


MESSER CAPARELLO
Attorneys At Law
Strategically Positioned in Florida's Capital

June 7, 2018

Via E-PORTAL

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

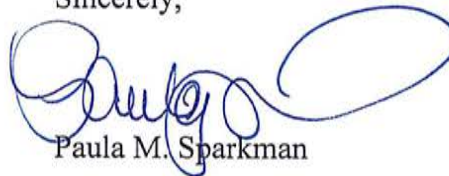
Re: Docket 20180004

Dear Mr. Shafer:

Enclosed for filing on behalf of Sebring Gas System Inc., its Revised Petition for Approval of Sebring Gas System's Conservation Cost Recovery True-up and Testimony of Jerry H. Melendy.

Should you have any questions, please may contact me.

Sincerely,


Paula M. Sparkman

PMS/lis

cc: Jerry Melendy, Jr.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 180004-GU
Filed: May 21, 2018

REVISED
PETITION FOR APPROVAL OF SEBRING GAS SYSTEM, INC.'S
CONSERVATION COST RECOVERY TRUE-UP AMOUNT

Sebring Gas System, Inc. (“the Company”), through undersigned counsel and pursuant to the requirements of this docket, hereby petitions the Commission to approve its conservation cost recovery true-up amount for its natural gas division for the period of January 2017 through December 2017. In support hereof, the Company states:

1) The Company is a natural gas utility company within the jurisdiction of this Commission. Its principal business address is:

3515 U.S. Highway 27 South
Sebring, FL 33870

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

Paula M. Sparkman
Messer Caparello, P. A.
2618 Centennial Place
P.O. Box 15579
Tallahassee, FL 32317
Email: psparkman@lawfla.com

Jerry H. Melendy
Sebring Gas System, Inc.
3515 U.S. Highway 27 South
Sebring, FL 33870
Email: jmelendy@floridabestgas.com

3) Pursuant to the requirements of this Docket, the Company has prefiled testimony and the conservation cost recovery true-up forms (Composite Exhibit JHM-1) supplied by the Commission Staff in a manner consistent with the Commission Staff's instructions.

4) As indicated in the prefiled testimony and true-up forms included with this filing,

the Company under recovered \$3,264 for January 2017 through December 2017.

5) The Company filed a Petition for Approval of Conservation Cost Recovery True-up Amount together with testimony and supporting exhibits on April 27, 2018 which contained inadvertent numerical errors which were discovered recently by the Company. Based on such discovery, the Company is filing this *Revised* Petition for Approval of Conservation Cost Recovery True-up Amount together with Revised Testimony and Supporting Exhibits to provide corrected information.

WHEREFORE, the Company respectfully requests that this Commission enter its order approving the Company's true-up amount for its natural gas division for the period January 2017 through December 2017.

DATED this 25th day of June 2018.

Respectfully submitted,

MESSER CAPARELLO, PA

Post Office Box 15579

Tallahassee, FL 32317

psparkman@lawfla.com

(850) 222-0720



PAULA M. SPARKMAN, ESQ.

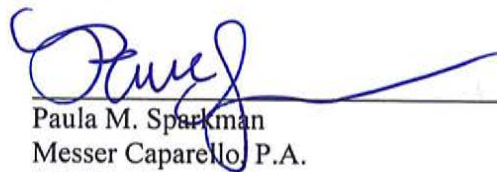
Attorneys for Sebring Gas System, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Sebring Gas System's Petition for Approval of Sebring Gas Systems, Inc.'s REVISED Conservation Cost Recovery True-Up Amount together with Testimony and Exhibits have been served by Electronic Mail to the following parties of record this 8 day of June, 2018.

Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantown Mike Cassel 1750 SW 14 th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com	MacFarlane Law Firm Ansley Watson, Jr./Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com ab@macfar.com
Gunster Law Firm Mr. Gregory M. Munson Ms. Beth Keating 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 gmunson@gunster.com , bkeating@gunster.com	Office of Public Counsel J. R. Kelly/Charles Rehwinkel c/o The Florida Legislature 111 West Madison Street, Rm 812 Tallahassee, FL 32399-1400 kelly.jr@leg.state.fl.us Rehwinkel.charles@leg.state.fl.us
Peoples Gas System Paula Brown/Kandi M. Floyd Regulatory Affairs P. O. Box 111 Tampa FL 33601 (813) 228-1444 +1-813-2281770 regdept@tecoenergy.com	Kelley Corbari/Leslie Ames Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 kcorbari@psc.state.fl.us lames@psc.state.fl.us
Southern Company Gas Blake O'Farrow/Elizabeth Wade Ten Peachtree Place, Location 1470 Atlanta GA 30309 (404) 584-3694 bofarrow@southernco.com ewade@southernco.com	Florida City Gas Carolyn Bermudez 933 East 25 th Street Hialiah, FL 33013-3498 cbermude@southernco.com
Jerry H. Melendy, Jr. Sebring Gas System, Inc. 3515 U.S. Highway 27 South Sebring, FL 33870-5452 jmelendy@floridasbestgas.com	Florida Division of Chesapeake Utilities Corporation Mr. Mike Cassel 1750 S.W. 14th Street, Suite 200 Fernandina Beach FL 32034 (904) 491-4361 mcassel@fpuc.com

<p>St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf P. O. Box 549 Port St. Joe FL 32457 (850) 229-8216 +1-850-2298392 andy@stjoegas.com</p>	
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Paula M. Sparkman
Messer Caparelo P.A.
2618 Centennial Place
Tallahassee, FL 32308
850-222-0720

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET 180004-GU

REVISED DIRECT TESTIMONY OF

JERRY H. MELENDY

ON BEHALF OF SEBRING GAS SYSTEM, INC.

May 21, 2018

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.,
3 3515 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 2017 through December 2017. 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 2017 through December 2017 are included in
19 Schedule CT-6 of Exhibit JHM-1. Included are the Residential New Construction

1 Program, the Residential Appliance Replacement Program, the Residential Appliance
2 Retention Program, Commercial New, Commercial Retrofit, Commercial Retention
3 and the Conservation Education Program.

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

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

11 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY TO**
12 **ADMINISTER ITS SIX CONSERVATION PROGRAMS FOR THE TWELVE**
13 **MONTH PERIOD ENDING DECEMBER 2017?**

14 **A.** As indicated on Schedule CT-2, page 2, of Exhibit JHM-1, the Company's total 2017
15 programs costs were \$42,239.

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 2017?**

22 **A.** The final true-up amount as shown on Revised Schedule CT-1, of Exhibit JHM-1 is
23 an under recovery of \$3,246.

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

25 **A.** Yes.

ADJUSTED NET TRUE-UP
FOR MONTHS: JANUARY 2017 THROUGH DECEMBER 2017

END OF PERIOD TRUE-UP

PRINCIPLE	\$13,246	
INTEREST	<u>\$125</u>	\$13,371

LESS PROJECTED TRUE-UP

PRINCIPLE	\$5,730	
INTEREST	<u>\$66</u>	<u>\$5,796</u>

ADJUSTED NET TRUE-UP

\$7,575

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

JANUARY 2017 THROUGH DECEMBER 2017

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	\$0	\$0	\$0
PAYROLL & BENEFITS	\$11,121	\$8,333 C-3, 1	\$2,788
MATERIALS & SUPPLIES	\$0	\$0	\$0
ADVERTISING	\$61	\$0 C-3, 1	\$61
INCENTIVES	\$24,025	\$25,150 C-3, 1	(\$1,125)
OUTSIDE SERVICES	\$7,032	\$924 C-3, 1	\$6,108
VEHICLES	\$0	\$0 C-3, 1	\$0
OTHER	<u>\$0</u>	<u>\$0</u> C-3, 1	<u>\$0</u>
SUB TOTAL	\$42,239	\$34,407 C-3, 1	\$7,832
PROGRAM REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL PROGRAM COSTS	\$42,239	\$34,407 C-3, 1	\$7,832
LESS: PRIOR PERIOD TRUE-UP	\$19,761	\$19,761 C-3, 5 (JAN)	\$0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	CT-3.2 Line 6 (\$28,996)	(\$28,677) C-3,4 line 5	(\$319)
ROUNDING ADJUSTMENTS	<u>\$3</u>	<u>\$0</u>	\$3
TRUE-UP BEFORE INTEREST	CT-3.2 Line 8 \$13,246	\$5,730	\$7,516
INTEREST PROVISION	\$125	\$66 C-3,4(B)	\$59
END OF PERIOD TRUE-UP () REFLECTS OVER-RECOVERY	<u>\$13,371</u>	<u>\$5,796</u>	<u>\$7,575</u>

Actual Conservation Program Costs per Program
For Months: January 2017 through December 2017

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	\$2,317	\$0	\$0	\$2,550	\$1,172	\$0	\$0	\$6,039
Program 2: Res. Appliance Replace	\$0	\$2,317	\$0	\$61	\$19,075	\$1,172	\$0	\$0	\$22,625
Program 3: Customer Retention	\$0	\$2,317	\$0	\$0	\$2,400	\$1,172	\$0	\$0	\$5,889
Program 4: Comm. New Home Const.	\$0	\$1,390	\$0	\$0	\$0	\$1,172	\$0	\$0	\$2,562
Program 5: Comm. Appli. Replace	\$0	\$1,390	\$0	\$0	\$0	\$1,172	\$0	\$0	\$2,562
Program 6: Comm.Cust. Retention	\$0	\$1,390	\$0	\$0	\$0	\$1,172	\$0	\$0	\$2,562
TOTAL	\$0	\$11,121	\$0	\$61	\$24,025	\$7,032	\$0	\$0	\$42,239

Conservation Costs per Program - Variance Actual Versus Projected
 For Months: January 2017 through December 2017

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	\$2	\$0	\$0	(\$550)	\$941	\$0	\$0	\$393
Program 2 Res. Appliance Replace	\$0	\$2	\$0	\$61	(\$725)	\$941	\$0	\$0	\$279
Program 3 Customer Retention	\$0	\$2	\$0	\$0	\$150	\$941	\$0	\$0	\$1,093
Program 4 Comm. New Home Const.	\$0	\$2	\$0	\$0	\$0	\$941	\$0	\$0	\$943
Program 5 Comm. Appli. Replace	\$0	\$2	\$0	\$0	(\$1,000)	\$922	\$0	\$0	(\$76)
Program 6 Comm.Cust. Retention	\$0	\$2	\$0	\$0	(\$1,000)	\$922	\$0	\$0	(\$76)
TOTAL	\$0	\$12	\$0	\$61	(\$3,125)	\$5,608	\$0	\$0	\$2,556

Energy conservation Adjustment Calculation of True-Up and Interest Provision
 Summary of Expenses By program By Month
 For Months: January 2017 through December 2017

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.	\$310	\$309	\$309	\$1,604	\$238	\$726	\$329	\$153	\$595	\$732	\$152	\$583	\$6,040
Program 2 Res. Appliance Replace	\$5,910	\$309	\$3,234	\$2,379	\$238	\$1,726	\$329	\$153	\$595	\$1,057	\$1,388	\$5,308	\$22,626
Program 3 Customer Retention	\$960	\$309	\$509	\$154	\$238	\$576	\$329	\$153	\$1,145	\$182	\$152	\$1,183	\$5,890
Program 4 Comm. New	\$0	\$0	\$0	\$154	\$238	\$176	\$329	\$153	\$595	\$182	\$152	\$583	\$2,562
Program 5 Comm Replacement	\$0	\$0	\$0	\$154	\$238	\$176	\$329	\$153	\$595	\$182	\$152	\$583	\$2,562
Program 6 Comm Retention	\$0	\$0	\$0	\$154	\$238	\$176	\$329	\$153	\$595	\$182	\$152	\$583	\$2,562
TOTAL	\$7,180	\$927	\$4,052	\$4,599	\$1,428	\$3,556	\$1,974	\$918	\$4,120	\$2,517	\$2,148	\$8,823	\$42,242

Energy conservation Adjustment Calculation of True-Up and Interest Provision

For Months: January 2017 through December 2017

Conservation Revenues	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1 RCS AUDIT FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 PSC REG ASSESS FEE	(\$23)	(\$21)	(\$23)	(\$19)	(\$19)	(\$17)	(\$17)	(\$18)	(\$22)	(\$19)	(\$20)	(\$21)	(\$239)
3 CONSERV. ADJ. REVS	<u>(\$4,690)</u>	<u>(\$4,213)</u>	<u>(\$4,567)</u>	<u>(\$3,760)</u>	<u>(\$3,879)</u>	<u>(\$3,482)</u>	<u>(\$3,338)</u>	<u>(\$3,612)</u>	<u>(\$4,390)</u>	<u>(\$3,890)</u>	<u>(\$4,076)</u>	<u>(\$4,159)</u>	<u>(\$48,056)</u>
4 TOTAL REVENUES	<u>(\$4,713)</u>	<u>(\$4,234)</u>	<u>(\$4,590)</u>	<u>(\$3,779)</u>	<u>(\$3,898)</u>	<u>(\$3,499)</u>	<u>(\$3,355)</u>	<u>(\$3,630)</u>	<u>(\$4,412)</u>	<u>(\$3,909)</u>	<u>(\$4,096)</u>	<u>(\$4,180)</u>	<u>(\$48,295)</u>
5 PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	<u>\$1,608</u>	<u>\$1,608</u>	<u>\$1,608</u>	<u>\$1,609</u>	<u>\$1,608</u>	<u>\$1,608</u>	<u>\$1,608</u>	<u>\$1,609</u>	<u>\$1,608</u>	<u>\$1,608</u>	<u>\$1,608</u>	<u>\$1,609</u>	<u>\$19,299</u>
6 CONSERVATION REVS APPLICABLE TO THIS PERIOD	<u>(\$3,105)</u>	<u>(\$2,626)</u>	<u>(\$2,982)</u>	<u>(\$2,170)</u>	<u>(\$2,290)</u>	<u>(\$1,891)</u>	<u>(\$1,747)</u>	<u>(\$2,021)</u>	<u>(\$2,804)</u>	<u>(\$2,301)</u>	<u>(\$2,488)</u>	<u>(\$2,571)</u>	<u>(\$28,996)</u>
7 CONSERVATION EXPS (FROM CT-3, PAGE 1)	\$7,180	\$927	\$4,052	\$4,599	\$1,428	\$3,556	\$1,974	\$918	\$4,120	\$2,517	\$2,148	\$8,823	\$42,242
8 TRUE-UP THIS PERIOD	\$4,075	(\$1,699)	\$1,070	\$2,429	(\$862)	\$1,665	\$227	(\$1,103)	\$1,316	\$216	(\$340)	\$6,252	<u>\$13,246</u>
9 INT. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	\$13	\$12	\$13	\$13	\$10	\$10	\$12	\$10	\$7	\$7	\$7	\$11	\$125
10 TRUE-UP & INT. PROV. BEGINNING OF MONTH.	\$19,761	\$22,241	\$18,946	\$12,703	\$13,542	\$14,054	\$14,121	\$12,752	\$10,050	\$9,765	\$8,381	\$6,440	
11 PRIOR TRUE-UP (COLLECTED) REFUNDED	<u>(\$1,608)</u>	<u>(\$1,608)</u>	<u>(\$1,608)</u>	<u>(\$1,609)</u>	<u>(\$1,608)</u>	<u>(\$1,608)</u>	<u>(\$1,608)</u>	<u>(\$1,609)</u>	<u>(\$1,608)</u>	<u>(\$1,608)</u>	<u>(\$1,608)</u>	<u>(\$1,609)</u>	
TOTAL NET TRUE-UP													
12 (SUM LINES 8+9+10+11)	22,241	18,946	12,703	13,542	14,054	14,121	12,752	10,050	9,765	8,381	6,440	11,094	11,094

Calculation of True-Up and Interest Provision
For Months: January 2017 through December 2017

Interest Provision	<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>
1 BEGINNING TRUE-UP	\$19,761	\$22,228	\$18,934	\$18,408	\$13,523	\$11,072	\$14,111	\$12,740	\$10,040	\$9,758	\$8,373	\$6,433	
CT-1 Prior Period													
ENDING TRUE-UP BEFORE													
2 INTEREST	\$22,228	\$18,934	\$18,408	\$13,523	\$11,072	\$14,111	\$12,740	\$10,040	\$9,758	\$8,373	\$6,433	\$11,083	
TOTAL BEGINNING &													
3 ENDING TRUE-UP	\$41,989	\$41,162	\$37,342	\$31,931	\$24,595	\$25,183	\$26,851	\$22,780	\$19,799	\$18,132	\$14,806	\$17,516	
AVERAGE TRUE-UP													
4 (LINE 3 x 50%)	<u>\$20,995</u>	<u>\$20,581</u>	<u>\$18,671</u>	<u>\$15,965</u>	<u>\$12,298</u>	<u>\$12,592</u>	<u>\$13,426</u>	<u>\$11,390</u>	<u>\$9,899</u>	<u>\$9,066</u>	<u>\$7,403</u>	<u>\$8,758</u>	
INT. RATE - 1ST DAY													
5 OF REPORTING MONTH	0.72%	0.74%	0.64%	0.94%	0.86%	0.95%	1.08%	1.12%	1.06%	0.73%	1.14%	1.25%	
INT. RATE - 1ST DAY													
6 OF SUBSEQUENT MONTH	<u>0.74%</u>	<u>0.64%</u>	<u>0.94%</u>	<u>0.86%</u>	<u>0.95%</u>	<u>1.08%</u>	<u>1.12%</u>	<u>1.06%</u>	<u>0.73%</u>	<u>1.14%</u>	<u>1.25%</u>	<u>1.58%</u>	
7 TOTAL (LINES 5 + 6)	1.46%	1.38%	1.58%	1.80%	1.81%	2.03%	2.20%	2.18%	1.79%	1.87%	2.39%	2.83%	
AVG. INT. RATE													
8 (LINE 7 x 50%)	0.73%	0.69%	0.79%	0.90%	0.91%	1.02%	1.10%	1.09%	0.90%	0.94%	1.20%	1.42%	
MONTHLY AVG.													
9 INT. RATE	0.06%	0.06%	0.07%	0.08%	0.08%	0.08%	0.09%	0.09%	0.07%	0.08%	0.10%	0.12%	
10 INTEREST PROVISION													
(LINE 4 x LINE 9)	<u>\$13</u>	<u>\$12</u>	<u>\$13</u>	<u>\$13</u>	<u>\$10</u>	<u>\$10</u>	<u>\$12</u>	<u>\$10</u>	<u>\$7</u>	<u>\$7</u>	<u>\$7</u>	<u>\$11</u>	<u>\$125</u>

SEBRING GAS SYSTEM, INC.

Reconciliation and Explanation of differences between Filing and
PSC Audit Report for January 2017 through December 2017.

NO DIFFERENCES ARE KNOWN AS OF THE DATE OF THIS FILING

SEBRING GAS SYSTEM, INC.
Program Description and Progress

Program Title:

Residential New Construction

Program Description:

The Residential New Construction Program is designed to increase the overall penetration of natural gas in the single family and multi-family construction residential markets of the Company's service territory by expanding consumer energy options in new homes.

For the period January 1, 2017 through December 31, 2017, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 7, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential New Construction Cash Allowances:

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

Program Accomplishments:

For the twelve month period January 2017 through December 2017, the amount of incentives paid by the Company was:
\$2,550.00

Program Fiscal Expenditures:

During 2017 expenditures for the Residential New Construction Program totaled
\$6,039.00

SEBRING GAS SYSTEM, INC.
Program Description and Progress

Program Title:

Residential Appliance Replacement Program

Program Description:

The Residential Appliance Replacement 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-natural gas water heating, heating, cooking or clothes drying appliances through the purchase and/or lease of energy efficient natural gas appliances.

For the period January 1, 2017 through December 31, 2017, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 7, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential Appliance Replacement Cash Allowances:

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

Program Accomplishments:

For the twelve month period January 2017 through December 2017, the amount of incentives paid by the Company under the Residential Appliance Replacement Program was:

\$19,075.00

Program Fiscal Expenditures:

During 2017 expenditures for the Resident Appliance Replacement Program totaled
\$22,625.00

SEBRING GAS SYSTEM, INC.
Program Description and Progress

Program Title:

Residential Customer Retention Program

Program Description:

The Company offers the Residential Appliance Retention Program to existing customers to promote the retention of energy efficient appliances and encourage the continued use of natural gas in the home. As an incentive to continue to provide substantial benefits to the customer and utilize our resources effectively this program offers cash allowances to the customer.

For the period January 1, 2017 through December 31, 2017, the Company operated under the terms of Order No. PSC-10-0551-PAA-EG, issued on September 7, 2010.

Order No. PSC-10-0551-PAA-EG prescribed the following Residential Appliance Replacement Cash Allowances:

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

Program Accomplishments:

For the twelve month period January 2017 through December 2017, the amount of incentives paid by the Company under the Residential Appliance Retention Program was:

\$2,400.00

Program Fiscal Expenditures:

During 2017 expenditures for the Resident Appliance Retention Program totaled
\$5,889

SEBRING GAS SYSTEM, INC.
Program Description and Progress

Program Title:

Commercial New Construction

Program Description:

The Commercial New Construction Conservation Program's purpose is to educate, inform and encourage its commercial customers to build with natural gas. The program is designed to allow Sebring Gas System to provide incentives to new construction 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 2017 through December 2017, the amount of incentives paid by the Company under the Commercial New Construction Program was:

\$0.00

Program Fiscal Expenditures:

During 2017 expenditures for the Commercial New Construction Program totaled \$2,562

SEBRING GAS SYSTEM, INC.

Program Description and Progress

Program Title:

Commercial Retrofit

Program Description:

The Commercial Retrofit Conservation Program's purpose is to educate, inform and encourage its commercial customers to use natural gas. The program is designed to allow Sebring Gas System 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 2017 through December 2017, the amount of incentives paid by the Company under the Commercial Retrofit Program was:

\$0.00

Program Fiscal Expenditures:

During 2017 expenditures for the Commercial Retrofit Program totaled \$2,562

SEBRING GAS SYSTEM, INC.
Program Description and Progress

Program Title:

Commercial Retention

Program Description:

The Commercial Retention Conservation Program's purpose is to educate, inform and encourage its commercial customers to build with natural gas. The program is designed to allow Sebring Gas System to provide incentives to commercial customers to be used toward the and installation of natural gas appliances for their commercial business.

The Natura 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 2017 through December 2017, the amount of incentives paid by the Company under the Commercial Retention Program was:

\$0.00

Program Fiscal Expenditures:

During 2017 expenditures for the Commercial Retention Program totaled \$2,562