

Docket No. 080004-GU

Exhibit\_\_\_\_\_ (JHM-1)

SEBRING GAS SYSTEM, INC.

CONSERVATION COST RECOVERY TRUE-UP

January 1, 2007 through December 31, 2007

DOCUMENT NUMBER-DATE

03619 MAY-18

EPSC-COMMISSION CLERK

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SCHEDULE CT-1

COMPANY: Sebring Gas system  
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ADJUSTED NET TRUE-UP  
FOR MONTH JANUARY 2007 THROUGH DECEMBER 2007

END OF PERIOD NET TRUE-UP

PRINCIPLE	2,172	
INTEREST	<u>284</u>	2,456

LESS PROJECTED TRUE-UP

PRINCIPLE	0	
INTEREST	<u>0</u>	<u>0</u>

ADJUSTED NET TRUE-UP		<u>2,456</u>
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( ) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
ACTUAL VERSUS ESTIMATED

JANUARY 2007 THROUGH DECEMBER 2007

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	0	0	0
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	0	0	0
INCENTIVES	0	0	0
OUTSIDE SERVICES	12,344	0	12,344
VEHICLES	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	12,344	0	12,344
PROGRAM REVENUES	<u>(10,172)</u>	<u>0</u>	<u>(10,172)</u>
TOTAL PROGRAM COSTS	12,344	0	12,344
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(10,172)	0	(10,172)
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	2,172	0	2,172
INTEREST PROVISION	<u>284</u>	<u>0</u>	<u>284</u>
END OF PERIOD TRUE-UP	<u>2,456</u>	<u>0</u>	<u>2,456</u>

( ) REFLECTS OVER-RECOVERY

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: Residential New Construction Program	0	0	0	0	0	5,101	0	0	5,101
PROGRAM 2: Residential Appliance Replacement Program	0	0	0	0	0	3,934	0	0	3,934
PROGRAM 3: Residential Appliance Retention Program	0	0	0	0	0	3,309	0	0	3,309
PROGRAM 4: Conservation Education	0	0	0	0	0	0	0	0	0
PROGRAM 5:	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	0	0	0	0	0	0	0	0
PROGRAM 7:	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	12,344	0	0	12,344

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM NAME	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: Residential New Construction Program	0	0	0	0	0	5,101	0	0	5,101
PROGRAM 2: Residential Appliance Replacement Program	0	0	0	0	0	3,934	0	0	3,934
PROGRAM 3: Residential Appliance Retention Program	0	0	0	0	0	3,309	0	0	3,309
PROGRAM 4: Conservation Education	0	0	0	0	0	0	0	0	0
PROGRAM 5: 0	0	0	0	0	0	0	0	0	0
PROGRAM 6: 0	0	0	0	0	0	0	0	0	0
PROGRAM 7: 0	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	0	0	0	0	0	12,344	0	0	12,344

( ) REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
SUMMARY OF EXPENSES BY PROGRAM BY MONTH  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

EXPENSES:	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
PROGRAM 1: Residential New Construction Program	1,167	0	0	1,833	68	0	0	0	125	0	75	0	3,268
PROGRAM 2: Residential Appliance Replacement Program	0	0	0	1,833	68	0	0	1,833	125	0	75	0	3,934
PROGRAM 3: Residential Appliance Retention Program	0	0	0	1,333	68	0	0	1,833	0	0	75	0	3,309
PROGRAM 4: Conservation Education	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 5:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 6:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 7:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,167</b>	<b>0</b>	<b>0</b>	<b>4,999</b>	<b>204</b>	<b>0</b>	<b>0</b>	<b>5,499</b>	<b>250</b>	<b>0</b>	<b>225</b>	<b>0</b>	<b>12,344</b>
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	1,167	0	0	4,999	204	0	0	5,499	250	0	225	0	12,344

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2007 THROUGH DECEMBER 2007

CONSERVATION REVENUES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	0	0	0	0	0	0	0	0	(2,158)	(2,482)	(2,651)	(2,881)	(10,172)
4. TOTAL REVENUES	0	0	0	0	0	0	0	0	(2,158)	(2,482)	(2,651)	(2,881)	(10,172)
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	0	0	0	0	0	0	0	0	(2,158)	(2,482)	(2,651)	(2,881)	(10,172)
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	1,187	0	0	4,999	204	0	0	5,499	250	0	225	0	12,344
8. TRUE-UP THIS PERIOD	1,187	0	0	4,999	204	0	0	5,499	(1,908)	(2,482)	(2,428)	(2,881)	2,172
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	3	5	5	16	28	28	28	43	49	36	26	16	284
10 TRUE-UP & INTER. PROV. BEGINNING OF MONTH	0	1,170	1,175	1,180	6,195	6,427	6,455	6,483	12,025	10,166	7,721	5,321	
11 PRIOR TRUE-UP COLLECTED/(REFUNDED)	0	0	0	0	0	0	0	0	0	0	0	0	
12 TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	1,170	1,175	1,180	6,195	6,427	6,455	6,483	12,025	10,166	7,721	5,321	2,456	2,456

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
FOR MONTHS: JANUARY 2007 THROUGH DECEMBER 2007

INTEREST PROVISION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1. BEGINNING TRUE-UP	0	1,170	1,175	1,180	6,195	6,427	6,455	6,483	12,025	10,166	7,721	5,321	
2. ENDING TRUE-UP BEFORE INTEREST	1,187	1,170	1,175	6,179	6,399	6,427	6,455	11,982	10,117	7,884	5,295	2,440	
3. TOTAL BEGINNING & ENDING TRUE-UP	1,187	2,339	2,349	7,359	12,594	12,853	12,910	18,465	22,143	17,851	13,016	7,760	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	584	1,170	1,175	3,679	6,297	6,427	6,455	9,233	11,071	8,925	6,508	3,880	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	5.27%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.62%	5.05%	4.75%	4.98%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.05%	4.72%	4.75%	4.98%	
7. TOTAL (SUM LINES 5 & 6)	10.53%	10.52%	10.52%	10.52%	10.52%	10.56%	10.48%	11.24%	10.67%	9.77%	9.50%	9.96%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	5.27%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.34%	4.89%	4.75%	4.98%	
9. MONTHLY AVG INTEREST RATE	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.47%	0.44%	0.41%	0.40%	0.42%	
10 INTEREST PROVISION (LINE 4 TIMES LINE 9)	3	5	5	16	28	28	28	43	49	36	26	16	284



**Schedule CT-5**

Sebring Gas System, Inc.

Reconciliation and Explanation of Differences between Filing and PSC Audit Report for January 2007 through December 2007.

NO DIFFERENCES AS OF THE DATE OF THIS FILING

**Schedule CT-6**  
Page 1 of 4

**Sebring Gas System, Inc.**  
**Program Description and Progress**

Program Title:  
Residential New Construction Program

Program Description:  
This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of the Company's service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Allowances:  
Conservation allowances for 2007 are:  
    \$350 Gas Storage Tank Water Heating  
    \$450 Gas Tankless Water Heating  
    \$350 Gas Heating  
    \$100 Gas Cooking  
    \$100 Gas Clothes Drying

Program Projections:  
For the twelve-month period January 2007 through December 2007 (the program was not active until September 2007) the Company estimated that 10 homes would be connected to the system. During this period, zero (0) new home allowances were paid, although several homes are currently under construction and scheduled for completion in 2008.

Program Fiscal Expenditures:  
During the twelve-month period, expenditures for this program totaled \$5,101.

Program Progress Summary:  
Since the program's inception in July 2007, no new home allowances were paid. Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new residences.

**Schedule CT-6**  
Page 2 of 4

**Sebring Gas System, Inc.**  
**Program Description and Progress**

Program Title:

Residential Appliance Replacement Program

Program Description:

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered for the replacement of non-gas water heating, heating, cooking, or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

Allowances:

Conservation allowances for 2007 are:

- \$525 Gas Storage Tank Water Heating
- \$525 Gas Tankless Water Heating
- \$625 Gas Heating
- \$100 Gas Cooking
- \$100 Gas Clothes Drying

Program Projections:

For the twelve-month period January 2007 through December 2007 (the program was not active until September 2007), we estimated that 8 appliance conversions would qualify for incentives during this period. The Company recorded zero (0) residential appliance replacement program payments in 2007.

Program Fiscal Expenditures:

For this twelve-month period, CUC incurred program costs of \$3,934.

Program Summary:

No residences qualified for this program in 2007.

Schedule CT-6  
Page 3 of 4

**Sebring Gas System, Inc.  
Program Description and Progress**

Program Title:  
Residential Appliance Retention Program

Program Description:  
The Company offers this program to existing customers to promote the retention of energy-efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively, this program offers cash allowances to the customer.

Allowances:  
Conservation allowances are currently:  
    \$350 Gas Storage Tank Water Heating  
    \$450 Gas Tankless Water Heating  
    \$350 Gas Heating  
    \$100 Gas Cooking  
    \$100 Gas Clothes Drying

Program Activity and Projections:  
For the twelve-month period January 2007 through December 2007 (the program was not active until September 2007), we estimated that 7 natural gas appliance installations would qualify for this program. The Company recorded zero (0) residential appliance retention allowance payments in 2007.

Program Fiscal Expenditures:  
For this twelve-month period, CUC incurred program costs of \$3,309.

Program Summary:  
No natural gas appliance retention allowances have were paid in 2007. The Company will continue to work closely with homeowners to promote the continued use of energy efficient natural gas.

**Schedule CT-6**  
Page 4 of 4

**Sebring Gas System, Inc.**  
**Program Description and Progress**

Program Title:  
Conservation Education Program

Program Description:  
The objective of this program is to inform consumers about the Company's energy conservation programs and provide general information on energy efficiency measures that will reduce energy consumption and cost.

Program Activity and Projections:  
The Company initiated its conservation programs following Commission approval in late August 2007. The Company committed to participate in the Get Gas Florida consumer education program (a statewide advertising and web based information service) beginning with the 2008 program year. During 2007, the Company communicated with several homebuilders, appliance retailers and contractors in its service area to provide information on its programs. A large percentage of the Company's approximately 300 residential customers visit its office location in Sebring to pay monthly bills. The Company's office staff has personally described the programs and allowance amounts to these customers. In addition, signage in the office has provided program information.

Program Fiscal Expenditures:  
Program costs totaled \$0 for this twelve-month period.