



SEBRING GAS SYSTEM, INC.

ORIGINAL

3515 U.S. Hwy. 27, South
Sebring, FL 33870-5452
(863) 385-0194

September 24, 2002

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

RE: Docket No. 020003-GU
Petition for Approval of Purchased Gas Adjustment (PGA) Factor,
Testimony, (PGA) and True-Up Projections for January 2003 through
December 2003.

Dear Ms. Bayo:

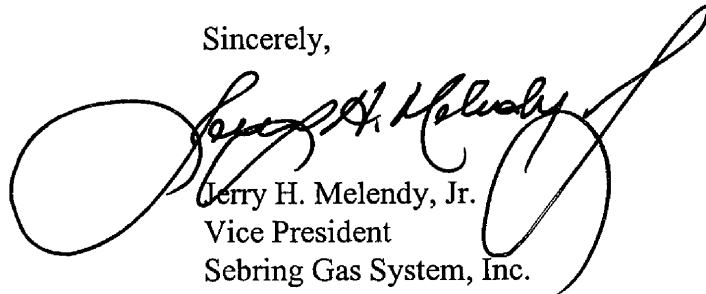
Enclosed for filing in the above docket on behalf of Sebring Gas System, Inc.,
please find the original and fifteen copies of the following:

- 1.) Petition for Approval of Sebring Gas System's Purchased Gas Adjustment (PGA) True-Up Factor.
- 2.) Direct Testimony of Jerry H. Melendy, Jr.
- 3.) Purchased Gas Projection Filing (January 2002 – December 2002), including PGA Schedules:

E-1 E-1R E-2 E-3 E-4 E-5

AUS 2
 CAF _____
 CMP 1
 COM 5+original
 CTR _____
 ECR _____
 GCL 1
 OPC _____
 MMS _____
 SEC 1
 OTH _____

Sincerely,



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

Enclosures

DOCUMENT NUMBER-DATE

10362 SEP 27 02

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas True-up)
_____)

DOCKET NO. 020003-GU

**PETITION FOR APPROVAL OF
SEBRING GAS SYSTEM'S
PURCHASED GAS ADJUSTMENT FACTOR**

Sebring Gas System, Inc. ("the Company"), pursuant to the requirements of this docket, petitions the Commission for approval of the Company's final true-up factor related to the twelve month period ended December 31, 2003. In support hereof, the Company states:

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

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

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

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

DOCUMENT NUMBER DATE

10362 SEP 27 03

FPSC-COMMISSION CLERK

3. Pursuant to the requirements of this docket, the Company has pre-filed the PGA true-up forms supplied by the Electric and Gas Department for the January 2002 through December 2002 period in a manner consistent with the Department's instructions.

4. As indicated in the pre-filed true-up forms, Sebring Gas has experienced an under collection of \$7,578 for the January 2001 - December 2001 period. An estimated over collection of \$16,680 for the January 2001 - December 2001 period was used for calculation of the true-up factor for January 2001 - December 2001. A final true-up amount of \$24,258 under collection will be included in the current calculation of the January 2003 - December 2003 true-up factor.

5. For the period of January 2002 - December 2002, the Company projects an over collection of \$10,763. This results in a net under collection of \$13,495 to be refunded in the period January 2003 - December 2003. The cumulative true-up factor to be applied to gas bills for this period is a collection of 1.71349 cents per therm sold.

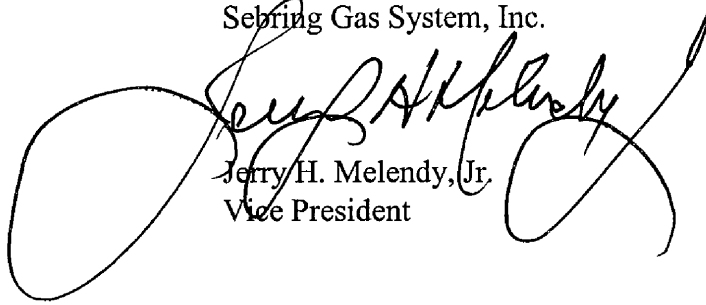
6. As indicated on the attached schedules E-1 through E-5, the Company projects total gas costs for the January 2003 - December 2003 period to be \$392,876. The Company projects total therm sales of 787,600 therms, resulting in a weighted average cost of gas (WACOG) of 52.582 cents per therm for the twelve-month period ending December 31, 2003.

7. The Company projects the average cost of gas to be 52.582 cents per therm, which includes the actual estimated cost of gas, plus the projected period's true-up of 1.71349 cents per therm, and the total of the two figures multiplied by the tax revenue factor of 1.01911.

WHEREFORE, for the purpose of establishing the maximum rate to be charged for all sales during the period January 2003 - December 2003, the Company petitions the Commission to enter its Order approving the Company's true-up factor of 52.582 cents per therm.

DATED this 24th day of September, 2002.

Respectfully submitted,
Sebring Gas System, Inc.

A large, stylized handwritten signature in black ink, appearing to read "Jerry H. Melendy, Jr.", is written over the typed name and title. The signature is highly cursive and loops around the text.

Jerry H. Melendy, Jr.
Vice President

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO: 020003-GU

PREPARED DIRECT TESTIMONY

OF

JERRY H. MELENDY, JR.

ON BEHALF OF

SEBRING GAS SYSTEM, INC.

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. 2003 through December 2003.
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 2003 through December
10. 2003.
11. E-1R – PURCHASED GAS ADJUSTMENT COST
12. RECOVERY CLAUSE CALCULATION, Revised Estimate
13. for the Period January 2002 through December 2002.
14. E-2 – CALCULATIONS OF TRUE-UP AMOUNT for the
15. Current Period January 2002 through December 2002.
16. E-3 – TRANSPORTATION PURCHASES, SYSTEM
17. SUPPLY AND USE for the period January 2003 through
18. December 2003. 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 2003 through December
23. 2003.

1. E-5 – THERM SALES AND CUSTOMER DATA for the
2. Projected Period January 2003 through December 2003.

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 2002 – DECEMBER 2002

8. Q. What is the revised estimate of total purchased gas cost for
9. the period January 2002 through December 2002?

10. A. The revised estimate of purchased gas cost for the current
11. period January 2002 through December 2002 is \$278,195
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 2002 through December 2002?

15. A. The revised estimate of gas revenue to be collected for the
16. current period January 2002 through December 2002 is
17. \$265,765 (Schedule E-2, Line 4).

18. Q. What is the revised true-up amount, including interest,
19. estimated for the current period January 2002 through
20. December 2002?

21. A. The company's revised true-up amount, including interest,
22. estimated for the current period January 2002 through
23. December 2002 is \$10,762 (Schedule E-2, Line 7 + Line 8).

1. PROJECTIIONS FOR THE PERIOD
2. JANUARY 2003 THROUGH DECEMBER 2003
3. Q. How was the projections for the period January 2003
4. through December 2003 determined?
5. A. The estimated gas supply requirements for each month of the
6. twelve-month period were determined initially. These
7. requirement estimates were based upon the estimated sales to
8. ultimate customers for the period.
9. Q. What steps were used to determine the estimated cost of gas
10. for the projected period January 2003 through December
11. 2003?
12. A. As reported in Schedule E-1, Lines 1 through 11, the total
13. cost of gas consists of the commodity cost of gas, baseload
14. services, demand charges and management fees from the
15. Company's gas supplier, Peninsula Energy Services
16. Company (PESCO), and transportation charges as billed by
17. TECO, People's Gas System.
18. The Commodity portion of the Cost of Gas Purchased is
19. shown on Lines 1 and 4 of Schedule E-1. The rate utilized for
20. the projected period January 2003 through December 2003
21. are PESCO rates estimated by myself.
22. The Commodity (Other), Line 4, is based on the estimated
23. therms purchased by the Company, multiplied by the

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 2003 through December 2003 is
3. 787,600 therms.
4. Q. What is the Company's estimated average cost per therm for
5. the Projected period January 2003 through December 2003?
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 2003 through December 2003 is 52.582 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. 2002, 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 2003 through December 2003?
15. A. The Company's projected PGA factor for the Projected
16. period January 2003 through December 2003 is 52.582
17. cents per therm, as shown on Line 45 of Schedule E-1.
18. Q. The estimated total true-up for the period January 2003
19. through December 2003, as shown on Schedule E-4 is
20. included in the projected PGA Factor for the period January
21. 2003 through December 2003. How was the figure
22. calculated?
23. A. The final true-up amount for the period January 2001 through

1. December 2001 is added to the estimated end of period net
2. true-up for January 2002 through December 2002. The
3. January 2002 through December 2002 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. 2002 through December 2002 on the projected PGA Factor
8. for the Projected period January 2003 through December
9. 2003?

10. A. The projected true-up for the period ending December 2002
11. is an over collection of \$10,763 which is shown on Line 4,
12. Column 4 of Schedule E-4. This amount, added to the under
13. collection of \$ 24,258 (Line 4, Column 3, E-4) for the prior
14. period, January 2001 through December 2001, creates an
15. projected under recovery of \$13,495 (Line 4, Column 5, E-4)
16. for the Projected period January 2003 through December
17. 2003. Dividing the under collection of \$13,495 by the total
18. estimated therm sales of 787,600 therms for the Projected
19. period January 2003 through December 2003 results in a
20. collection of 1.71349 cents/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. 2003 through December 2003.
2. Q. What is the maximum levelized purchased gas factor (cap)
3. that you are proposing for the projected period January 2003
4. through December 2003?
5. A. The maximum levelized purchased gas factor (cap) that the
6. Company is proposing for the Projected period January 2003
7. through December 2003 is 52.582 cents per therm sold.
8. Q. Does this conclude your testimony?
9. A. Yes, it does.
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SEBRING GAS SYSTEM, INC.

JANUARY 2003 - DECEMBER 2003

PURCHASED GAS PROJECTION FILING

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

JANUARY 2003 THROUGH DECEMBER 2003

COST OF GAS PURCHASED	PROJECTION												TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
1 COMMODITY (Pipeline)	\$445	\$400	\$385	\$340	\$300	\$260	\$288	\$268	\$278	\$290	\$320	\$365	\$3,938
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)	\$40,050	\$36,000	\$38,500	\$30,600	\$27,000	\$20,800	\$23,000	\$18,725	\$19,460	\$20,300	\$25,600	\$32,850	\$332,885
5 DEMAND	\$3,308	\$2,974	\$2,862	\$2,528	\$2,230	\$1,933	\$2,137	\$1,989	\$2,067	\$2,156	\$2,379	\$2,713	\$29,275
6 OTHER - TECO Trans. Chg.	\$3,026	\$2,720	\$2,618	\$2,312	\$2,040	\$1,768	\$1,955	\$1,819	\$1,890	\$1,972	\$2,176	\$2,482	\$26,778
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)	\$46,829	\$42,094	\$44,365	\$35,780	\$31,570	\$24,761	\$27,380	\$22,800	\$23,695	\$24,718	\$30,475	\$38,410	\$392,876
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	\$46,829	\$42,094	\$44,365	\$35,780	\$31,570	\$24,761	\$27,380	\$22,800	\$23,695	\$24,718	\$30,475	\$38,410	\$392,876
THERMS PURCHASED													
15 COMMODITY (Pipeline) Billing Determinants Only	89,000	80,000	77,000	68,000	60,000	52,000	57,500	53,500	55,600	58,000	64,000	73,000	787,600
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	89,000	80,000	77,000	68,000	60,000	52,000	57,500	53,500	55,600	58,000	64,000	73,000	787,600
19 DEMAND Billing Determinants Only	89,000	80,000	77,000	68,000	60,000	52,000	57,500	53,500	55,600	58,000	64,000	73,000	787,600
20 OTHER Commodity	89,000	80,000	77,000	68,000	60,000	52,000	57,500	53,500	55,600	58,000	64,000	73,000	787,600
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)	89,000	80,000	77,000	68,000	60,000	52,000	57,500	53,500	55,600	58,000	64,000	73,000	787,600
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)	89,000	80,000	77,000	68,000	60,000	52,000	57,500	53,500	55,600	58,000	64,000	73,000	787,600
CENTS PER THERM													
28 COMMODITY (Pipeline) (1/15)	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
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)	45.000	45.000	50.000	45.000	45.000	40.000	40.000	35.000	35.000	35.000	40.000	45.000	42.266
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)	52.617	52.617	57.617	52.617	52.617	47.617	47.617	42.617	42.617	42.617	47.617	52.617	49.883
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)	52.617	52.617	57.617	52.617	52.617	47.617	47.617	42.617	42.617	42.617	47.617	52.617	49.883
41 TRUE-UP (E-4)	1.71349	1.71349	1.71349	1.71349	1.71349	1.71349	1.71349	1.71349	1.71349	1.71349	1.71349	1.71349	1.71349
42 TOTAL COST OF GAS (40+41)	54.330	54.330	59.330	54.330	54.330	49.330	49.330	44.330	44.330	44.330	49.330	54.330	51.596
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)	55.369	55.369	60.464	55.369	55.369	50.273	50.273	45.178	45.178	45.178	50.273	55.369	52.582
45 PGA FACTOR ROUNDED TO NEAREST .001	55.369	55.369	60.464	55.369	55.369	50.273	50.273	45.178	45.178	45.178	50.273	55.369	52.582

**PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION**

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

JAN 02 Through DEC 02

COST OF GAS PURCHASED	ACTUAL						REVISED PROJECTION						TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
COMMODITY (Pipeline)	\$326	\$276	\$283	\$244	\$304	\$284	\$288	\$269	\$297	\$314	\$352	\$402	\$3,638
NO NOTICE SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0.00
SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0.00
COMMODITY (Other)	\$20,730	\$14,244	\$17,318	\$22,515	\$19,765	\$18,621	\$18,352	\$15,582	\$17,280	\$18,240	\$20,480	\$23,360	\$226,487
DEMAND	\$2,862	\$2,504	\$2,570	\$1,669	\$2,077	\$1,945	\$1,972	\$1,839	\$1,336	\$1,391	\$1,670	\$2,087	\$23,921
OTHER	\$2,602	\$2,293	\$2,241	\$1,918	\$1,830	\$1,755	\$1,724	\$1,664	\$1,769	\$1,867	\$2,096	\$2,391	\$24,149
SS END-USE CONTRACT													
COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0.00
DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0.00
	0	0	0	0	0	0	0	0	0	0	0	0	0.00
	0	0	0	0	0	0	0	0	0	0	0	0	0.00
TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$26,520	\$19,317	\$22,412	\$26,346	\$23,976	\$22,605	\$22,336	\$19,354	\$20,681	\$21,812	\$24,598	\$28,239	\$276,195
NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0.00
COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0.00
TOTAL THERM SALES	\$22,480	\$23,853	\$24,170	\$19,522	\$18,080	\$16,984	\$26,353	\$25,007	\$19,370	\$20,428	\$23,046	\$26,473	\$265,765
THERMS PURCHASED													
COMMODITY (Pipeline)	77,000	67,500	69,290	45,000	56,000	52,450	53,160	49,580	54,000	57,000	64,000	73,000	717,980
NO NOTICE SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMODITY (Other)	77,000	67,500	69,290	61,000	56,000	52,450	53,160	49,580	54,000	57,000	64,000	73,000	733,980
DEMAND	77,000	67,500	69,290	45,000	56,000	52,450	53,160	49,580	48,000	50,000	60,000	75,000	702,980
OTHER	79,993	70,025	68,537	58,436	56,204	53,909	52,987	50,829	54,000	57,000	64,000	73,000	738,920
SS END-USE CONTRACT													
COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PURCHASES (15+16+17+18+19+20)-(21+22+23)	77,000	67,500	69,290	61,000	56,000	52,450	53,160	49,580	54,000	57,000	64,000	73,000	733,980
NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL THERM SALES	77,545	72,064	70,816	60,777	58,115	49,574	56,310	51,097	54,000	57,000	64,000	73,000	744,298
CENTS PER THERM													
COMMODITY (Pipeline) (1/15)	0.423	0.409	0.408	0.542	0.543	0.541	0.541	0.543	0.550	0.550	0.550	0.550	0.507
NO NOTICE SERVICE (2/16)	0	0	0	0	0	0	0	0	0	0	0	0	0
SWING SERVICE (3/17)	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMODITY (Other) (4/18)	26.922	21.102	24.994	36.910	35.295	35.502	34.522	31.428	32.000	32.000	32.000	32.000	30.857
DEMAND (5/19)	3.717	3.710	3.709	3.709	3.709	3.708	3.710	3.710	3.710	3.710	3.710	3.710	3.403
OTHER (6/20)	3.253	3.275	3.270	3.282	3.256	3.255	3.254	3.275	3.275	3.275	3.275	3.275	3.268
SS END-USE CONTRACT													
COMMODITY Pipeline (7/21)	0	0	0	0	0	0	0	0	0	0	0	0	0
DEMAND (8/22)	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COST (11/24)	34.442	28.618	32.345	43.190	42.814	43.098	42.017	39.036	38.298	38.266	38.434	38.684	37.902
NET UNBILLED (12/25)	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPANY USE (13/26)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL THERM SALES (37)	34.199	26.805	31.648	43.349	41.256	45.598	39.666	37.877	38.298	38.266	38.434	38.684	37.377
TRUE-UP (E-2)	(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)
TOTAL COST OF GAS (40+41)	31.099	23.706	28.548	40.249	38.156	42.499	36.566	34.777	35.199	35.166	35.334	35.584	34.277
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
PGA FACTOR ADJUSTED FOR TAXES (42+43)	31.694	24.158	29.094	41.019	38.886	43.311	37.265	35.442	35.871	35.838	36.009	36.264	34.932
PGA FACTOR ROUNDED TO NEAREST .001	31.694	24.158	29.094	41.019	38.886	43.311	37.265	35.442	35.871	35.838	36.009	36.264	34.932

CALCULATION OF TRUE-UP AMOUNT

FOR THE CURRENT PERIOD: JAN 02 Through DEC 02

	ACTUAL					REVISED PROJECTION							TOTAL PERIOD
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	\$21,056	\$14,520	\$17,601	\$22,759	\$20,069	\$18,905	\$18,640	\$15,851	\$17,577	\$18,554	\$20,832	\$23,762	230,125
2 TRANSPORTATION COST	5,464	4,797	4,811	3,587	3,907	3,700	3,696	3,503	3,104	3,258	3,766	4,478	48,070
3 TOTAL	26,520	19,317	22,412	26,346	23,976	22,605	22,336	19,354	20,681	21,812	24,598	28,239	278,195
4 FUEL REVENUES (NET OF REVENUE TAX)	22,480	23,853	24,170	19,522	18,080	16,984	26,353	25,007	19,370	20,428	23,046	26,473	265,765
5 TRUE-UP COLLECTED OR (REFUNDED)	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	1,943	23,316
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	24,423	25,796	26,113	21,465	20,023	18,927	28,296	26,950	21,313	22,371	24,989	28,416	289,081
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(2,097)	6,479	3,701	(4,881)	(3,953)	(3,678)	5,960	7,596	632	559	391	177	10,866
8 INTEREST PROVISION-THIS PERIOD (21)	(3)	(3)	2	(2)	(11)	(20)	(21)	(13)	(10)	(12)	(14)	(17)	(124)
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(56)	(4,099)	434	2,194	(4,632)	(10,539)	(16,180)	(12,184)	(6,544)	(7,865)	(9,261)	(10,827)	5,381
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(1,943)	(23,316)
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)	(\$4,099)	\$434	\$2,194	(\$4,632)	(\$10,539)	(\$16,180)	(\$12,184)	(\$6,544)	(\$7,865)	(\$9,261)	(\$10,827)	(\$12,610)	(\$8,162)
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(\$56)	(\$4,099)	\$434	\$2,194	(\$4,632)	(\$10,539)	(\$16,180)	(\$12,184)	(\$6,544)	(\$7,865)	(\$9,261)	(\$10,827)	
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(4,096)	437	2,192	(4,630)	(10,528)	(16,160)	(12,163)	(6,531)	(7,855)	(9,249)	(10,813)	(12,593)	
14 TOTAL (12+13)	(4,152)	(3,662)	2,626	(2,436)	(15,159)	(26,699)	(28,343)	(18,715)	(14,399)	(17,114)	(20,074)	(23,421)	
15 AVERAGE (50% OF 14)	(2,076)	(1,831)	1,313	(1,218)	(7,580)	(13,349)	(14,172)	(9,358)	(7,199)	(8,557)	(10,037)	(11,710)	
16 INTEREST RATE - FIRST DAY OF MONTH	1.78000%	1.77000%	1.75000%	1.80000%	1.75000%	1.77000%	1.75000%	1.73000%	1.71000%	1.71000%	1.71000%	1.71000%	
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	1.77000%	1.75000%	1.80000%	1.75000%	1.77000%	1.75000%	1.73000%	1.71000%	1.71000%	1.71000%	1.71000%	1.71000%	
18 TOTAL (16+17)	3.55000%	3.52000%	3.55000%	3.55000%	3.52000%	3.52000%	3.48000%	3.44000%	3.42000%	3.42000%	3.42000%	3.42000%	
19 AVERAGE (50% OF 18)	1.77500%	1.76000%	1.77500%	1.77500%	1.76000%	1.76000%	1.74000%	1.72000%	1.71000%	1.71000%	1.71000%	1.71000%	
20 MONTHLY AVERAGE (19/12 Months)	0.14792%	0.14667%	0.14792%	0.14792%	0.14667%	0.14667%	0.14500%	0.14333%	0.14250%	0.14250%	0.14250%	0.14250%	
21 INTEREST PROVISION (15x20)	(\$3)	(\$3)	\$2	(\$2)	(\$11)	(\$20)	(\$21)	(\$13)	(\$10)	(\$12)	(\$14)	(\$17)	

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 2003 Through DECEMBER 2003

	PRIOR PERIOD: JANUARY 2001 - DECEMBER 2001			CURRENT PERIOD: JAN 2002 - DEC 2002	
	(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 \$391,655	A-2 Line 6 \$375,064	Col.2 - Col.1 (\$16,591)	E-2 Line 6 \$289,081	Col.3 + Col.4 \$272,490
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	E-2 Line 7 16,415	A-2 Line 7 (7,603)	Col.2 - Col.1 (24,018)	E-2 Line 7 10,886	Col.3 + Col.4 (13,132)
3 INTEREST PROVISION FOR THIS PERIOD	E-2 Line 8 265	A-2 Line 8 25	Col.2 - Col.1 (240)	E-2 Line 8 (124)	Col.3 + Col.4 (364)
4 END OF PERIOD TOTAL NET TRUE-UP	Line 2 + Line 3 \$16,680	Line 2 + Line 3 (\$7,578)	Col.2 - Col.1 (\$24,258)	Line 2 + Line 3 \$10,763	Col.3 + Col.4 (\$13,495)

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 \$(13,495), DIVIDED BY THE
 PROJECTED THERM SALES OF 787,600 EQUALS
 1.71349 CENTS PER THERM TO BE COLLECTED
 DURING THE JAN 2003 THROUGH DEC 2003 PERIOD. LINE
 41 (TRUE-UP) OF THE JAN-DEC 2003 PGA, SCHEDULE A-1
 WILL BE 1.71349, INDICATING A COLLECTION PER THERM,

TRUE-UP \$ (\$13,495)
 THERMS 787,600
 COLLECT/THERM (1.71349)CENTS

ESTIMATED FOR THE PROJECTED PERIOD:

JAN 2003 Through DEC 2003

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
FIRM SALES (FIRM)													
RESIDENTIAL	17,000	12,000	12,000	8,000	5,000	4,000	3,500	3,500	3,600	4,000	6,000	10,000	88,600
COMMERCIAL	72,000	68,000	65,000	60,000	55,000	48,000	54,000	50,000	52,000	54,000	58,000	63,000	699,000
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	89,000	80,000	77,000	68,000	60,000	52,000	57,500	53,500	55,600	58,000	64,000	73,000	787,600
FIRM 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	89,000	80,000	77,000	68,000	60,000	52,000	57,500	53,500	55,600	58,000	64,000	73,000	787,600
NUMBER OF CUSTOMERS (FIRM)													
RESIDENTIAL	590	600	600	550	530	450	425	420	440	450	475	550	507
COMMERCIAL	96	96	96	96	96	96	96	96	96	96	97	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	686	696	696	646	626	546	521	516	536	546	572	648	603
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	686	696	696	646	626	546	521	516	536	546	572	648	603
BTU USE PER CUSTOMER													
RESIDENTIAL	28.81	20.00	20.00	14.55	9.43	8.89	8.24	8.33	8.18	8.89	12.63	18.18	174.87
COMMERCIAL	750.00	708.33	677.08	625.00	572.92	500.00	562.50	520.83	541.67	562.50	597.94	642.86	7,262.34
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