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Public Service Commission

July 30, 2019

Beth Keating
Gunster Law Firm
215 South Monroe St., Ste. 601
Tallahassee, FL 32301
bkeating@gunster.com

STAFF'S FOURTH DATA REQUEST
via e-mail

RE: Docket No. 20190083-GU – Application for rate increase in Highlands, Hardee, and Desoto Counties, by Sebring Gas System, Inc.

Dear Ms. Keating:

By this letter, the Commission staff requests that Sebring Gas System, Inc. (Sebring or Utility) provide responses to the following data requests:

Please refer to witness Russell Melendy's Direct Testimony, pages 2 – 9 and MFR Schedule G-2, pages 6 and 8, for the following questions.

1. Has the witness Russell Melendy reviewed the methodologies for developing the forecasts of the number of customers billed that are used by other gas utilities?
 - a. If the response to the above question is affirmative, please summarize the similarity and difference between the methodologies used by Sebring and the methodologies used by the other utilities. Please also comment on the advantages of Sebring's method.
 - b. If the response to the above question is negative, please explain why not.
2. Has the witness Russell Melendy reviewed the methodologies for developing the forecasts of the therm usage that are used by other gas utilities?
 - a. If the response to the above question is affirmative, please summarize the similarity and difference between the methodologies used by Sebring and the methodologies used by the other utilities. Please also comment on the advantages of Sebring's method.

- b. If the response to the above question is negative, please explain why not.
3. Please elaborate on the appropriateness of Sebring's forecasts of the number of customers billed for utilization in the instant rate case.
4. Please elaborate on the appropriateness of Sebring's forecasts of the therm usage for utilization in the instant rate case.
5. Does Sebring perform annual forecasting of the number of customers billed? If your response is affirmative, please provide responses to the following:
 - a. Please identify the year(s) in which the forecasting was performed.
 - b. Please specify the forecasting method(s) used in prior years if the method is different from the one used in the instant rate case.
 - c. Please discuss the accuracy of the forecasts produced in prior years.
6. Please refer to witness Russell Melendy's Direct Testimony, page 6, lines 4 – 9, and page 8, line 20, through page 9, line 10, for the questions below.
 - a. What are the drivers of the therm usages for Sebring's customers?
 - b. Is it correct that in its process of determining the therm usage in HB_Y+1 and the PT_Y, the Company assumed the average usage per customer, by month, for each rate class, is the same in HB_Y, HB_Y+1 and PT_Y for the corresponding month and rate class?
 - c. If your response to Question 6.b. is affirmative, please explain in detail why such assumption is appropriate.
 - d. If your response to Question 6.b. is negative, please explain how the "average usage per customer" in the HB_Y+1, and PT_Y was computed, respectively, based on the usage data of the HB_Y; and please provide a worksheet, in Microsoft Excel format (electronically) with formulas intact, to support your response.
7. Please provide the number of customers billed, each month by Rate Classification, for HB_Y, HB_Y+1, and PT_Y, in Microsoft Excel format (electronically) with formulas intact.
8. Please provide the therm usage, each month by Rate Classification, for HB_Y, HB_Y+1, and PT_Y, in Microsoft Excel format (electronically) with formulas intact.

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9. Please refer to Minimum Filing Requirements (MFR) Schedule C-17, Page 1 of 1, (*Monthly Depreciation Expense For The Historic Base Year – 12 Months*) and Sebring's 2018 Annual Depreciation Status Report. Please explain why the annual depreciation accruals shown on both documents are not equal for accounts 376.1 (Mains – Plastic), 379, 380.0 (Services – Steel), 392 (Transportation Equip – Light Trucks), and 397.
10. Please refer to MFR Schedule G-1, Page 24 of 28 (*Monthly Plant Additions*) for the following questions.
 - a. Has Sebring booked any actual plant additions from January 2019 to date?
 - b. If the response to (a.) is affirmative, please provide the plant addition amounts by account.
11. Please refer to MFR Schedule G-1, Page 25 of 28 (*Monthly Plant Retirements*) for the following questions.
 - a. Has Sebring booked any actual plant retirements from January 2019 to date?
 - b. If the response to (a.) is affirmative, please provide the retirement amounts and associated account.
12. Please refer to MFR Schedule G-1, Page 28 of 28 (*Monthly Plant Retirements*). Please discuss why the Company anticipates zero retirements during the projected test year of 2020, and how it formulated its forecast of zero retirements.
13. Please refer to MFR Schedule G-2, page 23 of 31 (*Calculation of the Projected Test Year – Depreciation & Amortization Expense*). Please confirm that the \$4,800 total annual amortization expense shown on line 21 is associated with Account 301 – Organizational Costs.

Please file all responses electronically no later than Monday, August 19, 2019, through the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6076 if you have any questions.

Sincerely,

/s/ Rachael A. Dziechciarz

Rachael A. Dziechciarz
Senior Attorney

RAD/csc

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cc: Office of Commission Clerk
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