

**ORIGINAL**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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

Docket No. 000003-GU

**DIRECT TESTIMONY**

**OF**

**JERRY H. MELENDY, JR.**

**On Behalf Of**

**SEBRING GAS SYSTEM, INC.**

DOCUMENT NUMBER-DATE

**06221 MAY 198**

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 final true-up  
17 for the period JANUARY 1999 through DECEMBER 1999.

18 Q. Has the Company prepared the Schedules as prescribed by  
19 this Commission for this purpose?

20 A. Yes, it has. The Schedules prescribed by the Commission are  
21 being filed at this time. Copies are attached to my testimony.

22 Q. Would you please identify the Schedules which you are filing?

23 A. Yes. The Schedules are identified as follows:

24 A-7 - FINAL FUEL OVER/UNDER RECOVERY - JANUARY 1999

25

1 THROUGH DECEMBER 1999.

2 Q. Were these schedules prepared under your direction and  
3 supervision ?

4 A. Yes they were. Beginning in April 1994, the PGA schedules were  
5 prepared by myself. Prior to this, the schedules were prepared by  
6 my consultants, Regulated Industry Consultants, with my furnishing  
7 the data and final approval.

8 Q. What was the total cost of gas to be recovered through the Purchased Gas  
9 Adjustment Clause for the period January 1999  
10 through December 1999?

11 A. The total cost of gas for the period January 1999 through  
12 December 1999 was \$256,011 ( Schedule A-7, Line 1, Dec 1999)

13 Q. What was the Actual Fuel Revenues for the Period January 1999 through  
14 December 1999?

15 A. The total Actual Fuel Revenues for the Period January 1999  
16 through December 1999 was \$247,936 ( Schedule A-7, Line 2,  
17 Dec 99)

18 Q. What is the total true-up provision for the period January 1999  
19 through December 1999?

20 A. The total true-up provision, including interest, for the period  
21 January 1999 through December 1999, is an underrecovery of  
22 \$8,196 (Schedule A-7, Line 5, Dec 99).

23 Q. What is the final estimated true-up to be included in the January  
24 2001 through December 2001 PGA factor calculation?

25 A. The final estimated true-up to be included in the January 2001

1 through December 2001 PGA factor calculation is an underrecovery  
2 of \$1,470, as indicated in Schedule A-7, Line 7, which is  
3 the underrecovery of \$8,196 for the period January 1999 through  
4 December 1999, Schedule A-7, Line 5, plus the estimated underrecovery  
5 of \$6,726 for the period January 2000 through December 2000, Schedule  
6 A-7, Line 6.

7 Q. Does this conclude your testimony?

8 A. Yes it does.

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COMPANY: SEBRING GAS SYSTEM, INC.

SCHEDULE A-7  
(REVISED 8/19/93)

FINAL FUEL OVER/UNDER RECOVERY

FOR THE PERIOD: JAN 01, 1999 Through DEC 31, 1999

TOTAL

1 TOTAL ACTUAL FUEL COST FOR THE PERIOD	A-2 Line 3, DEC 99	\$256,011
2 TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD	A-2 Line 6, DEC 99	\$247,936
3 ACTUAL OVER/UNDER RECOVERY FOR THE PERIOD (2-1)		(\$8,075)
4 INTEREST PROVISION ACTUAL OVER/UNDER RECOVERY	A-2 Line 8, DEC 99	(\$121)
5 FOR THE PERIOD (3+4)		(\$8,196)
6 LESS: ESTIMATED/ACTUAL OVER/UNDER RECOVERY FOR THE PERIOD JANUARY Through DECEMBER (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT JANUARY Through DECEMBER PERIOD	E-4 Line 4 Col.4	(\$6,726)
7 FINAL FUEL OVER/UNDER RECOVERY TO BE INCLUDED IN THE PROJECTED JANUARY Through DECEMBER 2001 PERIOD (5-6)		(\$1,470)