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August 10, 2018

Via E-PORTAL

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

Re: Docket 20180004

Dear Mr. Shafer:

Enclosed for filing on behalf of Sebring Gas System, Inc., please find its Petition for Approval of Sebring Gas System's Conservation Cost Recovery Factors, together with the testimony of Jerry H. Melendy and supporting Schedules.

Should you have any questions, please may contact me.

Sincerely,


Paula M. Sparkman

PMS/lis

cc: Jerry Melendy, Jr.

H:\psparkman\Sebring Gas Systems Inc\20180004-GU\Cover letters-correspondence\Ltr to Clk Pet for CCRF approval.wpd

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 20180004-GU
Filed: August 10, 2018

**PETITION FOR APPROVAL OF SEBRING GAS SYSTEM, INC.' S
CONSERVATION COST RECOVERY FACTORS**

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 factors and amounts as identified herein for the period January 2018 through December 2018. In support hereof, the Company states:

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

Sebring Gas System, Inc.
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
Email: jmelendy@floridabestgas.com

3) Pursuant to the requirements of this Docket, the Company has pre-filed testimony and the conservation cost recovery 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 pre-filed forms, the recoverable conservation costs for the period January 2019 through December 2019 are projected to be \$46,648. The estimated conservation costs recovery true-up amount for the period January 2018 through December 2018 is an under-recovery of \$13,882.

5) The resulting net total projected conservation costs to be recovered for the period January 2019 through December 2019 are \$60,530. Based upon projected sales, the appropriate conservation cost recovery factors for the period January 2019 through December 2019 are as follows:

TS-1	\$.22380
TS-2	\$.08822
TS-3	\$.05791
TS-4	\$.04966

WHEREFORE, Sebring Gas System, Inc. respectfully requests that this Commission approve the foregoing conservation cost recovery factors to be applied to customer bills for the period January 2019 through December 2019 and to billings thereafter until other conservation costs recovery factors are approved by the Commission.

DATED this 10th day of August 2018.

Respectfully submitted,



PAULA M. SPARKMAN, ESQ.

Messer Caparello, PA

Post Office Box 15579

Tallahassee, FL 32317

psparkman@lawfla.com

(850) 222-0720

Attorney for Sebring Gas System, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Sebring Gas System's Petition for Approval of Sebring Gas Systems, Inc.'s Conservation Cost Recovery Factors together with Testimony and Exhibits have been served by Electronic Mail to the following parties of record this 10th day of August, 2018.

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 Law Firm Ansley Watson, Jr./Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com , ab@macfar.com
Gunster Law Firm Mr. Gregory M. Munson Ms. Beth Keating 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 gmunson@gunster.com , 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 kelly,jr@leg.state.fl.us Rehwinkel.charles@leg.state.fl.us Christensen.Patty@leg.state.fl.us
Peoples Gas System Paula Brown/Kandi M. Floyd Regulatory Affairs P. O. Box 111 Tampa FL 33601 (813) 228-1444 +1-813-2281770 regdept@tecoenergy.com kfloyd@tecoenergy.com	Rachael Dziechciarz Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 rdziechc@psc.state.fl.us
St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf P. O. Box 549 Port St. Joe FL 32457 andy@stjoegas.com	Florida City Gas Carolyn Bermudez/Miguel Bustos 4045 NW 97 th Avenue Doral, Florida 33178 Carolyn.Bermudez@nexteraenergy.com Miguel.bustos@nexteraenergy.com
Jerry H. Melendy, Jr. Sebring Gas System, Inc. 3515 U.S. Highway 27 South Sebring, FL 33870-5452 jmelendy@floridasbestgas.com	Florida Division of Chesapeake Utilities Corporation Mr. Mike Cassel 1750 S.W. 14th Street, Suite 200 Fernandina Beach FL 32034 (904) 491-4361 mcassel@fpuc.com

Christopher T. Wright Florida Power and Light 700 Universe Boulevard (LAW/JB) Juno, Beach, Florida 33408 Christopher.Wright@fpl.com	
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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.20180004-GU**

7 **August 9, 2018**

8

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

10 A. My name is Jerry H. Melendy, Jr. My business address is Sebring Gas
11 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 ENERGY
15 CONSERVATION PROGRAMS AND THE REVENUES AND COSTS
16 THAT ARE ASSOCIATED WITH THESE PROGRAMS?**

17 A. Yes.

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

19 A. My testimony will present actual and projected expenditures and
20 revenues related to promoting and administering the Company's energy
21 conservation programs in 2018 and 2019. I will provide the adjusted net
22 true-up amount associated with program administration for the January
23 2018 through December 2018 period. Actual program costs are

1 provided for the period January 1, 2018 through June 30, 2018, as well
2 as the costs the Company expects to incur from July 1, 2018 through
3 December 31, 2018. I will also indicate the total costs the Company
4 seeks to recover through its conservation factors during the period
5 January 1, 2019 through December 31, 2019. Finally, I will also propose
6 the energy conservation cost recovery factors which, when applied to
7 consumer bills during the period January 1, 2019 through December
8 31, 2019, will permit recovery of the Company's total conservation
9 costs.

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

13 A. Yes. Summaries of the Company's six approved programs are included
14 in Schedule C-4 of Exhibit JHM-1. Included are the Residential New
15 Construction Program, the Residential Appliance Replacement
16 Program, the Residential Appliance Retention Program, the
17 Commercial New Construction Program, the Commercial Appliance
18 Replacement Program and the Commercial Retention Program.

19 **Q. HAVE YOU PREPARED SCHEDULES THAT INCLUDE THE**
20 **COMPANY'S CONSERVATION PROGRAM EXPENDITURES FOR**
21 **THE CURRENT (2018) AND PROJECTED (2019) PERIODS?**

22 A. Yes. Schedule C-3, Exhibit JHM-1 provides actual conservation
23 expenses for the January 2018 through June 2018 period and projected

1 expenses for the July 2018 through December 2018 period. Projected
2 expenses for the January 2019 through December 2019 period are
3 included in Schedule C-2, Exhibit JHM-1.

4 **Q. HAVE YOU PREPARED A SCHEDULE THAT INCLUDES THE**
5 **COMPANY'S CONSERVATION RELATED REVENUES FOR 2018?**

6 A. Yes. Schedule C-3 (page 4 of 5), Exhibit JHM-1, provides actual
7 conservation revenue for the January 2018 through June 2018 period,
8 and projected conservation revenues for the July 2018 through
9 December 2018 period.

10 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE**
11 **PERIOD JANUARY 1, 2018 THROUGH DECEMBER 31, 2018?**

12 A. The Company is under-recovered by \$13,882 as calculated on
13 Schedule C-3, Page 4, Line 11, Exhibit JHM-1.

14 **Q. WHAT IS THE TOTAL COST THE COMPANY SEEKS TO RECOVER**
15 **DURING THE PERIOD JANUARY 1, 2019 THROUGH DECEMBER**
16 **31, 2019?**

17 A. As indicated on Schedule C-1, Exhibit JHM-1, the Company seeks to
18 recover \$60,530 during the referenced period. This amount represents
19 the projected costs of \$46,648 to be incurred during 2019, plus the
20 estimated true-up of \$13,882 for calendar year 2018.

21 **Q. WHAT ARE THE COMPANY'S PROPOSED ENERGY**
22 **CONSERVATION COST RECOVERY FACTORS FOR EACH RATE**

1 **CLASS FOR THE JANUARY 2019 THROUGH DECEMBER 2019**
2 **PERIOD?**

3 A. Schedule C-1, Exhibit JHM-1, provides the calculation of the
4 Company's proposed ECCR factors for 2019.

5 The Conservation Adjustment Factors per therm for Sebring Gas
6 System are:

7	TS-1	\$0.22380
8	TS-2	\$0.08822
9	TS-3	\$0.05791
10	TS-4	\$0.04966

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

12 A. Yes.

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2019 THROUGH DECEMBER 2019

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE 1)	\$ 46,648
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ 13,882
3. TOTAL (LINE 1 AND 2)	<u>\$ 60,530</u>

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	5,956	37,763	\$55,241	\$22,871	\$78,112	\$8,409	10.77%	0.22268	1.00503	0.22380
TS-2	636	23,738	\$7,646	\$11,709	\$19,355	\$2,084	10.77%	0.08778	1.00503	0.08822
TS-3	1,143	384,352	\$40,019	\$165,687	\$205,705	\$22,145	10.77%	0.05762	1.00503	0.05791
TS-4	458	564,545	\$68,655	\$190,439	\$259,095	\$27,893	10.77%	0.04941	1.00503	0.04966
TOTAL	8,193	1,010,398	\$171,560	\$390,706	\$562,267	\$60,530				

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2019 THROUGH DECEMBER 2019

PROGRAM	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUN 2019	JUL 2019	AUG 2019	SEP 2019	OCT 2019	NOV 2019	DEC 2019	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$631	\$631	\$631	\$631	\$631	\$631	\$631	\$631	\$631	\$631	\$631	\$631	\$7,571
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$1,841	\$1,841	\$1,841	\$1,841	\$1,841	\$1,841	\$1,841	\$1,841	\$1,842	\$1,842	\$1,842	\$1,842	\$22,096
3 RESIDENTIAL APPLIANCE RETENTION	\$585	\$585	\$585	\$585	\$585	\$585	\$585	\$585	\$585	\$585	\$585	\$586	\$7,021
4 COMMERCIAL NEW CONSTRUCTION	\$276	\$276	\$276	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$3,321
5 COMMERCIAL APPLIANCE REPLACEMENT	\$276	\$276	\$276	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$3,321
6 COMMERCIAL RETENTION	\$276	\$276	\$276	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$277	\$3,321
TOTAL ALL PROGRAMS	\$3,885	\$3,885	\$3,885	\$3,888	\$3,888	\$3,888	\$3,888	\$3,888	\$3,889	\$3,889	\$3,889	\$3,890	\$46,648

COMPANY:

Sebring Gas System, Inc.
Docket No. 20180004-GU
ECCR 2019 PROJECTIONS
Exhibit JHM-1 Page 3 of 19

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2019 THROUGH DECEMBER 2019

PROGRAM	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$0	\$2,001	\$0	\$0	\$5,250	\$319	\$0	\$0	\$7,571
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$0	\$2,001	\$0	\$0	\$19,775	\$319	\$0	\$0	\$22,096
3 RESIDENTIAL APPLIANCE RETENTION	\$0	\$2,001	\$0	\$0	\$4,700	\$319	\$0	\$0	\$7,021
4 COMMERCIAL NEW CONSTRUCTION	\$0	\$2,001	\$0	\$0	\$1,000	\$319	\$0	\$0	\$3,321
5 COMMERCIAL APPLIANCE REPLACEMENT	\$0	\$2,001	\$0	\$0	\$1,000	\$319	\$0	\$0	\$3,321
6 COMMERCIAL RETENTION	\$0	\$2,001	\$0	\$0	\$1,000	\$319	\$0	\$0	\$3,321
PROGRAM COSTS	\$0	\$12,008	\$0	\$0	\$32,725	\$1,915	\$0	\$0	\$46,648

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2018 THROUGH DECEMBER 2018

<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	\$953	\$0	\$0	\$2,250	\$152	\$0	\$0	\$3,355
B. ESTIMATED	\$0	\$953	\$0	\$0	\$700	\$152	\$0	\$0	\$1,805
TOTAL	\$0	\$1,906	\$0	\$0	\$2,950	\$304	\$0	\$0	\$5,160
2 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	\$0	\$953	\$0	\$131	\$18,000	\$152	\$0	\$0	\$19,236
B. ESTIMATED	\$0	\$953	\$0	\$0	\$9,550	\$152	\$0	\$0	\$10,655
TOTAL	\$0	\$1,906	\$0	\$131	\$27,550	\$304	\$0	\$0	\$29,891
3 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	\$0	\$953	\$0	\$0	\$1,200	\$152	\$0	\$0	\$2,305
B. ESTIMATED	\$0	\$953	\$0	\$0	\$1,050	\$152	\$0	\$0	\$2,155
TOTAL	\$0	\$1,906	\$0	\$0	\$2,250	\$304	\$0	\$0	\$4,460
4 COMMERCIAL NEW CONSTRUCTION									
A. ACTUAL	\$0	\$953	\$0	\$0	\$0	\$152	\$0	\$0	\$1,105
B. ESTIMATED	\$0	\$953	\$0	\$0	\$1,000	\$152	\$0	\$0	\$2,105
TOTAL	\$0	\$1,906	\$0	\$0	\$1,000	\$304	\$0	\$0	\$3,210
SUB-TOTAL	\$0	\$7,624	\$0	\$131	\$33,750	\$1,216	\$0	\$0	\$42,721

COMPANY:

Sebring Gas System, Inc.
Docket No. 20180004-GU
ECCR 2019 PROJECTIONS
Exhibit JHM-1 Page 5 of 19

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2018 THROUGH DECEMBER 2018

<u>PROGRAM</u>	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
SUB-TOTAL - PREVIOUS PAGE	\$0	\$7,624	\$0	\$131	\$33,750	\$1,216	\$0	\$0	\$42,721
5 COMMERCIAL APPLIANCE REPLACE									
A. ACTUAL	\$0	\$953	\$0	\$0	\$0	\$152	\$0	\$0	\$1,105
B. ESTIMATED	\$0	\$953	\$0	\$0	\$1,000	\$152	\$0	\$0	\$2,105
TOTAL	\$0	\$1,906	\$0	\$0	\$1,000	\$304	\$0	\$0	\$3,210
6 COMMERCIAL RETENTION									
A. ACTUAL	\$0	\$953	\$0	\$0	\$1,505	\$152	\$0	\$0	\$2,610
B. ESTIMATED	\$0	\$953	\$0	\$0	\$1,000	\$152	\$0	\$0	\$2,105
TOTAL	\$0	\$1,906	\$0	\$0	\$2,505	\$304	\$0	\$0	\$4,715
PROGRAM COSTS	\$0	\$11,436	\$0	\$131	\$37,255	\$1,824	\$0	\$0	\$50,646

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL / ESTIMATED
JANUARY 2018 THROUGH DECEMBER 2018

PROGRAM	JAN 2018	FEB 2018	MAR 2018	APR 2018	MAY 2018	JUN 2018	JUL 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$746	\$260	\$1,760	\$270	\$160	\$160	\$300	\$300	\$301	\$301	\$301	\$301	\$5,160
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$3,796	\$1,549	\$6,785	\$1,820	\$251	\$5,035	\$1,776	\$1,776	\$1,776	\$1,776	\$1,776	\$1,775	\$29,891
3 RESIDENTIAL CUSTOMER RETENTION	\$196	\$160	\$160	\$270	\$160	\$1,360	\$359	\$359	\$359	\$359	\$359	\$359	\$4,460
4 COMMERCIAL NEW CONSTRUCTION	\$196	\$160	\$160	\$270	\$160	\$160	\$351	\$351	\$351	\$351	\$350	\$350	\$3,210
5 COMMERCIAL APPLIANCE REPLACE	\$196	\$160	\$160	\$270	\$160	\$160	\$351	\$351	\$351	\$351	\$350	\$350	\$3,210
6 COMMERCIAL RETENTION	\$961	\$160	\$160	\$1,010	\$160	\$160	\$351	\$351	\$351	\$351	\$350	\$350	\$4,715
TOTAL ALL PROGRAMS	\$6,091	\$2,449	\$9,185	\$3,910	\$1,051	\$7,035	\$3,488	\$3,488	\$3,489	\$3,489	\$3,486	\$3,485	\$50,646

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2018 THROUGH DECEMBER 2018

CONSERVATION REVENUES	JAN 2018	FEB 2018	MAR 2018	APR 2018	MAY 2018	JUN 2018	JUL 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	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	(5,727)	(3,877)	(4,536)	(4,000)	(3,938)	(3,512)	(3,338)	(3,593)	(3,443)	(4,033)	(4,101)	(4,141)	(48,240)
2. CONSERV. ADJ. REV. (NET OF REV. TAXES)	29	19	23	20	20	17	20	20	20	20	20	20	248
3. TOTAL REVENUES	(5,698)	(3,858)	(4,513)	(3,980)	(3,918)	(3,495)	(3,318)	(3,573)	(3,423)	(4,013)	(4,081)	(4,121)	(47,992)
4. PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	1,195	1,195	1,195	1,195	1,195	1,195	651	651	651	651	651	651	11,073
5. CONSERV. REVS. APPLIC. TO PERIOD	(4,503)	(2,663)	(3,318)	(2,785)	(2,723)	(2,300)	(2,668)	(2,923)	(2,773)	(3,362)	(3,430)	(3,471)	(36,919)
6. CONSERVATION EXPS. (FORM C-3, PAGE 3)	6,091	2,449	9,185	3,910	1,051	7,035	3,488	3,488	3,489	3,489	3,486	3,485	50,646
7. TRUE-UP THIS PERIOD	1,588	(214)	5,867	1,125	(1,672)	4,735	821	565	716	127	56	14	13,727
8. INTEREST THIS PERIOD (C-3, PAGE 5)	19	12	13	15	15	14	13	13	9	9	10	14	155
9. TRUE-UP & INT BEGIN OF MONTH	11,073	11,485	10,088	14,773	14,718	11,866	15,419	15,603	15,530	15,604	15,090	14,505	
10. PRIOR TRUE-UP COLLECT / (REFUND)	(1,195)	(1,195)	(1,195)	(1,195)	(1,195)	(1,195)	(651)	(651)	(651)	(651)	(651)	(651)	
11. END OF PERIOD TOTAL NET TRUE-UP	11,485	10,088	14,773	14,718	11,866	15,419	15,603	15,530	15,604	15,090	14,505	13,882	13,882

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2018 THROUGH DECEMBER 2018

INTEREST PROVISION	JAN 2018	FEB 2018	MAR 2018	APR 2018	MAY 2018	JUN 2018	JUL 2018	AUG 2018	SEP 2018	OCT 2018	NOV 2018	DEC 2018	TOTAL
BEGINNING TRUE-UP CT-3.2 Previous period	11,073	11,485	10,088	14,773	14,718	11,866	15,419	15,603	15,530	15,604	15,090	14,505	
END. T-UP BEFORE INT. (C3,4)	11,466	10,076	14,760	14,703	11,851	15,406	15,589	15,517	15,595	15,080	14,495	13,869	
TOTAL BEG. & END. T-UP	22,539	21,561	24,849	29,476	26,570	27,272	31,009	31,120	31,125	30,685	29,585	28,374	
AVERAGE TRUE-UP	11,270	10,781	12,424	14,738	13,285	13,636	15,504	15,560	15,563	15,342	14,792	14,187	
INT. RATE-FIRST DAY OF REPORTING BUSINESS MTH.	1.58%	1.46%	1.62%	1.86%	1.85%	1.86%	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUSINESS MTH.	1.46%	1.62%	1.86%	1.85%	1.86%	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%	
TOTAL	3.04%	3.08%	3.48%	3.71%	3.71%	3.84%	3.96%	3.96%	3.96%	3.96%	3.96%	3.96%	
AVG INTEREST RATE	1.52%	1.54%	1.74%	1.86%	1.86%	1.92%	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%	
MONTHLY AVG. INT. RATE	0.13%	0.13%	0.15%	0.15%	0.15%	0.16%	0.17%	0.17%	0.17%	0.17%	0.17%	0.17%	
INTEREST PROVISION	19	12	13	15	15	14	13	13	9	9	10	14	155

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Residential New Construction Program

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 Projections

For the twelve-month period of January through December 2019, the Company estimates that the following allowances will be paid for the Residential New Home Construction Program:

Tankless Water Heating: 9 allowances at \$550 each for a total of \$4,950.
Gas Cooking: 2 allowances at \$150 each for a total of \$300.
Gas Clothes Drying: 0 allowances.

The total estimated allowances for the Residential New Home Construction Program are \$5,250.

Program Fiscal Expenditures

For the twelve-month period of January through December 2019, the Company estimates expenses of the Residential New Home Construction Program to be \$7,571.

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Residential Appliance Replacement Program

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 Projections

For the twelve-month period of January through December 2019, the Company estimates that the following allowances will be paid for Residential Appliance Replacement Program:

Tankless Water Heating: 25 allowances at \$675 each for a total of \$16,875.
Gas Cooking: 10 allowances at \$200 each for a total of \$2,000.
Gas Clothes Drying: 6 allowances at \$150 each for a total of \$900.

The total estimated allowances for the Residential Appliance Replacement Program are \$19,775.

Program Fiscal Expenditures

For the twelve-month period of January through December 2019, the Company estimates expenses of the Residential Appliance Replacement Program to be \$22,096.

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Residential Appliance Retention Program

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 Projections

For the twelve-month period of January through December 2019, the Company estimates that the following allowances will be paid for Residential Appliance Retention Program:

Gas High Efficiency Storage Tank Water Heater: 0 allowances.

Tankless Water Heating: 6 allowances at \$550 each for a total of \$3,300.

Gas Cooking: 7 allowances at \$100 each for a total of \$700.

Gas Clothes Drying: 7 allowances at \$100 each for a total of \$700.

The total estimated allowances for the Residential Appliance Retention Program are \$4,700.

Program Fiscal Expenditures

For the twelve-month period of January through December 2019, the Company estimates expenses of the Residential Appliance Retention Program to be \$7,021.

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

Program Title

Conservation Education Program

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:

The Company books any expenditures for the education program to the various incentive programs.

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Small Commercial Food Service

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: 50% of the purchase and installation cost up to the amounts below.

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

Replacement: 100% of the purchase and installation cost up to the amounts below.

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

Program Projections

For the twelve-month period of January through December 2019, the Company estimates that \$1,000 will be paid for Commercial Appliance Replacement Program.

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

Program Projections

For the twelve-month period of January through December 2019, the Company estimates that \$1,000 will be paid for Commercial Retention Program.

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

Program Title

Large Commercial Non-Food Service

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: 50% of the purchase and installation cost up to the amounts below.

Tank W/H \$1,500

Tankless W/H \$2,000

Replacement: 100% of the purchase and installation cost up to the amounts below.

Tank W/H \$2,000

Tankless W/H \$2,500

Retention: 50% of the purchase and installation cost up to the amounts below.

Tank W/H \$1,500

Tankless W/H \$2,000

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

Program Title

Large Commercial Food Service

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: 50% of the purchase and installation cost up to the amounts below.

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

Replacement: 100% of the purchase and installation cost up to the amounts below.

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

Retention: 50% of the purchase and installation cost up to the amounts below.

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

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

Program Title

Large Commercial Hospitality

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: 50% of the purchase and installation cost up to the amounts below.

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

Replacement: 100% of the purchase and installation cost up to the amounts below.

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 16 of 19

Retention: 50% of the purchase and installation cost up to the amounts below.

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

Sebring Gas System, Inc.
Program Description and Progress

Program Title

Large Commercial Cleaning Service

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: 50% of the purchase and installation cost up to the amounts below.

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

Replacement: 100% of the purchase and installation cost up to the amounts below.

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

Retention: 50% of the purchase and installation cost up to the amounts below.

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

Sebring Gas System, Inc.
Program Description and Progress

Program Projections

For the twelve-month period of January through December 2019, the Company estimates that the following allowances will be paid for the Commercial Rebate Programs:

Commercial New Construction:	\$3,321
Commercial Appliance Replacement	\$3,321
Commercial Retention	\$3,321

Program Fiscal Expenditures

For the twelve-month period of January through December 2019, the Company estimates expenses of the Commercial Rebate Programs to be \$9,963.