



ORIGINAL

SEBRING GAS SYSTEM, INC.

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

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May 13, 1999

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

RE: Docket No. 99003-GU
Petition for Approval of Purchased Gas Adjustment (PGA) Factor,
Resubmitted Testimony and Revised PGA Schedule A-7 for the period April 1998
through December 1998.

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. The Petition for Approval of Sebring Gas System's PGA True-Up Amounts for the Period April 1, 1998 through December 31, 1998.
2. The Resubmitted Direct Testimony of Jerry H. Melendy, Jr.;
3. The Revised PGA Schedule A-7 for the Period April 1998 through December 1998.

Sincerely,

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

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ORIGINAL

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas)
Adjustment (PGA) Clause) DOCKET NO. 990003-GU

**PETITION FOR APPROVAL OF
SEBRING GAS SYSTEM'S
PURCHASED GAS ADJUSTMENT TRUE-UP
AMOUNTS**

Sebring Gas System, Inc. ("the Company"), pursuant to the requirements of this docket, petitions the Commission for approval of the Company's true-up amounts related to the period April 1, 1998 through December 21, 1998. In support hereof, the Company states:

1. The exact name of the Company and the address of its principal business office is:

Sebring Gas System, Inc.
3515 U.S. Hwy 27, South
Sebring, Fl 33870

2. The names and addresses of the persons authorized to receive notices and communications in respect to this docket is:

Jerry H. Melendy, Jr.
3515 U.S. Hwy 27, South
Sebring, Fl 33870

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

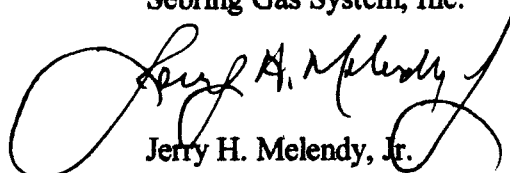
3. Pursuant to the requirements of this docket, the Company has, concurrently with the filing of this Petition, filed a Resubmitted testimony and Revised PGA Schedule A-7 for the above mentioned period.

4. As indicated in the Resubmitted testimony of Jerry H. Melendy, Jr. and Revised PGA Schedule A-7 for the period April 1, 1998 through December 31, 1998, Sebring Gas System, Inc. anticipates a final true-up amount for the period April 1998 through December 31, 1998, including interest, and net of the estimated true-up for the same period, to be an underrecovery of \$1,453.

WHEREFORE, Sebring Gas System, Inc. respectfully petitions the Commission to enter its Order approving the Company's final true-up amounts for their period April 1998 through December 1998.

DATED this 13th day of May, 1999.

Respectfully submitted,
Sebring Gas System, Inc.



Jerry H. Melendy, Jr.
Vice President

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 990003-GU

RESUBMITTED

DIRECT TESTIMONY

OF

JERRY H. MELENDY, JR.

On Behalf Of

SEBRING GAS SYSTEM, INC.

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 final true-up
17 for the period APRIL 1998 through DECEMBER 1998.

18 Q. Has the Company prepared the Schedules as prescribed by
19 this Commission for this purpose?

20 A. Yes, it has. The Schedules prescribed by the Commission are
21 being filed at this time. Copies are attached to my testimony.

22 Q. Would you please identify the Schedules which you are filing?

23 A. Yes. The Schedules are identified as Composite Exhibit JHM-1
24 and are as follows:
25 A-1 - COMPARISON OF ACTUAL VERSUS ORIGINAL

1 ESTIMATE OF THE PURCHASED GAS ADJUSTMENT
2 COST RECOVERY FACTOR - APRIL 1998 THROUGH
3 DECEMBER 1998.
4 A-1S - PURCHASED GAS ADJUSTMENT COST RECOVERY
5 CLAUSE CALCULATION SCHEDULE A-1 SUPPORTING
6 DETAIL - APRIL 1998 THROUGH DECEMBER 1998.
7 A-2 - CALCULATION OF TRUE-UP AND INTEREST
8 PROVISION - APRIL 1998 THROUGH DECEMBER 1998.
9 A-3 - TRANSPORTATION PURCHASES SYSTEM
10 SUPPLY AND END USE - APRIL 1998 THROUGH
11 DECEMBER 1998.
12 A-4 - TRANSPORTATION SYSTEM SUPPLY - APRIL
13 1998 THROUGH DECEMBER 1998.
14 A-5 - THERM SALES AND CUSTOMER DATA- APRIL
15 1998 THROUGH DECEMBER 1998.
16 A-6 - CONVERSION FACTOR CALCULATION
17 APRIL 1998 THROUGH DECEMBER 1998.
18 A-7 - FINAL FUEL OVER/UNDER RECOVERY - APRIL 1998
19 THROUGH DECEMBER 1998.
20 Also attached are the INDIVIDUAL PGA filings for the months of
21 APRIL 1998 through DECEMBER 1998. These filings include, along
22 with the above mentioned PGA Schedules, copies of the Company's
23 commodity gas bill, the Company's Billing Transaction and the Company's
24 transportation charges.

25

- 1 Q. Were these schedules prepared under your direction and
2 supervision ?
- 3 A. Yes they were. Beginning in April 1994, the PGA schedules were
4 prepared by myself. Prior to this, the schedules were prepared by
5 my consultants, Regulated Industry Consultants, with my furnishing
6 the data and final approval.
- 7 Q. What were the total therm sales for the period April 1998
8 through December 1998?
- 9 A. The total therm sales for the period April 1998 through
10 December 1998 were 424,523.(Schedule A-1, Line 27, Dec 98)
- 11 Q. What were the total therm purchases for the period April
12 1998 through December 1998?
- 13 A. The total therm purchases for the period April 1998
14 through December 1998 were 417,590 (Schedule A-1, Line 15, Dec 98).
- 15 Q. What was the cost of gas to be recovered through the PGA
16 for the period April 1998 through December 1998?
- 17 A. The cost of gas purchased for the period April 1998 through
18 December 1998 was \$138,806 (Schedule A-1, Line 11, Dec 98).
- 19 Q. What was the amount of gas revenue collected for the period
20 April 1998 through December 1998?
- 21 A. The amount of gas revenue collected to cover the cost of gas
22 for the period April 1998 through December 1998 was
23 \$133,340, as reflected in Schedule A-7, Line 2, and Schedule A-2, Line 6..
- 24 Q. What is the total true-up provision for the period April 1998
25 through December 1998?

- 1 **A.** **The total true-up provision, including interest, for the period**
2 **April 1998 through December 1998, is an underrecovery of**
3 **\$5,221, as reflected in Schedule A-7, Line 5.**
- 4 **Q.** **What is the final estimated true-up to be included in the January**
5 **2000 through December 2000 PGA factor calculation?**
- 6 **A.** **The final estimated true-up to be included in the January 2000**
7 **through December 2000 PGA factor calculation is an underrecovery**
8 **of \$1,453, as indicated in Schedule A-7, Line 7, which is**
9 **the underrecovery of \$5,221 for the period April 1998 through December**
10 **1998, Schedule A-7, Line 5, plus the estimated underrecovery of**
11 **\$3,768 for the period January 1999 through December 1999, Schedule**
12 **A-7, Line 6.**
- 13 **Q.** **Does this conclude your testimony?**
- 14 **A.** **Yes it does.**

COMPANY: SEBRING GAS SYSTEM, INC.

SCHEDULE A-7
(REVISED 8/19/93)

FINAL FUEL OVER/UNDER RECOVERY

FOR THE PERIOD: JAN 99 Through DEC 99

TOTAL

1 TOTAL ACTUAL FUEL COST FOR THE PERIOD	A-2 Line 3		\$138,806
2 TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD	A-2 Line 6		\$133,340
3 ACTUAL OVER/UNDER RECOVERY FOR THE PERIOD (2-1)			(\$5,466)
4 INTEREST PROVISION ACTUAL OVER/UNDER RECOVERY	A-2 Line 8		\$245
5 FOR THE PERIOD (3+4)			(\$5,221)
6 LESS: ESTIMATED/ACTUAL OVER/UNDER RECOVERY FOR THE PERIOD APRIL 98 Through DECEMBER 98 (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT JANUARY 99 Through DECEMBER 99 PERIOD)	E-4 Line 4 Col.4		(\$3,768)
7 FINAL FUEL OVER/UNDER RECOVERY TO BE INCLUDED IN THE PROJECTED PERIOD JANUARY 00 Through DECEMBER 00 (5-6)			(\$1,453)