Docket No. 120004-GU

EXHIBIT _____ (JMH-1)

SEBRING GAS SYSTEM, INC.

CONSERVATION COST RECOVERY TRUE-UP

January 1, 2011 through December 31, 2011

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COM _____ APA _2___ ECR _6___ GCL _2___ RAD ____ SRC ____ ADM ____ OPC ____ CLK ____

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		STED NET TRUE-UP JARY 2011 THROUGH	DECEMBER 2011	
END OF PERIOD TR	UE-UP			
	PRINCIPLE	(\$15,539)		
	INTEREST	(\$24)	(\$15,563)	
ESS PROJECTED TR	RUE-UP			
	PRINCIPLE	(\$4,347)		
	INTEREST	(\$43)	(\$4,390)	
ADJUSTED NET TRU	IE-UP		(\$11,173)	

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	ANALYSIS OF ENERGY CONSE ACTUAL VERSUS I		AM COSTS	Page 2 01 15
	JANUARY 2011 THROUG	H DECEMBER 2011	L	
CAPITAL	. INVESTMENT	ACTUAL \$0	<u>PROJECTED</u> \$0	<u>DIFFERENCE</u> \$0
PAYROL	L & BENEFITS	\$6,249	\$5,913	\$336
MATERI	ALS & SUPPLIES	\$0	\$0	\$0
ADVERT	ISING	\$12,048	\$9,567	\$2,481
INCENTI	VES	\$15,500	\$13,425	\$2,075
OUTSID	E SERVICES	\$843	\$4,200	(\$3,357)
VEHICLE	2S	\$0	\$0	\$0
OTHER		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	SUB TOTAL	\$34,640	\$33,105	\$1,535
PROGRA	AM REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL P	PROGRAM COSTS	\$34,640	\$33,105	\$1,535
LESS:	PAYROLL ADJUSTMENTS AMOUNTS INCLUDED IN RATE BASE	\$0 \$0	\$0 \$0	\$0 \$0
	CONSERVATION REVENUES APPLICABLE TO THE PERIOD	(\$50,180)	(\$37,452)	(\$12,728)
	ROUNDING ADJUSTMENTS	<u>\$1</u>	<u>\$0</u>	<u>\$1</u>
TRUE-UI	P BEFORE INTEREST	(\$15,539)	(\$4,347)	(\$11,192)
INTERES	T PROVISION	(\$24)	(\$43)	\$19
	PERIOD TRUE-UP CTS OVER-RECOVERY	<u>(\$15,563)</u>	<u>(\$4,390)</u>	(\$11,173)

SCHEDULE CT-2							Company:	Sebring Gas	System, Inc.
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			Actual Conse				_		
			For Months:	January 2011	. through De	cember 201	1	٠	
	Capital	Payroll &	Materials &			Outside			
Program Name	<u>Investment</u>	<u>Benefits</u>	<u>Supplies</u>	<u>Advertising</u>	Incentives	<u>Services</u>	<u>Vehicles</u>	<u>Other</u>	TOTAL
Program 1: Res. New Home Const.	\$0	\$2,083	\$0	\$4,016	\$3,600	\$281	\$0	\$0	\$9,980
Program 2: Res. Appliance Replace	\$0	\$2,083	\$0		\$8,250	\$281	\$0		\$14,630
Program 3: Customer Retention	\$0	\$2,083	\$0	\$4,016	\$3,650	\$281	\$0	\$0	\$10,030
TOTAL	\$0	\$6,249	\$0	\$12,048	\$15,500	\$843	\$0	\$0	\$34,640

SCHEDULE CT-2 PAGE 3 OF 3							Company:	Sebring Gas Docket No. 1 Exhibit JHM- Page 4 of 15	20004-GU 1
		Conservati	on Costs per For Months:						
	Capital	Payroll &	Materials &			Outside			
Program Name	<u>Investment</u>	<u>Benefits</u>	<u>Supplies</u>	<u>Advertising</u>	<u>Incentives</u>	<u>Services</u>	<u>Vehicles</u>	<u>Other</u>	<u>TOTAL</u>
Program 1 Res. New Home Const.	\$0	\$336	\$0	\$2,481	\$2,075	(\$3,357)	\$0	\$0	\$1,535
Program 2 Res. Appliance Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Program 3 Customer Retention	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$336	\$0	\$2,481	\$2,075	(\$3,357)	\$0	\$0	\$1,535
TOTAL	\$0	\$336	\$0	\$2,481	\$2,075	(\$3,357)	\$0	\$0	\$1,535

SCHEDULE CT-3 PAGE 1 OF 3									(Company: Sebring Gas System, Inc. Docket No. 120004-GU Exhibit JHM-1 Page 5 of 15					
		S	servation A ummary o For Months	fExpens	es By pro	ogram By	Month		ovision						
Program Name	JAN	<u>FEB</u>	MAR	APR	MAY	JUN	<u>101</u>	AUG	<u>SEP</u>	<u>ост</u>	NOV	DEC	<u>TOTAL</u>		
Program 1 Res. New Home Const.	\$439	\$616	\$1,403	\$407	\$413	\$347	\$283	\$283	\$537	\$460	\$2,867	\$1,925	\$9,98		
Program 2 Res. Appliance Replace	\$438	\$1,290	\$2,079	\$1,482	\$414	\$2,372	\$1,708	\$958	\$536	\$461	\$1,443	\$1,449	\$14,63		
Program 3 Customer Retention	\$438	\$915	\$1,554	\$907	\$414	\$697	Ś283	\$1,383	\$636	\$1.211	\$1,018	\$574	\$10,03		

TOTAL

\$1,315 \$2,821 \$5,036 \$2,796 \$1,241 \$3,416 \$2,274 \$2,624 \$1,709 \$2,132 \$5,328 \$3,948 \$34,640

SCHEDULE CT-3										Company:	Sebring G	as System,	Inc.
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		Energy con	servation Ad	justment	Calculatio	n of True-l	Jp and Int	erest Prov	ision				
			For Month	s: January	2011 thro	ugh Decei	mber 2011	L ·					
Conservation													
Revenues	JAN	<u>FEB</u>	MAR	<u>APR</u>	MAY	JUN	JUL	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	NOV	DEC	<u>TOTAL</u>
1 RCS AUDIT FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 OTHER PROGRAM REVS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 CONSERV. ADJ. REVS	(\$4,104)	<u>(\$3,396)</u>	<u>(\$3,580)</u>	<u>(\$2,879)</u>	<u>(\$2,882)</u>	<u>(\$2,665)</u>	<u>(\$2,484)</u>	<u>(\$2,766)</u>	<u>(\$2,585)</u>	(\$2,842)	(\$3,230)	(\$3,271)	(\$36,684
4 TOTAL REVENUES	(\$4,104)	(\$3,396)	(\$3,580)	(\$2,879)	(\$2,882)	(\$2,665)	(\$2,484)	(\$2,766)	(\$2,585)	(\$2,842)	(\$3,230)	(\$3,271)	(\$36,68
5 PRIOR PERIOD TRUE-UP													
NOT APPLICABLE													
TO THIS PERIOD	<u>(\$1,125)</u>	<u>(\$1,125)</u>	<u>(\$1,125)</u>	<u>(\$1,124)</u>	(\$1,125)	(\$1,125)	<u>(\$1,124)</u>	(\$1,125)	(\$1,125)	(\$1,124)	<u>(\$1,125)</u>	(\$1,124)	<u>(\$13,49</u>
6 CONSERVATION REVS													
APPLICABLE TO THIS													
PERIOD	<u>(\$5,229)</u>	(\$4,521)	<u>(\$4,705)</u>	<u>(\$4,003)</u>	<u>(\$4,007)</u>	<u>(\$3,790)</u>	<u>(\$3,608)</u>	<u>(\$3,891)</u>	<u>(\$3,710)</u>	(\$3,966)	<u>(\$4,355)</u>	<u>(\$4,395)</u>	<u>(\$50,18</u>
7 CONSERVATION EXPS													
(FROM CT-3, PAGE 1)	\$1,315	\$2,821	\$5,036	\$2,796	\$1,241	\$3,416	\$2,274	\$2,624	\$1,709	\$2,132	\$5,328	\$3,948	\$34,64
8 TRUE-UP THIS PERIOD	(\$3,914)	(\$1,700)	\$331	(\$1,207)	(\$2,766)	(\$374)	(\$1,334)	(\$1,267)	(\$2,001)	(\$1,834)	\$973	(\$447)	<u>(\$15,54</u>
9 INT, PROV. THIS PERIOD													
(FROM CT-3, PAGE 3)	(\$3)	(\$3)	(\$3)	(\$3)	(\$2)	(\$2)	(\$2)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$2
10 TRUE-UP & INT. PROV.													
BEGINNING OF MONTH.	(\$13,496)	(\$16,288)	(\$16,867)	(\$15,414)	(\$15,499)	(\$17,142)	(\$16,394)	(\$16,606)	(\$16,749)	(\$17,626)	(\$18,337)	(\$16,240)	
11 PRIOR TRUE-UP													
COLLECTED (REFUNDED)	<u>\$1,125</u>	<u>\$1,125</u>	<u>\$1,125</u>	<u>\$1,124</u>	<u>\$1,125</u>	<u>\$1,125</u>	<u>\$1,124</u>	<u>\$1,125</u>	<u>\$1,125</u>	<u>\$1,124</u>	<u>\$1,125</u>	<u>\$1,124</u>	
TOTAL NET TRUE-UP													
12 (SUM LINES 8+9+10+11)	(16,288)	(16,867)	(15,414)	(15,499)	(17,142)	(16,394)	(16,606)	(16,749)	(17,626)	(18,337)	(16,240)	(15,564)	(15,56

SCHEDULE CT-3										Company:	Sebring Ga	as System, I	inc.
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											Exhibit JH		
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		Calculation	of True-U	p and Inter	est Provisi	on							
		For Month		-									
Interest Provision	<u>JAN</u>	FEB	MAR	APR	MAY	JUN	JUL	AUG	<u>SEP</u>	<u>ост</u>	NOV	DEC	TOTA
1 BEGINNING TRUE-UP	(\$13,496)	(\$16,285)	(\$16,863)	(\$15,411)	(\$15,497)	(\$17,140)	(\$16,391)	(\$16,604)	(\$16,748)	(\$17,625)	(\$18,336).	(\$16,239)	
ENDING TRUE-UP BEFORE													
2 INTEREST		(\$16,863)	(\$15,411)	(\$15,497)	(\$17,140)	(\$16,391)	(\$16,604)	(\$16,748)	(\$17,625)	(\$18,336)	(\$16,239)	(\$16,586)	
TOTAL BEGINNING & 3 ENDING TRUE-UP	(\$29 781)	(\$33 148)	(\$32 274)	(\$30.907)	(\$32 637)	(\$33 537)	(\$32,995)	(\$33,351)	(\$34,373)	(\$35.961)	(\$34,574)	(\$32,825)	
S ENDING INCE-OF	<i>\223,1</i> 01j	(222,240)	(\$52,27 4)	(200,207)	(992,097)	(\$35,5527	(\$32,353}	(499,992)	(\$34,575)	(\$55,501)	(***,****)	(402,020)	
AVERAGE TRUE-UP											· · · · · ·		
4 (LINE 3 x 50%)	<u>(\$14,891)</u>	<u>(\$16,574)</u>	<u>(\$16,137)</u>	(\$15,454)	(\$16,318)	<u>(\$16,766)</u>	(\$16,498)	(\$16,676)	<u>(\$17,186)</u>	(\$17,980)	<u>(\$17,287)</u>	<u>(\$16,412)</u>	
INT. RATE - 1ST DAY													
5 OF REPORTING MONTH	0.25%	0.25%	0.25%	0.20%	0.19%	0.16%	0.16%	0.12%	0.07%	0.04%	0.09%	0.09%	
INT. RATE - 1ST DAY													
6 OF SUBSEQUENT MONTH	<u>0.25%</u>	<u>0.25%</u>	<u>0.20%</u>	<u>0.19%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.12%</u>	<u>0.07%</u>	<u>0.04%</u>	<u>0.09%</u>	<u>0.09%</u>	<u>0.07%</u>	
7 TOTAL MINES 5 - CL	0.50%	0.50%	0.45%	0.39%	0.35%	0.32%	0.28%	0.19%	0.11%	0.13%	0.18%	0.16%	
7 TOTAL (LINES 5 + 6)	0.30%	0.50%	0.4570	0.55%	0.55%	V.5270	0.2076	0.1378	0.11%	0.1376	0.1878	0.1078	
AVG. INT. RATE													
8 (LINE 7 x 50%)	0.25%	0.25%	0.23%	0.20%	0.18%	0.16%	0.14%	0.10%	0.06%	0.07%	0.09%	0.08%	
MONTHLY AVG.													
9 INT. RATE	0.02%	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%	0.01%	0.00%	0.01%	0.01%	0.01%	
10 INTEREST PROVISION													
(LINE 4 x LINE 9)	(\$3)	(\$3)	<u>(\$3)</u>	<u>(\$3)</u>	(\$2)	<u>(\$2)</u>	(\$2)	<u>(\$1)</u>	<u>(\$1)</u>	(\$1)	(\$1)	<u>(\$1)</u>	(\$2

SCHEDULE CT-4 PAGE 1 OF 1										(
			·		DULE OF NTHS: JA								
	n	IOT APPLIC	ABLE										
BEGINNING OF PERIOD CUMULATIVE INVEST	MENT	\$0											
LESS: ACCUMULATED DEPRECIATION		<u>\$0</u>											
NET INVESTMENT		\$0							•				
DESCRIPTION	JAN	<u>FEB</u>	MAR	<u>APR</u>	MAY	JUN	JUL	AUG	<u>SEP</u>	<u>ост</u>	<u>NOV</u>	DEC	<u>TOTAL</u>
INVESTMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEPRECIATION BASE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEPRECIATION EXPENSE	<u>\$0</u>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE INVESTMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LESS: ACCUMULATED DEPREC	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET INVESTMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AVERAGE INVESTMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RETURN ON AVG INVESTMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RETURN REQUIREMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DEPRECIATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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SEBRING GAS SYSTEM, INC.

Reconciliation and Explanation of differences between Filing and PSC Audit Report for January 2011 through December 2011.

NO DIFFERENCES ARE KNOWN AS OF THE DATE OF THIS FILING

Schedule CT-6 Page 1 of 6 Company: Sebring Gas System, Inc. Docket No. 120004-GU Exhibit JHM-1 Page 10 of 15

Sebring Gas System, Inc. Program Description and Progress

Program Title:

Residential New Construction Program

Program Description:

The Residential New Construction Program is designed to increase the overall penetration of natural gas in the single family and multi-family construction residential markets of the Company's service territory by expanding consumer energy options in new homes.

For the period January 1, 2011 through December 31, 2011, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 2, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential New Construction Cash Allowances:

Gas Storage Tank Water Heater		\$350
Gas High Efficiency Stg. Tank Water Heater		\$400
Gas Tankless Water Heater		\$550
Gas Heating		\$500
Gas Cooking	``	\$150
Gas Clothes Drying		\$100

Program Projections:

For the twelve month period January 2011 through December 2011, the Company estimated that sixteen (16) new homes would qualify for allowances. During this reporting period five (5) incentives were paid.

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Program Fiscal Expenditures:

During 2011 expenditures for the Residential New Construction Program totaled \$9,980.

Program Progress Summary:

Since the inception of the Residential Construction Program in July 2007, eighteen (18) new home allowances have been paid. The Company representatives continue to work closely with area builders to promote the installation of natural gas appliances in new residences.

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Company: Sebring Gas System, Inc. Docket No. 120004-GU Exhibit JHM-1 Page 12 of 15

Sebring Gas System, Inc. Program Description and Progress

Program Title: Residential Appliance Replacement Program

Program Description:

The Residential Appliance Replacement Program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered for the replacement of non-gas water heating, heating, cooking or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

For the period January 1, 2011 through December 31, 2011, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 2, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential Appliance Replacement Cash Allowances:

Gas Storage Tank Water Heater		\$500
Gas High Efficiency Stg. Tank Water Heater		\$550
Gas Tankless Water Heater		\$675
Gas Heating		\$725
Gas Cooking	•	\$200
Gas Clothes Drying		\$150

Schedule CT-6 Page 4 of 6 Company: Sebring Gas System, Inc. Docket No. 120004-GU Exhibit JHM-1 Page 13 of 15

Program Projections:

For the twelve month period January 2011 through December 2011, the Company estimated that eight (8) residential appliance replacements would qualify for allowances. During this period, seventeen (17) allowances were paid.

Program Fiscal Expenditures:

During 2011 expenditures for the Residential Appliance Replacement Program totaled \$14,630.

Program Progress Summary:

Since the inception of the Residential Construction Program in July 2007, twenty two (22) residential appliance replacement allowances have been paid.

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Sebring Gas System, Inc. Program Description and Progress

Program Title:

Residential Appliance Retention Program

Program Description:

The company offers the Residential Appliance Retention Program to existing customers to promote the retention of energy efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively this program offers cash allowances to the customer.

For the period January 1, 2011 through December 31, 2011, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 2, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential Appliance Retention Cash Allowances:

Gas Storage Tank Water Heater		\$350
Gas High Efficiency Stg. Tank Water Heater		\$400
Gas Tankless Water Heater	`	\$550
Gas Heating		\$500
Gas Cooking	•	\$100
Gas Clothes Drying		\$100

Program Projections:

For the twelve month period January 20101 through December 2011, the Company estimated that fifteen (15) residential appliance retentions would qualify for allowances. During this period, eleven (11) allowances were paid.

Schedule CT-6 Page 6 of 6 Company: Sebring Gas System, Inc. Docket No. 120004-GU Exhibit JHM-1 Page 15 of 15

Program Fiscal Expenditures:

During 2011 expenditures for the Residential Appliance Retention Program totaled \$10,030.

Program Progress Summary:

Since the inception of the Residential Construction Program in July 2007, seventeen (17) residential retention allowances have been paid.