

ORIGINAL



**SEBRING GAS SYSTEM, INC.**

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

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COMMISSION  
CLERK

March 22, 2004

Ms. Blanca Bayó, Director  
Commission Clerk and Administrative Services  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Re: Docket No. 031123-GU

Dear Ms. Bayó:

This is to confirm that the attached Notice to Customers was mailed to all customers of record on March 12, 2004.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Attachment

cc: Mr. Wayne Makin  
Norman H. Horton, Jr., Esq.

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ORIGINAL

**SEBRING GAS SYSTEM, INC.**

3515 U.S. Highway 27 South Sebring, Florida 33870-5452 863.385.0194 Fax 863.385.3423

**NOTICE TO CUSTOMERS**

On December 22, 2003, Sebring Gas System Inc. filed a petition with the Florida Public Service Commission in Docket No. 031123-GU, seeking approval to revise the way that Sebring provides natural gas service to its customers. Historically Sebring has purchased gas from suppliers and provided both natural gas and transportation of the gas to its customers. Because of the small quantity of gas purchased by Sebring and other changes in the natural gas industry, it has become more difficult to purchase gas at competitive rates.

Because of these circumstances, Sebring Gas System, Inc. has concluded that the only cost-effective approach for the Company and its sales service customers is for the Company to completely terminate its gas sales purchasing or merchant function, and convert all sales customers to transportation service. Under transportation service, Sebring would deliver the gas, but a third party would purchase the gas for use by the customers.

If the petition is granted, you will continue to receive natural gas service from Sebring Gas but the Company will only provide the transportation of that gas. Sebring will no longer purchase natural gas for sale to its customers; that will be handled by another party. The implementation of the program requires all sales services customers to receive gas supply service through one qualified Marketer/Pool Manager, selected by the Company, who will be responsible for the purchasing of the natural gas for Sebring Gas' customers. Sebring will deliver (transport) the gas for its customers' use as it does now. Customers will continue to receive one monthly bill which would contain delivery (transport) charges from Sebring and the fuel charge from the Marketer/Pool Manager. The total bill to the customer should not be any more than if Sebring continued to purchase natural gas. However, the actual price for gas may be less because of the ability of the Marketer/Pool Manager to acquire larger quantities of natural gas at a lower overall cost. Sebring Gas will continue to provide natural gas service to customers and you should not see any change in that service.

If approved by the Florida Public Service Commission at its April 20, 2004 agenda, the offering will be on a trial basis effective April 20, 2004, for a two-year period, after which the Company would evaluate customer acceptance of the program, and make a determination of the feasibility and timing for continuing the program. Sebring Gas believes this change will provide for lower gas costs in the long run.

If you have any question or comments please call Sebring Gas System, Inc. at 385-0194.

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

BETTER BECAUSE IT'S GAS. BEST BECAUSE IT'S NATURAL GAS.