

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO: 010003-GU

PREPARED DIRECT TESTIMONY

OF

JERRY H. MELENDY, JR.

ON BEHALF OF

SEBRING GAS SYSTEM, INC.

DOCUMENT NUMBER DATE

12209 SEP 27 6

FPSC-COMMISSION CLERK

1. Please state your name, business address, by whom you
2. are employed and in what capacity.
3. A. My name is Jerry H, Melendy, Jr. My business
4. address is 3515 U.S. Highway 27, South, Sebring,
5. Florida, 33870-5452. I am employed as the Vice
6. President of Sebring Gas System, Inc.(the Company),
7. a Florida Corporation.
8. Q. What are your responsibilities in that position?
9. A. I am responsible for all areas of finance, rates,
10. accounting and taxes as well as general management
11. responsibilities of the company.
12. Q. Please state your educational background.
13. A. I have an Associates of Arts Degree from Polk
14. Community College. A have a Bachelor of Arts
15. Degree from the University of South Florida.
16. Q. What is the purpose of your testimony?
17. A. The purpose of my testimony is to present the
18. calculation of the Company's levelized purchased gas
19. cost for the upcoming twelve-month period January
20. 2002 through December 2002.
21. Q. Has the Company prepared the Schedules as
22. prescribed by this Commission for this purpose?
23. A. Yes it has. The Schedules prescribed by the

1. Commission are being files at this time. Copies of these
2. schedules are attached to my testimony.
3. Would you please identify the Schedules which you are
4. filing?
5. Yes. The Purchased Gas Adjustment Schedules presently
6. filed are as follows:
7. E-1 – PURCHASED GAS ADJUSTMENT COST
8. RECOVERY CLAUSE CALCULATION, Original Estimate
9. for the Projected Period January 2002 through December
10. 2002.
11. E-1R – PURCHASED GAS ADJUSTMENT COST
12. RECOVERY CLAUSE CALCULATION, Revised Estimate
13. for the Period January 2001 through December 2001.
14. E-2 – CALCULATIONS OF TRUE-UP AMOUNT for the
15. Current Period January 2001 through December 2001.
16. E-3 – TRANSPORTATION PURCHASES, SYSTEM
17. SUPPLY AND USE for the period January 2002 through
18. December 2002. Because Sebring Gas System does not
19. purchase transportation gas, this schedule, although included
20. in this filing, is not applicable.
21. E-4 – CALCULATING OF TRUE-UP AMOUNT,
22. PROJECTED PERIOD January 2001 through December
23. 2002.

1. E-5 – THERM SALES AND CUSTOMER DATA for the
2. Projected Period January 2002 through December 2002.

3. Q. Were these schedules prepared under your direction and
4. supervision?

5. A. Yes, they were.

6. REVISED ESTIMATES FOR THE PERIOD

7. JANUARY 2001 – DECEMBER 2001

8. Q. What is the revised estimate of total purchased gas cost for
9. the period January 2001 through December 2001?

10. A. The revised estimate of purchased gas cost for the current
11. period January 2001 through December 2001 is \$375,241
12. (Schedule E-2, Line 3).

13. Q. What is the revised estimate of gas revenue to be collected for
14. the current period January 2001 through December 2001?

15. A. The revised estimate of gas revenue to be collected for the
16. current period January 2001 through December 2001 is
17. \$415,415 (Schedule E-4, Line 4).

18. Q. What is the revised true-up amount, including interest,
19. estimated for the current period January 2001 through
20. December 2001?

21. A. The company's revised true-up amount, including interest,
22. estimated for the current period January 2001 through
23. December 2001 is \$16,680 (Schedule E-2, Line 7 + Line 8).

1. estimated rate per therm, plus a management fee. The rate is
2. based upon the price obtained by our supplier, PESCO, plus a
3. monthly management fee of \$250. The management fee
4. allows the Company to benefit from the research work of the
5. procurement department of PESCO for obtaining the best
6. priced and most reliable gas source. Because of the
7. Company's small size and lack of experience in acquiring
8. gas, the best use of the Company's funds and resources is to
9. contract the procurement of gas supply out to PESCO.
10. Other charges for the Cost of Gas Purchased is represented
11. on Line 6 of Schedule E-1. This figure consists of a charge
12. for the transporting of gas by TECO People's Gas. This
13. charge is for transporting gas through a seven mile pipeline
14. belonging to TECO People's Gas, beginning at FGT's gate
15. station in Avon Park and traveling south to the Company's
16. gate station in Sebring. The charge for this transportation is
17. 35 cents per MCF (1,000 Cubic Foot).

18. Q. How was the projected total firm service determined?

19. A. The Company has only firm sales at this time. Subsequently,
20. the total sales and firm sales are the same. The total sales
21. were determined by using historical averages for both
22. classes, residential and commercial customers, with an
23. estimated growth factor added. The total sales are shown on

1. Line 27 of Schedule E-1. The total estimated sales for the
2. projected period January 2002 through December 2002 is
3. 752,400 therms.
4. Q. What is the Company's estimated average cost per therm for
5. the Projected period January 2002 through December 2002?
6. A. As shown on Line 40 of Schedule E-1, the Company's
7. estimated average cost per therm for the Projected period
8. January 2002 through December 2002 is 89.453 cents.
9. To arrive at the Total PGA Factor, the average cost of gas is
10. adjusted for the estimated total true-up through December
11. 2001, as shown on Schedule E-4, and for revenue-related
12. taxes.
13. Q. What is the Company's projected PGA Factor for the
14. Projected period January 2002 through December 2002?
15. A. The Company's projected PGA factor for the Projected
16. period January 2002 through December 2002 is 88.004
17. cents per therm, as shown on Line 45 of Schedule E-1.
18. Q. The estimated total true-up for the period January 2002
19. through December 2002, as shown on Schedule E-4 is
20. included in the projected PGA Factor for the period January
21. 2002 through December 2002. How was the figure
22. calculated?
23. A. The final true-up amount for the period January 2000 through

1. December 2000 is added to the estimated end of period net
2. true-up for January 2001 through December 2001. The
3. January 2001 through December 2001 estimated true-up is
4. based on eight months' actual plus four months' projected
5. data.

6. Q. What is the impact of the total true-up for the period January
7. 2001 through December 2001 on the projected PGA Factor
8. for the Projected period January 2002 through December
9. 2002?

10. A. The projected true-up for the period ending December 2001
11. is an over collection of \$16,680, which is shown on Line 4,
12. Column 4 of Schedule E-4. This amount, added to the over
13. collection of \$ 6,642 (Line 4, Column 3, E-4) for the prior
14. period, January 2000 through December 2000, creates an
15. projected over recovery of \$23,322 (Line 4, Column 5, E-4)
16. for the Projected period January 2002 through December
17. 2002. Dividing the over collection of \$23,322 by the total
18. estimated therm sales of 752,400 therms for the Projected
19. period January 2002 through December 2002 results in a
20. refund of 3.09964 cents per therm sold to be included in the
21. proposed PGA factor. This amount appears on Line 41 of
22. Schedule E-1 and will appear on Line 41 of Schedule A-1
23. and A-1R for each month of the Projected period January

1. 2002 through December 2002.
2. Q. What is the maximum levelized purchased gas factor (cap)
3. that you are proposing for the projected period January 2002
4. through December 2002?
5. A. The maximum levelized purchased gas factor (cap) that the
6. Company is proposing for the Projected period January 2002
7. through December 2002 is 88.004 cents per therm sold.
8. Q. Does this conclude your testimony?
9. A. Yes, it does.
- 10.
- 11.
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SEBRING GAS SYSTEM, INC.

JANUARY 2002 - DECEMBER 2002

PURCHASED GAS PROJECTION FILING

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY 2002 THROUGH DECEMBER 2002

COST OF GAS PURCHASED	PROJECTION												TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1 COMMODITY (Pipeline)	\$296	\$268	\$261	\$212	\$205	\$188	\$186	\$186	\$169	\$180	\$209	\$258	\$2,618
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)	\$83,300	\$70,840	\$71,250	\$56,730	\$54,870	\$40,500	\$37,450	\$34,775	\$31,590	\$33,670	\$39,000	\$62,900	\$616,875
5 DEMAND	\$3,159	\$2,862	\$2,788	\$2,267	\$2,193	\$2,007	\$1,989	\$1,989	\$1,806	\$1,925	\$2,230	\$2,751	\$27,967
6 OTHER - TECO Trans. Chg	\$2,890	\$2,618	\$2,550	\$2,074	\$2,006	\$1,836	\$1,819	\$1,819	\$1,652	\$1,761	\$2,040	\$2,516	\$25,582
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)	\$89,645	\$76,588	\$76,849	\$61,284	\$59,274	\$44,531	\$41,444	\$38,769	\$35,218	\$37,537	\$43,479	\$68,424	\$673,042
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	\$89,645	\$76,588	\$76,849	\$61,284	\$59,274	\$44,531	\$41,444	\$38,769	\$35,218	\$37,537	\$43,479	\$68,424	\$673,042
THERMS PURCHASED													
15 COMMODITY (Pipeline) Billing Determinants Only	85,000	77,000	75,000	61,000	59,000	54,000	53,500	53,500	48,600	51,800	60,000	74,000	752,400
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	85,000	77,000	75,000	61,000	59,000	54,000	53,500	53,500	48,600	51,800	60,000	74,000	752,400
19 DEMAND Billing Determinants Only	85,000	77,000	75,000	61,000	59,000	54,000	53,500	53,500	48,600	51,800	60,000	74,000	752,400
20 OTHER Commodity	85,000	77,000	75,000	61,000	59,000	54,000	53,500	53,500	48,600	51,800	60,000	74,000	752,400
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)	85,000	77,000	75,000	61,000	59,000	54,000	53,500	53,500	48,600	51,800	60,000	74,000	752,400
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)	85,000	77,000	75,000	61,000	59,000	54,000	53,500	53,500	48,600	51,800	60,000	74,000	752,400
CENTS PER THERM													
28 COMMODITY (Pipeline) (1/15)	0.348	0.348	0.348	0.348	0.348	0.348	0.348	0.348	0.348	0.348	0.348	0.348	0.348
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)	98.000	92.000	95.000	93.000	93.000	75.000	70.000	65.000	65.000	65.000	65.000	85.000	81.988
32 DEMAND (5/19)	3.717	3.717	3.717	3.717	3.717	3.717	3.717	3.717	3.717	3.717	3.717	3.717	3.717
33 OTHER (teco) (6/20)	3.400	3.400	3.400	3.400	3.400	3.400	3.400	3.400	3.400	3.400	3.400	3.400	3.400
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)	105.465	99.465	102.465	100.465	100.465	82.465	77.465	72.465	72.465	72.465	72.465	92.465	89.453
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)	105.465	99.465	102.465	100.465	100.465	82.465	77.465	72.465	72.465	72.465	72.465	92.465	89.453
41 TRUE-UP (E-4)	(3.09964)	(3.09964)	(3.09964)	(3.09964)	(3.09964)	(3.09964)	(3.09964)	(3.09964)	(3.09964)	(3.09964)	(3.09964)	(3.09964)	(3.09964)
42 TOTAL COST OF GAS (40+41)	102.365	96.365	99.365	97.365	97.365	79.365	74.365	69.365	69.365	69.365	69.365	89.365	86.353
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)	104.322	98.207	101.264	99.226	99.226	80.882	75.786	70.691	70.691	70.691	70.691	91.073	88.004
45 PGA FACTOR ROUNDED TO NEAREST .001	104.322	98.207	101.264	99.226	99.226	80.882	75.786	70.691	70.691	70.691	70.691	91.073	88.004

**PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION**

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JAN 01 Through DEC 01

COST OF GAS PURCHASED	ACTUAL								REVISED PROJECTION					TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
1 COMMODITY (Pipeline)	\$257	\$233	\$258	\$183	\$195	\$172	\$183	\$179	\$172	\$180	\$215	\$269	\$2,496	
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)	\$82,272	\$38,484	\$34,373	\$32,084	\$25,716	\$19,240	\$17,340	\$16,929	\$12,000	\$12,500	\$15,000	\$18,750	\$324,688	
5 DEMAND	\$2,798	\$2,527	\$2,798	\$2,707	\$2,305	\$1,840	\$1,951	\$1,914	\$1,338	\$1,394	\$1,673	\$2,091	\$25,335	
6 OTHER	\$2,737	\$1,849	\$2,083	\$1,910	\$1,733	\$1,609	\$1,631	\$1,600	\$1,563	\$1,629	\$1,954	\$2,443	\$22,721	
LESS END-USE CONTRACT														
7 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
8 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
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	0.00	
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$88,064	\$43,093	\$39,492	\$36,884	\$29,949	\$22,861	\$21,105	\$20,622	\$15,074	\$15,702	\$18,842	\$23,553	\$375,241	
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
13 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
14 TOTAL THERM SALES	\$64,477	\$60,162	\$65,415	\$42,292	\$35,419	\$25,036	\$23,547	\$16,844	\$16,939	\$17,645	\$21,173	\$26,467	\$415,415	
THERMS PURCHASED														
15 COMMODITY (Pipeline)	54,190	49,000	54,250	52,500	56,050	49,500	52,500	51,500	48,000	50,000	60,000	75,000	652,490	
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)	85,230	61,000	66,250	58,000	50,100	49,500	52,500	51,500	48,000	50,000	60,000	75,000	707,080	
19 DEMAND	54,250	49,000	54,250	52,500	62,000	49,500	52,500	51,500	48,000	50,000	60,000	75,000	658,500	
20 OTHER	85,987	57,640	64,178	59,342	53,544	49,680	50,187	49,123	48,000	50,000	60,000	75,000	702,681	
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)	85,230	61,000	66,250	58,000	50,100	49,500	52,500	51,500	48,000	50,000	60,000	75,000	707,080	
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	91,444	60,198	66,845	60,426	56,105	52,137	55,029	52,067	48,000	50,000	60,000	75,000	727,251	
CENTS PER THERM														
28 COMMODITY (Pipeline) (1/15)	0.474	0.476	0.476	0.349	0.348	0.347	0.349	0.348	0.359	0.359	0.359	0.359	0.383	
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)	96.529	63.089	51.884	55.317	51.329	38.869	33.029	32.872	25.000	25.000	25.000	25.000	45.920	
32 DEMAND (5/19)	5.158	5.157	5.158	5.156	3.718	3.717	3.716	3.717	3.717	3.717	3.717	3.717	3.847	
33 OTHER (6/20)	3.183	3.208	3.214	3.219	3.237	3.239	3.250	3.257	3.257	3.257	3.257	3.257	3.233	
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)	103.325	70.644	59.611	63.593	59.778	46.184	40.200	40.043	31.404	31.404	31.404	31.404	53.069	
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)	96.304	71.585	59.080	61.040	53.380	43.848	38.353	39.607	31.404	31.404	31.404	31.404	51.597	
41 TRUE-UP (E-2)	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)	99.528	74.809	62.304	64.264	56.604	47.072	41.577	42.831	34.628	34.628	34.628	34.628	54.821	
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)	101.430	76.238	63.494	65.492	57.685	47.971	42.371	43.649	35.289	35.289	35.289	35.289	55.869	
45 PGA FACTOR ROUNDED TO NEAREST .001	101.430	76.238	63.494	65.492	57.685	47.971	42.371	43.649	35.289	35.289	35.289	35.289	55.869	

FOR THE CURRENT PERIOD: JAN 01 Through DEC 01

	ACTUAL						REVISED PROJECTION						TOTAL PERIOD
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	\$82,529	\$38,717	\$34,631	\$32,267	\$25,911	\$19,412	\$17,523	\$17,108	\$12,172	\$12,680	\$15,215	\$19,019	327,184
2 TRANSPORTATION COST	5,535	4,376	4,861	4,617	4,038	3,449	3,582	3,514	2,901	3,022	3,627	4,534	48,056
3 TOTAL	88,064	43,093	39,492	36,884	29,949	22,861	21,105	20,622	15,074	15,702	18,842	23,553	375,241
4 FUEL REVENUES (NET OF REVENUE TAX)	64,477	60,162	65,415	42,292	35,419	25,036	23,547	16,844	16,939	17,645	21,173	26,467	415,415
5 TRUE-UP COLLECTED OR (REFUNDED)	(1,980)	(1,980)	(1,980)	(1,980)	(1,980)	(1,980)	(1,980)	(1,980)	(1,980)	(1,980)	(1,980)	(1,980)	(23,760)
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	62,497	58,182	63,435	40,312	33,439	23,056	21,567	14,864	14,959	15,665	19,193	24,487	391,655
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(25,567)	15,089	23,943	3,428	3,490	195	462	(5,758)	(115)	(37)	351	934	16,415
8 INTEREST PROVISION-THIS PERIOD (21)	(135)	(135)	(38)	26	42	52	58	53	62	83	93	105	265
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(15,155)	(38,877)	(21,943)	3,942	9,376	14,888	17,115	19,615	15,890	17,817	19,842	22,267	5,381
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980	23,760
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)	(\$38,877)	(\$21,943)	\$3,942	\$9,376	\$14,888	\$17,114	\$19,615	\$15,890	\$17,817	\$19,842	\$22,267	\$25,286	(\$8,162)
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(\$15,155)	(\$38,877)	(\$21,943)	\$3,942	\$9,376	\$14,888	\$17,115	\$19,615	\$15,890	\$17,817	\$19,842	\$22,267	
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(38,742)	(21,808)	3,980	9,350	14,846	17,063	19,557	15,837	17,755	19,759	22,174	25,181	
14 TOTAL (12+13)	(53,897)	(60,685)	(17,963)	13,292	24,222	31,951	36,672	35,451	33,645	37,576	42,016	47,447	
15 AVERAGE (50% OF 14)	(26,949)	(30,343)	(8,982)	6,646	12,111	15,975	18,336	17,726	16,822	18,788	21,008	23,724	
16 INTEREST RATE - FIRST DAY OF MONTH	6.500%	5.550%	5.150%	5.000%	4.370%	3.940%	3.800%	3.750%	3.470%	5.320%	5.320%	5.320%	
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.550%	5.150%	5.000%	4.370%	3.940%	3.800%	3.750%	3.470%	5.320%	5.320%	5.320%	5.320%	
18 TOTAL (16+17)	12.050%	10.700%	10.150%	9.370%	8.310%	7.740%	7.550%	7.220%	8.790%	10.640%	10.640%	10.640%	
19 AVERAGE (50% OF 18)	6.025%	5.350%	5.075%	4.685%	4.155%	3.870%	3.775%	3.610%	4.395%	5.320%	5.320%	5.320%	
20 MONTHLY AVERAGE (19/12 Months)	0.502%	0.446%	0.423%	0.390%	0.346%	0.323%	0.315%	0.301%	0.366%	0.443%	0.443%	0.443%	
21 INTEREST PROVISION (15x20)	(\$135)	(\$135)	(\$38)	\$26	\$42	\$52	\$58	\$53	\$62	\$83	\$93	\$105	

COMPANY: SEBRING GAS SYSTEM, INC. CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD

SCHEDULE E-4
(REVISED 8/19/93)

ESTIMATED FOR THE PROJECTED PERIOD: JANUARY 2002 Through DECEMBER 2002

	PRIOR PERIOD: JANUARY 2000 - DECEMBER 2000			CURRENT PERIOD: JAN 2001 - DEC 2001	
	(1) EIGHT 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 \$329,694	A-2 Line 6 \$327,731	Col.2 - Col.1 (\$1,963)	E-2 Line 6 \$391,655	Col.3 + Col.4 \$389,692
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	E-2 Line 7 (21,035)	A-2 Line 7 (14,360)	Col.2 - Col.1 6,675	E-2 Line 7 16,415	Col.3 + Col.4 23,090
3 INTEREST PROVISION FOR THIS PERIOD	E-2 Line 8 697	A-2 Line 8 664	Col.2 - Col.1 (33)	E-2 Line 8 265	Col.3 + Col.4 232
4 END OF PERIOD TOTAL NET TRUE-UP	Line 2 + Line 3 (\$20,338)	Line 2 + Line 3 (\$13,696)	Col.2 - Col.1 \$6,642	Line 2 + Line 3 \$16,680	Col.3 + Col.4 \$23,322

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

COLUMN (1) DATA OBTAINED FROM SCHEDULE (A-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 \$23,322, DIVIDED BY THE
 PROJECTED THERM SALES OF 752,400 EQUALS
 3.09964 CENTS PER THERM TO BE REFUNDED
 DURING THE JAN 2002 THROUGH DEC 2002 PERIOD. LINE
 41 (TRUE-UP) OF THE JAN-DEC 2000 PGA, SCHEDULE A-1
 WILL BE (3.09964), INDICATING A REFUND PER THERM,

TRUE-UP \$	\$23,322
THERMS	752,400
REFUND/THERM	3.09964 CENTS

COMPANY: SEBRING GAS SYSTEM, INC.		THERM SALES AND CUSTOMER DATA											SCHEDULE E-5 (REVISED 8/19/93)	
ESTIMATED FOR THE PROJECTED PERIOD:		JAN 2002 Through DEC 2002												
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
THERM SALES (FIRM)														
RESIDENTIAL	15,000	12,000	10,000	6,000	4,000	4,000	3,500	3,500	3,600	3,800	5,000	12,000	82,400	
COMMERCIAL	70,000	65,000	65,000	55,000	55,000	50,000	50,000	50,000	45,000	48,000	55,000	62,000	670,000	
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	85,000	77,000	75,000	61,000	59,000	54,000	53,500	53,500	48,600	51,800	60,000	74,000	752,400	
THERM SALES (INTERRUPTIBLE)														
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 THERM SALES	85,000	77,000	75,000	61,000	59,000	54,000	53,500	53,500	48,600	51,800	60,000	74,000	752,400	
NUMBER OF CUSTOMERS (FIRM)														
RESIDENTIAL	620	620	620	550	500	450	420	415	435	475	550	650	525	
COMMERCIAL	93	93	94	94	95	96	96	96	96	96	97	98	95	
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	713	713	714	644	595	546	516	511	531	571	647	748	621	
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	713	713	714	644	595	546	516	511	531	571	647	748	621	
THERM USE PER CUSTOMER														
RESIDENTIAL	24.19	19.35	16.13	10.91	8.00	8.89	8.33	8.43	8.28	8.00	9.09	18.46	156.83	
COMMERCIAL	752.69	698.92	691.49	585.11	578.95	520.83	520.83	520.83	468.75	500.00	567.01	632.65	7,027.97	
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	
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	