

EXHIBIT _____ (JMH-1)

SEBRING GAS SYSTEM, INC.

CONSERVATION COST RECOVERY TRUE-UP

January 1, 2010 through December 31, 2010

COM	<u>5</u>
APA	<u>1</u>
ECR	<u>2</u>
GCL	<u>1</u>
RAD	—
SSC	—
ADM	—
OPC	—
CLK	(F.R.P.R)

DOCUMENT NUMBER-DATE
 03044 MAY -3 =
 FPSC-COMMISSION CLERK

CONTENTS

Schedule CT-1

(1 of 1) Adjusted Net True-Up

Schedule CT-2

(1 of 3) Analysis of Energy Conservation Program Costs
Actual vs. Estimated

(2 of 3) Actual Conservation Program Costs per Program

(3 of 3) Conservation Costs per Program – Variance Actual vs. Projected

Schedule CT-3

(1 of 3) Energy Conservation Adjustment Calculation of True-Up and
Interest Provision – Summary of Expenses by Program by Month

(2 of 3) Energy Conservation Adjustment Calculation of True-Up and
Interest Provision

(3 of 3) Calculation of True-Up and Interest Provision

Schedule CT-4

(1 of 1) Schedule of Capital Investments, Depreciation and Return

Schedule CT-5

(1 of 1) Reconciliation and Explanation of Differences between Filing and
PSC Audit Report for January 2009 through December 2009

Schedule CT-6 Program Description and Progress

(1 and 2 of 6) Residential New Construction Program

(3 and 4 of 6) Residential Appliance Replacement Program

(5 and 6 of 6) Residential Appliance Retention Program

ADJUSTED NET TRUE-UP
FOR MONTHS: JANUARY 2010 THROUGH DECEMBER 2010

END OF PERIOD TRUE-UP

PRINCIPLE	(\$13,444)	
INTEREST	<u>(\$52)</u>	(\$13,496)

LESS PROJECTED TRUE-UP

PRINCIPLE	\$13,004	
INTEREST	(\$53)	\$12,951

ADJUSTED NET TRUE-UP (\$26,447)

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

JANUARY 2010 THROUGH DECEMBER 2010

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	\$0	\$0	\$0
PAYROLL & BENEFITS	\$5,811	\$4,840	\$971
MATERIALS & SUPPLIES	\$0	\$155	(\$155)
ADVERTISING	\$10,398	\$10,908	(\$510)
INCENTIVES	\$12,500	\$15,225	(\$2,725)
OUTSIDE SERVICES	\$8,559	\$9,312	(\$753)
VEHICLES	\$0	\$0	\$0
OTHER	<u>\$15</u>	<u>\$0</u>	<u>\$15</u>
SUB TOTAL	\$37,283	\$40,440	(\$3,157)
PROGRAM REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL PROGRAM COSTS	\$37,283	\$40,440	(\$3,157)
LESS: PAYROLL ADJUSTMENTS	\$0	\$0	\$0
AMOUNTS INCLUDED IN RATE BASE	\$0	\$0	\$0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(\$50,728)	(\$27,436)	(\$23,292)
ROUNDING ADJUSTMENTS	<u>\$1</u>	<u>\$0</u>	<u>\$1</u>
TRUE-UP BEFORE INTEREST	(\$13,444)	\$13,004	(\$26,448)
INTEREST PROVISION	(\$52)	(\$53)	\$1
END OF PERIOD TRUE-UP	<u>(\$13,496)</u>	<u>\$12,951</u>	<u>(\$26,447)</u>
() REFLECTS OVER-RECOVERY			

Actual Conservation Program Costs per Program
 For Months: January 2010 through December 2010

Program Name	<u>Capital Investment</u>	<u>Payroll & Benefits</u>	<u>Materials & Supplies</u>	<u>Advertising</u>	<u>Incentives</u>	<u>Outside Services</u>	<u>Vehicles</u>	<u>Other</u>	<u>TOTAL</u>
Program 1: Res. New Home Const.	\$0	\$1,937	\$0	\$3,466	\$6,300	\$2,853	\$0	\$5	\$14,561
Program 2: Res. Appliance Replace	\$0	\$1,937	\$0	\$3,466	\$6,200	\$2,853	\$0	\$5	\$14,461
Program 3: Customer Retention	\$0	\$1,937	\$0	\$3,466	\$0	\$2,853	\$0	\$5	\$8,261
TOTAL	\$0	\$5,811	\$0	\$10,398	\$12,500	\$8,559	\$0	\$15	\$37,283

Conservation Costs per Program - Variance Actual Versus Projected
 For Months: January 2010 through December 2010

Program Name	Capital Investment	Payroll & Benefits	Materials & Supplies	Advertising	Incentives	Outside Services	Vehicles	Other	TOTAL
Program 1: Res. New Home Const.	\$0	\$1,367	\$0	\$2,318	\$3,700	\$2,053	\$0	\$5	\$9,443
Program 2: Res. Appliance Replace	\$0	\$1,367	\$0	\$2,318	\$4,200	\$2,053	\$0	\$5	\$9,943
Program 3: Customer Retention	\$0	\$1,367	\$0	\$2,318	(\$1,000)	\$2,053	\$0	\$5	\$4,743
TOTAL	\$0	\$4,101	\$0	\$6,954	\$6,900	\$6,159	\$0	\$15	\$24,129

Energy conservation Adjustment Calculation of True-Up and Interest Provision
 Summary of Expenses By program By Month
 For Month January 2010 through December 2010

Program Name	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
Program 1: Res. New Home Const.	\$529	\$169	\$425	\$959	\$1,251	\$442	\$1,824	\$5,941	\$441	\$649	\$1,464	\$466	\$14,562
Program 2: Res. Appliance Replace	\$1,054	\$694	\$950	\$1,484	\$1,701	\$442	\$2,349	\$1,491	\$441	\$1,174	\$1,339	\$1,340	\$14,461
Program 3: Customer Retention	\$529	\$169	\$425	\$959	\$1,251	\$442	\$1,824	\$441	\$441	\$649	\$664	\$465	\$8,261
TOTAL	\$2,113	\$1,032	\$1,801	\$3,403	\$4,202	\$1,326	\$5,998	\$7,874	\$1,324	\$2,472	\$3,467	\$2,272	\$37,284

Energy conservation Adjustment Calculation of True-Up and Interest Provision

For Mont January 2010 through December 2010

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	(\$3,216)	(\$2,780)	(\$2,917)	(\$2,170)	(\$2,016)	(\$2,023)	(\$1,827)	(\$1,792)	(\$1,843)	(\$2,043)	(\$1,999)	(\$2,821)	(\$27,447)
4 TOTAL REVENUES	(\$3,216)	(\$2,780)	(\$2,917)	(\$2,170)	(\$2,016)	(\$2,023)	(\$1,827)	(\$1,792)	(\$1,843)	(\$2,043)	(\$1,999)	(\$2,821)	(\$27,447)
5 PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	(\$1,940)	(\$1,940)	(\$1,940)	(\$1,940)	(\$1,940)	(\$1,940)	(\$1,940)	(\$1,940)	(\$1,940)	(\$1,940)	(\$1,940)	(\$1,940)	(\$23,281)
6 CONSERVATION REVS APPLICABLE TO THIS PERIOD	(\$5,156)	(\$4,720)	(\$4,857)	(\$4,110)	(\$3,956)	(\$3,963)	(\$3,767)	(\$3,732)	(\$3,783)	(\$3,983)	(\$3,939)	(\$4,761)	(\$50,728)
7 CONSERVATION EXPS (FROM CT-3, PAGE 1)	\$2,113	\$1,032	\$1,801	\$3,403	\$4,202	\$1,326	\$5,998	\$7,874	\$1,324	\$2,472	\$3,467	\$2,272	\$37,284
8 TRUE-UP THIS PERIOD	(\$3,043)	(\$3,688)	(\$3,057)	(\$707)	\$246	(\$2,637)	\$2,231	\$4,142	(\$2,459)	(\$1,511)	(\$472)	(\$2,489)	(\$13,444)
9 INT. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	(\$4)	(\$4)	(\$5)	(\$5)	(\$6)	(\$7)	(\$6)	(\$4)	(\$3)	(\$3)	(\$3)	(\$3)	(\$52)
10 TRUE-UP & INT. PROV. BEGINNING OF MONTH.	(\$23,281)	(\$24,388)	(\$26,140)	(\$27,261)	(\$26,033)	(\$23,853)	(\$24,557)	(\$20,392)	(\$14,313)	(\$14,836)	(\$14,410)	(\$12,944)	
11 PRIOR TRUE-UP COLLECTED (REFUNDED)	\$1,940	\$1,940	\$1,940	\$1,940	\$1,940	\$1,940	\$1,940	\$1,940	\$1,940	\$1,940	\$1,940	\$1,940	
TOTAL NET TRUE-UP													
12 (SUM LINES 8+9+10+11)	(24,388)	(26,140)	(27,261)	(26,033)	(23,853)	(24,557)	(20,392)	(14,313)	(14,836)	(14,410)	(12,944)	(13,496)	(13,496)

Calculation of True-Up and Interest Provision
For Months: January 2010 through December 2010

Interest Provision	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
1 BEGINNING TRUE-UP	(\$23,281)	(\$24,384)	(\$26,131)	(\$27,247)	(\$26,015)	(\$23,829)	(\$24,525)	(\$20,354)	(\$14,272)	(\$14,791)	(\$14,362)	(\$12,894)	
ENDING TRUE-UP BEFORE													
2 INTEREST	(\$24,384)	(\$26,131)	(\$27,247)	(\$26,015)	(\$23,829)	(\$24,525)	(\$20,354)	(\$14,272)	(\$14,791)	(\$14,362)	(\$12,894)	(\$13,444)	
TOTAL BEGINNING &													
3 ENDING TRUE-UP	(\$47,665)	(\$50,515)	(\$53,378)	(\$53,262)	(\$49,844)	(\$48,354)	(\$44,879)	(\$34,626)	(\$29,063)	(\$29,153)	(\$27,256)	(\$26,338)	
AVERAGE TRUE-UP													
4 (LINE 3 x 50%)	<u>(\$23,832)</u>	<u>(\$25,257)</u>	<u>(\$26,689)</u>	<u>(\$26,631)</u>	<u>(\$24,922)</u>	<u>(\$24,177)</u>	<u>(\$22,440)</u>	<u>(\$17,313)</u>	<u>(\$14,532)</u>	<u>(\$14,577)</u>	<u>(\$13,628)</u>	<u>(\$13,169)</u>	
INT. RATE - 1ST DAY													
5 OF REPORTING MONTH	0.20%	0.20%	0.21%	0.21%	0.23%	0.34%	0.35%	0.28%	0.28%	0.25%	0.25%	0.25%	
INT. RATE - 1ST DAY													
6 OF SUBSEQUENT MONTH	<u>0.20%</u>	<u>0.21%</u>	<u>0.21%</u>	<u>0.23%</u>	<u>0.34%</u>	<u>0.35%</u>	<u>0.28%</u>	<u>0.28%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	
7 TOTAL (LINES 5 + 6)	0.40%	0.41%	0.42%	0.44%	0.57%	0.69%	0.63%	0.56%	0.53%	0.50%	0.50%	0.50%	
AVG. INT. RATE													
8 (LINE 7 x 50%)	0.20%	0.21%	0.21%	0.22%	0.29%	0.35%	0.32%	0.28%	0.27%	0.25%	0.25%	0.25%	
MONTHLY AVG.													
9 INT. RATE	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	
10 INTEREST PROVISION													
(LINE 4 x LINE 9)	<u>(\$4)</u>	<u>(\$4)</u>	<u>(\$5)</u>	<u>(\$5)</u>	<u>(\$6)</u>	<u>(\$7)</u>	<u>(\$6)</u>	<u>(\$4)</u>	<u>(\$3)</u>	<u>(\$3)</u>	<u>(\$3)</u>	<u>(\$3)</u>	<u>(\$52)</u>

SEBRING GAS SYSTEM, INC.

Reconciliation and Explanation of differences between Filing and
PSC Audit Report for January 2010 through December 2010.

NO DIFFERENCES ARE KNOWN AS OF THE DATE OF THIS FILING

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

Program Title:

Residential New Construction Program

Program Description:

The Residential New Construction Program is designed to increase the overall penetration of natural gas in the single family and multi-family construction residential markets of the Company's service territory by expanding consumer energy options in new homes.

For the period January 1, 2010 through September 2, 2010, the Company operated under the terms of Order No. PSC-07-0693-TRF-EG, issued on August 24, 2007.

Order No. PSC-07-0639-TRF-EG prescribed the following Residential New Construction Cash Allowances:

Gas Storage Tank Water Heater	\$350
Gas Tankless Water Heater	\$450
Gas Heating	\$350
Gas Cooking	\$100
Gas Clothes Drying	\$100

For the period September 2, 1020 through December 31, 2010, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, Issued September 2, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential New Construction Cash Allowances:

Gas Storage Tank Water Heater	\$350
Gas High Efficiency Stg. Tank Water Heater	\$400
Gas Tankless Water Heater	\$550
Gas Heating	\$500
Gas Cooking	\$150
Gas Clothes Drying	\$100

Program Projections:

For the twelve month period January 2010 through December 2010, the Company estimated that thirty (30) new homes would be connected to its gas system and qualify for allowances. During this period, eleven (11) new home allowances were paid.

Program Fiscal Expenditures:

During 2010 expenditures for the Residential New Construction Program totaled \$14,561..

Program Progress Summary:

Since the inception of the Residential Construction Program in July 2007, thirteen (13) new home allowances have been paid. The Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new residences.

Sebring Gas System, Inc.
Program Description and Progress

Program Title:

Residential Appliance Replacement Program

Program Description:

The Residential Appliance Replacement 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. .

For the period January 1, 2010 through September 2, 2010, the Company operated under the terms of Order No. PSC-07-0693-TRF-EG, issued on August 24, 2007.

Order No. PSC-07-0639-TRF-EG prescribed the following Residential Appliance Replacement Cash Allowances:

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

For the period September 2, 1020 through December 31, 2010, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, Issued September 2, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential Appliance Replacement Cash Allowances:

Gas Storage Tank Water Heater	\$500
Gas High Efficiency Stg. Tank Water Heater	\$550
Gas Tankless Water Heater	\$675
Gas Heating	\$725
Gas Cooking	\$200
Gas Clothes Drying	\$150

Program Projections:

For the twelve month period January 2010 through December 2010, the Company estimated that twelve (12) residential appliance replacements would qualify for allowances. During this period, eleven (11) allowances were paid.

Program Fiscal Expenditures:

During 2010 expenditures for the Residential Appliance Replacement Program totaled \$14,461.

Program Progress Summary:

Since the inception of the Residential Construction Program in July 2007, fifteen (15) residential appliances replacement allowances have been paid.

Sebring Gas System, Inc.
Program Description and Progress

Program Title:

Residential Appliance Retention Program

Program Description:

The company offers the Residential Appliance Retention 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 ore resources effectively , this program offers cash allowances to the customer.

For the period January 1, 2010 through September 2, 2010, the Company operated under the terms of Order No. PSC-07-0693-TRF-EG, issued on August 24, 2007.

Order No. PSC-07-0639-TRF-EG prescribed the following Residential Appliance Retention Cash Allowances:

Gas Storage Tank Water Heater	\$350
Gas Tankless Water Heater	\$450
Gas Heating	\$350
Gas Cooking	\$100
Gas Clothes Drying	\$100

For the period September 2, 1020 through December 31, 2010, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, Issued September 2, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential Appliance Retention Cash Allowances:

Gas Storage Tank Water Heater	\$350
Gas High Efficiency Stg. Tank Water Heater	\$400
Gas Tankless Water Heater	\$550
Gas Heating	\$500
Gas Cooking	\$100
Gas Clothes Drying	\$100

Program Projections:

For the twelve month period January 2010 through December 2010, the Company estimated that five (5) residential appliance retentions would qualify for allowances. During this period, no allowances were paid.

Program Fiscal Expenditures:

During 2010 expenditures for the Residential Appliance Retention Program totaled \$8,261.

Program Progress Summary:

Since the inception of the Residential Construction Program in July 2007, six (6) residential appliances replacement allowances have been paid.