

Writer's E-Mail Address: bkeating@gunster.com

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

MEK

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 Michelle_napier@chpk.com | J. Jeffry Wahlen Malcolm Means Virginia Ponder Matt Jones Ausley & McMullen P.O. Box 391 Tallahassee, FL 32302 jwahlen@ausley.com mmeans@ausley.com vponder@ausley.com mjones@ausley.com |
| Florida Public Service Commission Zachary Bloom 2540 Shumard Oak Boulevard Tallahassee, FL 32399 zbloom@psc.state.fl.us | 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 christensen.patty@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us Wessling.Mary@leg.state.fl.us |
| Peoples Gas System Paula Brown/Karen Bramley P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com klbramley@tecoenergy.com | St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf/Debbie Stitt P.O. Box 549 Port St. Joe, FL 32457-0549 andy@stjoegas.com dstitt@stjoegas.com |
| Florida City Gas Miguel Bustos, Manager/Regulatory 4045 NW 97 Ave. Doral, Florida 33178 MBustos@chpk.com | Sebring Gas System, Inc. Jerry H. Melendy, Jr. 3515 U.S. Highway 27 South Sebring, FL 33870 jmelendy@floridasbestgas.com |

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

By:



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

SCHEDULE CT-2

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Company: Sebring Gas System, Inc.

Docket No. 20250004-GU

Exhibit JHM-1

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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 & Benefits</u> | <u>Materials & 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 |
| TOTAL | \$0 | \$12,811 | \$0 | \$0 | \$17,740 | \$3,113 | \$0 | \$0 | \$33,664 |

SCHEDULE CT-2

PAGE 3 OF 3

Company: Sebring Gas System, Inc.

Docket No. 20250004-GU

Exhibit JHM-1

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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) |

TOTAL

| | | | | | | | | |
|-----|-------|-----|-----|-------|---------|-----|-----|---------|
| \$0 | \$217 | \$0 | \$0 | \$190 | \$1,049 | \$0 | \$0 | \$1,456 |
|-----|-------|-----|-----|-------|---------|-----|-----|---------|

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 |
| TOTAL | \$1,271 | \$1,124 | \$2,422 | \$1,047 | \$1,385 | \$1,047 | \$1,158 | \$1,499 | \$3,464 | \$6,598 | \$1,236 | \$11,413 | \$33,663 |

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 |
|--|------------|

| | |
|------------------|------------|
| Total incentives | \$1,000.00 |
|------------------|------------|

Program Fiscal Expenditures:

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