

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
MONTHS: JANUARY 2009 THROUGH DECEMBER 2009

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	19075
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	-10238.07875
3. TOTAL (LINE 1 AND LINE 2)	8836.921247

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	DELIVERY CHARGE	TOTAL CUST. & DELIVERY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	ECCR FACTOR
TS-1	4059	38712	36531	22,120.04	58,651.04	1,184.71	0.02020	0.03060	1.00503	0.03076
TS-2	933	27856	11196	13,740.53	24,936.53	503.70	0.02020	0.01808	1.00503	0.01817
TS-3	674	280668	23590	131,007.40	154,597.40	3,122.77	0.02020	0.01113	1.00503	0.01118
TS-4	328	443285	49200	150,100.73	199,300.73	4,025.74	0.02020	0.00908	1.00503	0.00913
TOTAL	5994	790521	120517	316,968.70	437,485.70	8,836.92				

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ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM	JAN 2009	FEB 2009	MAR 2009	APR 2009	MAY 2009	JUN 2009	JUL 2009	AUG 2009	SEP 2009	OCT 2009	NOV 2009	DEC 2009	TOTAL
1 RESIDENTIAL NEW CONSTRUCTIO	0	0	350	0	0	850	0	0	350	1,000	0	350	2,900
2 RESIDENTIAL APPL. REPLACEMEN	0	1,050	0	0	1,050	500	0	0	1,050	1,000	0	525	5,175
3 RESIDENTIAL APPL. RETENTION	1,050	0	0	1,750	0	500	1,750	0	0	2,750	0	0	7,800
4 CONSERVATION EDUC	1,000	0	0	0	1,000	0	0	0	0	0	1,200	0	3,200
5 COMMON COSTS	0	0	0	0	0	0	0	0	0	0	0	0	0
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	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
<b>TOTAL ALL PROGRAMS</b>	<u>2,050</u>	<u>1,050</u>	<u>350</u>	<u>1,750</u>	<u>2,050</u>	<u>1,850</u>	<u>1,750</u>	<u>0</u>	<u>1,400</u>	<u>4,750</u>	<u>1,200</u>	<u>875</u>	<u>19,075</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2009 THROUGH DECEMBER 2009

<u>PROGRAM</u>	<u>CAPITAL INVEST</u>	<u>PYROLL &amp; BENEFITS</u>	<u>MATERLS. &amp; SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION	0	0	0	0	1,400	1,500	0	0	2,900
2 RESIDENTIAL APPL. REPLACEMENT	0	0	0	0	3,675	1,500	0	0	5,175
3 RESIDENTIAL APPL. RETENTION	0	0	0	0	6,300	1,500	0	0	7,800
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0
5 COMMON COSTS	0	0	0	3,200	0	0	0	0	3,200
6 (INSERT NAME)	0	0	0	0	0	0	0	0	0
7 (INSERT NAME)	0	0	0	0	0	0	0	0	0
8 (INSERT NAME)	0	0	0	0	0	0	0	0	0
9 (INSERT NAME)	0	0	0	0	0	0	0	0	0
10 (INSERT NAME)	0	0	0	0	0	0	0	0	0
11 (INSERT NAME)	0	0	0	0	0	0	0	0	0
PROGRAM COSTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,200</u>	<u>11,375</u>	<u>4,500</u>	<u>0</u>	<u>0</u>	<u>19,075</u>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERT	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
<b>1 RESIDENTIAL NEW CONSTRUCTION</b>									
A. ACTUAL	0	0	0	0	0	1,389	0	0	1,389
B. ESTIMATED	0	0	0	0	350	1,250	0	0	1,600
MULIT-FAMILY HM BUILDER	0	0	0	0	350	2,639	0	0	2,989
<b>2 RESIDENTIAL APPL. REPLACEMENT</b>									
A. ACTUAL	0	0	0	0	0	1,389	0	0	1,389
B. ESTIMATED	0	0	0	0	2,400	2,050	0	0	4,450
ELECTRIC REPLACEMENT	0	0	0	0	2,400	3,439	0	0	5,839
<b>3 RESIDENTIAL APPL. RETENTION</b>									
A. ACTUAL	0	0	0	0	350	1,388	0	0	1,738
B. ESTIMATED	0	0	0	0	4,000	4,150	0	0	8,150
DEALER PROGRAM	0	0	0	0	4,350	5,538	0	0	9,888
<b>4 CONSERVATION EDUC</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	4,200	0	0	0	0	4,200
SCHOOLS PROGRAM	0	0	0	4,200	0	0	0	0	4,200
<b>5 COMMON COSTS</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
COMMON COSTS	0	0	0	0	0	0	0	0	0
<b>6 (INSERT NAME)</b>									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>SUB-TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,200</b>	<b>7,100</b>	<b>11,616</b>	<b>0</b>	<b>0</b>	<b>22,916</b>

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
 JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	<u>CAPITAL INVEST</u>	<u>PYROLL &amp; BENEFITS</u>	<u>MATERLS. &amp; SUPPLIES</u>	<u>ADVERT</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
SUB-TOTAL - PREVIOUS PAGE	0	0	0	4,200	7,100	11,616	0	0	22,916
7. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
8. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
9. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
(INSERT NAME 1-30 LETTERS)	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
10. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
(INSERT NAME)									
11. A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,200</u>	<u>7,100</u>	<u>11,616</u>	<u>0</u>	<u>0</u>	<u>22,916</u>

CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED  
JANUARY 2008 THROUGH DECEMBER 2008

PROGRAM NAME	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
RESIDENTIAL NEW CONSTRUCTION	914	0	0	0	0	475	0	0	0	1,600	0	0	2,989
RESIDENTIAL APPL. REPLACEMENT	914	0	0	0	0	475	0	0	775	1,525	1,375	775	5,839
RESIDENTIAL APPL. RETENTION	913	0	350	0	0	475	0	0	800	2,350	2,800	2,200	9,888
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	1,000	2,200	1,000	4,200
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
(INSERT NAME)	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ALL PROGRAMS	2,741	0	350	0	0	1,425	0	0	1,575	6,475	6,375	3,975	22,916

ENERGY CONSERVATION ADJUSTMENT  
JANUARY 2008 THROUGH DECEMBER 2008

CONSERVATION REVS.	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
a.	0	0	0	0	0	0	0	0	0	0	0	0	0
3. ECCR REVENUE	(3,219)	(2,983)	(3,019)	(3,128)	(2,590)	(2,532)	(2,606)	(2,232)	(2,477)	(2,729)	(2,979)	(2,783)	(33,277)
4. CONSERV. ADJ REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
5. TOTAL REVENUES	(3,219)	(2,983)	(3,019)	(3,128)	(2,590)	(2,532)	(2,606)	(2,232)	(2,477)	(2,729)	(2,979)	(2,783)	(33,277)
6. PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
7. CONSERVATION REVS. APPLIC. TO PERIOD	(3,219)	(2,983)	(3,019)	(3,128)	(2,590)	(2,532)	(2,606)	(2,232)	(2,477)	(2,729)	(2,979)	(2,783)	(33,277)
8. CONSERVATION EXPS. (FORM C-3, PAGE 3)	2,741	0	350	0	0	1,425	0	0	1,575	6,475	6,375	3,975	22,916
9. TRUE-UP THIS PERIOD	(478)	(2,983)	(2,669)	(3,128)	(2,590)	(1,107)	(2,606)	(2,232)	(902)	3,746	3,396	1,192	(10,361)
10. INTEREST THIS PERIOD (C-3,PAGE 5)	0	-4	-11	-17	-22	-25	-28	-33	-37	-34	-27	-22	-259
11. TRUE-UP & INT. BEG. OF MONTH	382	(96)	(3,083)	(5,762)	(8,907)	(11,519)	(12,651)	(15,285)	(17,551)	(18,489)	(14,777)	(11,408)	382
12. PRIOR TRUE-UP COLLECT. (REFUND.)	0	0	0	0	0	0	0	0	0	0	0	0	0
13. END OF PERIOD TOTAL NET TRUE-UP	(96)	(3,083)	(5,762)	(8,907)	(11,519)	(12,651)	(15,285)	(17,551)	(18,489)	(14,777)	(11,408)	(10,238)	(10,238)

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2008 THROUGH DECEMBER 2008

	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008	JUL 2008	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	382.00	(95.52)	(3082.60)	(5762.13)	(8906.82)	(11519.23)	(12650.77)	(15285.20)	(17550.62)	(18489.38)	(14777.30)	(11408.00)	
END. T-UP BEFORE INT.	(96.00)	(3078.52)	(5751.60)	(8890.13)	(11496.82)	(12626.23)	(15256.77)	(17517.20)	(18452.62)	(14743.38)	(11381.30)	(10216.00)	
TOT. BEG. & END. T-UP	286.00	(3174.04)	(8834.20)	(14652.25)	(20403.65)	(24145.45)	(27907.55)	(32802.41)	(36003.24)	(33232.75)	(26158.60)	(21624.01)	
AVERAGE TRUE-UP	143.00	(1587.02)	(4417.10)	(7326.13)	(10201.82)	(12072.73)	(13953.77)	(16401.20)	(18001.82)	(16616.38)	(13079.30)	(10812.00)	
INT. RATE-FIRST DAY OF REPORTING BUS. MTH	4.98%	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	2.45%	2.45%	2.45%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUS. MTH	3.08%	3.09%	2.63%	2.84%	2.43%	2.45%	2.44%	2.45%	2.45%	2.45%	2.45%	2.45%	
TOTAL	8.06%	6.17%	5.72%	5.47%	5.27%	4.88%	4.89%	4.89%	4.90%	4.90%	4.90%	4.90%	
AVG INTEREST RATE	4.03%	3.09%	2.86%	2.74%	2.64%	2.44%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	
MONTHLY AVG. RATE	0.34%	0.26%	0.24%	0.23%	0.22%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	
INTEREST PROVISION	\$0	-\$4	-\$11	-\$17	-\$22	-\$25	-\$28	-\$33	-\$37	-\$34	-\$27	-\$22	-\$259



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

**Sebring Gas System, Inc.**

**Docket No. 080004-GU**

**Energy Conservation Schedules and Program Descriptions**

**September 2008**

**Schedule C-5**  
Page 1 of 4

**Sebring Gas System  
Program Description and Progress**

Program Title:  
Residential New Construction Program

Reporting Period  
January 2008 through August 2008

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.

Current Approved Allowances:

\$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:  
During the eight-month reporting period January 2008 through August 2008, zero (0) new home allowances were paid. The Company projects one (1) new home will qualify for allowances during the period September through December 2008.

Program Fiscal Expenditures:  
During the eight month reporting period, actual expenditures for this program totaled \$1,389. The Company projects that total expenditures will equal \$2,989, for the 2008 annual period.

**Schedule C-5**  
Page 2 of 4

**Sebring Gas System  
Program Description and Progress**

Program Title:  
Residential Appliance Replacement Program

Reporting Period  
January 2008 through August 2008

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.

Current Approved Allowances:

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

Program Projections:  
During the eight-month reporting period January 2008 through August 2008, zero (0) residential appliance replacement allowances were paid. The Company projects one (1) residential appliance installations will qualify for replacement allowances during the period September through December 2008.

Program Fiscal Expenditures:  
During the eight-month reporting period, actual expenditures for this program were \$1,389. The Company projects that total expenditures will equal \$5,839 for the 2008 annual period.

**Schedule C-5**  
Page 3 of 4

**Sebring Gas System  
Program Description and Progress**

Program Title:  
Residential Appliance Retention Program

Reporting Period  
January 2008 through August 2008

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.

Current Approved Allowances:

\$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:  
During the eight-month reporting period January 2008 through August 2008, one (1) residential appliance retention allowance was paid. The Company projects twenty-five (25) residential appliance installations will qualify for retention allowances during the period September through December 2008 as a result of increased sales and consumer education activities.

Program Fiscal Expenditures:  
During the eight-month reporting period, actual expenditures for this program were \$1,738. The Company projects that total expenditures will equal \$9,888 for the 2008 annual period.

**Schedule C-5**  
Page 4 of 4

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

Program Title:  
Conservation Education Program

Reporting Period  
January 2008 through August 2008

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, and will receive an invoice in November 2008. The Company has 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. Direct mail communications are planned for the fourth quarter of 2008 and 2009. In addition, signage in the office has provided program information. The Company has retained an outside contract sales person to attempt to increase program participation.

Program Fiscal Expenditures:  
During the eight-month reporting period, actual expenditures for this program were \$0. The Company projects that total expenditures will equal \$4,200 for the 2008 annual period.