

ORIGINAL

# SEBRING GAS SYSTEM, INC.

3515 U.S. Hwy. 27, South  
Sebring, FL 33870-5452  
(941) 385-0194

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October 21, 1998

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

RE: Docket No. 980003-GU  
Purchased Gas Adjustment (PGA) Clause  
True-Up Projections and Testimony for  
January 1999 through December 1999.

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Sebring Gas System, Inc, please find one original and fifteen copies of its Revised Petition for Approval of PGA factor Application to bills to be rendered during the period January 1999 through December 1999.

Enclosed also for filing on behalf of Sebring Gas System, please find fifteen copies of Schedules E-2 and E-4 for the projected period, and copies of Revised pages 4, 6 and 7 of the testimony.

Sincerely,

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

- WCK \_\_\_\_\_
- WFA \_\_\_\_\_
- WPP \_\_\_\_\_
- WAF \_\_\_\_\_
- WCU \_\_\_\_\_
- WTR \_\_\_\_\_
- WAG \_\_\_\_\_
- WEG \_\_\_\_\_
- WLN \_\_\_\_\_
- WPC \_\_\_\_\_
- WRH \_\_\_\_\_
- WSE \_\_\_\_\_
- WAS \_\_\_\_\_
- WTH \_\_\_\_\_

*Wardover*

*Waker*

1  
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Enclosures

DOCUMENT NUMBER DATE

11934 OCT 26 88

ORIGINAL

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Purchased Gas True-up )  
\_\_\_\_\_ )

DOCKET NO. 980093-GU

**REVISED PETITION FOR APPROVAL OF  
SEBRING GAS SYSTEM'S  
PURCHASED GAS ADJUSTMENT FACTOR**

Sebring Gas System, Inc. ("the Company"), pursuant to the requirements of this docket, petitions the Commission for approval of the Company's final true-up factor related to the twelve month period ended December 31, 1999. In support hereof, the Company states:

1. The exact name of the Company and the address of its principal business office is:

Sebring Gas System, Inc.  
3515 U.S. Hwy 27, South  
Sebring, Fl 33870

2. The names and addresses of the persons authorized to receive notices and communications in respect to this docket is:

Jerry H. Melendy, Jr.  
3515 U.S. Hwy 27, South  
Sebring, Fl 33870

DOCUMENT NUMBER-DATE

11934 OCT 26 88

REG-REC'D-REPORTING

3. Pursuant to the requirements of this docket, the Company has prefiled the PGA true-up forms supplied by the Electric and Gas Department for the April 1998-March 1999 period in a manner consistent with the Department's instructions

4. As indicated in the prefiled true-up forms, Sebring Gas has experienced an overrecovery of \$9,453 for the April 1997 - March 1998 period. In a FPSC docket dated March 14, 1998, an estimated underrecovery of \$4,621 for the April 1997 - March 1998 period was approved for calculation of the true-up factor for April 1998 - March 1999. Therefore, a final true-up amount of \$14,074 overrecovery will be included in the current calculation of the January 1999 - December 1999 true-up factor.

5. For the period of April 1998 - December 1998, the Company projects an underrecovery of \$7,257, which includes \$3,489 Tru-Up collected for the remaining three months (January - March, 1999) from the original projected period April, 1998 - March, 1999. This results in a net overrecovery of \$6,817 to refund in the period January 1999 - December 1999. Therefore, the cumulative true-up factor to be applied to gas bills for this period is a refund of .9210 cents per therm sold.

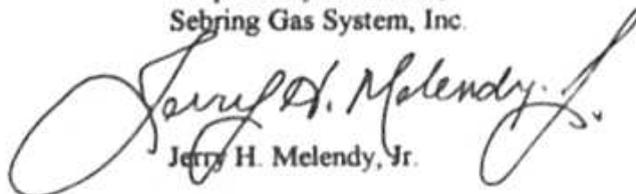
6. As indicated on the attached schedules E-1 through E-5, the Company projects total gas costs for the January 1999 - December 1999 period to be \$304,036. The Company projects therm sales of 740,387, resulting in a weighted average cost of gas (WACOG) of 40.930 cents per therm for the twelve-month period ending December 31, 1999.

7. The Company projects the average cost of gas to be 40.930 cents per therm, which includes the actual estimated cost of gas, plus the projected period's true-up of .090169 cents per therm, and the total of the two figures multiplied by the tax revenue factor of 1.01911.

WHEREFORE, for the purpose of establishing the maximum rate to be charged for all sales during the period January 1999 - December 1999, the Company petitions the Commission to enter its Order approving the Company's true-up factor of 40.930 cents per therm.

DATED this 10th day of October, 1998.

Respectfully submitted,  
Sebring Gas System, Inc.



Jerry H. Melendy, Jr.

*Revised page*

1 Q. What is the revised estimate of gas revenue to be collected for the  
2 current period April 1998 through December 1998?

3 A. The revised estimate of gas revenue to be collected for the current  
4 period April 1998 through December 1998 is \$156,109.

5 Q. What is the revised true-up amount, including interest,  
6 estimated for the current period April 1998 through December  
7 1998?

8 A. The company's estimate for the revised true-up, including  
9 interest, is an unrecollection of \$3,768.

10 PROJECTIONS FOR THE PERIOD

11 JANUARY 1999 THROUGH DECEMBER 1999

12 Q. How were the projections for the period January 1999 through  
13 December 1999 determined?

14 A. The estimated gas supply requirements for each month of the  
15 twelve month period were determined initially. These requirement  
16 estimates were based upon the estimated sales to ultimate customers  
17 for the period.

18 Q. What steps were used to determine the estimated cost of gas for the  
19 projected period January 1999 through December 1999?

20 A. As reported on Schedule E-1, lines 1 through 11, the total cost of  
21 gas consists of the cost of demand and commodity costs of firm  
22 transportation service(FTS) on FGT, the commodity cost of gas paid to  
23 our supplier, Peninsula Energy Services Co. (PESCO) and the cost of gas  
24 transportation as billed by TECO (People's Gas System). The demand  
25 portion of services (line 5 of Schedules E-1 E1/R) is based on

*Revised page*

- 1 MCF transported.
- 2 Q. How was the projected total firm sales determined?
- 3 A. The company has only firm sales at this time. Subsequently,  
4 the total sales and firm sales are the same. The total sales were  
5 determined by using historical averages for both classes, residential  
6 and commercial, customers, with a growth factor added. The total  
7 sales are shown on Line 27 of Schedule E-1. The total estimated  
8 sales for the Projected period January 1999 through December 1999 is  
9 740,387 therms.
- 10 Q. What is the company's average cost per therm for the Projected  
11 period January 1999 through December 1999?
- 12 A. Shown on Line 40 of Schedule E-1, the company's average cost  
13 of gas for the Projected period January 1999 through December 1999  
14 is estimated to be 41.064 cents per therm. To arrive at the Total  
15 PGA Factor, the average cost of gas is adjusted for the estimated  
16 total true-up through December 1999, as shown on Schedule E-4,  
17 and for revenue-related taxes.
- 18 Q. What is the projected PGA Factor for the Projected period  
19 January 1999 through December 1999?
- 20 A. The projected PGA Factor for the projected period is 40.930  
21 cents per therm, as shown on Line 45 of Schedule E-1.
- 22 Q. The estimated total true-up for the period April 1998 through  
23 December 1998, as shown on Schedule E-4 is included in the  
24 projected PGA Factor for the period January 1999 through  
25 December 1999. How was the figure calculated?

*Revised page*

- 1 A. The final true-up amount for the period April 1997 through  
2 March 1998 is added to the estimated end of period net true-up  
3 for April 1998 through December 1998. The April 1998 through  
4 December 1998 estimated true-up is based on eight months' actual  
5 plus four months' projected data.
- 6 Q. What is the impact of the total true-up for the period April 1998  
7 through December 1998 on the projected PGA Factor for the  
8 Projected period January 1999 through December 1999?
- 9 A. The projected true-up for the period, ending December 1998 is an  
10 unrecovery of \$7,257, which is shown on line 4, Column  
11 4 of Schedule E-4. Dividing the overrecovery of \$6,817 by  
12 the projected therm sales of 740,387 therms results in a  
13 refund of .85869 cents per therm to be included in the proposed  
14 PGA Factor.
- 15 Q. What is the maximum levelized purchased gas factor (cap)  
16 that you are proposing for the projected period January 1999  
17 through December 1999?
- 18 A. The maximum levelized purchased gas factor (cap) that Sebring  
19 Gas is proposing for the period is 40.930 cents per therm.
- 20 Q. Does this conclude your testimony?
- 21 A. Yes, it does.
22.  
23.  
24.  
25.

CALCULATION OF TRUE-UP AMOUNT

FOR THE CURRENT PERIOD: APRIL 98 Through DECEMBER 98

	ACTUAL										REVISED PROJECTION			TOTAL PERIOD
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC					
<b>TRUE-UP CALCULATION</b>														
1 PURCHASED GAS COST	11,880	10,555	8,194	9,105	7,801	8,364	11,557	12,888	20,715				101,037	
2 TRANSPORTATION COST	8,923	1,158	2,885	2,510	6,749	5,548	7,148	7,418	8,483				48,828	
3 TOTAL	18,803	11,713	10,889	11,615	14,550	13,910	18,703	20,282	29,198				149,863	
4 FUEL REVENUES (NET OF REVENUE TAX)	17,442	18,882	15,810	10,909	10,946	13,910	18,730	20,282	29,198				158,109	
5 TRUE-UP (COLLECTED) OR REFUNDED	(1,163)	(1,163)	(1,163)	(1,163)	(1,163)	(1,163)	(1,163)	(1,163)	(1,163)	(1,163)			(10,467)	
6 FUEL REVENUE APPLICABLE TO PERIOD (LINE 4 (+ or -) LINE 5)	16,279	17,719	14,647	9,746	9,783	12,747	17,567	19,119	28,035				148,642	
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	(2,524)	6,006	3,758	(1,869)	(4,767)	(1,163)	(1,136)	(1,163)	(1,163)				(4,021)	
8 INTEREST PROVISION-THIS PERIOD (2)	(3)	11	39	49	39	30	29	29	30				253	
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	135	(1,229)	5,951	10,911	10,254	6,689	6,719	6,775	6,805				135	
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163				10,467	
10a FLEX RATE REFUND (if applicable)	0	0	0	0	0	0	0	0	0				0	
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	(1,229)	5,951	10,911	10,254	6,689	6,719	6,775	6,805	6,834				6,834	
<b>INTEREST PROVISION</b>														
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	135	(1,229)	5,951	10,911	10,254	6,689	6,719	6,775	6,805					
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	(1,229)	5,940	10,872	10,205	6,650	6,689	6,746	6,775	6,805					
14 TOTAL (12+13)	(1,091)	4,711	16,823	21,116	16,904	13,378	13,465	13,551	13,610					
15 AVERAGE (50% OF 14)	(546)	2,356	8,412	10,558	8,452	6,689	6,733	6,775	6,805					
16 INTEREST RATE - FIRST DAY OF MONTH	5.55000%	5.53000%	5.50000%	5.60000%	5.56000%	5.52000%	5.22000%	5.22000%	5.22000%					
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.53000%	5.50000%	5.60000%	5.58000%	5.52000%	5.22000%	5.22000%	5.22000%	5.22000%					
18 TOTAL (16+17)	11.08000%	11.03000%	11.10000%	11.18000%	11.08000%	10.74000%	10.44000%	10.44000%	10.44000%					
19 AVERAGE (50% OF 18)	5.54000%	5.51500%	5.55000%	5.59000%	5.54000%	5.37000%	5.22000%	5.22000%	5.22000%					
20 MONTHLY AVERAGE (19/12 Months)	0.46167%	0.45958%	0.46250%	0.46500%	0.46167%	0.44750%	0.43500%	0.43500%	0.43500%					
21 INTEREST PROVISION (15x20)	(\$3)	\$11	\$39	\$49	\$39	\$30	\$29	\$29	\$30					

COMPANY: SEBRING GAS SYSTEM, INC.  
REVISED 10/21/98

CALCULATION OF TRUE-UP AMOUNT  
PROJECTED PERIOD

SCHEDULE E-4  
TRANSITION

ESTIMATED FOR THE PROJECTED PERIOD: JANUARY, 1999 Through DECEMBER, 1999

PRIOR PERIOD: APRIL 97-MARCH 98

CURRENT PERIOD:  
APRIL 98 - DECEMBER 98

	(1) EIGHT MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(2) ACTUAL	(3) (2)-(1) DIFFERENCE	(4) FIVE MONTHS ACTUAL PLUS FOUR MONTHS REVISED ESTIMATE	(5) (3)+(4) TOTAL TRUE-UP
1 TOTAL THERM SALES \$	E-2, LINE 6 TOTAL COL	\$232,449	\$249,007	\$16,558	\$162,200
		A-2, MARCH, LINE 6	COL 2- COL 1	E-2 TRANSITION LINE 6	COL 3 + COL 4
2 TRUE-UP PROVISION FOR THIS PERIOD OVER (UNDER) COLLECTION	E-2 LINE 7 TOTAL COL	(\$4,094)	\$9,804	\$13,898	\$9,877
		A-2, MARCH, LINE 7	COL 2- COL 1	E-2 TRANSITION LINE 7	COL 3 + COL 4
3 INTEREST PROVISION FOR THIS PERIOD	E-2, LINE 8	(\$527)	(\$351)	\$176	\$429
		A-2, MARCH, LINE 8	COL 2- COL 1	E-2 TRANSITION LINE 8	COL 3 + COL 4
3(a) TRUE-UP COLLECTED OR (REFUNDED) JAN 99 - MAR 99				E-2 LINE 5	COL 4 (\$3,489)
4 END OF PERIOD TOTAL NET TRUE-UP	LINE 2 + 3	(\$4,621)	\$9,453	\$14,074	LINE 2+3+3(a) COL 3 + COL 4 (\$7,257) \$6,817

NOTE: EIGHT MONTHS ACTUAL FOUR MONTHS REVISED ESTIMATE DATA OBTAINED FROM SCHEDULE (E-2).

COLUMN (1) DATA OBTAINED FROM SCHEDULE (A-2)  
COLUMN (2) DATA OBTAINED FROM SCHEDULE (A-2)  
LINE 4 COLUMN (3) SAME AS LINE 7 SCHEDULE (A-7)  
LINE 4 COLUMN (1) SAME AS LINE 8 SCHEDULE (A-7)  
LINE 2 COLUMN (4) SAME AS LINE 7 SCHEDULE (E-2)  
LINE 3 COLUMN (4) SAME AS LINE 8 SCHEDULE (E-2)

TOTAL TRUE-UP OF \$6,817, DIVIDED  
BY THE PROJECTED THERM SALES  
OF 740,387 EQUALS .00921  
(.92100 CENTS) PER THERM  
TRUE-UP REFUNDED.

TRUE UP \$6,817  
THERMS 740,387  
COLLECT/THERM \$0.00921