

ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

RE: Purchsed Gas Adjustment)

(PGA) True-Up)

DOCKET NO: 960003-GU

PREPARED DIRECT TESTIMONY

OF

JERRY H. MELENDY, JR.

ON BEHALF OF

SEBRING GAS SYSTEM, INC.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

- 1 Q. Please state your name, business address, by whom you are
2 employed and in what capacity.
- 3 A. My name is Jerry H. Melendy, Jr., my business address is
4 3515 U.S. Highway 27, South, Sebring, Florida 33870-5452.
5 I am the Vice President of Sebring Gas System, Inc. (the Company),
6 a Florida Corporation.
- 7 Q. What are your responsibilities in that position?
- 8 A. I am responsible for all areas of finance, rates, accounting
9 and taxes as well as general management responsibilities
10 of the company.
- 11 Q. Please state your educational background.
- 12 A. I have an Associate of Arts degree from Polk Community
13 College. I have a Bachelor of Arts degree from the University
14 of South Florida.
- 15 Q. What is the purpose of your testimony?
- 16 A. The purpose of my testimony is to present the calculation of Sebring Gas
17 System's levelized purchased gas cost for the upcoming twelve-month
18 period April 1996 through March 1997.
- 19 Q. Has the Company prepared the Schedules as prescribed by
20 this Commission for this purpose?
- 21 A. Yes, it has. The Schedules prescribed by the Commission are
22 being filed at this time. Copies are attached to my testimony.
- 23 Q. Would you please identify the Schedules which you are filing?
- 24 A. Yes. The Schedules are identified as Composite Exhibit JHM-2

1 and are as follows:

2 E-1 - PURCHASED GAS ADJUSTMENT COST RECOVERY
3 CLAUSE CALCULATION, Original Estimate for the Projected
4 Period April 1996 through March 1997.

5 E-1/R - PURCHASED GAS ADJUSTMENT COST RECOVERY
6 CLAUSE CALCULATION, Revised Estimate for the Period April 1995
7 through March 1996.

8 E-2 - CALCULATION OF TRUE-UP AMOUNT for the
9 Current Period April 1995 through March 1996.

10 E-3 - TRANSPORTATION PURCHASES, SYSTEM SUPPLY
11 AND USE for the Period April 1996 through March 1997. Because
12 Sebring Gas does not purchase transportation gas, this schedule, although
13 included in this filing, is not applicable.

14 E-4 - CALCULATION OF TRUE-UP AMOUNT,
15 PROJECTED PERIOD April 1996 through March 1997.

16 E-5 - THERM SALES AND CUSTOMER DATA for
17 the Projected Period April 1996 through March 1997.

18 Q. Were these schedules prepared under your direction and
19 supervision?

20 A. Yes, they were.

21 REVISED ESTIMATES FOR THE PERIOD
22 APRIL 1995 - MARCH 1996

23 Q. What is the revised estimate of total purchased gas cost for the
24 period April 1995 through March 1996?

25 A. The revised estimate of purchased gas cost for the current period

1 April 1995 through March 1996 is \$182,074.

2 Q. What is the revised estimate of gas revenue to be collected for the
3 current period April 1995 through March 1996?

4 A. The revised estimate of gas revenue to be collected for the current
5 period April 1995 through March 1996 is \$171,007.

6 Q. What is the revised true-up amount, including interest,
7 estimated for the current period April 1995 through March
8 1996?

9 A. The company's estimate for the revised true-up, including
10 interest, to be an overcollection of \$53.

11 PROJECTIONS FOR THE PERIOD
12 APRIL 1996 THROUGH MARCH 1997

13 Q. How was the projections for the period April 1996 through
14 March 1997 determined?

15 A. The estimated gas supply requirements for each month of the
16 twelve month period were determined initially. These requirement
17 estimates were based upon the estimated sales to ultimate customers
18 for the period.

19 Q. What steps were used to determine the estimated cost of gas for the
20 projected period April 1996 through March 1997?

21 A. As reported on Schedule E-1, lines 1 through 11, the total cost of
22 gas consists of the cost of demand and commodity costs of firm
23 transportation service(FTS) on FGT, the commodity cost of gas paid to
24 our supplier, Peninsula Energy Services Co. (PESCO) and the cost of gas

1 transportation as billed by the City of Sebring.

2 The demand portion of services (line 5 of Schedules E-1 E1/R) is based on

3 Sebring Gas System's contract with FGT and an estimate of FGT's demand

4 rates for these services. The demand rates used for FTS-1 service for

5 the months April 1995 through June 1995 are the current rates in

6 effect. The rates used for the months July 1995 through March 1996

7 are the rates proposed by FGT for that period of time.

8 The commodity portion of the Cost of Gas Purchased is shown

9 as Lines 1 and 4 of Schedule E-1. The Commodity Pipeline amount

10 (line 1) is based on FGT's "FTS" Commodity Rate multiplied by the

11 amount of therms transported for our system supply. The rate utilized

12 for the projected period April 1996 through March 1997 are the

13 current rates in effect.

14 The Commodity (Other), (line 4) is based on amount of therms

15 purchased by Sebring Gas, multiplied by the current rate per therm,

16 plus a management fee. The rate is based upon the price paid by

17 our supplier PESCO, plus the management fee of \$.005 per therm.

18 The management fee allow Sebring Gas to benefit from the work

19 research of the gas procurement department of PESCO for

20 obtaining the best gas price. Because of Sebring Gas' small

21 size and lack of experience in acquiring gas, the best use of the

22 company's funds and resources is to contract PESCO to

23 provide gas for the company.

24 Other charges for the Cost of Gas Purchased is represented on

25 Line 6 of Schedule E-1. This figure consists of a charge for

1 transportation by the City of Sebring, any Western Division
2 Revenue Sharing Credit from FGT and PGA Reporting Fees.

3 The City of Sebring transports the company's gas supply through
4 a 7 mile pipeline connected to FGT's gatestation in Avon Park
5 and ending at Sebring Gas' gatestation in Sebring. The pipeline
6 is presently owned by Tampa Electric Company (TECO), who
7 allows the City of Sebring to operate and maintain. The rate for
8 transportation is based on a contract with the city for \$.035 per
9 MCF transported. The PGA Preparation Fee is estimated to be
10 \$750.00 per month, as levied by our outside CPA firm, Ryals,
11 Brimmer, Burek and Keelan.

12 Q. How was the projected total firm sales determined?

13 A. The company has only firm sales at this time. Subsequently,
14 the total sales and firm sales are the same. The total sales were
15 determined by using historical averages for both classes, residential
16 and commercial, customers, with a growth factor added. The total
17 sales are shown on Line 27 of Schedule E-1. The total estimated
18 sales for the Projected period April 1996 through March 1997 is
19 648,000 therms.

20 Q. What is the company's average cost per therm for the Projected
21 period April 1996 through March 1997?

22 A. Show on Line 40 of Schedule E-1, the company's average cost
23 of gas for the Projected period April 1996 through March 1997
24 is estimated to be 29.128 cents per therm. to arrive at the Total
25 PGA Factor, the average cost of gas is adjusted for the estimated

- 1 total true-up through March 1996, as shown on Schedule E-4,
2 and for revenue-related taxes.
- 3 Q. What is the projected PGA Factor for the Projected period
4 April 1996 through March 1997?
- 5 A. The projected PGA Factor for the projected period is 35.007
6 cents per therm, as shown on Line 45 of Schedule E-1.
- 7 Q. The estimated total true-up for the period April 1995 through
8 March 1996, as shown on Schedule E-4 is included in the
9 projected PGA Factor for the period April 1996 through March
10 1997. How was the figure calculated?
- 11 A. The final true-up amount for the period April 1994 through
12 March 1995 is added to the estimated end of period net true-up
13 for April 1995 through March 1996. The April 1995 through
14 March 1996 estimated true-up is based on eight months' actual
15 plus four months' projected data.
- 16 Q. What is the impact of the total true-up for the period April 1995
17 through March 1996 on the projected PGA Factor for the
18 Projected period April 1996 through March 1997?
- 19 A. The projected true-up for the period, ending March 1996 is
20 underrecovery of \$3,818, which is shown on line 4, Column
21 4 of Schedule E-4. Dividing the underrecovery of \$3,818 by
22 the projected therm sales of 648,000 therms results in a
23 collection of .589 cents per therm to be included in the proposed
24 PGA Factor.
- 25 Q. What is the maximum levelized purchased gas factor (cap)

1 that you are proposing for the projected period April 1996
2 through March 1997?

3 A. The maximum levelized purchased gas factor (cap) that Sebring
4 Gas is proposing for the period is 35.007 cents per therm.
5 This factor represents the estimated cost of gas for the month
6 of March, 1996, the month with the higher estimated cost of
7 gas, plus the true collection of .589 per therm, and the
8 total of the two figures multiplied by the tax revenue factor 1.01911.
9 Because the company has experienced higher winter costs for gas
10 and through projections supplied by our supplier, PESCO, we
11 anticipate this trend to continue for the projected period. The higher
12 winter average for the cost of gas dictates that the proposed
13 maximum levelized purchased gas cost factor (cap) be as it is.
14 Using the proposed cap will allow Sebring Gas to possibility
15 avoid large overrecoveries during the winter months when purchased
16 gas prices are highest. This procedure, combined with the ability
17 to flex down the rates when gas prices become lower will allow Sebring
18 Gas to operate at it's highest financial efficiency and provide our
19 ratepayers with gas prices more realistically with actual costs.

20 Q. Does this conclude your testimony?

21 A. Yes, it does.

SEBRING GAS SYSTEM, INC.

APRIL 1996 - MARCH 1997

PURCHASED GAS PROJECTION FILING

EXHIBIT JHM-2

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

ORIGINAL ESTIMATE FOR THE PROJECTED PERIOD:

APRIL, 1998 Through MARCH, 1997

COST OF GAS PURCHASED	PROJECTION												TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1 COMMODITY (Pipeline)	\$348	\$244	\$302	\$281	\$274	\$259	\$338	\$366	\$490	\$590	\$547	\$518	\$4,585
2 NO NOTICE SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
3 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0
4 COMMODITY (Other)	9,800	9,315	8,274	7,250	7,068	6,336	8,742	10,780	14,078	17,794	17,760	18,720	135,715
5 DEMAND	2,079	1,949	1,819	1,699	1,646	1,580	2,036	2,382	2,945	3,551	2,291	3,118	27,065
6 OTHER - Sebring Trans. Chg.	1,584	1,485	1,388	1,287	1,254	1,188	1,551	1,815	2,244	2,706	2,508	2,376	21,384
LESS END-USE CONTRACT													
7 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
8 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0	0	0
11 TOTAL COST (1+2+3+4+5+6)-(7+8+9+10)	\$13,609	\$12,993	\$11,781	\$10,507	\$10,242	\$9,343	\$12,687	\$15,373	\$19,755	\$24,641	\$23,108	\$24,732	\$189,749
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
13 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
14 TOTAL THERM SALES	\$14,157	\$13,511	\$12,258	\$10,942	\$10,688	\$9,738	\$13,191	\$15,907	\$20,540	\$25,605	\$24,004	\$25,637	\$198,245
THERMS PURCHASED													
15 COMMODITY (Pipeline) Billing Determinants Only	48,000	45,000	42,000	39,000	38,000	36,000	47,000	55,000	68,000	82,000	78,000	72,000	648,000
16 NO NOTICE SERVICE Billing Determinants Only	0	0	0	0	0	0	0	0	0	0	0	0	0
17 SWING SERVICE Commodity	0	0	0	0	0	0	0	0	0	0	0	0	0
18 COMMODITY (Other) Commodity	48,000	45,000	42,000	39,000	38,000	36,000	47,000	55,000	68,000	82,000	78,000	72,000	648,000
19 DEMAND Billing Determinants Only	48,000	45,000	42,000	39,000	38,000	36,000	47,000	55,000	68,000	82,000	78,000	72,000	648,000
20 OTHER Commodity	48,000	45,000	42,000	39,000	38,000	36,000	47,000	55,000	68,000	82,000	78,000	72,000	648,000
LESS END-USE CONTRACT													
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0
24 TOTAL PURCHASES (+18)-(21+22+23)	48,000	45,000	42,000	39,000	38,000	36,000	47,000	55,000	68,000	82,000	78,000	72,000	648,000
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
27 TOTAL THERM SALES (24-26)	48,000	45,000	42,000	39,000	38,000	36,000	47,000	55,000	68,000	82,000	78,000	72,000	648,000
CENTS PER THERM													
28 COMMODITY (Pipeline) (1/15)	0.721	0.542	0.719	0.721	0.721	0.719	0.719	0.720	0.721	0.720	0.720	0.719	0.708
29 NO NOTICE SERVICE (2/18)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
30 SWING SERVICE (3/17)													
31 COMMODITY (Other) (4/18)	20.000	20.700	19.700	18.590	18.600	17.600	18.600	19.600	20.700	21.700	23.368	28.000	20.944
32 DEMAND (5/19)	4.331	4.331	4.331	4.331	4.332	4.333	4.332	4.331	4.331	4.330	3.014	4.331	4.177
33 OTHER (6/20)	3.300	3.300	3.300	3.300	3.300	3.300	3.300	3.300	3.300	3.300	3.300	3.300	3.300
LESS END-USE CONTRACT													
34 COMMODITY Pipeline (7/21)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
35 DEMAND (8/22)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
36 (9/23)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
37 TOTAL COST (11/24)	28.352	28.873	28.050	28.941	28.953	25.953	28.951	27.951	29.051	30.050	30.403	34.350	29.128
38 NET UNBILLED (12/25)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
39 COMPANY USE (13/26)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR
40 TOTAL THERM SALES (11/27)	28.352	28.873	28.050	28.941	28.953	25.953	28.951	27.951	29.051	30.050	30.403	34.350	29.128
41 TRUE-UP (E-4)	0.58900	0.58900	0.58900	0.58900	0.58900	0.58900	0.58900	0.58900	0.58900	0.58900	0.58900	0.58900	0.58900
42 TOTAL COST OF GAS (40+41)	28.941	29.462	28.639	27.530	27.542	26.542	27.540	28.540	29.640	30.639	30.992	34.939	29.717
43 REVENUE TAX FACTOR	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911
44 PGA FACTOR ADJUSTED FOR TAXES (42x43)	29.494	30.025	29.186	28.056	28.088	27.049	28.086	29.085	30.208	31.225	31.584	35.607	30.285
45 PGA FACTOR ROUNDED TO NEAREST .001	29.494	30.025	29.186	28.056	28.088	27.049	28.086	29.085	30.208	31.225	31.584	35.607	30.285

COMPANY: SEBRING GAS SYSTEM, INC.

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATIONSCHEDULE E-1/R
(REVISED 8/1/93)

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

APRIL 95 Through MARCH 96

COST OF GAS PURCHASED	ACTUAL								REVISED PROJECTION					TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR		
1 COMMODITY (Pipeline)	322	273	251	251	250	247	297	300	489	569	468	482	4,269	
2 NO NOTICE SERVICE	1,145	1,183	937	968	861	937	0	0	0	0	0	0	0	
3 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 COMMODITY (Other)	7,333	6,758	6,601	5,855	5,289	5,566	7,260	10,283	15,509	23,542	18,200	16,100	128,386	
5 DEMAND	1,947	1,652	1,518	1,518	1,512	1,494	1,792	2,354	2,836	3,421	2,815	2,902	25,761	
6 OTHER	1,417	1,405	1,227	1,089	1,160	1,053	(640)	1,793	2,159	2,807	2,145	2,211	17,626	
LESS END-USE CONTRACT														
7 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 FGT 1993-1994 PGA REFUND	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 TOTAL COST (1+2+3+4+5+6+10)-(7+8+9)	12,164	11,271	10,534	9,681	9,072	9,297	8,709	14,820	21,063	30,139	23,628	21,695	176,042	
12 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 TOTAL THERM SALES	9,964	10,810	9,931	9,369	8,903	7,813	11,844	9,799	19,280	29,422	22,997	25,965	171,007	
THERMS PURCHASED														
15 COMMODITY (Pipeline)	44,950	38,140	35,040	35,040	34,820	34,500	41,370	54,350	65,480	70,000	64,000	62,500	580,190	
16 NO NOTICE SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 SWING SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 COMMODITY (Other)	44,950	38,140	35,040	35,040	34,820	34,500	41,370	54,350	65,480	70,000	64,000	62,500	580,190	
19 DEMAND	44,950	38,140	35,040	35,040	34,820	34,500	41,370	54,350	65,480	70,000	64,000	62,500	580,190	
20 OTHER	42,963	41,500	37,867	33,520	35,714	32,548	44,851	55,406	67,009	70,000	64,000	62,500	587,898	
LESS END-USE CONTRACT														
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 TOTAL PURCHASES (+17+18)-(21+22+23)	44,950	37,300	35,040	35,040	34,820	34,500	41,370	54,350	65,480	70,000	64,000	62,500	580,190	
25 NET UNBILLED	0	0	0	0	0	0	0	0	0	0	0	0	0	
26 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0	
27 TOTAL THERM SALES	42,936	40,718	35,291	34,286	35,099	32,121	43,250	52,589	64,788	70,000	64,000	62,500	578,578	
CENTS PER THERM														
28 COMMODITY (Pipeline) (1/15)	0.716	0.716	0.716	0.716	0.716	0.716	0.718	0.718	0.716	0.813	0.731	0.771	0.736	
29 NO NOTICE SERVICE (2/16)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	
30 SWING SERVICE (3/17)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	
31 COMMODITY (Other) (4/18)	16.314	17.719	18.836	16.709	15.190	16.133	17.549	18.920	23.823	33.631	28.438	25.780	22.128	
32 DEMAND (5/19)	4.331	4.331	4.332	4.332	4.342	4.330	4.332	4.331	4.331	4.887	4.398	4.643	4.440	
33 OTHER (6/20)	3.298	3.386	3.239	3.749	3.248	3.235	-1.427	3.236	3.222	3.724	3.352	3.538	2.998	
LESS END-USE CONTRACT														
34 COMMODITY Pipeline (7/21)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	
35 DEMAND (8/22)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	
36 (9/23)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	
37 TOTAL COST (11/24)	27.061	30.217	30.063	27.628	26.054	26.948	21.051	27.268	32.167	43.056	36.919	34.712	30.342	
38 NET UNBILLED (12/25)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	
39 COMPANY USE (13/26)	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	ERR	
40 TOTAL THERM SALES (11/27)	28.331	27.681	29.026	28.236	25.847	28.944	20.136	28.181	32.511	43.056	36.919	34.712	30.427	
41 TRUE-UP (E-2)	(1.81300)	(1.81300)	(1.81300)	(1.81300)	(1.81300)	(1.81300)	(1.81300)	(1.81300)	(1.81300)	(1.81300)	(1.81300)	(1.81300)	(1.81300)	
42 TOTAL COST OF GAS (40+41)	26.518	25.868	27.213	26.423	24.034	27.131	18.323	26.368	30.698	41.243	35.106	32.899	28.614	
43 REVENUE TAX FACTOR	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	1.01911	
44 PGA FACTOR ADJUSTED FOR TAXES(42x43)	27.024	26.362	27.734	26.928	24.493	27.649	18.674	26.872	31.284	42.031	35.777	33.528	29.160	
45 PGA FACTOR ROUNDED TO NEAREST .001	27.024	26.362	27.734	26.928	24.493	27.649	18.674	26.872	31.284	42.031	35.777	33.528	29.160	

COMPANY: SEBRING GAS SYSTEM, INC.

CALCULATION OF TRUE-UP AMOUNT

SCHEDULE E-2
(REVISED 8/19/83)

FOR THE CURRENT PERIOD:

APRIL 86

Through

MARCH 86

	ACTUAL								REVISED PROJECTION				TOTAL PERIOD
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
TRUE-UP CALCULATION													
1 PURCHASED GAS COST	7,855	7,031	6,852	8,106	5,539	5,813	7,557	10,673	16,068	24,111	18,668	16,582	132,855
2 TRANSPORTATION COST	4,509	4,241	3,682	3,575	3,533	3,484	1,152	4,147	4,995	8,028	4,980	5,113	49,419
3 TOTAL	12,164	11,272	10,534	9,681	9,072	9,297	8,709	14,820	21,063	30,139	23,628	21,695	182,074
4 FUEL REVENUES (NET OF REVENUE TAX)	9,964	10,810	9,931	9,399	6,903	7,813	11,844	9,789	19,280	29,422	22,807	20,955	171,007
5 TRUE-UP COLLECTED OR (REFUNDED)	917	917	917	917	917	917	917	917	917	917	917	917	11,004
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	10,881	11,727	10,848	10,316	9,820	8,730	12,761	10,706	20,197	30,339	23,814	21,872	182,011
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(1,283)	455	314	635	748	(567)	4,052	(4,114)	(866)	200	186	177	(83)
8 INTEREST PROVISION-THIS PERIOD (2)	31	24	21	19	18	14	18	13	(3)	(9)	(13)	(17)	116
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	7,147	4,978	4,540	3,958	3,695	3,544	2,074	5,227	209	(1,577)	(2,304)	(3,047)	28,444
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(917)	(917)	(917)	(917)	(917)	(917)	(917)	(917)	(917)	(917)	(917)	(917)	(11,004)
10a FLEX RATE REFUND (if applicable)	0	0	0	0	0	0	0	0	0	0	0	0	0
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	4,978	4,540	3,958	3,695	3,544	2,074	5,227	209	(1,577)	(2,304)	(3,047)	(3,804)	(3,804)
INTEREST PROVISION													
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	7,147	4,978	4,540	3,958	3,695	3,544	2,074	5,227	209	(1,577)	(2,304)	(3,047)	28,444
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	4,947	4,516	3,937	3,676	3,526	2,080	5,209	186	(1,574)	(2,294)	(3,034)	(3,787)	17,377
14 TOTAL (12+13)	12,094	9,494	8,477	7,634	7,221	5,604	7,283	5,423	(1,365)	(3,871)	(5,338)	(6,835)	45,821
15 AVERAGE (50% OF 14)	6,047	4,747	4,239	3,817	3,611	2,802	3,642	2,712	(682)	(1,936)	(2,689)	(3,417)	22,911
16 INTEREST RATE - FIRST DAY OF MONTH	6.12000%	6.07000%	6.07000%	6.10000%	5.88000%	5.84000%	5.86000%	5.81000%	5.81000%	5.81000%	5.81000%	5.81000%	5.81000%
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	6.07000%	6.07000%	6.10000%	5.88000%	5.84000%	5.86000%	5.81000%	5.82000%	5.80000%	5.81000%	5.81000%	5.81000%	5.81000%
18 TOTAL (16+17)	12.19000%	12.14000%	12.17000%	11.98000%	11.70000%	11.70000%	11.67000%	11.63000%	11.61000%	11.62000%	11.62000%	11.62000%	11.62000%
19 AVERAGE (50% OF 18)	6.09500%	6.07000%	6.08500%	5.98333%	5.85000%	5.85000%	5.83500%	5.81500%	5.80500%	5.81000%	5.81000%	5.81000%	5.81000%
20 MONTHLY AVERAGE (19/12 Months)	0.50792%	0.50583%	0.50708%	0.49833%	0.48750%	0.48750%	0.48625%	0.48458%	0.48375%	0.48417%	0.48417%	0.48417%	0.48417%
21 INTEREST PROVISION (15x20)	\$31	\$24	\$21	\$19	\$18	\$14	\$18	\$13	(\$3)	(\$9)	(\$13)	(\$17)	

COMPANY: SEBRING GAS SYSTEM, INC.

CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIODSCHEDULE E-4
(REVISED 8/18/93)

ESTIMATED FOR THE PROJECTED PERIOD:

APRIL, 1996

Through

MARCH, 1997

	PRIOR PERIOD: APRIL 84-MARCH 85			CURRENT PERIOD: 'APR 85-MAR 86	
	(1) TWO MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) TWO MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$	153,717	139,482	(14,235)	182,011	167,776
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	(533)	(9,212)	(8,679)	(63)	(8,742)
3 INTEREST PROVISION FOR THIS PERIOD	1,129	1,137	8	116	124
4 END OF PERIOD TOTAL NET TRUE-UP	(4,204)	(8,075)	(3,871)	53	(3,818)

NOTE: EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

COLUMN (1) DATA OBTAINED FROM SCHEDULE (A-2)

COLUMN (2) DATA OBTAINED FROM SCHEDULE (A-2)

LINE 4 COLUMN (3) SAME AS LINE 7 SCHEDULE (A-8)

TOT. TRUE-UP(\$3,818)/ PROJ. THERMS SALES(648,000), = ~~(\$0.00589)~~ PER THERM TRUE-UP REFUND

LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)

LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

