

ENERGY CONSERVATION ADJUSTMENT  
SUMMARY OF COST RECOVERY CLAUSE CALCULATION  
JANUARY 2012 THROUGH DECEMBER 2012

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE1)	\$ 34,950
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ (17,791)
3. TOTAL (LINE 1 AND 2)	\$ 17,159

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	CONSERV FACTOR
TS-1	3,763	28,287	\$34,980	\$17,093	\$52,073	\$3,598	6.91%	0.12721	1.00503	0.12785
TS-2	782	19,019	\$9,360	\$9,382	\$18,742	\$1,222	6.52%	0.06424	1.00503	0.06456
TS-3	883	264,030	\$30,905	\$113,234	\$144,139	\$12,139	8.42%	0.04598	1.00503	0.04621
TS-4	406	396,536	<u>\$60,900</u>	\$133,434	\$194,334	\$15,108	7.77%	0.03810	1.00503	0.03829
TOTAL	5,834	707,872	\$136,145	\$273,141	\$409,286	\$32,067				

COM 5  
 APA 1  
~~ECR~~ 2  
 GCL 1  
 RAD \_\_\_\_\_  
 SRC \_\_\_\_\_  
 ADM \_\_\_\_\_  
 OPC \_\_\_\_\_  
 CLK F. R. R.

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH  
JANUARY 2012 THROUGH DECEMBER 2012

<u>PROGRAM</u>	<u>JAN</u> <u>2012</u>	<u>FEB</u> <u>2012</u>	<u>MAR</u> <u>2012</u>	<u>APR</u> <u>2012</u>	<u>MAY</u> <u>2012</u>	<u>JUN</u> <u>2012</u>	<u>JUL</u> <u>2012</u>	<u>AUG</u> <u>2012</u>	<u>SEP</u> <u>2012</u>	<u>OCT</u> <u>2012</u>	<u>NOV</u> <u>2012</u>	<u>DEC</u> <u>2012</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION	\$555	\$555	\$554	\$554	\$554	\$554	\$554	\$554	\$554	\$554	\$554	\$554	\$6,650
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221	\$1,221	\$1,220	\$1,220	\$14,650
3 RESIDENTIAL APPLIANCE RETENTION	\$1,138	\$1,138	\$1,138	\$1,138	\$1,138	\$1,138	\$1,137	\$1,137	\$1,137	\$1,137	\$1,137	\$1,137	\$13,650
<b>TOTAL ALL PROGRAMS</b>	<b>\$2,914</b>	<b>\$2,914</b>	<b>\$2,913</b>	<b>\$2,913</b>	<b>\$2,913</b>	<b>\$2,913</b>	<b>\$2,912</b>	<b>\$2,912</b>	<b>\$2,912</b>	<b>\$2,912</b>	<b>\$2,911</b>	<b>\$2,911</b>	<b>\$34,950</b>

COMPANY:

Sebring Gas System, Inc.

Docket No. 110004-GU

ECCR 2012 PROJECTIONS

Exhibit JHM-1

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2012 THROUGH DECEMBER 2012

PROGRAM	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$0	\$2,000	\$150	\$3,000	\$0	\$1,500	\$0	\$0	\$6,650
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$0	\$2,000	\$150	\$3,000	\$8,000	\$1,500	\$0	\$0	\$14,650
3 RESIDENTIAL APPLIANCE RETENTION	\$0	\$2,000	\$150	\$3,000	\$7,000	\$1,500	\$0	\$0	\$13,650
<b>PROGRAM COSTS</b>	<b>\$0</b>	<b>\$6,000</b>	<b>\$450</b>	<b>\$9,000</b>	<b>\$15,000</b>	<b>\$4,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,950</b>

COMPANY:

Sebring Gas System, Inc.  
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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2011 THROUGH DECEMBER 2011

PROGRAM	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	\$0	\$1,314	\$0	\$2,126	\$0	\$0	\$0	\$0	\$3,440
B. ESTIMATED	<u>\$0</u>	<u>\$657</u>	<u>\$0</u>	<u>\$1,063</u>	<u>\$0</u>	<u>\$1,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,120</u>
TOTAL	\$0	\$1,971	\$0	\$3,189	\$0	\$1,400	\$0	\$0	\$6,560
2 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	\$0	\$1,314	\$0	\$2,127	\$6,700	\$0	\$0	\$0	\$10,141
B. ESTIMATED	<u>\$0</u>	<u>\$657</u>	<u>\$0</u>	<u>\$1,062</u>	<u>\$3,350</u>	<u>\$1,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,469</u>
TOTAL	\$0	\$1,971	\$0	\$3,189	\$10,050	\$1,400	\$0	\$0	\$16,610
3 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	\$0	\$1,314	\$0	\$2,125	\$2,250	\$0	\$0	\$0	\$5,689
B. ESTIMATED	<u>\$0</u>	<u>\$657</u>	<u>\$0</u>	<u>\$1,064</u>	<u>\$1,125</u>	<u>\$1,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,246</u>
TOTAL	\$0	\$1,971	\$0	\$3,189	\$3,375	\$1,400	\$0	\$0	\$9,935
4 CONSERVATION EDUCATION									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUB-TOTAL	\$0	\$5,913	\$0	\$9,567	\$13,425	\$4,200	\$0	\$0	\$33,105

COMPANY: Sebring Gas System, Inc.

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ECCR 2012 PROJECTIONS

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ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM  
JANUARY 2011 THROUGH DECEMBER 2011

PROGRAM	CAPITAL	PAYROLL	MATERIAL	ADVERTISING	INCENTIVES	OUTSIDE	VEHICLE	OTHER	TOTAL
	INVESTMENT		& SUPPLIES			SERVICES			
SUB-TOTAL - PREVIOUS PAGE	\$0	\$5,913	\$0	\$9,567	\$13,425	\$4,200	\$0	\$0	\$33,105
5 PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 PROGRAM									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROGRAM COSTS	\$0	\$5,913	\$0	\$9,567	\$13,425	\$4,200	\$0	\$0	\$33,105

CONSERVATION PROGRAM COSTS BY PROGRAM  
ACTUAL / ESTIMATED  
JANUARY 2011 THROUGH DECEMBER 2011

PROGRAM	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	actual	total	
	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011		jan-aug	less actual	difference
1 RESIDENTIAL NEW CONSTRUCTION	\$438	\$615	\$690	\$407	\$414	\$347	\$264	\$265	\$780	\$780	\$780	\$780	\$6,560	\$3,440	\$3,120	\$0
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$438	\$1,290	\$1,516	\$1,482	\$414	\$2,372	\$1,689	\$940	\$1,617	\$1,617	\$1,617	\$1,618	\$16,610	\$10,141	\$6,469	\$0
3 RESIDENTIAL APPLIANCE RETENTION	\$438	\$915	\$690	\$907	\$414	\$697	\$264	\$1,364	\$1,061	\$1,061	\$1,062	\$1,062	\$9,935	\$5,689	\$4,246	\$0
TOTAL ALL PROGRAMS	\$1,314	\$2,820	\$2,896	\$2,796	\$1,242	\$3,416	\$2,217	\$2,569	\$3,458	\$3,458	\$3,459	\$3,460	\$33,105			

ENERGY CONSERVATION ADJUSTMENT  
JANUARY 2011 THROUGH DECEMBER 2011

CONSERVATION REVENUES	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER PROGRAM REV	0	0	0	0	0	0	0	0	0	0	0	0	0
1. ECCR REVENUE	(4,104)	(3,396)	(3,580)	(2,879)	(2,882)	(2,665)	(2,484)	(2,766)	(3,130)	(3,440)	(3,662)	(2,463)	(37,452)
2. CONSERV. ADJ. REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
3. TOTAL REVENUES	(4,104)	(3,396)	(3,580)	(2,879)	(2,882)	(2,665)	(2,484)	(2,766)	(3,130)	(3,440)	(3,662)	(2,463)	(37,452)
4. PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	0	0	0	0	0	0	0	0	0	0	0	0	0
5. CONSERV. REVS. APPLIC. TO PERIOD	(4,104)	(3,396)	(3,580)	(2,879)	(2,882)	(2,665)	(2,484)	(2,766)	(3,130)	(3,440)	(3,662)	(2,463)	(37,452)
6. CONSERVATION EXPS. (FORM C-3, PAGE 3)	1,314	2,820	2,896	2,796	1,242	3,416	2,217	2,569	3,458	3,458	3,459	3,460	33,105
7. TRUE-UP THIS PERIOD	(2,790)	(576)	(684)	(83)	(1,640)	751	(267)	(197)	328	18	(203)	997	(4,347)
8. INTEREST THIS PERIOD (C-3, PAGE 5)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(3)	(43)
9. TRUE-UP & INT BEGIN OF MONTH	(13,444)	(16,231)	(16,804)	(17,484)	(17,565)	(19,201)	(18,446)	(18,709)	(18,902)	(18,570)	(18,548)	(18,747)	(13,444)
10. PRIOR TRUE-UP COLLECT / (REFUND)	0	0	0	0	0	0	0	0	0	0	0	0	0
11. END OF PERIOD TOTAL NET TRUE-UP	(16,234)	(16,807)	(17,487)	(17,568)	(19,205)	(18,450)	(18,713)	(18,906)	(18,574)	(18,552)	(18,751)	(17,751)	(17,791)

COMPANY: Sebring Gas System, Inc.

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CALCULATION OF TRUE-UP AND INTEREST PROVISION  
JANUARY 2011 THROUGH DECEMBER 2011

INTEREST PROVISION	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011	TOTAL
BEGINNING TRUE-UP	(13,444)	(16,231)	(16,804)	(17,484)	(17,565)	(19,201)	(18,446)	(18,709)	(18,902)	(18,570)	(18,548)	(18,747)	
END. T-UP BEFORE INT. (C3,4)	(16,231)	(16,804)	(17,484)	(17,565)	(19,201)	(18,446)	(18,709)	(18,902)	(18,570)	(18,548)	(18,747)	(17,748)	
TOTAL BEG. & END. T-UP	(29,675)	(33,034)	(34,288)	(35,049)	(36,765)	(37,647)	(37,155)	(37,611)	(37,472)	(37,118)	(37,296)	(36,495)	
AVERAGE TRUE-UP	(14,837)	(16,517)	(17,144)	(17,525)	(18,383)	(18,823)	(18,578)	(18,806)	(18,736)	(18,559)	(18,648)	(18,248)	
INT. RATE-FIRST DAY OF REPORTING BUSINESS MTH.	0.25%	0.25%	0.25%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUSINESS MTH	0.25%	0.25%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	
TOTAL	0.50%	0.50%	0.48%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%	
AVG INTEREST RATE	0.25%	0.25%	0.24%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	0.23%	
MONTHLY AVG. INT. RATE	0.0208%	0.0208%	0.0198%	0.0190%	0.0192%	0.0192%	0.0192%	0.0192%	0.0192%	0.0192%	0.0192%	0.0192%	
INTEREST PROVISION	\$ (3)	\$ (3)	\$ (3)	\$ (3)	\$ (4)	\$ (4)	\$ (4)	\$ (4)	\$ (4)	\$ (4)	\$ (4)	\$ (3)	\$ (43)



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

Program Title

Residential New Construction Program

Reporting Period

January 2011 through December 2011

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 Sebring Gas System, Inc. (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
- \$400 Gas High Efficiency Storage tank Water Heater
- \$550 Tankless Water Heating
- \$500 Gas Heating
- \$150 Gas Cooking
- \$100 Gas Clothes Drying

Program Activity and Projections

During the eight-month reporting period January 2011 through August 2011, no (0) new home allowances were paid. The Company projects no (0) new home construction will qualify for allowances during the period September through December 2011.

Program Fiscal Expenditures

During the eight months reporting period, actual expenditures for this program totaled \$3,440. The Company projects that total expenditures will equal \$6,560 for the 2011 annual period.

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

Program Title

Residential Appliance Replacement Program

Reporting Period

January 2011 through December 2011

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 appliances through the purchase of energy efficient natural gas appliances.

Current Approved Allowances

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

Program Activity and Projections

During the eight-month reporting period January 2011 through August 2011, twelve (12) residential appliance replacement allowances were paid. The Company projects six (6) appliance replacement allowances will be paid during the period September through December 2011.

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

Residential Appliance Replacement Program, continued from page 5 of 5

Program Fiscal Expenditures

During the eight months reporting period, actual expenditures for this program totaled \$10,141. The Company projects that total expenditures will equal \$16,610 for the 2011 annual period.

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

Program Title

Residential Appliance Retention Program

Reporting Period

January 2011 through December 2011

Program Description

This program is designed to encourage existing customers to continue to use natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our county's resources effectively, this program offers cash allowances to the customer.

Current Approved Allowances

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

Program Activity and Projections

During the eight-month reporting period January 2011 through August 2011, five (5) residential appliance retention allowances were paid. The Company projects three (3) residential appliance retention allowances will be paid during the period September through December 2011.

Program Fiscal Expenditures

During the eight months reporting period, actual expenditures for this program totaled \$5,689. The Company projects that total expenditures will equal \$9,935 for the 2011 annual period.

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

Program Title

Conservation Education Program

Reporting Period

January 2011 through December 2011

Program Description

The object 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 costs.

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. The Company attends local builder association meetings, participating in their events. The Company continues to use a part-time outside contract sales group in an attempt to increase program participation. In 2009, the Company began participation in the Get Gas Florida consumer education program supported by the Florida Natural Gas Association. In the year 2010 the Company began a program of direct mailings to inform the public located within its service area of the benefit of using natural gas and the awareness of the programs offered by the Company.

Program Fiscal Expenditures:

During the year 2011, the Company booked the expenditures for the education program to the various incentive programs.