



ORIGINAL

SEBRING GAS SYSTEM, INC.

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

October 10, 1998

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,
Testimony, (PGA) and True-Up Projections for January, 1999 through
December, 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,
2. Direct Testimony of Jerry H. Melendy, Jr.;
3. Purchased Gas Projection Filing (January, 1999-December, 1999, including PGA Schedules.

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 AFA Udover
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG Makin
 LEG 1
 LIN 3 + orig test
 OPC _____
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 SEC 1
 WAS _____
 OTH _____ enclosures

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

Sincerely,

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

Test & E-1/R
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3. Pursuant to the requirements of this docket, the Company has prefiled the PGA true-up forms supplied by the Electric and Gas Department for the April 1998-March 1999 period in a manner consistent with the Department's instructions.

4. As indicated in the prefiled true-up forms, Sebring Gas has experienced an overrecovery of \$9,453 for the April 1997 - March 1998 period. In a FPSC docket dated March 14, 1998, an estimated underrecovery of \$4,621 for the April 1997 - March 1998 period was approved for calculation of the true-up factor for April 1998 - March 1999. Therefore, a final true-up amount of \$14,074 overrecovery will be included in the current calculation of the January 1999 - December 1999 true-up factor.

5. For the period of April 1998 - December 1998, the Company projects an underrecovery of \$7,398, which includes \$3,489 Tru-Up collected for the remaining three months (January - March, 1999) from the original projected period April, 1998 - March, 1999. This results in a net overrecovery of \$6,676 to refund in the period January 1999 - December 1999. Therefore, the cumulative true-up factor to be applied to gas bills for this period is a refund of .90169 cents per therm sold.

6. As indicated on the attached schedules E-1 through E-5, the Company projects total gas costs for the January 1999 - December 1999 period to be \$304,036. The Company projects therm sales of 740,387, resulting in a weighted average cost of gas (WACOG) of 40.930 cents per therm for the twelve-month period ending December 31, 1999.

7. The Company projects the average cost of gas to be 40.930 cents per therm, which includes the actual estimated cost of gas, plus the projected period's true-up of .090169 cents per therm, and the total of the two figures multiplied by the tax revenue factor of 1.01911.

WHEREFORE, for the purpose of establishing the maximum rate to be charged for all sales during the period January 1999 - December 1999, the Company petitions the Commission to enter its Order approving the Company's true-up factor of 40.930 cents per therm.

DATED this 10th day of October, 1998.

Respectfully submitted,
Sebring Gas System, Inc.


Jerry H. Melendy, Jr.