

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Conservation Cost Recovery True-Up

Direct Testimony of Jerry H. Melendy, Jr.

On Behalf of

Sebring Gas System, Inc.

Docket No. 090004-GU

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

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

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

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

6 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED ENERGY**
7 **CONSERVATION PROGRAMS AND THE REVENUES AND COSTS**
8 **THAT ARE ASSOCIATED WITH THESE PROGRAMS?**

9 A. Yes.

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

11 A. The purpose of my testimony is to submit the recoverable energy
12 conservation program expenses incurred during the period January 2008
13 through December 2008, and to identify the final true-up amount for that
14 period.

15 **Q. DID THE COMPANY PARTICIPATE IN THE COST RECOVERY**
16 **ACTOR PROCEEDING IN DOCKET 080004?**

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1 A. Yes. Sebring received authorization from the Commission to offer energy
2 conservation programs in August 2007. For 2008, Sebring requested that
3 the Company's initial cost recovery factors approved by the Commission
4 on August 24, 2007 be continued through 2008 and this was approved in
5 Order No. PSC-07-0935-FOF-GU issued on November 26, 2007.

6 **Q HAVE YOU PREPARED SUMMARIES OF THE COMPANY'S**
7 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED WITH**
8 **THEM?**

9 A. Yes. Summaries of the four (4) approved programs for which the
10 Company incurred recoverable costs during the period January 2008
11 through December 2008 are included in Schedule CT-6 of Exhibit JHM-1.
12 The programs are: the Residential New Construction Program, the
13 Residential Appliance Replacement Program, the Residential Appliance
14 Retention Program, and the Conservation Education Program.

15 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**
16 **EXPENDITURES ASSOCIATED WITH THE COMPANY'S ENERGY**
17 **CONSERVATION PROGRAMS FOR THE APPLICABLE PERIOD?**

18 A. Yes. I have prepared and filed with this testimony Exhibit JHM-1
19 consisting of Schedules CT-1, CT-2 and CT-3. In preparing Schedule CT-
20 3, page 2 of 3, line 5, Prior Period True-up, the Company used the amount
21 from the audit report of the 2008 filings since there was no prior period
22 adjustment shown on Schedule C-3, page 4 of 5, in Docket No. 080004-
23 GU.

1 Q. **WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY IN**
2 **CONNECTION WITH THE FOUR (4) PROGRAMS DURING THE**
3 **TWELVE MONTHS ENDING DECEMBER 2008?**

4 A. As shown in Exhibit JHM-1, Schedule CT-2, page 2, total program costs
5 were \$6,816.

6 Q. **WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE**
7 **MONTHS ENDED DECEMBER 2008?**

8 A. An over recovery of \$17,312.

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

10 A. Yes, it does.