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June 21, 2024

**VIA E-PORTAL**

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

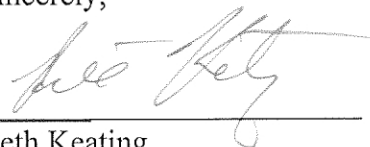
**Re: Docket No. 20240004-GU – Natural Gas Conservation Cost Recovery**

Dear Mr. Teitzman:

Enclosed for electronic filing, please find Sebring Gas System, Inc.'s Revised Exhibit JHM-1 of 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,



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

MEK

ADJUSTED NET TRUE-UP  
FOR MONTHS: JANUARY 2023 THROUGH DECEMBER 2023

END OF PERIOD TRUE-UP

PRINCIPLE	\$9,300	
INTEREST	<u>\$29</u>	\$9,329

LESS PROJECTED TRUE-UP

PRINCIPLE	\$4,176	
INTEREST	<u>(\$148)</u>	<u>\$4,028</u>

ADJUSTED NET TRUE-UP \$5,301

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

FOR MONTHS: JANUARY 2023 THROUGH DECEMBER 2023

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	\$0	\$0	\$0
PAYROLL & BENEFITS	\$12,482	\$12,626 C-3.2/5	(\$144)
MATERIALS & SUPPLIES	\$0	\$0	\$0
ADVERTISING	\$0	\$0	\$0
INCENTIVES	\$30,625	\$28,294 C-3.2/5	\$2,331
OUTSIDE SERVICES	\$2,739	\$1,908 C-3.2/5	\$831
VEHICLES	\$0	\$0	\$0
OTHER	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
SUB TOTAL	\$45,846	\$42,828 C-3.2/5	\$3,018
PROGRAM REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL PROGRAM COSTS	\$45,846	\$42,828 C-3.2/5	\$3,018
LESS:			
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(\$36,542)	(\$38,652) C-3, p.4 line 5	\$2,110
ROUNDING ADJUSTMENTS	<u>\$0</u>	<u>\$0</u>	\$0
TRUE-UP BEFORE INTEREST	\$9,300	\$4,176	<u>\$5,124</u>
INTEREST PROVISION	\$29	(\$148) C-3 p 4 line 8	\$177
END OF PERIOD TRUE-UP	<u>\$9,329</u>	<u>\$4,028</u>	<u>\$5,301</u>
( ) REFLECTS OVER-RECOVERY			

Actual Conservation Program Costs per Program  
FOR MONTHS: JANUARY 2023 THROUGH DECEMBER 2023

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	\$2,080	\$0	\$0	\$800	\$456	\$0	\$0	\$3,337
Program 2: Res. Appliance Replace	\$0	\$2,080	\$0	\$0	\$2,725	\$456	\$0	\$0	\$5,262
Program 3: Customer Retention	\$0	\$2,080	\$0	\$0	\$3,350	\$456	\$0	\$0	\$5,887
Program 4: Comm. New Const.	\$0	\$2,080	\$0	\$0	\$570	\$456	\$0	\$0	\$3,107
Program 5: Comm. Appli. Replace	\$0	\$2,080	\$0	\$0	\$11,500	\$456	\$0	\$0	\$14,037
Program 6: Comm.Cust. Retention	\$0	\$2,080	\$0	\$0	\$11,680	\$456	\$0	\$0	\$14,217
<b>TOTAL</b>	\$0	\$12,482	\$0	\$0	\$30,625	\$2,739	\$0	\$0	\$45,846

Conservation Costs per Program - Variance Actual Versus Projected  
FOR MONTHS: JANUARY 2023 THROUGH DECEMBER 2023

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	(\$43)	\$0	\$0	(\$1,600)	\$138	\$0	\$0	(\$1,504)
Program 2: Res. Appliance Replace	\$0	(\$43)	\$0	\$0	(\$1,550)	\$138	\$0	\$0	(\$1,454)
Program 3: Customer Retention	\$0	(\$43)	\$0	\$0	(\$300)	\$138	\$0	\$0	(\$204)
Program 4: Comm. New Const.	\$0	(\$43)	\$0	\$0	(\$3,930)	\$138	\$0	\$0	(\$3,834)
Program 5: Comm. Appli. Replace	\$0	\$14	\$0	\$0	\$7,650	\$138	\$0	\$0	\$7,803
Program 6: Comm.Cust. Retention	\$0	\$12	\$0	\$0	\$2,061	\$138	\$0	\$0	\$2,212
<b>TOTAL</b>	<b>\$0</b>	<b>(\$144)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,331</b>	<b>\$831</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,018</b>

Energy conservation Adjustment Calculation of True-Up and Interest Provision  
Summary of Expenses By program By Month  
FOR MONTHS: JANUARY 2023 THROUGH DECEMBER 2023

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.	\$220	\$174	\$193	\$974	\$237	\$187	\$174	\$222	\$202	\$301	\$226	\$227	\$3,337
Program 2: Res. Appliance Replace	\$220	\$174	\$868	\$1,199	\$237	\$187	\$174	\$422	\$202	\$301	\$1,051	\$227	\$5,262
Program 3: Customer Retention	\$220	\$174	\$1,293	\$574	\$237	\$187	\$174	\$1,972	\$202	\$301	\$326	\$227	\$5,887
Program 4 Comm. New Const.	\$217	\$174	\$193	\$174	\$237	\$187	\$174	\$222	\$202	\$301	\$796	\$227	\$3,104
Program 5 Comm. Appli. Replace	\$220	\$174	\$193	\$1,674	\$237	\$187	\$174	\$10,222	\$202	\$301	\$226	\$227	\$14,037
Program 6 Comm.Cust. Retention	\$220	\$3,293	\$193	\$2,174	\$237	\$187	\$174	\$1,215	\$202	\$301	\$4,885	\$1,137	\$14,217
<b>TOTAL</b>	<b>\$1,315</b>	<b>\$4,164</b>	<b>\$2,932</b>	<b>\$6,769</b>	<b>\$1,419</b>	<b>\$1,119</b>	<b>\$1,046</b>	<b>\$14,275</b>	<b>\$1,214</b>	<b>\$1,808</b>	<b>\$7,510</b>	<b>\$2,273</b>	<b>\$45,843</b>

Energy conservation Adjustment Calculation of True-Up and Interest Provision

FOR MONTHS: JANUARY 2023 THROUGH DECEMBER 2023

Conservation

Revenues	<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>
1 RCS AUDIT FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 PSC REG ASSESS FEE	\$17	\$15	\$15	\$13	\$15	\$13	\$12	\$12	\$12	\$14	\$25	\$14	\$177
3 CONSERV. ADJ. REVS	(\$3,427)	(\$2,991)	(\$3,078)	(\$2,617)	(\$2,956)	(\$2,580)	(\$2,354)	(\$2,483)	(\$2,406)	(\$2,751)	(\$2,637)	(\$2,787)	(\$33,067)
4 TOTAL REVENUES	(\$3,410)	(\$2,976)	(\$3,062)	(\$2,604)	(\$2,941)	(\$2,567)	(\$2,342)	(\$2,471)	(\$2,394)	(\$2,737)	(\$2,612)	(\$2,773)	(\$32,890)
5 PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(\$304)	(\$304)	(\$304)	(\$304)	(\$304)	(\$304)	(\$304)	(\$304)	(\$304)	(\$304)	(\$304)	(\$304)	(\$3,652)
6 CONSERVATION REVS APPLICABLE TO THIS PERIOD	(\$3,714)	(\$3,281)	(\$3,367)	(\$2,908)	(\$3,246)	(\$2,872)	(\$2,646)	(\$2,775)	(\$2,699)	(\$3,041)	(\$2,916)	(\$3,078)	(\$36,542)
7 CONSERVATION EXPS (FROM CT-3, PAGE 1)	\$1,315	\$4,164	\$2,932	\$6,769	\$1,419	\$1,119	\$1,046	\$14,275	\$1,214	\$1,808	\$7,510	\$2,273	\$45,843
8 TRUE-UP THIS PERIOD	(\$2,399)	\$883	(\$435)	\$3,861	(\$1,827)	(\$1,752)	(\$1,601)	\$11,500	(\$1,485)	(\$1,234)	\$4,594	(\$805)	\$9,300
9 INT. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(\$17)	(\$20)	(\$19)	(\$11)	(\$6)	(\$12)	(\$19)	\$5	\$28	\$24	\$33	\$43	\$29
10 TRUE-UP & INT. PROV. BEGINNING OF MONTH.	(\$3,652)	(\$5,764)	(\$4,597)	(\$4,746)	(\$592)	(\$2,120)	(\$3,580)	(\$4,895)	\$6,914	\$5,762	\$4,856	\$9,787	
11 PRIOR TRUE-UP (COLLECTED) REFUNDED	\$304	\$304	\$304	\$304	\$304	\$304	\$304	\$304	\$304	\$304	\$304	\$304	
TOTAL NET TRUE-UP													
12 (SUM LINES 8+9+10+11)	(\$5,764)	(\$4,597)	(\$4,746)	(\$592)	(\$2,120)	(\$3,580)	(\$4,895)	\$6,914	\$5,762	\$4,856	\$9,787	\$9,329	\$9,329

Calculation of True-Up and Interest Provision  
FOR MONTHS: JANUARY 2023 THROUGH DECEMBER 2023

Interest Provision	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1 BEGINNING TRUE-UP	(\$3,652)	(\$5,764)	(\$4,597)	(\$4,746)	(\$592)	(\$2,120)	(\$3,580)	(\$4,895)	\$6,914	\$5,762	\$4,856	\$9,787	
2 ENDING TRUE-UP BEFORE INTEREST	(\$5,747)	(\$4,577)	(\$4,728)	(\$581)	(\$2,114)	(\$3,568)	(\$4,876)	\$6,909	\$5,733	\$4,833	\$9,754	\$9,286	
3 TOTAL BEGINNING & ENDING TRUE-UP	(\$9,399)	(\$10,341)	(\$9,325)	(\$5,327)	(\$2,706)	(\$5,688)	(\$8,456)	\$2,014	\$12,647	\$10,594	\$14,611	\$19,074	
4 AVERAGE TRUE-UP (LINE 3 x 50%)	(\$4,700)	(\$5,171)	(\$4,662)	(\$2,664)	(\$1,353)	(\$2,844)	(\$4,228)	\$1,007	\$6,323	\$5,297	\$7,305	\$9,537	
5 INT. RATE - 1ST DAY OF REPORTING MONTH	4.37%	4.61%	4.66%	4.88%	4.88%	5.14%	5.13%	5.37%	5.37%	5.33%	5.40%	5.34%	
6 INT. RATE - 1ST DAY OF SUBSEQUENT MONTH	4.61%	4.66%	4.88%	4.88%	5.14%	5.13%	5.37%	5.37%	5.33%	5.40%	5.34%	5.34%	
7 TOTAL (LINES 5 + 6)	8.98%	9.27%	9.54%	9.76%	10.02%	10.27%	10.50%	10.74%	10.70%	10.73%	10.74%	10.68%	
8 AVG. INT. RATE (LINE 7 x 50%)	4.49%	4.64%	4.77%	4.88%	5.01%	5.14%	5.25%	5.37%	5.35%	5.37%	5.37%	5.34%	
9 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%	
10 INTEREST PROVISION (LINE 4 x LINE 9)	(\$17)	(\$20)	(\$19)	(\$11)	(\$6)	(\$12)	(\$19)	\$5	\$28	\$24	\$33	\$43	\$29





SEBRING GAS SYSTEM, INC.

Reconciliation and Explanation of differences between Filing and  
PSC Audit Report for January 2023 through December 2023.

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, 2023 through December 31, 2023, 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 2023 through December 2023, the amount of incentives paid by the Company was:

\$800

The following are the incentives given through the Residential New Construction Program:

1	Tankless water heaters	@	\$550.00	\$550.00
1	Gas ranges	@	\$150.00	\$150.00
1	Gas dryers	@	\$100.00	<u>\$100.00</u>
Total				\$800.00

Program Fiscal Expenditures:

During 2023 expenditures for the Residential New Construction Program totaled  
\$3,337

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, 2023 through December 31, 2023, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 7, 2010, prescribing the following Residential Appliance Replacement Cash Allowances:

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

Program Accomplishments:  
For the twelve month period January 2023 through December 2023, the amount of incentives paid by the Company under the Residential Appliance Replacement Program was:  
\$2,725

The following are the incentives given through the Residential Appliance Replacement Program:

0	Tank water heaters	@	\$550.00	\$0.00
3	Tankless water heaters	@	\$675.00	\$2,025.00
2	Gas ranges	@	\$200.00	\$400.00
2	Gas dryers	@	\$150.00	<u>\$300.00</u>
Total				\$2,725.00

Program Fiscal Expenditures:

During 2023 expenditures for the Resident Appliance Replacement Program totaled  
\$5,262

SEBRING GAS SYSTEM, INC.  
Program Description and Progress

Program Title:

Residential Customer 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, 2023 through December 31, 2023, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 7, 2010, prescribing the following Residential Retention Program 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 2023 through December 2023, the amount of incentives paid by the Company under the Residential Appliance Retention Program was:  
\$3,350

The following are the incentives given through the Residential New Construction Program:

1	Tank water heater	@	\$400.00	\$400.00
5	Tankless water heaters	@	\$550.00	\$2,750.00
2	Gas ranges	@	\$100.00	\$200.00
0	Gas dryers	@	\$100.00	<u>\$0.00</u>
Total				\$3,350.00

Program Fiscal Expenditures:

During 2023 expenditures for the Resident Appliance Retention Program totaled  
\$5,887



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.

Program Accomplishments:

For the twelve month period January 2023 through December 2023, the amount of incentives paid by the Company under the Commercial New Construction Program was:

\$570

The following incentives were given as follows:

The amount of \$569.74 was given for the installation of a new gas fryer to a café.

Program Fiscal Expenditures:

During 2023 expenditures for the Commercial New Construction Program totaled

\$3,107

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 toward the purchase 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.

Program Accomplishments:  
For the twelve month period January 2023 through December 2023, the amount of incentives paid by the Company under the Commercial Retrofit Program was:  
\$11,500

The following incentives were given as follows:

Replaced old electric waterheater with a new gas tankless water heater.	\$10,000.00
Replaced old electric dryer with a new gas dryer.	<u>\$1,500.00</u>
Both incentives went to a Budget Inn	
Total Incentives	\$11,500.00

Program Fiscal Expenditures:  
During 2023 expenditures for the Commercial Retrofit Program totaled  
\$14,037

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 toward 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.

Program Accomplishments:

For the twelve month period January 2023 through December 2023, the amount of incentives paid by the Company under the Commercial Retention Program was:

\$11,680

The following incentives were given as follows:

Replaced seven old gas fryers with new gas fryers	\$4,598.01
Replaced an old range with a new gas range	\$992.70
Replaced two old gas water heaters with new gas water heaters	<u>\$6,089.55</u>
Total incentives	\$11,680.26

Program Fiscal Expenditures:

During 2023 expenditures for the Commercial Retention Program totaled \$14,217