



SEBRING GAS SYSTEM, INC.

ORIGINAL

3515 U.S. Hwy. 27, South
Sebring, FL 33870-5452
(941) 385-0194

January 12, 1998

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED
Florida Public Service Commission
Sebring, Florida, 33870
MAIL ROOM
98 JAN 15 AM 10:18

RE: Docket No. ~~98003-GU~~
Petition for Approval of Purchased Gas Adjustment (PGA) Factor,
Testimony, (PGA) and True-Up Projections for April 1998 through
March 1999.

Dear Ms. Bayo:

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

1. Petition for Approval of Sebring Gas System's Purchased Gas Adjustment True-Up Factor, 00891-98
2. Direct Testimony of Jerry H. Melendy, Jr.; 00892-98
3. Purchased Gas Projection Filing (April, 1998-March, 1999, including PGA Schedules

ACK _____
 AFA Handwritten
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG Handwritten
 LEG 1
 LIN 3 for
 OPC _____
 RCH _____
 SEC enclosures
 WAS _____
 OTH _____

E-1 E-1/R
 E-2 E-3
 E-4 E-5

Sincerely,

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

DOCUMENT NUMBER-DATE
00891-JAN 15 98

FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

RE: Purchased Gas Adjustment)
(PGA) True-Up)

DOCKET NO. 980003-GU

PREPARED DIRECT TESTIMONY

OF

JERRY H. MELENDY, JR.

ON BEHALF OF

SEBRING GAS SYSTEM, INC.

DOCUMENT NUMBER-DATE

00892 JAN 15 88

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 1998 through March 1999.
- 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 Purchased Gas Adjustment Schedules presently filed
25 are as follows:

1 E-1 - PURCHASED GAS ADJUSTMENT COST RECOVERY
2 **CLAUSE CALCULATION, Original Estimate for the Projected**
3 **Period April 1998 through March 1999.**

4 E-1/R - PURCHASED GAS ADJUSTMENT COST RECOVERY
5 **CLAUSE CALCULATION, Revised Estimate for the Period April 1997**
6 **through March 1998.**

7 E-2 - CALCULATION OF TRUE-UP AMOUNT for the
8 **Current Period April 1997 through March 1998.**

9 E-3 - TRANSPORTATION PURCHASES, SYSTEM SUPPLY
10 **AND USE for the Period April 1998 through March 1999. Because**
11 **Sebring Gas does not purchase transportation gas, this schedule, although**
12 **included in this filing, is not applicable.**

13 E-4 - CALCULATION OF TRUE-UP AMOUNT,
14 **PROJECTED PERIOD April 1998 through March 1999.**

15 E-5 - THERM SALES AND CUSTOMER DATA for
16 **the Projected Period April 1998 through March 1999.**

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

19 A. Yes, they were.

20 **REVISED ESTIMATES FOR THE PERIOD**
21 **APRIL 1997 - MARCH 1998**

22 Q. What is the revised estimate of total purchased gas cost for the
23 period April 1997 through March 1998?

24 A. The revised estimate of purchased gas cost for the current period
25 April 1997 through March 1997 is \$236,543.

1 Sebring Gas System's contract with FGT and an estimate of FGT's demand
2 rates for these services. The commodity portion of the Cost of Gas
3 Purchased is shown as Lines 1 and 4 of Schedule E-1.
4 The rate utilized for the projected period April 1998 through March 1999
5 are the current rates in effect by PESCO.
6 The Commodity (Other), (line 4) is based on amount of therms
7 purchased by Sebring Gas, multiplied by the current rate per therm,
8 plus a management fee. The rate is based upon the price paid by
9 our supplier PESCO, plus the management fee of \$250.00 per month
10 The management fee allows Sebring Gas to benefit from the
11 research of the gas procurement department of PESCO for
12 obtaining the best gas price. Because of Sebring Gas' small
13 size and lack of experience in acquiring gas, the best use of the
14 Company's funds and resources is to contract PESCO to
15 provide gas for the company.
16 Other charges for the Cost of Gas Purchased is represented on
17 Line 6 of Schedule E-1. This figure consists of a charge for
18 transportation by the TECO (People's Gas), any Western Division
19 Revenue Sharing Credit from FGT and PGA Reporting Fees.
20 TECO (People's Gas) transports the company's gas supply through
21 a 7 mile pipeline connected to FGT's gatestation in Avon Park
22 and ending at Sebring Gas' gatestation in Sebring. The pipeline
23 is presently owned by Tampa Electric Company (TECO), who
24 operates and maintains the section of transmission line. The rate for
25 transportation is based on a contract with the TECO for MCFs

- 1 transported.
- 2 Q. How was the projected total firm sales determined?
- 3 A. The company has only firm sales at this time. Subsequently,
4 the total sales and firm sales are the same. The total sales were
5 determined by using historical averages for both classes, residential
6 and commercial, customers, with a growth factor added. The total
7 sales are shown on Line 27 of Schedule E-1. The total estimated
8 sales for the Projected period April 1998 through March 1999 is
9 650,662 therms.
- 10 Q. What is the company's average cost per therm for the Projected
11 period April 1998 through March 1999?
- 12 A. Shown on Line 40 of Schedule E-1, the company's average cost
13 of gas for the Projected period April 1998 through March 1999
14 is estimated to be 44.814 cents per therm. To arrive at the Total
15 PGA Factor, the average cost of gas is adjusted for the estimated
16 total true-up through March 1998, as shown on Schedule E-4,
17 and for revenue-related taxes.
- 18 Q. What is the projected PGA Factor for the Projected period
19 April 1998 through March 1999?
- 20 A. The projected PGA Factor for the projected period is 44.814
21 cents per therm, as shown on Line 45 of Schedule E-1.
- 22 Q. The estimated total true-up for the period April 1997 through
23 March 1998, as shown on Schedule E-4 is included in the
24 projected PGA Factor for the period April 1998 through March
25 1999. How was the figure calculated?

- 1 A. The final true-up amount for the period April 1996 through
2 March 1997 is added to the estimated end of period net true-up
3 for April 1997 through March 1998. The April 1997 through
4 March 1998 estimated true-up is based on eight months' actual
5 plus four months' projected data.
- 6 Q. What is the impact of the total true-up for the period April 1997
7 through March 1998 on the projected PGA Factor for the
8 Projected period April 1998 through March 1999?
- 9 A. The projected true-up for the period, ending March 1998 is an
10 underrecovery of \$4,621, which is shown on line 4, Column
11 4 of Schedule E-4. Dividing the underrecovery of \$13,942 by
12 the projected therm sales of 650,662 therms results in a
13 collection of 2.1443 cents per therm to be included in the proposed
14 PGA Factor.
- 15 Q. What is the maximum levelized purchased gas factor (cap)
16 that you are proposing for the projected period April 1998
17 through March 1999?
- 18 A. The maximum levelized purchased gas factor (cap) that Sebring
19 Gas is proposing for the period is 44.418 cents per therm.
- 20 Q. Does this conclude your testimony?
- 21 A. Yes, it does
- 22
23
24
25

COMPANY: SEBRING GAS SYSTEM, INC.

**PURCHASED GAS ADJUSTMENT
 COST RECOVERY CLAIMS CALCULATION**

APRIL, 1998 THROUGH MARCH, 1999

SCHEMATIC 6-1
 (REVISED 6/9/94)

COST OF GAS PURCHASED	PROJECTIONS												TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1 COMMODITY (Pipeline)	\$238	\$284	\$257	\$249	\$229	\$251	\$312	\$268	\$481	\$460	\$383	\$383	\$3,803
2 NO NOTICE SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
3 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
4 COMMODITY (Other)	13,387	13,081	12,368	11,801	10,728	13,305	19,687	18,377	25,058	24,251	25,528	22,325	210,771
5 DEMAND	2,110	1,788	1,813	1,588	1,442	1,578	1,854	1,874	3,024	2,862	2,408	2,281	24,542
6 OTHER - Billing Term, Chg and Unrecovered Capacity Chang	2,702	2,412	2,254	2,214	2,100	2,223	2,370	2,488	3,325	3,407	2,870	2,858	31,724
LESS END-USE CONTRACT													
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)	\$18,545	\$17,535	\$16,520	\$15,632	\$14,497	\$17,357	\$24,913	\$24,028	\$32,129	\$31,010	\$31,287	\$27,827	\$270,980
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	\$20,122	\$18,908	\$17,770	\$16,636	\$15,609	\$18,603	\$28,119	\$25,583	\$34,464	\$33,278	\$33,280	\$28,881	\$290,288
THERMS PURCHASED													
15 COMMODITY (Pipeline)	55,944	47,412	42,768	41,500	38,232	41,844	52,056	48,680	80,158	78,680	63,828	60,480	650,982
16 NO NOTICE SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY (Other)	55,944	47,412	42,768	41,500	38,232	41,844	52,056	48,680	80,158	78,680	63,828	60,480	650,982
19 DEMAND	55,944	47,412	42,768	41,500	38,232	41,844	52,056	48,680	80,158	78,680	63,828	60,480	650,982
20 OTHER	55,944	47,412	42,768	41,500	38,232	41,844	52,056	48,680	80,158	78,680	63,828	60,480	650,982
LESS END-USE CONTRACT													
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 (1+18-21+22+23)	55,944	47,412	42,768	41,500	38,232	41,844	52,056	48,680	80,158	78,680	63,828	60,480	650,982
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)	55,944	47,412	42,768	41,500	38,232	41,844	52,056	48,680	80,158	78,680	63,828	60,480	650,982
CENTS PER THERM													
28 COMMODITY (Pipeline)	0.801	0.588	0.801	0.588	0.588	0.800	0.588	0.800	0.800	0.800	0.800	0.800	0.800
29 NO NOTICE SERVICE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30 SWING SERVICE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31 COMMODITY (Other)	23.947	27.527	28.984	27.900	28.055	31.797	37.780	36.004	31.312	31.628	30.962	28.913	32.386
32 DEMAND	3.772	3.771	3.772	3.771	3.772	3.771	3.772	3.772	3.772	3.772	3.772	3.771	3.772
33 OTHER	4.830	5.087	5.270	5.325	5.463	5.313	4.807	5.010	4.388	4.443	4.853	4.728	4.678
LESS END-USE CONTRACT													
34 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
35 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0	0	0	0
37 TOTAL COST	33.149	36.984	38.827	37.585	37.918	41.480	47.080	48.388	40.082	40.441	48.018	48.010	41.833
38 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
39 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
40 TOTAL THERM SALES	33.149	36.984	38.827	37.585	37.918	41.480	47.080	48.388	40.082	40.441	48.018	48.010	41.833
41 TRIPLE-LP (E-4)	28.384	38.128	40.771	39.738	40.082	43.824	48.234	50.330	42.228	42.585	51.162	48.154	2,143
42 TOTAL COST OF GAS	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
43 REVENUE TAX FACTOR	35.968	39.878	41.550	40.489	40.828	44.458	50.175	51.468	43.033	43.309	52.140	49.075	44.814
44 POA FACTOR ADJUSTED FOR TAXES (42x43)	35.968	39.878	41.550	40.489	40.828	44.458	50.175	51.468	43.033	43.309	52.140	49.075	44.814
45 POA FACTOR ROUNDED TO NEAREST 001	35.968	39.878	41.550	40.489	40.828	44.458	50.175	51.468	43.033	43.309	52.140	49.075	44.814

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

APRIL 87 Through MARCH 88

COST OF GAS PURCHASED	ACTUAL						REVISED PROJECTION						TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1 COMMODITY (Pipeline)	308	122	110	104	102	107	189	215	260	388	378	384	2,943
2 NO NOTICE SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
3 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
4 COMMODITY (Other)	9,126	9,641	8,865	8,419	8,323	10,059	15,380	18,113	17,314	16,354	16,000	14,650	152,044
5 DEMAND	2,379	1,856	1,683	1,582	1,564	1,821	2,044	2,010	2,437	2,301	2,376	2,414	24,237
6 OTHER	12,084	7,542	7,739	6,530	1,332	1,195	4,757	4,332	2,996	2,978	3,049	3,085	57,819
LESS END-USE CONTRACT													
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)	23,895	19,161	18,177	16,635	11,311	12,982	22,370	24,670	23,007	21,989	21,803	20,533	236,543
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	23,333	17,085	17,167	16,339	11,744	14,982	18,190	20,292	22,881	21,889	21,889	20,418	228,985
THERMS PURCHASED													
15 COMMODITY (Pipeline)	48,030	42,630	38,200	36,350	35,700	37,250	46,950	53,300	64,600	63,000	61,000	58,000	585,010
16 NO NOTICE SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY (Other)	48,030	42,630	38,200	36,350	35,700	37,250	46,950	53,300	64,600	63,000	61,000	58,000	585,010
19 DEMAND	48,030	42,630	38,200	36,350	35,700	37,250	46,950	53,300	64,600	63,000	61,000	58,000	585,010
20 OTHER	49,625	45,327	37,711	36,702	35,700	37,250	46,955	53,300	64,600	63,000	61,000	58,000	589,370
LESS END-USE CONTRACT													
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 (+17+18)-(21+22+23)	48,030	42,630	38,200	36,350	35,700	37,250	46,950	53,300	64,600	63,000	61,000	58,000	585,010
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	51,916	38,648	39,601	38,449	35,300	39,012	48,700	45,514	64,600	63,000	61,000	58,000	584,136
CENTS PER THERM													
28 COMMODITY (Pipeline) (1/15)	0.637	0.286	0.288	0.288	0.288	0.287	0.403	0.403	0.402	0.581	0.620	0.682	0.462
29 NO NOTICE SERVICE (2/16)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30 SWING SERVICE (3/17)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31 COMMODITY (Other) (4/18)	19.001	22.616	22.683	23.161	23.314	27.004	32.758	33.983	26.802	25.959	26.230	25.259	25.990
32 DEMAND (5/19)	4.953	4.354	4.353	4.352	4.353	4.352	4.354	3.771	3.772	3.652	3.895	4.162	4.143
33 OTHER (6/20)	24.253	16.639	20.521	17.792	3.731	3.208	10.131	8.128	4.638	4.727	4.988	5.319	9.778
LESS END-USE CONTRACT													
34 COMMODITY Pipeline (7/21)	0.00000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
35 DEMAND (8/22)	0.00000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
36 (9/23)	0.00000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
37 TOTAL COST (11/24)	49.750	44.947	47.583	45.763	31.683	34.851	47.646	46.285	35.615	34.919	35.743	35.402	40.434
38 NET UNBILLED (12/25)	0.00000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
39 COMPANY USE (13/26)	0.00000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
40 TOTAL THERM SALES (11/27)	49.026	49.326	45.699	43.265	32.042	33.277	45.934	54.203	35.615	34.919	35.743	35.402	40.434
41 TRUE-UP (E-2)	(0.85869)	(0.85869)	(0.85869)	(0.85869)	(0.85869)	(0.85869)	(0.85869)	(0.85869)	(0.85869)	(0.85869)	(0.85869)	(0.85869)	(0.85869)
42 TOTAL COST OF GAS (40+41)	45.167	48.467	44.810	42.406	31.184	32.418	45.075	53.344	34.756	34.060	34.884	34.543	39.575
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 (42+43)	46.030	49.394	45.667	43.217	31.779	33.036	45.937	54.364	35.420	34.711	35.551	35.203	40.363
45 PGA FACTOR ROUNDED TO NEAREST .001	46.030	49.394	45.667	43.217	31.779	33.036	45.937	54.364	35.420	34.711	35.551	35.203	40.363

SCHEDULE E-2 (REVISED 8/19/92)	CALCULATION OF TRUE-UP AMOUNT												TOTAL PERIOD
	FOR THE CURRENT PERIOD:						MARCH 98						
	APRIL 97 Through						MARCH 98						
	ACTUAL						REVISED PROJECTION						TOTAL PERIOD
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	9,432	9,763	8,775	8,523	8,425	10,166	15,569	18,326	17,574	16,720	16,378	15,034	154,687
2 TRANSPORTATION COST	14,463	9,368	9,402	8,112	2,866	2,816	6,801	6,342	5,433	5,279	5,425	5,469	81,656
3 TOTAL	23,895	19,131	18,177	16,635	11,291	12,982	22,370	24,670	23,007	21,999	21,803	20,503	236,343
4 FUEL REVENUES (NET OF REVENUE TAX)	23,333	17,055	17,167	16,339	11,744	14,862	19,190	20,292	22,861	21,866	21,666	20,418	228,965
5 TRUE-UP (COLLECTED) OR REFUNDED	457	457	457	457	457	457	457	457	457	457	457	457	5,484
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	23,790	17,512	17,624	16,796	12,201	15,449	19,847	20,749	23,338	22,325	22,143	20,875	232,449
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(105)	(1,849)	(503)	161	600	2,467	(2,723)	(3,921)	331	326	340	342	(4,094)
8 INTEREST PROVISION THIS PERIOD (21)	(159)	(269)	(33)	(269)	(269)	(311)	(34)	(511)	(63)	(65)	(65)	(67)	(527)
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(3,834)	(4,415)	(6,547)	(7,560)	(7,922)	(7,673)	(5,694)	(8,908)	(13,337)	(13,527)	(13,723)	(13,908)	(107,076)
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(457)	(457)	(457)	(457)	(457)	(457)	(457)	(457)	(457)	(457)	(457)	(457)	(5,484)
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)	(4,415)	(6,547)	(7,560)	(7,922)	(7,324)	(5,694)	(6,908)	(13,337)	(13,527)	(13,723)	(13,908)	(14,065)	(14,065)
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(3,834)	(4,415)	(6,547)	(7,560)	(7,922)	(7,673)	(5,694)	(8,908)	(13,337)	(13,527)	(13,723)	(13,908)	(107,076)
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(4,369)	(6,521)	(7,557)	(7,896)	(7,469)	(5,653)	(6,674)	(13,286)	(13,463)	(13,656)	(13,840)	(14,021)	(118,654)
14 TOTAL (12+13)	(8,230)	(10,936)	(14,104)	(15,476)	(15,411)	(13,326)	(14,569)	(22,194)	(26,801)	(27,184)	(27,562)	(27,927)	(225,729)
15 AVERAGE (50% OF 14)	(4,115)	(5,468)	(7,052)	(7,738)	(7,706)	(6,663)	(7,284)	(11,097)	(13,400)	(13,592)	(13,781)	(13,963)	(111,865)
16 INTEREST RATE - FIRST DAY OF MONTH	5.74000%	5.62000%	5.62000%	5.62000%	5.58000%	5.58000%	5.53000%	5.53000%	5.60000%	5.75000%	5.75000%	5.75000%	5.75000%
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.62000%	5.60000%	5.62000%	5.58000%	5.58000%	5.53000%	5.53000%	5.60000%	5.75000%	5.75000%	5.75000%	5.75000%	5.75000%
18 TOTAL (16+17)	11.36000%	11.22000%	11.22000%	11.20000%	11.16000%	11.08000%	11.08000%	11.13000%	11.35000%	11.50000%	11.50000%	11.50000%	11.50000%
19 AVERAGE (50% OF 18)	5.68000%	5.61000%	5.61000%	5.60000%	5.58000%	5.54000%	5.54000%	5.56500%	5.67500%	5.75000%	5.75000%	5.75000%	5.75000%
20 MONTHLY AVERAGE (18/12 Months)	0.47333%	0.46750%	0.46750%	0.46667%	0.46417%	0.46200%	0.46053%	0.46375%	0.47292%	0.47917%	0.47917%	0.47917%	0.47917%
21 INTEREST PROVISION (15x20)	(519)	(926)	(933)	(936)	(936)	(931)	(934)	(951)	(943)	(945)	(946)	(947)	(947)

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

ESTIMATED FOR THE PROJECTED PERIOD:

APRIL, 1998

Through

MARCH, 1999

	PRIOR PERIOD: APRIL 98-MARCH 97			CURRENT PERIOD: APR 97-MAR 98	
	(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 \$	E-2, LINE 6 TOTAL COL 197,908	175,445 A-2, MARCH, LINE 6	(22,463)	232,449	209,986
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	E-2 LINE 7 TOTAL COL 8,160	(1,054) A-2, MARCH, LINE 7	(9,214)	(4,094)	(13,308)
3 INTEREST PROVISION FOR THIS PERIOD	E-2, LINE 8 461	344 A-2, MARCH, LINE 8	(117)	(527)	(644)
4 END OF PERIOD TOTAL NET TRUE-UP	LINE 2 + LINE 3 8,621	(710)	(9,331)	(4,821)	(13,952)

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)

LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)
 LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

**TOTAL TRUE UP, (\$13,952)/PROJECTED
THERM SALES OF 650,662 EQUALS \$.021443
(2.1443 CENTS) PER THERM TRUE UP
COLLECTED.**

TRUE UP (\$13,952)
 THERMS 650,662
 COLLECT/THERM (\$0.021443)

THERM SALES AND CUSTOMER DATA

ESTIMATED FOR THE PROJECTED PERIOD:

APR 1988 Through MAR 1989

	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
THERM SALES (FIRM)													
RESIDENTIAL	6,264	4,212	3,888	3,780	3,672	4,044	4,536	6,480	15,358	14,040	9,828	6,480	82,582
COMMERCIAL	49,680	43,200	38,880	37,800	34,560	37,800	47,520	43,200	64,800	62,640	54,000	54,000	568,080
COMMERCIAL LARGE VOL 1	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMERCIAL LARGE VOL 2	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL FIRM	55,944	47,412	42,768	41,580	38,232	41,844	52,056	49,680	80,158	76,680	63,828	60,480	650,662
THERM SALES (INTERRUPTIBLE)													
SMALL INTERRUPTIBLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INTERRUPTIBLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LARGE INTERRUPTIBLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INTERRUPTIBLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL THERM SALES	55,944	47,412	42,768	41,580	38,232	41,844	52,056	49,680	80,158	76,680	63,828	60,480	650,662
NUMBER OF CUSTOMERS (FIRM)													
RESIDENTIAL	605	477	440	440	441	438	480	553	695	648	648	642	542
COMMERCIAL	88	90	86	85	89	87	89	90	86	89	90	90	88
COMMERCIAL LARGE VOL 1	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMERCIAL LARGE VOL 2	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL FIRM	693	567	526	525	530	525	569	643	783	737	738	732	631
NUMBER OF CUSTOMERS (INT.)													
SMALL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
LARGE INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERRUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMERS	693	567	526	525	530	525	569	643	783	737	738	732	631
THERM USE PER CUSTOMER													
RESIDENTIAL	10.35	8.83	8.84	8.59	8.33	9.23	9.45	11.72	22.10	21.67	15.17	10.09	152.30
COMMERCIAL	564.55	480.00	452.09	444.71	388.31	434.48	533.93	480.00	736.36	703.82	600.00	600.00	6,425.03
COMMERCIAL LARGE VOL 1	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
COMMERCIAL LARGE VOL 2	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
SMALL INTERRUPTIBLE	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
INTERRUPTIBLE	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
LARGE INTERRUPTIBLE	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR