


MESSIER CAPARELLO
Attorneys At Law
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September 16, 2014

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BY HAND DELIVERY

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd., Room No.
Tallahassee, Florida 32399-0850

Re: Docket No. 140004-GU

Dear Ms. Stauffer:

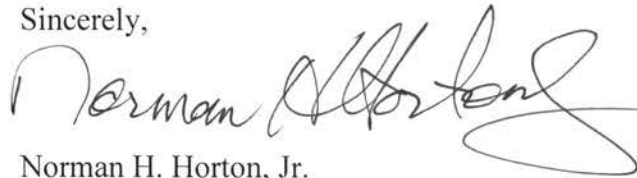
Enclosed for filing on behalf of Sebring Gas System, Inc. are an original and ten copies of the following documents:

1. Sebring Gas System, Inc.'s Revised Petition for Approval of Conservation Cost Recovery Factor;
2. Revised Schedule C-1, page 1; Revised Schedule C-3, pages 5 and 6;
3. Revised Direct Testimony of Jerry H. Melendy, Jr.;
4. Revised Preliminary List of Issues and Positions; and
5. Motion to Accept Revised Testimony, Schedules and Petition.

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

COM	
AFD	3
APA	2
ECO	4
ENG	
GCL	2
IDM	
TEL	
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 140004-GU
Filed: September 16, 2014

**REVISED 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 2015 through December 2015. 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 revised prefiled forms, the recoverable conservation costs for the period January 2015 through December 2015 are projected to be \$43,663.00. The conservation cost recovery true-up amount for the period January 2014 through December 2014 is an underrecovery of \$4,458.00.

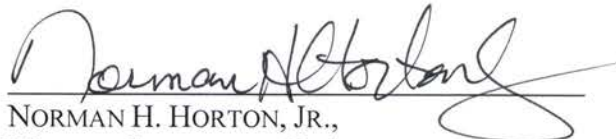
5) The resulting net total projected conservation costs to be recovered for the period January 2014 through December 2014 are \$48,121.00. Based upon projected sales the appropriate levelized conservation cost recovery factors for the period January 2015 through December 2015 are:

TS-1	\$.11687
TS-2	\$.06618
TS-3	\$.04899
TS-4	\$.04350

WHEREFORE, Sebring Gas System, Inc. requests the Commission to approve the foregoing revised conservation cost recovery factors, to be applied to customer bills for the period January 2015 through December 2015, and to billings thereafter until other conservation cost recovery factors are approved by the Commission.

DATED this 16th day of September, 2014.

Respectfully submitted,



NORMAN H. HORTON, JR.,
MESSER CAPARELLO, P. A.
Post Office Box 15579
Tallahassee, FL 32317
Telephone: (850) 222-0720
Facsimile: (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 16th day of September, 2014 upon the following:

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Ms. Aleida Socarras
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Indiantown Division
1641 Worthington Road, Suite 220
West Palm Beach, FL 33409-6703


NORMAN H. HORTON, JR.

ENERGY CONSERVATION ADJUSTMENT
 SUMMARY OF COST RECOVERY CLAUSE CALCULATION
 JANUARY 2015 THROUGH DECEMBER 2015

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE1)	\$ 43,663
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ 23,802
3. TOTAL (LINE 1 AND 2)	\$ 67,465

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	4,650	48,555	\$43,127	\$29,808	\$72,935	\$6,579	9.02%	0.13551	1.00503	0.13619
TS-2	747	65,728	\$8,973	\$32,422	\$41,395	\$4,966	12.00%	0.07555	1.00503	0.07593
TS-3	1,000	480,850	\$35,005	\$206,284	\$241,288	\$26,671	11.05%	0.05547	1.00503	0.05575
TS-4	403	593,170	\$60,410	\$204,633	\$265,043	\$29,249	11.04%	0.04931	1.00503	0.04956
TOTAL	6,800	1,188,302	\$147,515	\$473,146	\$620,661	\$67,465				

Revised

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2015 THROUGH DECEMBER 2015

PROGRAM	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$0	\$2,715	\$0	\$2,611	\$2,338	\$782	\$0	\$0	\$8,446
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$0	\$2,715	\$0	\$2,639	\$11,773	\$782	\$0	\$0	\$17,909
3 RESIDENTIAL APPLIANCE RETENTION	\$0	\$2,715	\$0	\$2,668	\$7,948	\$782	\$0	\$0	\$14,113
4 SMALL COMMERCIAL FOOD SERVICE	\$0	\$0	\$0	\$0	\$0	\$639	\$0	\$0	\$639
5 LARGE COMMERCIAL NON-FOOD SERV	\$0	\$0	\$0	\$0	\$0	\$639	\$0	\$0	\$639
6 LARGE COMMERCIAL FOOD SERV	\$0	\$0	\$0	\$0	\$0	\$639	\$0	\$0	\$639
7 LARGE COMMERCIAL HOSPITALITY		\$0	\$0	\$0	\$0	\$639	\$0	\$0	\$639
8 LARGE COMMERCIAL CLEAN SERV		\$0	\$0	\$0	\$0	\$639	\$0	\$0	\$639
PROGRAM COSTS	\$0	\$8,145	\$0	\$7,919	\$22,058	\$5,542	\$0	\$0	\$43,663

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2014 THROUGH DECEMBER 2014

<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	\$1,694	\$0	\$2,572	\$0	\$620	\$0	\$0	\$4,886
B. ESTIMATED	<u>\$0</u>	<u>\$1,500</u>	<u>\$0</u>	<u>\$500</u>	<u>\$2,750</u>	<u>\$300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,050</u>
TOTAL	\$0	\$3,194	\$0	\$3,072	\$2,750	\$920	\$0	\$0	\$9,936
2 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	\$0	\$1,694	\$0	\$2,605	\$11,150	\$620	\$0	\$0	\$16,069
B. ESTIMATED	<u>\$0</u>	<u>\$1,500</u>	<u>\$0</u>	<u>\$500</u>	<u>\$2,700</u>	<u>\$300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000</u>
TOTAL	\$0	\$3,194	\$0	\$3,105	\$13,850	\$920	\$0	\$0	\$21,069
3 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	\$0	\$1,694	\$0	\$2,639	\$5,500	\$620	\$0	\$0	\$10,453
B. ESTIMATED	<u>\$0</u>	<u>\$1,500</u>	<u>\$0</u>	<u>\$500</u>	<u>\$3,850</u>	<u>\$300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,150</u>
TOTAL	\$0	\$3,194	\$0	\$3,139	\$9,350	\$920	\$0	\$0	\$16,603
4 SMALL COMMERCIAL FOOD SERVICE									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$572	\$0	\$0	\$572
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$180</u>	<u>\$0</u>	<u>\$0</u>	<u>\$180</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$752	\$0	\$0	\$752
SUB-TOTAL	\$0	\$9,582	\$0	\$9,316	\$25,950	\$3,512	\$0	\$0	\$48,360

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2014 THROUGH DECEMBER 2014

<u>PROGRAM</u>	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	\$0	\$9,582	\$0	\$9,316	\$25,950	\$3,512	\$0	\$0	\$48,360
5 LARGE COMMERCIAL NON-FOOD SERVICE									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$572	\$0	\$0	\$572
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$180</u>	<u>\$0</u>	<u>\$0</u>	<u>\$180</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$752	\$0	\$0	\$752
6 LARGE COMMERCIAL FOOD SERVICE									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$572	\$0	\$0	\$572
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$180</u>	<u>\$0</u>	<u>\$0</u>	<u>\$180</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$752	\$0	\$0	\$752
7 LARGE COMMERCIAL HOSPITALITY									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$572	\$0	\$0	\$572
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$180</u>	<u>\$0</u>	<u>\$0</u>	<u>180</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$752	\$0	\$0	\$752
PROGRAM COSTS	\$0	\$9,582	\$0	\$9,316	\$25,950	\$5,768	\$0	\$0	\$50,616

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2014 THROUGH DECEMBER 2014

<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 PAGES	\$0	\$9,582	\$0	\$9,316	\$25,950	\$5,768	\$0	\$0	\$50,616
8 LARGE COMMERCIAL CLEANING SERVICE									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$572	\$0	\$0	\$572
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$180</u>	<u>\$0</u>	<u>\$0</u>	<u>\$180</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$752	\$0	\$0	\$752
9 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
10 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	\$9,582	\$0	\$9,316	\$25,950	\$6,520	\$0	\$0	\$51,368

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL / ESTIMATED
JANUARY 2014 THROUGH DECEMBER 2014

<u>PROGRAM</u>	<u>JAN</u> <u>2014</u>	<u>FEB</u> <u>2014</u>	<u>MAR</u> <u>2014</u>	<u>APR</u> <u>2014</u>	<u>MAY</u> <u>2014</u>	<u>JUN</u> <u>2014</u>	<u>JUL</u> <u>2014</u>	<u>AUG</u> <u>2014</u>	<u>SEP</u> <u>2014</u>	<u>OCT</u> <u>2014</u>	<u>NOV</u> <u>2014</u>	<u>DEC</u> <u>2014</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION	\$537	\$702	\$614	\$1,374	\$665	\$995	\$842	\$842	\$842	\$841	\$841	\$841	\$9,936
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$554	\$4,795	\$1,929	\$6,306	\$1,490	\$995	\$834	\$834	\$833	\$833	\$833	\$833	\$21,069
3 RESIDENTIAL APPLIANCE RETENTION	\$546	\$2,137	\$1,779	\$1,381	\$1,864	\$2,745	\$1,026	\$1,025	\$1,025	\$1,025	\$1,025	\$1,025	\$16,603
4 COMMERCIAL NEW CONSTRUCTION	\$0	\$0	\$657	\$46	\$0	\$250	\$50	\$50	\$50	\$50	\$50	\$50	\$1,253
5 COMMERCIAL APPLIANCE REPLACE	\$0	\$0	\$658	\$46	\$0	\$250	\$49	\$50	\$50	\$50	\$50	\$50	\$1,253
6 COMMERCIAL RETENTION	\$0	\$0	\$658	\$46	\$0	\$250	\$50	\$50	\$50	\$50	\$50	\$50	\$1,254
TOTAL ALL PROGRAMS	\$1,637	\$7,634	\$6,295	\$9,199	\$4,019	\$5,485	\$2,851	\$2,851	\$2,850	\$2,849	\$2,849	\$2,849	\$51,368

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2014 THROUGH DECEMBER 2014

CONSERVATION REVENUES	JAN 2014	FEB 2014	MAR 2014	APR 2014	MAY 2014	JUN 2014	JUL 2014	AUG 2014	SEP 2014	OCT 2014	NOV 2014	DEC 2014	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	(4,035)	(3,304)	(3,472)	(3,095)	(2,883)	(2,811)	(2,774)	(3,064)	(3,332)	(3,806)	(4,273)	(4,825)	(41,674)
2. CONSERV. ADJ. REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
3. TOTAL REVENUES	(4,035)	(3,304)	(3,472)	(3,095)	(2,883)	(2,811)	(2,774)	(3,064)	(3,332)	(3,806)	(4,273)	(4,825)	(41,674)
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	(4,035)	(3,304)	(3,472)	(3,095)	(2,883)	(2,811)	(2,774)	(3,064)	(3,332)	(3,806)	(4,273)	(4,825)	(41,674)
6. CONSERVATION EXPS. (FORM C-3, PAGE 3)	1,637	7,634	6,295	9,199	4,019	5,485	2,851	2,851	2,850	2,849	2,849	2,849	51,368
7. TRUE-UP THIS PERIOD	(2,398)	4,330	2,823	6,104	1,136	2,674	77	(213)	(482)	(957)	(1,424)	(1,976)	9,694
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	14,108	11,708	16,035	18,855	24,956	26,088	28,758	28,831	28,613	28,126	27,163	25,733	14,108
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	11,708	16,035	18,855	24,956	26,088	28,758	28,831	28,613	28,126	27,163	25,733	23,751	23,802

REVISED

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2014 THROUGH DECEMBER 2014

INTEREST PROVISION	JAN 2014	FEB 2014	MAR 2014	APR 2014	MAY 2014	JUN 2014	JUL 2014	AUG 2014	SEP 2014	OCT 2014	NOV 2014	DEC 2014	TOTAL
BEGINNING TRUE-UP	14,108	11,708	16,035	18,855	24,956	26,088	28,758	28,831	28,613	28,126	27,163	25,733	
END. T-UP BEFORE INT. (C3,4)	11,710	16,038	18,858	24,959	26,092	28,762	28,835	28,618	28,131	27,169	25,739	23,757	
TOTAL BEG. & END. T-UP	25,818	27,745	34,893	43,814	51,047	54,849	57,593	57,449	56,744	55,295	52,902	49,490	
AVERAGE TRUE-UP	12,909	13,873	17,446	21,907	25,524	27,425	28,796	28,725	28,372	27,648	26,451	24,745	
INT. RATE-FIRST DAY OF REPORTING BUSINESS MTH.	0.08%	0.07%	0.06%	0.07%	0.08%	0.04%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUSINESS MTH	0.07%	0.06%	0.07%	0.08%	0.04%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
TOTAL	0.15%	0.13%	0.13%	0.15%	0.12%	0.10%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	
AVG INTEREST RATE	0.08%	0.07%	0.07%	0.08%	0.06%	0.05%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	
MONTHLY AVG. INT. RATE	0.0063%	0.0054%	0.0054%	0.0063%	0.0050%	0.0042%	0.0050%	0.0050%	0.0050%	0.0050%	0.0050%	0.0050%	
INTEREST PROVISION	\$ (2)	\$ (3)	\$ (3)	\$ (3)	\$ (4)	\$ (4)	\$ (4)	\$ (5)	\$ (5)	\$ (6)	\$ (6)	\$ (6)	\$ (51)

REVISED

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Residential New Construction Program

Reporting Period

January 2014 through December 2014

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 through June 2014, no new home allowances were paid. The Company projects two (5) new home construction will qualify for allowances during the period July through December 2014.

Program Fiscal Expenditures

During the six-months reporting period, actual expenditures for this program totaled \$4,886. The Company projects that total expenditures will equal \$9,936 for the 2014 annual period.

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Residential Appliance Replacement Program

Reporting Period

January 2014 through December 2014

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 through June 2014, one (1) residential appliance replacement allowances were paid. The Company projects four (4) appliance replacement allowances will be paid during the period July through December 2014.

Sebring Gas System, Inc.
Program Description and Progress

Residential Appliance Replacement Program, continued from page 2 of 15

Program Fiscal Expenditures

During the six-months reporting period, actual expenditures for this program totaled \$16,069. The Company projects that total expenditures will equal \$21,069 for the 2014 annual period.

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

Program Title

Residential Appliance Retention Program

Reporting Period

January 2014 through December 2014

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 through June 2014, fourteen (14) residential appliance retention allowances were paid. The Company projects seven (7) residential appliance retention allowances will be paid during the period July through December 2014.

Program Fiscal Expenditures

During the six-months reporting period, actual expenditures for this program totaled \$10,453. The Company projects that total expenditures will equal \$16,603 for the 2014 annual period.

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

Program Title

Conservation Education Program

Reporting Period

January 2014 through December 2014

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 2014, the Company booked the expenditures for the education program to the various incentive programs.

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

Program Title

Small Commercial Food Service

Reporting Period

January 2014 through December 2014

Program Description

This program is designed to encourage owners and operators of Small Commercial Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction:

Tank W/H	\$1,000
Tankless W/H	\$2,000
Range/Oven	\$1,000
Fryer	\$3,000

Retrofit:

Tank W/H	\$1,500
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000

Retention:

Tank W/H	\$1,000
Tankless W/H	\$2,000
Range/Oven	\$1,000
Fryer	\$3,000

Small Commercial Service Program, continued from page 6 of 15

Program Activity and Projections

The Small Commercial Food Service Program is new for 2014 and not activity has occurred.

Program Fiscal Expenditures

During the year 2014, \$752 was spent on this program for Outside services.

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

Program Title

Large Commercial Non-Food Service

Reporting Period

January 2014 through December 2014

Program Description

This program is designed to encourage owners and operators of Large Commercial Non-Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction:

Tank W/H \$1,500

Tankless W/H \$2,000

Retrofit:

Tank W/H \$2,000

Tankless W/H \$2,500

Retention:

Tank W/H \$1,500

Tankless W/H \$2,000

Large Commercial Non-Food Service Program, continued from page 8 of 15

Program Activity and Projections

The Large Commercial Non-Food Service Program is new for 2014 and not activity has occurred.

Program Fiscal Expenditures

During the year 2014, \$752 was spent on this program for Outside services.

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

Program Title

Large Commercial Food Service

Reporting Period

January 2014 through December 2014

Program Description

This program is designed to encourage owners and operators of Large Commercial Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction:

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000

Retrofit:

Tank W/H	\$2,000
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000

Retention:

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000

Large Commercial Food Service Program, continued from page 10 of 15

Program Activity and Projections

The Large Commercial Food Service Program is new for 2014 and not activity has occurred.

Program Fiscal Expenditures

During the year 2014, \$752 was spent on this program for Outside services.

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

Program Title

Large Commercial Hospitality

Reporting Period

January 2014 through December 2014

Program Description

This program is designed to encourage owners and operators of Large Commercial Hospitality establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction:

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

Retrofit:

Tank W/H	\$2,000
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

Large Commercial Hospitality Program, continued from page 12 of 15

Retention:

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

Program Activity and Projections

The Large Commercial Hospitality Program is new for 2014 and not activity has occurred.

Program Fiscal Expenditures

During the year 2014, \$752 was spent on this program for Outside services.

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

Program Title

Large Commercial Cleaning Service

Reporting Period

January 2014 through December 2014

Program Description

This program is designed to encourage owners and operators of Large Commercial Hospitality establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction:

Tank W/H \$1,500
Tankless W/H \$2,000
Dryer \$1,500

Retrofit:

Tank W/H \$2,000
Tankless W/H \$2,500
Range/Oven \$1,500

Retention:

Tank W/H \$1,500
Tankless W/H \$2,000
Dryer \$1,500

Large Commercial Cleaning Service Program, continued from page 14 of 15

Program Activity and Projections

The Large Commercial Cleaning Program is new for 2014 and not activity has occurred.

Program Fiscal Expenditures

During the year 2014, \$752 was spent on this program for Outside services.

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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

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

4 **On Behalf of**

5 **Sebring Gas System, Inc.**

6 **Docket No.140004-GU**

7 **September 16, 2014**

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 2014 and 2015. I will provide the

1 adjusted net true-up amount associated with program administration
2 for the January 2013 through December 2013 period. Actual program
3 costs are provided for the period January 1, 2014 through June 2014,
4 as well as the costs the Company expects to incur from July 1, 2014
5 through December 31, 2014. I will also indicate the total costs the
6 Company seeks to recover through its conservation factors during the
7 period January 1, 2015 through December 31, 2015. Finally, I will also
8 propose the energy conservation cost recovery factors which, when
9 applied to consumer bills during the period January 1, 2015 through
10 December 31, 2015, 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-2. Included are the
17 Residential New Construction Program, the Residential Appliance
18 Replacement Program, the Residential Appliance Retention Program,
19 the Small Commercial Food Service Program, the Large Commercial
20 Non-Food Service Program, the Large Commercial Food Service
21 Program, the Large Commercial Hospitality Service Program and the
22 Large Commercial Cleaning Service Program.

1 **Q. HAVE YOU PREPARED SCHEDULES THAT INCLUDE THE**
2 **COMPANY'S CONSERVATION PROGRAM EXPENDITURES FOR**
3 **THE CURRENT (2014) AND PROJECTED (2015) PERIODS?**

4 A. Yes. Schedule C-3, Exhibit JHM-2 provides actual conservation
5 expenses for the January 2014 through June 2014 period and
6 projected expenses for the July 2014 through December 2014 period.
7 Projected expenses for the January 2015 through December 2015
8 period are included in Schedule C-2, Exhibit JHM-2.

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

11 A. Yes. Schedule C-3 (page 3 of 6), Exhibit JHM-2, provides actual
12 conservation revenue for the January 2014 through June 2014 period,
13 and projected conservation revenues for the July 2014 through
14 December 2014 period.

15 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE**
16 **PERIOD JANUARY 1, 2014 THROUGH DECEMBER 31, 2014?**

17 A. The Company is under-recovered by \$4,458, as calculated on
18 Revised Schedule C-3, Page 5, Line 11, Exhibit JHM-2.

19 **Q. WHAT IS THE TOTAL COST THE COMPANY SEEKS TO**
20 **RECOVER DURING THE PERIOD JANUARY 1, 2015 THROUGH**
21 **DECEMBER 31, 2015?**

22 A. As indicated on Revised Schedule C-1, Exhibit JHM-2, the Company
23 seeks to recover \$48,121 during the referenced period. This amount

1 represents the projected costs of \$43,663 to be incurred during 2015,
2 plus the estimated true-up of \$4,458 for calendar year 2014.

3 **Q. WHAT ARE THE COMPANY'S PROPOSED ENERGY**
4 **CONSERVATION COST RECOVERY FACTORS FOR EACH RATE**
5 **CLASS FOR THE JANUARY 2015 THROUGH DECEMBER 2015**
6 **PERIOD?**

7 A. Revised Schedule C-1, Exhibit JHM-2, provides the calculation of the
8 Company's proposed ECCR factors for 2015.

9 The Conservation Adjustment Factors per therm for Sebring Gas
10 System are:

11	TS-1	\$.11687
12	TS-2	\$.06618
13	TS-3	\$.04899
14	TS-4	\$.04350

15 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

16 A. Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 140004-GU
Filed: September 16, 2014

**SEBRING GAS SYSTEM, INC.' S
REVISED PRELIMINARY LIST OF ISSUES AND POSITIONS**

Sebring Gas System, Inc. (“Sebring”), by and through its undersigned counsel, submits its preliminary list of issues and positions for its consolidated natural gas division in connection with the hearing that is scheduled for October 22 - 24, 2014, in the above-styled docket.

ISSUES AND POSITIONS

Issue 1: **What are the final conservation cost recovery true-up amounts for the period January 2013 through December 2013?**

Sebring’s Position: \$5238 (underrecovery).

Issue 2: **What are the total conservation cost recovery amounts to be collected during the period January 2015 through December 2015?**

Sebring’s Position: \$48,121 to be recovered.

Issue 3: **What are the conservation cost recovery factors for the period January 2015 through December 2015?**

Sebring’s Position:

TS-1	\$.11687/therm
TS-2	\$.06618/therm
TS-3	\$.04899/therm
TS-4	\$.04350 /therm

Issue 4: **What should be the effective date of the new conservation cost recovery factors for billing purposes?**

Sebring’s Position: The conservation cost recovery factors should be effective for the period January 2015 through December 2015, and to billings thereafter until other conservation cost recovery factors are approved by the Commission.

Dated this 16th day of September, 2014.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Norman H. Horton, Jr.", written over a horizontal line.

NORMAN H. HORTON, JR.
MESSER CAPARELLO, P.A.

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Facsimilie: 850-224-4359

Attorney 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 16th day of September, 2014 upon the following:

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NORMAN H. HORTON, JR.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 140004-GU
Filed: September 16, 2014

MOTION TO ACCEPT REVISED TESTIMONY, SCHEDULES, AND PETITION

Sebring Gas System, Inc. (“Sebring”), by and through its undersigned attorneys, hereby submits this Motion to Accept Revised Testimony, Schedules, and Petition in the captioned docket and as basis states:

1. On August 22, 2014 Sebring prefiled direct testimony and exhibits of Jerry H. Melendy, Jr. as required by Order No. PSC-14-0086-PCO-GU.

2. During their review of Sebring’s filing, Staff notified Sebring of an omission in one of the schedules. The correction of the oversight results in a revision of the calculations and changes to the testimony, petition, preliminary list of issues and positions, and revisions to Schedules C-1 page 1 and C-3, pages 5 and 6.

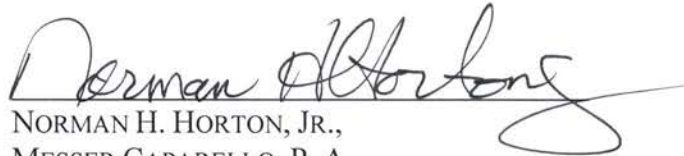
3. Copies of the revised documents referenced have been filed and served on parties of record with the filing of this Motion.

4. Counsel for Sebring has contacted parties of record in this docket and none have any objection to the Motion.

WHEREFORE, Sebring Gas System, Inc. respectfully requests that the Commission grant the Motion and accept the revised filings from Sebring as described herein.

DATED this 16th day of September, 2014.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Norman H. Horton, Jr.", written over a horizontal line.

NORMAN H. HORTON, JR.,
MESSER CAPARELLO, P. A.

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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 16th day of September, 2014 upon the following:

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