



SEBRING GAS SYSTEM, INC.

3515 U.S. Hwy. 27, South
Sebring, FL 33870-5462
(941) 385-0194

December 19, 1997

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

RE: Docket No. 970003-GU
Purchased Gas Adjustment (PGA)

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Sebring Gas System, Inc., please find an original and ten copies of the Resubmitted Direct Testimony of Jerry H Melendy, Jr.

The resubmittal is necessary to correct figures appearing on pages 4 and 5. The entire testimony is being submitted. The resubmitted testimony is to accompany the previously submitted PGA Filing (October, 1996 - September, 1997) and PGA Schedule A-7 for the period April 1996 through March 1997.

Please replace the original testimony with the resubmitted testimony

ACK _____
AFA Vandiver
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG 1
LIN orig + 3
OPC _____enclosures
RCH _____
SEC 1
WAS _____
OTH _____

Sincerely,

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

DOCUMENT NUMBER - DATE

13114 DEC 22 5

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docker No. 970003-GU

**RESUBMITTED
DIRECT TESTIMONY
OF
JERRY H. MELENDY, JR.**

**On Behalf Of
SEBRING GAS SYSTEM, INC.**

DOCUMENT NUMBER-DATE
13114 DEC 22 6
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 APRIL 1996 through MARCH 1997.

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 Composite Exhibit JHM-1
24 and are as follows:
25 A-1 - COMPARISON OF ACTUAL VERSUS ORIGINAL

1 ESTIMATE OF THE PURCHASED GAS ADJUSTMENT
2 COST RECOVERY FACTOR - APRIL 1996 THROUGH
3 MARCH 1997.
4 A-1S - PURCHASED GAS ADJUSTMENT COST RECOVERY
5 CLAUSE CALCULATION SCHEDULE A-1 SUPPORTING
6 DETAIL - APRIL 1996 THROUGH MARCH 1997
7 A-2 - CALCULATION OF TRUE-UP AND INTEREST
8 PROVISION - APRIL 1996 THROUGH MARCH 1997
9 A-3 - TRANSPORTATION PURCHASES SYSTEM
10 SUPPLY AND END USE - APRIL 1996 THROUGH
11 MARCH 1997. This form is not applicable for Sebring Gas System
12 A-4 - TRANSPORTATION SYSTEM SUPPLY - APRIL
13 1996 THROUGH MARCH 1997. Also not applicable for Sebring
14 A-5 - THERM SALES AND CUSTOMER DATA- APRIL
15 1996 THROUGH MARCH 1997.
16 A-6 - CONVERSION FACTOR CALCULATION
17 APRIL 1996 THROUGH MARCH 1997.
18 A-7 - FINAL FUEL OVER/UNDER RECOVERY - APRIL 1996
19 THROUGH MARCH 1997.
20 Also attached are the INDIVIDUAL PGA filings for the months of
21 October 1996 through September 1997. These filing inciude, along
22 with the above mentioned PGA Schedules, copies of the Company's
23 commodity gas bill, the Company's charge for No Notice Reservation,
24 the Company's Billing Transaction and the Company's transportation
25 charges.

- 1 Q. Were these schedules prepared under your direction and
2 supervision ?
- 3 A. Yes they were. Beginning in April 1994, the PGA schedules were
4 prepared by myself. Prior to this, the schedules were prepared by
5 my consultants, Regulated Industry Consultants, with my furnishing
6 the data and final approval.
- 7 Q. What were the total therm sales for the period April 1996
8 through March 1997?
- 9 A. The total therm sales for the period April 1996 through
10 March 1997 were 548,714.
- 11 Q. What were the total therm purchases for the period April
12 1996 through March 1997?
- 13 A. The total therm purchases for the period April 1996
14 through March 1997 were 453,480.
- 15 Q. What was the cost of gas to be recovered through the PGA
16 for the period April 1996 through March 1997?
- 17 A. The cost of gas purchased for the period April 1996 through
18 March 1997 was \$176,499.
- 19 Q. What was the amount of gas revenue collected for the period
20 April 1996 through March 1997?
- 21 A. The amount of gas revenue collected to cover the cost of gas
22 for the period April 1996 through March 1997 was
23 \$175,445, as reflected in Schedule A-7, Line 2.
- 24 Q. What is the total true-up provision for the period April 1996
25 through March 1997?

- 1 A. The total true-up provision, including interest, for the period
2 April 1996 through March 1997, is an underrecovery of
3 \$710, as reflected in Schedule A-7, Line 5
- 4 Q. What is the final estimated true-up to be included in the April
5 1998 through March 1999 PGA factor calculation?
- 6 A. The final estimated true-up to be included in the April 1998
7 through March 1999 PGA factor calculation is an underrecovery
8 of \$9,331, as indicated in Schedule A-7, Line 7, which is
9 the underrecovery of \$710 for the period April 1996 through March
10 1997, Schedule A-7, Line 5, less the estimated overrecovery of
11 \$8,621 for the period April 1997 through March 1998, Schedule
12 A-7, Line 6.
- 13 Q. Does this conclude your testimony?
- 14 A. Yes it does.