

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

RE: Purchsed Gas Adjustment)

(PGA) True-Up)

DOCKET NO: 000003-GU

PREPARED REVISED DIRECT TESTIMONY

OF

JERRY H. MELENDY, JR.

ON BEHALF OF

SEBRING GAS SYSTEM, INC.

DOCUMENT NUMBER-DATE

12435 OCT-28

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 January 2001 through December 2001.

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 Janaury 2001 through December 2001.**

4 E-1/R - PURCHASED GAS ADJUSTMENT COST RECOVERY
5 **CLAUSE CALCULATION, Revised Estimate for the Period January 2000**
6 **through December 2000.**

7 E-2 - CALCULATION OF TRUE-UP AMOUNT for the
8 **Current Period January 2000 through December 2000.**

9 E-3 - TRANSPORTATION PURCHASES, SYSTEM SUPPLY
10 **AND USE for the Period January 2001 through December 2001. 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 Janaury 2001 through December 2001.**

15 E-5 - THERM SALES AND CUSTOMER DATA for
16 **the Projected Period Janaury 2001 through December 2001.**

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

19 A. **Yes, they were.**

20 **REVISED ESTIMATES FOR THE PERIOD**
21 **JANUARY 2000 - DECEMBER 2000**

22 Q. **What is the revised estimate of total purchased gas cost for the**
23 **period Janaury 2000 through December 2000?**

24 A. **The revised estimate of purchased gas cost for the current period**
25 **Janaury 2000 through December 2000 is \$350,729 (E-2, Line 3).**

1 Q. What is the revised estimate of gas revenue to be collected for the
2 current period January 2000 through December 2000?
3 A. The revised estimate of gas revenue to be collected for the current
4 period January 2000 through December 2000 is \$337,866 (E-2, Line 4).

5 Q. What is the revised true-up amount, including interest,
6 estimated for the current period January 2000 through December
7 2000?

8 A. The company's estimate for the revised true-up, including
9 interest, is an unercollection of \$20,338 (E-2, line 7 + line 8)

10 PROJECTIONS FOR THE PERIOD
11 JANUARY 2001 THROUGH DECEMBER 2001

12 Q. How was the projections for the period January 2001 through
13 December 2001 determined?

14 A. The estimated gas supply requirements for each month of the
15 twelve month period were determined initially. These requirement
16 estimates were based upon the estimated sales to ultimate customers
17 for the period.

18 Q. What steps were used to determine the estimated cost of gas for the
19 projected period January 2001 through December 2001?

20 A. As reported on Schedule E-1, lines 1 through 11, the total cost of
21 gas consists of the cost of demand and commodity costs of firm
22 transportation service(FTS) on FGT, the commodity cost of gas paid to
23 our supplier, Pennisula Energy Services Co. (PESCO) and the cost of gas
24 transportation as billed by TECO (People's Gas System). The demand
25 portion of services (line 5of Schedules E-1 E1/R) is based on

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 January 2001 through December
5 2001 are PESCO rates estimated by myself.
6 The Commodity (Other), (line 4) is based on the estimated therms
7 purchased by Sebring Gas, multiplied by the estimated 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 work
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 City of Sebring, any Western Division
19 Revenue Sharing Credit from FGT and PGA Reporting Fees.
20 The City of Sebring 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 allows the City of Sebring to operate and maintain. The rate for
25 transportation is based on a contract with TECO for MCF's

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 January 2001 through December 2001 is
9 737,200 therms.

10 Q. What is the company's average cost per therm for the Projected
11 period January 2001 through December 2001?

12 A. Shown on Line 40 of Schedule E-1, the company's average cost
13 of gas for the Projected period January 2001 through December 2001
14 is estimated to be 66.114 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 December 2000, 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 January 2001 through December 2001?

20 A. The projected PGA Factor for the projected period is 70.663
21 cents per therm, as shown on Line 45 of Schedule E-1.

22 Q. The estimated total true-up for the period January 2000 through
23 December 2000, as shown on Schedule E-4 is included in the
24 projected PGA Factor for the period January 2001 through
25 December 2001. How was the figure calculated?

1 A. The final true-up amount for the period January 1999 through
2 December 1999 is added to the estimated end of period net true-up
3 for January 2000 through December 2000. The January 2000 through
4 December 2000 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 January 2000
7 through December 2000 on the projected PGA Factor for the
8 Projected period January 2001 through December 2001?

9 A. The projected true-up for the period, ending December 2000 is an
10 unrecovery of \$20,338, which is shown on line 4, Column
11 4 of Schedule E-4. Dividing the underrecovery of \$23,766 by
12 the projected therm sales of 737,200 therms results in a
13 collection of ~~3.2238~~ 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 January 2001
17 through December 2001?

18 A. The maximum levelized purchased gas factor (cap) that Sebring
19 Gas is proposing for the period is ~~70.663~~ cents per therm.

20 Q. Does this conclude your testimony?

21. A. Yes, it does.

22.

23.

24.

25.

SEBRING GAS SYSTEM, INC.

PURCHASED GAS PROJECTION FILING

FOR THE PERIOD

JANUARY 2001 – DECEMBER 2001

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY 2001 THROUGH DECEMBER 2001

| | PROJECTION | | | | | | | | | | | | TOTAL |
|---|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | |
| COST OF GAS PURCHASED | | | | | | | | | | | | | |
| 1 COMMODITY (Pipeline) | \$328 | \$321 | \$293 | \$276 | \$255 | \$240 | \$221 | \$219 | \$229 | \$233 | \$238 | \$281 | \$3,133 |
| 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) | \$48,636 | \$46,810 | \$42,090 | \$39,000 | \$36,000 | \$32,770 | \$29,120 | \$28,840 | \$30,128 | \$21,920 | \$30,186 | \$35,640 | \$421,140 |
| 5 DEMAND | \$3,908 | \$3,822 | \$3,493 | \$3,291 | \$3,038 | \$2,860 | \$2,633 | \$2,607 | \$2,724 | \$2,774 | \$2,830 | \$3,341 | \$37,321 |
| 6 OTHER | \$2,702 | \$2,643 | \$2,415 | \$2,275 | \$2,100 | \$1,978 | \$1,820 | \$1,803 | \$1,883 | \$1,918 | \$1,957 | \$2,310 | \$25,802 |
| 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) | \$55,574 | \$53,596 | \$48,291 | \$44,842 | \$41,393 | \$37,848 | \$33,794 | \$33,469 | \$34,963 | \$26,845 | \$35,210 | \$41,572 | \$487,396 |
| 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 | \$59,173 | \$57,101 | \$51,482 | \$47,835 | \$44,155 | \$40,428 | \$36,148 | \$35,800 | \$37,399 | \$29,159 | \$37,720 | \$44,535 | \$520,934 |
| THERMS PURCHASED | | | | | | | | | | | | | |
| 15 COMMODITY (Pipeline) Billing Determinants Only | 77,200 | 75,500 | 69,000 | 65,000 | 60,000 | 56,500 | 52,000 | 51,500 | 53,800 | 54,800 | 55,900 | 66,000 | 737,200 |
| 16 NO NOTICE SERVICE Billing Determinants Only | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 SWING SERVICE Commodity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 COMMODITY (Other) Commodity | 77,200 | 75,500 | 69,000 | 65,000 | 60,000 | 56,500 | 52,000 | 51,500 | 53,800 | 54,800 | 55,900 | 66,000 | 737,200 |
| 19 DEMAND Billing Determinants Only | 104,220 | 101,925 | 93,150 | 87,750 | 81,000 | 76,275 | 70,200 | 69,525 | 72,630 | 73,980 | 75,465 | 89,100 | 995,220 |
| 20 OTHER Commodity | 77,200 | 75,500 | 69,000 | 65,000 | 60,000 | 56,500 | 52,000 | 51,500 | 53,800 | 54,800 | 55,900 | 66,000 | 737,200 |
| 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+20)-(21+22+23) | 77,200 | 75,500 | 69,000 | 65,000 | 60,000 | 56,500 | 52,000 | 51,500 | 53,800 | 54,800 | 55,900 | 66,000 | 737,200 |
| 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) | 77,200 | 75,500 | 69,000 | 65,000 | 60,000 | 56,500 | 52,000 | 51,500 | 53,800 | 54,800 | 55,900 | 66,000 | 737,200 |
| CENTS PER THERM | | | | | | | | | | | | | |
| 28 COMMODITY (Pipeline) (1/15) | 0.425 | 0.425 | 0.425 | 0.425 | 0.425 | 0.425 | 0.425 | 0.425 | 0.425 | 0.425 | 0.425 | 0.425 | 0.425 |
| 29 NO NOTICE SERVICE (2/16) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 SWING SERVICE (3/17) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 COMMODITY (Other) (4/18) | 63.000 | 62.000 | 61.000 | 60.000 | 60.000 | 58.000 | 56.000 | 56.000 | 56.000 | 40.000 | 54.000 | 54.000 | 57.127 |
| 32 DEMAND (5/19) | 3.772 | 3.772 | 3.772 | 3.772 | 3.772 | 3.772 | 3.772 | 3.772 | 3.772 | 3.772 | 3.772 | 3.772 | 3.772 |
| 33 OTHER (6/20) | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 | 3.500 |
| LESS END-USE CONTRACT | | | | | | | | | | | | | |
| 34 COMMODITY Pipeline (7/21) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 DEMAND (8/22) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 (9/23) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 TOTAL COST OF PURCHASE (11/24) | 71.988 | 70.988 | 69.988 | 68.988 | 68.988 | 66.988 | 64.988 | 64.988 | 64.988 | 48.988 | 62.988 | 62.988 | 66.114 |
| 38 NET UNBILLED (12/25) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 39 COMPANY USE (13/26) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 TOTAL COST OF THERM SOLD (37) | 71.988 | 70.988 | 69.988 | 68.988 | 68.988 | 66.988 | 64.988 | 64.988 | 64.988 | 48.988 | 62.988 | 62.988 | 66.114 |
| 41 TRUE-UP (E-4) | 3.22380 | 3.22380 | 3.22380 | 3.22380 | 3.22380 | 3.22380 | 3.22380 | 3.22380 | 3.22380 | 3.22380 | 3.22380 | 3.22380 | 3.22380 |
| 42 TOTAL COST OF GAS (40+41) | 75.212 | 74.212 | 73.212 | 72.212 | 72.212 | 70.212 | 68.212 | 68.212 | 68.212 | 52.212 | 66.212 | 66.212 | 69.338 |
| 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 (42x43) | 76.649 | 75.630 | 74.611 | 73.592 | 73.592 | 71.554 | 69.515 | 69.515 | 69.515 | 53.210 | 67.477 | 67.477 | 70.663 |
| 45 PGA FACTOR ROUNDED TO NEAREST .001 | 76.649 | 75.630 | 74.611 | 73.592 | 73.592 | 71.554 | 69.515 | 69.515 | 69.515 | 53.210 | 67.477 | 67.477 | 70.663 |

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JAN 00 Through DEC 00

| | ACTUAL | | | | | REVISED PROJECTION | | | | | | | TOTAL |
|---|----------|----------|----------|----------|----------|--------------------|----------|----------|----------|----------|----------|----------|-----------|
| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | |
| COST OF GAS PURCHASED | | | | | | | | | | | | | |
| 1 COMMODITY (Pipeline) | \$349 | \$324 | \$289 | \$245 | \$223 | \$188 | \$187 | \$190 | \$193 | \$255 | \$272 | \$293 | \$3,009 |
| 2 NO NOTICE SERVICE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| 3 SWING SERVICE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| 4 COMMODITY (Other) | \$19,717 | \$20,376 | \$18,221 | \$17,412 | \$16,874 | \$20,206 | \$20,089 | \$17,842 | \$23,660 | \$32,400 | \$35,840 | \$41,400 | \$284,037 |
| 5 DEMAND | \$4,895 | \$4,681 | \$2,406 | \$3,469 | \$547 | \$4,867 | \$6,114 | \$737 | \$2,303 | \$3,038 | \$3,240 | \$3,493 | \$39,790 |
| 6 OTHER | \$2,677 | \$2,444 | \$2,125 | \$1,874 | \$1,689 | \$1,423 | \$1,392 | \$1,421 | \$1,688 | \$2,226 | \$2,374 | \$2,560 | \$23,893 |
| 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) | \$27,638 | \$27,825 | \$23,041 | \$23,000 | \$19,333 | \$26,684 | \$27,782 | \$20,190 | \$27,845 | \$37,919 | \$41,726 | \$47,746 | \$350,729 |
| 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 | \$42,082 | \$35,474 | \$30,543 | \$21,982 | \$19,669 | \$21,848 | \$22,439 | \$23,859 | \$36,002 | \$29,282 | \$28,435 | \$26,251 | \$337,866 |
| THERMS PURCHASED | | | | | | | | | | | | | |
| 15 COMMODITY (Pipeline) | 80,500 | 74,560 | 66,690 | 57,750 | 52,500 | 44,220 | 44,100 | 44,710 | 45,500 | 60,000 | 64,000 | 69,000 | 703,530 |
| 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) | 80,500 | 74,560 | 66,690 | 57,750 | 52,500 | 44,220 | 44,100 | 44,710 | 45,500 | 60,000 | 64,000 | 69,000 | 703,530 |
| 19 DEMAND | 80,200 | 92,620 | 66,880 | 86,840 | 81,680 | 47,330 | 43,710 | 76,400 | 61,425 | 81,000 | 86,400 | 93,150 | 897,635 |
| 20 OTHER | 81,309 | 74,114 | 64,393 | 56,792 | 51,338 | 43,266 | 42,333 | 43,144 | 45,500 | 60,000 | 64,000 | 69,000 | 695,189 |
| 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 (15+16+17+18+19+20)-(21+22+23) | 80,500 | 74,560 | 66,690 | 57,750 | 52,500 | 44,220 | 44,100 | 44,710 | 45,500 | 60,000 | 64,000 | 69,000 | 703,530 |
| 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 | 82,529 | 71,061 | 68,284 | 55,538 | 53,931 | 49,790 | 45,562 | 45,412 | 45,500 | 60,000 | 64,000 | 69,000 | 710,607 |
| CENTS PER THERM | | | | | | | | | | | | | |
| 28 COMMODITY (Pipeline) (1/15) | 0.434 | 0.435 | 0.433 | 0.424 | 0.425 | 0.425 | 0.424 | 0.425 | 0.425 | 0.425 | 0.425 | 0.425 | 0.428 |
| 29 NO NOTICE SERVICE (2/16) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 SWING SERVICE (3/17) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 COMMODITY (Other) (4/18) | 24.493 | 27.328 | 27.322 | 30.151 | 32.141 | 45.894 | 45.553 | 39.906 | 52.000 | 54.000 | 56.000 | 60.000 | 40.373 |
| 32 DEMAND (5/19) | 6.103 | 5.054 | 3.597 | 3.995 | 0.670 | 10.283 | 13.968 | 0.965 | 3.750 | 3.750 | 3.750 | 3.750 | 4.433 |
| 33 OTHER (6/20) | 3.292 | 3.298 | 3.300 | 3.300 | 3.290 | 3.289 | 3.288 | 3.294 | 3.710 | 3.710 | 3.710 | 3.710 | 3.437 |
| LESS END-USE CONTRACT | | | | | | | | | | | | | |
| 34 COMMODITY Pipeline (7/21) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 DEMAND (8/22) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 (9/23) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 TOTAL COST (11/24) | 34.333 | 37.319 | 34.549 | 39.827 | 36.825 | 60.344 | 62.998 | 45.158 | 61.198 | 63.198 | 65.198 | 69.198 | 49.853 |
| 38 NET UNBILLED (12/25) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 39 COMPANY USE (13/26) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 TOTAL THERM SALES (37) | 33.489 | 39.156 | 33.743 | 41.413 | 35.848 | 53.593 | 60.976 | 44.460 | 61.198 | 63.198 | 65.198 | 69.198 | 49.356 |
| 41 TRUE-UP (E-2) | 1.08520 | 1.08520 | 1.08520 | 1.08520 | 1.08520 | 1.08520 | 1.08520 | 1.08520 | 1.08520 | 1.08520 | 1.08520 | 1.08520 | 1.08520 |
| 42 TOTAL COST OF GAS (40+41) | 34.574 | 40.241 | 34.828 | 42.498 | 36.933 | 54.678 | 62.061 | 45.545 | 62.283 | 64.283 | 66.283 | 70.283 | 50.441 |
| 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 (42x43) | 35.235 | 41.010 | 35.494 | 43.310 | 37.639 | 55.723 | 63.247 | 46.416 | 63.473 | 65.511 | 67.549 | 71.626 | 51.405 |
| 45 PGA FACTOR ROUNDED TO NEAREST .001 | 35.235 | 41.010 | 35.494 | 43.310 | 37.639 | 55.723 | 63.247 | 46.416 | 63.473 | 65.511 | 67.549 | 71.626 | 51.405 |

COMPANY:

CALCULATION OF TRUE-UP AMOUNT

SCHEDULE E-2
(REVISED 8/19/83)

FOR THE CURRENT PERIOD:

JAN 2000

Through

DEC 2000

| | ACTUAL | | | | | | | | | | | | TOTAL PERIOD |
|---|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------------|--------------|
| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | |
| TRUE-UP CALCULATION | | | | | | | | | | | | | |
| 1 PURCHASED GAS COST | \$20,066 | \$20,700 | \$18,510 | \$17,657 | \$17,097 | \$20,394 | \$20,276 | \$18,032 | \$23,853 | \$32,655 | \$36,112 | \$41,883 | \$287,046 |
| 2 TRANSPORTATION COST | 7,572 | 7,125 | 4,531 | 5,343 | 2,236 | 6,290 | 7,506 | 2,158 | 3,991 | 5,264 | 5,614 | 6,053 | 63,683 |
| 3 TOTAL | 27,638 | 27,825 | 23,041 | 23,000 | 19,333 | 26,684 | 27,782 | 20,190 | 27,845 | 37,919 | 41,726 | 47,746 | 350,729 |
| 4 FUEL REVENUES (NET OF REVENUE TAX) | 42,082 | 35,474 | 30,543 | 21,982 | 19,669 | 21,848 | 22,439 | 23,859 | 36,002 | 29,282 | 28,435 | 26,251 | 337,866 |
| 5 TRUE-UP COLLECTED OR (REFUNDED) | (681) | (681) | (681) | (681) | (681) | (681) | (681) | (681) | (681) | (681) | (681) | (681) | (8,172) |
| 6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5) | 41,401 | 34,793 | 29,862 | 21,301 | 18,988 | 21,167 | 21,758 | 23,178 | 35,321 | 28,601 | 27,754 | 25,570 | 329,694 |
| 7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3) | 13,763 | 6,968 | 6,821 | (1,699) | (345) | (5,517) | (6,024) | 2,988 | 7,476 | (9,318) | (13,973) | (22,176) | (21,035) |
| 8 INTEREST PROVISION-THIS PERIOD (21) | (11) | 42 | 80 | 100 | 103 | 94 | 66 | 62 | 94 | 93 | 34 | (59) | 697 |
| 9 BEGINNING OF PERIOD TRUE-UP AND INTEREST | (9,631) | 4,802 | 12,493 | 20,075 | 19,157 | 19,596 | 14,854 | 9,577 | 13,308 | 21,559 | 13,015 | (242) | 138,562 |
| 10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5) | 681 | 681 | 681 | 681 | 681 | 681 | 681 | 681 | 681 | 681 | 681 | 681 | 8,172 |
| 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) | \$4,802 | \$12,493 | \$20,075 | \$19,157 | \$19,596 | \$14,854 | \$9,577 | \$13,308 | \$21,559 | \$13,015 | (\$242) | (\$21,796) | (\$21,796) |
| INTEREST PROVISION | | | | | | | | | | | | | |
| 12 BEGINNING TRUE-UP AND INTEREST PROVISION (9) | (\$9,631) | \$4,802 | \$12,493 | \$20,075 | \$19,157 | \$19,596 | \$14,854 | \$9,577 | \$13,308 | \$21,559 | \$13,015 | (\$242) | |
| 13 ENDING TRUE-UP BEFORE INTEREST (12+7-5) | 4,813 | 12,451 | 19,995 | 19,057 | 19,493 | 14,760 | 9,511 | 13,246 | 21,465 | 12,922 | (278) | (21,737) | |
| 14 TOTAL (12+13) | (4,818) | 17,253 | 32,487 | 39,132 | 38,650 | 34,355 | 24,364 | 22,823 | 34,773 | 34,481 | 12,739 | (21,979) | |
| 15 AVERAGE (50% OF 14) | (2,409) | 8,627 | 16,244 | 19,566 | 19,325 | 17,178 | 12,182 | 11,412 | 17,386 | 17,241 | 6,369 | (10,990) | |
| 16 INTEREST RATE - FIRST DAY OF MONTH | 5.800% | 5.800% | 5.800% | 6.070% | 6.180% | 6.570% | 6.580% | 6.500% | 6.480% | 6.480% | 6.480% | 6.480% | |
| 17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH | 5.800% | 5.800% | 6.070% | 6.180% | 6.570% | 6.580% | 6.500% | 6.480% | 6.480% | 6.480% | 6.480% | 6.480% | |
| 18 TOTAL (16+17) | 11.400% | 11.600% | 11.870% | 12.250% | 12.750% | 13.150% | 13.080% | 12.980% | 12.960% | 12.960% | 12.960% | 12.960% | |
| 19 AVERAGE (50% OF 18) | 5.700% | 5.800% | 5.935% | 6.125% | 6.375% | 6.575% | 6.540% | 6.490% | 6.480% | 6.480% | 6.480% | 6.480% | |
| 20 MONTHLY AVERAGE (19/12 Months) | 0.475% | 0.483% | 0.495% | 0.510% | 0.531% | 0.548% | 0.545% | 0.541% | 0.540% | 0.540% | 0.540% | 0.540% | |
| 21 INTEREST PROVISION (15x20) | (\$11) | \$42 | \$80 | \$100 | \$103 | \$94 | \$66 | \$62 | \$94 | \$93 | \$34 | (\$59) | |

ESTIMATED FOR THE PROJECTED PERIOD: JANUARY 2001 Through DECEMBER 2001

PRIOR PERIOD: JANUARY 1999 - DECEMBER 1999 CURRENT PERIOD: JAN 00 - DEC 00

| | (1) FIVE MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE | (2) ACTUAL | (3) (2)-(1) DIFFERENCE | (4) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE | (5) (3)+(4) TOTAL TRUE-UP |
|--|---|-------------------------------|------------------------------|--|------------------------------------|
| 1 TOTAL THERM SALES \$ | E-2 Line 6 \$261,897 | A-2 Line 6 \$246,074 | Col.2 - Col.1 (\$15,823) | E-2 Line 6 \$329,694 | Col.3 + Col.4 \$313,871 |
| 2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION | E-2 Line 7 (6,585) | A-2 Line 7 (9,937) | Col.2 - Col.1 (3,352) | E-2 Line 7 (21,035) | Col.3 + Col.4 (24,387) |
| 3 INTEREST PROVISION FOR THIS PERIOD | E-2 Line 8 (141) | A-2 Line 8 (217) | Col.2 - Col.1 (76) | E-2 Line 8 697 | Col.3 + Col.4 621 |
| 4 END OF PERIOD TOTAL NET TRUE-UP | Line 2 + Line 3 (\$6,726) | Line 2 + Line 3 (\$10,154) | Col.2 - Col.1 (3,428) | Line 2 + Line 3 (20,338) | Col.3 + Col.4 (23,766) |

NOTE: FIVE MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

COLUMN (1) DATA OBTAINED FROM SCHEDULE (E-2)
 COLUMN (2) DATA OBTAINED FROM SCHEDULE (A-2)
 LINE 4 COLUMN (3) SAME AS LINE 7 SCHEDULE (A-7)
 LINE 4 COLUMN (1) SAME AS LINE 8 SCHEDULE (A-7)
 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 OF \$(23,766), DIVIDED BY THE
 PROJECTED THERM SALES OF 737,200 EQUALS
 3.22380 CENTS PER THERM TO BE COLLECTED
 DURING THE JAN 01 THROUGH DEC 01 PERIOD.
 LINE 41 (TRUE-UP) OF JAN-DEC 01 PGA, SCHEDULE A-1
 WILL BE 3.22380, INDICATING A COLLECTION PER THERM.

TRUE-UP \$ (\$23,766)
 THERMS 737,200
 COLLECT/THERM (3.22380)

THERM SALES AND CUSTOMER DATA

ESTIMATED FOR THE PROJECTED PERIOD:

JAN 2001 Through DEC 2001

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | TOTAL |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|
| THERM SALES (FIRM) | | | | | | | | | | | | | |
| RESIDENTIAL | 12,200 | 12,500 | 7,000 | 6,000 | 5,000 | 4,500 | 4,000 | 3,500 | 3,800 | 3,800 | 3,900 | 6,000 | 72,200 |
| COMMERCIAL | 65,000 | 63,000 | 62,000 | 59,000 | 55,000 | 52,000 | 48,000 | 48,000 | 50,000 | 51,000 | 52,000 | 60,000 | 665,000 |
| 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 | 77,200 | 75,500 | 69,000 | 65,000 | 60,000 | 56,500 | 52,000 | 51,500 | 53,800 | 54,800 | 55,900 | 66,000 | 737,200 |
| 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 | 77,200 | 75,500 | 69,000 | 65,000 | 60,000 | 56,500 | 52,000 | 51,500 | 53,800 | 54,800 | 55,900 | 66,000 | 737,200 |
| NUMBER OF CUSTOMERS (FIRM) | | | | | | | | | | | | | |
| RESIDENTIAL | 630 | 630 | 635 | 635 | 580 | 470 | 450 | 440 | 429 | 450 | 410 | 560 | 527 |
| COMMERCIAL | 93 | 94 | 94 | 95 | 95 | 96 | 96 | 97 | 97 | 97 | 98 | 98 | 96 |
| 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 | 723 | 724 | 729 | 730 | 675 | 566 | 546 | 537 | 526 | 547 | 508 | 658 | 622 |
| 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 | 723 | 724 | 729 | 730 | 675 | 566 | 546 | 537 | 526 | 547 | 508 | 658 | 622 |
| THERM USE PER CUSTOMER | | | | | | | | | | | | | |
| RESIDENTIAL | 19.37 | 19.84 | 11.02 | 9.45 | 8.62 | 9.57 | 8.89 | 7.95 | 8.86 | 8.44 | 9.51 | 10.71 | 137.11 |
| COMMERCIAL | 698.92 | 670.21 | 659.57 | 621.05 | 578.95 | 541.67 | 500.00 | 494.85 | 515.46 | 525.77 | 530.61 | 612.24 | 6,927.08 |
| COMMERCIAL LARGE VOL. 1 | | | | | | | | | | | | | |
| COMMERCIAL LARGE VOL. 2 | | | | | | | | | | | | | |
| SMALL INTERRUPTIBLE | | | | | | | | | | | | | |
| INTERRUPTIBLE | | | | | | | | | | | | | |
| LARGE INTERRUPTIBLE | | | | | | | | | | | | | |