



ORIGINAL

SEBRING GAS SYSTEM, INC.

3515 U.S. Hwy. 27, South
Sebring, FL 33870-5452
(941) 385-0194
September 30, 1998

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SERVICE COMMISSION
98 OCT -5 AM 9:29
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Ms. Blanca S. Bayo
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Purchased Gas Adjustment Schedules
FPSC Docket No. 980003-GU

Dear Ms. Bayo:

Upon review of our Purchased Gas Adjustment filings for the month March, 1998, an error was found in Schedule A-2, Line 5 (Ture-Up refunded). This error has affected the following:

Scedule A-2, March 1998
Direct Testimony of Jerry H. Melendy, Jr., in Docket 980003-GU, Purchased Gas Adjustment (PGA) True-Up 10917-98
Schedule A-7 Final Fuel Over/under Recovery for the period April 1997 through March 1998.

Enclosed please find the Original and 15 copies of PGA Scedule A-2 for the Month 1998. The original and 15 copies or for the March filing and another original and 15 copies are for the Final True-Up period filing.

Also enclosed are Original and 15 copies of the Direct Testimony and Schedule A-7, for the Fianal True-Up filing.

If you have any questions concerning the PGA information, please feel free to contact me.

Sincerely,


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

Enclosures

ACK _____
AFA Handwritten
APP _____
CAP _____
CMU _____
CTR _____
EAG _____
LEG 1
LIN 3/08
OPC _____
RCH _____
SEC 1
WAS _____
OTH _____

JRJS ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docker No. 980003-GU

**RESUBMITTED
DIRECT TESTIMONY
OF
JERRY H. MELENDY, JR.
On Behalf Of
SEBRING GAS SYSTEM, INC.**

- ACK _____
- AFA *Handover*
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG *Alpina*
- LEG *Starg*
- LIN _____
- OPC _____
- RCH _____
- SEC *1*
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE

10917 OCT-58

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 OCTOBER 1997 through MARCH 1998.
- 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 - OCTOBER 1997 THROUGH
3 MARCH 1998.
4 A-1S - PURCHASED GAS ADJUSTMENT COST RECOVERY
5 CLAUSE CALCULATION SCHEDULE A-1 SUPPORTING
6 DETAIL - OCTOBER 1997 THROUGH MARCH 1998.
7 A-2 - CALCULATION OF TRUE-UP AND INTEREST
8 PROVISION - OCTOBER 1997 THROUGH MARCH 1998.
9 A-3 - TRANSPORTATION PURCHASES SYSTEM
10 SUPPLY AND END USE - OCTOBER 1997 THROUGH
11 MARCH 1998. This form is not applicable for Sebring Gas System.
12 A-4 - TRANSPORTATION SYSTEM SUPPLY - OCTOBER
13 1997 THROUGH MARCH 1998. Also not applicable for Sebring.
14 A-5 - THERM SALES AND CUSTOMER DATA- OCTOBER
15 1997 THROUGH MARCH 1998.
16 A-6 - CONVERSION FACTOR CALCULATION
17 OCTOBER 1997 THROUGH MARCH 1998.
18 A-7 - FINAL FUEL OVER/UNDER RECOVERY - OCTOBER 1997
19 THROUGH MARCH 1998.
20 Also attached are the INDIVIDUAL PGA filings for the months of
21 October 1997 through March 1998. These filings include, 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 1997
8 through March 1998?
- 9 A. The total therm sales for the period April 1997 through
10 March 1998 were 590,793.
- 11 Q. What were the total therm purchases for the period April
12 1997 through March 1998?
- 13 A. The total therm purchases for the period April 1997
14 through March 1998 were 595,060.
- 15 Q. What was the cost of gas to be recovered through the PGA
16 for the period March 1997 through March 1998?
- 17 A. The cost of gas purchased for the period April 1997 through
18 March 1998 was \$239,203.
- 19 Q. What was the amount of gas revenue collected for the period
20 April 1997 through March 1998?
- 21 A. The amount of gas revenue collected to cover the cost of gas
22 for the period April 1997 through March 1998 was
23 \$249,007, as reflected in Schedule A-7, Line 2..
- 24 Q. What is the total true-up provision for the period April 1997
25 through March 1998?

- 1 **A.** **The total true-up provision, including interest, for the period**
2 **April 1997 through March 1998, is an overrecovery of**
3 **\$9,453, as reflected in Schedule A-7, Line 5.**
- 4 **Q.** **What is the final estimated true-up to be included in the January**
5 **1999 through December 1999 PGA factor calculation?**
- 6 **A.** **The final estimated true-up to be included in the January 1999**
7 **through December 1999 PGA factor calculation is an overrecovery**
8 **of \$14,074, as indicated in Schedule A-7, Line 7, which is**
9 **the overrecovery of \$9,453 for the period April 1997 through March**
10 **1998, Schedule A-7, Line 5, less the estimated underrecovery of**
11 **\$4,621 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.**

COMPANY: SEBRING GAS SYSTEM, INC.

REVISED 09/29/98

FINAL FUEL OVER/UNDER RECOVERY

SCHEDULE A-7

(REVISED 8/19/93)

FOR THE PERIOD:

APRIL 1997 Through

MARCH 1998

		TOTAL
1	TOTAL ACTUAL FUEL COST FOR THE PERIOD A-2 Line 3	\$239,203
2	TOTAL ACTUAL FUEL REVENUES FOR THE PERIOD A-2 Line 6	\$249,007
3	ACTUAL OVER/UNDER RECOVERY FOR THE PERIOD (2-1)	\$9,804
4	INTEREST PROVISION A-2 Line 8 ACTUAL OVER/UNDER RECOVERY	(\$351)
5	FOR THE PERIOD (3+4)	\$9,453
6	LESS: ESTIMATED/ACTUAL OVER/UNDER RECOVERY FOR THE PERIOD APRIL Through MARCH E-4 Line 4 Col.4 (From Schedule E-2) WHICH WAS INCLUDED IN THE CURRENT APRIL Through MARCH PERIOD	(\$4,621)
7	FINAL FUEL OVER/UNDER RECOVERY TO BE INCLUDED IN THE PROJECTED APRIL Through MARCH PERIOD (5-6)	\$14,074

DOCUMENT NUMBER-DATE

10917 OCT-5 88

FPSC RECORDS/REPORTING

COMPANY: SEBRING GAS SYSTEM, INC.

CALCULATION OF TRUE-UP AND INTEREST PROVISION

SCHEDULE A-2
(REVISED 6/08/94)

FIRST REVISION: 08/14/98

FOR THE PERIOD OF:

APRIL 97

Through

MARCH 98

	CURRENT MONTH: MAR 98				PERIOD TO DATE			
	ACTUAL	REVISED ESTIMATE	DIFFERENCE		ACTUAL	REVISED ESTIMATE	DIFFERENCE	
			AMOUNT	%			AMOUNT	%
TRUE-UP CALCULATION								
1 PURCHASED GAS COST (A-1, LINES 1, 4 & 10)	\$15,415	\$18,046	\$2,631	14.58	\$151,153	\$172,721	\$21,568	12.49
2 TRANSPORTATION COST(A-1, LINES 2,3,5 & 6)	7,756	4,619	(3,137)	(67.91)	88,050	78,350	(9,700)	(12.38)
3 TOTAL (A-1, LINE 11)	23,171	22,665	(506)	(2.23)	239,203	251,071	11,868	4.73
4 FUEL REVENUES (A-1, LINE 14) (NET OF REVENUE TAX)	23,060	22,665	(1,295)	(5.72)	243,523	241,841	(1,682)	(0.70)
5 TRUE-UP (COLLECTED) OR REFUNDED	457	457	0	0.00	5,484	5,484	0	0.00
6 FUEL REVENUE APPLICABLE TO PERIOD * (LINE 4 (+ or -) LINE 5)	24,417	23,122	(1,295)	(5.60)	249,007	247,325	(1,682)	(0.68)
7 TRUE-UP PROVISION - THIS PERIOD (LINE 6 - LINE 3)	1,246	457	(789)	(172.73)	9,804	(3,746)	(13,550)	361.72
8 INTEREST PROVISION-THIS PERIOD (21)	(1)	0	1	100.00	(351)	(273)	78	100.00
9 BEGINNING OF PERIOD TRUE-UP AND INTEREST	(653)	(13,337)	(12,684)	95.10	(3,834)	(3,834)	0	0.00
10 TRUE-UP COLLECTED OR (REFUNDED) (REVERSE OF LINE 5)	(457)	(457)	0	0.00	(5,484)	(5,484)	0	0.00
10a FLEX RATE REFUND (if applicable)	0	0	0	0.00	0	0	0	0.00
11 TOTAL ESTIMATED/ACTUAL TRUE-UP (7+8+9+10+10a)	\$135	(\$13,337)	(\$13,172)	101.02	\$135	(\$13,337)	(\$13,472)	101.02
INTEREST PROVISION								
12 BEGINNING TRUE-UP AND INTEREST PROVISION (9)	(653)	(13,337)	(12,684)	95.10				
13 ENDING TRUE-UP BEFORE INTEREST (12+7-5)	136	(13,337)	(13,473)	101.02				
14 TOTAL (12+13)	(517)	(26,674)	(26,157)	98.08				
15 AVERAGE (50% OF 14)	(258)	(13,337)	(13,079)	98.08				
16 INTEREST RATE - FIRST DAY OF MONTH	5.53000%	0.00000%	-5.53000%	(100.00)				
17 INTEREST RATE - FIRST DAY OF SUBSEQUENT MONTH	5.55000%	0.00000%	-5.55000%	(100.00)				
18 TOTAL (16+17)	11.0800%	0.00000%	-11.0800%	(100.00)				
19 AVERAGE (50% OF 18)	5.54000%	0.00000%	-5.54000%	(100.00)				
20 MONTHLY AVERAGE (19/12 Months)	0.46167%	0.00000%	-0.46167%	(100.00)				
21 INTEREST PROVISION (15x20)	(\$1)	\$0	\$1.19	(100.00)				

* If line 5 is a refund add to line 4

If line 5 is a collection () subtract from line 4