



SEBRING GAS SYSTEM, INC.

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

January 22, 1998

RECEIVED
JAN 26 1998
ORIGINAL

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

RE: Docket No. 98003-GU
Petition for Approval of Purchased Gas Adjustment (PGA) Factor
and Testimony for 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. REsubmitted Petition of Sebring Gas System's Purchased Gas Adjustment True-Up Factor;
2. REsubmitted Direct Testimony of Jerry H. Melendy, Jr.

Please replace the Original Petition and pages 6 and 7 of the Testimony, due to
typographical errors.

Sincerely,

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

ACK _____
 AFA Handver
 APP _____
 CAF _____
 CMU _____
 CTR _____
 (AG) Alaben
 EG _____
 JIN 34079
 DEB _____
 REC _____
 WPS _____
 OTH _____

enclosures

DOCUMENT NUMBER-DATE

01399 JAN 26 1998

- 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 44.614 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 44.614
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 \$13,952 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 44.614 cents per therm.
- 20 Q. Does this conclude your testimony?
- 21 A. Yes, it does
- 22
23
24
25