

Writer's E-Mail Address: bkeating@gunster.com

August 4, 2023

VIA E-PORTAL

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

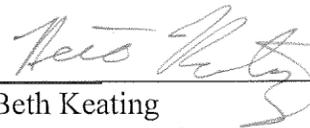
Re: Docket No. 20230004-GU – Natural Gas Conservation Cost Recovery

Dear Mr. Teitzman:

Enclosed for electronic filing, please find Sebring Gas System, Inc.'s Petition for Approval of Conservation Cost Recovery Factors, along with the Testimony and Exhibit JHM-2 of Mr. Jerry Melendy.

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

Sincerely,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

MEK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation Cost)
Recovery Clause)
_____)

Docket No. 20230004-GU
Filed: August 4, 2023

**PETITION FOR APPROVAL OF SEBRING GAS SYSTEM, INC.' S
CONSERVATION COST RECOVERY FACTORS**

Sebring Gas System, Inc. (“the Company”), through undersigned counsel and pursuant to the requirements of this docket, hereby petitions the Commission to accept this Petition as if timely filed and to approve its conservation cost recovery factors and amounts as identified herein for the period January 2024 through December 2024. In support hereof, the Company states:

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

Sebring Gas System, Inc.
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:

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

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 pre-filed testimony and the conservation cost recovery forms (Exhibit JHM-2) supplied by the Commission Staff in a manner consistent with the Commission Staff's instructions.

4) As indicated in the pre-filed forms, the recoverable conservation costs for the period January 2024 through December 2024 are projected to be \$36,033. The estimated conservation costs recovery true-up amount for the period January 2023 through December 2023 is an under-recovery of \$4,028.

5) The resulting net total projected conservation costs to be recovered for the period January 2024 through December 2024 are \$40,061. Based upon projected sales, the appropriate conservation cost recovery factors to be applied on a per therm basis for the period January 2024 through December 2024 are as follows:

TS-1	\$0.12985
TS-2	\$0.05476
TS-3	\$0.03745
TS-4	\$0.03355

WHEREFORE, Sebring Gas System, Inc. respectfully requests that this Commission approve the foregoing conservation cost recovery factors to be applied to customer bills for the period January 2024 through December 2024 and to billings thereafter until other conservation costs recovery factors are approved by the Commission.

DATED this 4th day of August 2023.

Respectfully submitted,



Beth Keating
Gunster, Yoakley & Stewart
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
Attorneys for Sebring Gas System, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 4th day of August, 2023:

Florida Public Utilities Company Mike Cassel Florida Public Utilities Company 1750 S 14th Street, Suite 200 Fernandina Beach FL 32034 mcassel@fpuc.com	J. Jeffry Wahlen Malcolm Means Virginia Ponder Ausley & McMullen P.O. Box 391 Tallahassee, FL 32302 jwahlen@ausley.com mmeans@ausley.com vponder@ausley.com
Florida Public Service Commission Timothy Sparks 2540 Shumard Oak Boulevard Tallahassee, FL 32399 tsparks@psc.state.fl.us	Office of Public Counsel Walter Trierweiler/Charles Rehwinkel/Patricia Christensen//M. Wessling c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 christensen.patty@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us Wessling.Mary@leg.state.fl.us
Peoples Gas System Paula Brown/Karen Bramley/Nora Bordine P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com klbramley@tecoenergy.com nmbordine@tecoenergy.com	St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf/Debbie Stitt P.O. Box 549 Port St. Joe, FL 32457-0549 andy@stjoegas.com dstitt@stjoegas.com
Florida Power & Light Company Christopher T. Wright 700 Universe Boulevard Juno Beach, FL 33408 Christopher.Wright@fpl.com	Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 jmelendy@floridasbestgas.com


Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **In Re: Energy Conservation Cost Recovery Factors**

3 **Direct Testimony of Jerry H. Melendy, Jr.**

4 **On Behalf of**

5 **Sebring Gas System, Inc.**

6 **Docket No.20230004-GU**

7 **08/04/2023**

8
9 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

10 A. My name is Jerry H. Melendy, Jr. My business address is Sebring Gas
11 System, Inc., US Highway 27 South, Sebring, FL 33870.

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

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

14 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED ENERGY**
15 **CONSERVATION PROGRAMS AND THE REVENUES AND COSTS**
16 **THAT ARE ASSOCIATED WITH THESE PROGRAMS?**

17 A. Yes.

18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?**

19 A. My testimony will present actual and projected expenditures and
20 revenues related to promoting and administering the Company's energy
21 conservation programs in 2023 and 2024. I will provide the adjusted net
22 true-up amount associated with program administration for the January
23 2023 through December 2023 period. Projected program costs are

1 provided for the period January 1, 2023, through June 30, 2023, as
2 well as the costs the Company expects to incur from July 1, 2023,
3 through December 31, 2023. I will also indicate the total costs the
4 Company seeks to recover through its conservation factors during the
5 period January 1, 2024, through December 31, 2024. Finally, I will also
6 propose the energy conservation cost recovery factors which, when
7 applied to consumer bills during the period January 1, 2024 through
8 December 31, 2024, will permit recovery of the Company's total
9 conservation costs.

10 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
11 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**
12 **WITH THESE PROGRAMS?**

13 A. Yes. Summaries of the Company's six approved programs are included
14 in Schedule C-4 of Exhibit JHM-2. Included are the Residential New
15 Construction Program, the Residential Appliance Replacement
16 Program, the Residential Appliance Retention Program, the
17 Commercial New Construction Program, the Commercial Appliance
18 Replacement Program and the Commercial Retention Program.

19 **Q. HAVE YOU PREPARED SCHEDULES THAT INCLUDE THE**
20 **COMPANY'S CONSERVATION PROGRAM EXPENDITURES FOR**
21 **THE CURRENT (2023) AND PROJECTED (2024) PERIODS?**

22 A. Yes. Schedule C-3, Exhibit JHM-2 provides actual conservation
23 expenses for the January 2023 through June 2023 period and projected

1 expenses for the January 2024 through December 2024 period, and
2 are included in Schedule C-2, Exhibit JHM-2.

3 **Q. HAVE YOU PREPARED A SCHEDULE THAT INCLUDES THE**
4 **COMPANY'S CONSERVATION RELATED REVENUES FOR 2023?**

5 A. Yes. Schedule C-3 (page 4 of 5), Exhibit JHM-2, provides actual
6 conservation revenue for the January 2023 through June 2023 period,
7 and projected conservation revenues for the July 2023 through
8 December 2023 period.

9 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE**
10 **PERIOD JANUARY 1, 2023, THROUGH DECEMBER 31, 2023?**

11 A. The Company is under-recovered by \$4,028, as calculated on Schedule
12 C-3, Page 4, Line 11, Exhibit JHM-2.

13 **Q. WHAT IS THE TOTAL COST THE COMPANY SEEKS TO RECOVER**
14 **DURING THE PERIOD JANUARY 1, 2024, THROUGH DECEMBER**
15 **31, 2024?**

16 A. As indicated on Schedule C-1, Exhibit JHM-2, the Company seeks to
17 recover \$40,061 during the referenced period. This amount represents
18 the projected costs of \$36,033 to be incurred during 2024, plus the
19 estimated true-up of \$4,028 for calendar year 2023.

20 **Q. WHAT ARE THE COMPANY'S PROPOSED ENERGY**
21 **CONSERVATION COST RECOVERY FACTORS FOR EACH RATE**
22 **CLASS FOR JANUARY 2024 THROUGH DECEMBER 2024**
23 **PERIOD?**

1 A. Schedule C-1, Exhibit JHM-2, provides the calculation of the
2 Company's proposed ECCR factors for 2024.

3 The Conservation Adjustment Factors per therm for Sebring Gas
4 System are:

5 TS-1 \$.12985

6 TS-2 \$.05476

7 TS-3 \$.03745

8 TS-4 \$.03355

9 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

10 A. Yes.

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2024 THROUGH DECEMBER 2024

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	\$ 36,033
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ 4,028
3. TOTAL (LINE 1 AND 2)	<u>\$ 40,061</u>

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	DELIVERY CHARGE	TOTAL CUST & DELIVERY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
TS-1	7,431	56,844	\$94,345	\$42,106	\$136,451	\$7,344	5.38%	0.12920	1.00503	0.12985
TS-2	700	27,298	\$13,998	\$13,636	\$27,635	\$1,487	5.38%	0.05449	1.00503	0.05476
TS-3	1,091	383,196	\$76,367	\$188,936	\$265,304	\$14,280	5.38%	0.03727	1.00503	0.03745
TS-4	468	507,772	\$105,265	\$209,634	\$314,899	\$16,949	5.38%	0.03338	1.00503	0.03355
TOTAL	9,690	975,111	\$289,975	\$454,313	\$744,288	\$40,061				

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2024 THROUGH DECEMBER 2024

PROGRAM	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$0	\$2,163	\$0	\$0	\$2,950	\$380	\$0	\$0	\$5,493
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$0	\$2,163	\$0	\$0	\$5,975	\$380	\$0	\$0	\$8,518
3 RESIDENTIAL APPLIANCE RETENTION	\$0	\$2,163	\$0	\$0	\$3,850	\$380	\$0	\$0	\$6,393
4 COMMERCIAL NEW CONSTRUCTION	\$0	\$2,163	\$0	\$0	\$2,000	\$380	\$0	\$0	\$4,543
5 COMMERCIAL APPLIANCE REPLACEMENT	\$0	\$2,163	\$0	\$0	\$4,000	\$380	\$0	\$0	\$6,543
6 COMMERCIAL RETENTION	\$0	\$2,163	\$0	\$0	\$2,000	\$380	\$0	\$0	\$4,543
PROGRAM COSTS	\$0	\$12,978	\$0	\$0	\$20,775	\$2,280	\$0	\$0	\$36,033

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2023 THROUGH DECEMBER 2023

<u>PROGRAM</u>	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	\$0	\$1,046	\$0	\$0	\$800	\$138	\$0	\$0	\$1,984
B. ESTIMATED	\$0	\$1,077	\$0	\$0	\$1,600	\$180	\$0	\$0	\$2,857
TOTAL	\$0	\$2,123	\$0	\$0	\$2,400	\$318	\$0	\$0	\$4,841
2 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	\$0	\$1,046	\$0	\$0	\$1,700	\$138	\$0	\$0	\$2,884
B. ESTIMATED	\$0	\$1,077	\$0	\$0	\$2,575	\$180	\$0	\$0	\$3,832
TOTAL	\$0	\$2,123	\$0	\$0	\$4,275	\$318	\$0	\$0	\$6,716
3 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	\$0	\$1,046	\$0	\$0	\$1,500	\$138	\$0	\$0	\$2,684
B. ESTIMATED	\$0	\$1,077	\$0	\$0	\$2,150	\$180	\$0	\$0	\$3,407
TOTAL	\$0	\$2,123	\$0	\$0	\$3,650	\$318	\$0	\$0	\$6,091
4 COMMERCIAL NEW CONSTRUCTION									
A. ACTUAL	\$0	\$1,046	\$0	\$0	\$0	\$138	\$0	\$0	\$1,184
B. ESTIMATED	\$0	\$1,077	\$0	\$0	\$4,500	\$180	\$0	\$0	\$5,757
TOTAL	\$0	\$2,123	\$0	\$0	\$4,500	\$318	\$0	\$0	\$6,941
SUB-TOTAL	\$0	\$8,492	\$0	\$0	\$14,825	\$1,272	\$0	\$0	\$24,589

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2023 THROUGH DECEMBER 2023

<u>PROGRAM</u>	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	\$0	\$8,492	\$0	\$0	\$14,825	\$1,272	\$0	\$0	\$24,589
5 COMMERCIAL APPLIANCE REPLACE									
A. ACTUAL	\$0	\$1,046	\$0	\$0	\$1,500	\$138	\$0	\$0	\$2,684
B. ESTIMATED	\$0	\$1,020	\$0	\$0	\$2,350	\$180	\$0	\$0	\$3,550
TOTAL	\$0	\$2,066	\$0	\$0	\$3,850	\$318	\$0	\$0	\$6,234
6 COMMERCIAL RETENTION									
A. ACTUAL	\$0	\$1,048	\$0	\$0	\$5,119	\$138	\$0	\$0	\$6,305
B. ESTIMATED	\$0	\$1,020	\$0	\$0	\$4,500	\$180	\$0	\$0	\$5,700
TOTAL	\$0	\$2,068	\$0	\$0	\$9,619	\$318	\$0	\$0	\$12,005
PROGRAM COSTS	\$0	\$12,626	\$0	\$0	\$28,294	\$1,908	\$0	\$0	\$42,828

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL / ESTIMATED
JANUARY 2023 THROUGH DECEMBER 2023

PROGRAM	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023	JUN 2023	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$220	\$174	\$193	\$974	\$236	\$187	\$175	\$175	\$255	\$1,035	\$215	\$1,002	\$4,841
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$220	\$174	\$868	\$1,199	\$236	\$187	\$175	\$850	\$455	\$910	\$415	\$1,027	\$6,716
3 RESIDENTIAL CUSTOMER RETENTION	\$220	\$174	\$1,293	\$574	\$236	\$187	\$175	\$175	\$905	\$885	\$215	\$1,052	\$6,091
4 COMMERCIAL NEW CONSTRUCTION	\$220	\$174	\$193	\$174	\$236	\$187	\$175	\$175	\$255	\$2,235	\$1,715	\$1,202	\$6,941
5 COMMERCIAL APPLIANCE REPLACE	\$220	\$174	\$193	\$1,674	\$236	\$187	\$170	\$770	\$1,350	\$880	\$210	\$170	\$6,234
6 COMMERCIAL RETENTION	\$221	\$3,294	\$193	\$2,174	\$236	\$187	\$170	\$170	\$250	\$1,230	\$2,710	\$1,170	\$12,005
TOTAL ALL PROGRAMS	\$1,321	\$4,164	\$2,933	\$6,769	\$1,416	\$1,122	\$1,040	\$2,315	\$3,470	\$7,175	\$5,480	\$5,623	\$42,828

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2023 THROUGH DECEMBER 2023

CONSERVATION REVENUES	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023	JUN 2023	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER PROGRAM REV	0	0	0	0	0	0	0	0	0	0	0	0	0
1. ECCR REVENUE	(3,427)	(2,991)	(3,077)	(2,616)	(2,956)	(2,580)	(2,441)	(2,716)	(3,083)	(2,952)	(3,106)	(3,234)	(35,180)
2. CONSERV. ADJ. REV. (NET OF REV. TAXES)	17	15	15	13	15	13	12	14	15	15	16	16	176
3. TOTAL REVENUES	(3,410)	(2,976)	(3,062)	(2,603)	(2,941)	(2,567)	(2,429)	(2,703)	(3,068)	(2,938)	(3,090)	(3,218)	(35,004)
4. PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	(304)	(304)	(304)	(304)	(304)	(304)	(304)	(304)	(304)	(304)	(304)	(304)	(3,648)
5. CONSERV. REVS. APPLIC. TO PERIOD	(3,714)	(3,280)	(3,366)	(2,907)	(3,245)	(2,871)	(2,733)	(3,007)	(3,372)	(3,242)	(3,394)	(3,522)	(38,652)
6. CONSERVATION EXPS. (FORM C-3, PAGE 3)	1,321	4,164	2,933	6,769	1,416	1,122	1,040	2,315	3,470	7,175	5,480	5,623	42,828
7. TRUE-UP THIS PERIOD	(2,393)	884	(433)	3,862	(1,829)	(1,749)	(1,693)	(692)	98	3,933	2,086	2,101	4,176
8. INTEREST THIS PERIOD (C-3, PAGE 5)	(18)	(20)	(19)	(11)	(6)	(12)	(19)	(23)	(23)	(13)	2	13	(148)
9. TRUE-UP & INT BEGIN OF MONTH	(3,652)	(5,758)	(4,590)	(4,738)	(583)	(2,114)	(3,571)	(4,978)	(5,389)	(5,010)	(785)	1,606	
10. PRIOR TRUE-UP COLLECT / (REFUND)	304	304	304	304	304	304	304	304	304	304	304	304	
11. END OF PERIOD TOTAL NET TRUE-UP	(5,758)	(4,590)	(4,738)	(583)	(2,114)	(3,571)	(4,978)	(5,389)	(5,010)	(785)	1,606	4,024	4,028

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2023 THROUGH DECEMBER 2023

INTEREST PROVISION	JAN 2023	FEB 2023	MAR 2023	APR 2023	MAY 2023	JUN 2023	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	TOTAL
BEGINNING TRUE-UP CT-3.2 Previous period	(3,652)	(5,758)	(4,590)	(4,738)	(583)	(2,114)	(3,571)	(4,978)	(5,389)	(5,010)	(785)	1,606	
END. T-UP BEFORE INT. (C3,4)	(5,741)	(4,570)	(4,719)	(572)	(2,108)	(3,559)	(4,959)	(5,366)	(4,987)	(772)	1,605	4,012	
TOTAL BEG. & END. T-UP	(9,392)	(10,328)	(9,310)	(5,310)	(2,691)	(5,673)	(8,530)	(10,344)	(10,375)	(5,782)	819	5,618	
AVERAGE TRUE-UP	(4,696)	(5,164)	(4,655)	(2,655)	(1,346)	(2,836)	(4,265)	(5,172)	(5,188)	(2,891)	410	2,809	
INT. RATE-FIRST DAY OF REPORTING BUSINESS MTH.	4.37%	4.61%	4.66%	4.88%	4.88%	5.14%	5.13%	5.37%	5.37%	5.37%	5.37%	5.37%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUSINESS MTH.	4.61%	4.66%	4.88%	4.88%	5.14%	5.13%	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	
TOTAL	8.98%	9.27%	9.54%	9.76%	10.02%	10.27%	10.50%	10.74%	10.74%	10.74%	10.74%	10.74%	
AVG INTEREST RATE	4.490%	4.64%	4.77%	4.88%	5.01%	5.14%	5.25%	5.37%	5.37%	5.37%	5.37%	5.37%	
MONTHLY AVG. INT. RATE	0.37%	0.39%	0.40%	0.41%	0.42%	0.43%	0.44%	0.45%	0.45%	0.45%	0.45%	0.45%	
INTEREST PROVISION	(18)	(20)	(19)	(11)	(6)	(12)	(19)	(23)	(23)	(13)	2	13	(148)

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Residential New Construction Program

Program Description

This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of Sebring Gas System, Inc. (the Company)'s service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Current Approved Allowances

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

Program Projections

For the twelve-month period of January through December 2024, the Company estimates that the following allowances will be paid for the Residential New Home Construction Program:

Tankless Water Heating: 4 allowances at \$550 each for a total of \$2,200.

Gas Cooking: 3 allowances at \$150 each for a total of \$ 450.

Gas Clothes Drying: 3 allowances at \$100 each for a total of \$ 300.

The total estimated allowances for the Residential New Home Construction Program are \$2,950.

Program Fiscal Expenditures

For the twelve-month period of January through December 2024, the Company estimates expenses of the Residential New Home Construction Program to be \$5,493.

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Residential Appliance Replacement Program

Program Description

This 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-gas appliances through the purchase of energy efficient natural gas appliances.

Current Approved Allowances

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

Program Projections

For the twelve-month period of January through December 2024, the Company estimates that the following allowances will be paid for Residential Appliance Replacement Program:

High Efficiency Tank Water Heater: No allowance.

Tankless Water Heating: 7 allowances at \$675 each for a total of \$4,725.

Gas Cooking: 4 allowances at \$200 each for a total of \$ 800.

Gas Clothes Drying: 3 allowances at \$150 each for a total of \$ 450.

The total estimated allowances for the Residential Appliance Replacement Program are \$5,975.

Program Fiscal Expenditures

For the twelve-month period of January through December 2024, the Company estimates expenses of the Residential Appliance Replacement Program to be \$8,518.

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Residential Appliance Retention Program

Program Description

This program is designed to encourage existing customers to continue to use natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our county's resources effectively, this program offers cash allowances to the customer.

Current Approved Allowances

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

Program Projections

For the twelve-month period of January through December 2024, the Company estimates that the following allowances will be paid for Residential Appliance Retention Program:

- Gas High Efficiency Storage Tank Water Heater: 1 allowance for \$400.
- Tankless Water Heating: 5 allowances at \$550 each for a total of \$2,750.
- Gas Cooking: 4 allowances at \$100 each for a total of \$400.
- Gas Clothes Drying: 3 allowances at \$100 each for a total of \$300.

The total estimated allowances for the Residential Appliance Retention Program are \$3,850.

Program Fiscal Expenditures

For the twelve-month period of January through December 2024, the Company estimates expenses of the Residential Appliance Retention Program to be \$6,393.

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Conservation Education Program

Program Description

The object of this program is to inform consumers about the Company's energy conservation programs and provide general information on energy efficiency measures that will reduce energy consumption and costs.

Program Activity and Projections:

The Company continues to communicate with several homebuilders, appliance retailers and contractors in its service area to provide information on its programs. The Company attends local builder association meetings, participating in their events. The Company continues to use a part-time outside contract sales group in an attempt to increase program participation. In 2009, the Company began participation in the Get Gas Florida consumer education program supported by the Florida Natural Gas Association. In the year 2010 the Company began a program of direct mailings to inform the public located within its service area of the benefit of using natural gas and the awareness of the programs offered by the Company.

Program Fiscal Expenditures:

The Company books any expenditures for the education program to the various incentive programs.

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Small Commercial Food Service

Program Description

This program is designed to encourage owners and operators of Small Commercial Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction: 50% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,000
Tankless W/H	\$2,000
Range/Oven	\$1,000
Fryer	\$3,000

Replacement: 100% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,500
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Non-Food Service

Program Description

This program is designed to encourage owners and operators of Large Commercial Non-Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction: 50% of the purchase and installation cost up to the amounts below.

Tank W/H \$1,500

Tankless W/H \$2,000

Replacement: 100% of the purchase and installation cost up to the amounts below.

Tank W/H \$2,000

Tankless W/H \$2,500

Retention: 50% of the purchase and installation cost up to the amounts below.

Tank W/H \$1,500

Tankless W/H \$2,000

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Food Service

Program Description

This program is designed to encourage owners and operators of Large Commercial Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction: 50% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000

Replacement: 100% of the purchase and installation cost up to the amounts below.

Tank W/H	\$2,000
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000

Retention: 50% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Hospitality

Program Description

This program is designed to encourage owners and operators of Large Commercial Hospitality establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction: 50% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

Replacement: 100% of the purchase and installation cost up to the amounts below.

Tank W/H	\$2,000
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

Large Commercial Hospitality Program, continued from page 16 of 19

Retention: 50% of the purchase and installation cost up to the amounts below.

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Cleaning Service

Program Description

This program is designed to encourage owners and operators of Large Commercial Hospitality establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction: 50% of the purchase and installation cost up to the amounts below.

Tank W/H \$1,500

Tankless W/H \$2,000

Dryer \$1,500

Replacement: 100% of the purchase and installation cost up to the amounts below.

Tank W/H \$2,000

Tankless W/H \$2,500

Range/Oven \$1,500

Retention: 50% of the purchase and installation cost up to the amounts below.

Tank W/H \$1,500

Tankless W/H \$2,000

Dryer \$1,500

Sebring Gas System, Inc.
Program Description and Progress

Program Projections

For the twelve-month period of January through December 2024, the Company estimates that the following allowances will be paid for the Commercial Rebate Programs:

Commercial New Construction:	\$ 2,000
Commercial Appliance Replacement	\$ 4,000
Commercial Retention	\$ 2,000

Program Fiscal Expenditures

For the twelve-month period of January through December 2024, the Company estimates expenses of the Commercial Rebate Programs to be:

Commercial New Construction	\$4,543
Commercial Appliance Replacement	\$6,543
Commercial Retention	\$4,543