



ORIGINAL

SEBRING GAS SYSTEM, INC.

3515 U.S. Hwy. 27, South
Sebring, FL 33870-5452
(941) 385-0194

October 10, 1998

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 98003-GU
Petition for Approval of Purchased Gas Adjustment (PGA) Factor,
Testimony, (PGA) and True-Up Projections for January, 1999 through
December, 1999.

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Sebring Gas System, Inc.,
please find an original and fifteen of the following:

1. Petition for Approval of Sebring Gas System's Purchased Gas Adjustment True-Up Factor,
2. Direct Testimony of Jerry H. Melendy, Jr.;
3. Purchased Gas Projection Filing (January, 1999-December, 1999, including PGA Schedules.

SEBRING GAS SYSTEM, INC.

ACK _____
 AFA Uandura
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG Makin
 LEG 1
 LIN 3 + orig test
 OPC _____
 RCH _____
 SEC 1
 WAS _____
 OTH _____ enclosures

E-1 E-1/R
 E-2 E-3
 E-4 E-5

Sincerely,

Jerry H. Melendy, Jr.
Vice President
Sebring Gas System, Inc.

Test & E-1/R
 DOCUMENT NUMBER-DATE
 11400 OCT 13 98

RECEIVED
 FLORIDA PUBLIC SERVICE COMMISSION
 TALLAHASSEE, FLORIDA

Petition
 DOCUMENT NUMBER-DATE
 11399 OCT 13 98

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

RE: Purchased Gas Adjustment)
(PGA) True-Up)

DOCKET NO: 980003-GU

PREPARED DIRECT TESTIMONY

OF

JERRY H. MELENDY, JR.

ON BEHALF OF

SEBRING GAS SYSTEM, INC.

DOCUMENT NUMBER-DATE

11400 OCT 13 88

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 January 1999 through December 1999.
- 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 Purchased Gas Adjustment Schedules presently filed
25 are as follows:

1 E-1 - PURCHASED GAS ADJUSTMENT COST RECOVERY
2 CLAUSE CALCULATION, Original Estimate for the Projected
3 Period January 1999 through December 1999.

4 E-1/R - PURCHASED GAS ADJUSTMENT COST RECOVERY
5 CLAUSE CALCULATION, Revised Estimate for the Period April 1998
6 through December 1998.

7 E-2 - CALCULATION OF TRUE-UP AMOUNT for the
8 Current Period April 1998 through December 1998.

9 E-3 - TRANSPORTATION PURCHASES, SYSTEM SUPPLY
10 AND USE for the Period April 1998 through December 1998. Because
11 Sebring Gas does not purchase transportation gas, this schedule, although
12 included in this filing, is not applicable.

13 E-4 - CALCULATION OF TRUE-UP AMOUNT,
14 PROJECTED PERIOD January 1999 through December 1999

15 E-5 - THERM SALES AND CUSTOMER DATA for
16 the Projected Period January 1999 through December 1999.

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

19 A. Yes, they were.

20 REVISED ESTIMATES FOR THE PERIOD
21 APRIL 1997 - DECEMBER 1998

22 Q. What is the revised estimate of total purchased gas cost for the
23 period April 1997 through December 1998?

24 A. The revised estimate of purchased gas cost for the current period
25 April 1998 through December 1998 is \$149,663.

1 Q. What is the revised estimate of gas revenue to be collected for the
2 current period April 1998 through December 1998?

3 A. The revised estimate of gas revenue to be collected for the current
4 period April 1998 through December 1998 is \$156,109.

5 Q. What is the revised true-up amount, including interest,
6 estimated for the current period April 1998 through December
7 1998?

8 A. The Company's estimate for the revised true-up, including
9 interest, to be an undercollection of \$3,909.

10 PROJECTIONS FOR THE PERIOD

11 JANUARY 1999 THROUGH DECEMBER 1999

12 Q. How was the projections for the period January 1999 through
13 December 1999 determined?

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

18 Q. What steps were used to determine the estimated cost of gas for the
19 projected period January 1999 through December 1999?

20 A. As reported on Schedule E-1, lines 1 through 11, the total cost of
21 gas consists of the cost of demand and commodity costs of firm
22 transportation service(FTS) on FGT, the commodity cost of gas paid to
23 our supplier, Peninsula Energy Services Co. (PESCO) and the cost of gas
24 transportation as billed by TECO (People's Gas System). The demand
25 portion of the services (line 5 of Schedules E-1 & E-1/R) is based on

1 Sebring Gas System's contract with FGT and an estimate of FGT's demand
2 rates for these services. The commodity portion of the Cost of Gas
3 Purchased is shown as Lines 1 and 4 of Schedule E-1.

4 The rate utilized for the projected period January 1999 through December
5 1999 are the current rates in effect by PESCO.

6 The Commodity (Other), (line 4) is based on amount of therms
7 purchased by Sebring Gas, multiplied by the current rate per therm,
8 plus a management fee. The rate is based upon the price paid by
9 our supplier PESCO, plus the management fee of \$250.00 per month.

10 The management fee allows Sebring Gas to benefit from the
11 research of the gas procurement department of PESCO for
12 obtaining the best gas price. Because of Sebring Gas' small
13 size and lack of experience in acquiring gas, the best use of the
14 Company's funds and resources is to contract PESCO to
15 provide gas for the company.

16 Other charges for the Cost of Gas Purchased is represented on
17 Line 6 of Schedule E-1. This figure consists of a charge for
18 transportation by the TECO (People's Gas), any Western Division
19 Revenue Sharing Credit from FGT and PGA Reporting Fees.
20 TECO (People's Gas) transports the company's gas supply through
21 a 7 mile pipeline connected to FGT's gatestation in Avon Park
22 and ending at Sebring Gas' gatestation in Sebring. The pipeline
23 is presently owned by Tampa Electric Company (TECO), who
24 operates and maintains the section of transmission line. The rate for
25 transportation is based on a contract with the TECO for MCFs

- 1 transported.
- 2 Q. How was the projected total firm sales determined?
- 3 A. The company has only firm sales at this time. Subsequently,
4 the total sales and firm sales are the same. The total sales were
5 determined by using historical averages for both classes, residential
6 and commercial, customers, with a growth factor added. The total
7 sales are shown on Line 27 of Schedule E-1. The total estimated
8 sales for the Projected period January 1999 through December 1999 is
9 740,387 therms.
- 10 Q. What is the company's average cost per therm for the Projected
11 period January 1999 through December 1999?
- 12 A. Shown on Line 40 of Schedule E-1, the company's average cost
13 of gas for the Projected period April 1998 through March 1999
14 is estimated to be 44.930 cents per therm. To arrive at the Total
15 PGA Factor, the average cost of gas is adjusted for the estimated
16 total true-up through December 1998, as shown on Schedule E-4,
17 and for revenue-related taxes.
- 18 Q. What is the projected PGA Factor for the Projected period
19 January 1999 through December 1999?
- 20 A. The projected PGA Factor for the projected period is 40.930
21 cents per therm, as shown on Line 45 of Schedule E-1.
- 22 Q. The estimated total true-up for the period April 1998 through
23 December 1998, as shown on Schedule E-4 is included in the
24 projected PGA Factor for the period January 1999 through
25 December 1999. How was the figure calculated?

- 1 A. The final true-up amount for the period April 1997 through
2 March 1998 is added to the estimated end of period net true-up
3 for April 1998 through December 1998. The April 1998 through
4 December 1998 estimated true-up is based on five months' actual
5 plus four months' projected data.
- 6 Q. What is the impact of the total true-up for the period April 1998
7 through December 1998 on the projected PGA Factor for the
8 Projected period January 1999 through December 1999?
- 9 A. The projected true-up for the period, ending December 1998 is an
10 underrecovery of \$7,398, which is shown on line 4, Column
11 4 of Schedule E-4. Dividing the overrecovery of \$6,676 by
12 the projected therm sales of 740,387 therms results in a
13 refund of .90169 cents per therm to be included in the proposed
14 PGA Factor.
- 15 Q. What is the maximum levelized purchased gas factor (cap)
16 that you are proposing for the projected period January 1999
17 through December 1999?
- 18 A. The maximum levelized purchased gas factor (cap) that Sebring
19 Gas is proposing for the period is 40.930 cents per therm.
- 20 Q. Does this conclude your testimony?
- 21 A. Yes, it does
- 22
23
24
25

SEBRING GAS SYSTEM, INC.

JANUARY 1999 - DECEMBER 1999

PURCHASED GAS PROJECTION FILING

COMPANY: SEBRING GAS SYSTEM, INC.

PURCHASED GAS ADJUSTMENT
 COST RECOVERY CLAUSES CALCULATION

ORIGINAL SCHEDULES FOR THE PROPOSED PERIOD: JANUARY, 1988 THROUGH DECEMBER, 1988

DESCRIPTION	PRODUCTION												TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
COST OF GAS PURCHASED	PRODUCTION												
1 COMMODITY (Pipeline)	8282	8310	8318	8234	8216	8184	8182	8218	8228	8219	8242	8282	82,862
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)	28,514	28,802	24,131	18,614	15,485	13,582	13,079	15,376	20,302	19,361	30,179	233,579	233,579
5 DEMAND	2,823	2,840	2,823	2,829	3,081	4,000	4,017	3,891	5,282	2,829	2,823	42,322	42,322
6 OTHER - TRCO Transportation Charge	2,387	2,833	2,707	1,887	1,881	1,583	1,800	1,857	1,948	1,899	2,827	28,173	28,173
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)	828,118	831,286	830,079	827,864	821,281	818,422	818,515	821,203	827,741	824,288	828,347	8304,038	8304,038
12 NET UNLABELED	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	828,118	831,286	830,079	827,864	821,281	818,422	818,447	821,203	827,741	824,288	828,347	8304,038	8304,038
THERMS PURCHASED	PRODUCTION												
15 COMMODITY (Pipeline)	70,488	77,431	78,805	58,443	54,528	45,873	47,948	54,024	57,283	54,888	85,300	740,387	740,387
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)	70,488	77,431	78,805	58,443	54,528	45,873	47,948	54,024	57,283	54,888	85,300	740,387	740,387
19 DEMAND	70,488	77,431	78,805	58,443	54,528	45,873	47,948	54,024	57,283	54,888	85,300	740,387	740,387
20 OTHER	70,488	77,431	78,805	58,443	54,528	45,873	47,948	54,024	57,283	54,888	85,300	740,387	740,387
LESS REVENUE CREDIT	0	0	0	0	0	0	0	0	0	0	0	0	0
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 (1+18+21+22+23)	70,488	77,431	78,805	58,443	54,528	45,873	47,948	54,024	57,283	54,888	85,300	740,387	740,387
25 NET UNLABELED	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	70,488	77,431	78,805	58,443	54,528	45,873	47,948	54,024	57,283	54,888	85,300	740,387	740,387
CENTS PER THERM	PRODUCTION												
28 COMMODITY (Pipeline)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
29 NO NOTICE SERVICE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
30 SWING SERVICE	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
31 COMMODITY (Other)	33.305	33.323	30.313	25.428	28.459	28.540	28.522	28.482	35.435	35.458	35.282	31.548	31.548
32 DEMAND	4.148	3.408	3.872	4.841	7.275	8.829	8.378	7.331	9.164	5.173	3.419	5.718	5.718
33 OTHER	3.400	3.400	3.400	3.400	3.400	3.400	3.388	3.400	3.400	3.389	3.400	3.400	3.400
LESS REVENUE CREDIT	0	0	0	0	0	0	0	0	0	0	0	0	0
34 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0	0	0	0	0
35 DEMAND	0	0	0	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0	0	0	0
37 TOTAL COST	41.302	40.533	37.785	37.089	38.523	42.247	40.899	38.582	48.423	48.423	42.511	41.084	41.084
38 NET UNLABELED	0	0	0	0	0	0	0	0	0	0	0	0	0
39 COMPANY USE	0	0	0	0	0	0	0	0	0	0	0	0	0
40 TOTAL THERM SALES	41.302	40.533	37.785	37.089	38.523	42.247	40.899	38.582	48.423	48.423	42.511	41.084	41.084
41 TRIM-UP (E-4)	0.00188	0.00188	0.00188	0.00188	0.00188	0.00188	0.00188	0.00188	0.00188	0.00188	0.00188	0.00188	0.00188
42 TOTAL COST OF GAS	42.400	41.831	38.831	38.187	39.631	43.345	41.345	39.787	49.591	49.591	43.528	42.272	42.272
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)	43.172	42.589	39.589	38.858	40.289	44.135	42.589	40.428	50.428	50.428	44.264	43.320	43.320
45 PGA FACTOR ROUNDED TO NEAREST 0.01	43.17	42.59	39.59	38.86	40.29	44.14	42.59	40.43	50.43	50.43	44.26	43.32	43.32

SCHEDULE 8-4

PURCHASED GAS ADJUSTMENT
COST RECOVERY CLAUSE CALCULATION

REVISED ESTIMATE FOR THE PROJECTED PERIOD:

APRIL 98 Through DECEMBER 98

COST OF GAS PURCHASED	ACTUAL					REVISED PROJECTION					TOTAL
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
1 COMMODITY (Pipeline)	285	244	211	201	207	187	222	207	310		2,054
2 NO NOTICE SERVICE	0	0	0	0	0	0	0	0	0		0
3 SWING SERVICE	0	0	0	0	0	0	0	0	0		0
4 COMMODITY (Other)	11,815	10,311	7,983	8,904	7,594	8,177	11,335	12,809	20,405		98,983
5 DEMAND	8,337	7,918	1,585	1,350	5,534	3,981	5,282	5,858	5,847		43,480
6 OTHER	588	(8,758)	1,100	1,180	1,215	1,585	1,884	1,758	2,638		5,168
LESS END-USE CONTRACT											
7 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0		0
8 DEMAND	0	0	0	0	0	0	0	0	0		0
9	0	0	0	0	0	0	0	0	0		0
10	0	0	0	0	0	0	0	0	0		0
11 TOTAL COST (1+2+3+4+5+6-10)-(7+8+9)	18,803	11,713	10,889	11,615	14,550	13,910	18,703	20,282	29,198		149,883
12 NET UNBILLED	0	0	0	0	0	0	0	0	0		0
13 COMPANY USE	0	0	0	0	0	0	0	0	0		0
14 TOTAL THERM SALES	17,442	18,882	15,810	10,909	10,948	13,910	18,730	20,282	29,198		158,108
THERMS PURCHASED											
15 COMMODITY (Pipeline)	47,300	43,500	37,800	35,800	38,880	48,829	58,425	51,705	77,520		432,389
16 NO NOTICE SERVICE	0	0	0	0	0	0	0	0	0		0
17 SWING SERVICE	0	0	0	0	0	0	0	0	0		0
18 COMMODITY (Other)	47,300	43,500	37,800	35,800	38,880	48,829	58,425	51,705	77,520		432,389
19 DEMAND	168,000	20,987	42,290	35,800	148,720	48,829	58,425	51,705	77,520		645,078
20 OTHER	47,524	53,881	38,208	38,438	37,880	48,829	58,425	51,705	77,520		445,218
LESS END-USE CONTRACT											
21 COMMODITY (Pipeline)	0	0	0	0	0	0	0	0	0		0
22 DEMAND	0	0	0	0	0	0	0	0	0		0
23	0	0	0	0	0	0	0	0	0		0
24 TOTAL PURCHASES (+17+18)-(21+22+23)	47,300	43,500	37,800	35,800	38,880	48,829	58,425	51,705	77,520		432,389
25 NET UNBILLED	0	0	0	0	0	0	0	0	0		0
26 COMPANY USE	0	0	0	0	0	0	0	0	0		0
27 TOTAL THERM SALES	48,887	42,708	41,757	38,329	37,721	48,829	58,425	51,705	77,520		438,781
CENTS PER THERM											
28 COMMODITY (Pipeline) (1/15)	0.580	0.581	0.581	0.581	0.581	0.401	0.401	0.400	0.400		0.475
29 NO NOTICE SERVICE (2/18)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
30 SWING SERVICE (3/17)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
31 COMMODITY (Other) (4/18)	24.558	23.703	21.231	24.872	20.588	17.538	20.451	24.483	28.322		22.883
32 DEMAND (5/19)	3.772	37.719	3.772	3.771	3.772	8.495	8.494	10.943	7.543		8.737
33 OTHER (6/20)	1.233	(12.542)	2.879	3.183	3.207	3.399	3.399	3.400	3.400		1.180
LESS END-USE CONTRACT											
34 COMMODITY Pipeline (7/21)	0.00000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
35 DEMAND (8/22)	0.00000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
36 (9/23)	0.00000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
37 TOTAL COST (11/24)	39.753	28.928	28.980	32.444	38.442	29.831	33.745	39.228	37.885		34.615
38 NET UNBILLED (12/25)	0.00000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
39 COMPANY USE (13/26)	0.00000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
40 TOTAL THERM SALES (11/27)	40.034	27.428	28.077	31.972	38.573	29.831	33.745	39.228	37.885		34.287
41 TRUE-UP (E-2)	2.14430	2.14430	2.14430	2.14430	2.14430	2.14430	2.14430	2.14430	2.14430		2.14430
42 TOTAL COST OF GAS (40+41)	42.178	29.570	28.221	34.116	40.717	31.975	35.889	41.371	39.809		36.411
43 REVENUE TAX FACTOR	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)	42.984	30.135	28.781	34.768	41.495	32.587	36.575	42.181	40.570		37.107
45 PGA FACTOR ROUNDED TO NEAREST .001	42.984	30.135	28.781	34.768	41.495	32.587	36.575	42.181	40.570		37.107

TRUE-UP CALCULATION	CALCULATION OF TRUE-UP AMOUNT												TOTAL PERIOD
	FOR THE CURRENT PERIOD:				Through				REVERSED PROJECTION				
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
1 PURCHASED GAS COST	11,880	10,565	8,154	9,105	7,801	8,701	11,557	12,868	20,715				101,374
2 TRANSPORTATION COST	6,923	1,158	2,665	2,510	6,748	3,029	7,148	7,416	8,483				48,108
3 TOTAL	18,803	11,713	10,819	11,615	14,550	11,730	18,705	20,284	29,198				147,483
4 FUEL REVENUES	17,442	18,882	15,810	10,808	10,948	11,730	18,730	23,282	28,188				133,929
5 NET OF REVENUE TAX	(1,183)	(1,183)	(1,183)	(1,183)	(1,183)	(1,183)	(1,183)	(1,183)	(1,183)				(10,487)
6 FUEL REVENUE (COLLECTED) OR REFUNDED	18,279	17,719	14,647	9,748	9,765	10,547	17,547	18,119	28,035				143,442
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 5)	2,534	6,008	3,729	(1,889)	(4,767)	(1,163)	(1,163)	(1,163)	(1,163)				(4,021)
8 INTEREST PROVISION - THIS PERIOD (21)	(2)	11	39	49	39	30	30	(41)	(42)				112
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	135	(1,229)	5,851	10,911	10,254	6,889	6,719	(3,908)	(8,949)				21,573
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 9)	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163				10,487
10a FLEX RATE REFUND (if applicable)	0	0	0	0	0	0	0	0	0				0
11 TOTAL ESTIMATED ACTUAL TRUE-UP (7+8+9+10+10a)	(1,229)	5,851	10,911	10,254	6,889	6,719	(3,908)	(8,949)	(8,949)				0
INTEREST PROVISION													0
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	135	(1,229)	5,851	10,911	10,254	6,889	6,719	(3,908)	(8,949)				21,573
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(1,229)	5,840	10,872	10,205	6,850	6,689	6,748	(3,908)	(8,949)				28,019
14 TOTAL (12+13)	(1,091)	4,711	16,823	21,116	18,804	13,378	13,465	(17,816)	(17,899)				49,592
15 AVERAGE (50% OF 14)	(546)	2,356	8,412	10,558	9,402	6,689	6,732	(8,908)	(8,949)				24,798
16 INTEREST RATE - FIRST DAY OF MONTH	5.50000%	5.50000%	5.50000%	5.80000%	5.90000%	5.90000%	5.20000%	5.50000%	5.80000%				0.46887%
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.50000%	5.50000%	5.60000%	5.50000%	5.50000%	5.20000%	5.70000%	5.80000%	5.80000%				0.46887%
18 TOTAL (16+17)	11,08000%	11,00000%	11,10000%	11,60000%	10,70000%	10,70000%	10,70000%	11,10000%	11,20000%				0.46887%
19 AVERAGE (50% OF 18)	5,54000%	5,51500%	5,58000%	5,58000%	5,37000%	5,37000%	5,37000%	5,55000%	5,60000%				0.46887%
20 MONTHLY AVERAGE (18+12 Months)	0.46167%	0.46250%	0.46820%	0.46800%	0.46167%	0.44750%	0.44887%	0.46250%	0.46887%				0.46887%
21 INTEREST PROVISION (15x20)	(53)	\$11	\$36	\$48	\$39	\$30	\$30	(\$41)	(\$42)				

SCHEDULE E-2
 TRANSITION

DECEMBER, 99

CALCULATION OF TRUE-UP AMOUNT

APRIL 98

Through

COMPANY: SEBRING GAS SYSTEM, INC.

**CALCULATION OF TRUE-UP AMOUNT
PROJECTED PERIOD**

**SCHEDULE E-4
TRANSITION**

ESTIMATED FOR THE PROJECTED PERIOD: JANUARY, 1999 Through DECEMBER, 1999

	PRIOR PERIOD: APRIL 97-MARCH 98			CURRENT PERIOD: APRIL 98 - DECEMBER 98	
	(1) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) FIVE MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$	E-2, LINE 6 TOTAL COL	\$232,449	\$249,007	\$16,558 E-2 TRANSITION LINE 6	\$143,462 COL 3 + COL 4 \$160,020
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	E-2 LINE 7 TOTAL COL	(\$4,094)	\$9,804	\$13,898 E-2 TRANSITION LINE 7	(\$4,021) COL 3 + COL 4 \$9,877
3 INTEREST PROVISION FOR THIS PERIOD	E-2, LINE 8	(\$527)	(\$351)	\$176 E-2 TRANSITION LINE 8	\$112 COL 3 + COL 4 \$288
3(a) TRUE-UP COLLECTED OR (REFUNDED) JAN 99 - MAR 99				E-2 TRANSITION LINE 5	COL 4 (\$3,489)
4 END OF PERIOD TOTAL NET TRUE-UP	LINE 2 + 3	(\$4,621)	\$9,453	\$14,074 LINE 2+3+3(a)	(\$7,398) COL 3 + COL 4 \$6,676

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-7)
- LINE 4 COLUMN (1) SAME AS LINE 8 SCHEDULE (A-7)
- LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)
- LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

TOTAL TRUE-UP OF \$6,676, DIVIDED
BY THE PROJECTED THERM SALES
OF 740,387 EQUALS .00901692
(.90169 CENTS) PER THERM
TRUE-UP REFUNDED.

TRUE UP \$6,676
THERMS 740,386
COLLECT/THERM \$0.00901692

THERM SALES AND CUSTOMER DATA

SCHEDULE B-4
(REVISED ERRATA)

ESTIMATED FOR THE PROJECTED PERIOD:

JAN 98 Through DEC 98

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
THERM SALES (\$/Btu)													
RESIDENTIAL	13,700	14,490	13,110	6,404	2,743	2,935	3,329	2,913	5,031	5,843	9,148	17,500	97,146
COMMERCIAL	58,796	62,941	66,495	52,039	51,785	51,512	42,644	45,038	49,003	51,450	45,540	68,000	643,241
COMMERCIAL LARGE VOL. 1	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMERCIAL LARGE VOL. 2	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERM	70,496	77,431	79,605	58,443	54,528	54,447	45,973	47,949	54,034	57,293	54,688	85,500	740,387
THERM SALES (INTERLUPTIBLE)													
SMALL INTERLUPTIBLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INTERLUPTIBLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LARGE INTERLUPTIBLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INTERLUPTIBLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL THERM SALES	70,496	77,431	79,605	58,443	54,528	54,447	45,973	47,949	54,034	57,293	54,688	85,500	740,387
NUMBER OF CUSTOMERS (PERM)													
RESIDENTIAL	685	690	690	582	457	419	416	416	419	487	538	700	542
COMMERCIAL	94	94	95	96	96	96	97	98	98	96	99	100	97
COMMERCIAL LARGE VOL. 1	0	0	0	0	0	0	0	0	0	0	0	0	0
COMMERCIAL LARGE VOL. 2	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERM	779	784	785	678	553	515	513	514	517	585	637	800	638
TOTAL PERM													
SMALL INTERLUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
INTERLUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
LARGE INTERLUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERLUPTIBLE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CUSTOMERS	779	784	785	678	553	515	513	514	517	585	637	800	638
THERM USE PER CUSTOMER													
RESIDENTIAL	20.00	21.00	19.00	11.00	6.00	7.00	8.00	7.00	12.01	12.00	17.00	25.00	179.37
COMMERCIAL	604.21	669.59	689.95	542.07	539.43	536.58	439.63	459.55	500.03	525.00	460.00	680.00	6,648.49
COMMERCIAL LARGE VOL. 1													
COMMERCIAL LARGE VOL. 2													
SMALL INTERLUPTIBLE													
INTERLUPTIBLE													
LARGE INTERLUPTIBLE													