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TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

# Public Service Commission

November 14, 2001

Mr. Jerry H. Melendy, Jr.  
Sebring Gas System, Inc.  
3515 U.S. Highway 27, South  
Sebring, Florida 33870-5452

**Re: Docket No. 010906-GU**

Dear Mr. Melendy:

Enclosed is the staff initial review on your depreciation study filed in the above referenced docket. We would appreciate your written response by December 14, 2001. Should you have any questions, please contact Beverly Meeks at (850) 413-6920 or myself at (850) 413-6453.

Sincerely,

Patricia S. Lee  
U/S C Engineering Supervisor

PSL/BBM:slc  
Enclosure

cc: Division of Legal Services  
Division of Safety and Electric Reliability  
Division of the Commission Clerk and Administrative Services  
Office of Public Counsel  
Mr. Wes Hufford, CPA  
5601 Mariner Street, Suite 200  
Tampa, FL 33609

- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
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- SER \_\_\_\_\_
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

**SEBRING GAS COMPANY  
2001 DEPRECIATION STUDY  
INITIAL REVIEW**

**PART ONE: DEPRECIATION STUDY DATA AND FINDINGS**

1. In 1997, the Company created Account 397, Communications Equipment in the amount of \$972. (Attachment B)
  - a. Please advise staff as to what type of equipment is in this account.
  - b. What are the basis and authorization for the depreciation rate for this account? Rule 25-7.045 (2)(a), Florida Administrative Code, states that:

no utility may change any existing depreciation rate or initiate any new depreciation rate without prior Commission approval.

When the company initiates a new account or sub-account, the company shall file a request with the Commission, in writing, for approval of a depreciation rate for the new plant account.

2. A comparison of the retirements booked to the depreciation reserve as shown on the 1998 and 1999 Annual Status Reports (Attachments C and D) do not agree with the retirements booked to plant in service for the same years for the following accounts:

<u>Year</u>	<u>Account</u>	<u>Retirements</u>	
		<u>Plant In Service</u>	<u>Depreciation Reserve</u>
1998	392 Transp. - Light Trucks	\$9,803	\$8,134
1999	391.1-Ofc. Furn.	\$1,414	\$ 476
	391.2-Ofc. Eqpt.	\$1,889	\$1,062
	394-Tools, Shop & Garage Eqpt.	\$2,850	\$1,333

Please explain why the retirements booked to plant in service are different from the ones booked to the depreciation reserve.

3. The 1999 Annual Status Report (Attachment D) shows the depreciation accrual of \$29 for Account 378, Measuring & Regulating Equipment-General. Using the currently prescribed depreciation rate of 1.1% and the average investment shown on the 1999 Annual Status Report, staff calculates the resulting depreciation accrual to be \$117. Please explain the difference.

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4. A review of retirement activity for 1997 through 2000 (Attachments B, C, D and E) indicates that, in the majority of cases, there is no gross salvage nor cost of removal being booked to the depreciation reserve. Since retirements normally incur some type of cost of removal and/or salvage, this seems unlikely. Did any of these retirements incur gross salvage or cost of removal? Please explain.
5. A review of the 1997 through 2000 activity indicates that there is very little, if any, retirement activity. Are retirements being reported in a timely manner or is it true that there is no retirement activity?
6.
  - a. Please provide an updated list, as of 12-31-00, of company owned motor vehicles with make, model, date purchased and original purchase price, along with any plans for retirements or gross additions during the period 2002 - 2006.
  - b. Please provide a list of motor vehicles retired each year 1997 - 2000, showing the in-service date, original cost, date of retirement, and the salvage realized. Include a discussion of the company's policy regarding the retirement of motor vehicles (i.e., mileage, age, etc.).
7. Provide a discussion of any major construction projects (plant additions, or retirements) budgeted for the next five years.

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**PART TWO - 1999 AUDIT**

1. In 1999, the FPSC staff conducted an audit of Sebring Gas. One of the findings was that incorrect depreciation rates were used to calculate the depreciation expenses for the years 1997 and 1998. As a result, subsequent corrections were made in 1999 to adjust the depreciation reserve. However, staff does not agree with the calculated corrections for several accounts. These are detailed below.

From the notes accompanying the company's worksheets, staff has concluded that certain investments were excluded from the calculation of the corrections to the reserve because they were "fully depreciated." It should be noted that this is incorrect.

This Commission utilizes group depreciation, not unit depreciation. Group depreciation recognizes that some items within the group will experience service lives shorter than, and some longer than, the average. The prescribed sub-account or account rate is applied to the average period investment for the group on a monthly basis. In other words, the prescribed depreciation rate is applied to the **entire** account investment and not to the individual units contained within the account. Please advise and explain in detail just how the monthly depreciation expense is being calculated for your company.

After the company's review of this report, please indicate to staff your concurrence or disagreement in the recommended adjustments indicated below, along with the month and year that the corrections will be posted to the company's books.

**1. Account 380.2-Services-Plastic**

The 1997 depreciation expense per books shown on the adjustment worksheet (Attachment F) does not agree with the amount shown on the annual status report. Please explain the difference and advise staff of any corrective measures, if necessary, to be taken.

<u>1997</u>	<u>Depreciation Exp.</u>
Annual Status Report	\$7,363.00
Per books on adj. Worksheet	<u>\$6,412.79</u>
Difference	\$ 950.00

**2. Account 381-Meters**

Judging from the notes on the worksheets provided by the company (Attachment G), the plant investment amount was adjusted (reduced) apparently for "Fully Depreciated Assets." As discussed above, the **total** plant investment amount should have been used to calculate the correct depreciation expense. Staff has recalculated the adjustment (See Attachment G) using the total plant investment as reported on the respective Annual Status Reports for 1997 and 1998. This results in a total adjustment amount of (\$1,098) to correct both years rather than the (\$3,302) adjustment as shown on the 1999 Annual Status Report. The difference of \$2,204 should be booked to correct the 1997 and 1998 depreciation expense.

	<u>Plant in Service</u>	<u>Depr. Rate</u>	<u>Depreciation Expense</u>
<b>1997</b>			
Annual Status Report	\$117,630.00	3.3%	\$3,880.77
Inv. On Worksheet	<u>\$ 84,696.85</u>	3.3%	<u>\$2,794.07</u>
Difference	\$ 32,933.15		\$ 912.87
<b>1998</b>			
Annual Status Report	\$117,744.00	3.3%	\$3,882.08
Inv. On Worksheet	<u>\$ 82,783.09</u>	3.3%	<u>\$2,764.79</u>
Difference	\$ 34,960.91		\$ 184.68

Footnote on the adjustment worksheet (Attachment G) states "No salvage value is allowed for this asset group." Please explain this statement.

**3. Account 383-House Regulators**

Apparently, the plant investment amount was adjusted (reduced) for "Fully Depreciated Assets"(See Attachment H). As discussed above, the **total** plant investment amount should be used without any adjustment to calculate the correct depreciation expense. As shown below, staff has recalculated the adjustment to the reserve using the **total** investment amount to calculate the depreciation expense for 1997 and 1998. This results in a different adjustment amount of (\$439) instead of (\$714). The difference of \$275 should be booked to correct the depreciation expense for 1997 and 1998.

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<u>1997</u>	<u>Plant in Service</u>	<u>Depr. Rate</u>	<u>Depreciation Expense</u>
Annual Status Report	\$ 27,165.50	2.7%	\$ 733.44
Inv. On Worksheet Jan - Sept. 1997	\$ 22,078.11	2.7%	\$ 447.12
Inv. On Worksheet from Oct - Dec. 1997	\$ 22,081.76	2.7%	<u>\$ 149.04</u>
Total			\$ 596.14
Difference	\$ 5,083.74		\$ 137.30
<u>1998</u>			
Annual Status Report Jan - Sept. 1998	\$ 27,165.50	2.7%	\$ 550.08
Annual Status Report Oct. - Dec. 1998	\$ 27,169.15	2.7%	<u>\$ 183.39</u>
Total			\$ 733.47
Inv. On Worksheet Thru Sept. 1998	\$ 22,081.76	2.7%	\$ 447.13
Inv. On Worksheet from Oct - Dec. 1998	<u>\$ 22,085.41</u>	2.7%	<u>\$ 149.07</u>
Total			\$ 596.14
Difference	\$ 3.65		\$ 137.33

“No salvage value is allowed for this asset group,” is footnoted on the bottom of page 10 of the adjustment worksheet (See Attachment H). Please help staff understand this footnote.

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**4. Account 387 - Other Equipment**

As previously noted, the plant investment apparently was adjusted for "Fully Depreciated Assets" which were excluded from the plant in service amount (See Attachment I). The total plant in service amount should have been used without any adjustment to calculate the correct depreciation expense for 1997 and 1998. Using the total plant investment to calculate the depreciation expense for 1997 and 1998 results in an adjustment amount of \$14 instead of (\$45). The difference of \$59 should be booked to correct the 1997 and 1998 depreciation expense.

	<u>Plant in Service</u>	<u>Depr. Rate</u>	<u>Depreciation Expense</u>
<b><u>1997</u></b>			
Annual Status Report	\$117,630.00	3.3%	\$3,880.77
Inv. On Worksheet	<u>\$ 84,696.85</u>	3.3%	<u>\$2,794.07</u>
Difference	\$ 32,933.15		\$ 912.87
<b><u>1998</u></b>			
Annual Status Report	\$117,744.00	3.3%	\$3,882.08
Inv. On Worksheet	<u>\$ 82,783.09</u>	3.3%	<u>\$2,764.79</u>
Difference	\$ 34,960.91		\$ 184.68

Footnote on the adjustment worksheet (Attachment I) states, "No salvage value is allowed for this asset group." Please explain what this means in association with the calculation of the adjustment.

**5. Account 392.2 - Transportation-Trucks**

The correction for the 1997 depreciation expense was calculated using a different plant investment and depreciation expense figure from the 1997 Annual Status Report. Staff has recalculated the correction using the figures from the 1997 Annual Status Report which are shown below.

	<u>Plant in Service</u>	<u>Depr. Rate</u>	<u>Depreciation Expense</u>
<b><u>1997</u></b>			
Annual Status Report	\$ 38,188.50	9.7%	\$3,704.28
Inv. On Worksheet	<u>\$ 23,688.06</u>	9.7%	<u>\$3,787.24</u>
Difference	\$ 14,500.44		\$ ( 82.96)

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Please note that the depreciation expense reported on the 1997 Annual Status Report for this account is \$5,003; rather than \$3,787. Using the total plant investment, the correct adjustment amount should have been (\$1,298). However, since the Company has already booked a correction amount of (\$1,499), an adjustment should be made for \$83 (a negative \$1,499 minus \$1,298) to reflect the appropriate amount of depreciation expense.

The worksheet for the 1997 and 1998 corrections to the reserve contain a note at the bottom of the page (Attachment J) for Account 392.2, Transportation-Trucks, indicating that the correction did not include an asset traded in 1998. The investment for this asset should have been included in the total plant investment until the month it was actually retired and removed from the books in 1998. Please recalculate the 1998 correction including the investment for the traded asset until the point in time when it was actually retired. Also please take into account that the depreciation expense amount shown as per books on the worksheet (\$4,791.18) does not agree with the amount shown on the 1998 Annual Status Report (\$5,152). The calculation of this adjustment should be provided to staff along with the date that this correction will be posted to the depreciation reserve.

#### **6. Account 392.3-Transportation-Other**

It would appear that the company created this sub-account in 1996 (Attachment A) for the investment in a trailer. Staff is unable to determine the authorization for the depreciation rates used for this sub-account. As previously discussed under Part One above, Rule 25-7.045 (2)(a), F.A.C. states that a utility may not change any existing depreciation rate or initiate a new depreciation rate without first obtaining Commission approval.

Since this investment was included in Account 392.2, Transportation-Trucks at the time of the 1-1-97 represcription, the correct depreciation rate should be the same as Account 392.2. While staff agrees that the trailer should probably have a different depreciation rate, life, and salvage from the Trucks account, such were not approved by the Commission in the 1997 depreciation study nor has a request been received for a new depreciation rate. Based on this, it would appear that an adjustment should be made to correct the 1996, 1997 and 1998 depreciation expenses. In addition, even though the correct depreciation rate is shown on the 1999 Annual Status Report (Attachment D), the depreciation expense reported appears to be in error. Accepting the fact that the depreciation rate should be the same as Account 392.2, staff calculates the 1999 depreciation expense to be \$100, not \$69 as reported.

Using the correct depreciation rates for 1996, 1997, 1998 and 1999 results in an adjustment to the depreciation reserve in the amount of \$161 for this sub-account (See below). This adjustment amount should be posted to correct the depreciation reserve.



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<u>Year</u>	<u>Annual Status Report</u>			<u>Staff Calculation</u>		<u>Diff.</u>
	<u>Plant in Service</u>	<u>Depr. Rate</u>	<u>Depr. Expense</u>	<u>Depr. Rate</u>	<u>Depr. Expense</u>	
1996	\$1,030	6.7%	\$ 69	13.1%	\$135	\$66
1997	\$1,030	13.8%	\$ 68	9.7%	\$100	\$32
1998	\$1,030	13.8%	\$ 68	9.7%	\$100	\$32
1999	\$1,030	9.7%	\$ 69	9.7%	\$100	<u>\$31</u>
<b>TOTAL</b>						<b><u>\$161</u></b>

**Annual Status Report  
Analysis of Plant in Service Accounts**

Company: Sebring Gas System, Inc.

For the Year Ended December 31, 1996

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
374	Land and Land Rights		9,400						9,400
<b>Amortizable General Plant Assets:</b>									
301	Organization Costs	0.033	143,996						143,996
<b>Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>									
376	Mains - Steel	0.020	170,089	1,934					172,023
376	Mains - Plastic	0.032	607,285	25,620					632,905
378	M&R Station Equipment - General	0.025	10,627						10,627
379	M&R Station Equipment - Gate	0.031	63,703						63,703
380	Services - Steel	0.025	369,119						369,119
380	Services - Plastic	0.038	104,323	3,853					108,176
381	Meters	0.037	116,796	801					117,597
382	Meter Installations	0.023	41,351	316					41,667
383	Regulators	0.029	27,071	94					27,165
384	Regulator Installations	0.022	37,283	154					37,437
386	Customer Conversion Cost	0.050	67,989	220					68,209
387	Other Equipment	0.041	3,736						3,736
391	Office Furniture	0.056	1,896						1,896
391	Office Equipment	0.187	11,081	1,424					12,505
392	Transportation Equip - Light Trucks	0.131	38,189						38,189
392	Trans. Equipment - Other Vehicles	0.067	1,030						1,030
394	Tools/Shop/Garage Equipment	0.067	7,128						7,128
396	Power Operated Equipment	0.100	1,444						1,444

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									

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Company: Sebring Gas System, Inc.

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
<b>Total Account 101*</b>			1,833,536	34,416	0	0	0	0	1,867,952
<b>Amortizable Assets:</b>									
	114 Acquisition Adjustment								
	118 Other Utility Plant								
	Other								
<b>Total Utility Plant</b>			1,833,536	34,416	0	0	0	0	1,867,952

Note: \* The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 20.

**Annual Status Report  
Analysis of Entries in Accumulated Depreciation & Amortization**

Company: Sebring Gas System, Inc.

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>										
	301 Organization Costs	19,169	4,800							23,969
<b>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>										
	378 Mains - Steel	134,881	1,018							135,899
	376 Mains - Plastic	161,772	27,734							189,506
	378 M&R Station Equipment - General	7,837	1,048							8,885
	379 M&R Station Equipment - Gate	20,597	3,147							23,744
	380 Services - Steel	354,511	396							354,907
	380 Services - Plastic	50,760	7,610							58,370
	381 Meters	56,330	4,919							61,249
	382 Meter Installations	23,638	1,212							24,850
	383 Regulators	10,425	1,036							11,461
	384 Regulator Installations	23,360	1,101							24,461
	386 Customer Conversion Cost	10,566	3,407							13,973
	387 Other Equipment	1,381	161							1,542
	391 Office Furniture	343	106							449
	391 Office Equipment	2,578	1,995							4,573
	392 Transportation Equip - Light Trucks	19,079	5,002							24,081
	392 Trans. Equipment - Other Vehicles	269	69							338
	394 Tools/Shop/Garage Equipment	1,876	475							2,351
	396 Power Operated Equipment	1,227	145							1,372

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Analysis of Entries in Accumulated Depreciation & Amortization**

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Capital Recovery Schedules: This schedule should identify each approved capital recovery schedule.										
<b>Subtotal</b>										
List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 12.										
	376 Mains - Plastic (Donated)	27,738								27,738
<b>Subtotal</b>										
<b>Grand Total</b>		928,337	65,381	0	0	0	0	0	0	993,718

Note: \* The grand total of beginning and ending balances must agree to Line 17, Page 20.

## Annual Status Report Analysis of Plant In Service Accounts

Company: Sebring Gas System, Inc.  
For the Year Ended December 31, 1997

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
374	Land and Land Rights		9,400						9,400
<b>Amortizable General Plant Assets:</b>									
301	Organization Costs	0.033	143,996						143,996
<b>Depreciable Assets:</b> This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
376	Mains - Steel	0.020	172,023						172,023
376	Mains - Plastic	0.031	632,905	79,673					712,578
378	M&R Station Equipment -General	0.025	10,627						10,627
379	M&R Station Equipment - Gate	0.031	63,703						63,703
380	Services - Steel	0.025	369,119		(119)				369,000
380	Services - Plastic	0.038	108,176	5,377	(628)				112,925
381	Meters	0.037	117,597	32					117,629
382	Meter Installations	0.023	41,667	400					42,067
383	Regulators	0.029	27,165						27,165
384	Regulator Installations	0.022	37,437	197					37,634
386	Customer Conversion Cost	0.050	68,208	590					68,799
387	Other Equipment	0.041	3,736						3,736
391	Office Furniture	0.056	1,896						1,896
391	Office Equipment	0.167	12,505						12,505
392	Transportation Equip - Light Trucks	0.131	38,189						38,189
392	Trans. Equipment - Other Vehicles	0.138	1,030						1,030
394	Tools/Shop/Garage Equipment	0.067	7,128						7,128
396	Power Operated Equipment	0.061	1,444						1,444
397	Communication Equipment	0.061	0	972					972



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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclas.	Adjustments	Transfers	Ending Balance*
(Continued)									

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Company: Sebring Gas System, Inc.  
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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
<b>Total Account 101*</b>			1,887,952	87,241	(747)	0	0	0	1,954,446
<b>Amortizable Assets:</b>									
114	Acquisition Adjustment								
118	Other Utility Plant								
	Other								
<b>Total Utility Plant</b>			1,867,952	87,241	(747)	0	0	0	1,954,446

Note: \* The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 20.

## Annual Status Report Analysis of Entries in Accumulated Depreciation & Amortization

Company: Sebring Gas System, Inc.

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>										
301	Organization Costs	23,969	4,800							28,769
<b>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>										
376	Mains - Steel	135,899	1,035							136,934
376	Mains - Plastic	189,506	27,633				(6)			217,133
378	M&R Station Equipment -General	8,885	1,047							9,932
379	M&R Station Equipment - Gate	23,744	2,298							26,042
380	Services - Steel	354,907	398		(119)					355,184
380	Services - Plastic	58,370	7,383		(628)		(22)			65,083
381	Meters	61,249	4,793							66,042
382	Meter Installations	24,850	1,195							26,045
383	Regulators	11,461	1,022							12,483
384	Regulator Installations	24,461	1,083							25,544
386	Customer Conversion Cost	13,973	3,434							17,407
387	Other Equipment	1,542	116							1,658
391	Office Furniture	449	105							554
391	Office Equipment	4,573	2,084							6,657
392	Transportation Equip - Light Trucks	24,081	5,003							29,084
392	Trans Equipment - Other Vehicles	338	68							406
394	Tools/Shop/Garage Equipment	2,351	475							2,826
396	Power Operated Equipment	1,372	72							1,444
397	Communication Equipment	0	67							67

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**Analysis of Entries in Accumulated Depreciation & Amortization**

Company: Sebring Gas System, Inc.

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Acct No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										

## Annual Status Report Analysis of Entries in Accumulated Depreciation & Amortization

Company: Sebring Gas System, Inc.

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
<b>Capital Recovery Schedules:</b>		This schedule should identify each approved capital recovery schedule.								
<b>Subtotal</b>		0	0	0	0	0	0	0	0	0
376 Mains - Plastic (Donated)		27,738								27,738
<b>Subtotal</b>		27,738	0	0	0	0	0	0	0	27,738
<b>Grand Total</b>		993,718	64,089	0	(747)	0	(28)	0	0	1,057,038

Note: \* The grand total of beginning and ending balances must agree to Line 17, Page 20.

### Annual Status Report Analysis of Plant in Service Accounts

Company: Sebring Gas System, Inc.

For the Year Ended December 31, 1998

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
374	Land and Land Rights		9,400						9,400
<b>Amortizable General Plant Assets:</b>									
301	Organization Costs	0.033	143,996						143,996
<b>Depreciable Assets:</b> This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.									
376	Mains - Steel	0.020	172,023		(156)				171,867
376	Mains - Plastic	0.031	712,578	19,825					732,403
378	M&R Station Equipment - General	0.025	10,627						10,627
379	M&R Station Equipment - Gate	0.031	63,703						63,703
380	Services - Steel	0.025	369,000	924	(5,901)				364,023
380	Services - Plastic	0.038	112,925	5,282	(1,626)				116,581
381	Meters	0.037	117,629	115					117,744
382	Meter Installations	0.023	42,067	4,641					46,708
383	Regulators	0.029	27,165	4					27,169
384	Regulator Installations	0.022	37,634	1,571					39,205
386	Customer Conversion Cost	0.050	88,799	6					68,805
387	Other Equipment	0.041	3,736						3,736
391	Office Furniture	0.056	1,896						1,896
391	Office Equipment	0.167	12,505						12,505
392	Transportation Equip - Light Trucks	0.131	38,189	11,495	(9,803)				39,881
392	Trans. Equipment - Other Vehicles	0.138	1,030						1,030
394	Tools/Shop/Garage Equipment	0.067	7,128						7,128
396	Power Operated Equipment	0.061	1,444						1,444
397	Communication Equipment	0.061	972	0					972

## Annual Status Report Analysis of Plant in Service Accounts

Company: Sebring Gas System, Inc.  
For the Year Ended December 31, 1998

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									

## Annual Status Report Analysis of Plant in Service Accounts

Company: Sebring Gas System, Inc.  
For the Year Ended December 31, 1998

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
			1,954,446	43,863	(17,486)	0	0	0	1,980,823
Amortizable Assets:									
114 Acquisition Adjustment									
118 Other Utility Plant									
Other									
<b>Total Utility Plant</b>			1,954,446	43,863	(17,486)	0	0	0	1,980,823

Note: \* The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 20.



## Annual Status Report Analysis of Entries in Accumulated Depreciation & Amortization

Company: Sebring Gas System, Inc.  
For the Year Ended December 31, 1998

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>										
301	Organization Costs	28,769	4,800							33,569
<b>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>										
376	Mains - Steel	136,934	1,034		(156)					137,812
376	Mains - Plastic	217,133	27,578				0			244,711
378	M&R Station Equipment - General	9,932	526							10,458
379	M&R Station Equipment - Gate	26,042	1,448							27,490
380	Services - Steel	355,184	626		(5,901)					349,909
380	Services - Plastic	65,083	6,413		(1,626)		0			69,870
381	Meters	66,042	4,067							70,109
382	Meter Installations	26,045	1,011							27,056
383	Regulators	12,483	884							13,367
384	Regulator Installations	25,544	884							26,428
386	Customer Conversion Cost	17,407	3,440							20,847
387	Other Equipment	1,658	117							1,775
391	Office Furniture	554	105							659
391	Office Equipment	6,657	2,084							8,741
392	Transportation Equip - Light Trucks	29,084	5,152		(8,134)					26,102
392	Trans. Equipment - Other Vehicles	406	69	100						475
394	Tools/Shop/Garage Equipment	2,826	475							3,301
396	Power Operated Equipment	1,444	0							1,444
397	Communication Equipment	67	162							229

## Annual Status Report Analysis of Entries in Accumulated Depreciation & Amortization

Company: Sebring Gas System, Inc.

For the Year Ended December 31, 1998

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										

## Annual Status Report Analysis of Entries in Accumulated Depreciation & Amortization

Company: Sebring Gas System, Inc.  
For the Year Ended December 31, 1998

Page 3 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Capital Recovery Schedules:		This schedule should identify each approved capital recovery schedule.								
<b>Subtotal</b>		0	0	0	0	0	0	0	0	0
List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 12.										
	376 Mains - Plastic (Donated)	27,738								27,738
<b>Subtotal</b>		27,738	0	0	0	0	0	0	0	27,738
<b>Grand Total</b>		1,057,032	60,875	0	(15,817)	0	0	0	0	1,102,090

Note: \* The grand total of beginning and ending balances must agree to Line 17, Page 20.

**Annual Status Report  
Analysis of Plant in Service Accounts**

Company: Sebring Gas System, Inc.

the Year Ended December 31, 1999

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F-033  
 P 003/003  
 T-140  
 813 287 8389  
 FROM-BRIMMER BUREK KEELAN LLP  
 JUN-25-2001 02:06PM

Account	Depr. Rate	Beginning Balance <sup>F</sup>	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance <sup>F</sup>
74 Land and Land Rights		\$ 9,400						\$ 9,400
<b>Depreciable General Plant Assets:</b>								
01 Organization Costs	0.033	143,996						143,996
<b>Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>								
376 Mains - Steel	0.029	\$ 171,867	\$ -	\$ -				\$ 171,867
376 Mains - Plastic	0.030	732,403	13,362	-				745,765
378 M&R Station Equipment -General	0.014	10,627	-	-				10,627
379 M&R Station Equipment - Gate	0.026	63,703	-	-				63,703
380 Services - Steel	0.030	384,023	-	(60)				383,963
380 Services - Plastic	0.029	116,581	10,419	(352)				126,648
381 Meters	0.033	117,744	1,645	-				119,389
382 Meter Installations	0.021	46,708	1,521	-				48,229
383 Regulators	0.027	27,169	71	-				27,240
384 Regulator Installations	0.019	39,205	637	-				39,842
386 Customer Conversion Cost	0.047	68,805	223	-				69,028
387 Other Equipment	0.033	3,736	-	(422)				3,314
391 Office Furniture	0.057	1,896	-	(1,414)				482
391 Office Equipment	0.158	12,505	961	(1,889)				11,577
392 Transportation Equip - Light Trucks	0.097	39,881	1	-				39,882
392 Trans. Equipment - Other Vehicles	0.097	1,030	-	-				1,030
394 Tools/Shop/Garage Equipment	0.068	7,128	-	(2,850)				4,278
396 Power Operated Equipment	0.021	1,444	-	-				1,444
397 Communication Equipment	0.021	972	-	-				972

**Annual Status Report  
Analysis of Plant in Service Accounts**

Company: Sebring Gas System, Inc.

For the Year Ended December 31, 1999

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Acct. No. Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)								

### Annual Status Report Analysis of Plant in Service Accounts

Company: Sebring Gas System, Inc.

For the Year Ended:

December 31, 1999

Page 3 of 3

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
<b>Total Account 101*</b>			1,980,823	28,840	(6,987)	-	-	-	2,002,676
<b>Amortizable Assets:</b>									
114 Acquisition Adjustment									
118 Other Utility Plant									
Other									
<b>Total Utility Plant</b>			\$ 1,980,823	\$ 28,840	\$ (6,987)	\$ -	\$ -	\$ -	\$ 2,002,676

Note: \* The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 20.

**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**

Company: Sebring Gas System, Inc.

For the Year Ended

December 31, 1999

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>										
301	Organization Costs	\$ 33,569	\$ 4,800					\$ (1)		\$ 38,368
<b>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>										
376	Mains - Steel	\$ 137,812	\$ 4,984		\$ -			\$ 7,906	✓	\$ 150,702
378	Mains - Plastic	244,711	22,163		-			(14,269)	✓	252,605
378	M&R Station Equipment -General	10,458	29		-			(1,339)	✓	9,148
379	M&R Station Equipment - Gate	27,490	1,656		-			(433)	✓	28,713
380	Services - Steel	349,909	10,921		(60)			21,061	✓	381,831
380	Services - Plastic	69,870	3,476		(352)			(6,326)	✓	66,668
381	Meters	70,109	3,888		-			(3,302)	✓	70,695
382	Meter Installations	27,056	992		-			(429)	✓	27,619
383	Regulators	13,367	734		-			(714)	✓	13,387
384	Regulator Installations	26,428	751		-			(685)	✓	26,494
386	Customer Conversion Cost	20,847	3,239		-			(413)	✓	23,673
387	Other Equipment	1,775	115		(422)			(46)	✓	1,422
391	Office Furniture	659	51		(476)			6	✓	240
391	Office Equipment	8,741	1,535		(1,062)			(216)	✓	8,998
392	Transportation Equip - Light Trucks	26,102	3,868		-			(3,286)	✓	26,684
392	Trans. Equipment - Other Vehicles	475	69		-			-	✓	544
394	Tools/Shop/Garage Equipment	3,301	302		(1,333)			20	✓	2,290
398	Power Operated Equipment	1,444	-		-			(12)	✓	1,432
397	Communication Equipment	229	21		-			-	✓	250

**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**

Company: Sebring Gas System, Inc.  
For the Year Ended December 31, 1999

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										



**Annual Status Report  
Analysis of Entries in Accumulated Depreciation & Amortization**

Company: Sebring Gas System, Inc.

For the Year Ended: December 31, 1999

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Capital Recovery Schedules:		This schedule should identify each approved capital recovery schedule.								
	<b>Subtotal</b>	-	-	-	-	-	-	-	-	-
List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 12.										
	376 Mains - Plastic (Donated)	27,738								27,738
	<b>Subtotal</b>	27,738	-	-	-	-	-	-	-	27,738
	<b>Grand Total</b>	\$ 1,102,090	\$ 63,594	\$ -	\$ (3,705)	\$ -	\$ -	\$ (2,478)	\$ -	\$ 1,159,501

Note: \* The grand total of beginning and ending balances must agree to Line 17, Page 20.

## Annual Status Report Analysis of Plant in Service Accounts

Company: Sebring Gas System, Inc.

the Year Ended December 31, 2000

JUN-25-2001 02:05PM FROM-BRIMMER BUREK KEELAN LLP 813 287 8369 T-148 P 002/003 F-033

Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
74 Land and Land Rights		\$ 9,400						\$ 9,400
<b>Depreciable General Plant Assets:</b>								
001 Organization Costs	0.033	143,996						143,996
<b>Depreciable Assets: This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>								
376 Mains - Steel	0.029	\$ 171,867	\$ -	\$ -				\$ 171,867
376 Mains - Plastic	0.030	745,765	15,706					761,471
378 M&R Station Equipment - General	0.011	10,827						10,827
379 M&R Station Equipment - Gate	0.026	63,703						63,703
380 Services - Steel	0.030	363,963						363,963
380 Services - Plastic	0.029	126,648	11,725		(352)			138,021
381 Meters	0.033	119,389		49				119,438
382 Meter Installations	0.021	48,229		515				48,744
383 Regulators	0.027	27,240			\$ -			27,240
384 Regulator Installations	0.019	39,842		144				39,986
386 Customer Conversion Cost	0.047	69,028		53				69,081
387 Other Equipment	0.033	3,314						3,314
391 Office Furniture	0.057	482						482
391 Office Equipment	0.158	11,577						11,577
392 Transportation Equip - Light Trucks	0.097	39,382	33,833					73,215
392 Trans. Equipment - Other Vehicles	0.097	1,030						1,030
394 Tools/Shop/Garage Equipment	0.068	4,278						4,278
396 Power Operated Equipment	0.021	1,444						1,444
397 Communication Equipment	0.021	972						972

**Annual Status Report  
Analysis of Plant in Service Accounts**

Company: Sebring Gas System, Inc.

For the Year Ended December 31, 2000

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Acct. No. Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)								

### Annual Status Report Analysis of Plant in Service Accounts

Company: Sebring Gas System, Inc.

For the Year Ended:

December 31, 2000

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Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
			2,002,876	62,031	(352)	-	-	-	2,064,355
Total Account 101*									
Amortizable Assets:									
	114	Acquisition Adjustment							
	118	Other Utility Plant							
		Other							
<b>Total Utility Plant</b>			<b>\$ 2,002,876</b>	<b>\$ 62,031</b>	<b>\$ (352)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,064,355</b>

Note: \* The total beginning and ending balances must agree to acct. 101, Plant in Service, Line 3, Page 20.

**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**

Company: Sebring Gas System, Inc.

For the Year Ended

December 31, 2000

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>										
301	Organization Costs	\$ 38,368	\$ 4,800					\$ -		\$ 43,168
<b>This schedule should identify each account/subaccount for which a separate depreciation rate has been approved by the FPSC.</b>										
376	Mains - Steel	\$ 150,702	\$ 4,984		\$ -			\$ -		\$ 155,686
378	Mains - Plastic	252,605	22,503		-			-		275,108
378	M&R Station Equipment - General	9,148	117		-			-		9,265
379	M&R Station Equipment - Gate	28,713	1,656		-			-		30,369
380	Services - Steel	381,831	10,914		-			-		392,745
380	Services - Plastic	66,668	3,809		(352)			-		70,125
381	Meters	70,895	3,940		-			-		74,835
382	Meter Installations	27,619	1,020		-			-		28,639
383	Regulators	13,387	736		-			-		14,123
384	Regulator Installations	26,494	759		-			-		27,253
386	Customer Conversion Cost	23,673	3,245		-			-		26,918
387	Other Equipment	1,422	110		-			-		1,532
391	Office Furniture	240	27		-			-		267
391	Office Equipment	8,998	1,830		-			-		10,828
392	Transportation Equip - Light Trucks	26,684	5,140		-			-		31,824
392	Trans. Equipment - Other Vehicles	544	100		-			-		644
394	Tools/Shop/Garage Equipment	2,290	291		-			-		2,581
396	Power Operated Equipment	1,432	12		-			-		1,444
397	Communication Equipment	250	20		-			-		270

**Annual Status Report  
Analysis of Entries in Accumulated Depreciation & Amortization**

Company: Sebring Gas System, Inc.  
For the Year Ended December 31, 2000

Page 2 of 3

Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										

**Annual Status Report  
Analysis of Entries in Accumulated Depreciation & Amortization**

Company: Sebring Gas System, Inc.

For the Year Ended: December 31, 2000

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Acct. No.	Account Description	Beginning Balance*	Accruals	Reclass.	Retirements	Gross Salvage	Cost of Removal	Adjustments	Transfers	Ending Balance*
(Continued)										
Capital Recovery Schedules:		This schedule should identify each approved capital recovery schedule.								
Subtotal		-	-	-	-	-	-	-	-	-
List any other items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on page 12.										
376	Mains - Plastic (Donated)	27,738								27,738
Subtotal		27,738	-	-	-	-	-	-	-	27,738
<b>Grand Total</b>		<b>\$ 1,159,501</b>	<b>\$ 66,013</b>	<b>\$ -</b>	<b>\$ (352)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,225,162</b>

Note: \* The grand total of beginning and ending balances must agree to Line 17, Page 20.

Sebring Gas System, Inc.  
Monthly Depreciation for Services Plastic (380.2)  
For Years 1997 and 1998

	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Total
Beginning Balance	108,175.74	108,272.75	108,312.41	108,336.75	108,359.00	108,467.82	109,115.92	109,848.84	110,252.13	110,424.14	110,677.54	110,822.85	
Ending Balance	<u>108,272.75</u>	<u>108,312.41</u>	<u>108,336.75</u>	<u>108,359.00</u>	<u>108,467.82</u>	<u>109,115.92</u>	<u>109,848.84</u>	<u>110,252.13</u>	<u>110,424.14</u>	<u>110,677.54</u>	<u>110,822.85</u>	<u>112,924.67</u>	
Average Fixed Assets	108,224.25	108,292.58	108,324.58	108,347.88	108,413.41	108,791.87	109,482.38	110,050.49	110,338.14	110,550.84	110,750.20	111,873.76	
Depreciation Rate	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	
	3,138.50	3,140.48	3,141.41	3,142.09	3,143.99	3,154.96	3,174.99	3,191.46	3,199.81	3,205.97	3,211.76	3,244.34	
Divided by Number of Months in a Year	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	
Monthly Depreciation	<u>261.54</u>	<u>261.71</u>	<u>261.78</u>	<u>261.84</u>	<u>262.00</u>	<u>262.91</u>	<u>264.58</u>	<u>265.96</u>	<u>266.65</u>	<u>267.16</u>	<u>267.65</u>	<u>270.36</u>	3,174.15
Per Books													<u>6,412.79</u>
Adjustment for 1997													<u>(3,231.64)</u>

	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Total
Beginning Balance	112,924.67	112,953.79	113,413.12	113,657.72	112,771.45	114,337.90	115,154.90	115,558.18	115,586.85	115,764.98	115,929.61	115,929.61	
Ending Balance	<u>112,953.79</u>	<u>113,413.12</u>	<u>113,657.72</u>	<u>112,771.45</u>	<u>114,337.90</u>	<u>115,154.90</u>	<u>115,558.18</u>	<u>115,586.85</u>	<u>115,764.98</u>	<u>115,929.61</u>	<u>115,929.61</u>	<u>116,581.12</u>	
Average Fixed Assets	112,939.23	113,183.46	113,535.42	113,214.59	113,554.68	114,746.40	115,356.54	115,572.52	115,675.92	115,847.30	115,929.61	116,255.37	
Depreciation Rate	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	<u>0.029</u>	
	3,275.24	3,282.32	3,292.53	3,283.22	3,293.09	3,327.65	3,345.34	3,351.60	3,354.60	3,359.57	3,361.96	3,371.41	
Divided by Number of Months in a Year	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	
Monthly Depreciation	<u>272.94</u>	<u>273.53</u>	<u>274.38</u>	<u>273.60</u>	<u>274.42</u>	<u>277.30</u>	<u>278.78</u>	<u>279.30</u>	<u>279.55</u>	<u>279.96</u>	<u>280.16</u>	<u>280.95</u>	3,324.88
Per Books													<u>6,412.79</u>
Adjustment for 1998													<u>(3,087.91)</u>

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Sebring Gas System, Inc.  
Monthly Depreciation for Meters (381)  
For Years 1997 and 1998

1997 ANNUAL STATUS REPORT = \$117,597

	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Total
Beginning Balance	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,696.85	
Ending Balance	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,696.85	84,696.85	
Average Fixed Assets	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,664.62	84,680.74	84,696.85	
Depreciation Rate	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	
	2,793.93	2,793.93	2,793.93	2,793.93	2,793.93	2,793.93	2,793.93	2,793.93	2,793.93	2,793.93	2,794.46	2,795.00	
Divided by Number of Months in a Year	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	3881.79
Monthly Depreciation	232.83	232.83	232.83	232.83	232.83	232.83	232.83	232.83	232.83	232.83	232.87	232.92	2,794.07
Per Books	323.39												323.48
Adjustment for 1997													(1,999.57)

①  
12/31/97  
Actual Book  
\$117,630  
  
TOTAL  
3,880.77  
4,793.64  
(912.87)

1998 ANNUAL STATUS REPORT = \$117,630

	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Total
Beginning Balance	84,696.85	84,696.85	84,696.85	84,696.85	84,696.85	84,696.85	84,696.85	82,668.63	82,668.63	82,668.63	82,668.63	82,783.09	
Ending Balance	84,696.85	84,696.85	84,696.85	84,696.85	84,696.85	84,696.85	82,668.63	82,668.63	82,668.63	82,668.63	82,783.09	82,783.09	
Average Fixed Assets	84,696.85	84,696.85	84,696.85	84,696.85	84,696.85	84,696.85	83,682.74	82,668.63	82,668.63	82,668.63	82,725.86	82,783.09	
Depreciation Rate	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	
	2,795.00	2,795.00	2,795.00	2,795.00	2,795.00	2,795.00	2,761.53	2,728.06	2,728.06	2,728.06	2,729.95	2,731.84	
Divided by Number of Months in a Year	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	3,885.55
Monthly Depreciation	232.92	232.92	232.92	232.92	232.92	232.92	230.13	227.34	227.34	227.34	227.50	227.65	2,764.79
Per Books	323.48												323.80
Adjustment for 1998													(1,301.97)

TOTAL  
3,882.08  
4,066.76  
(184.68)

① No Salvage value is allowed CORRECTED TOTAL ADJ. = \$1,097.55  
For this asset group, we have excluded assets fully that are fully depreciated  
ADJ. ON '99 ANNUAL STATUS REPT = (3,301.54)  
DIFF. = 2,203.99

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Sebring Gas System, Inc.  
Monthly Depreciation for House Regulators (383)  
For Years 1997 and 1998

1997 ANNUAL STATUS REPORT = \$27,165

	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Total
Beginning Balance	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,081.76	22,081.76	22,081.76	
Ending Balance	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,081.76	22,081.76	22,081.76	22,081.76	
Average Fixed Assets	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,078.11	22,079.94	22,081.76	22,081.76	22,081.76	
Depreciation Rate	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	
	596.11	596.11	596.11	596.11	596.11	596.11	596.11	596.11	596.16	596.21	596.21	596.21	
Divided by Number of Months in a Year	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	733.46
Monthly Depreciation	49.68	49.68	49.68	49.68	49.68	49.68	49.68	49.68	49.68	49.68	49.68	49.68	596.14
Per Books	61.12												61.12
Adjustment for 1997													1,021.36
													(425.22)

①  
12/31/97  
Actual Book  
27165.50  
  
TOTAL  
\$733.44  
1021.36  
(287.92)

1998 ANNUAL STATUS REPORT = \$27,165

	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Total
Beginning Balance	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,085.41	22,085.41	22,085.41	
Ending Balance	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,085.41	22,085.41	22,085.41	22,085.41	
Average Fixed Assets	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,081.76	22,083.59	22,085.41	22,085.41	22,085.41	
Depreciation Rate	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	
	596.21	596.21	596.21	596.21	596.21	596.21	596.21	596.21	596.26	596.31	596.31	596.31	
Divided by Number of Months in a Year	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	733.56
Monthly Depreciation	49.68	49.68	49.68	49.68	49.68	49.68	49.68	49.68	49.69	49.69	49.69	49.69	596.24
Per Books	61.12												61.13
Adjustment for 1998													884.88
													(288.64)

TOTAL  
\$733.47  
884.88  
(151.41)

① No salvage value is allowed for this asset group. We have excluded assets fully depreciated

Corrected TAT. ADJ. = (439.33)  
ADJ. ON '99 ANNUAL STATUS REPT = (713.86)  
DIFF. = 274.53

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Sebring Gas System, Inc.  
Monthly Depreciation for Other Equipment (387)  
For Years 1997 and 1998

1997 ANNUAL STATUS REPORT = \$3,736.23

	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Total
Beginning Balance	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23
Ending Balance	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23
Average Fixed Assets	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23
Depreciation Rate	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033
	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76
Divided by Number of Months in a Year	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Monthly Depreciation	7.81	7.81	7.81	7.81	7.81	7.81	7.81	7.81	7.81	7.81	7.81	7.81	93.76
Per Books	10.28	10.28	10.28	10.28	10.28	10.28	10.28	10.28	10.28	10.28	10.28	10.28	116.48
Adjustment for 1997													(22.72)

12/31/97 Actual Assets 3736.23

TOTAL  
\$123.36  
116.48  
6.88

1998 ANNUAL STATUS REPORT = \$3,736.23

	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Total
Beginning Balance	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23
Ending Balance	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23
Average Fixed Assets	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23	2,841.23
Depreciation Rate	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033
	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76	93.76
Divided by Number of Months in a Year	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Monthly Depreciation	7.81	7.81	7.81	7.81	7.81	7.81	7.81	7.81	7.81	7.81	7.81	7.81	93.76
Per Books	10.28	10.28	10.28	10.28	10.28	10.28	10.28	10.28	10.28	10.28	10.28	10.28	116.48
Adjustment for 1998													(22.72)

\$123.26  
116.48  
6.88

① No salvage value is allowed for this asset group, we have excluded assets that are fully depreciated. Corrected TOT. ADJ. = 13.76  
ADJ. ON '99 ANNUAL STATUS REPORT = (45.44)  
Diff. = 59.20

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13

Sehring Gas System, Inc.  
Monthly Depreciation for Transportation Trucks (392.2)  
For Years 1997 and 1998

1997 ANNUAL  
STATUS REPORT = \$38,188.50

	Jan-97	Feb-97	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Total
Beginning Balance	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06
Ending Balance	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06
Average Fixed Assets	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06
Depreciation Rate	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097
	2,297.74	2,297.74	2,297.74	2,297.74	2,297.74	2,297.74	2,297.74	2,297.74	2,297.74	2,297.74	2,297.74	2,297.74	2,297.74
Divided by Number of Months in a Year	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Monthly Depreciation	191.48	191.48	191.48	191.48	191.48	191.48	191.48	191.48	191.48	191.48	191.48	191.48	191.48
Per Books													
Adjustment for 1997													

38,188.50

12/31/97  
Assets  
38,188.50

3,704.28

TOTAL  
2,297.74  
3,704.28  
3,787.24  
-5023.00 \*  
= 1298.72  
= 190.78

diff.

	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Total
Beginning Balance	23,688.06	23,688.06	23,688.06	23,688.06	23,688.06	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52
Ending Balance	23,688.06	23,688.06	23,688.06	23,688.06	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52
Average Fixed Assets	23,688.06	23,688.06	23,688.06	23,688.06	29,435.79	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52	35,183.52
Depreciation Rate	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097	0.097
	2,297.74	2,297.74	2,297.74	2,297.74	2,855.27	3,412.80	3,412.80	3,412.80	3,412.80	3,412.80	3,412.80	3,412.80	3,412.80
Divided by Number of Months in a Year	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Monthly Depreciation	191.48	191.48	191.48	191.48	237.94	284.40	284.40	284.40	284.40	284.40	284.40	284.40	2,994.65
Per Books													
Adjustment for 1998													

4,791.18 → 5,152.00 \*

(1,796.53)

Does not include asset  
traded in 1997

\* ANNUAL STATUS  
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