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April 30, 2025

**VIA E-PORTAL**

Mr. Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Docket No. 20250004-GU – Natural Gas Conservation Cost Recovery**

Dear Mr. Teitzman:

Attached for filing in the above-referenced docket, please find Sebring Gas System's Testimony and Exhibit JHM-1 of Mr. Jerry Melendy in support of Sebring's Petition for Approval of its Final 2024 True Up Amount.

Should you have any questions whatsoever, please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely,



Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET 20250004-GU**

**DIRECT TESTIMONY OF**

**JERRY H. MELENDY**

**ON BEHALF OF SEBRING GAS SYSTEM, INC.**

**April 30, 2025**

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

2 **A.** My name is Jerry H. Melendy. My business address is Sebring Gas System, Inc., 3515  
3 U.S. Highway 27 South, Sebring FL 33870

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

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

6 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S CURRENT ENERGY**  
7 **CONSERVATION PROGRAMS?**

8 **A.** Yes.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 **A.** My testimony presents data and summaries that describe the planned and actual  
11 activities and expenses for the Company's energy conservation programs incurred  
12 during the period January 2024 through December 2024. I will also identify the final  
13 conservation true-up amount for the above referenced period.

14 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**  
15 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED WITH**  
16 **THESE PROGRAMS?**

17 **A.** Yes. Summaries of the Company's six approved programs for which costs were  
18 incurred during the period January 2024 through December 2024

1 are included in Schedule CT-6 of Exhibit JHM-1. Included are the Residential New  
2 Construction Program, the Residential Appliance Replacement Program, the  
3 Residential Appliance Retention Program, Commercial New Construction,  
4 Commercial Replacement, and Commercial Retention.

5 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**  
6 **EXPENDITURES ASSOCIATED WITH THE COMPANY'S ENERGY**  
7 **CONSERVATION PROGRAMS FOR THE APPLICABLE PERIOD?**

8 **A.** Yes. Exhibit JHM-1 includes schedules CT-1, CT-2 and CT-3 detail the Company's  
9 actual conservation related expenditures for the period, along with a comparison of the  
10 actual program costs and true-up to the projected costs and true-up for the period.

11 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY TO**  
12 **ADMINISTER ITS SIX CONSERVATION PROGRAMS FOR THE**  
13 **TWELVEMONTH PERIOD ENDING DECEMBER 2024?**

14 **A.** As indicated on Schedule CT-2, page 2, of Exhibit JHM-1, the Company's total 2024  
15 programs costs were \$33,664.

16 **Q. HAVE YOU PREPARED A SCHEDULE WHICH SHOWS THE VARIANCE**  
17 **OF ACTUAL FROM PROJECTED COSTS BY CATEGORIES OF**  
18 **EXPENSES?**

19 **A.** Yes. Schedule CT-2, page 3, of Exhibit JHM-1, displays these variances.

20 **Q. WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE**  
21 **MONTHS ENDING DECEMBER 2024?**

22 **A.** The final true-up amount as shown on Schedule CT-1, of Exhibit JHM-1 is an over  
23 recovery of \$1,773.

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

25 **A.** Yes.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of Sebring Gas System, Inc.'s Testimony and Exhibit (JHM-1) of Mr. Melendy in Docket No. 20250004-GU has been furnished by Electronic Mail to the following parties of record this 30th day of April 2025:

Florida Public Utilities Company Michelle Napier Florida Public Utilities Company 1635 Meathe Drive West Palm Beach, FL 33411 <a href="mailto:Michelle_napier@chpk.com">Michelle_napier@chpk.com</a>	J. Jeffry Wahlen Malcolm Means Virginia Ponder Matt Jones Ausley & McMullen P.O. Box 391 Tallahassee, FL 32302 <a href="mailto:jwahlen@ausley.com">jwahlen@ausley.com</a> <a href="mailto:mmeans@ausley.com">mmeans@ausley.com</a> <a href="mailto:vponder@ausley.com">vponder@ausley.com</a> <a href="mailto:mjones@ausley.com">mjones@ausley.com</a>
Florida Public Service Commission Zachary Bloom 2540 Shumard Oak Boulevard Tallahassee, FL 32399 <a href="mailto:zbloom@psc.state.fl.us">zbloom@psc.state.fl.us</a>	Office of Public Counsel Walter Trierweiler/Charles Rehwinkel/Patricia Christensen/M. Wessling/Octavio Ponce/Austin Watrous c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:christensen.patty@leg.state.fl.us">christensen.patty@leg.state.fl.us</a> <a href="mailto:Rehwinkel.Charles@leg.state.fl.us">Rehwinkel.Charles@leg.state.fl.us</a> <a href="mailto:Wessling.Mary@leg.state.fl.us">Wessling.Mary@leg.state.fl.us</a>
Peoples Gas System Paula Brown/Karen Bramley P.O. Box 111 Tampa, FL 33601-0111 <a href="mailto:regdept@tecoenergy.com">regdept@tecoenergy.com</a> <a href="mailto:klbramley@tecoenergy.com">klbramley@tecoenergy.com</a>	St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf/Debbie Stitt P.O. Box 549 Port St. Joe, FL 32457-0549 <a href="mailto:andy@stjoegas.com">andy@stjoegas.com</a> <a href="mailto:dstitt@stjoegas.com">dstitt@stjoegas.com</a>
Florida City Gas Miguel Bustos, Manager/Regulatory 4045 NW 97 Ave. Doral, Florida 33178 <a href="mailto:MBustos@chpk.com">MBustos@chpk.com</a>	Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 <a href="mailto:jmelendy@floridasbestgas.com">jmelendy@floridasbestgas.com</a>

Brian Goff, Manager/Sustainability and Environmental Affairs Chesapeake Utilities Corporation 208 Wildlight Ave. Yulee, FL 32097 bgoff@chpk.com	
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By:



Beth Keating  
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Actual Conservation Program Costs per Program  
FOR MONTHS: JANUARY 2024 THROUGH DECEMBER 2024

Program Name	<u>Capital Investment</u>	<u>Payroll &amp; Benefits</u>	<u>Materials &amp; Supplies</u>	<u>Advertising</u>	<u>Incentives</u>	<u>Outside Services</u>	<u>Vehicles</u>	<u>Other</u>	<u>TOTAL</u>
Program 1: Res. New Home Const.	\$0	\$2,135	\$0	\$0	\$0	\$519	\$0	\$0	\$2,654
Program 2: Res. Appliance Replace	\$0	\$2,135	\$0	\$0	\$2,725	\$519	\$0	\$0	\$5,379
Program 3: Customer Retention	\$0	\$2,135	\$0	\$0	\$1,600	\$519	\$0	\$0	\$4,254
Program 4: Comm Small Food	\$0	\$2,135	\$0	\$0	\$10,000	\$519	\$0	\$0	\$12,654
Program 5: Comm Large Food	\$0	\$2,135	\$0	\$0	\$2,415	\$519	\$0	\$0	\$5,069
Program 6: Comm Hospitality	\$0	\$2,135	\$0	\$0	\$1,000	\$519	\$0	\$0	\$3,654
<b>TOTAL</b>	<b>\$0</b>	<b>\$12,811</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,740</b>	<b>\$3,113</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,664</b>

Conservation Costs per Program - Variance Actual Versus Projected  
 FOR MONTHS: JANUARY 2024 THROUGH DECEMBER 2024

Program Name	Capital <u>Investment</u>	Payroll & <u>Benefits</u>	Materials & <u>Supplies</u>	<u>Advertising</u>	<u>Incentives</u>	Outside <u>Services</u>	<u>Vehicles</u>	<u>Other</u>	<u>TOTAL</u>
Program 1: Res. New Home Const.	\$0	\$36	\$0	\$0	(\$800)	\$175	\$0	\$0	(\$589)
Program 2: Res. Appliance Replace	\$0	\$36	\$0	\$0	\$525	\$175	\$0	\$0	\$736
Program 3: Customer Retention	\$0	\$36	\$0	\$0	(\$450)	\$175	\$0	\$0	(\$239)
Program 4: Comm Small Food	\$0	\$36	\$0	\$0	\$6,500	\$175	\$0	\$0	\$6,711
Program 5: Comm Large Food	\$0	\$36	\$0	\$0	(\$1,585)	\$175	\$0	\$0	(\$1,374)
Program 6: Comm Hospitality	\$0	\$36	\$0	\$0	(\$4,000)	\$175	\$0	\$0	(\$3,789)
<b>TOTAL</b>	<b>\$0</b>	<b>\$217</b>	<b>\$0</b>	<b>\$0</b>	<b>\$190</b>	<b>\$1,049</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,456</b>

Energy conservation Adjustment Calculation of True-Up and Interest Provision  
 Summary of Expenses By program By Month  
 FOR MONTHS: JANUARY 2024 THROUGH DECEMBER 2024

Program Name	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
Program 1: Res. New Home Const.	\$212	\$187	\$175	\$175	\$231	\$175	\$193	\$250	\$175	\$458	\$206	\$219	\$2,654
Program 2: Res. Appliance Replace	\$212	\$187	\$1,350	\$175	\$231	\$175	\$193	\$250	\$175	\$2,008	\$206	\$219	\$5,379
Program 3: Customer Retention	\$212	\$187	\$375	\$175	\$231	\$175	\$193	\$250	\$175	\$1,758	\$206	\$319	\$4,254
Program 4 Comm Small Food	\$212	\$187	\$175	\$175	\$231	\$175	\$193	\$250	\$175	\$458	\$206	\$10,219	\$12,654
Program 5 Comm Large Food	\$212	\$187	\$175	\$175	\$231	\$175	\$193	\$250	\$2,589	\$458	\$206	\$219	\$5,069
Program 6 Comm Hospitality	\$212	\$187	\$175	\$175	\$231	\$175	\$193	\$250	\$175	\$1,458	\$206	\$219	\$3,654
<b>TOTAL</b>	<b>\$1,271</b>	<b>\$1,124</b>	<b>\$2,422</b>	<b>\$1,047</b>	<b>\$1,385</b>	<b>\$1,047</b>	<b>\$1,158</b>	<b>\$1,499</b>	<b>\$3,464</b>	<b>\$6,598</b>	<b>\$1,236</b>	<b>\$11,413</b>	<b>\$33,663</b>

SEBRING GAS SYSTEM, INC.  
Program Description and Progress

Program Title:

Commercial Small Food Service

Program Description:

The Commercial Small Food Service program's purpose is to educate, inform and encourage its commercial customers to build with natural gas. The program is designed to provide incentives to Commercial Small Food Services customers to be used toward the purchase and installation of natural gas appliances for their commercial business.

The Natural Gas Energy Conservation Program was approved by the Florida Public Services Commission in Docket No. 130167-EG on January 14, 2014.

Program Accomplishments:

For the twelve month period January 2024 through December 2024, the amount of incentives paid by the Company under the Commercial Small Food Service Program was:

\$10,000

The following incentives were given as follows:

\$10,000 was given to a local Sebring Burger, DBA Culvers Restaurant for the purchase and installation of a new gas fryer, range and water heater.

Program Fiscal Expenditures:

During 2024 expenditures for the Resident Appliance Retention Program totaled

\$12,654

SEBRING GAS SYSTEM, INC.  
Program Description and Progress

Program Title:

Commercial Large Food Service

Program Description:

The Commercial Large Food service Conservation Program's purpose is to educate, inform and encourage its commercial customers to use natural gas. The program is designed to provide incentives to commercial customers to be used toward the purchase and installation of natural gas appliances for their commercial business.

The Natural Gas Energy Conservation Program was approved by the Florida Public Services Commission in Docket No. 130167-EG on January 14, 2014.

Program Accomplishments:

For the twelve month period January 2024 through December 2024, the amount of incentives paid by the Company under the Commercial Large Food Service Program was:

\$2,415

The following incentives were given as follows:

Replaced old gas range with a new gas range	\$1,000.00
Replaced old electric dryer with a new gas dryer.	<u>\$1,414.63</u>
Both incentives went to an Eagles Club	
Total Incentives	\$2,414.63

Program Fiscal Expenditures:

During 2024 expenditures for the Residential New Construction Program totaled  
\$5,069

SEBRING GAS SYSTEM, INC.  
Program Description and Progress

Program Title:  
Hospitality and Lodging

Program Description:

The Hospitality and Lodging Conservation Program's purpose is to educate, inform and encourage its commercial customers to build with natural gas. The program is designed to provide incentives to commercial customers to be used toward the purchase and installation of natural gas appliances for their commercial business.

The Natural Gas Energy Conservation Program was approved by the Florida Public Services Commission in Docket No. 130167-EG on January 14, 2014.

Program Accomplishments:

For the twelve month period January 2024 through December 2024, the amount of incentives paid by the Company under the Hospitality and Lodging Conservation Program was  
\$1,000

The following incentives were given as follows:

Replaced an old range with a new gas range	\$1,000.00
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Total incentives	\$1,000.00
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Program Fiscal Expenditures:

During 2024 expenditures for the Resident Appliance Replacement Program totaled  
\$3,654