

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **In Re: Energy Conservation Cost Recovery Factors**

3 **Direct Testimony of Jerry H. Melendy, Jr.**

4 **On Behalf of**

5 **Sebring Gas System, Inc.**

6 **Docket No. 080004-GU**

7 **September 2008**

8

9 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

10 A. My name is Jerry H. Melendy, Jr. My business address is Sebring Gas
11 System, Inc., US Highway 27 South, Sebring, FL 33870.

12 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

13 A. I am Vice President of Sebring Gas System, Inc. (the "Company").

14 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED ENERGY**
15 **CONSERVATION PROGRAMS AND THE REVENUES AND COSTS THAT**
16 **ARE ASSOCIATED WITH THESE PROGRAMS?**

17 A. Yes.

18 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET?**

19 A. To submit the conservation cost recovery true-up for the final true-up period
20 January 1, 2007 through December 31, 2007, and for the actual and
21 estimated period of January 1, 2008 through December 31, 2008. As part of
22 my submittal, I will present actual and projected expenditures and
23 conservation revenues related to promoting and administering the

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1 Company's energy conservation programs. I will indicate the total costs the
2 Company seeks to recover through its conservation factors during the period
3 January 1, 2009 through December 31, 2009. Finally, I will also propose the
4 energy conservation cost recovery factors which, when applied to consumer
5 bills during the period January 1, 2009 through December 31, 2009, will
6 permit recovery of the Company's total conservation costs.

7 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
8 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED WITH**
9 **THESE PROGRAMS?**

10 A. Yes. Summaries of the Company's four approved programs are included in
11 Schedule C-5 of Exhibit JHM-1. Included are the Residential New
12 Construction Program, the Residential Appliance Replacement Program, the
13 Residential Appliance Retention Program and the Conservation Education
14 Program.

15 **Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE PERIOD**
16 **JANUARY 1, 2008 THROUGH DECEMBER 31, 2008?**

17 A. The Company is under-recovered by \$10,238. This amount is calculated on
18 page 4 of Schedule C-3 and accounts for the final audited true-up for the
19 year January 1, 2007 through December 31, 2007, which is an under-
20 recovery of \$382, including interest.

21 **Q. WHAT IS THE TOTAL COST SEBRING SEEKS TO RECOVER DURING**
22 **THE PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2009?**

1 A. As indicated on Schedule C-1, the Company seeks to recover \$8,837 during
2 the referenced period. This amount represents the projected costs of
3 \$19,075 to be incurred during 2009, plus the estimated true-up of (\$10,238)
4 for calendar year 2008.

5 **Q. WHAT ARE THE ENERGY CONSERVATION FACTORS FOR EACH**
6 **APPLICABLE RATE CLASS NEEDED TO RECOVER THE COMPANY'S**
7 **COSTS?**

8 A. TS-1 \$0.03076
9 TS-2 \$0.01817
10 TS-3 \$0.01118
11 TS-4 \$0.00913

12 **Q. HAS THE COMPANY PREPARED A SCHEDULE TO SUPPORT ITS**
13 **REQUESTED ENERGY CONSERVATION COST RECOVERY FACTORS?**

14 A. Yes. Schedules C-1 through C-3 and Schedule C-5 are submitted with my
15 testimony as Exhibit No. JHM-1

16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17 A. Yes.

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