	\$0	\$0	\$0	\$0	\$1,591	\$0	\$0	\$1,591
Program 5: Comm. Appli. Replace	\$0	\$0	\$0	\$0	\$0	\$1,581	\$0	\$0	\$1,581
Program 6: Comm. Cust. Retention	\$0	\$0	\$0	\$0	\$0	\$1,581	\$0	\$0	\$1,581
<b>TOTAL</b>	<b>\$0</b>	<b>\$14,552</b>	<b>\$0</b>	<b>\$10,482</b>	<b>\$24,200</b>	<b>\$9,148</b>	<b>\$0</b>	<b>\$0</b>	<b>\$58,382</b>

Conservation Costs per Program - Variance Actual Versus Projected  
For Months: January 2014 through December 2014

Program Name	Capital Investment	Payroll & Benefits	Materials & Supplies	Advertising	Incentives	Outside Services	Vehicles	Other	TOTAL
Program 1 Res New Home Const.	\$0	\$1,633	\$0	\$366	(\$2,750)	\$545	\$0	\$0	(\$206)
Program 2 Res Appliance Replace	\$0	\$1,660	\$0	\$392	\$3,500	\$545	\$0	\$0	\$6,097
Program 3 Customer Retention	\$0	\$1,677	\$0	\$408	(\$2,500)	\$545	\$0	\$0	\$130
	\$0	\$4,970	\$0	\$1,166	(\$1,750)	\$1,635	\$0	\$0	\$6,021
<b>TOTAL</b>	<b>\$0</b>	<b>\$4,970</b>	<b>\$0</b>	<b>\$1,166</b>	<b>(\$1,750)</b>	<b>\$1,635</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,021</b>

Energy conservation Adjustment Calculation of True-Up and Interest Provision  
Summary of Expenses By program By Month  
For Months: January 2014 through December 2014

Program Name:	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
Program 1 Res. New Home Const.	\$537	\$701	\$614	\$1,374	\$664	\$995	\$747	\$375	\$644	\$492	\$260	\$2,327	\$9,731
Program 2 Res. Appliance Replace	\$555	\$4,794	\$1,929	\$6,306	\$1,489	\$995	\$1,449	\$401	\$1,994	\$492	\$260	\$6,502	\$27,166
Program 3 Customer Retention	\$547	\$2,136	\$1,779	\$1,381	\$1,865	\$2,745	\$791	\$418	\$1,053	\$932	\$760	\$2,327	\$16,734
Program 4 Comm. New	\$0	\$0	\$658	\$46	\$0	\$250	\$1	\$51	\$250	\$0	\$85	\$250	\$1,591
Program 5 Comm Replacement	\$0	\$0	\$658	\$46	\$0	\$250	\$1	\$51	\$250	\$0	\$75	\$250	\$1,581
Program 6 Comm Retention	\$0	\$0	\$658	\$46	\$0	\$250	\$1	\$51	\$250	\$0	\$75	\$250	\$1,581
<b>TOTAL</b>	<b>\$1,639</b>	<b>\$7,632</b>	<b>\$6,295</b>	<b>\$9,199</b>	<b>\$4,018</b>	<b>\$5,485</b>	<b>\$2,990</b>	<b>\$1,347</b>	<b>\$4,441</b>	<b>\$1,916</b>	<b>\$1,515</b>	<b>\$11,906</b>	<b>\$58,383</b>

Energy conservation Adjustment Calculation of True-Up and Interest Provision

For Months: January 2014 through December 2014

Conservation Revenues	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1 RCS AUDIT FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 OTHER PROGRAM REVS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 CONSERV. ADJ. REVS	<u>(\$4,070)</u>	<u>(\$3,334)</u>	<u>(\$3,500)</u>	<u>(\$3,125)</u>	<u>(\$2,912)</u>	<u>(\$2,839)</u>	<u>(\$2,805)</u>	<u>(\$2,599)</u>	<u>(\$2,802)</u>	<u>(\$2,886)</u>	<u>(\$2,979)</u>	<u>(\$3,830)</u>	<u>(\$37,681)</u>
4 TOTAL REVENUES	<u>(\$4,070)</u>	<u>(\$3,334)</u>	<u>(\$3,500)</u>	<u>(\$3,125)</u>	<u>(\$2,912)</u>	<u>(\$2,839)</u>	<u>(\$2,805)</u>	<u>(\$2,599)</u>	<u>(\$2,802)</u>	<u>(\$2,886)</u>	<u>(\$2,979)</u>	<u>(\$3,830)</u>	<u>(\$37,681)</u>
5 PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	<u>(\$437)</u>	<u>(\$437)</u>	<u>(\$437)</u>	<u>(\$437)</u>	<u>(\$437)</u>	<u>(\$437)</u>	<u>(\$436)</u>	<u>(\$436)</u>	<u>(\$436)</u>	<u>(\$436)</u>	<u>(\$436)</u>	<u>(\$436)</u>	<u>(\$5,238)</u>
6 CONSERVATION REVS APPLICABLE TO THIS PERIOD	<u>(\$4,507)</u>	<u>(\$3,771)</u>	<u>(\$3,937)</u>	<u>(\$3,562)</u>	<u>(\$3,349)</u>	<u>(\$3,276)</u>	<u>(\$3,241)</u>	<u>(\$3,035)</u>	<u>(\$3,238)</u>	<u>(\$3,322)</u>	<u>(\$3,415)</u>	<u>(\$4,266)</u>	<u>(\$42,919)</u>
7 CONSERVATION EXPS (FROM CT-3, PAGE 1)	\$1,639	\$7,632	\$6,295	\$9,199	\$4,018	\$5,485	\$2,990	\$1,347	\$4,441	\$1,916	\$1,515	\$11,906	\$58,383
8 TRUE-UP THIS PERIOD	<u>(\$2,868)</u>	<u>\$3,861</u>	<u>\$2,358</u>	<u>\$5,637</u>	<u>\$669</u>	<u>\$2,209</u>	<u>(\$251)</u>	<u>(\$1,688)</u>	<u>\$1,203</u>	<u>(\$1,406)</u>	<u>(\$1,900)</u>	<u>\$7,640</u>	<u>\$15,464</u>
9 INT. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	<u>(\$0.22)</u>	<u>(\$0.23)</u>	<u>(\$0.09)</u>	<u>\$0.11</u>	<u>\$0.25</u>	<u>\$0.36</u>	<u>\$0.51</u>	<u>\$0.48</u>	<u>\$0.38</u>	<u>\$0.39</u>	<u>\$0.44</u>	<u>(\$0.27)</u>	<u>\$2</u>
10 TRUE-UP & INT. PROV. BEGINNING OF MONTH.	<u>(\$5,238)</u>	<u>(\$7,669)</u>	<u>(\$3,371)</u>	<u>(\$577)</u>	<u>\$5,498</u>	<u>\$6,604</u>	<u>\$9,250</u>	<u>\$9,436</u>	<u>\$8,184</u>	<u>\$9,824</u>	<u>\$8,854</u>	<u>\$7,390</u>	
11 PRIOR TRUE-UP COLLECTED (UNFUNDED)	<u>\$437</u>	<u>\$437</u>	<u>\$437</u>	<u>\$437</u>	<u>\$437</u>	<u>\$437</u>	<u>\$436</u>	<u>\$436</u>	<u>\$436</u>	<u>\$436</u>	<u>\$436</u>	<u>\$436</u>	
TOTAL NET TRUE-UP													
12 (SUM LINES 8+9+10+11)	<u>(7,669)</u>	<u>(3,371)</u>	<u>(577)</u>	<u>5,498</u>	<u>6,604</u>	<u>9,250</u>	<u>9,436</u>	<u>8,184</u>	<u>9,824</u>	<u>8,854</u>	<u>7,390</u>	<u>15,466</u>	<u>15,466</u>

Calculation of True-Up and Interest Provision  
For Months: January 2014 through December 2014

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
Interest Provision													
1 BEGINNING TRUE-UP	(\$5,238)	(\$7,669)	(\$3,371)	(\$576)	\$5,497	\$6,604	\$9,250	\$9,435	\$8,184	\$9,823	\$8,854	\$7,390	
ENDING TRUE-UP BEFORE													
2 INTEREST	(\$7,669)	(\$3,371)	(\$576)	\$5,497	\$6,604	\$9,250	\$9,435	\$8,184	\$9,823	\$8,854	\$7,390	(\$16,586)	
TOTAL BEGINNING &													
3 ENDING TRUE-UP	(\$12,907)	(\$11,040)	(\$3,948)	\$4,921	\$12,101	\$15,853	\$18,685	\$17,619	\$18,007	\$18,677	\$16,243	(\$9,196)	
AVERAGE TRUE-UP													
4 (LINE 3 x 50%)	<u>(\$6,453)</u>	<u>(\$5,520)</u>	<u>(\$1,974)</u>	<u>\$2,460</u>	<u>\$6,050</u>	<u>\$7,927</u>	<u>\$9,342</u>	<u>\$8,809</u>	<u>\$9,003</u>	<u>\$9,338</u>	<u>\$8,122</u>	<u>(\$4,598)</u>	
INT. RATE - 15 DAY													
5 OF REPORTING MONTH	0.03%	0.05%	0.05%	0.06%	0.05%	0.05%	0.06%	0.07%	0.06%	0.04%	0.06%	0.07%	
INT. RATE - 1ST DAY													
6 OF SUBSEQUENT MONTH	<u>0.05%</u>	<u>0.05%</u>	<u>0.06%</u>	<u>0.05%</u>	<u>0.05%</u>	<u>0.06%</u>	<u>0.07%</u>	<u>0.06%</u>	<u>0.04%</u>	<u>0.06%</u>	<u>0.07%</u>	<u>0.07%</u>	
7 TOTAL (LINES 5 & 6)	0.08%	0.10%	0.11%	0.11%	0.10%	0.11%	0.13%	0.13%	0.10%	0.10%	0.13%	0.14%	
AVG. INT. RATE													
8 (LINE 7 x 50%)	0.04%	0.05%	0.06%	0.06%	0.05%	0.06%	0.07%	0.07%	0.05%	0.05%	0.07%	0.07%	
MONTHLY AVG.													
9 INT. RATE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.01%	0.01%	
10 INTEREST PROVISION													
(LINE 4 x LINE 9)	<u>(\$0.22)</u>	<u>(\$0.23)</u>	<u>(\$0.09)</u>	<u>\$0.11</u>	<u>\$0.25</u>	<u>\$0.36</u>	<u>\$0.51</u>	<u>\$0.48</u>	<u>\$0.38</u>	<u>\$0.39</u>	<u>\$0.44</u>	<u>(\$0.27)</u>	<u>\$2</u>



SEBRING GAS SYSTEM, INC.

Reconciliation and Explanation of differences between Filing and  
PSC Audit Report for January 2014 through December 2014.

NO DIFFERENCES ARE KNOWN AS OF THE DATE OF THIS FILING



SEBRING GAS SYSTEM, INC.  
Program Description and Progress

Program Title:

Residential New Construction

Program Description:

The Residential New Construction Program is designed to increase the overall penetration of natural gas in the single family and multi-family construction residential markets of the Company's service territory by expanding consumer energy options in new homes.

For the period January 1, 2014 through December 31, 2014, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 7, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential New Construction Cash Allowances:

Gas Storage Tank Water Heater	\$350
Gas High Efficiency Storage Tanks Water Heater	\$400
Gas Tankless Water Heater	\$550
Gas Heating	\$500
Gas Cooking	\$150
Gas Clothes Drying	\$100

Program Accomplishments:

For the twelve month period January 2014 through December 2014, the Company paid no incentives related to this program.

Program Fiscal Expenditures:

During 2014 expenditures for the Residential New Construction Program totaled  
\$9,730.00

Program Progress Summary:

Since the inception of the Residential New Home Construction Program in July 2007, twenty (20) new home allowances have been paid. The Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new residence construction.

SEBRING GAS SYSTEM, INC.  
Program Description and Progress

Program Title:

Residential Appliance Replacement Program

Program Description:

The Residential Appliance Replacement Program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered for the replacement of non-natural gas water heating, heating, cooking or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

For the period January 1, 2014 through December 31, 2014, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 7, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential Appliance Replacement Cash Allowances:

	\$500
Gas Storage Tank Water Heater	\$550
Gas High Efficiency Storage Tanks Water Heater	\$675
Gas Tankless Water Heater	\$725
Gas Heating	\$200
Gas Cooking	\$150
Gas Clothes Drying	

Program Accomplishments:

For the twelve month period January 2014 through December 2014, the Company paid 10 incentives, which were comprised of 7 tankless water heaters, 1 furnace and 2 ranges.

Program Fiscal Expenditures:

During 2014 expenditures for the Resident Appliance Replacement Program totaled  
\$27,166.00

Program Progress Summary:

Since the inception of the Residential Appliance Replacement Program  
in July 2007, seventy three (73) residential appliance replacement allowances  
have been paid.

SEBRING GAS SYSTEM, INC.  
Program Description and Progress

Program Title:

Residential Appliance Retention Program

Program Description:

The Company offers the Residential Appliance Retention Program to existing customers to promote the retention of energy efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively this program offers cash allowances to the customer.

For the period January 1, 2014 through December 31, 2014, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 7, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential Appliance Replacement Cash Allowances:

Gas Storage Tank Water Heater	\$350
Gas High Efficiency Storage Tanks Water Heater	\$400
Gas Tankless Water Heater	\$550
Gas Heating	\$500
Gas Cooking	\$100
Gas Clothes Drying	\$100

Program Accomplishments:

For the twelve month period January 2014 through December 2014, the Company paid 19 incentives, which were comprised of 2 high efficiency storage tank water heater, 8 tankless water heaters and 6 ranges, 2 heating and 1 dryer.

Program Fiscal Expenditures:

During 2014 expenditures for the Resident Appliance Retention Program totaled \$16,733

Program Progress Summary:

Since the inception of the Residential Appliance Replacement Program in July 2007, eighty one (81) residential appliance retention allowances have been paid.

SEBRING GAS SYSTEM, INC.  
Program Description and Progress

Program Title:

Commercial New Construction

Program Description:

The Commercial New Construction Conservation Program's purpose is to educate, inform and encourage its commercial customers to build with natural gas. The program is designed to allow Sebring Gas System to provide incentives to new construction to be used toward the purchase and installation of natural gas appliances for their commercial business.

The Natural Gas Energy Conservation Program was approved by the Florida Public Services Commission in Docket No. 130167-EG on January 14, 2014.

At this time Sebring Gas System has not instituted the incentives for the programs, and has allocated only expenses associated with developing the program.

SEBRING GAS SYSTEM, INC.  
Program Description and Progress

Program Title:

Commercial Retrofit

Program Description:

The Commercial Retrofit Conservation Program's purpose is to educate, inform and encourage its commercial customers to use natural gas. The program is designed to allow Sebring Gas System to provide incentives to commercial customers to be used towards the purchase and installation of natural gas appliances for their commercial business.

The Natural Gas Energy Conservation Program was approved by the Florida Public Services Commission in Docket No. 130167-EG on January 14, 2014.

At this time Sebring Gas System has not instituted the incentives for the programs, and has allocated only expenses associated with developing the program.



SEBRING GAS SYSTEM, INC.

Program Description and Progress

Program Title:

Commercial Retention

Program Description:

The Commercial Retention Conservation Program's purpose is to educate, inform and encourage its commercial customers to build with natural gas. The program is designed to allow Sebring Gas System to provide incentives to commercial customers to be used towards the and installation of natural gas appliances for their commercial business.

The Natura Gas Energy Conservation Program was approved by the Florida Public Services Commission in Docket No. 130167-EG on January 14, 2014.

At this time Sebring Gas System has not instituted the incentives for the programs, and has allocated only expenses associated with developing the program.