



**ORIGINAL**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for Approval of )  
Tariff Filing to Include a Rate )  
for Large Volume Users by Sebring )  
Gas System, Inc. )

Docket No.  
Filed: February 11, 1998

**PETITION FOR APPROVAL OF TARIFF**

Comes now, Sebring Gas System, Inc. ("Sebring") through its undersigned and requests the Commission approve a tariff for large customers served by Sebring. As basis Sebring would show:

1. The name and address of the Petitioner is:

Sebring Gas System, Inc.  
3515 U.S. Highway 27 South  
Sebring, FL 33870-5452

2. Copies of notices, pleadings and documents in this proceeding should be provided to:

Norman H. Horton, Jr.  
Messer, Caparello & Self, P.A.  
215 S. Monroe St., Suite 701  
P. O. Box 1876  
Tallahassee, FL 32302-1876

Mr. Jerry Melendy  
Vice President  
Sebring Gas System, Inc.  
3515 U.S. Highway 27 South  
Sebring, FL 33870-5452

3. Sebring Gas System, Inc. is a regulated provider of natural gas in and around the city of Sebring. Since initial certification, Sebring has provided natural gas service to residential and commercial customers in Sebring. Sebring now has the opportunity to provide gas to a large volume user and proposes to include in its tariff a category for large volume commercial or industrial users. Customers utilizing 100,000 therms per year or more will be eligible for service under the General Service Large Volume-1 (GSLV-1) Rate Schedule. The proposed GSLV-1 Rate Schedule is attached hereto as Exhibit "A."

DOCUMENT NUMBER-DATE  
02117 FEB 11 88  
FPSC-RECORDS/REPORTING

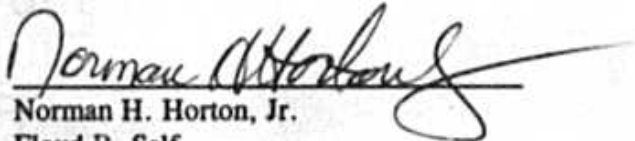
4. Sebring has a customer who would be eligible for service under this rate schedule and anticipates additional customers as the system and area expand. The original tariff filed by Sebring included a GSLV-1 Rate Schedule but there were no customers for this offering at that time and the GSLV-1 Schedule was not part of the initially approved tariff.

5. Attached hereto as Exhibit "B" is the calculation of the rate included in the GSLV-1 Rate Schedule to be charged to the initial commercial customer.

6. Sebring seeks to include the GSLV-1 schedule in its tariff in order to enhance and expand the service offered to customers. The approval of this rate and the addition of this customer will not cause Sebring to earn above its authorized rate of return nor will it adversely affect service to existing residential and commercial customers.

Wherefore, for the reasons stated, Sebring respectfully requests the Commission approve the tariff and the rates proposed for the large volume commercial customer.

Respectfully submitted this 11th day of February, 1998.



Norman H. Horton, Jr.  
Floyd R. Self  
Messer, Caparello & Self, P.A.  
215 S. Monroe Street, Suite 701  
P.O. Box 1876  
Tallahassee, FL 32302-1876  
(904) 222-0720

Attorneys for Sebring Gas System, Inc.

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SEBRING GAS SYSTEM  
NATURAL GAS TARIFF  
ORIGINAL VOLUME NO. 1

ORIGINAL SHEET NO. 10.0401

RATE SCHEDULE: GSLV-1  
GENERAL SERVICE LARGE VOLUME - 1

Availability:

Throughout the service area of the Company.

Applicability:

Gas delivered to any Commercial or Industrial Customer using more than 100,000 therms per year.

Monthly Rate:

Customer Charge: \$100.00 per billing period

Non-Gas Energy Charge: \$0.0849 per therm

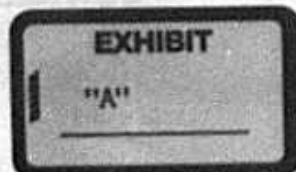
The bill for the therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchase Gas Adjustment Clause set forth on Sheet Nos. 10.0101 through 10.0103.

Minimum Bill: The Customer Charge

Special Conditions:

1. the rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 10.0103.
2. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet Nos. 10.0103 through 10.0105.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. Service under this schedule shall be subject to the Rules and Regulations set forth in this Tariff.

Issued by: Jerry Melendy, Jr., V.P.      Effective:  
Issued on:

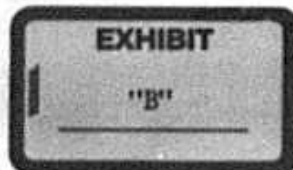


SEBRING GAS SYSTEM, INC.  
HIGHLANDS REGIONAL MEDICAL CENTER  
INCREMENTAL COST OF SERVICE STUDY  
ESTIMATED RATE BASE

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DESCRIPTIONS

COST OF PLANT: MAIN TO SERVICE HRMC		
MAINS, PLASTIC	\$12,786.15	
SERVICES, PLASTIC	\$1,161.81	
HOUSE METERS AND INSTALLATION	\$2,100.00	
HOUSE REGULATORS AND INSTALLATION	\$750.00	
TOTAL PLANT		\$16,797.96
A/D PROVISION:		
MAINS, PLASTIC	(\$409.06)	
SERVICES, PLASTIC	(\$44.15)	
HOUSE METERS	(\$70.30)	
HOUSE METER INSTALLATION	(\$4.60)	
HOUSE REGULATORS	(\$18.85)	
HOUSE REGULATORS INSTALLATION	(\$2.20)	
TOTAL A/D PROVISION		(\$546.96)
TOTAL NET PLANT		\$16,251.00
RATE BASE		\$16,251.00



SEBRING GAS SYSTEM, INC.  
HIGHLANDS REGIONAL MEDICAL CENTER  
INCREMENTAL COST OF SERVICE STUDY  
ESTIMATED RATE BASE

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DESCRIPTION	
RATE BASE	\$16,797.96
RETURN ON RATE BASE (rate base X rate of return of 9.3845%)	\$1,576.40
O & M EXPENSES	\$720.00
DEPRECIATION	\$546.96
TAXES OTHER THAN INCOME TAXES	<u>\$594.48</u>
COST OF SERVICE BEFORE INCOME TAXES	\$20,235.80
INTEREST ON DEBT	<u>(\$167.98)</u>
ADJUSTED TOTAL TAX BASE	\$20,067.82
STATE TAX @ 5.5%	\$1,103.73
FEDERAL TAX BASE	\$18,964.09
FEDERAL TAX @ 34%	<u>\$6,447.79</u>
COMBINED STATE & FEDERAL INCOME TAXES	<u>\$7,551.52</u>



SEBRING GAS SYSTEM, INC.  
HIGHLANDS REGIONAL MEDICAL CENTER  
INCREMENTAL COST OF SERVICE STUDY  
ESTIMATED RATE BASE

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DESCRIPTIONS

COST OF SERVICE

OPERATION & MAINTENANCE	\$720.00
DEPRECIATIONS	\$546.96
TAXES OTHER THAN INCOME note 1	\$559.92
INCOME TAXES	\$7,551.52
RETURN @ 9.3845% note 2	<u>\$1,576.40</u>
TOTAL OPERATING COSTS	\$10,954.80
COSTS OF OPERATING EXPENSES PER THERM \$10,954.80/129,000 THERMS	\$0.0849

NOTES

note 1:

TAXES OTHER THAN INCOME

Revenue related taxes of 1.911% X first year estimated revenue  
(\$0.085 X 129,000 therms) plus property taxes on assessed value  
of property additions (1996 average percentage X gross plant  
Millage rate was \$18.365 per \$1,000 of value.

Plus Regulatory Assessment Fee

Revenues (127,000 x .085) + (\$17 per month) X Rate of .00375

note 2:

RATE OF RETURN

From June 1997 Earning Surveillance Report Summary

Require Rate of Return, midpoint of 9.3845%

Net Plant (\$16,251) X 9.3845%

SEBRING GAS SYSTEM, INC.  
HIGHLANDS REGIONAL MEDICAL CENTER  
INCREMENTAL COST OF SERVICE STUDY  
ESTIMATED RATE BASE

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COST OF SERVICE

OPERATION & MAINTENANCE		
METER DIFFERENTIAL READING	\$60.00	
REGULATOR TESTING	\$60.00	
METER PARTS	\$30.00	
REGULATOR PARTS	\$30.00	
LEAK TESTING	\$50.00	
PAINTING OF METERS	\$50.00	
ALLOCATION TO SUPERVISION	\$100.00	
BILLING AND ADMINISTRATION	\$300.00	
PIPELINE MARKER REPLACEMENT	\$40.00	\$720.00
TOTAL OPERATING COSTS		<u>\$720.00</u>