


MESSER CAPARELLO
Attorneys At Law
Strategically Positioned in Florida's Capital

September 10, 2013

BY HAND DELIVERY

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

Re: Docket No. 130004-GU

Dear Ms. Cole:

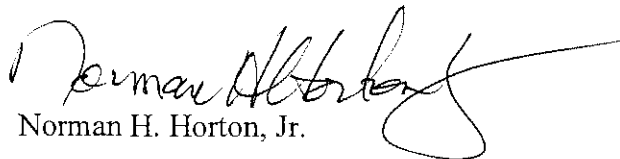
Enclosed for filing on behalf of Sebring Gas System, Inc. are an original and ten copies of the following documents:

1. Sebring Gas System, Inc.'s Petition for Approval of Conservation Cost Recovery Factor;
2. Schedules C-1, C-2, C-3, and C-4; and
3. 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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation)
Cost Recovery Clause.)
_____)

Docket No. 130004-GU
Filed: September 10, 2013

**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 2014 through December 2014. 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, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720
(850) 224-4359
e-mail: nhorton@lawfla.com

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

- 4) As indicated in the prefiled forms, the recoverable conservation costs for the period January 2014 through December 2014 are projected to be \$40,100.00. The conservation cost

recovery true-up amount for the period January 2012 through December 2012 is an overrecovery of \$3,902.00.

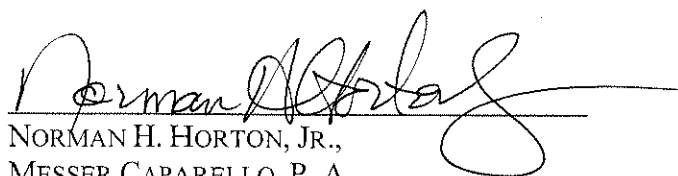
5) The resulting net total projected conservation costs to be recovered for the period January 2013 through December 2013 are \$36,198. Based upon projected sales the appropriate levelized conservation cost recovery factors for the period January 2014 through December 2014 are:

TS-1	\$.11993
TS-2	\$.06088
TS-3	\$.04448
TS-4	\$.03793

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 2014 through December 2014, and to billings thereafter until other conservation cost recovery factors are approved by the Commission.

DATED this 10th day of September, 2013.

Respectfully submitted,



NORMAN H. HORTON, JR.,
MESSER CAPARELLO, 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 Electronic Mail and/or U. S. Mail this 10th day of September, 2013 upon the following:

Pauline Robinson, Esq.
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Hialeah, FL 33013-3340

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

Ansley Watson, Jr.
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Ms. Cheryl Martin
Ms. Aleida Socarras
Florida Public Utilities Company,
Indiantown Division
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409-6703


NORMAN H. HORTON, JR.

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.130004-GU**

7 **September 10, 2013**

8

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

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

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

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

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

18 A. Yes.

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

21 A. My testimony will present actual and projected expenditures and
22 revenues related to promoting and administering the Company's
23 energy conservation programs in 2013 and 2014. I will provide the

1 adjusted net true-up amount associated with program administration
2 for the January 2012 through December 2012 period. Actual program
3 costs are provided for the period January 1, 2013 through June 2013,
4 as well as the costs the Company expects to incur from July 1, 2013
5 through December 31, 2013. I will also indicate the total costs the
6 Company seeks to recover through its conservation factors during the
7 period January 1, 2014 through December 31, 2014. Finally, I will also
8 propose the energy conservation cost recovery factors which, when
9 applied to consumer bills during the period January 1, 2014 through
10 December 31, 2014, will permit recovery of the Company's total
11 conservation costs.

12 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
13 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**
14 **WITH THESE PROGRAMS?**

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

20 **Q. HAVE YOU PREPARED SCHEDULES THAT INCLUDE THE**
21 **COMPANY'S CONSERVATION PROGRAM EXPENDITURES FOR**
22 **THE CURRENT (2013) AND PROJECTED (2014) PERIODS?**

1 A. Yes. Schedule C-3, Exhibit JHM-1 provides actual conservation
2 expenses for the January 2013 through June 2013 period and
3 projected expenses for the July 2013 through December 2013 period.
4 Projected expenses for the January 2014 through December 2014
5 period are included in Schedule C-2, Exhibit JHM-1.

6 **Q. HAVE YOU PREPARED A SCHEDULE THAT INCLUDES THE**
7 **COMPANY'S CONSERVATION RELATED REVENUES FOR 2014?**

8 A. Yes. Schedule C-3 (page 4 of 5), Exhibit JHM-1, provides actual
9 conservation revenue for the January 2013 through June 2013 period,
10 and projected conservation revenues for the July 2013 through
11 December 2013 period.

12 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE**
13 **PERIOD JANUARY 1, 2013 THROUGH DECEMBER 31, 2013?**

14 A. The Company is over-recovered by \$3,902, as calculated on Schedule
15 C-3, Page 4, line 11, Exhibit JHM-1.

16 **Q. WHAT IS THE TOTAL COST THE COMPANY SEEKS TO**
17 **RECOVER DURING THE PERIOD JANUARY 1, 2014 THROUGH**
18 **DECEMBER 31, 2014?**

19 A. As indicated on Schedule C-1, Exhibit JHM-1, the Company seeks to
20 recover \$36,198 during the referenced period. This amount represents
21 the projected costs of \$40,100 to be incurred during 2014, plus the
22 estimated true-up of (\$3,902) for calendar year 2013.

1 Q. WHAT ARE THE COMPANY'S PROPOSED ENERGY
2 CONSERVATION COST RECOVERY FACTORS FOR EACH RATE
3 CLASS FOR THE JANUARY 2014 THROUGH DECEMBER 2014
4 PERIOD?

5 A. Schedule C-1, Exhibit JHM-1, provides the calculation of the
6 Company's proposed ECCR factors for 2014.

7 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

8 A. Yes.

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2014 THROUGH DECEMBER 2014

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE1)	\$ 40,100
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ (3,902)
3. TOTAL (LINE 1 AND 2)	\$ 36,198

RATE		CUSTOMER		TOTAL		ECCR AS %		TAX	CONSERV	
SCHEDULE	BILLS	THERM SALES	CHARGE REVENUES	DELIVERY CHARGE	DELIVERY CHG REVENUE	REVENUES	OF TOTAL REVENUES	DOLLARS THERM	FACTOR	FACTOR
TS-1	4,447	33,146	\$41,273	\$19,967	\$61,240	\$3,955	6.46%	0.11933	1.00503	0.11993
TS-2	716	17,831	\$8,590	\$8,796	\$17,386	\$1,080	6.21%	0.06057	1.00503	0.06088
TS-3	989	334,947	\$34,608	\$142,078	\$176,686	\$14,824	8.39%	0.04426	1.00503	0.04448
TS-4	441	452,854	\$66,126	\$157,605	\$223,731	\$17,089	7.64%	0.03774	1.00503	0.03793
TOTAL	6,592	838,778	\$150,597	\$328,445	\$479,042	\$36,948				

COMPANY:

Sebring Gas System, Inc.
Docket No. 130004-GU
ECCR 2014 PROJECTIONS
Exhibit JHM-1 Page 3 of 13

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2014 THROUGH DECEMBER 2014

PROGRAM	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$0	\$3,000	\$0	\$4,200	\$1,000	\$2,000	\$0	\$0	\$10,200
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$0	\$3,000	\$0	\$4,200	\$5,000	\$2,000	\$0	\$0	\$14,200
3 RESIDENTIAL APPLIANCE RETENTION	\$0	\$3,000	\$0	\$4,200	\$6,500	\$2,000	\$0	\$0	\$15,700
PROGRAM COSTS	\$0	\$9,000	\$0	\$12,600	\$12,500	\$6,000	\$0	\$0	\$40,100

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2013 THROUGH DECEMBER 2013

<u>PROGRAM</u>	<u>CAPITAL INVESTMENT</u>	<u>PAYROLL</u>	<u>MATERIAL & SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	\$0	\$1,188	\$0	\$1,196	\$100	\$78	\$0	\$0	\$2,562
B. ESTIMATED	<u>\$0</u>	<u>\$1,500</u>	<u>\$0</u>	<u>\$1,972</u>	<u>\$300</u>	<u>\$2,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,172</u>
TOTAL	\$0	\$2,688	\$0	\$3,168	\$400	\$2,478	\$0	\$0	\$8,734
2 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	\$0	\$1,188	\$0	\$1,196	\$675	\$78	\$0	\$0	\$3,137
B. ESTIMATED	<u>\$0</u>	<u>\$1,500</u>	<u>\$0</u>	<u>\$1,972</u>	<u>\$1,350</u>	<u>\$2,377</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,199</u>
TOTAL	\$0	\$2,688	\$0	\$3,168	\$2,025	\$2,455	\$0	\$0	\$10,336
3 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	\$0	\$1,188	\$0	\$1,296	\$2,375	\$77	\$0	\$0	\$4,936
B. ESTIMATED	<u>\$0</u>	<u>\$1,500</u>	<u>\$0</u>	<u>\$1,972</u>	<u>\$9,500</u>	<u>\$2,428</u>	<u>\$0</u>	<u>\$0</u>	<u>\$15,400</u>
TOTAL	\$0	\$2,688	\$0	\$3,268	\$11,875	\$2,505	\$0	\$0	\$20,336
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	\$8,064	\$0	\$9,604	\$14,300	\$7,438	\$0	\$0	\$39,406

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2013 THROUGH DECEMBER 2013

<u>PROGRAM</u>	<u>CAPITAL INVESTMENT</u>	<u>PAYROLL</u>	<u>MATERIAL & SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
SUB-TOTAL - PREVIOUS PAGE	\$0	\$8,064	\$0	\$9,604	\$14,300	\$7,438	\$0	\$0	\$39,406
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	\$8,064	\$0	\$9,604	\$14,300	\$7,438	\$0	\$0	\$39,406

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL / ESTIMATED
JANUARY 2013 THROUGH DECEMBER 2013

<u>PROGRAM</u>	<u>JAN</u> <u>2013</u>	<u>FEB</u> <u>2013</u>	<u>MAR</u> <u>2013</u>	<u>APR</u> <u>2013</u>	<u>MAY</u> <u>2013</u>	<u>JUN</u> <u>2013</u>	<u>JUL</u> <u>2013</u>	<u>AUG</u> <u>2013</u>	<u>SEP</u> <u>2013</u>	<u>OCT</u> <u>2013</u>	<u>NOV</u> <u>2013</u>	<u>DEC</u> <u>2013</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION	\$379	\$475	\$376	\$403	\$453	\$474	\$674	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$8,734
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$379	\$376	\$376	\$1,078	\$453	\$474	\$800	\$1,200	\$1,200	\$1,200	\$1,400	\$1,400	\$10,336
3 RESIDENTIAL APPLIANCE RETENTION	\$379	\$576	\$376	\$1,453	\$453	\$1,699	\$1,600	\$2,600	\$2,600	\$2,600	\$3,000	\$3,000	\$20,336
TOTAL ALL PROGRAMS	\$1,137	\$1,427	\$1,128	\$2,934	\$1,359	\$2,647	\$3,074	\$4,900	\$4,900	\$4,900	\$5,500	\$5,500	\$39,406

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2013 THROUGH DECEMBER 2013

CONSERVATION REVENUES	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013	JUL 2013	AUG 2013	SEP 2013	OCT 2013	NOV 2013	DEC 2013	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	(2,890)	(2,777)	(3,178)	(3,053)	(2,720)	(2,616)	(2,534)	(2,618)	(2,504)	(2,583)	(2,656)	(2,866)	(32,994)
2. CONSERV. ADJ. REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
3. TOTAL REVENUES	(2,890)	(2,777)	(3,178)	(3,053)	(2,720)	(2,616)	(2,534)	(2,618)	(2,504)	(2,583)	(2,656)	(2,866)	(32,994)
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	(2,890)	(2,777)	(3,178)	(3,053)	(2,720)	(2,616)	(2,534)	(2,618)	(2,504)	(2,583)	(2,656)	(2,866)	(32,994)
6. CONSERVATION EXPS. (FORM C-3, PAGE 3)	1,137	1,427	1,128	2,934	1,359	2,647	3,074	4,900	4,900	4,900	5,500	5,500	39,406
7. TRUE-UP THIS PERIOD	(1,753)	(1,350)	(2,050)	(119)	(1,361)	31	540	2,282	2,396	2,317	2,844	2,634	6,412
8. INTEREST THIS PERIOD (C-3, PAGE 5)	(2)	(3)	(3)	(3)	(4)	(4)	(4)	(5)	(5)	(6)	(6)	(6)	(51)
9. TRUE-UP & INT BEGIN OF MONTH	(10,314)	(12,069)	(13,422)	(15,475)	(15,597)	(16,962)	(16,935)	(16,399)	(14,122)	(11,731)	(9,419)	(6,581)	(10,314)
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	(12,069)	(13,422)	(15,475)	(15,597)	(16,962)	(16,935)	(16,399)	(14,122)	(11,731)	(9,419)	(6,581)	(3,953)	(3,902)

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2013 THROUGH DECEMBER 2013

INTEREST PROVISION	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013	JUL 2013	AUG 2013	SEP 2013	OCT 2013	NOV 2013	DEC 2013	TOTAL
BEGINNING TRUE-UP	(10,314)	(12,069)	(13,422)	(15,475)	(15,597)	(16,962)	(16,935)	(16,399)	(14,122)	(11,731)	(9,419)	(6,581)	
END. T-UP BEFORE INT. (C3,4)	(12,067)	(13,419)	(15,472)	(15,594)	(16,958)	(16,931)	(16,395)	(14,117)	(11,726)	(9,413)	(6,575)	(3,947)	
TOTAL BEG. & END. T-UP	(22,381)	(25,487)	(28,893)	(31,068)	(32,554)	(33,892)	(33,329)	(30,515)	(25,847)	(21,144)	(15,994)	(10,529)	
AVERAGE TRUE-UP	(11,190)	(12,744)	(14,447)	(15,534)	(16,277)	(16,946)	(16,665)	(15,258)	(12,924)	(10,572)	(7,997)	(5,264)	
INT. RATE-FIRST DAY OF REPORTING BUSINESS MTH.	0.05%	0.09%	0.10%	0.08%	0.08%	0.07%	0.06%	0.05%	0.05%	0.05%	0.05%	0.05%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUSINESS MTH	0.09%	0.10%	0.08%	0.08%	0.07%	0.06%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	
TOTAL	0.14%	0.19%	0.18%	0.16%	0.15%	0.13%	0.11%	0.10%	0.10%	0.10%	0.10%	0.10%	
AVG INTEREST RATE	0.07%	0.10%	0.09%	0.08%	0.08%	0.07%	0.06%	0.05%	0.05%	0.05%	0.05%	0.05%	
MONTHLY AVG. INT. RATE	0.0058%	0.0079%	0.0075%	0.0067%	0.0063%	0.0054%	0.0046%	0.0042%	0.0042%	0.0042%	0.0042%	0.0042%	
INTEREST PROVISION	\$ (2)	\$ (3)	\$ (3)	\$ (3)	\$ (4)	\$ (4)	\$ (4)	\$ (5)	\$ (5)	\$ (6)	\$ (6)	\$ (6)	\$ (51)

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

Program Title

Residential New Construction Program

Reporting Period

January 2013 through December 2013

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 six-month reporting period January 2013 through June 2013, one (1) new home allowance were paid. The Company projects two (2) new home construction will qualify for allowances during the period July through December 2013.

Program Fiscal Expenditures

During the six-months reporting period, actual expenditures for this program totaled \$2,562. The Company projects that total expenditures will equal \$10,200 for the 2014 annual period.

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

Program Title

Residential Appliance Replacement Program

Reporting Period

January 2013 through December 2013

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 six-month reporting period January 2013 through June 2013, one (1) residential appliance replacement allowances were paid. The Company projects two (2) appliance replacement allowances will be paid during the period July through December 2013.

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

Residential Appliance Replacement Program, continued from page 2 of 5

Program Fiscal Expenditures

During the six-months reporting period, actual expenditures for this program totaled \$3,137. The Company projects that total expenditures will equal \$14,200 for the 2014 annual period.

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

Program Title

Residential Appliance Retention Program

Reporting Period

January 2013 through December 2013

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 six-month reporting period January 2013 through June 2013, seven (7) residential appliance retention allowances were paid. The Company projects twenty (20) residential appliance retention allowances will be paid during the period July through December 2013.

Program Fiscal Expenditures

During the six-months reporting period, actual expenditures for this program totaled \$4,936. The Company projects that total expenditures will equal \$15,700 for the 2014 annual period.

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

Program Title

Conservation Education Program

Reporting Period

January 2013 through December 2013

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 program.