

SEBRING GAS'SYSTEM, INC.

3515 U.S. Hwy. 27, South Sebring, FL 33870-5452 (941) 385-0194 99000

RESPONSE TO QUESTIONNAIRE MARCH 19, 1999 YEAR 2000 READINESS WORKSHOP

Because Sebring Gas System, Inc. (Sebring) is a natural gas utility being served by one gas supplier through one source (gate station) no bifurcation of Year 2000 remediation is necessary.

Sebring has one highly important area of concern. This area is the need for continued gas flow into Sebring's system by it's upstream transporter, Florida Gas Transmission Company (FTG). Sebring has signed a joint agreement with FGT to communicate between our two companies, critical information concerning the Year 2000 readiness. Although the job of transporting natural gas from the well head to our distribution system is the responsibility of FGT, we will very confident natural gas will be available for our customers in the year 2000.

Sebring uses a PC, utilizing Microsoft's Window's 98, for it's accounts receivable portion of the business. Our present system was installed in December 1998 and is Year 2000 compatible and ready for the new year.

Sebring's natural gas distribution system is not SCADA controlled. Our's is a very simple system. No telemetering is used. Our customer base is comprised of residential and light commercial accounts. We presently have no industrial accounts and no interruptible accounts Every customer served by Sebring is located within eight miles of a center location, which will enable us to serve them, during a crisis.

Sebring has been in contact with representatives of products and services used by our company, questioning their readiness. These products and services include: telephone, electricity, fax, software, office machines, banking. We have documented their comments which have indicated their degree of readiness, of plans thereof. Although we cannot predict the readiness of those who serve us, we feel they will be close enough to total preparedness to cause no disruption in our operation, as far as our customers are concerned.

Sebring's deadline for testing and remediating computers and all products and services used by Sebring the end of June, 1998.

Jerry H. Melendy, Jr.

Vice President

Sebring Gas System, In

March 18, 1999

MelindaBatter

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