



# SEBRING GAS SYSTEM, INC.

3516 U.S. Hwy. 27, South  
Sebring, FL 33870-5452  
(813) 385-0194

February 2, 1995

Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32399-0850

RE, Docket No. 950003-GU  
Purchased Gas Adjustment (PGA)

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Sebring Gas System, Inc., please find an original and fifteen copies of the following:

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- 1. Petition for Approval of Sebring Gas System's Purchased Gas Adjustment Factor;
- 2. Direct Testimony of Jerry H. Melendy, Jr.;
- 3. Exhibit JHM-2: Purchased Gas Projection Filing (April, 1995 - March, 1996).

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Sincerely,

Jerry H. Melendy, Jr.  
Vice President  
Sebring Gas System, Inc.

**Petition**  
DOCUMENT NUMBER-DATE  
01607 FEB 10 1995

**Testimony & exh**  
DOCUMENT NUMBER-DATE  
01608 FEB 10 1995

ORIGINAL  
FILE COPY

**SEBRING GAS SYSTEM, INC.  
DOCKET NO. 950003-GU  
FILED FEBRUARY 2, 1995**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**PREPARED DIRECT TESTIMONY**

**OF**

**JERRY H. MELENDY, JR.**

DOCUMENT NUMBER-DATE

**01608 FEB 10 95**

FPSC-RECORDS/REPORTING

- 1 Q. Please state your name, business address, by whom you are  
2 employed and in what capacity.
- 3 A. My name is Jerry H. Melendy, Jr., my business address is  
4 3515 U.S. Highway 27, South, Sebring, Florida 33870-5452.  
5 I am the Vice President of Sebring Gas System, Inc. (the Company),  
6 a Florida Corporation.
- 7 Q. What are your responsibilities in that position?
- 8 A. I am responsible for all areas of finance, rates, accounting  
9 and taxes as well as general management responsibilities  
10 of the company.
- 11 Q. Please state your educational background.
- 12 A. I have an Associate of Arts degree from Polk Community  
13 College. I have a Bachelor of Arts degree from the University  
14 of South Florida.
- 15 Q. What is the purpose of your testimony?
- 16 A. The purpose of my testimony is to present the calculation of Sebring Gas  
17 System's levelized purchased gas cost for the upcoming twelve-month  
18 period April 1995 through March 1996.
- 19 Q. Has the Company prepared the Schedules as prescribed by  
20 this Commission for this purpose?
- 21 A. Yes, it has. The Schedules prescribed by the Commission are  
22 being filed at this time. Copies are attached to my testimony.
- 23 Q. Would you please identify the Schedules which you are filing?
- 24 A. Yes. The Schedules are identified as Composite Exhibit JHM-1

1 and are as follows:

2 E-1 - PURCHASED GAS ADJUSTMENT COST RECOVERY  
3 CLAUSE CALCULATION, Original Estimate for the Projected  
4 Period April 1995 through March 1996.

5 E-1/R - PURCHASED GAS ADJUSTMENT COST RECOVERY  
6 CLAUSE CALCULATION, Revised Estimate for the Period April 1994  
7 through March 1995.

8 E-2 - CALCULATION OF TRUE-UP AMOUNT for the  
9 Current Period April 1994 through March 1995.

10 E-3 - TRANSPORTATION PURCHASES, SYSTEM SUPPLY  
11 AND USE for the Period April 1995 through March 1996. Because  
12 Sebring Gas does not purchase transportation gas, this schedule, although  
13 included in this filing, is not applicable.

14 E-4 - CALCULATION OF TRUE-UP AMOUNT,  
15 PROJECTED PERIOD April 1995 through March 1996.

16 E-5 - THERM SALES AND CUSTOMER DATA for  
17 the Projected Period April 1995 through March 1996.

18 Q. Were these schedules prepared under your direction and  
19 supervision?

20 A. Yes, they were.

21 REVISSED ESTIMATES FOR THE PERIOD  
22 APRIL 1995 - MARCH 1996

23 Q. What is the revised estimate of total purchased gas cost for the  
24 period April 1994 through March 1995?

25 A. The revised estimate of purchased gas cost for the current period

1 April 1994 through March 1995 is \$157,282.

2 Q. What is the revised estimate of gas revenue to be collected for the  
3 current period April 1994 through March 1995?

4 A. The revised estimate of gas revenue to be collected for the current  
5 period April 1994 through March 1995 is \$149,633. This figure includes  
6 a refund of prior period overcollections in the amount of \$2,316,  
7 which makes the revenue collected to cover the current period's  
8 gas cost estimate total \$151,949.

9  
10 Q. What is the revised true-up amount, including interest,  
11 estimated for the current period April 1994 through March  
12 1995?

13 A. The company's estimate for the revised true-up, including  
14 interest, to be an undercollection of \$4,367.

15 PROJECTIONS FOR THE PERIOD

16 APRIL 1995 THROUGH MARCH 1996

17 Q. How was the projections for the period April 1995 through  
18 March 1996 determined?

19 A. The estimated gas supply requirements for each month of the  
20 twelve month period were determined initially. These requirement  
21 estimates were based upon the estimated sales to ultimate customers  
22 for the period.

23 Q. What steps were used to determine the estimated cost of gas for the  
24 projected period April 1995 through March 1996?

25 A. As reported on Schedule E-1, lines 1 through 11, the total cost of

1 gas consists of the cost of no-notice transportation service (NNTS)  
2 on FGT, the demand and commodity costs of firm transportation service  
3 (FTS) on FGT, the commodity cost of gas paid to our supplier,  
4 Pennisula Energy Services Co. (PESCO) and the cost of gas  
5 transportation as billed by the City of Sebring.

6 The demand portion of "NNTS" and "FTS" services (lines 2 and 5  
7 of Schedules E-1 E1/R) is based on Sebring Gas System's contract  
8 with FGT and an estimate of FGT's demand rates for these two  
9 services. The demand rates used for NNTS and FTS-1 service for  
10 the months April 1995 through June 1995 are the current rates in  
11 effect. The rates used for the months July 1995 through March 1996  
12 are the rates proposed by FGT for that period of time.

13 The commodity portion of the Cost of Gas Purchased is shown  
14 as Lines 1 and 4 of Schedule E-1. The Commodity Pipeline amount  
15 (line1) is based on FGT's "FTS" Commodity Rate multiplied by the  
16 amount of therms transported for our system supply. The rate utilized  
17 for the projected period April 1995 through March 1996 are the  
18 current rates in effect.

19 The Commodity (Other), (line 4) is based on amount of therms  
20 purchased by Sebring Gas, multiplied by the current rate per therm,  
21 plus a management fee. The rate is based upon the price paid by  
22 our supplier PESCO, plus the management fee of \$.005 per therm.

23 The management fee allow Sebring Gas to benefit from the work  
24 research of the gas procurement department of PESCO for  
25 obtaining the best gas price. Because of Sebring Gas' small

1 size and lack of experience in acquiring gas, the best use of the  
2 company's funds and resources is to contract PESCO to  
3 provide gas for the company.

4 Other charges for the Cost of Gas Purchased is represented on  
5 Line 6 of Schedule E-1. This figure consists of a charge for  
6 transportation by the City of Sebring, any Western Division  
7 Revenue Sharing Credit from FGT and PGA Reporting Fees.

8 The City of Sebring transports the company's gas supply through  
9 a 7 mile pipeline connected to FGT's gatestation in Avon Park  
10 and ending at Sebring Gas' gatestation in Sebring. The pipeline  
11 is presently owned by Tampa Electric Company (TECO), who  
12 allows the City of Sebring to operate and maintain. The rate for  
13 transportation is based on a contract with the city for \$ .035 per  
14 MCF transported. The PGA Preparation Fee is estimated to be  
15 \$750.00 per month, as levied by our outside CPA firm, Ryals,  
16 Brimmer, Burek and Keelan.

17 Q. How was the projected total firm sales determined?

18 A. The company has only firm sales at this time. Subsequently,  
19 the total sales and firm sales are the same. The total sales were  
20 determined by using historical averages for both classes, residential  
21 and commercial, customers, with a growth factor added. The total  
22 sales are shown on Line 27 of Schedule E-1. The total estimated  
23 sales for the Projected period April 1995 through March 1995 is  
24 606,619 therms.

25 Q. What is the company's average cost per therm for the Projected

- 1 period April 1995 through March 1996?
- 2 A. Show on Line 40 of Schedule E-1, the company's average cost  
3 of gas for the Projected period April 1995 bthrough march 1996  
4 is estimated to be 38.163 cents per therm. to arrive at the Total  
5 PGA Factor, the average cost of gas is adjusted for the estimated  
6 total true-up through March 1995, as shown on Schedule E-4,  
7 and for revenue-related taxes.
- 8 Q. What is the projected PGA Factor for the Projected period  
April 1995 through March 1996?
- 9 A. The projected PGA Factor for the projected period is 37.072  
10 cents per therm, as shown on Line 45 of Schedule E-1.
- 11 Q. The estimated total true-up for the period April 1994 through  
12 March 1995, as shown on Schedule E-4 is included in the  
13 projected PGA Factor for the period April 1995 through March  
14 1996. How was the figure calculated?
- 15 A. The final true-up amount for the period October 1993 through  
16 March 1994 is added to the estimated end of period net true-up  
17 for April 1994 through March 1995. The April 1994 through  
18 March 1995 estimated true-up is based on eight months' actual  
19 plus four months' projected data.
- 20 Q. What is the impact of the total true-up for the period April 1994  
21 through March 1995 on the projected PGA Factor for the  
22 Projected period April 1995 through March 1996?
- 23 A. The projected true-up for the period, ending March 1995 is  
24 overrecovery of \$10,835, which is shown on line 4, Column  
25 6 of Schedule E-4. Dividing the overrecovery of \$10,835 by



1 the projected therm sales of 606,616 therms results in a  
2 refund of 1.786 cents per therm to be included in the proposed  
3 PGA Factor.

4 Q. What is the maximum levelized purchased gas factor (cap)  
5 that you are proposing for the projected period April 1995  
6 through March 1996?

7 A. The maximum levelized purchased gas factor (cap) that Sebring  
8 Gas is proposing for the period is 40.193 cents per therm.  
9 This factor represents the estimated average cost of gas for the  
10 six winter months, October through March, of 37.653 per therm,  
11 plus the projected period's true-up of 1.786 per therm, and the  
12 total of the two figures multiplied by the tax revenue factor 1.01911.  
13 Because the company has experienced higher winter costs for gas  
14 and through projections supplied by our supplier, PESCO, we  
15 anticipate this trend to continue for the projected period. The higher  
16 winter average for the cost of gas dictates that the proposed  
17 maximum levelized purchased gas cost factor (cap) be as it is.  
18 Using the proposed cap will allow Sebring Gas to possibility  
19 avoid large overrecoveries during the winter months when purchased  
20 gas prices are highest. This procedure, combined with the ability  
21 to flex down the rates when gas prices become lower will allow Sebring  
22 Gas to operate at it's highest financial efficiency and provide our  
23 ratepayers with gas prices more realistically with actual costs.

24 Q. Does this conclude your testimony?

25 A. Yes, it does.

**SEBRING GAS SYSTEM, INC.**

**APRIL 1995 - MARCH 1996**

**PURCHASED GAS PROJECTION FILING**

**EXHIBIT JHM-2**

	ACTUAL												REVISED PROJECTION											
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL	DEC	JAN	FEB	MAR	TOTAL						
<b>COST OF GAS PURCHASED</b>																								
1 COMMODITY (Pipeline)	411	370	237	241	230	250	283	331	1,128	1,362	1,273	1,243	7,369	1,128	1,362	1,273	1,243	7,369						
2 NO NOTICE SERVICE	1,145	1,183	937	968	861	937	2,151	1,145	1,183	1,183	1,185	1,183	14,081	1,183	1,183	1,185	1,183	14,081						
3 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
4 COMMODITY (Other)	8,784	8,040	6,482	5,933	6,473	5,677	6,111	8,414	10,921	16,820	15,376	14,379	114,412	10,921	16,820	15,376	14,379	114,412						
5 DEMAND	1,790	1,605	1,420	1,445	1,438	1,499	1,996	1,964	2,440	3,012	3,648	3,563	25,510	2,440	3,012	3,648	3,563	25,510						
6 OTHER	1,401	1,161	1,104	1,118	1,086	1,039	1,245	1,455	1,867	(601)	(811)	(861)	9,203	1,867	(601)	(811)	(861)	9,203						
<b>LESS END-USE CONTRACT</b>																								
7 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
8 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
10 FGT 1993-1994 PGA REFUND	0	(11,419)	(116)	0	0	0	0	0	0	0	0	0	(11,535)	0	0	0	0	(11,535)						
11 TOTAL COST (1+2+3+4+5+6-10)-(7+8+9)	13,521	940	10,064	10,705	10,098	9,402	11,486	13,309	17,569	21,806	20,673	19,487	159,050	17,569	21,806	20,673	19,487	159,050						
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
13 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
14 TOTAL THERM SALES	15,299	13,644	12,249	11,273	12,896	3,925	3,372	4,944	11,804	21,806	20,673	19,487	151,401	11,804	21,806	20,673	19,487	151,401						
<b>THERM PURCHASED</b>																								
15 COMMODITY (Pipeline)	41,370	37,300	30,000	33,580	33,430	34,830	39,420	46,100	56,700	70,000	64,000	62,500	562,230	56,700	70,000	64,000	62,500	562,230						
16 NO NOTICE SERVICE	0	9	0	0	0	0	0	0	0	170,500	170,810	170,500	0	0	170,500	170,810	170,500	0						
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
18 COMMODITY (Other)	41,370	37,300	33,000	33,580	33,430	34,830	39,420	46,100	56,700	70,000	64,000	62,500	562,230	56,700	70,000	64,000	62,500	562,230						
19 DEMAND	41,370	37,300	33,000	33,580	33,430	34,830	39,420	46,100	56,700	70,000	64,000	62,500	562,230	56,700	70,000	64,000	62,500	562,230						
20 OTHER	40,300	36,598	33,908	34,378	34,112	35,522	40,212	47,227	56,850	70,000	64,000	62,500	567,624	56,850	70,000	64,000	62,500	567,624						
<b>LESS END-USE CONTRACT</b>																								
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
24 TOTAL PURCHASES (16+17+18)-(21+22+23)	41,370	37,300	33,000	33,580	33,430	34,830	39,420	46,100	56,700	240,500	234,810	233,000	562,230	56,700	240,500	234,810	233,000	562,230						
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0						
27 TOTAL THERM SALES	42,851	38,219	34,312	31,578	36,125	35,300	36,990	49,444	52,134	70,000	64,000	62,500	553,453	52,134	70,000	64,000	62,500	553,453						
<b>CENTS PER THERM</b>																								
28 COMMODITY (Pipeline)	0.903	0.992	0.718	0.718	0.718	0.718	0.718	0.718	1.989	1.989	1.989	1.989	1.340	1.989	1.989	1.989	1.989	1.340						
29 NO NOTICE SERVICE	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR						
30 SWING SERVICE	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR						
31 COMMODITY (Other)	21.233	21.555	19.642	20.646	19.363	16.269	15.502	18.252	19.261	24.029	24.028	23.006	20.718	24.029	24.029	24.028	23.006	20.718						
32 DEMAND	4.303	4.303	4.303	4.303	4.307	4.304	4.302	4.260	4.303	4.303	4.303	4.303	4.819	4.303	4.303	4.303	4.303	4.819						
33 OTHER	3.474	3.173	3.256	3.252	3.184	2.925	3.096	3.081	3.206	(0.859)	(1.267)	(1.410)	1.650	3.206	(0.859)	(1.267)	(1.410)	1.650						
<b>LESS END-USE CONTRACT</b>																								
34 COMMODITY Pipeline	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR						
35 DEMAND	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR						
36	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR						
37 TOTAL COST	32.683	2.520	30.497	31.879	30.206	26.994	29.137	28.870	30.968	9.067	8.804	8.364	28.801	30.968	9.067	8.804	8.364	28.801						
38 NET UNBILLED	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR						
39 COMPANY USE	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR						
40 TOTAL THERM SALES	31.554	2.460	29.331	33.900	27.953	26.605	31.052	26.917	33.081	31.151	32.307	31.179	28.738	33.081	31.151	32.307	31.179	28.738						
41 TRUE-UP	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)	(0.39600)						
42 TOTAL COST OF GAS	31.155	2.061	28.932	33.501	27.554	26.236	30.653	26.518	33.282	30.752	31.903	30.780	28.339	33.282	30.752	31.903	30.780	28.339						
43 REVENUE TAX FACTOR	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911						
44 PGA FACTOR ADJUSTED FOR TAXES(42*43)	31.750	2.100	29.485	34.141	28.080	26.737	31.236	27.025	33.918	31.340	32.512	31.368	28.880	33.918	31.340	32.512	31.368	28.880						
45 PGA FACTOR ROUNDED TO NEAREST .001	31.750	2.100	29.485	34.141	28.080	26.737	31.236	27.025	33.918	31.340	32.512	31.368	28.880	33.918	31.340	32.512	31.368	28.880						

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

APRIL, 1996 Through MARCH, 1996

COST OF GAS PURCHASED	PROJECTION												TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1 COMMODITY (Pipeline)	\$917	\$828	\$738	\$674	\$550	\$565	\$614	\$1,055	\$1,195	\$1,367	\$1,355	\$1,309	\$11,987
2 NO NOTICE SERVICE	1,145	1,183	937	1,080	960	1,045	2,400	1,278	1,320	1,320	1,322	1,320	15,310
3 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
4 COMMODITY (Other)	9,666	9,580	8,152	8,146	9,395	10,010	9,414	12,203	14,436	16,509	16,366	15,140	139,417
5 DEMAND	2,629	2,374	2,114	2,216	2,436	2,481	2,333	3,024	3,420	3,917	3,683	3,751	34,578
6 OTHER - Sebring Trans. Cng & PGA Report Preparation Fee	2,364	2,207	2,048	2,112	2,246	2,273	2,182	2,606	2,853	3,155	3,134	3,053	30,233
<b>LESS END-USE CONTRACT</b>													
7 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
8 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0	0	0
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$16,721	\$16,172	\$13,989	\$14,628	\$15,667	\$16,674	\$17,143	\$20,168	\$23,224	\$26,268	\$26,080	\$24,579	\$231,505
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
13 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
14 TOTAL THERM SALES	\$16,721	\$16,172	\$13,989	\$14,628	\$15,667	\$16,674	\$17,143	\$20,168	\$23,224	\$26,268	\$26,080	\$24,579	\$231,505
<b>THERMS PURCHASED</b>													
15 COMMODITY (Pipeline) Billing Determinants Only	46,115	41,640	37,080	38,872	42,736	43,512	40,920	53,040	60,080	68,704	68,112	65,808	606,819
16 NO NOTICE SERVICE Billing Determinants Only	165,000	170,500	135,000	139,500	124,000	135,000	310,000	166,000	170,500	170,500	170,810	170,500	2,028,310
17 SWING SERVICE Commodity	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY (Other) Commodity	46,115	41,640	37,080	38,872	42,736	43,512	40,920	53,040	60,080	68,704	68,112	65,808	606,819
19 DEMAND Billing Determinants Only	46,115	41,640	37,080	38,872	42,736	43,512	40,920	53,040	60,080	68,704	68,112	65,808	606,819
20 OTHER Commodity	46,115	41,640	37,080	38,872	42,736	43,512	40,920	53,040	60,080	68,704	68,112	65,808	606,819
<b>LESS END-USE CONTRACT</b>													
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (+15)-(21+22+23)	46,115	41,640	37,080	38,872	42,736	43,512	40,920	53,040	60,080	68,704	68,112	65,808	606,819
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
27 TOTAL THERM SALES (24-26)	46,115	41,640	37,080	38,872	42,736	43,512	40,920	53,040	60,080	68,704	68,112	65,808	606,819
<b>CENTS PER THERM</b>													
28 COMMODITY (Pipeline) (1/15)	1.909	1.968	1.960	1.734	1.989	1.968	1.989	1.989	1.989	1.989	1.989	1.989	1.973
29 NO NOTICE SERVICE (2/16)	0.894	0.894	0.894	0.774	0.774	0.774	0.774	0.775	0.774	0.774	0.774	0.774	0.758
30 SWING SERVICE (3/17)													
31 COMMODITY (Other) (4/18)	20.961	23.007	21.965	21.985	21.964	23.005	23.006	23.007	24.028	24.029	24.028	23.006	22.983
32 DEMAND (5/19)	5.701	5.701	5.701	5.701	5.700	5.702	5.701	5.701	5.692	5.701	5.701	5.700	5.700
33 OTHER (6/20)	5.126	5.300	5.523	5.433	5.256	5.224	5.332	4.913	4.749	4.592	4.601	4.639	4.984
<b>LESS END-USE CONTRACT</b>													
34 COMMODITY Pipeline (7/21)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
35 DEMAND (8/22)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
36 (9/23)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
37 TOTAL COST (11/24)	36.256	36.638	37.727	37.631	37.175	38.320	41.894	38.020	36.655	36.234	36.261	37.340	36.153
38 NET UNBILLED (12/25)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
39 COMPANY USE (13/26)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
40 TOTAL THERM SALES (11/27)	36.256	36.638	37.727	37.631	37.175	38.320	41.894	38.020	36.655	36.234	36.261	37.340	36.163
41 TRUE-UP (E-4)	(1.78600)	(1.78600)	(1.78600)	(1.78600)	(1.78600)	(1.78600)	(1.78600)	(1.78600)	(1.78600)	(1.78600)	(1.78600)	(1.78600)	(1.78600)
42 TOTAL COST OF GAS (40+41)	34.473	37.052	35.941	35.845	35.389	36.534	40.108	36.234	36.869	36.448	36.475	35.554	36.377
43 REVENUE TAX FACTOR	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	35.132	37.760	36.628	36.530	36.065	37.232	40.874	36.926	37.574	37.145	37.172	36.233	37.072
45 PGA FACTOR ROUNDED TO NEAREST .001	35.132	37.760	36.628	36.530	36.065	37.232	40.874	36.926	37.574	37.145	37.172	36.233	37.072

FOR THE CURRENT PERIOD:

APRIL 94

Through

MARCH 95

	ACTUAL								REVISED PROJECTION				TOTAL PERIOD
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
<b>TRUE-UP CALCULATION</b>													
1 PURCHASED GAS COST	9,195	8,410	6,603	7,174	6,713	5,927	6,394	8,745	12,049	18,212	16,651	15,622	121,695
2 TRANSPORTATION COST	4,328	3,949	3,461	3,531	3,385	3,475	5,092	4,564	5,510	3,594	4,022	3,865	48,774
3 TOTAL	13,521	940	10,064	10,705	10,098	9,402	11,486	13,309	17,559	21,806	20,673	19,487	159,050
4 FUEL REVENUES (NET OF REVENUE TAX)	15,298	13,644	12,249	11,273	12,898	3,925	3,372	4,944	11,834	21,806	20,673	19,487	151,401
5 TRUE-UP COLLECTED OR (REFUNDED)	193	193	193	193	193	193	193	193	193	193	193	193	2,516
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	15,491	13,837	12,442	11,468	13,089	4,118	3,505	5,137	12,027	21,999	20,866	19,680	153,717
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	1,970	12,897	2,378	781	2,991	(5,284)	(7,921)	(8,172)	(5,532)	193	193	193	(5,333)
8 INTEREST PROVISION-THIS PERIOD (21)	58	89	123	130	141	145	120	92	86	1	1	1	988
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	17,538	19,373	32,166	34,474	35,172	38,111	32,779	24,785	16,512	10,853	10,854	10,854	283,472
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(193)	(193)	(193)	(193)	(193)	(193)	(193)	(193)	(193)	(193)	(193)	(193)	(2,318)
10a FLEX RATE REFUND (if applicable)	0	0	0	0	0	0	0	0	0	0	0	0	0
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	19,373	32,166	34,474	35,172	38,111	32,779	24,785	16,512	10,853	10,854	10,854	10,854	10,855
<b>INTEREST PROVISION</b>													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	17,538	19,373	32,166	34,474	35,172	38,111	32,779	24,785	16,512	10,853	10,854	10,854	283,472
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	19,315	32,077	34,351	35,042	37,970	32,834	24,685	16,420	10,787	10,853	10,854	10,854	275,823
14 TOTAL (12+13)	36,853	51,451	66,518	69,517	73,143	70,746	57,444	41,205	27,299	21,708	21,707	21,708	559,295
15 AVERAGE (50% OF 14)	18,427	25,725	33,259	34,758	36,571	35,373	28,722	20,603	13,650	10,853	10,854	10,854	279,648
16 INTEREST RATE - FIRST DAY OF MONTH	3.69000%	3.90000%	4.36000%	4.50000%	4.46000%	4.82000%	5.04000%	5.00000%	5.66000%	6.03000%	6.03000%	6.03000%	
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	3.90000%	4.36000%	4.50000%	4.46000%	4.82000%	5.04000%	5.00000%	5.66000%	6.03000%	6.03000%	6.03000%	6.03000%	
18 TOTAL (16+17)	7.59000%	8.26000%	8.86000%	8.96000%	9.28000%	9.86000%	10.04000%	10.66000%	11.69000%	12.06000%	12.06000%	12.06000%	
19 AVERAGE (50% OF 18)	3.79500%	4.13000%	4.43000%	4.48000%	4.64000%	4.93000%	5.02000%	5.33000%	5.84500%	6.03000%	6.03000%	6.03000%	
20 MONTHLY AVERAGE (19/12 Months)	0.31625%	0.34417%	0.36917%	0.37333%	0.38667%	0.41083%	0.41833%	0.44417%	0.48708%	0.50250%	0.50250%	0.50250%	
21 INTEREST PROVISION (15x20)	\$58	\$89	\$123	\$130	\$141	\$145	\$120	\$92	\$86	\$1	\$1	\$1	



COMPANY: SEBRING GAS SYSTEM, INC.

**CALCULATION OF TRUE-UP AMOUNT  
PROJECTED PERIOD**

SCHEDULE E-4  
(REVISED 8/19/93)

ESTIMATED FOR THE PROJECTED PERIOD:

APRIL, 1995

Through

MARCH, 1996

	PRIOR PERIOD: OCTOBER 93-MARCH 94			CURRENT PERIOD: 'APR 94-MAR 95	
	(1) TWO MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) TWO MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$	72,315	102,065	29,750	153,717	183,467
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	(14,393)	734	15,127	(5,333)	9,794
3 INTEREST PROVISION FOR THIS PERIOD	18	93	75	966	1,041
4 END OF PERIOD TOTAL NET TRUE-UP	(14,375)	827	15,202	(4,367)	10,835

**NOTE:** EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

COLUMN (1) DATA OBTAINED FROM SCHEDULE (A-2)

COLUMN (2) DATA OBTAINED FROM SCHEDULE (A-2)

LINE 4 COLUMN (3) SAME AS LINE 7 SCHEDULE (A-8)

TOTAL TRUE-UP (\$10,835) EQUAL \$0.01786 PER THERM TRUE-UP REFUND

LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2) PROJECTED THERM SALES(606,619)

LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

