

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

July 30, 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 Sebring Gas System's Responses to Staff's Second Data Requests.

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)



**Sebring Gas System, Inc.
Docket No. 20190083-GU
Responses to Staff's
Second Set of Data Requests**

Request Number 1

1. With respect to page 11, lines 15 – 21, of witness Jerry Melendy's direct testimony.
 - a. Please provide a description of the job duties for the current accounting position employee.

Response: Please see attached description of job duties for the current accounting position.

- b. Please provide a description of the job duties for the new accounting position employee.

Response: Please see attached description of job duties for the new accounting position.

- c. Please provide the current accounting position employee's salary.

Response: The current accounting position employee is an hourly employee who is currently making \$22.50 per hour, effective March 2019. Prior to this, the employee was making \$22.00 per hour.

- d. Please explain if the workload has increased to a level that requires two full-time employees.

Response: Yes, the workload has increased to a level that requires two full-time employees. Many of the duties the new accounting position will perform are currently performed by



SEBRING GAS SYSTEM, INC.

the President of the Company. Given the growth plans of the Company, and the added complexity of managing a regulated natural gas company, the President no longer has the time required to perform these critical regulatory and accounting functions. Please also note, that the current employee performs all Customer Service functions of the Company, as well as, numerous other functions, as detailed in the attached job duties.

- e. Has Sebring looked into other options to handle the increased workload, i.e. temporary or seasonal worker? Why or why not?

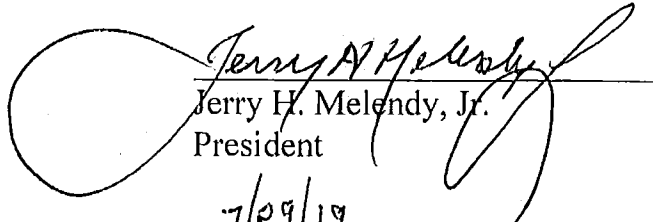
Response; Yes, Sebring has explored all alternatives; however, given the importance of the accuracy of the accounting data for regulated companies, and the myriad federal and state regulatory filings required, it was determined that a full-time employee, critical for maintenance of internal control procedures, is required at this time for the Company.

2. With respect to page 24, lines 6 – 9, of witness Jerry Melendy's direct testimony, please explain how the projected salary, of \$50,000, for the accounting position was determined.

Response: As stated in the Direct Testimonies of Mr. Russell Melendy and Mr. Jerry Melendy, both employees are very active in the community. Mr. Russell Melendy is a two-term Hardee County Commissioner and Mr. Jerry Melendy has many contacts in the business communities served by the Company. Both individuals have had numerous conversations with Executives of Financial Institutions, Banks, Accounting Firms and other businesses' that employee accountants. Based on these conversations in the local community, the Company has determined that a \$50,000 annual salary is an appropriate starting compensation level for this position.



Response Provided By:



Jerry H. Melendy, Jr.
President
7/29/19

Date



**Sebring Gas System, Inc.
Docket No. 20190083-GU
Responses to Staff's
Second Set of Data Requests**

Request Number 1. a.

Description of Job Duties

Current Position: Office Manager

Current Compensation: \$22.00 Per Hour

Essential Duties

- Accounting Functions
 - Prepare and Enter Standard Journal Entries
 - Prepare Payroll Information for ADP processing
 - Receive and Verify Payroll Information from ADP and Prepare Appropriate Journal Entries
 - Prepares Florida Gas Transmission's Data Verification Committee information
 - Prepares FDOT-required reports
 - Prepares preliminary Financial Statements for review and approval
 - Prepares Capital Work Orders, tracks charges for accuracy and finalizes Capital Work Orders for accounting entries. Prepares Depreciation Expense entries
- Billing & Payments
 - Prepare Meter Reading Information for Meter Readers
 - Receive Meter Reading Information from Meter Readers and Prepare for Billing
 - Responsible for Accurate Billing of All Customers
 - Responsible for Accurate Payment Processing for All Customer Payments
- Accounts Payable
 - Prepares Purchasing documentation for materials and supplies, services and other payables



SEBRING GAS SYSTEM, INC.

- Receives invoices, matches to purchasing documents and inventory receipts, as applicable
- Processes invoices for payment
- Mails checks and documentation to vendors on a timely basis
- Human Resources
 - Maintains Personnel Records of All Employees
 - Administers Employee Benefit Program of the Company
 - Compliance with all Regulations, including Drug and Alcohol Testing and other Regulatory required Programs
- Customer Service
 - Handles all Customer Inquiries – billing, meter reading, gas safety calls, new service, re-instatement of service, non-payment of bills, etc.
 - Investigates and resolves Customer Complaints



**Sebring Gas System, Inc.
Docket No. 20190083-GU
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Request Number 1. b.

Description of Job Duties

Proposed Position: Accounting Specialist

Proposed Compensation: \$50,000 Per Year

Essential Duties

- Accounting Functions
 - Prepare Financial Statements for the Company on a Monthly Basis
 - Prepare Subsidiary Reports that support the Company's Financial Statements
 - Ensure Accuracy of all Accounting Entries – Account Number assignment, matching principal, compliance with Commission regulations, etc.
 - Prepare Energy Conservation Cost Recovery (ECCR) filing. Maintain accounting records to ensure ECCR filing accuracy
 - Prepare Annual Report (FERC Form 2) filing
 - Prepare Semi-annual Earnings Surveillance Report filing
 - Prepare Depreciation Study filing every five years
 - Prepare MFR Schedules for Rate Case filings, as needed
 - Prepare Lost and Unaccounted For (LAUF) information
 - Reconcile Monthly Billing for accuracy
 - Maintain Monthly Billing Determinate data
 - Prepare Management Reports, including Key Performance Indicators
 - Reconcile and maintain Cost of Gas information from third-party marketers
 - Prepare Gross Receipts Tax, Regulatory Assessment Fee, State Sales Tax, Tangible Property Tax and other returns
 - Maintain Continuing Property Records of the Company



SEBRING GAS SYSTEM, INC.

- Maintain Deferred Income Tax Schedules of the Company
- Maintain Long-Term Debt schedules of the Company
- Maintain CIAC program in accordance with Commission regulations
- Human Resources
 - Maintains Personnel Records of All Employees
 - Administers Employee Benefit Program of the Company
 - Compliance with all Regulations, including Drug and Alcohol Testing and other Regulatory required Programs