



Florida Public Service Commission **RATE CASE OVERVIEW**

AUGUST 2019

Petition for rate increase by
Sebring Gas System, Inc.

DOCKET NO. 20190083-GU

On June 5, 2019, Sebring Gas System, Inc. (Sebring Gas) filed a petition with the Florida Public Service Commission (PSC or Commission) for a rate increase. Sebring Gas currently provides natural gas to approximately 600 residential, commercial, and industrial natural gas customers in Florida's Highlands, Hardee, and DeSoto Counties.

QUESTIONS & ANSWERS

1 Is there an opportunity for public input on this rate case?

Yes. As part of the evaluation process for Sebring Gas' request, the Commission staff will conduct a customer meeting to allow feedback about Sebring Gas and the rate-setting process. Customer comments, written and oral, will be taken into consideration when the Commission reaches a decision. One or more Commissioners may attend and participate during the customer meeting.

2 Why is Sebring Gas requesting a rate increase?

In its petition, Sebring Gas stated it has been earning at or below its authorized range. Sebring Gas identified four factors that led to its requested rate increase: provision for federal or state income taxes, increased service territory, increased number of employees, and increased operating, maintenance and administrative costs.

3 When was Sebring Gas' last approved rate increase?

Sebring Gas' last rate case was in 2004.

CUSTOMER MEETING

**Thursday, August 8, 2019
6:00 P.M.**

Jack Stroup Civic Center
355 West Center Avenue
Sebring, FL 33870

4 Presently, how much is the average monthly bill (22 therms) for residential customers?

The average monthly bill for Sebring Gas customers is \$21.87. This amount excludes energy conservation cost recovery charges, state and local government taxes, and franchise fees.

If cancelled, notice of meeting cancellation will be provided on the Commission's website (www.floridapsc.com) under Hot Topics found on the home page. Cancellation can also be confirmed by contacting the Office of General Counsel at (850) 413-6199.

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5 Using Sebring Gas' requested restructured rates, how much would the average monthly bill be for residential customers?

The average monthly bill using Sebring Gas' requested restructured rates would be \$33.93 for residential customers.

6 What if I cannot attend the customer meeting or prefer not to speak? Are there other ways to comment on this case?

Any person who wants to comment or provide information to the Commission regarding this matter may do so orally at the meeting or in writing.* Written comments should be mailed to:

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

The PSC will also accept emailed comments at: clerk@psc.state.fl.us

Please be sure to include the docket number, **20190083-GU**.

Customer comments are placed on the correspondence side of the docket file and are taken into consideration by the Commissioners in reaching their decision. In accordance with Florida Statutes, the PSC will also consider Sebring Gas' quality of service and other matters. If you have questions, contact the PSC's Office of Consumer Assistance & Outreach at 1-800-342-3552.

7 Who can answer technical or legal questions?

For technical questions, contact:

Cecilia Galloway
(850) 413-6922

Emily Knoblauch
(850) 413- 6632

Daniel Smith
(850) 413-6946

For legal questions, contact:

Margo DuVal
(850) 413- 6076

8 Where on the Internet can I obtain more detailed information?

Detailed docket information is available on the PSC website at www.FloridaPSC.com. Click on **Clerk's Office** then **Dockets**. Type in the docket number, **20190083**.

9 When will the PSC make a decision?

The PSC staff is scheduled to file a recommendation with the Commission on October 24, 2019. The Commissioners are expected to vote on this matter at the November 5, 2019 Commission Conference.

** Any email or other correspondence sent to a Florida Public Service Commissioner, or any other public official and/or employee of the PSC, in the transaction of public business is considered a public record and is subject to Florida's Public Records Law. This means that Florida law generally requires the PSC to provide a copy of any such email or correspondence, upon request, for inspection and copying to any Florida citizen or to any member of the media.*

PSC Commissioners



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COMMISSIONER
Julie I. Brown



CHAIRMAN
Art Graham



COMMISSIONER
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COMMISSIONER
Andrew Giles Fay

Sebring Gas System, Inc. Monthly Gas Bills

BILL COMPARISONS - PRESENT VS. COMPANY PROPOSED RATES

TS - 1

Usage between 0 and 200 therms per year

Average Usage: 6.5 therms per month

**PRESENT RATES
TS-1**

Customer Charge
\$9.00

Transportation Charge
(Cents per Therm)
57.140

**PROPOSED RATES
TS-1**

Customer Charge
\$15.00

Transportation Charge
(Cents per Therm)
27.949

Therm Usage Increment
2

<u>Monthly Therm Usage</u>	<u>Present Monthly Bill</u>	<u>Proposed Monthly Bill</u>	<u>Percent Increase</u>	<u>Dollar Increase</u>
0	\$9.00	\$15.00	66.67%	\$6.00
2	\$10.14	\$15.56	53.40%	\$5.42
4	\$11.29	\$16.12	42.82%	\$4.83
6	\$12.43	\$16.68	34.18%	\$4.25
8	\$13.57	\$17.24	27.00%	\$3.66
10	\$14.71	\$17.79	20.94%	\$3.08
12	\$15.86	\$18.35	15.75%	\$2.50
14	\$17.00	\$18.91	11.25%	\$1.91
16	\$18.14	\$19.47	7.33%	\$1.33

Bills do not include conservation costs, utility taxes, franchise fees, or gross receipts taxes.

Sebring Gas System, Inc. Monthly Gas Bills

BILL COMPARISONS - PRESENT VS. COMPANY PROPOSED RATES

TS - 2

Usage between 201 and 1,000 therms per year

Average Usage: 29 therms per month

PRESENT RATES TS-2

PROPOSED RATES TS-2

Customer Charge
\$12.00

Transportation Charge
(Cents per Therm)
49.327

Customer Charge
\$30.00

Transportation Charge
(Cents per Therm)
19.660

Therm Usage Increment
10

<u>Monthly Therm Usage</u>	<u>Present Monthly Bill</u>	<u>Proposed Monthly Bill</u>	<u>Percent Increase/Decrease</u>	<u>Dollar Increase/Decrease</u>
20	\$21.87	\$33.93	55.19%	\$12.07
30	\$26.80	\$35.90	33.96%	\$9.10
40	\$31.73	\$37.86	19.33%	\$6.13
50	\$36.66	\$39.83	8.64%	\$3.17
60	\$41.60	\$41.80	0.48%	\$0.20
70	\$46.53	\$43.76	(5.95%)	(\$2.77)
80	\$51.46	\$45.73	(11.14%)	(\$5.73)

Bills do not include conservation costs, utility taxes, franchise fees, or gross receipts taxes

Sebring Gas System, Inc. Monthly Gas Bills

BILL COMPARISONS - PRESENT VS. COMPANY PROPOSED RATES

TS - 3

Usage between 1,001 and 10,000 therms per year

Average Usage: 336 therms per month

PRESENT RATES TS-3

PROPOSED RATES TS-3

Customer Charge
\$35.00

Transportation Charge
(Cents per Therm)
46.677

Customer Charge
\$200.00

Transportation Charge
(Cents per Therm)
16.325

Therm Usage Increment
100

<u>Monthly Therm Usage</u>	<u>Present Monthly Bill</u>	<u>Proposed Monthly Bill</u>	<u>Percent Increase/Decrease</u>	<u>Dollar Increase/Decrease</u>
100	\$81.68	\$216.33	164.85%	\$134.65
200	\$128.35	\$232.65	81.26%	\$104.30
300	\$175.03	\$248.98	42.25%	\$73.94
400	\$221.71	\$265.30	19.66%	\$43.59
500	\$268.39	\$281.63	4.93%	\$13.24
600	\$315.06	\$297.95	(5.43%)	(\$17.11)
700	\$361.74	\$314.28	(13.12%)	(\$47.46)
800	\$408.42	\$330.60	(19.05%)	(\$77.82)

Bills do not include conservation costs, utility taxes, franchise fees, or gross receipts taxes

Sebring Gas System, Inc. Monthly Gas Bills

BILL COMPARISONS - PRESENT VS. COMPANY PROPOSED RATES

TS - 4

Usage between 10,001 and 50,000 therms per year

Average Usage: 1,239 therms per month

PRESENT RATES TS-4

PROPOSED RATES TS-4

Customer Charge
\$150.00

Transportation Charge
(Cents per Therm)
33.861

Customer Charge
\$650.00

Transportation Charge
(Cents per Therm)
10.317

Therm Usage Increment
500

<u>Monthly Therm Usage</u>	<u>Present Monthly Bill</u>	<u>Proposed Monthly Bill</u>	<u>Percent Increase/Decrease</u>	<u>Dollar Increase/Decrease</u>
1,000	\$488.61	\$753.17	54.15%	\$264.56
1,500	\$657.92	\$804.76	22.32%	\$146.84
2,000	\$827.22	\$856.34	3.52%	\$29.12
2,500	\$996.53	\$907.93	(8.89%)	(\$88.60)
3,000	\$1,165.83	\$959.51	(17.70%)	(\$206.32)
3,500	\$1,335.14	\$1,011.10	(24.27%)	(\$324.04)
4,000	\$1,504.44	\$1,062.68	(29.36%)	(\$441.76)

Bills do not include conservation costs, utility taxes, franchise fees, or gross receipts taxes

Sebring Gas System, Inc. Monthly Gas Bills

BILL COMPARISONS - PRESENT VS. COMPANY PROPOSED RATES

TS - 5

Usage over 50,000 therms per year

Average Usage: 6,985 therms per month

PRESENT RATES TS-5

PROPOSED RATES TS-5

Customer Charge
\$500.00

Transportation Charge
(Cents per Therm)
38.136

Customer Charge
\$3,875.00

Transportation Charge
(Cents per Therm)
5.001

Therm Usage Increment
1,000

<u>Monthly Therm Usage</u>	<u>Present Monthly Bill</u>	<u>Proposed Monthly Bill</u>	<u>Percent Increase/Decrease</u>	<u>Dollar Increase/Decrease</u>
5,000	\$2,406.80	\$4,125.05	71.39%	\$1,718.25
6,000	\$2,788.16	\$4,175.06	49.74%	\$1,386.90
7,000	\$3,169.52	\$4,225.07	33.30%	\$1,055.55
8,000	\$3,550.88	\$4,275.08	20.39%	\$724.20
9,000	\$3,932.24	\$4,325.09	9.99%	\$392.85
10,000	\$4,313.60	\$4,375.10	1.43%	\$61.50
11,000	\$4,694.96	\$4,425.11	(5.75%)	(\$269.85)
12,000	\$5,076.32	\$4,475.12	(11.84%)	(\$601.20)

Bills do not include conservation costs, utility taxes, franchise fees, or gross receipts taxes

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

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