

September 11, 2009

**BY HAND DELIVERY**

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

RECEIVED-FPSC  
09 SEP 11 PM 3:57  
COMMISSION  
CLERK

Re: Docket No. 090004-GU

Dear Ms. Cole:

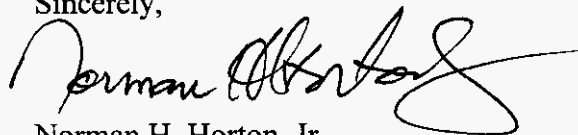
Enclosed for filing on behalf of Sebring Gas System, Inc. are an original and 10 copies of the following documents:

- 1. Sebring Gas System, Inc.'s Petition for Approval of Conservation Cost Recovery Factor
- 2. Schedules C-1, C-2, C-3, and C-5; and
- 2. Direct Testimony of Jerry H. Melendy, Jr..

Please indicate receipt of these documents by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,



Norman H. Horton, Jr.

NHH:amb  
Enclosures

cc: Mr. Jerry H. Melendy, Jr.  
Parties of Record

5  
 [Stamp: BOIM] I  
 [Stamp: BCR] I  
 [Stamp: CLK] I  
 [Stamp: ADM] I  
 [Stamp: SGA] I  
 [Stamp: SAC] I  
 [Stamp: P. O.] I  
 [Stamp: CLK] I

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Natural Gas Conservation     )  
Cost Recovery Clause.                )  
\_\_\_\_\_                                  )

Docket No. 090004-GU  
Filed: September 11, 2009

**PETITION FOR APPROVAL OF  
SEBRING GAS SYSTEM, INC.'S  
CONSERVATION COST RECOVERY FACTOR**

Sebring Gas System, Inc. ("Sebring"), through its undersigned attorneys and pursuant to the requirements of this docket, hereby petitions the Commission for approval of the Company's conservation cost recovery factors for the period January 2010 through December 2010. In support hereof, the Company states:

- 1) The exact name of Petition and the address of its principal office is

Sebring Gas System, Inc.  
3515 US Highway 27 South  
Sebring, Florida 33870

- 2) The name and address of the person authorized to receive notices and communications with respect to this Petition are:

Norman H. Horton, Jr.,  
Messer, Caparello & Self, P. A.  
Post Office Box 15579  
Tallahassee, FL 32317  
(850) 222-0720  
(850) 224-4359

- 3) Pursuant to the requirements of this Docket, the Company has prefiled the conservation cost recovery forms supplied by the Electric & Gas Department in a manner consistent with the Department's instructions.

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4) As indicated in the prefiled forms, the recoverable conservation costs for the period January 2010 through December 2010 are projected to be \$20,119. The conservation cost recovery true-up amount for the period January 2009 through December 2009 is an underrecovery of \$6,680.

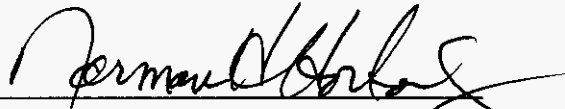
5) The resulting net total projected conservation costs to be recovered for the period January 2010 through December 2010 are \$26,799. Based upon projected sales the appropriate levelized conservation cost recovery factors for the period January 2010 through December 2010 are:

TS-1	\$ .09975
TS-2	\$ .05041
TS-3	\$ .03525
TS-4	\$ .02871

WHEREFORE, Sebring Gas System, Inc. requests the Commission to approve the foregoing conservation cost recovery factors, to be applied to customer bills for the period January 2010 through December 2010, and to billings thereafter until other conservation cost recovery factors are approved by the Commission.

DATED this 11<sup>th</sup> day of September, 2009.

Respectfully submitted,



NORMAN H. HORTON, JR.,  
MESSER, CAPARELLO & SELF, P. A.  
Post Office Box 15579  
Tallahassee, FL 32317  
(850) 222-0720  
(850) 224-4359

Attorneys for Sebring Gas System, Inc.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that true and correct copies of the foregoing have been served by U. S. Mail this 11th day of September, 2009 upon the following:

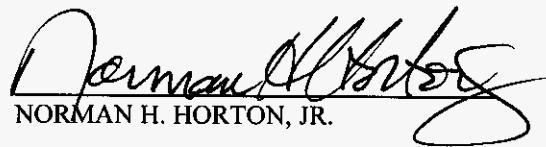
Katherine Fleming, Esq.  
Office of General Counsel  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Mr. Brian Powers  
President  
Indiantown Gas Company, Inc.  
Post Office Box 8  
Indiantown, FL 34956-0008

Ms. Paula Brown  
Regulatory Affairs  
Peoples Gas System  
P.O. Box 111  
Tampa, FL 33601-0111

Robert Scheffel Wright, Esq.  
Young van Assenderp  
225 South Adams St., Suite 200  
Tallahassee, FL 32301

Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison St., Rm 812  
Tallahassee, FL 32399-1400

  
NORMAN H. HORTON, JR.

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AGL Resources, Inc.  
Ten Peachtree Place  
Location 1470  
Atlanta, GA 30309

Mr. Jay Sutton  
Florida City Gas  
955 East 25<sup>th</sup> Street  
Hialiah, FL 33013-3498

Mr. Stuart L. Shoaf  
St. Joe Natural Gas Company, Inc.  
P.O. Box 549  
Port St. Joe, FL 32457-0549

Ansley Watson, Jr.  
Macfarlane Ferguson & McMullen  
P.O. Box 1531  
Tampa, Florida 33610-1531

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

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **In Re: Energy Conservation Cost Recovery Factors**

3                   **Direct Testimony of Jerry H. Melendy, Jr.**

4                   **On Behalf of**

5                   **Sebring Gas System, Inc.**

6                   **Docket No. 090004-GU**

7                   **September 2009**

8

9   **Q.    PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

10  A.    My name is Jerry H. Melendy, Jr. My business address is Sebring Gas  
11        System, Inc., US Highway 27 South, Sebring, FL 33870.

12  **Q.    BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

13  A.    I am Vice President of Sebring Gas Company, Inc. (the "Company").

14  **Q.    ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED ENERGY**  
15        **CONSERVATION PROGRAMS AND THE REVENUES AND COSTS THAT**  
16        **ARE ASSOCIATED WITH THESE PROGRAMS?**

17  A.    Yes.

18  **Q.    WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?**

19  A.    ✓ My testimony will present actual and projected expenditures and revenues  
20        related to promoting and administering the Company's energy conservation  
21        programs in 2009 and 2010. I will provide the adjusted net true-up amount  
22        associated with program administration for the January 2008 through  
23        December 2008 period. Actual program costs are provided for the period

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1 January 1, 2009 through July 2009, as well as the costs the Company  
2 expects to incur from September 1, 2009 through December 31, 2009. I will  
3 also indicate the total costs the Company seeks to recover through its  
4 conservation factors during the period January 1, 2010 through December  
5 31, 2010. Finally, I will also propose the energy conservation cost recovery  
6 factors which, when applied to consumer bills during the period January 1,  
7 2010 through December 31, 2010, will permit recovery of the Company's  
8 total conservation costs.

9 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**  
10 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED WITH**  
11 **THESE PROGRAMS?**

12 A. Yes. Summaries of the Company's four approved programs are included in  
13 Schedule C-5 of Exhibit JHM-1. Included are the Residential New  
14 Construction Program, the Residential Appliance Replacement Program, the  
15 Residential Appliance Retention Program and the Conservation Education  
16 Program.

17 **Q. HAVE YOU PREPARED SCHEDULES THAT INCLUDE THE COMPANY'S**  
18 **CONSERVATION PROGRAM EXPENDITURES FOR THE CURRENT**  
19 **(2009) AND PROJECTED (2010) PERIODS?**

20 A. Yes. Schedule C-3, Exhibit JHM-1 provides actual conservation expenses for  
21 the January 2009 through July 2009 period and projected expenses for the  
22 August 2009 through December 2009 period. Projected expenses for the

1 January 2010 through December 2010 period are included in Schedule C-2,  
2 Exhibit JHM-1.

3 **Q. HAVE YOU PREPARED A SCHEDULE THAT INCLUDES THE**  
4 **COMPANY'S CONSERVATION RELATED REVENUES FOR 2009?**

5 A. Yes. Schedule C-3 (page 4 of 5), Exhibit JHM-1, provides actual  
6 conservation revenue for the January 2009 through July 2009 period, and  
7 projected conservation revenues for the August 2009 through December  
8 2009 period.

9 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE PERIOD**  
10 **JANUARY 1, 2009 THROUGH DECEMBER 31, 2009?**

11 A. The Company is under-recovered by \$6,680, as calculated on Schedule C-3,  
12 Page 4, line 13, Exhibit JHM-1. The Company's calculation accounts for the  
13 final audited true-up for the year January 1, 2008 through December 31,  
14 2008, which was an over-recovery of \$27,820, including interest.

15 **Q. WHAT IS THE TOTAL COST THE COMPANY SEEKS TO RECOVER**  
16 **DURING THE PERIOD JANUARY 1, 2010 THROUGH DECEMBER 31,**  
17 **2010?**

18 A. As indicated on Schedule C-1, Exhibit JHM-1, the Company seeks to recover  
19 \$26,799 during the referenced period. This amount represents the projected  
20 costs of \$20,119 to be incurred during 2010, plus the estimated true-up of  
21 \$6,680 for calendar year 2009.

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2010 THROUGH DECEMBER 2010

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1):	\$20,119
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 13):	\$6,680
3. TOTAL (LINE 1 AND LINE 2):	\$26,799

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER & DEMAND CHARGE REVENUES	DELIVERY CHARGE	TOTAL CUST. & DELIVERY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	ECCR FACTOR
TS-1	4,020	35,817	\$36,180	\$20,466	\$56,646	\$3,555	6.27568%	0.09925	1.00503	0.09975
TS-2	773	30,316	\$9,276	\$14,954	\$24,230	\$1,521	6.27568%	0.05016	1.00503	0.05041
TS-3	745	282,945	\$26,075	\$132,070	\$158,145	\$9,925	6.27568%	0.03508	1.00503	0.03525
TS-4	321	413,048	\$48,150	\$139,862	\$188,012	\$11,799	6.27568%	0.02857	1.00503	0.02871
TOTAL	5,859	762,126	\$119,681	\$307,352	\$427,033	\$26,799				

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ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
JANUARY 2010 THROUGH DECEMBER 2010

PROGRAM	JAN 2010	FEB 2010	MAR 2010	APR 2010	MAY 2010	JUN 2010	JUL 2010	AUG 2010	SEP 2010	OCT 2010	NOV 2010	DEC 2010	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	652	102	102	102	1,389	102	152	102	773	985	435	443	5,339
2 RESIDENTIAL APPL. REPLACEMENT	1,219	144	669	144	980	144	194	144	1,334	1,002	477	589	7,040
3 RESIDENTIAL APPL. RETENTION	694	244	494	244	1,327	244	194	244	1,259	928	928	940	7,740
4 CONSERVATION EDUCATION	0	0	0	0	0	0	0	0	0	0	0	0	0
5 (INSERT NAME)	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>\$2,565</u>	<u>\$490</u>	<u>\$1,265</u>	<u>\$490</u>	<u>\$3,696</u>	<u>\$490</u>	<u>\$540</u>	<u>\$490</u>	<u>\$3,366</u>	<u>\$2,915</u>	<u>\$1,840</u>	<u>\$1,972</u>	<u>\$20,119</u>

ESTIMATED CONSERVATION PROGRAM COSTS BY EXPENSE CATEGORY  
JANUARY 2010 THROUGH DECEMBER 2010

PROGRAM	CAPITAL INVEST	PYROLL & BENEFITS	MATERLS. & SUPPLIES	ADVERTISING	ALLOWANCES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	0	500	100	1,666	1,000	1,833	240	0	5,339
2 RESIDENTIAL APPL. REPLACEMENT	0	500	100	1,667	2,200	2,333	240	0	7,040
3 RESIDENTIAL APPL. RETENTION	0	500	100	1,667	2,900	2,333	240	0	7,740
4 CONSERVATION EDUC	0	0	0	0	0	0	0	0	0
5 (INSERT NAME)	0	0	0	0	0	0	0	0	0
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	\$0	\$1,500	\$300	\$5,000	\$6,100	\$6,499	\$720	\$0	\$20,119

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	ALLOWANCES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	0	0	0	608	350	554	0	0	1,512
B. ESTIMATED	0	800	50	1,075	0	1,000	100	50	3,075
TOTAL	0	800	50	1,683	350	1,554	100	50	4,587
2 RESIDENTIAL APPL. REPLACEMENT									
A. ACTUAL	0	0	0	609	525	554	0	0	1,688
B. ESTIMATED	0	800	50	1,075	800	1,000	100	50	3,875
TOTAL	0	800	50	1,684	1,325	1,554	100	50	5,563
3 RESIDENTIAL APPL. RETENTION									
A. ACTUAL	0	0	0	609	0	554	0	0	1,163
B. ESTIMATED	0	800	50	1,076	1,000	1,000	100	50	4,076
TOTAL	0	800	50	1,685	1,000	1,554	100	50	5,239
4 CONSERVATION EDUC									
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0
5 (INSERT NAME)									
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
6 (INSERT NAME)									
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
SUB-TOTAL	\$0	\$2,400	\$150	\$5,052	\$2,675	\$4,662	\$300	\$150	\$15,389

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM	CAPITAL INVESTMENT	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTISING	ALLOWANCES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	\$0	\$2,400	\$150	\$5,052	\$2,675	\$4,662	\$300	\$150	\$15,389
7. (INSERT NAME)	0	0	0	0	0	0	0	0	0
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL									
8. (INSERT NAME)	0	0	0	0	0	0	0	0	0
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL									
9. (INSERT NAME)	0	0	0	0	0	0	0	0	0
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL									
10. (INSERT NAME)	0	0	0	0	0	0	0	0	0
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL									
11. (INSERT NAME)	0	0	0	0	0	0	0	0	0
A. ACTUAL	0	0	0	0	0	0	0	0	0
B. ESTIMATED	0	0	0	0	0	0	0	0	0
C. TOTAL									
TOTAL	\$0	\$2,400	\$150	\$5,052	\$2,675	\$4,662	\$300	\$150	\$15,389

CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL/ESTIMATED  
JANUARY 2009 THROUGH DECEMBER 2009

PROGRAM NAME	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
RESIDENTIAL NEW CONSTRUCTION	0	0	166	0	1,346	0	0	0	1,273	603	603	596	4,587
RESIDENTIAL APPL. REPLACEMENT	0	0	167	0	996	0	0	525	1,271	953	953	698	5,563
RESIDENTIAL APPL. RETENTION	0	0	167	0	996	0	0	0	1,621	953	803	699	5,239
(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
(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	\$0	\$0	\$500	\$0	\$3,338	\$0	\$0	\$525	\$4,165	\$2,509	\$2,359	\$1,993	\$15,389

ENERGY CONSERVATION ADJUSTMENT  
JANUARY 2009 THROUGH DECEMBER 2009

CONSERVATION REVENUES	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. 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
3. CONSERVATION ADJ. REVENUE	(833)	(814)	(830)	(692)	(583)	(624)	(570)	(558)	(650)	(734)	(749)	(970)	(8,607)
4. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
5. TOTAL REVENUES	(833)	(814)	(830)	(692)	(583)	(624)	(570)	(558)	(650)	(734)	(749)	(970)	(8,607)
6. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO PERIOD	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	27,816
7. CONSERVATION REVENUES APPLICABLE TO PERIOD	1,485	1,504	1,488	1,626	1,735	1,694	1,748	1,760	1,668	1,584	1,569	1,348	19,209
8. CONSERVATION EXPS. (FORM C-3, PAGE 3)	0	0	500	0	3,338	0	0	525	4,165	2,509	2,359	1,993	15,389
9. TRUE-UP THIS PERIOD	1,485	1,504	1,988	1,626	5,073	1,694	1,748	2,285	5,833	4,093	3,928	3,341	34,598
10. INTEREST THIS PERIOD (C-3, PAGE 5)	(0)	(19)	(16)	(12)	(9)	(8)	(8)	(7)	(6)	(5)	(5)	(5)	(98)
11. TRUE-UP & INT. BEG. OF MONTH	(27,820)	(28,653)	(29,486)	(29,832)	(30,536)	(27,789)	(28,421)	(28,999)	(29,038)	(25,529)	(23,760)	(22,155)	-27,820
12. PRIOR TRUE-UP COLLECT/(REFUND)	-2,318	-2,318	-2,318	-2,318	-2,318	-2,318	-2,318	-2,318	-2,318	-2,318	-2,318	-2,318	
13. END OF PERIOD TOTAL NET TRUE-UP	(28,653)	(29,486)	(29,832)	(30,536)	(27,789)	(28,421)	(28,999)	(28,038)	(25,529)	(23,760)	(22,155)	(21,136)	\$6,680

CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2009 THROUGH DECEMBER 2009

	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. INTEREST PROVISION													
2. BEGINNING TRUE-UP	27,820	(28,653)	(29,486)	(29,832)	(30,536)	(27,789)	(28,421)	(28,999)	(29,038)	(25,529)	(23,760)	(22,155)	
3. ENDING TRUE-UP BEFORE INTEREST	(28,653)	(29,467)	(29,816)	(30,524)	(27,781)	(28,413)	(28,991)	(29,032)	(25,524)	(23,755)	(22,150)	(21,131)	
4. TOTAL BEG. & END. TRUE-UP	(833)	(58,120)	(59,302)	(60,356)	(58,317)	(56,203)	(57,412)	(58,031)	(54,562)	(49,284)	(45,909)	(43,286)	
5. AVERAGE TRUE-UP	(417)	(29,060)	(29,651)	(30,178)	(29,158)	(28,101)	(28,706)	(29,015)	(27,281)	(24,642)	(22,955)	(21,643)	
6. INTEREST RATE-FIRST DAY REPORTING BUSINESS MONTH	0.54%	0.79%	0.75%	0.55%	0.40%	0.30%	0.35%	0.30%	0.25%	0.25%	0.25%	0.25%	
7. INTEREST RATE - FIRST DAY SUBSEQUENT BUSINESS MONTH	0.79%	0.75%	0.55%	0.40%	0.30%	0.35%	0.30%	0.25%	0.25%	0.25%	0.25%	0.25%	
8. TOTAL	1.33%	1.54%	1.30%	0.95%	0.70%	0.65%	0.65%	0.55%	0.50%	0.50%	0.50%	0.50%	
9. AVERAGE INTEREST RATE	0.67%	0.77%	0.65%	0.48%	0.35%	0.33%	0.33%	0.28%	0.25%	0.25%	0.25%	0.25%	
10. MONTHLY AVERAGE INTEREST RATE	0.06%	0.06%	0.05%	0.04%	0.03%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	
11. INTEREST PROVISION	(\$0)	(\$19)	(\$16)	(\$12)	(\$9)	(\$8)	(\$8)	(\$7)	(\$6)	(\$5)	(\$5)	(\$5)	(\$98)

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

**Sebring Gas System, Inc.**

**Docket No. 090004-GU**

**Energy Conservation Schedules and Program Descriptions**

**September 2009**



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

**Sebring Gas System**  
**Program Description and Progress**

Program Title:

Residential New Construction Program

Reporting Period

January 2009 through August 2009

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 2009 through August 2009, one (1) new home allowance was paid. The Company projects zero (0) new homes will qualify for allowances during the period September through December 2009.

Program Fiscal Expenditures:

During the eight month reporting period, actual expenditures for this program totaled \$1,512. The Company projects that total expenditures will equal \$4,587, for the 2009 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 2009 through August 2009

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 2009 through August 2009, one (1) residential appliance (storage water heater) replacement allowance was paid. The Company projects four (4) residential appliance installations (one water heater and four cooking conversions) will qualify for replacement allowances during the period September through December 2009.

Program Fiscal Expenditures:  
During the eight-month reporting period, actual expenditures for this program were \$1,688. The Company projects that total expenditures will equal \$5,563 for the 2009 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 2009 through August 2009

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 2009 through August 2009, zero (0) residential appliance retention allowance was paid. The Company projects five (5) residential appliance installations (two storage water heaters, two dryers and one cooking appliance) will qualify for retention allowances during the period September through December 2009 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 \$1,163. The Company projects that total expenditures will equal \$5,239 for the 2009 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 2009 through August 2009

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 continues to communicate with several homebuilders, appliance retailers and contractors in its service area to provide information on its programs. In March 2009 the Company participated (manned display booth) in a green building and products home show. The Company has retained a part-time outside contract sales person to attempt to increase program participation. In addition, signage in the office has provided program and allowance information. In 2009, the Company began participation in the Get Gas Florida consumer education program supported by the Florida Natural Gas Association. In September 2009, the Company plans a direct mail campaign to attempt to increase consumer awareness of the incentive programs.

Program Fiscal Expenditures:

During the eight-month reporting period, actual expenditures for this program were \$1,826. The Company projects that total expenditures will equal \$5,052 for the 2009 annual period. The Company records consumer awareness and advertising expenses in the respective individual program accounts.