



Brimmer, Burek & Keelan, LLP

Certified Public Accountants

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Members of:
Center for Audit Quality

American Institute of
Certified Public Accountants

Florida Institute of Certified
Public Accountants

March 14, 2019

Mr. Andrew L. Maurey
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Dear Mr. Maurey:

We are enclosing the Company's semi-annual Earnings Surveillance Report as of December 31, 2018.

Please contact me at (813) 282-3400 if you have any questions.

Sincerely,

BRIMMER, BUREK & KEELAN LLP
Cong Nguyen, CPA

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FLORIDA PUBLIC SERVICE
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FLORIDA PUBLIC SERVICE COMMISSION

INVESTOR-OWNED NATURAL GAS UTILITY
EARNINGS SURVEILLANCE REPORT

PSC/AFA 13 (/96)

SEBRING GAS SYSTEM, INC.
EARNINGS SURVEILLANCE REPORT SUMMARY
December 2018

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 230,264	\$ 562	\$ 230,826		\$ 230,826
AVERAGE RATE BASE	\$ 3,691,991	\$ 0	\$ 3,691,991		\$ 3,691,991
AVERAGE RATE OF RETURN	6.24%		6.25%		6.25%
II. YEAR END RATE BASE (JURISDICTIONAL)					
	\$ 3,764,973	\$ 0	\$ 3,764,973		

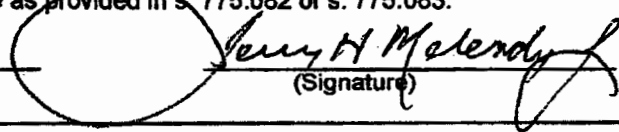
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	
LOW	7.82%
MIDPOINT	8.32%
HIGH	8.81%

IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)	
A. INCLUDING FLEX RATE REVENUES	7.33%
B. EXCLUDING FLEX RATE REVENUES	7.33%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082 or s. 775.083.

Jerry H. Melendy, Jr. - President
 (Name and Title of Chief
 Financial Officer)


 (Signature)

3/14/2019
 (Date)

PSC/AFA13

**SEBRING GAS SYSTEM, INC.
AVERAGE RATE OF RETURN
RATE BASE
December 2018**

SCHEDULE 2
PAGE 1 OF 2

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	6,274,360	(2,594,287)	3,680,073	0	19,733	3,699,806	(7,815)	3,691,991
<u>FPSC ADJUSTMENTS:</u>								
TOTAL FPSC ADJUSTMENTS	0	0	0	0	0	0	0	0
FPSC ADJUSTED	6,274,360	(2,594,287)	3,680,073	0	19,733	3,699,806	(7,815)	3,691,991
<u>FLEX RATE REVENUES ADJUSTED FOR FLEX RATE REVENUES</u>								
	6,274,360	(2,594,287)	3,680,073	0	19,733	3,699,806	(7,815)	3,691,991
<u>PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:</u>								
TOTAL PRO FORMA ADJUSTME	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	6,274,360	(2,594,287)	3,680,073	0	19,733	3,699,806	(7,815)	3,691,991

SEBRING GAS SYSTEM, INC.
AVERAGE RATE OF RETURN
INCOME STATEMENT
December 2018

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRECIATION & TAXES AMORTIZATION	OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS, as adjusted January 2018 through December 2018	1,018,819	0	504,245	202,354	19,188	62,768	0	0	0	788,555	230,264
FPSC ADJUSTMENTS:											
Disallowed lobbying expenses			(562)							(562)	562
TOTAL FPSC ADJUSTMENTS	<u>0</u>	<u>0</u>	<u>(562)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(562)</u>	<u>562</u>
FPSC ADJUSTED	<u>1,018,819</u>	<u>0</u>	<u>503,683</u>	<u>202,354</u>	<u>19,188</u>	<u>62,768</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>787,993</u>	<u>230,826</u>
FLEX RATE REVENUES ADJUSTED FOR FLEX RATE REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:											
TOTAL PRO FORMA ADJUSTMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
PRO FORMA ADJUSTED	<u>1,018,819</u>	<u>0</u>	<u>503,683</u>	<u>202,354</u>	<u>19,188</u>	<u>62,768</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>787,993</u>	<u>230,826</u>
PER BOOKS CURRENT MONTH AMOUNT	<u>86,815</u>	<u>0</u>	<u>62,439</u>	<u>18,282</u>	<u>(6,706)</u>	<u>59,030</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>133,045</u>	<u>(46,230)</u>

Sebring Gas System, Inc.
Schedule 2 Worksheet - Average Rate of Return
Dec-18

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Plant in	Accumulated	Net	Property	Construction	Net	Working	Total
	Service	Depreciation	Plant in	Held for	Work in	Utility	Capital	Rate Base
<u>13 Month Average</u>	<u>Service</u>	<u>Amortization</u>	<u>Service</u>	<u>Future Use</u>	<u>Progress</u>	<u>Plant</u>		
Dec-17	6,156,285	(2,493,941)	3,662,344	0	6,632	3,668,976	198,335	3,867,311
Jan-18	6,182,818	(2,510,823)	3,671,995	0	7,882	3,679,877	4,614	3,684,491
Feb-18	6,196,333	(2,527,358)	3,668,975	0	7,882	3,676,857	17,272	3,694,129
Mar-18	6,210,675	(2,543,930)	3,666,745	0	9,232	3,675,977	935	3,676,912
Apr-18	6,224,343	(2,560,539)	3,663,804	0	15,172	3,678,976	4,463	3,683,439
May-18	6,242,642	(2,577,279)	3,665,363	0	19,372	3,684,735	1,490	3,686,225
Jun-18	6,265,041	(2,593,895)	3,671,146	0	19,372	3,690,518	(18,876)	3,671,642
Jul-18	6,289,929	(2,610,662)	3,679,267	0	26,247	3,705,514	(49,501)	3,656,013
Aug-18	6,312,769	(2,627,490)	3,685,279	0	28,947	3,714,226	(84,709)	3,629,517
Sep-18	6,332,160	(2,644,374)	3,687,786	0	28,947	3,716,733	(76,422)	3,640,311
Oct-18	6,343,945	(2,661,298)	3,682,647	0	28,947	3,711,594	(52,844)	3,658,750
Nov-18	6,396,273	(2,678,413)	3,717,860	0	28,947	3,746,807	(64,645)	3,682,162
Dec-18	6,413,469	(2,695,732)	3,717,737	0	28,947	3,746,684	18,289	3,764,973
Thirteen month totals	<u>81,566,682</u>	<u>(33,725,734)</u>	<u>47,840,948</u>	<u>0</u>	<u>256,526</u>	<u>48,097,474</u>	<u>(101,600)</u>	<u>47,995,874</u>
Thirteen month average	<u>6,274,360</u>	<u>(2,594,287)</u>	<u>3,680,073</u>	<u>0</u>	<u>19,733</u>	<u>3,699,806</u>	<u>(7,815)</u>	<u>3,691,990</u>

SEBRING GAS SYSTEM, INC.
YEAR END RATE BASE
December 2018

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	<u>6,413,469</u>	<u>(2,695,732)</u>	<u>3,717,737</u>	<u>0</u>	<u>28,947</u>	<u>3,746,684</u>	<u>18,289</u>	<u>3,764,973</u>
<u>FPSC ADJUSTMENTS:</u>								
TOTAL FPSC ADJUSTMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FPSC ADJUSTED	<u><u>6,413,469</u></u>	<u><u>(2,695,732)</u></u>	<u><u>3,717,737</u></u>	<u><u>0</u></u>	<u><u>28,947</u></u>	<u><u>3,746,684</u></u>	<u><u>18,289</u></u>	<u><u>3,764,973</u></u>

SEBRING GAS SYSTEM, INC.
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
December 2018

AVERAGE	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		SPECIFIC	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,488,040		(792)	1,487,248	40.2831%	5.4009%	2.1757%	5.4009%	2.1757%	5.4009%	2.1757%
SHORT TERM DEBT	234,941		(125)	234,816	6.3602%	5.3723%	0.3417%	5.3723%	0.3417%	5.3723%	0.3417%
PREFERRED STOCK	0	0	0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CUSTOMER DEPOSITS	144,170		(77)	144,094	3.9029%	2.8683%	0.1119%	2.8683%	0.1119%	2.8683%	0.1119%
COMMON EQUITY	1,826,805	0	(972)	1,825,833	49.4539%	10.5000%	5.1927%	11.5000%	5.6872%	12.5000%	8.1817%
DEFERRED INCOME TAXES	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - ZERO COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - WEIGHTED COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TOTAL	3,693,956	0	(1,965)	3,691,991	100.0000%	7.8219%	8.3165%	8.3165%	8.3165%	8.3165%	8.8110%

YEAR END	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		SPECIFIC	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,405,733		154,092	1,559,825	41.4299%	5.4982%	2.2779%	5.4982%	2.2779%	5.4982%	2.2779%
SHORT TERM DEBT	305,281		33,464	338,744	8.9973%	5.4982%	0.4947%	5.4982%	0.4947%	5.4982%	0.4947%
PREFERRED STOCK	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CUSTOMER DEPOSITS	144,505		15,840	160,345	4.2589%	2.8683%	0.1222%	2.8683%	0.1222%	2.8683%	0.1222%
COMMON EQUITY	1,537,519		168,538	1,706,058	45.3139%	10.5000%	4.7580%	11.5000%	5.2111%	12.5000%	5.6642%
DEFERRED INCOME TAXES	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - ZERO COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - WEIGHTED COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TOTAL	3,393,038	0	371,935	3,764,973	100.0000%	7.6527%	8.1059%	8.1059%	8.1059%	8.1059%	8.5590%

Sebring Gas System, Inc.
Schedule 4 Worksheet - Capital Structure
12/31/18

13 Month Average	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Average Per Books
Long-term Debt	1,575,708	1,561,340	1,546,967	1,532,586	1,518,199	1,503,804	1,489,395	1,474,988	1,448,566	1,447,175	1,433,246	1,406,809	1,405,733	1,488,040
Short-term Debt	261,689	261,770	261,850	242,238	232,319	232,401	212,742	202,823	192,153	191,740	191,323	265,907	305,281	234,941
Preferred Stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Customer Deposits	140,405	141,655	143,605	144,455	144,905	145,255	144,005	145,155	145,455	143,305	145,655	145,855	144,505	144,170
Common Stock	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Paid-in Capital	774,880	562,506	562,506	562,506	562,506	562,506	562,506	562,506	562,506	562,506	562,506	562,506	562,506	578,842
Current Year Profit (Loss)	487,840	43,402	63,345	83,963	114,305	135,206	152,510	160,054	171,146	19,423	223,462	220,925	187,623	157,170
Retained Earnings (Deficit)	980,431	1,128,262	1,128,262	1,128,262	1,128,262	1,128,262	1,128,262	1,128,262	1,128,262	1,128,262	1,128,262	1,128,262	785,591	1,088,993
Common Equity	2,204,951	1,735,970	1,755,913	1,776,531	1,806,873	1,827,774	1,845,078	1,852,622	1,863,714	1,711,991	1,916,030	1,913,493	1,537,519	1,826,805
Deferred Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Crs-Zero Crs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tx Crs-Weighted Cst	0	0	0	0	0	0	0	0	0	0	0	0	0	0
				8						8				
Total	4,182,753	3,700,737	3,708,335	3,695,810	3,702,296	3,709,234	3,691,220	3,675,588	3,649,888	3,494,211	3,686,254	3,732,064	3,393,038	3,693,956

Do not send with Report

	31	31	28	31	30	31	30	31	31	30	31	30	31
Days in month													
Do not with report													
HNB Credit Line	89,893	89,693	89,693	70,000	60,000	60,000	40,259	30,259	20,000	20,000	20,000	95,000	134,794
HNB Credit Line													
Current portion Hartland #224.13	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Current portion Ford Credit 969	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion 289	5,574	5,600	5,625	5,851	5,877	5,703	5,729	5,755	5,288	4,818	4,345	3,872	3,396
Current portion Ally 65377	16,422	16,477	16,532	16,587	16,642	16,698	16,754	16,809	16,865	16,922	16,978	17,035	17,091
Total Current portion	<u>261,889</u>	<u>261,770</u>	<u>261,850</u>	<u>242,238</u>	<u>232,319</u>	<u>232,401</u>	<u>212,742</u>	<u>202,823</u>	<u>192,153</u>	<u>191,740</u>	<u>191,323</u>	<u>265,907</u>	<u>305,281</u>

Sebring Gas System, Inc.
Schedule 4 Worksheet - Average Interest Rates
12/31/18

13 Month Average	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Average Per Books
HNB Credit Line	89,893	89,693.00	89,693	70,000	60,000	60,000	40,259	30,259	20,000	20,000	20,000	95,000	134,794	63,030.00
Interest Rate	5%	5.00%	5%	5%	5%	5%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	4.35%
Book Interest	1146	-		1121			802					385.00	435	2,743.16
Ford Credit 289 Balance	11,304	10,861	10,416	9,969	9,521	9,070	8,617	8,162	7,705	7,246	6,784	6,321	6,244	8,632
Ford Credit 289 Interest Rate	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.55%
Book Interest	55	51	49	47	45	43	41	39	37	35	33	31	28	479
Hartland National Balance#224.13	1,698,500	1,686,000	1,673,500	1,661,000	1,648,500	1,636,000	1,623,500	1,611,000	1,586,000	1,586,000	1,573,500	1,548,500	1,548,500	1,621,577
Hartland National #224.13 Interest F	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	6.00%	5.46%
Book Interest	7,127	7,304	7,259	6,505	7,471	7,201	7,383	7,477	7,620	7,569	7,500	7,787	7,476	88,552
Ford Credit 969 Balance		-	-											-
Ford Credit 969 Interest Rate														#DIV/0!
Book Interest														0
Notes Payable Ally 65377	37,900	36,556	35,208	33,855	32,497	31,135	29,761	28,390	27,015	25,669	24,285	22,895	21,477	29,742
Ford Credit 969 Interest Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.09%
Book Interest	101	126	122	117	113	108	95	99	94	125	85	81	51	1,215
Total Debt	1,837,397	1,823,110	1,808,817	1,774,824	1,750,518	1,736,205	1,702,137	1,677,811	1,640,719	1,638,915	1,624,569	1,672,716	1,711,014	1,722,981
	5.40%	4.83%	5.35%	5.17%	5.30%	4.99%	5.95%	5.34%	5.56%	5.74%	5.52%	6.03%	5.50%	5.40%
	8,429	7,481	7,430	7,790	7,629	7,352	8,321	7,615	7,751	7,729	7,618	8,284	7,990	92,989
Long-term Portion	1,575,708	1,561,340	1,546,967	1,532,586	1,518,199	1,503,804	1,489,395	1,474,988	1,448,566	1,447,175	1,433,246	1,406,809	1,405,733	1,488,040
	5.40%	4.83%	5.35%	5.17%	5.30%	4.99%	5.95%	5.34%	5.56%	5.74%	5.52%	6.03%	5.50%	5.40%
	7,229	6,407	6,354	6,727	6,617	6,368	7,281	6,694	6,843	6,824	6,721	6,967	6,564	80,368
Short-term Portion	261,689	261,770	261,850	242,238	232,319	232,401	212,742	202,823	192,153	191,740	191,323	265,907	305,281	234,941
	5.40%	4.83%	5.35%	5.17%	5.30%	4.99%	5.95%	5.34%	5.56%	5.74%	5.52%	6.03%	5.50%	5.37%
	1,200	1,074	1,076	1,063	1,012	984	1,040	921	908	904	897	1,317	1,426	12,622
Customer Deposits														
Residential	18,680	18,930	18,880	19,430	19,680	19,830	19,980	20,130	20,230	20,080	20,480	20,880	20,830	19,834
	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.01%
	31	32	31	32	33	33	33	34	34	33	34	34	35	399
Commercial	121,725	122,725	124,725	125,025	125,225	125,425	124,025	125,025	125,225	123,225	125,175	125,175	123,675	124,337
	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.01%
	304	307	312	313	313	314	310	313	313	308	313	313	309	3,737
Total	140,405	141,655	143,605	144,455	144,905	145,255	144,005	145,155	145,455	143,305	145,655	145,855	144,505	144,170
	2.87%	2.87%	2.87%	2.87%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.87%
	335	338	343	345	346	347	343	346	347	342	347	347	344	4,135

SEBRING GAS SYSTEM, INC.
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
December 2018

SCHEDULE 5

A. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY
INCLUDING FLEX RATE REVENUES

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>6.25%</u>	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	2.18%	
SHORT TERM DEBT	0.34%	
PREFERRED STOCK	0.00%	
CUSTOMER DEPOSITS	0.11%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00%</u>	
SUBTOTAL	<u>2.63%</u>	
TOTAL	3.62%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>49.45%</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>7.33%</u></u>	

B. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY
EXCLUDING FLEX RATE REVENUES

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$ 230,826	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$ <u>3,691,991</u>	(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>6.2521%</u>	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	2.18%	
SHORT TERM DEBT	0.34%	
PREFERRED STOCK	0.00%	
CUSTOMER DEPOSITS	0.11%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00%</u>	
SUBTOTAL	<u>2.63%</u>	
TOTAL	3.62%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>49.45%</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>7.33%</u></u>	

Sebring Gas System, Inc.
Schedule 2 Worksheet - Working Capital
Dec-18

Does not need to attached to filing

Acct No.	Description	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	13 Month	0	checksum												
Current Assets																													
130.00	Petty Cash	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50.00												
130.01	Cash -Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
130.02	Cash -WVSB	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
130.03	Cash -Heartland National Bank	94,122	91,980	53,282	68,093	78,778	39,753	67,613	47,861	7,008	26,798	9,293	21,507	36,444	49,272	49,272	49,271.68												
142.00	Accounts Receivable	148,627	178,211	200,794	182,548	176,494	200,842	146,761	156,140	178,527	132,886	181,800	161,762	190,951	173,380	173,380	173,380.16												
143.00	Other Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
154.00	Plant Materials & Supplies	63,896	70,377	75,864	75,138	80,941	86,569	87,194	85,548	95,448	92,132	91,625	87,813	84,018	83,582	83,582	83,581.80												
184.00	Payroll Clearing Acct	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
186.00	Deferred Cost Rate Case	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
191.00	Unrecovered purchased gas costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
195.00	Prepaid Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												
Current Liabilities																													
232.00	Accounts Payable - Trade	97,827	115,118	90,123	98,448	101,613	95,355	87,819	95,061	117,468	79,632	83,642	101,164	142,718	100,522	100,522	100,522.13												
233.00	NP Coker Current	-	173,478	173,478	173,478	173,478	173,478	173,478	173,478	173,478	173,478	173,478	173,478	53,478	150,903	150,903	150,903.13												
233.01	Accrued Interest Payable	-	38,895	38,895	38,895	38,895	38,895	38,895	38,895	38,895	38,895	38,895	38,895	38,895	35,804	35,804	35,803.53												
236.00	Federal Income tax liability	-	-	-	-	-	-	-	-	-	-	-	-	42,780	3,291	-	-												
236.04	Utility Tax Gross Receipts	2,890	3,725	3,110	3,245	3,136	2,941	2,728	2,548	2,716	2,516	2,895	2,836	2,894	2,937	2,937	2,936.90												
236.50	Regulatory Assessment	1,995	(54)	350	805	1,264	1,670	2,087	(360)	72	435	883	1,272	1,707	933	932	932.74												
236.51	Regulatory Assessment - Conserv	(165)	-	-	-	-	-	(128)	(16)	(34)	(50)	(70)	(89)	(111)	(51)	(51)	(51.04)												
236.08	Tangible Taxes	-	1,891	3,782	5,674	7,585	9,456	11,347	13,238	15,130	17,021	18,912	20,803	-	9,602	9,602	9,601.53												
237.01	Interest Payable Customer Deposit	3,555	338	882	1,027	1,372	1,719	2,062	2,409	2,755	3,097	3,444	3,791	4,135	2,337	2,337	2,337.46												
238.00	State income tax liability	-	-	-	-	-	-	-	-	-	-	-	-	2,144	165	-	-												
241.00	Sales Tax Payable	441	776	454	1,479	532	277	395	251	258	49	311	605	1,482	562	562	562.30												
241.01	County/Local Utilities Tax	89	107	115	116	215	3	60	68	75	86	93	92	122	97	97	96.88												
252.00	Customer Advances for Construc	1,728	1,728	1,728	1,728	1,728	1,728	1,728	12,928	12,928	12,928	12,928	12,928	12,928	6,898	6,898	6,897.67												
															106,360	336,004	312,718	324,895	329,800	325,524	320,493	339,100	363,742	328,088	335,613	355,777	303,174	314,099	314,099.03
Total Assets Less Liabilities															<u>198,335</u>	<u>4,614</u>	<u>17,272</u>	<u>935</u>	<u>4,463</u>	<u>1,480</u>	<u>(18,876)</u>	<u>(48,501)</u>	<u>(84,709)</u>	<u>(76,422)</u>	<u>(52,844)</u>	<u>(64,645)</u>	<u>18,289</u>	<u>(7,815)</u>	<u>(7,815.38)</u>

Per Jerry, the below accounts are not to be included in the working capital calculation

231.00	Notes Payable Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
234.01	Advances due JHM, Jr.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
234.02	Bank of America Credit Line	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

- Link to schedule 4-F

SEBRING GAS SYSTEM, INC.
AVERAGE RATE OF RETURN
INCOME STATEMENT
December 2018

SCHEDULE 2
PAGE 3 OF 3

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS, as previously reported						-	-	-	-	-	-
Accrual of Accounting Fees		-								-	-
Accounts not included in previous reports										-	-
931.00 Rent		-								-	-
933.00 Transportation Exp		-								-	-
Schedule 2 Page 2	-	-	-	-	-	-	-	-	-	-	-

Schedule 2 has been amended for items in error not included in the previously filed return.