


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

May 2, 2016

Electronic Filing/E-Portal

Ms. Carlotta Stauffer
Commission Clerk
Florida Public Services Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 16004-GU – Natural Gas Conservation Cost Recovery Clause

Dear Ms. Stauffer:

Attached for filing, please find the Direct Testimony and Exhibit JM-1 of Mr. Jerry Melendy, submitted in the referenced Docket on behalf of Sebring Gas System, Inc., along with the Company's Petition for Approval of Final True-Up Amount.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Paula M. Sparkman
Messer Caparello, P.A.
2618 Centennial Place
Tallahassee, FL 32308
850-222-0720

PMS:bjm
Cc: Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 160004-GU
Filed: May 2, 2016

**PETITION FOR APPROVAL OF SEBRING GAS SYSTEM, INC.' S
CONSERVATION COST RECOVERY TRUE-UP AMOUNT**

Sebring Gas System, Inc. ("the Company"), through undersigned counsel and pursuant to the requirements of this docket, hereby petitions the Commission to approve its conservation cost recovery true-up amount for its natural gas division for the period January 2015 through December 2015. In support hereof, the Company states:

1) The Company is a natural gas utility company within the jurisdiction of this Commission. Its principal business address is:

3515 U.S. Highway 27 South
Sebring, FL 33870

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

Paula M. Sparkman
Messer Caparello, P. A.
2618 Centennial Place
P.O. Box 15579
Tallahassee, FL 32317
Email: psparkman@lawfla.com

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

3) Pursuant to the requirements of this Docket, the Company has prefiled testimony and the conservation cost recovery true-up forms (Composite Exhibit JHM-1) supplied by the Commission Staff in a manner consistent with the Commission Staff's instructions.

4) As indicated in the prefiled testimony and true-up forms, the Company under-recovered \$3,047 for January 2015 through December 2015.

WHEREFORE, the Company respectfully requests that this Commission enter its order approving the Company's true-up amount for its natural gas division for the period January 2015 through December 2015.

DATED this 2nd day of May, 2016.

Respectfully submitted,

MESSER CAPARELLO, P. A.
Post Office Box 15579
Tallahassee, FL 32317
psparkman@lawfla.com
(850) 222-0720



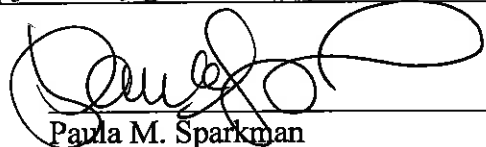
PAULA M. SPARKMAN

Attorneys for Sebring Gas System, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice of Substitution of Counsel has been delivered by Electronic Mail or Hand Delivery to the following parties of record this 2nd day of May, 2016.

Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantown Mike Cassel 1750 SW 14 th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com	MacFarlane Ferguson Law Firm Ansley Watson, Jr./Andrew Brown/Ashley Kellgren P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com
Beth Keating Gunster, Yoakley & Stewart, P.A. 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 bkeating@gunster.com	Office of Public Counsel J.R. Kelly/Charles Rehwinkel/Patricia Christensen c/o The Florida Legislature 111 West Madison Street, Rm 812 Tallahassee, FL 32399-1400 Jr.kelly@leg.state.fl.us
Peoples Gas System Paula Brown Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com	St. Joe Natural Gas Company, Inc. Mr. Charles A. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549 andy@stjoegas.com
AGL Resources, Inc. Elizabeth Wade/Shannon Pierce Ten Peachtree Place Location 1470 Atlanta, GA 30309 ewade@aglresources.com	Florida City Gas Carolyn Bermudez 933 East 25 th Street Hialiah, FL 33013-3498 cbermude@aglresources.com
Kelley Corbari/Leslie Ames Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 kcorbari@psc.state.fl.us	Jerry H. Melendy, Jr. Sebring Gas System, Inc. 3515 U.S. Highway 27 South Sebring, FL 33870-5452 jmelendy@floridabestgas.com



Paula M. Sparkman
Messer Caparello, P.A.
2618 Centennial Place
Tallahassee, FL 32308
850-222-0720

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET 160004-GU

DIRECT TESTIMONY OF

JERRY H. MELENDY

ON BEHALF OF SEBRING GAS SYSTEM, INC.

MAY 2, 2016

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

2 A. My name is Jerry H. Melendy. My business address is Sebring Gas System,
3 Inc., 3515 U.S. Highway 27 South, Sebring FL 33870

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

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

6 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S CURRENT**
7 **ENERGY CONSERVATION PROGRAMS?**

8 A. Yes.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. My testimony presents data and summaries that describe the planned and
11 actual activities and expenses for the Company's energy conservation
12 programs incurred during the period January 2015 through December 2015. I
13 will also identify the final conservation true-up amount for the above
14 referenced period.

1 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
2 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**
3 **WITH THESE PROGRAMS?**

4 A. Yes. Summaries of the Company's four approved programs for which costs
5 were incurred during the period January 2015 through December 2015 are
6 included in Schedule CT-6 of Exhibit JHM-1. Included are the Residential
7 New Construction Program, the Residential Appliance Replacement Program,
8 the Residential Appliance Retention Program, Commercial New Construction,
9 Commercial Retrofit, Commercial Retention and the Conservation Education
10 Program.

11 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**
12 **EXPENDITURES ASSOCIATED WITH THE COMPANY'S ENERGY**
13 **CONSERVATION PROGRAMS FOR THE APPLICABLE PERIOD?**

14 A. Yes. Exhibit JHM-1 includes schedules CT-1, CT-2 and CT-3 detail the
15 Company's actual conservation related expenditures for the period, along with
16 a comparison of the actual program costs and true-up to the projected costs
17 and true-up for the period.

18 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY**
19 **TO ADMINISTER ITS FOUR CONSERVATION PROGRAMS FOR**
20 **THE TWELVE MONTH PERIOD ENDING DECEMBER 2015?**

21 A. As indicated on Schedule CT-2, page 2, of Exhibit JHM-1, the Company's
22 total 2015 programs costs were \$33,563.

1 **Q. HAVE YOU PREPARED A SCHEDULE WHICH SHOWS THE**
2 **VARIANCE OF ACTUAL FROM PROJECTED COSTS BY**
3 **CATEGORIES OF EXPENSES?**

4 A. Yes. Schedule CT-2, page 3, of Exhibit JHM-1, displays these variances.

5 **Q. WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE**
6 **MONTHS ENDING DECEMBER 2015?**

7 A. The final true-up amount as shown on Schedule CT-1, of Exhibit JHM-1 is an
8 underrecovery of \$3,047.

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

10 A. Yes.

ADJUSTED NET TRUE-UP
FOR MONTHS: JANUARY 2015 THROUGH DECEMBER 2015

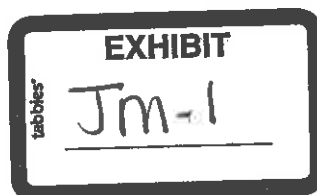
END OF PERIOD TRUE-UP

PRINCIPLE	\$8,615	
INTEREST	<u>\$17</u>	\$8,632

LESS PROJECTED TRUE-UP

PRINCIPLE	\$5,583	
INTEREST	<u>\$2</u>	<u>\$5,585</u>

ADJUSTED NET TRUE-UP \$3,047



ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

JANUARY 2015 THROUGH DECEMBER 2015

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	\$0	\$0	\$0
PAYROLL & BENEFITS	\$9,858	\$9,696 C-3, 1	\$162
MATERIALS & SUPPLIES	\$0	\$0	\$0
ADVERTISING	\$399	\$399 C-3, 1	\$0
INCENTIVES	\$18,000	\$16,625 C-3, 1	\$1,375
OUTSIDE SERVICES	\$5,306	\$2,869 C-3, 1	\$2,437
VEHICLES	\$0	\$0 C-3, 1	\$0
OTHER	<u>\$0</u>	<u>\$0</u> C-3, 1	<u>\$0</u>
SUB TOTAL	\$33,563	\$29,589 C-3, 1	\$3,974
PROGRAM REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL PROGRAM COSTS	\$33,563	\$29,589 C-3, 1	\$3,974
LESS: PRIOR PERIOD TRUE-UP	\$15,466	\$15,466 C-3, 5	\$0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(\$24,947)	(\$24,006) C-3,5 line 5	(\$941)
ROUNDING ADJUSTMENTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TRUE-UP BEFORE INTEREST	\$8,615	\$5,583	\$3,033
INTEREST PROVISION	\$17	\$2 C-3,4(9)	\$15
END OF PERIOD TRUE-UP	<u>\$8,632</u>	<u>\$5,585</u>	<u>\$3,047</u>
() REFLECTS OVER-RECOVERY			

Actual Conservation Program Costs per Program
For Months: January 2015 through December 2015

Program Name	Capital Investment	Payroll & Benefits	Materials & Supplies	Advertising	Incentives	Outside Services	Vehicles	Other	TOTAL
Program 1: Res. New Home Const.	\$0	\$3,286	\$0	\$133	\$650	\$800	\$0	\$0	\$4,869
Program 2: Res. Appliance Replace	\$0	\$3,286	\$0	\$133	\$12,950	\$800	\$0	\$0	\$17,169
Program 3: Customer Retention	\$0	\$3,286	\$0	\$133	\$4,400	\$800	\$0	\$0	\$8,619
Program 4: Comm. New Home Const.	\$0	\$0	\$0	\$0	\$0	\$969	\$0	\$0	\$969
Program 5: Comm. Appli. Replace	\$0	\$0	\$0	\$0	\$0	\$969	\$0	\$0	\$969
Program 6: Comm.Cust. Retention	\$0	\$0	\$0	\$0	\$0	\$969	\$0	\$0	\$969
TOTAL	\$0	\$9,858	\$0	\$399	\$18,000	\$5,306	\$0	\$0	\$33,563

Conservation Costs per Program - Variance Actual Versus Projected
 For Months: January 2015 through December 2015

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	\$54	\$0	\$0	\$650	\$612	\$0	\$0	\$1,316
Program 2 Res. Appliance Replace	\$0	\$54	\$0	\$0	(\$1,875)	\$613	\$0	\$0	(\$1,208)
Program 3 Customer Retention	\$0	\$54	\$0	\$0	\$2,600	\$612	\$0	\$0	\$3,266
Program 4 Comm. New Home Const.	\$0	\$0	\$0	\$0	\$0	\$201	\$0	\$0	\$201
Program 5 Comm. Appli. Replace	\$0	\$0	\$0	\$0	\$0	\$201	\$0	\$0	\$201
Program 6 Comm.Cust. Retention	\$0	\$0	\$0	\$0	\$0	\$199	\$0	\$0	\$199
TOTAL	\$0	\$162	\$0	\$0	\$1,375	\$2,437	\$0	\$0	\$3,974

Energy conservation Adjustment Calculation of True-Up and Interest Provision
 Summary of Expenses By program By Month
 For Months: January 2015 through December 2015

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.	\$270	\$400	\$266	\$270	\$307	\$270	\$270	\$830	\$355	\$882	\$468	\$281	\$4,869
Program 2 Res. Appliance Replace	\$2,844	\$1,750	\$5,916	\$1,620	\$307	\$270	\$270	\$955	\$355	\$1,458	\$1,142	\$281	\$17,168
Program 3 Customer Retention	\$470	\$400	\$366	\$770	\$307	\$619	\$270	\$1,930	\$1,006	\$783	\$668	\$1,031	\$8,620
Program 4 Comm. New	\$79	\$0	\$31	\$421	\$37	\$0	\$0	\$0	\$400	\$0	\$0	\$0	\$968
Program 5 Comm Replacement	\$79	\$0	\$31	\$421	\$37	\$0	\$0	\$0	\$400	\$0	\$0	\$0	\$968
Program 6 Comm Retention	\$79	\$0	\$31	\$421	\$38	\$0	\$0	\$0	\$400	\$0	\$0	\$0	\$969
TOTAL	\$3,821	\$2,550	\$6,641	\$3,923	\$1,033	\$1,159	\$810	\$3,715	\$2,916	\$3,123	\$2,278	\$1,593	\$33,562

Energy conservation Adjustment Calculation of True-Up and Interest Provision

For Months: January 2015 through December 2015

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 PSC REG ASSESS FEE	\$20	\$21	\$20	\$17	\$15	\$16	\$15	\$15	\$15	\$15	\$16	\$18	\$203
3 CONSERV. ADJ. REVS	<u>(\$4,069)</u>	<u>(\$4,101)</u>	<u>(\$3,966)</u>	<u>(\$3,321)</u>	<u>(\$3,068)</u>	<u>(\$3,146)</u>	<u>(\$2,961)</u>	<u>(\$2,981)</u>	<u>(\$2,958)</u>	<u>(\$3,112)</u>	<u>(\$3,271)</u>	<u>(\$3,662)</u>	<u>(\$40,616)</u>
4 TOTAL REVENUES	(\$4,049)	(\$4,080)	(\$3,946)	(\$3,304)	(\$3,053)	(\$3,130)	(\$2,946)	(\$2,966)	(\$2,943)	(\$3,097)	(\$3,255)	(\$3,644)	(\$40,413)
5 PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	<u>\$1,289</u>	<u>\$1,289</u>	<u>\$1,289</u>	<u>\$1,289</u>	<u>\$1,289</u>	<u>\$1,289</u>	<u>\$1,289</u>	<u>\$1,289</u>	<u>\$1,289</u>	<u>\$1,289</u>	<u>\$1,289</u>	<u>\$1,287</u>	<u>\$15,466</u>
6 CONSERVATION REVS APPLICABLE TO THIS PERIOD	<u>(\$2,760)</u>	<u>(\$2,791)</u>	<u>(\$2,657)</u>	<u>(\$2,015)</u>	<u>(\$1,764)</u>	<u>(\$1,841)</u>	<u>(\$1,657)</u>	<u>(\$1,677)</u>	<u>(\$1,654)</u>	<u>(\$1,808)</u>	<u>(\$1,966)</u>	<u>(\$2,357)</u>	<u>(\$24,947)</u>
7 CONSERVATION EXPS (FROM CT-3, PAGE 1)	\$3,821	\$2,550	\$6,641	\$3,923	\$1,033	\$1,159	\$810	\$3,715	\$2,916	\$3,123	\$2,278	\$1,593	\$33,562
8 TRUE-UP THIS PERIOD	\$1,061	(\$241)	\$3,984	\$1,908	(\$731)	(\$682)	(\$847)	\$2,038	\$1,262	\$1,315	\$312	(\$764)	<u>\$8,615</u>
9 INT. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	\$2	\$1	\$2	\$2	\$2	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$17
10 TRUE-UP & INT. PROV. BEGINNING OF MONTH.	\$15,466	\$15,240	\$13,711	\$16,407	\$17,028	\$15,010	\$13,040	\$10,905	\$11,655	\$11,630	\$11,657	\$10,681	
11 PRIOR TRUE-UP (COLLECTED) REFUNDED	<u>(\$1,289)</u>	<u>(\$1,289)</u>	<u>(\$1,289)</u>	<u>(\$1,289)</u>	<u>(\$1,289)</u>	<u>(\$1,289)</u>	<u>(\$1,289)</u>	<u>(\$1,289)</u>	<u>(\$1,289)</u>	<u>(\$1,289)</u>	<u>(\$1,289)</u>	<u>(\$1,287)</u>	
TOTAL NET TRUE-UP													
12 (SUM LINES 8+9+10+11)	15,240	13,711	16,407	17,028	15,010	13,040	10,905	11,655	11,630	11,657	10,681	8,632	8,632

Calculation of True-Up and Interest Provision
For Months: January 2015 through December 2015

	<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>
Interest Provision													
1 BEGINNING TRUE-UP	\$15,466	\$15,238	\$13,710	\$16,406	\$17,026	\$15,008	\$13,039	\$10,904	\$11,654	\$11,628	\$11,656	\$10,680	
	<u>CT-1</u>												
ENDING TRUE-UP BEFORE													
2 INTEREST	\$15,238	\$13,710	\$16,406	\$17,026	\$15,008	\$13,039	\$10,904	\$11,654	\$11,628	\$11,656	\$10,680	\$8,630	
TOTAL BEGINNING &													
3 ENDING TRUE-UP	\$30,704	\$28,948	\$30,116	\$33,432	\$32,035	\$28,047	\$23,943	\$22,559	\$23,283	\$23,284	\$22,335	\$19,310	
AVERAGE TRUE-UP													
4 (LINE 3 x 50%)	<u>\$15,352</u>	<u>\$14,474</u>	<u>\$15,058</u>	<u>\$16,716</u>	<u>\$16,017</u>	<u>\$14,023</u>	<u>\$11,971</u>	<u>\$11,279</u>	<u>\$11,641</u>	<u>\$11,642</u>	<u>\$11,168</u>	<u>\$9,655</u>	
INT. RATE - 1ST DAY													
5 OF REPORTING MONTH	0.10%	0.10%	0.09%	0.09%	0.06%	0.10%	0.08%	0.11%	0.11%	0.13%	0.12%	0.15%	
INT. RATE - 1ST DAY													
6 OF SUBSEQUENT MONTH	<u>0.10%</u>	<u>0.09%</u>	<u>0.09%</u>	<u>0.06%</u>	<u>0.10%</u>	<u>0.08%</u>	<u>0.11%</u>	<u>0.11%</u>	<u>0.13%</u>	<u>0.12%</u>	<u>0.15%</u>	<u>0.40%</u>	
7 TOTAL (LINES 5 + 6)	0.20%	0.19%	0.18%	0.15%	0.16%	0.18%	0.19%	0.22%	0.24%	0.25%	0.27%	0.55%	
AVG. INT. RATE													
8 (LINE 7 x 50%)	0.10%	0.10%	0.09%	0.08%	0.08%	0.09%	0.10%	0.11%	0.12%	0.13%	0.14%	0.28%	
MONTHLY AVG.													
9 INT. RATE	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	
10 INTEREST PROVISION													
(LINE 4 x LINE 9)	<u>\$2</u>	<u>\$1</u>	<u>\$2</u>	<u>\$2</u>	<u>\$2</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>	<u>\$2</u>	<u>\$17</u>

SEBRING GAS SYSTEM, INC.

Reconciliation and Explanation of differences between Filing and
PSC Audit Report for January 2015 through December 2015.

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 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, 2015 through December 31, 2015, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 7, 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 Storage Tanks Water Heater	\$400
Gas Tankless Water Heater	\$550
Gas Heating	\$500
Gas Cooking	\$150
Gas Clothes Drying	\$100

Program Accomplishments:

For the twelve month period January 2015 through December 2015, the Company paid no incentives related to this program.

Program Fiscal Expenditures:

During 2015 expenditures for the Residential New Construction Program totaled
\$4,869.00

Program Progress Summary:

Since the inception of the Residential New Home Construction Program in July 2007, twenty two (22) 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 residence construction.

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-natural 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, 2015 through December 31, 2015, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 7, 2010.

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

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

Program Accomplishments:

For the twelve month period January 2015 through December 2015, the Company paid 22 incentives, which were comprised of 16 tankless water heaters, 2 heat, 2 ranges and 2 dryers.

Program Fiscal Expenditures:

During 2015 expenditures for the Resident Appliance Replacement Program totaled
\$17,169.00

Program Progress Summary:

Since the inception of the Residential Appliance Replacement Program
in July 2007, ninety five (95) residential appliance 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 our resources effectively this program offers cash allowances to the customer.

For the period January 1, 2015 through December 31, 2015, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 7, 2010.

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

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

Program Accomplishments:

For the twelve month period January 2015 through December 2015, the Company paid 16 incentives, which were comprised of 2 high efficiency storage tank water heater, 5 tankless water heaters, 7 ranges and 1 dryer.

Program Fiscal Expenditures:

During 2015 expenditures for the Resident Appliance Retention Program totaled \$8,619

Program Progress Summary:

Since the inception of the Residential Appliance Replacement Program in July 2007, ninety seven (97) residential appliance retention allowances have been paid.

SEBRING GAS SYSTEM, INC.
Program Description and Progress

Program Title:

Commercial New Construction

Program Description:

The Commercial New Construction Conservation Program's purpose is to educate, inform and encourage its commercial customers to build with natural gas. The program is designed to allow Sebring Gas System to provide incentives to new construction to be used toward the purchase and installation of natural gas appliances for their commercial business.

The Natural Gas Energy Conservation Program was approved by the Florida Public Services Commission in Docket No. 130167-EG on January 14, 2014.

At this time Sebring Gas System has not instituted the incentives for the programs, and has allocated only expenses associated with maintaining the overall conservation program.

SEBRING GAS SYSTEM, INC.
Program Description and Progress

Program Title:

Commercial Retrofit

Program Description:

The Commercial Retrofit Conservation Program's purpose is to educate, inform and encourage its commercial customers to use natural gas. The program is designed to allow Sebring Gas System to provide incentives to commercial customers to be used toward the purchase and installation of natural gas appliances for their commercial business.

The Natural Gas Energy Conservation Program was approved by the Florida Public Services Commission in Docket No. 130167-EG on January 14, 2014.

At this time Sebring Gas System has not instituted the incentives for the programs, and has allocated only expenses associated with maintaining the overall conservation program.

SEBRING GAS SYSTEM, INC.

Program Description and Progress

Program Title:

Commercial Retention

Program Description:

The Commercial Retention Conservation Program's purpose is to educate, inform and encourage its commercial customers to build with natural gas. The program is designed to allow Sebring Gas System to provide incentives to commercial customers to be used toward the and installation of natural gas appliances for their commercial business.

The Natura Gas Energy Conservation Program was approved by the Florida Public Services Commission in Docket No. 130167-EG on January 14, 2014.

At this time Sebring Gas System has not instituted the incentives for the programs, and has allocated only expenses associated with maintaining the overall conservation program.