

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval) DOCKET NO. 910873-GU
of initial rates to be estab-) ORDER NO. PSC-92-0229-FOF-GU
lished by Sebring Gas System,) ISSUED: 04/20/92
a division of Coker Fuels,)
Inc.)
_____)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK

ORDER SETTING INITIAL RATES

BY THE COMMISSION:

Pursuant to Notice, the Florida Public Service Commission held a public hearing on this matter in Tallahassee, Florida, on March 30, 1992. Having considered the record in this proceeding, the Commission now enters its final order.

BACKGROUND

On April 30, 1991, Sebring Gas System (Sebring or Utility), a division of Coker Fuels, Inc., filed a Petition for Issuance of Order Declaring Jurisdiction. We issued an Order Declaring Jurisdiction over Sebring Gas System on July 5, 1991 (Order No. 24761 in Docket No. 910537-GU). In addition, we have authorized Sebring's name change from Sebring Gas System, a division of Coker Fuels, to Sebring Gas System, Inc. in Order No. 25618, issued January 21, 1992 (Docket No. 920050-GU).

After Sebring came under our jurisdiction, the Utility requested that we establish initial rates for the company. Accordingly, we opened Docket No. 910873-GU and this proceeding was initiated. In Order No. 25456, issued December 9, 1991, we established initial rates for Sebring.

A service hearing was held in Sebring on February 6, 1992.

A Prehearing Conference was held on March 23, 1992, before Commissioner Susan F. Clark. At this time it was determined that the Company agreed with Staff's positions to the issues. Thereafter, all factual issues in this proceeding have been stipulated. The stipulation was accepted and approved in a bench

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FPSC-RECORDS/REPORTING

decision at the hearing held on March 30, 1992.

RATE BASE

We find that adjustments should be made in the amount of \$264,543 to increase Accumulated Depreciation and in the amount of \$3,711 to increase Depreciation Expense to reflect the appropriate amount of depreciation for the projected test year ending December 31, 1993. We note that for the purposes of this case, Sebring does not take exception to these adjustments. Sebring's initial depreciation rates are reflected in Attachment 7.

We find that no adjustments should be made to Account 301 Organization Costs, Accumulated Amortization, and the related Amortization Expense to eliminate company rate case expenses. These expenses are associated with initial rates and are therefore appropriately included in Organization Costs. However, we find that adjustments should be made increasing Organization Costs by \$15,304, increasing Accumulated Amortization by \$255, and increasing the related Amortization Expense by \$510, to include additional costs related to the filing for initial rates.

We find that adjustments should be made to Account 301, Organization Costs, and the related Accumulated Amortization to eliminate non-recurring expenses related to a territorial dispute which went to hearing in Docket No. 910653-GU. Adjustments will be made in the amount of \$10,981, \$610, and \$366 to Account 301, Organization Costs, Accumulated Amortization, and the related Amortization Expense respectively, to eliminate these non-recurring expenses. With the inclusion of these adjustments, the total Organization Cost to be included in the projected test year ending December 31, 1993 is \$130,804. For the purposes of this case, Sebring does not take exception to this adjustment.

We find that adjustments should be made to Plant-in-Service, Accumulated Depreciation, and Depreciation Expense to eliminate plant items which were double accounted by the Company. The following adjustments will be made to eliminate utility plant items that were included twice in the company's MFRs:

<u>Account</u>	<u>Plant-in-Service</u>	<u>Accumulated Depreciation</u>	<u>Depreciation Expense</u>
376.02	(\$70,417)	\$574	(\$2,254)
380.02	(10,869)	254	(413)
Total	<u>(\$81,286)</u>	<u>\$828</u>	<u>(\$2,667)</u>

We find that adjustments should be made to Plant-in-Service, Accumulated Depreciation, and Depreciation Expense for overprojections in the company's budget. The following adjustments will be made to reduce overprojections caused by timing differences in the Sebring's budget.

<u>Account</u>	<u>Plant-in-Service</u>	<u>Accumulated Depreciation</u>	<u>Depreciation Expense</u>
381	(\$ 4,784)	\$1,253	(\$ 188)
382	(1,576)	(24)	(14)
384	(1,576)	(171)	(37)
Total	<u>(\$ 7,936)</u>	<u>\$1,448</u>	<u>(\$ 239)</u>

We find that adjustments should be made to Account 374.02, Land Rights, to reflect a revision to the company's projected railroad crossings. Account 374.01, Land Rights, will be increased by \$19,425 to reflect this revision.

We find that adjustments should be made to increase Account 392.01, Autos, Accumulated Depreciation, and the related Depreciation Expense to reflect a revision to the company's projected capital expenditures. Account 392.01, Autos, will be increased by \$3,528, Accumulated Depreciation will be increased by \$944, and the related Depreciation Expense will be increased by \$462 to reflect this revision in this account.

We find the appropriate amount of projected test year working capital allowance to be \$34,134. This amount was calculated using the company's methodology of 1/8 of O&M expenses. Although this is not our normal practice, we realize the unique circumstances in this case, and we accept this methodology for the purposes of this filing. Using this derivation, an adjustment of \$34,510 is necessary to reflect our adjustments to the O&M expenses. For the purposes of this case, Sebring does not take exception to this adjustment.

We find the appropriate amount of projected test year rate base for the year ended December 31, 1993, to be \$1,055,175. For the purposes of this case, Sebring does not take exception to this adjustment.

NET OPERATING INCOME

We find that adjustments should be made to remove gas related revenues and the cost of gas from the projected test year NOI calculation. Gas revenues in the amount of \$272,140 and the cost of gas expense in the amount of \$272,140 will be removed from this calculation.

We find that revenues should be removed from Sebring's NOI calculation in the projected test year in order to determine the Utility's appropriate cost to serve. Since Sebring has no previously approved final rates, Sebring has no revenues for the revenue requirement calculation. For the purposes of this case, Sebring does not take exception to this adjustment.

We find that an adjustment should be made to remove billboard advertising in the projected test year. Account 913 will be reduced by \$3,000 to remove this expense. The company has not demonstrated that the projected advertising meets our criteria for acceptance as a base rate recoverable expense. Given the unique circumstances of this case, Sebring does not take exception to our adjustment provided that this action does not serve as precedent when reviewing Sebring's future expenses or earnings.

We find that an adjustment should be made to eliminate lease related expenses which are included in the lease agreement. An adjustment in the amount of \$937 will be made to the company's O&M expenses to eliminate these expenses.

We find that expenses should not be increased to include the amortization of rate case expenses which were capitalized in Account 301, Organization Costs.

We find the appropriate amount of the projected test year net operating loss for the year ending December 31, 1993 to be \$340,182. For the purposes of this case, Sebring does not take exception to this adjustment.

COST OF CAPITAL

We find Sebring's appropriate cost of long-term debt to be 10.1%. For the purposes of this case, Sebring would not take exception to the staff position that 10.1% is the cost of long term debt.

We find Sebring's appropriate rate of return on common equity to be 12.00% ± a range of 100 basis points. To resolve this issue, Sebring does not take exception to utilizing 12% as the cost of equity to be utilized in calculating the overall cost of capital.

We find the weighted average cost of capital including the proper components, amounts, and cost rates associated with the capital structure for the projected test year ending December 31, 1993 to be 10.86%. For the purposes of this case, Sebring does not take exception to this adjustment.

REVENUE REQUIREMENT

We find the appropriate revenue tax expansion factor to be used for the portion of the revenue requirement not subject to income tax to be 1.0038. The appropriate revenue expansion factor to be used for the portion of the revenue requirement that is subject to income tax is 1.6094.

Based upon assumptions in Sebring's MFRs, requested rates would provide revenues of \$422,795 for the projected test year ending December 31, 1993. Although our calculations yield higher total revenues than those requested by Sebring, our calculations are based on assumed cost levels. Accordingly, we find the level of revenues requested by Sebring to be appropriate.

COST OF SERVICE

We approve the following miscellaneous service charges:

Residential Connection	\$25.00
Commercial Connection	\$50.00
Change of Account	\$10.00
Reconnection	\$25.00
Bill Collection in lieu of disconnection	\$10.00
Returned check charge	5% or \$15.00

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We approve the following rates and charges:

Residential	
Customer Charge	\$7.00
Energy Charge cents/therm	35.50
Commercial	
Customer Charge	\$17.00
Energy Charge cents/therm	26.50

For the purposes of this case, Sebring does not take exception to this finding.

Based on our final analysis, Sebring should not refund any portion of its interim/initial revenues granted by Order 25456.

Finally, we find that this docket should be closed.

It is, therefore,

ORDERED by the Florida Public Service Commission that the findings of fact and conclusions of law set forth herein are approved as stated. It is further

ORDERED that Sebring Gas System, Inc. is authorized to charge the rates reflected in the body of this Order. It is further

ORDERED that Sebring Gas System, Inc. shall file tariffs reflecting the rates and charges approved in this Order. It is further

ORDERED that the permanent rates established in this Order shall be effective on billings rendered for all meter readings taken on or after April 29, 1992. It is further

ORDERED Sebring Gas System, Inc. shall include in each bill an explanation of the Utility's permanent rates and charges as established in this Order. It is further

ORDERED that this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 20th
day of April, 1992.


STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MAB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Civil Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.

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SEBRING GAS SYSTEM, INC.
 DOCKET NO. 910873-GU
 COMPARATIVE AVERAGE RATE BASES
 PTY 12/31/93

ATTACHMENT NO. 1
 MARCH 23, 1992

ADJ NO	COMPANY			STAFF	
	TOTAL PER BOOKS	JURIS. ADJUST.	COMPANY ADJUSTED	JURIS. ADJUST.	ADJ. JURIS.
	PLANT IN SERVICE				
	UTILITY PLANT				
	1,793,862				
3				15,304	
4				(10,981)	
5				(81,287)	
6				(7,936)	
7				19,425	
8				3,528	
	<u>1,793,862</u>	<u>0</u>	<u>1,793,862</u>	<u>(61,947)</u>	<u>1,731,915</u>
	ACCUM. DEPREC. & AMORT.				
	ACCUM DEPR - UTILITY PLANT				
	443,466				
1				264,543	
3				255	
4				(610)	
5				828	
6				1,448	
8				944	
	<u>443,466</u>	<u>0</u>	<u>443,466</u>	<u>267,408</u>	<u>710,874</u>
	NET UTILITY PLANT				
	1,350,396	0	1,350,396	(329,355)	1,021,041
9	68,644	0	68,644	(34,510)	34,134
10	<u>\$1,419,040</u>	<u>\$0</u>	<u>\$1,419,040</u>	<u>(\$363,865)</u>	<u>\$1,055,175</u>

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SEBRING GAS SYSTEM, INC.
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COMPARATIVE NOIs
PYE 12/31/93

ATTACHMENT 2
MARCH 23, 1992

ADJ NO	COMPANY		STAFF	
	PER BOOKS	ADJUST.	COMPANY ADJUSTED	ADJUSTED JURIS
	694,935			
11		0		(272,140)
12		0		
			(422,795)	
TOTALS	<u>694,935</u>	<u>0</u>	<u>694,935</u>	<u>(694,935)</u>
	549,148			
11		0		(272,140)
13				(3,000)
14				(937)
15				0
TOTALS	<u>549,148</u>	<u>0</u>	<u>549,148</u>	<u>(276,077)</u>
	53,889			
1				3,711
3				510
4				(366)
5				(2,667)
6				(239)
8				462
TOTALS	<u>53,889</u>	<u>0</u>	<u>53,889</u>	<u>1,411</u>
	11,811			
TOTALS	<u>11,811</u>	<u>0</u>	<u>11,811</u>	<u>0</u>
	0			
TOTALS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	0			
TOTALS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	0			
TOTALS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	0			
TOTALS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	0			
TOTALS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	614,848			
16	<u>\$80,087</u>	<u>\$0</u>	<u>\$80,087</u>	<u>(\$420,269)</u>
				<u>(\$340,182)</u>

SEBRING GAS SYSTEM
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 COST OF CAPITAL - 13 MONTH AVERAGE
 TEST YEAR ENDED 12/31/93
 STAFF POSITION

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CAPITAL COMPONENT	COMPANY ADJUSTED	STAFF ADJUSTMENTS		TOTAL ADJUSTED	RATIO	% COST RATE	% WEIGHTED COST
		SPECIFIC	PRO RATA				
COMMON EQUITY	638,568	1,940	0	640,508	45.14%	12.00	5.4164%
LONG-TERM DEBT	678,109	856	0	679,055	47.85%	10.10	4.8332%
SHORT-TERM DEBT	0	0	0	0	0.00%	0.00	0.0000%
CUSTOMER DEPOSITS	102,273	(2,796)	0	99,477	7.01%	8.65	0.6064%
DEFERRED TAXES	0	0	0	0	0.00%	0.00	0.0000%
TAX CREDITS - 0 COST	0	0	0	0	0.00%	0.00	0.0000%
TOTAL	1,419,040	0	0	1,419,040	100.00%		10.8560%

OVERALL RATE OF RETURN 10.86%
 EQUITY RATIO 48.54%

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SEBRING GAS SYSTEM, INC.
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 NET OPERATING INCOME MULTIPLIER
 FYE 12/31/93

ATTACHMENT 4
 MARCH 23, 1992

DESCRIPTION	COMPANY	STAFF	
		TAXABLE REVENUES	NONTAXABL REVENUES
REVENUE REQUIREMENT		100.0000%	100.0000%
GROSS RECEIPTS TAX RATE	THIS	0.0000%	0.0000%
REGULATORY ASSESSMENT FEE	CALCULATION	0.3750%	0.3750%
NET BEFORE INCOME TAXES	WAS	99.6250%	99.6250%
STATE INCOME TAX RATE	NOT	5.5000%	
STATE INCOME TAX	PROVIDED	5.4794%	
NET BEFORE FEDERAL INCOME TAXES	BY	94.1456%	
FEDERAL INCOME TAX RATE	SEBRING	34.0000%	
FEDERAL INCOME TAXES	GAS	32.0095%	
REVENUE EXPANSION FACTOR	COMPANY	62.1361%	
NET OPERATING INCOME MULTIPLIER		1.6094%	1.0038%

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SEBRING GAS SYSTEM, INC.
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 COMPARATIVE DEFICIENCY CALCULATIONS
 PYE 12/31/93

ATTACHMENT 5
 MARCH 23, 1992

	<u>COMPANY</u>	<u>STAFF</u>
RATE BASE (AVERAGE)		\$1,055,175
RATE OF RETURN		X 10.8600%
REQUIRED NOI	THIS	\$114,592
LESS ADJUSTED N.O.I.		<u>0</u>
N.O.I. DEFICIENCY	CALCULATION	114,592
EXPANSION FACTOR		<u>1.6094</u>
REVENUE DEFICIENCY SUBJECT TO INCOME TAX	WAS	<u>\$184,424</u>
	NOT	
Operating Revenues	PROVIDED	50
Operating Expenses:	BY	
Operation & Maintenance	SEBRING	273,071
Depreciation & Amortization	GAS	55,300
Taxes Other Than Income Taxes	COMPANY	11,811
Current Income Taxes - Federal		0
- State		0
Deferred Income Taxes		0
ITC Amortization		0
Interest Reconciliation		0
Total Operating Expenses		<u>340,182</u>
ACHIEVED NOI		(\$340,182)
NET BEFORE INCOME TAX FACTOR		<u>1.0038</u>
REVENUE DEFICIENCY NOT SUBJECT TO INCOME TAX		<u>341,475</u>
TOTAL REVENUE DEFICIENCY		<u>\$525,899</u>

* Net operating loss is excluded in order to calculate revenues subject to income tax. Since the Company experienced a net operating loss, the portion of the revenue deficiency that is subject to income taxes is the required return on rate base.

** The net operating loss is expanded by regulatory assessment fees only. Since the Company will not pay income taxes up to the break-even point of zero net operating income.

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SEBRING GAS SYSTEM, INC.

ATTACHMENT 6

	<u>COMMISSION APPROVED</u> <u>INITIAL RATES</u>	<u>STAFF PROPOSED</u> <u>FINAL RATES</u>
<u>RATE SCHEDULE</u>	<u>AMOUNT</u>	<u>AMOUNT</u>
<u>RESIDENTIAL</u>		
Customer Charge	\$7.00	\$7.00
Energy Charge cents/therm	35.50	35.50
<u>COMMERCIAL</u>		
Customer Charge	\$17.00	\$17.00
Energy Charge cents/therm	26.50	26.50
<u>SERVICE CHARGES</u>	<u>AMOUNT</u>	<u>AMOUNT</u>
Initial Connection Residential	\$25.00	\$25.00
Initial Connection Commercial	\$50.00	\$50.00
Reconnection	\$25.00	\$25.00
Change of Account	\$10.00	\$10.00
Bill Collection in lieu of Disconnection		\$10.00
Returned Check Charge		5% or \$15.00

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COST OF SERVICE SUMMARY
 PROPOSED RATE DESIGN

ATTACHMENT 6

COMPANY NAME: SEBRING
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				COMMERCIAL		
	TOTAL	RESIDENTIAL	COMMERCIAL	LARGE VOL.	INDUSTRIAL	INTERRUPT
PRESENT RATES (projected test year)						
GAS SALES (due to growth)	0	0	0	0	0	0
OTHER OPERATING REVENUE	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0
RATE OF RETURN	-32.24%	-42.70%	-21.10%	ERR	ERR	ERR
INDEX	1	0	0	ERR	ERR	ERR
PROPOSED RATES						
GAS SALES	508,761	311,218	197,543	ERR	ERR	ERR
OTHER OPERATING REVENUE	17,125	17,025	100	0	0	0
TOTAL	525,886	328,243	197,643	ERR	ERR	ERR
TOTAL REVENUE INCREASE	525,886	328,243	197,643	ERR	ERR	ERR
PERCENT INCREASE	ERR	ERR	ERR	ERR	ERR	ERR
RATE OF RETURN	10.86%	10.86%	10.86%	ERR	ERR	ERR
INDEX	1	1	1	ERR	ERR	ERR

COMPANY NAME: SEBRING DOCKET NO. 910873-GU	COST OF SERVICE SUMMARY CALCULATION OF PROPOSED RATES			ATTACHMENT 6		
	TOTAL RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	INTERRUPT	
PROPOSED TOTAL TARGET REVENUES	525,886	328,243	197,643	ERR	ERR	ERR
LESS: OTHER OPERATING REVENUE	17,125	17,025	100	0	0	0
LESS: CUSTOMER CHARGE REVENUES						
PROPOSED CUSTOMER CHARGES		\$7.00	\$17.00	\$0.00	\$0.00	\$0.00
TIMES: NUMBER OF BILLS	14,913	14,064	849	0	0	0
EQUALS: CUSTOMER CHARGE REVENUE	112,881	98,448	14,433	0	0	0
LESS: OTHER NON-THERM-RATE REVENUES						
EQUALS: PER-THERM TARGET REVENUES	395,880	212,770	183,110	ERR	ERR	ERR
DIVIDED BY: NUMBER OF THERMS	1,006,024	291,024	715,000	0	0	0
EQUALS: PER-THERM RATES (UNRNDED)		0.731109	0.256097	ERR	ERR	ERR
PER-THERM RATES (RNDED)		0.73111	0.25610	ERR	ERR	ERR
PER-THERM-RATE REVENUES	395,882	212,771	183,112	ERR	ERR	ERR
<u>SUMMARY PROPOSED TARIFF RATES</u>						
CUSTOMER CHARGES		\$7.00	\$17.00	\$0.00	\$0.00	\$0.00
ENERGY CHARGES		73.111	25.610	ERR	ERR	ERR
PURCHASED GAS ADJUSTMENT		30.460	30.460	0.000	0.000	0.000
TOTAL (INCLUDING PGA)		103.571	56.070	ERR	ERR	ERR
<u>SUMMARY PRESENT TARIFF RATES</u>						
CUSTOMER CHARGES		\$7.00	\$17.00	\$0.00	\$0.00	\$0.00
ENERGY CHARGES		35.50	26.50	0.00	0.00	0.00
PURCHASED GAS ADJUSTMENT		30.460	30.460	0.000	0.000	0.000
TOTAL (INCLUDING PGA)		65.960	56.960	0.000	0.000	0.000
<u>SUMMARY OTHER OPERATING REVENUE</u>						
		PRESENT CHARGE	REVENUE	PROPOSED CHARGE	REVENUE	
INITIAL CONNECTION (RESIDENTIAL)		\$0.00	\$0.00	\$25.00	\$7,000.00	
INITIAL CONNECTION (COMMERCIAL)		\$0.00	\$0.00	\$50.00	\$100.00	
RECONNECTION		\$0.00	\$0.00	\$25.00	\$9,625.00	
CHANGE OF ACCOUNT		\$0.00	\$0.00	\$10.00	\$200.00	
BILL COLLECTION IN LIEU OF DISCONNECTION		\$0.00	\$0.00	\$10.00	\$200.00	

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SCHEDULE - A (COST OF SERVICE)
 CLASSIFICATION OF RATE BASE
 (Page 1 of 2: PLANT)

ATTACHMENT 6

COMPANY NAME: SEBRING
 DOCKET NO. 910873-GU

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT	0		0		100% capacity
INTANGIBLE PLANT:	119823		119823		-
PRODUCTION PLANT	0		0		-
DISTRIBUTION PLANT:					
374 Land and Land Rights	30950		30950		-
375 Structures and Improvements	0		0		-
376 Mains	650091		650091		-
377 Comp. Sta. Eq.	0		0		-
378 Meas. & Reg. Sta. Eq. -Gen	10419		10419		-
379 Meas. & Reg. Sta. Eq. -CG	53994		53994		-
380 Services	611220	611220			100% customer
381-382 Meters	148832	148832			-
383-384 House Regulators	60177	60177			-
385 Industrial Meas. & Reg. Eq.	0		0		100% capacity
386 Property on Customer Premises	0	0	0	0	ac 374-385
387 Other Equipment	6695	3507	3188	0	ac 374-386
Total Distribution Plant	1572378	823736	748642	0	1572378
GENERAL PLANT:	39715	19858	19858		50% customer, 50% capacity
PLANT ACQUISITIONS:	0		0		100% capacity
GAS PLANT FOR FUTURE USE:	0		0		-
CWIP:	0	0	0	0	dist. plant
TOTAL PLANT	1731916	843594	888322	0	1731916 checksum

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SCHEDULE - A (COST OF SERVICE)
 CLASSIFICATION OF RATE BASE
 (Page 2 of 2; ACCUMULATED DEPRECIATION)

ATTACHMENT 6

COMPANY NAME: SEBRING
 DOCKET NO. 910873-GU

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:	0	0	0	0	related plant
INTANGIBLE PLANT:	7343	0	7343	0	rel.plant account
PRODUCTION PLANT	0		0		
DISTRIBUTION PLANT:					
375 Structures and Improvements	0	0	0	0	-
376 Mains	200865	0	200865	0	-
377 Compressor Sta. Eq.	0	0	0	0	-
378 Meas. & Reg. Sta. Eq.-Gen	3359	0	3359	0	-
379 Meas. & Reg. Sta. Eq.-CG	9469	0	9469	0	-
380 Services	383071	383071	0	0	-
381-382 Meters	58979	58979	0	0	-
383-384 House Regulators	25501	25501	0	0	-
385 Indust. Meas. & Reg. Sta. Eq.	0	0	0	0	-
386 Property on Customer Premises	0	0	0	0	-
387 Other Equipment	854	447	407	0	-
Total A.D. on Dist. Plant	682098	467998	214100	0	682098 checksum
GENERAL PLANT:	21433	10717	10717	0	general plant
PLANT ACQUISITIONS:	0	0	0	0	plant acquisitions
RETIREMENT WORK IN PROGRESS:	0	0	0	0	distribution plant
TOTAL ACCUMULATED DEPRECIATION	710874	478715	232159	0	710874 checksum
NET PLANT (Plant less Accum. Dep.)	1021042	364879	656163	0	1021042 checksum
less: CUSTOMER ADVANCES	0	0	0		50% cust 50% cap
plus: WORKING CAPITAL	34134	24938	8206	991	oper. and maint. exp.
equals: TOTAL RATE BASE	1055176	389817	664369	991	1055176 checksum

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 DOCKET NO. 910873-GU
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SCHEDULE - B (COST OF SERVICE)
 CLASSIFICATION OF EXPENSES
 (Page 1 of 2)

ATTACHMENT 6

COMPANY NAME: SEBRING
 DOCKET NO. 910873-GU

OPERATIONS AND MAINTENANCE EXPENSES	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:	0	0	0	0	ac 301-320
PRODUCTION PLANT	0				100% capacity
DISTRIBUTION:					
870 Operation Supervision & Eng.	24960	24960	0	0	ac 871-879
871 Dist. Load Dispatch	0		0		100% capacity
872 Compr. Sta. Lab. & Ex.	0	0	0	0	ac 377
873 Compr. Sta. Fuel & Power	0				100% commodity
874 Mains and Services	0	0	0	0	ac376-ac380
875 Meas. & Reg. Sta. Eq.-Gen	0	0	0	0	ac 378
876 Meas. & Reg. Sta. Eq.-Ind.	0	0	0	0	ac 385
877 Meas. & Reg. Sta. Eq.-CG	0	0	0	0	ac 379
878 Meter and House Reg.	13370	13370	0	0	ac381-ac383
879 Customer Instal.	0	0	0	0	ac 386
880 Other Expenses	6794	4249	2545	0	ac 387
881 Rents	0		0		100% capacity
885 Maintenance Supervision	0	0	0	0	ac886-894
886 Maint. of Struct. and Improv.	0	0	0	0	ac375
887 Maintenance of Mains	36349	0	36349	0	ac376
888 Maint. of Comp. Sta. Eq.	0	0	0	0	ac 377
889 Maint. of Meas. & Reg. Sta. Eq.-G	0	0	0	0	ac 378
890 Maint. of Meas. & Reg. Sta. Eq.-I	0	0	0	0	ac 385
891 Maint. of Meas. & Reg. Sta. Eq.-CG	0	0	0	0	ac 379
892 Maintenance of Services	23243	23243	0	0	ac 380
893 Maint. of Meters and House Reg.	0	0	0	0	ac381-383
894 Maint. of Other Equipment	1423	555	868	0	ac387
Total Distribution Expenses	106139	66377	39762	0	106139 che
CUSTOMER ACCOUNTS:					
901 Supervision	0	0			100% customer
902 Meter-Reading Expense	15600	15600			-
903 Records and Collection Exp.	37347	37347			-
904 Uncollectible Accounts	4800			4800	100% commodity
905 Misc. Expenses	0	0			100% customer
Total Customer Accounts	57747	52947	0	4800	-
(907-910) CUSTOMER SERV. & INFO. EXP.	0	0			-
(911-916) SALES EXPENSE	1515	1515			-
(932) MAINT. OF GEN. PLANT	0	0	0	0	general plant
(920-931) ADMINISTRATION AND GENERAL	107671	78662	25884	3125	0 O&M excl. AMG
TOTAL O&M EXPENSE	273072	199501	65646	7925	273072 che

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SCHEDULE - B (COST OF SERVICE)
 CLASSIFICATION OF EXPENSES
 (Page 2 of 2)

ATTACHMENT 6

COMPANY NAME: SEBRING
 DOCKET NO: 910873-GU

DEPRECIATION AND AMORTIZATION EXPENSE:	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE	CLASSIFIER
Depreciation Expense	51310	18336	32974	0		net plant
Amort. of Other Gas Plant	3990		3990			100% capacity
Amort. of Property Loss	0		0			100% capacity
Amort. of Limited-term Inv.	0	0	0	0		intangible pla
Amort. of Acquisition Adj.	0	0	0	0		intan/dist/ser
Amort. of Conversion Costs	0					100% commodity
Total Deprec. and Amort. Expense	55300	18336	36964	0	0	55300 che
TAXES OTHER THAN INCOME TAXES:						
Revenue Related	1973				1973	100% revenue
Other	11811	4221	7590	0		net plant
Total Taxes other than Income Taxes	13784	4221	7590	0	1973	
REV. CREDIT TO COS (NEG. OF OTHER DPR. REV.)	-17125	-17125				100% customer
RETURN (REQUIRED NOI)	114592	42334	72150	108		rate base
INCOME TAXES	69138	25542	43531	65	0	return(noi)
TOTAL OVERALL COST OF SERVICE	508761	272809	225882	8097	1973	508761 che

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SCHEDULE - C (COST OF SERVICE)
 DEVELOPMENT OF ALLOCATION FACTORS

ATTACHMENT 6

COMPANY NAME: SEBRING
 DOCKET NO. 910873-GU

CUSTOMER COSTS	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	INTERRUPT
No. of Customers	1243	1172	71	0	0	0
Weighting	NA	1	2	0	0	0
Weighted No. of Customers	1314	1172	142	0	0	0
Allocation Factors	1	0.892272554	0.10772744	0	0	0
CAPACITY COSTS						
Peak & Avg. Month Sales Vol. (therms)	92218	26677	6554	0	0	0
Allocation Factors	1	0.289281918	0.71071808	0	0	0
COMMODITY COSTS						
Annual Sales Vol. (therms)	1006024	291024	715000	0	0	0
Allocation Factors	1	0.289281369	0.71071863	0	0	0
REVENUE-RELATED COSTS						
Tax on Cust., Cap. & Commod.	1900	1163	738	ERR	ERR	ERR
Allocation Factors	1	0.611718269	0.38828173	ERR	ERR	ERR

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COMPANY NAME: SEBRING
 DOCKET NO. 910873-GU

SCHEDULE - D (COST OF SERVICE)
 ALLOCATION OF RATE BASE TO CUSTOMER CLASSES

ATTACHMENT 6

RATE BASE BY CUSTOMER CLASS	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	INTERRUPT
DIRECT AND SPECIAL ASSIGNMENTS:						
Customer						
Meters	89853	80173	9680	0	0	0
House Regulators	34676	34676	0	0	0	0
Services	228149	203571	24578	0	0	0
All Other	37139	33138	4001	0	0	0
Total	389817	351558	38258	0	0	0
Capacity						
Industrial Meas. & Reg. Sta. Eq.	0	0	0	ERR	ERR	ERR
Meas. & Reg. Sta. Eq. - Gen.	7060	2042	5018	0	0	0
Mains	449226	129953	319273	0	0	0
All Other	208083	60195	147888	0	0	0
Total	664369	192190	472179	ERR	ERR	ERR
Commodity						
Account #	0	0	0	0	0	0
Account #	0	0	0	0	0	0
Account #	0	0	0	0	0	0
All Other	991	287	704	0	0	0
Total	991	287	704	0	0	0
TOTAL	1055176	544035	511141	ERR	ERR	ERR

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SCHEDULE - E (COST OF SERVICE)
 ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES
 (Page 1 of 2)

ATTACHMENT 6

COMPANY NAME: SEBRING
 DOCKET NO. 910873-GU

	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	INTERRUPT
Customer	0	0	0	0	0	0
Capacity	0	0	0	0	0	0
Commodity	0	0	0	0	0	0
Revenue	0	0	0	0	0	0
Total	0	0	0	0	0	0
OPERATIONS AND MAINTENANCE EXPENSE:						
DIRECT AND SPECIAL ASSIGNMENTS:						
Customer						
878 Meters and House Regulators	13370	11930	1440	0	0	0
893 Maint. of Meters & House Reg.	0	0	0	0	0	0
874 Mains & Services	0	0	0	0	0	0
892 Maint. of Services	23243	20739	2504	0	0	0
All Other	162888	145341	17548	0	0	0
Total	199501	178009	21492	0	0	0
Capacity						
876 Measuring & Reg. Sta. Eq. - 1	0	0	0	ERR	ERR	ERR
890 Maint. of Meas. & Reg. Sta. Eq. -1	0	0	0	0	ERR	ERR
874 Mains and Services	0	0	0	0	0	0
887 Maint. of Mains	38349	10515	25834	0	0	0
All Other	29297	8475	20822	0	0	0
Total	65646	18990	46656	ERR	ERR	ERR
Commodity						
Account #	0	0	0	0	0	0
Account #	0	0	0	0	0	0
Account #	0	0	0	0	0	0
All Other	7925	2292	5632	0	0	0
Total	7925	2292	5632	0	0	0
TOTAL O&M	273072	199292	73780	ERR	ERR	ERR
DEPRECIATION EXPENSE:						
Customer	18336	16361	1975	0	0	0
Capacity	32974	9539	23435	0	0	0
Total	51310	25900	25410	0	0	0
AMORT. OF GAS PLANT:						
Capacity	3990	1154	2836	0	0	0
AMORT. OF PROPERTY LOSS:						
Capacity	0	0	0	0	0	0
AMORT. OF LIMITED TERM INVEST.						
Capacity	0	0	0	0	0	0
AMORT. OF ACQUISITION ADJ.:						
Customer	0	0	0	0	0	0
Capacity	0	0	0	0	0	0
Total	0	0	0	0	0	0
AMORT. OF CONVERSION COSTS:						
Commodity	0	0	0	0	0	0

ORDER NO. PSC-92-0029-FOF-GU
 DOCKET NO. 910873-GU
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COMPANY NAME: SEBRING DOCKET NO. 910873-GU	SCHEDULE - E (COST OF SERVICE) ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES (Page 2 of 2)					ATTACHMENT 6
	TOTAL RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	INTERRUPT	
TAXES OTHER THAN INCOME TAXES:						
Customer	4221	3766	455	0	0	0
Capacity	7590	2196	5395	0	0	0
Subtotal	11811	5962	5849	0	0	0
Revenue	1973	1207	766	ERR	ERR	ERR
Total	13784	7169	6615	ERR	ERR	ERR
RETURN (NOI)						
Customer	42334	38179	4155	0	0	0
Capacity	72150	20872	51279	ERR	ERR	ERR
Commodity	108	31	76	0	0	0
Total	114592	59082	55510	ERR	ERR	ERR
INCOME TAXES						
Customer	25542	23035	2507	0	0	0
Capacity	43531	12593	30938	ERR	ERR	ERR
Commodity	65	19	46	0	0	0
Total	69138	35647	33491	ERR	ERR	ERR
REVENUE CREDITED TO COS:						
Customer	-17125	-17025	-100	0	0	0
TOTAL COST OF SERVICE:						
Customer	272809	242326	30483	0	0	0
Capacity	225882	65344	160538	ERR	ERR	ERR
Commodity	6097	2342	5755	0	0	0
Subtotal	506768	310011	196777	ERR	ERR	ERR
Revenue	1973	1207	766	ERR	ERR	ERR
Total	508761	311218	197543	ERR	ERR	ERR

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 DOCKET NO. 910873-GU
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SCHEDULE - F (COST OF SERVICE)
 DERIVATION OF REVENUE DEFICIENCY

ATTACHMENT 6

COMPANY NAME SEBRING
 DOCKET NO. 910873-GU

COST OF SERVICE BY CUSTOMER CLASS	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	INTERRUPT
CUSTOMER COSTS	272,809	242,326	30,483	0	0	0
CAPACITY COSTS	225,882	65,344	160,538	ERR	ERR	ERR
COMMODITY COSTS	8,097	2,342	5,755	0	0	0
REVENUE COSTS	1,973	1,207	766	ERR	ERR	ERR
TOTAL	508,761	311,218	197,543	ERR	ERR	ERR
less: REVENUE AT PRESENT RATES (in the attrition year)	0	0	0	0	0	0
equals: GAS SALES REVENUE DEFICIENCY	508,761	311,218	197,543	ERR	ERR	ERR
plus: DEFICIENCY IN OTHER OPERATING REV.	17,125	17,025	100	0	0	0
equals: TOTAL BASE-REVENUE DEFICIENCY	525,886	328,243	197,643	ERR	ERR	ERR

UNIT COSTS:						
Customer	18.293367	17.230204	35.905068	ERR	ERR	ERR
Capacity	2.449434	2.449434	2.449434	ERR	ERR	ERR
Commodity	0.008049	0.008049	0.008049	ERR	ERR	ERR

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 DOCKET NO. 910873-GU
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SCHEDULE - G (COST OF SERVICE)
 RATE OF RETURN BY CUSTOMER CLASS
 (Page 1 of 2: PRESENT RATES)

ATTACHMENT 6

COMPANY NAME: SEBRING
 DOCKET NO. 910873-GU

	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	INTERRUPT
REVENUES: (projected test year)						
Gas Sales (due to growth)	0	0	0	0	0	0
Other Operating Revenue	0	0	0	0	0	0
Total	0	0	0	0	0	0
EXPENSES:						
Purchased Gas Cost	0	0	0	0	0	0
G&M Expenses	273,072	199,292	73,780	ERR	ERR	ERR
Depreciation Expenses	51,310	25,900	25,410	0	0	0
Amortization Expenses	3,990	1,154	2,836	0	0	0
Taxes Other Than Income--Fixed	11,811	5,962	5,849	0	0	0
Taxes Other Than Income--Revenue	0	0	0	0	0	0
Total Exps excl. Income Taxes	340,183	232,308	107,875	ERR	ERR	ERR
INCOME TAXES:						
	0	0	0	ERR	ERR	ERR
NET OPERATING INCOME:	(340,183)	(232,308)	(107,875)	ERR	ERR	ERR
RATE BASE:						
	1,055,176	544,035	511,141	ERR	ERR	ERR
RATE OF RETURN	-0.322395	-0.427009	-0.211048	ERR	ERR	ERR

ORDER NO. PSC-92-0229-POF-GU
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SCHEDULE - G (COST OF SERVICE)
 RATE OF RETURN BY CUSTOMER CLASS
 (Page 2 of 2: PROPOSED RATES)

ATTACHMENT 6

COMPANY NAME: SEBRING
 DOCKET NO. 910873-GU

	TOTAL	RESIDENTIAL	COMMERCIAL	COMMERCIAL LARGE VOL.	INDUSTRIAL	INTERRUPT
REVENUES:						
Gas Sales	508,761	311,218	197,543	ERR	ERR	ERR
Other Operating Revenue	17,125	17,025	100	0	0	0
Total	525,886	328,243	197,643	ERR	ERR	ERR
EXPENSES:						
Purchased Gas Cost	0	0	0	0	0	0
OGM Expenses	273,072	199,292	73,780	ERR	ERR	ERR
Depreciation Expenses	51,310	25,900	25,410	0	0	0
Amortization Expenses	3,990	1,154	2,836	0	0	0
Taxes Other Than Income--Fixed	11,811	5,962	5,849	0	0	0
Taxes Other Than Income--Revenue	1,973	1,231	741	ERR	ERR	ERR
Total Expenses excl. Income Taxes	342,156	233,539	108,616	ERR	ERR	ERR
PRE TAX NOI:	183,730	94,705	89,026	ERR	ERR	ERR
INCOME TAXES:	69,138	35,638	33,501	ERR	ERR	ERR
NET OPERATING INCOME:	114,592	59,067	55,525	ERR	ERR	ERR
<hr/>						
RATE BASE:	1,055,176	544,035	511,141	ERR	ERR	ERR
RATE OF RETURN	0.108600	0.108572	0.108630	ERR	ERR	ERR

ORDER NO. PSC-92-0229-POF-GU
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SEBRING GAS SYSTEM, INC.
DOCKET NO. 910873-GU
PROPOSED DEPRECIATION RATES

ATTACHMENT 7
MARCH 23, 1992

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>STAFF</u>
376.01	MAINS - STEEL	2.00
376.02	MAINS - PLASTIC	3.20
378	MEAS & REG STATION EQUIP-GEN	2.50
379	MEAS & REG STATION EQUIP-GATE	3.10
380.01	SERVICES - STEEL	2.50
380.02	SERVICES - PLASTIC	3.80
381	METERS	3.70
382	METER & REGULATOR INST.	2.30
383	HOUSE REGULATORS	2.90
384	HOUSE REG-INST	2.20
387	OTHER EQUIPMENT	4.10
390.02	LEASEHOLD IMPROVEMENTS	2.50
392.01	AUTOS & TRUCKS (UP TO 1/2 TON)	13.10
396	POWER OPERATED EQUIPMENT	6.10

ORDER NO. PSC-92-0229-FOF-GU
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SEBRING GAS SYSTEM, INC.
 DOCKET NO. 910873-GU
 COMPARATIVE DEFICIENCY CALCULATIONS
 PYE 12/31/93

ATTACHMENT B
 MARCH 23, 1992

	COMPANY'S FILING	STAFF'S CALCULATION	STAFF WITH ZERO EQUITY
RATE BASE (AVERAGE)	\$1,419,040	\$1,055,175	\$1,055,175
RATE OF RETURN	X 5.64% X	10.86% X	5.44%
REQUIRED NOI	<u>\$80,034</u>	\$114,592	557,402
LESS: ADJUSTED N.O.I.		0	0
N.O.I. DEFICIENCY		114,592	57,402
EXPANSION FACTOR		1.6094	1.6094
REVENUE DEFICIENCY SUBJECT TO INCOME TAX		<u>\$184,424</u>	<u>\$92,382</u>
Operating Revenues (ADJUSTED TO ZERO)	\$0	\$0	\$0
Operating Expenses:			
Operation & Maintenance (NET OF GAS COST)	277,008	273,071	273,071
Depreciation & Amortization	53,889	55,300	55,300
Taxes Other Than Income Taxes	11,811	11,811	11,811
Current Income Taxes - Federal	0	0	0
- State	0	0	0
Deferred Income Taxes	0	0	0
ITC Amortization	0	0	0
Interest Reconciliation	0	0	0
Total Operating Expenses	<u>342,708</u>	<u>340,182</u>	<u>340,182</u>
ACHIEVED NOI	<u>(\$342,708)</u>	<u>(\$340,182)</u>	<u>(\$340,182)</u>
NET BEFORE INCOME TAX FACTOR	<u>342,708</u>	<u>1.0038</u>	<u>1.0038</u>
REVENUE DEFICIENCY NOT SUBJECT TO INCOME TAX		<u>341,475</u>	<u>341,475</u>
TOTAL REVENUE DEFICIENCY	<u>\$422,742</u>	<u>\$525,899</u>	<u>\$433,857</u>

* Net operating loss is excluded in order to calculate revenues subject to income tax. Since the Company experienced a net operating loss, the portion of deficiency that is subject to income taxes is the required return on rate base.

** The net operating loss is expanded by regulatory assessment fees only. Since the Company will not pay income taxes up to the break-even point of zero net operating income.