

Writer's E-Mail Address: bkeating@gunster.com

July 22, 2019

**VIA E-PORTAL**

Mr. Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

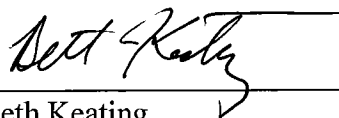
**Re: Docket No. 20190083-GU: Petition for Rate Increase by Sebring Gas System, Inc.**

Dear Mr. Teitzman:

Attached, for electronic filing in the above referenced matter, please find confirmation on behalf of Sebring Gas System of its compliance with Rule 25-22.0406, Florida Administrative Code, as it relates to placement of its MFRs and Synopsis for public review.

Thank you for your assistance with this filing. As always, please do not hesitate to contact me if you have any questions whatsoever.

Sincerely,



---

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

MEK

**ATTACHMENTS**

cc:// Office of Public Counsel (Kelly/Fall-Fry)

## Keating, Beth

**From:** TrackingUpdates@fedex.com  
**Sent:** Tuesday, July 16, 2019 11:35 AM  
**To:** Keating, Beth  
**Subject:** FedEx Shipment 775708972869 Delivered

# Your package has been delivered

Tracking # 775708972869

Ship date:  
Fri, 7/12/2019

**Andrea Cowart**  
GUNSTER YOAKLEY &  
STEWART  
Tallahassee, FL 32301  
US



Delivered

Delivery date:  
Tue, 7/16/2019 11:31  
am

**Chief Librarian/Director**  
Sebring Public Library  
319 W. Center Avenue  
SEBRING, FL 33870  
US

## Shipment Facts

Our records indicate that the following package has been delivered.

**Tracking number:** 775708972869

**Status:** Delivered: 07/16/2019 11:31 AM  
Signed for By: F.JACK

**Reference:** 00047878-00001/COWAND

**Signed for by:** F.JACK

**Delivery location:** SEBRING, FL

**Delivered to:** Receptionist/Front Desk

**Service type:** FedEx 2Day®

**Packaging type:** FedEx® Box

**Number of pieces:** 1

**Weight:** 5.00 lb.

**Special handling/Services:** Deliver Weekday

**Standard transit:** 7/16/2019 by 4:30 pm

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 10:34 AM CDT on 07/16/2019.

## Keating, Beth

---

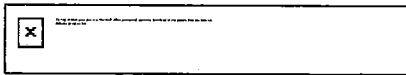
**From:** TrackingUpdates@fedex.com  
**Sent:** Tuesday, July 16, 2019 11:45 AM  
**To:** Keating, Beth  
**Subject:** FedEx Shipment 775709214451 Delivered

# Your package has been delivered

Tracking # 775709214451

Ship date:  
Fri, 7/12/2019

**Andrea Cowart**  
GUNSTER YOAKLEY &  
STEWART  
Tallahassee, FL 32301  
US



Delivered

Delivery date:  
Tue, 7/16/2019 11:43  
am

**Jerry Melendy**  
Sebring Gas System, Inc.  
3515 HWY 27 S.  
SEBRING, FL 33870  
US

## Shipment Facts

Our records indicate that the following package has been delivered.

**Tracking number:** 775709214451

**Status:** Delivered: 07/16/2019 11:43  
AM Signed for By:  
F.CHRISTY

**Reference:** 00047878-00001/COWAND

**Signed for by:** F.CHRISTY

**Delivery location:** SEBRING, FL

**Delivered to:** Receptionist/Front Desk

**Service type:** FedEx 2Day®


**Packaging type:** FedEx® Box

**Number of pieces:** 1

**Weight:** 4.00 lb.

**Special handling/Services:** Deliver Weekday

**Standard transit:** 7/16/2019 by 4:30 pm

 Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 10:45 AM CDT on 07/16/2019.

**Keating, Beth**

**From:** TrackingUpdates@fedex.com  
**Sent:** Monday, July 15, 2019 10:56 AM  
**To:** Keating, Beth  
**Subject:** FedEx Shipment 775708756786 Delivered

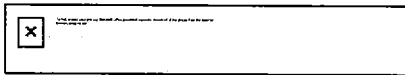
**Your package has been delivered**

Tracking # 775708756786

Ship date:  
Fri, 7/12/2019

Delivery date:  
Mon, 7/15/2019 10:48  
am

**Andrea Cowart**  
GUNSTER YOAKLEY &  
STEWART  
Tallahassee, FL 32301  
US




Delivered

**Chief Librarian/Director**  
Desoto County Library  
125 North Hillsborough Avenue  
ARCADIA, FL 34266  
US

**Shipment Facts**

Our records indicate that the following package has been delivered.

**Tracking number:** 775708756786  
**Status:** Delivered: 07/15/2019 10:48  
AM Signed for By:  
L.WALKER  
**Reference:** 00047878-00001/COWAND  
**Signed for by:** L.WALKER  
**Delivery location:** ARCADIA, FL  
**Delivered to:** Receptionist/Front Desk  
**Service type:** FedEx 2Day®  
**Packaging type:** FedEx® Box  
**Number of pieces:** 1  
**Weight:** 5.00 lb.  
**Special handling/Services:** Deliver Weekday  
**Standard transit:** 7/16/2019 by 4:30 pm

 Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 9:55 AM CDT on 07/15/2019.

## Keating, Beth

---

**From:** TrackingUpdates@fedex.com  
**Sent:** Tuesday, July 16, 2019 10:46 AM  
**To:** Keating, Beth  
**Subject:** FedEx Shipment 775707938249 Delivered

# Your package has been delivered

Tracking # 775707938249

Ship date:  
Fri, 7/12/2019

**Andrea Cowart**  
GUNSTER YOAKLEY &  
STEWART  
Tallahassee, FL 32301  
US

Delivery date:  
Tue, 7/16/2019 10:43  
am

**Chief Librarian/Director**  
Hardee County Library  
315 North 6th Avenue  
WAUCHULA, FL 33873  
US

Delivered

## Shipment Facts

Our records indicate that the following package has been delivered.

<b>Tracking number:</b>	<u>775707938249</u>
<b>Status:</b>	Delivered: 07/16/2019 10:43 AM Signed for By: A.HARRISON
<b>Reference:</b>	00047878-00001/COWAND
<b>Signed for by:</b>	A.HARRISON
<b>Delivery location:</b>	WAUCHULA, FL
<b>Delivered to:</b>	Receptionist/Front Desk
<b>Service type:</b>	FedEx 2Day®
<b>Packaging type:</b>	FedEx® Box
<b>Number of pieces:</b>	1
<b>Weight:</b>	3.00 lb.
<b>Special handling/Services:</b>	Deliver Weekday
<b>Standard transit:</b>	7/16/2019 by 4:30 pm

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 9:45 AM CDT on 07/16/2019.



**SEBRING GAS SYSTEM, INC.**

DOCKET NO. 20190083-GU

Synopsis of Rate Request

I. Company Overview

Founded in 1991, Sebring Gas System, Inc. (“Company”) serves approximately 600 customers in Highlands, Desoto, and Hardee counties. The Company provides safe, reliable natural gas service to residential, commercial and state agency customers and does so with a focus on both safety and customer care. Since the Company’s initial rates were set in 1992, the Company has sought rate relief only once, in 2004. In the 15 years since that proceeding, the Company has seen substantial changes in both its distribution system and workforce, as well as the industry overall. The Company serves the Sebring and the surrounding areas, as well as two (2) state prisons, one in rural Hardee County, off of State Road 62, and the other approximately seven (7) miles east of Arcadia, Florida on State Highway 70. It is also presently constructing facilities to serve Wauchula, Florida. As of the end of the Historic Base Year, December 31, 2018, the Company served approximately 600 customers.

II. Request for Rate Increase/ Summary

On June 5, 2019, for the first time in almost fifteen years, the Company filed a request for a rate increase with the Florida Public Service Commission (“Commission”) asking for a permanent increase in rates. The Commission is the agency, under Florida law<sup>1</sup>, charged with setting and regulating the rates, fees, and services of Florida utilities and will review the Company’s request. The Docket Number assigned by the Commission for this proceeding is Docket No. 20190083-GU.

The Company is asking that the Commission allow the Company to increase the Company’s rates and charges to the extent necessary to generate additional gross annual revenues in the amount of \$309,847, which will enable the Company to continue to provide safe, reliable natural gas service at a level the customers have come to expect.

---

<sup>1</sup> Chapter 366, Florida Statutes.

The Commission will utilize a “test year” for purposes of setting rates for Sebring. The Company has used the projected period ending December 31, 2020, as the projected test year for this filing, with the historic period being the 12-month period ended December 31, 2018. The Company’s jurisdictional 13-month average rate base for the test year period is projected to be \$5,085,214. Without the requested rate increase, the jurisdictional net operating income for the Company in the same period is projected to be \$1,186,200. The resulting revenue deficiency is \$309,847. The projected rate of return is, consequently, projected to be 3.17% in the test year. As such, Sebring asks that the Commission allow the Company an overall rate of return of 7.70%, including a mid-point ROE of 12.50% which will enable the Company to recover a Deferred Income Tax liability of \$342,671 over approximately 20 years.

III. Reasons for Request - Key Factors

The major factors necessitating the Company’s request for an increase in rates are:

A) Current rates do not include a provision for state or federal income taxes, which are now being incurred. Since the Company’s rates were first set in 1992, a provision for state or federal income taxes has never been included. The Company sustained consistent income losses in the early formative years of the Company, creating substantial tax loss carry-forwards to offset more recent taxable income of the Company. The loss carry-forwards have now been depleted, having provided significant benefits to the rate-payers since the inception of the Company and eliminating any income tax expense prior to 2018.

B) The Company has increased its service territory in recent years, including extending service to serve two state prisons. This increase in rate base is not reflected in the Company’s current rates, thus the Company is not earning an appropriate return on its investment.

C) As a result of our growth, the Company has also had to increase the number of employees to serve its expanded territory. Coinciding with the increase in the overall number of employees, the Company has increasingly found it more difficult to attract and retain quality, experienced personnel. The Company must implement proactive strategies to engage and train new employees, or the Company’s ability to provide safe and efficient service will begin to suffer.

D) In addition, the Company has seen an overall increase in operating, maintenance and administrative costs as a result of the Company's growth, increases in the cost of materials, as well as almost fifteen years of inflation.

IV. Additional Requests

In addition to the requested rate increase, the Company is also seeking Commission approval to take several additional items and actions, including:

A) Approval of a shift in its rate design to recover a more significant portion of its revenue requirement through its fixed Customer Charge component. This shift will provide the Company with a greater degree of revenue stability, while also encouraging the direct use of natural gas by customers and a more predictable monthly bill; and

B) The Company is also proposing to update its tariff provisions addressing customer deposits to be consistent with the revisions made to Section 366.05(1), Florida Statutes, in 2015.

V. Rate Making Process

The Company has filed detailed accounting and financial schedules, based upon the projected and historic test years, which are called Minimum Filing Requirements or "MFRs". The Company has also filed a formal Petition making its request to the Commission, along with written, prefiled testimony and exhibits of its witnesses, who explain and support the Company's analysis of rate base, capital structure, achieved and required net operating income, adjustments to expenses and rate base, tariff changes, quality of service, and other pertinent issues.

The Commission will address the Company's request through a proposed agency action process. This process will include a customer meeting in Sebring to receive comments from the Company's customers regarding the Company's quality of service and other matters pertinent to the Company's requested rate increase.

Key issues in the case are likely to include:

1. What is the appropriate test year for setting base rates?
2. What is Sebring's test year rate base?



3. What is Sebring's cost of capital?
4. What is Sebring's test year net operating income?
5. Is Sebring's cost of service methodology appropriate?
6. What are the appropriate rate levels for each customer class?

One or more Commissioners may be present at the customer meeting. Upon completion of the customer meeting, and after a review and analysis of all information presented and gathered in this docket, the Commission's professional staff will prepare a proposed agency action recommendation addressing what rate relief, if any, is appropriate for the Company. The Commission's staff is composed of attorneys, engineers, accountants, rate and finance analysts, and consumer affairs specialists. The Commission will review and take action on their staff's recommendation. They will base their decisions on all issues in the case upon the information and testimony that is received. Thereafter, an Order reflecting the Commission vote, and addressing the Company's request will be issued. Currently, the Commission is scheduled to make a proposed agency action determination regarding the Company's revenue requirement and appropriate new rates at the Commission Agenda Conference which is scheduled for November 5, 2019 at 9:30 a.m.

In addition to the Commission's professional staff, the Office of Public Counsel, who has intervened in this docket, will be analyzing the documents and testimony submitted by the Company, as well as any additional information produced through the informal discovery process or as a result of the audit that will be conducted by Commission audit staff. The Office of Public Counsel may be contacted at: Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, FL 32399-1400.

The customer meeting has been scheduled in Sebring as follows:

August 8, 2019  
6:00 p.m.  
Jack Stroup Civic Center  
355 W. Center Avenue  
Sebring, Florida 33870

Customers are urged to be present at the beginning of the meeting, since the customer meeting may be adjourned once all customers present and wishing to speak have been allowed to speak. One or more Commissioners may be present at the customer meeting.

***DOCKET NO. 20190083-GU***

Currently, the Commission is scheduled to consider its professional staff's recommendation at the November 5, 2019 Agenda Conference. Thereafter, the Commission will enter an order memorializing its decision on or before November 25, 2019. In the event that a timely protest of the Commission's decision is filed by a person whose substantial interests are impacted, a formal hearing schedule will be established for further consideration of Sebring's request. Currently, the schedule for this proceeding is as follows:

(1) Sebring's Petition and Testimony and exhibits	June 5, 2019 (complete)
(2) Audit Notice	June 19, 2019
(3) Customer Meeting	August 8, 2019
(4) Audit Report Due	August 20, 2019
(5) PSC Staff Recommendation	October 24, 2019
(6) PSC Agenda Conference	November 5, 2019
(7) Proposed Agency Action Order	November 25, 2019
(8) Protest Period Expires	December 16, 2019
(9) Consummating Order (If no protest)	December 19, 2019

More detailed information regarding the Company's requested rate increase is included in the Company's MFRs, which can be reviewed at the Company's offices in the following location:

Sebring Office

3515 Highway 27 S.  
Sebring, Florida 33870  
(9:00 a.m. – 5:00 p.m.)

The Company's MFRs and this synopsis of the case can also be reviewed at the following location during normal operating hours:

Sebring Public Library

319 W. Center Avenue  
Sebring, Florida 33870  
(Hours: Tuesday – Thursday 10:30 a.m. to 6:30 p.m.  
Friday and Saturday 9:30 a.m. to 5:30 p.m.)

A detailed synopsis of the case can also be reviewed at the following locations during normal

***DOCKET NO. 20190083-GU***

operating hours:

Desoto County Library

125 North Hillsborough Avenue  
Arcadia, Florida 34266

Hardee County Library

315 North 6<sup>th</sup> Avenue  
Wauchula, Florida 33873

Any customer comments regarding the Company's service or the proposed rate increase should include the docket number assigned to this case, Docket No. 20190083-GU, and should be addressed to:

Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

You may also contact the Commission at their toll free number: **1-800-342-3552**.

Company personnel may be contacted to answer any questions concerning the rate request at the address shown on your bill, by visiting the Company's website: [www.sebringgas.com](http://www.sebringgas.com), or by calling the following telephone number: 1-863-385-0194 (available between the hours of 8:00 a.m. and 5:00 p.m. EST).



**SEBRING GAS SYSTEM, INC.**

**APPENDIX A**

**SEBRING GAS SYSTEM**

**COMPARISON OF CURRENT AND PROPOSED RATES**

**DOCKET NO. 20190083-GU**

The Company is proposing revisions to its rate schedules. Specifically, the Company proposes to change its rate design to recover a more significant portion of its revenue requirement through its fixed Customer Charge component. This shift will provide the Company with a greater degree of revenue stability, while also encouraging the direct use of natural gas by customers.

The following table provides information to enable customers to compare current proposed rates in the current and proposed rate classes.

Rate Class	----- PRESENT RATES -----		----- PROPOSED RATES -----		
	Customer Charge	Distr. Charge/Therm	Rate Class	Customer Charge	Distr. Charge/Therm
TS-1	\$9.00	\$0.57140	TS-1	\$15.00	\$0.27949
TS-2	\$12.00	\$0.49327	TS-2	\$30.00	\$0.19660
TS-3	\$35.00	\$0.46677	TS-3	\$200.00	\$0.16325
TS-4	\$150.00	\$0.33861	TS-4	\$650.00	\$0.10317
TS-5	\$500.00	\$0.38136	TS-5	\$3,875.00	\$0.05001
TPS	\$3.00/customer		TPS	\$3.50/customer	

**APPENDIX B**

**SEBRING GAS SYSTEM**

**Schedule A – Executive Summary Schedules**



**SEBRING GAS SYSTEM, INC.**

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE MAGNITUDE OF CHANGE TO KEY DATA - PRESENT VS. PRIOR RATE CASE

TYPE OF DATA SHOWN:  
 HISTORIC TY LAST CASE: 12/31/2003  
 PROJECTED TY LAST CASE: 12/31/2005  
 PROJECTED TEST YEAR: 12/31/2020  
 WITNESS: J. MELENDY

COMPANY: SEBRING GAS SYSTEM, INC.

DOCKET NO: 20190083-GU

LINE NO.	ITEM	LAST RATE CASE REQUESTED			(4)* PROJECTED TEST YEAR 12/31/2004	LAST RATE CASE AUTHORIZED			(8)* PROJECTED TEST YEAR 12/31/2004	CURRENT RATE CASE REQUESTED		
		(1)* HISTORICAL N/A	(2)* ATTRITION N/A	(3)* TOTAL N/A		(5)* HISTORICAL N/A	(6)* ATTRITION N/A	(7)* TOTAL		(9) PROJECTED TEST YEAR 12/31/2020	(10)** DOLLAR OR PERCENT DIFFERENCE	(11)** PERCENTAGE CHANGE
1	DOCKET NUMBER				040270-GU				040270-GU			
2	HISTORICAL DATA OR TEST YEAR				12/31/2002				12/31/2002			
3	PROJECTED TEST YEAR				12/31/2004				12/31/2004			
4	RATE INCREASE - PERMANENT				\$234,641				\$163,264	\$309,847	\$146,583	89.78%
5	RATE INCREASE - INTERIM				\$110,957				\$110,957	\$0	(\$110,957)	-100.00%
6	JURISDICTIONAL RATE BASE BEFORE RATE RELIEF				\$1,132,523				\$1,100,766	\$5,085,214	\$3,984,448	361.97%
7	JURISDICTIONAL NET OPERATING INCOME BEFORE RATE RELIEF				(\$64,419)				(\$67,340)	\$161,401	\$228,741	339.68%
8	RATE OF RETURN BEFORE RATE RELIEF				-5.69%				-5.12%	3.17%	9.29%	151.86%
9	SYSTEM CAPITALIZATION				\$1,132,523				\$1,100,766	\$5,085,214	\$3,984,448	361.97%
10	OVERALL RATE OF RETURN				8.65%				8.64%	7.70%	-0.94%	-10.86%
11	COST OF LONG-TERM DEBT				5.43%				5.43%	5.95%	0.52%	9.50%
12	COST OF SHORT-TERM DEBT				0.00%				0.00%	6.00%	6.00%	100.00%
13	COST OF CUSTOMER DEPOSITS				6.23%				6.23%	2.86%	-3.37%	-54.17%
14	COST OF COMMON EQUITY				11.50%				11.50%	12.50%	1.00%	8.70%
15	NUMBER OF CUSTOMERS - AVERAGE				553				538	727	189	35.23%
16	DATE NEW PERMANENT RATES EFFECTIVE				1/1/2005				1/1/2005	1/1/2020		

(A) AS DETERMINED BY THE "FILE AND SUSPEND" PROVISIONS OF SECTION 366.06 (4), FLORIDA STATUTES.

\* IF COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3) AND COLUMNS (5) - (7) UNDER THE HEADING "LAST RATE CASE". IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMNS (4) AND (8) UNDER THE HEADING "LAST RATE CASE".

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (7). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (8).

SUPPORTING SCHEDULES: F-7, G-1 p.1, G-2 p.1, G-3 p.1, G-6

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF PERMANENT RATE INCREASE REQUESTED

TYPE OF DATA SHOWN:  
PROJECTED TY LAST CASE: 12/31/2005  
PROJECTED TEST YEAR: 12/31/2020

COMPANY: SEBRING GAS SYSTEM, INC.

DOCKET NO: 20190083-GU

WITNESS: J. MELENDY

LINE NO.	DESCRIPTION	INCREASE IN GROSS REVENUE DOLLARS	% OF TOTAL
1	RESTORE ADJUSTED NET OPERATING INCOME TO PREVIOUSLY ALLOWED OVERALL RATE OF RETURN OF 8.64%	\$355,633	114.78%
2	DECREASE IN REQUESTED OVERALL RATE OF RETURN OF 8.64% TO 7.70%	(\$45,786)	-14.78%
3	EFFECT ON PROJECTED TEST YEAR	\$0	0.00%
4	TOTAL PERMANENT RATE INCREASE REQUESTED	<u>\$309,847</u>	<u>100.00%</u>



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS OF JURISDICTIONAL RATE BASE

TYPE OF DATA SHOWN:  
 HISTORIC TY LAST CASE: 12/31/2003  
 PROJECTED TY LAST CASE: 12/31/2005  
 PROJECTED TEST YEAR: 12/31/2020  
 WITNESS: J. MELENDY

COMPANY: SEBRING GAS SYSTEM, INC.

DOCKET NO: 20190083-GU

LINE NO.	ITEM	RATE BASE DETERMINED BY COMMISSION IN LAST RATE CASE				RATE BASE REQUESTED BY COMPANY IN CURRENT RATE CASE		
		(1)* HISTORIC N/A	(2)* ATTRITION N/A	(3)* TOTAL	(4)* PROJECTED TEST YEAR 12/31/2004	(5) PROJECTED TEST YEAR 12/31/2020	(6)** DOLLAR DIFFERENCE	(7)** PERCENT DIFFERENCE
<u>UTILITY PLANT</u>								
1	PLANT IN SERVICE	\$0	\$0	\$0	\$2,189,329	\$8,148,107	\$5,958,778	272.17%
2	CONSTRUCTION WORK IN PROGRESS	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
3	UTILITY PLANT ACQUISITION ADJUSTMENT	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
4	GROSS UTILITY PLANT	\$0	\$0	\$0	\$2,189,329	\$8,148,107	\$5,958,778	272.17%
<u>DEDUCTIONS</u>								
5	ACCUMULATED DEPRECIATION	\$0	\$0	\$0	(\$1,065,576)	(\$3,045,744)	(\$1,980,168)	185.83%
6	ACCUMULATED AMORTIZATION	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
7	LIMITED TERM UTILITY PLANT	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
8	ACQUISITION ADJUSTMENT	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
9	CUSTOMER ADVANCES FOR CONSTRUCTION	\$0	\$0	\$0	(\$16,256)	(\$12,928)	\$3,328	-20.47%
10	TOTAL DEDUCTIONS	\$0	\$0	\$0	(\$1,081,832)	(\$3,058,672)	(\$1,976,840)	182.73%
11	NET UTILITY PLANT	\$0	\$0	\$0	\$1,107,497	\$5,089,434	\$3,981,937	359.54%
12	ALLOWANCE FOR WORKING CAPITAL	\$0	\$0	\$0	(\$6,731)	(\$4,221)	\$2,510	-37.29%
13	RATE BASE	\$0	\$0	\$0	\$1,100,766	\$5,085,214	\$3,984,448	361.97%

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).  
 IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

SUPPORTING SCHEDULES: G-1 p.1

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS OF JURISDICTIONAL NET OPERATING INCOME

COMPANY: SEBRING GAS SYSTEM, INC.

TYPE OF DATA SHOWN:  
 HISTORIC TY LAST CASE: 12/31/2003  
 PROJECTED TY LAST CASE: 12/31/2005  
 PROJECTED TEST YEAR: 12/31/2020  
 WITNESS: J. MELENDY

DOCKET NO: 20190083-GU

LINE NO.	ITEM	NET OPERATING INCOME AS DETERMINED BY COMMISSION IN LAST RATE CASE				NOI CALCULATED BY COMPANY IN CURRENT CASE	DOLLAR DIFFERENCE	PERCENT DIFFERENCE
		(1)* HISTORIC N/A	(2)* ATTRITION N/A	(3)* TOTAL	(4)* PROJECTED TEST YEAR 12/31/2004	(5)** PROJECTED TEST YEAR 12/31/2020		
1	OPERATING REVENUES (A)	\$0	\$0	\$0	\$286,548	\$1,185,200	\$899,652	313.96%
	<u>OPERATING EXPENSES:</u>							
2	COST OF GAS	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
3	OPERATING & MAINTENANCE EXPENSE	\$0	\$0	\$0	\$270,512	\$739,587	\$469,075	173.40%
4	DEPRECIATION & AMORTIZATION EXPENSE	\$0	\$0	\$0	\$64,318	\$266,440	\$202,122	314.25%
5	TAXES OTHER THAN INCOME	\$0	\$0	\$0	\$19,058	\$22,931	\$3,873	20.32%
6	INCOME TAXES (FEDERAL & STATE)	\$0	\$0	\$0	\$0	(\$4,158)	(\$4,158)	#DIV/0!
7	DEFERRED TAXES (FEDERAL & STATE)	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!
8		\$0	\$0	\$0	\$0	\$0	\$0	N/A
9	TOTAL OPERATING EXPENSES	\$0	\$0	\$0	\$353,888	\$1,024,799	\$670,911	189.58%
10	NET OPERATING INCOME (B)	\$0	\$0	\$0	(\$67,340)	\$161,401	\$228,741	339.68%
(A)	EXCLUDES FUEL REVENUE							
(B)	BEFORE RATE RELIEF							

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

\*\*\* Excludes Fuel Revenues

SUPPORTING SCHEDULES: G-2 p.1

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING  
OVERALL RATE OF RETURN COMPARISON

TYPE OF DATA SHOWN:  
PROJECTED TY LAST CASE: 12/31/2005  
PROJECTED TEST YEAR: 12/31/2020

COMPANY: SEBRING GAS SYSTEM, INC.

DOCKET NO: 20190083-GU

WITNESS: J. MELENDY

LINE NO.	ITEM	LAST RATE CASE 12/31/2004 (AUTHORIZED)				PROJECTED TEST YEAR 12/31/2020 (REQUESTED)			
		DOLLARS	RATIO	EMBEDDED COST	WEIGHTED COST	DOLLARS	RATIO	EMBEDDED COST	WEIGHTED COST
DOCKET NO 20190083-GU ORDER NO. PSC-04-1260-PAA-GU									
1	COMMON EQUITY	\$574,433	52.18%	11.50%	6.00%	\$1,741,654	34.25%	12.50%	4.28%
2	LONG-TERM DEBT -FIXED	\$470,468	42.74%	5.43%	2.32%	\$2,760,453	54.28%	5.95%	3.23%
3	SHORT-TERM DEBT	\$0	0.00%	0.00%	0.00%	\$84,231	1.66%	6.00%	0.10%
4	CUSTOMER DEPOSITS	\$55,865	5.08%	6.23%	0.32%	\$156,205	3.07%	2.86%	0.09%
5	DEFERRED TAXES	\$0	0.00%	0.00%	0.00%	\$342,671	6.74%	0.00%	0.00%
6	TOTAL CAPITALIZATION	<u>\$1,100,766</u>	<u>100.00%</u>		<u>8.64%</u>	<u>\$5,085,214</u>	<u>100.00%</u>		<u>7.70%</u>

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: SEBRING GAS SYSTEM, INC.

DOCKET NO: 20190083-GU

EXPLANATION: PROVIDE A SUMMARY OF FINANCIAL INDICATORS AS SPECIFIED BELOW FOR THE HISTORIC DATA BASE YEAR OF THE LAST RATE CASE, HISTORIC DATA BASE YEAR FOR THIS CASE, AND THE YEAR IMMEDIATELY FOLLOWING THE PRESENT HISTORIC DATA BASE YEAR.

TYPE OF DATA SHOWN:  
 PROJ YR LAST CASE: 12/31/2005  
 HISTORIC BASE YEAR DATA: 12/31/2018  
 HISTORIC BASE YEAR +1 DATA: 12/31/2019  
 PROJECTED TEST YEAR: 12/31/2020  
 WITNESS: J. MELENDY

LINE NO.	INDICATORS	(1) DATA FROM PROJECTED TEST YEAR RELATED TO COMPANY'S PRIOR CASE	(2) DATA FROM HISTORIC BASE YEAR RELATED TO COMPANY'S CURRENT CASE	(3) YEAR AFTER CURRENT HISTORIC BASE YEAR WITHOUT ANY RATE INCREASE	(4) PROJECTED TEST YEAR WITHOUT ANY RATE INCREASE	(5) PROJECTED TEST YEAR INCLUDING REQUESTED RATE INCREASE
<u>INTEREST COVERAGE RATIOS:</u>						
1	INCLUDING AFUDC IN INCOME BEFORE INTEREST CHARGES	N/A	N/A	N/A	N/A	N/A
2	EXCLUDING AFUDC FROM INCOME BEFORE INTEREST CHARGES	N/A	N/A	N/A	N/A	N/A
<u>OTHER FINANCIAL RATIOS:</u>						
3	AFUDC AS A PERCENT OF INCOME AVAILABLE FOR COMMON	N/A	N/A	N/A	N/A	N/A
4	PERCENT OF CONSTRUCTION FUNDS GENERATED INTERNALLY	N/A	N/A	N/A	N/A	N/A
<u>PREFERRED DIVIDEND COVERAGE:</u>						
5	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
6	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
<u>RATIO OF EARNINGS TO FIXED CHARGES***:</u>						
7	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
8	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
*** ASSUMES DEPRECIATION & INTEREST IN CALCULATION						
<u>EARNINGS PER SHARE:</u>						
9	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
10	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
11	DIVIDENDS PER SHARE	N/A	N/A	N/A	N/A	N/A

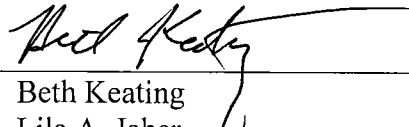
SUPPORTING SCHEDULES: D-11 p.1-3, G-3 p.9-11

RECAP SCHEDULES:

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing filing has been served by Electronic Mail this 22nd day of July, 2019, upon the following:

J.R. Kelly, Public Counsel  
Mireille Fall-Fry  
Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison St., Rm 812  
Tallahassee, FL 32399-1400  
Fall-fry.mireille@leg.state.fl.us

By:   
Beth Keating  
Lila A. Jaber  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706