

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural Gas Conservation)
Cost Recovery Clause.)
_____)

Docket No. 150004-GU
Filed: August 25, 2015

**PETITION FOR APPROVAL OF
SEBRING GAS SYSTEM, INC.'S
CONSERVATION COST RECOVERY FACTOR**

Sebring Gas System, Inc. ("Sebring"), through its undersigned attorneys and pursuant to the requirements of this docket, hereby petitions the Commission for approval of the Company's conservation cost recovery factors for the period January 2015 through December 2015. In support hereof, the Company states:

- 1) The exact name of Petition and the address of its principal office is

Sebring Gas System, Inc.
3515 US Highway 27 South
Sebring, Florida 33870

- 2) The name and address of the person authorized to receive notices and communications with respect to this Petition are:

Norman H. Horton, Jr.,
Messer Caparelo, P. A.
Post Office Box 15579
Tallahassee, FL 32317
(850) 222-0720
(850) 224-4359
e-mail: nhorton@lawfla.com

- 3) Pursuant to the requirements of this Docket, the Company has prefiled the conservation cost recovery forms supplied by the Commission in a manner consistent with the Commission's instructions.

4) As indicated in the prefiled forms, the recoverable conservation costs for the period January 2016 through December 2016 are projected to be \$23,190.00. The conservation cost recovery true-up amount for the period January 2015 through December 2015 is an underrecovery of \$5,585.00.

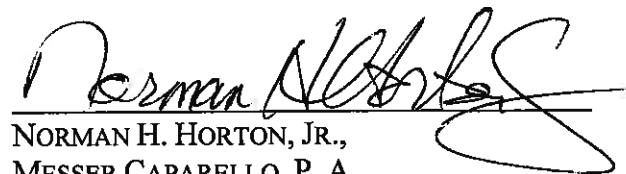
5) The resulting net total projected conservation costs to be recovered for the period January 2015 through December 2015 are \$28,775.00. Based upon projected sales the appropriate levelized conservation cost recovery factors for the period January 2016 through December 2016 are:

TS-1	\$.10326
TS-2	\$.05260
TS-3	\$.02942
TS-4	\$.02582

WHEREFORE, Sebring Gas System, Inc. requests the Commission to approve the foregoing conservation cost recovery factors, to be applied to customer bills for the period January 2016 through December 2016, and to billings thereafter until other conservation cost recovery factors are approved by the Commission.

DATED this 25th day of August, 2015.

Respectfully submitted,



NORMAN H. HORTON, JR.,
MESSER CAPARELLO, P. A.
Post Office Box 15579
Tallahassee, FL 32317
Telephone: (850) 222-0720
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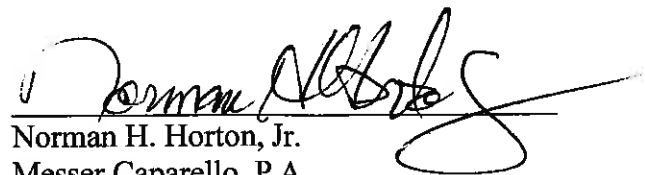
Attorneys for Sebring Gas System, Inc.

Docket No. 150004-GU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition has been delivered by Electronic Mail or Hand Delivery to the following parties of record this 25th day of August, 2015

Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantown Mike Cassel 1750 SW 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fuuc.com	Macfarlane Ferguson Law Firm Ansley Watson, Jr./Andrew Brown/Ashley Kellgren P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com
Beth Keating Gunster, Yoakley & Stewart, P.A. 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 bkeating@gunster.com	Office of Public Counsel J.R. Kelly/Charles Rehwinkel/Patricia Christensen c/o The Florida Legislature 111 West Madison Street, Rm 812 Tallahassee, FL 32399-1400 Jrkelly@leg.state.fl.us
Peoples Gas System Paula Brown Kandi Floyd P.O. Box 111 Tampa, FL 33601-0111 regdept&tecoenergy .com	St. Joe Natural Gas Company, Inc. Mr. Charles A. Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549 andy@stioegas.com
AGL Resources, Inc. Elizabeth Wade/Shannon Pierce Ten Peachtree Place Location 1470 Atlanta, GA 30309 ewade@agresources .com	Florida City Gas Carolyn Bermudez 933 East 25th Street Hialiah, FL 33013-3498 cbermude@agiresources .com
Kelley Corbari/Leslie Ames Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 2399 kcorbari@psc.state.fl.us	


Norman H. Horton, Jr.
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2618 Centennial Place
Tallahassee, FL 32308
850-222-0720

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **In Re: Energy Conservation Cost Recovery Factors**

3 **Direct Testimony of Jerry H. Melendy, Jr.**

4 **On Behalf of**

5 **Sebring Gas System, Inc.**

6 **Docket No.150004-GU**

7 **August 24, 2015**

8

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

10 A. My name is Jerry H. Melendy, Jr. My business address is Sebring
11 Gas System, Inc., US Highway 27 South, Sebring, FL 33870.

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

13 A. I am President of Sebring Gas Company, Inc. (the "Company").

14 **Q. ARE YOU FAMILIAR WITH THE COMPANY'S APPROVED**
15 **ENERGY CONSERVATION PROGRAMS AND THE REVENUES**
16 **AND COSTS THAT ARE ASSOCIATED WITH THESE**
17 **PROGRAMS?**

18 A. Yes.

19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
20 **DOCKET?**

21 A. My testimony will present actual and projected expenditures and
22 revenues related to promoting and administering the Company's
23 energy conservation programs in 2015 and 2016. I will provide the

1 adjusted net true-up amount associated with program administration
2 for the January 2014 through December 2014 period. Actual program
3 costs are provided for the period January 1, 2015 through June 2015,
4 as well as the costs the Company expects to incur from July 1, 2015
5 through December 31, 2015. I will also indicate the total costs the
6 Company seeks to recover through its conservation factors during the
7 period January 1, 2016 through December 31, 2016. Finally, I will also
8 propose the energy conservation cost recovery factors which, when
9 applied to consumer bills during the period January 1, 2016 through
10 December 31, 2016, will permit recovery of the Company's total
11 conservation costs.

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

15 A. Yes. Summaries of the Company's four approved programs are
16 included in Schedule C-5 of Exhibit JHM-1. Included are the
17 Residential New Construction Program, the Residential Appliance
18 Replacement Program, the Residential Appliance Retention Program,
19 the Commercial New Construction Program, the Commercial
20 Appliance Replacement Program and the Commercial Retention
21 Program.

1 Q. HAVE YOU PREPARED SCHEDULES THAT INCLUDE THE
2 COMPANY'S CONSERVATION PROGRAM EXPENDITURES FOR
3 THE CURRENT (2015) AND PROJECTED (2016) PERIODS?

4 A. Yes. Schedule C-3, Exhibit JHM-1 provides actual conservation
5 expenses for the January 2015 through June 2015 period and
6 projected expenses for the July 2015 through December 2015 period.
7 Projected expenses for the January 2016 through December 2016
8 period are included in Schedule C-2, Exhibit JHM-1.

9 Q. HAVE YOU PREPARED A SCHEDULE THAT INCLUDES THE
10 COMPANY'S CONSERVATION RELATED REVENUES FOR 2015?

11 A. Yes. Schedule C-3 (page 4 of 5), Exhibit JHM-1, provides actual
12 conservation revenue for the January 2015 through June 2015 period,
13 and projected conservation revenues for the July 2015 through
14 December 2015 period.

15 Q. WHAT IS THE COMPANY'S ESTIMATED TRUE-UP FOR THE
16 PERIOD JANUARY 1, 2015 THROUGH DECEMBER 31, 2015?

17 A. The Company is under-recovered by \$5,585, as calculated on
18 Schedule C-3, Page 4, Line 11, Exhibit JHM-1.

19 Q. WHAT IS THE TOTAL COST THE COMPANY SEEKS TO
20 RECOVER DURING THE PERIOD JANUARY 1, 2016 THROUGH
21 DECEMBER 31, 2016?

22 A. As indicated on Schedule C-1, Exhibit JHM-1, the Company seeks to
23 recover \$28,775 during the referenced period. This amount represents

1 the projected costs of \$23,190 to be incurred during 2016, plus the
2 estimated true-up of \$5,585 for calendar year 2015.

3 **Q. WHAT ARE THE COMPANY'S PROPOSED ENERGY**
4 **CONSERVATION COST RECOVERY FACTORS FOR EACH RATE**
5 **CLASS FOR THE JANUARY 2016 THROUGH DECEMBER 2016**
6 **PERIOD?**

7 A. Schedule C-1, Exhibit JHM-1, provides the calculation of the
8 Company's proposed ECCR factors for 2016.

9 The Conservation Adjustment Factors per therm for Sebring Gas
10 System are:

11	TS-1	\$.10326
12	TS-2	\$.05260
13	TS-3	\$.02942
14	TS-4	\$.02582

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

16 A. Yes.

ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATION
JANUARY 2015 THROUGH DECEMBER 2015

1. TOTAL INCREMENTAL COSTS (SCHEDULE C-2, PAGE1)	\$ 23,190
2. TRUE-UP (SCHEDULE C-3, PAGE 4, LINE 11)	\$ 5,585
3. TOTAL (LINE 1 AND 2)	\$ 28,775

RATE SCHEDULE	BILLS	THERM SALES	CUSTOMER CHARGE REVENUES	DELIVERY CHARGE	TOTAL CUST & DELIVERY CHG REVENUE	ECCR REVENUES	ECCR AS % OF TOTAL REVENUES	DOLLARS THERM	TAX FACTOR	CONSERV FACTOR
TS-1	5,034	38,287	\$46,712	\$23,296	\$70,008	\$3,934	5.62%	0.10275	1.00503	0.10326
TS-2	632	17,407	\$7,626	\$8,587	\$16,213	\$911	5.62%	0.05234	1.00503	0.05260
TS-3	950	363,619	\$33,238	\$156,187	\$189,425	\$10,644	5.62%	0.02927	1.00503	0.02942
TS-4	415	517,185	\$62,264	\$174,181	\$236,445	\$13,286	5.62%	0.02569	1.00503	0.02582
TOTAL	7,031	936,499	\$149,839	\$362,252	\$512,091	\$28,775				

ESTIMATED CONSERVATION PROGRAM COSTS BY PROGRAM BY MONTH
JANUARY 2016 THROUGH DECEMBER 2016

<u>PROGRAM</u>	<u>JAN</u> <u>2016</u>	<u>FEB</u> <u>2016</u>	<u>MAR</u> <u>2016</u>	<u>APR</u> <u>2016</u>	<u>MAY</u> <u>2016</u>	<u>JUN</u> <u>2016</u>	<u>JUL</u> <u>2016</u>	<u>AUG</u> <u>2016</u>	<u>SEP</u> <u>2016</u>	<u>OCT</u> <u>2016</u>	<u>NOV</u> <u>2016</u>	<u>DEC</u> <u>2016</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$251	\$251	\$251	\$251	\$3,020
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$1,302	\$1,302	\$1,302	\$1,302	\$1,302	\$1,302	\$1,302	\$1,302	\$1,301	\$1,301	\$1,301	\$1,301	\$15,620
3 RESIDENTIAL APPLIANCE RETENTION	\$379	\$379	\$379	\$379	\$379	\$379	\$379	\$379	\$379	\$379	\$380	\$380	\$4,550
4 COMMERCIAL NEW CONSTRUCTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 COMMERCIAL APPLIANCE REPLACEMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 COMMERCIAL RETENTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ALL PROGRAMS	\$1,933	\$1,933	\$1,933	\$1,933	\$1,933	\$1,933	\$1,933	\$1,933	\$1,931	\$1,931	\$1,932	\$1,932	\$23,190

**ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2016 THROUGH DECEMBER 2016**

PROGRAM	CAPITAL INVESTMENT	PAYROLL	MATERIAL & SUPPLIES	ADVERTISING	INCENTIVES	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
1 RESIDENTIAL NEW CONSTRUCTION	\$0	\$2,747	\$0	\$113	\$0	\$160	\$0	\$0	\$3,020
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$0	\$2,747	\$0	\$113	\$12,601	\$159	\$0	\$0	\$15,620
3 RESIDENTIAL APPLIANCE RETENTION	\$0	\$2,747	\$0	\$113	\$1,530	\$160	\$0	\$0	\$4,550
4 COMMERCIAL NEW CONSTRUCTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5 COMMERCIAL APPLIANCE REPLACEMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 COMMERCIAL RETENTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROGRAM COSTS	\$0	\$8,242	\$0	\$339	\$14,131	\$479	\$0	\$0	\$23,191

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2015 THROUGH DECEMBER 2015

<u>PROGRAM</u>	<u>CAPITAL INVESTMENT</u>	<u>PAYROLL</u>	<u>MATERIAL & SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION									
A. ACTUAL	\$0	\$1,882	\$0	\$133	\$0	\$38	\$0	\$0	\$2,053
B. ESTIMATED	<u>\$0</u>	<u>\$1,350</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$150</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,500</u>
TOTAL	\$0	\$3,232	\$0	\$133	\$0	\$188	\$0	\$0	\$3,553
2 RESIDENTIAL APPLIANCE REPLACEMENT									
A. ACTUAL	\$0	\$1,882	\$0	\$133	\$10,925	\$37	\$0	\$0	\$12,977
B. ESTIMATED	<u>\$0</u>	<u>\$1,350</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,900</u>	<u>\$150</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,400</u>
TOTAL	\$0	\$3,232	\$0	\$133	\$14,825	\$187	\$0	\$0	\$18,377
3 RESIDENTIAL APPLIANCE RETENTION									
A. ACTUAL	\$0	\$1,882	\$0	\$133	\$1,150	\$38	\$0	\$0	\$3,203
B. ESTIMATED	<u>\$0</u>	<u>\$1,350</u>	<u>\$0</u>	<u>\$0</u>	<u>\$650</u>	<u>\$150</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,150</u>
TOTAL	\$0	\$3,232	\$0	\$133	\$1,800	\$188	\$0	\$0	\$5,353
4 COMMERCIAL NEW CONSTRUCTION									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$568	\$0	\$0	\$568
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$200</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$768	\$0	\$0	\$768
SUB-TOTAL	\$0	\$9,696	\$0	\$399	\$16,625	\$1,331	\$0	\$0	\$28,051

ESTIMATED CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2015 THROUGH DECEMBER 2015

<u>PROGRAM</u>	<u>CAPITAL INVESTMENT</u>	<u>PAYROLL</u>	<u>MATERIAL & SUPPLIES</u>	<u>ADVERTISING</u>	<u>INCENTIVES</u>	<u>OUTSIDE SERVICES</u>	<u>VEHICLE</u>	<u>OTHER</u>	<u>TOTAL</u>
SUB-TOTAL - PREVIOUS PAGE	\$0	\$9,696	\$0	\$399	\$16,625	\$1,331	\$0	\$0	\$28,051
5 COMMERCIAL APPLIANCE REPLACE									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$568	\$0	\$0	\$568
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$200</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$768	\$0	\$0	\$768
6 COMMERCIAL RETENTION									
A. ACTUAL	\$0	\$0	\$0	\$0	\$0	\$570	\$0	\$0	\$570
B. ESTIMATED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$200</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	\$770	\$0	\$0	\$770
PROGRAM COSTS	\$0	\$9,696	\$0	\$399	\$16,625	\$2,869	\$0	\$0	\$29,589

CONSERVATION PROGRAM COSTS BY PROGRAM
ACTUAL / ESTIMATED
JANUARY 2015 THROUGH DECEMBER 2015

<u>PROGRAM</u>	<u>JAN</u> <u>2015</u>	<u>FEB</u> <u>2015</u>	<u>MAR</u> <u>2015</u>	<u>APR</u> <u>2015</u>	<u>MAY</u> <u>2015</u>	<u>JUN</u> <u>2015</u>	<u>JUL</u> <u>2015</u>	<u>AUG</u> <u>2015</u>	<u>SEP</u> <u>2015</u>	<u>OCT</u> <u>2015</u>	<u>NOV</u> <u>2015</u>	<u>DEC</u> <u>2015</u>	<u>TOTAL</u>
1 RESIDENTIAL NEW CONSTRUCTION	\$270	\$400	\$266	\$270	\$307	\$270	\$270	\$300	\$300	\$300	\$300	\$300	\$3,553
2 RESIDENTIAL APPLIANCE REPLACEMENT	\$2,845	\$1,750	\$5,915	\$1,620	\$307	\$270	\$270	\$270	\$945	\$945	\$1,620	\$1,620	\$18,377
3 RESIDENTIAL CUSTOMER RETENTION	\$470	\$400	\$366	\$770	\$307	\$620	\$270	\$430	\$430	\$430	\$430	\$430	\$5,353
4 COMMERCIAL NEW CONSTRUCTION	\$79	\$0	\$31	\$421	\$37	\$0	\$0	\$0	\$50	\$50	\$50	\$50	\$768
5 COMMERCIAL APPLIANCE REPLACE	\$79	\$0	\$31	\$421	\$37	\$0	\$0	\$0	\$50	\$50	\$50	\$50	\$768
6 COMMERCIAL RETENTION	\$80	\$0	\$31	\$421	\$38	\$0	\$0	\$0	\$50	\$50	\$50	\$50	\$770
TOTAL ALL PROGRAMS	\$3,823	\$2,550	\$6,640	\$3,923	\$1,033	\$1,160	\$810	\$1,000	\$1,825	\$1,825	\$2,500	\$2,500	\$29,589

ENERGY CONSERVATION ADJUSTMENT
JANUARY 2015 THROUGH DECEMBER 2015

CONSERVATION REVENUES	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015	NOV 2015	DEC 2015	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER PROGRAM REV	0	0	0	0	0	0	0	0	0	0	0	0	0
1. ECCR REVENUE	(4,069)	(4,101)	(3,966)	(221)	(3,068)	(3,145)	(2,961)	(3,006)	(3,352)	(3,527)	(3,864)	(4,192)	(39,472)
2. CONSERV. ADJ. REV. (NET OF REV. TAXES)	0	0	0	0	0	0	0	0	0	0	0	0	0
3. TOTAL REVENUES	(4,069)	(4,101)	(3,966)	(221)	(3,068)	(3,145)	(2,961)	(3,006)	(3,352)	(3,527)	(3,864)	(4,192)	(39,472)
4. PRIOR PERIOD TRUE-UP NOT APPLIC. TO PERIOD	1,288	1,288	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	1,289	<u>15,466</u>
5. CONSERV. REVS. APPLIC. TO PERIOD	(2,781)	(2,813)	(2,677)	1,068	(1,779)	(1,856)	(1,672)	(1,717)	(2,063)	(2,238)	(2,575)	(2,903)	(24,006)
6. CONSERVATION EXPS. (FORM C-3, PAGE 3)	3,823	2,550	6,640	3,923	1,033	1,160	810	1,000	1,825	1,825	2,500	2,500	<u>29,589</u>
7. TRUE-UP THIS PERIOD	1,042	(263)	3,963	4,991	(746)	(696)	(862)	(717)	(238)	(413)	(75)	(403)	5,583
8. INTEREST THIS PERIOD (C-3, PAGE 5)	(1)	(1)	0	0	0	1	1	1	1	0	0	0	2
9. TRUE-UP & INT BEGIN OF MONTH	15,466	16,507	16,243	20,206	25,197	24,451	23,756	22,895	22,179	21,942	21,529	21,454	
10. PRIOR TRUE-UP COLLECT / (REFUND)	(1,288)	(1,288)	(1,289)	(1,289)	(1,289)	(1,289)	(1,289)	(1,289)	(1,289)	(1,289)	(1,289)	(1,289)	
11. END OF PERIOD TOTAL NET TRUE-UP	16,507	16,243	20,206	25,197	24,451	23,756	22,895	22,179	21,942	21,529	21,454	21,051	5,585

COMPANY:

Sebring Gas System, Inc.
Docket No. 150004-GU
ECCR 2016 PROJECTIONS
Exhibit JHM-1

CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2015 THROUGH DECEMBER 2015

<u>INTEREST PROVISION</u>	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015	NOV 2015	DEC 2015	<u>TOTAL</u>
BEGINNING TRUE-UP	15,466	16,507	16,243	20,206	25,197	24,451	23,756	22,895	22,179	21,942	21,529	21,454	
END. T-UP BEFORE INT. (C3,4)	16,508	16,244	20,206	25,197	24,451	23,755	22,894	22,178	21,941	21,529	21,454	21,051	
TOTAL BEG. & END. T-UP	31,974	32,751	36,449	45,403	49,648	48,206	46,650	45,073	44,120	43,472	42,983	42,505	
AVERAGE TRUE-UP	15,987	16,376	18,225	22,702	24,824	24,103	23,325	22,537	22,060	21,736	21,492	21,253	
INT. RATE-FIRST DAY OF REPORTING BUSINESS MTH.	0.10%	0.10%	0.09%	0.09%	0.06%	0.10%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	
INT. RATE-FIRST DAY OF SUBSEQUENT BUSINESS MTH.	0.10%	0.09%	0.09%	0.06%	0.10%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	
TOTAL	0.20%	0.19%	0.18%	0.15%	0.16%	0.18%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	
AVG INTEREST RATE	0.10%	0.10%	0.09%	0.08%	0.08%	0.09%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	
MONTHLY AVG. INT. RATE	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
INTEREST PROVISION	(1.00)	(1.00)	0.00	0.00	0.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	2.00

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Residential New Construction Program

Reporting Period

January 2015 through December 2015

Program Description

This program is designed to increase the overall penetration of natural gas in the single family and multi-family residential construction markets of Sebring Gas System, Inc. (the Company)'s service territory by expanding consumer energy options in new homes. Incentives are offered to any home builder or developer who installs the below listed energy efficient appliances.

Current Approved Allowances

- \$350 Gas Storage Tank Water Heating
- \$400 Gas High Efficiency Storage tank Water Heater
- \$550 Tankless Water Heating
- \$500 Gas Heating
- \$150 Gas Cooking
- \$100 Gas Clothes Drying

Program Activity and Projections

During the six-month reporting period January through June 2015, no new home allowances were paid. The Company projects no new home construction will qualify for allowances during the period July through December 2015.

Program Fiscal Expenditures

During the six-months reporting period, actual expenditures for this program totaled \$1,783. The Company projects that total expenditures will equal \$3,553 for the 2015 annual period.

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Residential Appliance Replacement Program

Reporting Period

January 2015 through December 2015

Program Description

This program is designed to encourage the replacement of inefficient non-natural gas residential appliances with energy efficient natural gas appliances. Incentives are offered for the replacement of non-gas appliances through the purchase of energy efficient natural gas appliances.

Current Approved Allowances

- \$500 Gas Storage Tank Water Heating
- \$550 Gas High Efficiency Storage tank Water Heater
- \$675 Tankless Water Heating
- \$725 Gas Heating
- \$200 Gas Cooking
- \$150 Gas Clothes Drying

Program Activity and Projections

During the six-month reporting period January through June 2015, nineteen (19) residential appliance replacement allowances were paid. The Company projects six (6) appliance replacement allowances will be paid during the period July through December 2015.

**Sebring Gas System, Inc.
Program Description and Progress**

Residential Appliance Replacement Program, continued from page 2 of 15

Program Fiscal Expenditures

During the six-months reporting period, actual expenditures for this program totaled \$12,708. The Company projects that total expenditures will equal \$18,377 for the 2015 annual period.

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Residential Appliance Retention Program

Reporting Period

January 2015 through December 2015

Program Description

This program is designed to encourage existing customers to continue to use natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our county's resources effectively, this program offers cash allowances to the customer.

Current Approved Allowances

\$350 Gas Storage Tank Water Heating
\$400 Gas High Efficiency Storage tank Water Heater
\$550 Tankless Water Heating
\$500 Gas Heating
\$100 Gas Cooking
\$100 Gas Clothes Drying

Program Activity and Projections

During the six-month reporting period January through June 2015, six (6) residential appliance retention allowances were paid. The Company projects two (2) residential appliance retention allowances will be paid during the period July through December 2014.

Program Fiscal Expenditures

During the six-months reporting period, actual expenditures for this program totaled \$3,203. The Company projects that total expenditures will equal \$5,353 for the 2016 annual period.

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Conservation Education Program

Reporting Period

January 2015 through December 2015

Program Description

The object of this program is to inform consumers about the Company's energy conservation programs and provide general information on energy efficiency measures that will reduce energy consumption and costs.

Program Activity and Projections:

The Company continues to communicate with several homebuilders, appliance retailers and contractors in its service area to provide information on its programs. The Company attends local builder association meetings, participating in their events. The Company continues to use a part-time outside contract sales group in an attempt to increase program participation. In 2009, the Company began participation in the Get Gas Florida consumer education program supported by the Florida Natural Gas Association. In the year 2010 the Company began a program of direct mailings to inform the public located within its service area of the benefit of using natural gas and the awareness of the programs offered by the Company.

Program Fiscal Expenditures:

During the year 2015, the Company booked the expenditures for the education program to the various incentive programs.

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Small Commercial Food Service

Reporting Period

January 2015 through December 2015

Program Description

This program is designed to encourage owners and operators of Small Commercial Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction:

Tank W/H	\$1,000
Tankless W/H	\$2,000
Range/Oven	\$1,000
Fryer	\$3,000

Retrofit:

Tank W/H	\$1,500
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000

Retention:

Tank W/H	\$1,000
Tankless W/H	\$2,000
Range/Oven	\$1,000
Fryer	\$3,000

Small Commercial Service Program, continued from page 6 of 15

Program Activity and Projections

The Small Commercial Food Service Program had no activity has occur in 2015.

Program Fiscal Expenditures

During the year 2015, the various commercial programs were combined into the following accounts, and anticipated the following expenditures for the year 2015:

Commercial New Construction	\$768
Commercial Appliance Replacement	\$768
Commercial Retention	\$768

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Non-Food Service

Reporting Period

January 2015 through December 2015

Program Description

This program is designed to encourage owners and operators of Large Commercial Non-Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction:

Tank W/H \$1,500

Tankless W/H \$2,000

Retrofit:

Tank W/H \$2,000

Tankless W/H \$2,500

Retention:

Tank W/H \$1,500

Tankless W/H \$2,000

Large Commercial Non-Food Service Program, continued from page 8 of 15

Program Activity and Projections

The Large Commercial Non-Food Service Program had no activity occur in 2015.

Program Fiscal Expenditures

During the year 2015, the various commercial programs were combined into the following accounts, and anticipated the following expenditures for the year 2015:

Commercial New Construction	\$768
Commercial Appliance Replacement	\$768
Commercial Retention	\$768

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Food Service

Reporting Period

January 2015 through December 2015

Program Description

This program is designed to encourage owners and operators of Large Commercial Food Service establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction:

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000

Retrofit:

Tank W/H	\$2,000
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000

Retention:

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000

Large Commercial Food Service Program, continued from page 10 of 15

Program Activity and Projections

The Large Commercial Food Service Program had no activity occur in 2015.

Program Fiscal Expenditures

During the year 2015, the various commercial programs were combined into the following accounts, and anticipated the following expenditures for the year 2015:

Commercial New Construction	\$768
Commercial Appliance Replacement	\$768
Commercial Retention	\$768

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Hospitality

Reporting Period

January 2015 through December 2015

Program Description

This program is designed to encourage owners and operators of Large Commercial Hospitality establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction:

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

Retrofit:

Tank W/H	\$2,000
Tankless W/H	\$2,500
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

Large Commercial Hospitality Program, continued from page 12 of 15

Retention:

Tank W/H	\$1,500
Tankless W/H	\$2,000
Range/Oven	\$1,500
Fryer	\$3,000
Dryer	\$1,500

Program Activity and Projections

The Large Commercial Hospitality Program had no activity occur in 2015.

Program Fiscal Expenditures

During the year 2015, the various commercial programs were combined into the following accounts, and anticipated the following expenditures for the year 2015:

Commercial New Construction	\$768
Commercial Appliance Replacement	\$768
Commercial Retention	\$768

**Sebring Gas System, Inc.
Program Description and Progress**

Program Title

Large Commercial Cleaning Service

Reporting Period

January 2015 through December 2015

Program Description

This program is designed to encourage owners and operators of Large Commercial Hospitality establishments to purchase energy efficient natural gas appliances through the offering of commercial appliance rebates.

Current Approved Allowances

New Construction:

Tank W/H	\$1,500
Tankless W/H	\$2,000
Dryer	\$1,500

Retrofit:

Tank W/H	\$2,000
Tankless W/H	\$2,500
Range/Oven	\$1,500

Retention:

Tank W/H	\$1,500
Tankless W/H	\$2,000
Dryer	\$1,500

Large Commercial Cleaning Service Program, continued from page 14 of 15

Program Activity and Projections

The Large Commercial Cleaning Program had no activity occur in 2015.

Program Fiscal Expenditures

During the year 2015, the various commercial programs were combined into the following accounts, and anticipated the following expenditures for the year 2015:

Commercial New Construction	\$768
Commercial Appliance Replacement	\$768
Commercial Retention	\$768