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May 1, 2017

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


RE: Docket No. 17004-GU – Natural Gas Conservation Cost Recovery

Dear Ms. Stauffer:

Attached for filing, please find the Direct Testimony and Exhibit JM-1 of Mr. Jerry Melendy, submitted in the above referenced Docket on behalf of Sebring Gas System, Inc., along with the Company's Petition for Approval of Conservation Cost Recovery True-up Amount

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,


Paula M. Sparkman
Messer Caparello, P.A.
2618 Centennial Place
Tallahassee, FL 32308
850-222-0720

PMS/kc

cc: Parties of Record

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 170004-GU
Filed: May 1, 2017

**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 January 2016 through December 2016. 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

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, the Company under recovered \$8,491 for January 2016 through December 2016.

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 2016 through December 2016.

DATED this 1st day of May, 2017.

Respectfully submitted,

MESSER CAPARELLO, P. A.
Post Office Box 15579
Tallahassee, FL 32317
psparkman@lawfla.com
(850) 222-0720

 FBW91523

PAULA M. SPARKMAN

Attorneys for Sebring Gas System, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition for Approval of Sebring Gas System, Inc.'s Conservation Cost Recovery True-up Amount, has been served by Electronic Mail or Hand Delivery to the following parties of record this 1st day of May, 2017

<p>Florida Public Utilities Company/Florida Division of Chesapeake Utilities/Indiantown Mike Cassel 1750 SW 14th Street, Suite 200 Fernandina Beach, FL 32034 mcassel@fpuc.com</p>	<p>MacFarlane Law Firm Ansley Watson, Jr. Andrew Brown P.O. Box 1531 Tampa, FL 33601-1531 aw@macfar.com, ab@macfar.com</p>
<p>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</p>	<p>Office of Public Counsel J. Kelly/C. 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</p>
<p>Peoples Gas System Paula Brown Kandi M. Floyd Regulatory Affairs P.O. Box 111 Tampa, FL 33601-0111 regdept@tecoenergy.com</p>	<p>St. Joe Natural Gas Company, Inc. Mr. Andy Shoaf P.O. Box 549 Port St. Joe, FL 32457-0549 andy@stjoegas.com</p>
<p>Southern Company Gas Blake O'Farrow/Elizabeth Wade Ten Peachtree Place, Location 1470 Atlanta, GA 30309 bofarrow@southernco.com, ewade@southernco.com</p>	<p>Florida City Gas Carolyn Bermudez 933 East 25th Street Hialiah, FL 33013-3498 cbermude@aglresources.com</p>
<p>Kelley Corbari/Stephanie Cuello Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 kcorbari@psc.state.fl.us</p>	<p>Jerry H. Melendy, Jr. Sebring Gas System, Inc. 3515 U.S. Highway 27 South Sebring, FL 33870-5452 jmelendy@floridasbestgas.com</p>

Paula M. Sparkman
Messer Caparello, P.A.
2618 Centennial Place
Tallahassee, FL 32308
850-222-0720

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET 170004-GU

DIRECT TESTIMONY OF

JERRY H. MELENDY

ON BEHALF OF SEBRING GAS SYSTEM, INC.

May 1, 2017

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

2 A. My name is Jerry H. Melendy. My business address is Sebring Gas System,
3 Inc., 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**
7 **ENERGY 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
11 actual activities and expenses for the Company's energy conservation
12 programs incurred during the period January 2016 through December 2016. I
13 will also identify the final conservation true-up amount for the above
14 referenced period.

1 **Q. HAVE YOU PREPARED A SUMMARY OF THE COMPANY'S**
2 **CONSERVATION PROGRAMS AND THE COSTS ASSOCIATED**
3 **WITH THESE PROGRAMS?**

4 A. Yes. Summaries of the Company's six approved programs for which costs
5 were incurred during the period January 2016 through December 2016 are
6 included in Schedule CT-6 of Exhibit JHM-1. Included are the Residential
7 New Construction Program, the Residential Appliance Replacement Program,
8 the Residential Appliance Retention Program, Commercial New, Commercial
9 Retrofit, Commercial Retention and the Conservation Education Program.

10 **Q. HAVE YOU PREPARED SCHEDULES WHICH SHOW THE**
11 **EXPENDITURES ASSOCIATED WITH THE COMPANY'S ENERGY**
12 **CONSERVATION PROGRAMS FOR THE APPLICABLE PERIOD?**

13 A. Yes. Exhibit JHM-1 includes schedules CT-1, CT-2 and CT-3 detail the
14 Company's actual conservation related expenditures for the period, along with
15 a comparison of the actual program costs and true-up to the projected costs
16 and true-up for the period.

17 **Q. WHAT WAS THE TOTAL COST INCURRED BY THE COMPANY**
18 **TO ADMINISTER ITS SIX CONSERVATION PROGRAMS FOR THE**
19 **TWELVE MONTH PERIOD ENDING DECEMBER 2016?**

20 A. As indicated on Schedule CT-2, page 2, of Exhibit JHM-1, the Company's
21 total 2016 programs costs were \$36,801.

1 Q. HAVE YOU PREPARED A SCHEDULE WHICH SHOWS THE
2 VARIANCE OF ACTUAL FROM PROJECTED COSTS BY
3 CATEGORIES OF EXPENSES?

4 A. Yes. Schedule CT-2, page 3, of Exhibit JHM-1, displays these variances.

5 Q. WHAT IS THE COMPANY'S FINAL TRUE-UP FOR THE TWELVE
6 MONTHS ENDING DECEMBER 2016?

7 A. The final true-up amount as shown on Schedule CT-1, of Exhibit JHM-1 is an
8 under recovery of \$8,491.

9 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

10 A. Yes.

11
12
13
14

ADJUSTED NET TRUE-UP
FOR MONTHS: JANUARY 2016 THROUGH DECEMBER 2016

END OF PERIOD TRUE-UP

PRINCIPLE	\$19,698		
INTEREST	<u>\$63</u>		\$19,761

LESS PROJECTED TRUE-UP

PRINCIPLE	\$11,204		
INTEREST	<u>\$66</u>		<u>\$11,270</u>

ADJUSTED NET TRUE-UP			\$8,491
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ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED

JANUARY 2016 THROUGH DECEMBER 2016

	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	\$0	\$0	\$0
PAYROLL & BENEFITS	\$10,962	\$8,721 C-3, 1	\$2,241
MATERIALS & SUPPLIES	\$0	\$0	\$0
ADVERTISING	\$0	\$1,200 C-3, 1	(\$1,200)
INCENTIVES	\$21,342	\$16,150 C-3, 1	\$5,192
OUTSIDE SERVICES	\$4,497	\$2,801 C-3, 1	\$1,696
VEHICLES	\$0	\$0 C-3, 1	\$0
OTHER	<u>\$0</u>	<u>\$0</u> C-3, 1	<u>\$0</u>
SUB TOTAL	\$36,801	\$28,872 C-3, 1	\$7,929
PROGRAM REVENUES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL PROGRAM COSTS	\$36,801	\$28,872 C-3, 1	\$7,929
LESS: PRIOR PERIOD TRUE-UP	\$8,632	\$8,632 C-3, 5 (JAN)	\$0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	CT-3.2 Line 6 (\$17,106)	(\$17,668) C-3,4 line 5	\$562
ROUNDING ADJUSTMENTS	<u>\$0</u>	<u>\$0</u>	<u>\$3</u>
TRUE-UP BEFORE INTEREST	\$19,698	\$11,204	\$8,494
INTEREST PROVISION	\$63	\$66 C-3,4(9)	(\$3)
END OF PERIOD TRUE-UP	<u>\$19,761</u>	<u>\$11,270</u>	<u>\$8,491</u>
() REFLECTS OVER-RECOVERY			

Actual Conservation Program Costs per Program
 For Months: January 2016 through December 2016

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	\$3,654	\$0	\$0	\$4,500	\$1,083	\$0	\$0	\$9,237
Program 2: Res. Appliance Replace	\$0	\$3,654	\$0	\$0	\$9,875	\$1,083	\$0	\$0	\$14,612
Program 3: Customer Retention	\$0	\$3,654	\$0	\$0	\$5,500	\$1,083	\$0	\$0	\$10,237
Program 4: Comm. New Home Const.	\$0	\$0	\$0	\$0	\$0	\$416	\$0	\$0	\$416
Program 5: Comm. Appli. Replace	\$0	\$0	\$0	\$0	\$0	\$416	\$0	\$0	\$416
Program 6: Comm.Cust. Retention	\$0	\$0	\$0	\$0	\$1,467	\$416	\$0	\$0	\$1,883
TOTAL	\$0	\$10,962	\$0	\$0	\$21,342	\$4,497	\$0	\$0	\$36,801

Conservation Costs per Program - Variance Actual Versus Projected
For Months: January 2016 through December 2016

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	\$907	\$0	(\$113)	\$4,500	\$923	\$0	\$0	\$6,217
Program 2: Res. Appliance Replace	\$0	\$907	\$0	(\$113)	(\$2,726)	\$923	\$0	\$0	(\$1,009)
Program 3: Customer Retention	\$0	\$907	\$0	(\$113)	\$3,970	\$923	\$0	\$0	\$5,687
Program 4: Comm. New Home Const.	\$0	\$0	\$0	\$0	\$0	\$969	\$0	\$0	\$969
Program 5: Comm. Appli. Replace	\$0	\$0	\$0	\$0	\$0	\$969	\$0	\$0	\$969
Program 6: Comm.Cust. Retention	\$0	\$0	\$0	\$0	\$0	\$969	\$0	\$0	\$969
TOTAL	\$0	\$2,721	\$0	(\$339)	\$5,744	\$5,676	\$0	\$0	\$13,802

Energy conservation Adjustment Calculation of True-Up and Interest Provision
 Summary of Expenses By program By Month
 For Months: January 2016 through December 2016

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.	\$275	\$825	\$277	\$968	\$309	\$1,709	\$312	\$317	\$737	\$2,220	\$317	\$972	\$9,238
Program 2: Res. Appliance Replace	\$275	\$7,025	\$1,502	\$968	\$1,184	\$309	\$312	\$317	\$737	\$1,195	\$317	\$472	\$14,613
Program 3: Customer Retention	\$275	\$1,075	\$277	\$968	\$1,059	\$309	\$312	\$1,517	\$737	\$2,020	\$317	\$1,372	\$10,238
Program 4 Comm. New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$416	\$0	\$0	\$0	\$416
Program 5 Comm Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$416	\$0	\$0	\$0	\$416
Program 6 Comm Retention	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$416	\$1,467	\$0	\$0	\$1,883
TOTAL	\$825	\$8,925	\$2,056	\$2,904	\$2,552	\$2,327	\$936	\$2,151	\$3,459	\$6,902	\$951	\$2,816	\$36,804

Energy conservation Adjustment Calculation of True-Up and Interest Provision

For Months: January 2016 through December 2016

Conservation

Revenues	<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 RCS AUDIT FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2 PSC REG ASSESS FEE	(\$12)	(\$14)	(\$13)	(\$10)	(\$10)	(\$9)	(\$9)	(\$10)	(\$9)	(\$10)	(\$11)	(\$11)	(\$128)
3 CONSERV. ADJ. REVS	<u>(\$2,483)</u>	<u>(\$2,728)</u>	<u>(\$2,494)</u>	<u>(\$2,060)</u>	<u>(\$2,033)</u>	<u>(\$1,863)</u>	<u>(\$1,717)</u>	<u>(\$1,959)</u>	<u>(\$1,872)</u>	<u>(\$2,019)</u>	<u>(\$2,146)</u>	<u>(\$2,235)</u>	<u>(\$25,609)</u>
4 TOTAL REVENUES	(\$2,495)	(\$2,742)	(\$2,507)	(\$2,070)	(\$2,043)	(\$1,872)	(\$1,726)	(\$1,969)	(\$1,881)	(\$2,029)	(\$2,157)	(\$2,246)	(\$25,737)
5 PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	<u>\$719</u>	<u>\$719</u>	<u>\$719</u>	<u>\$720</u>	<u>\$719</u>	<u>\$719</u>	<u>\$719</u>	<u>\$720</u>	<u>\$719</u>	<u>\$719</u>	<u>\$719</u>	<u>\$720</u>	<u>\$8,631</u>
6 CONSERVATION REVS APPLICABLE TO THIS PERIOD	<u>(\$1,776)</u>	<u>(\$2,023)</u>	<u>(\$1,788)</u>	<u>(\$1,350)</u>	<u>(\$1,324)</u>	<u>(\$1,153)</u>	<u>(\$1,007)</u>	<u>(\$1,249)</u>	<u>(\$1,162)</u>	<u>(\$1,310)</u>	<u>(\$1,438)</u>	<u>(\$1,526)</u>	<u>(\$17,106)</u>
7 CONSERVATION EXPS (FROM CT-3, PAGE 1)	\$825	\$8,925	\$2,056	\$2,904	\$2,552	\$2,327	\$936	\$2,151	\$3,459	\$6,902	\$951	\$2,816	\$36,804
8 TRUE-UP THIS PERIOD	(\$951)	\$6,902	\$268	\$1,554	\$1,228	\$1,174	(\$71)	\$902	\$2,297	\$5,592	(\$487)	\$1,290	<u>\$19,698</u>
9 INT. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	\$2	\$3	\$5	\$4	\$4	\$4	\$4	\$6	\$6	\$7	\$8	\$10	\$63
10 TRUE-UP & INT. PROV. BEGINNING OF MONTH.	\$8,631	\$6,963	\$13,149	\$12,703	\$13,542	\$14,054	\$14,513	\$13,728	\$13,915	\$15,499	\$20,379	\$19,181	
11 PRIOR TRUE-UP (COLLECTED) REFUNDED	<u>(\$719)</u>	<u>(\$719)</u>	<u>(\$719)</u>	<u>(\$720)</u>	<u>(\$719)</u>	<u>(\$719)</u>	<u>(\$719)</u>	<u>(\$720)</u>	<u>(\$719)</u>	<u>(\$719)</u>	<u>(\$719)</u>	<u>(\$720)</u>	
TOTAL NET TRUE-UP													
12 (SUM LINES 8+9+10+11)	6,963	13,149	12,703	13,542	14,054	14,513	13,728	13,915	15,499	20,379	19,181	19,761	19,761

Calculation of True-Up and Interest Provision
For Months: January 2016 through December 2016

Interest Provision	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1 BEGINNING TRUE-UP	\$8,632	\$6,961	\$13,146	\$12,698	\$13,537	\$14,051	\$14,509	\$13,723	\$13,910	\$15,493	\$20,372	\$19,173	
CT-1													
ENDING TRUE-UP BEFORE													
2 INTEREST	\$6,961	\$13,146	\$12,698	\$13,537	\$14,051	\$14,509	\$13,723	\$13,910	\$15,493	\$20,372	\$19,173	\$19,751	
TOTAL BEGINNING &													
3 ENDING TRUE-UP	\$15,593	\$20,107	\$25,844	\$26,235	\$27,588	\$28,560	\$28,234	\$27,633	\$29,403	\$35,867	\$39,547	\$38,926	
AVERAGE TRUE-UP													
4 (LINE 3 x 50%)	<u>\$7,797</u>	<u>\$10,054</u>	<u>\$12,922</u>	<u>\$13,118</u>	<u>\$13,794</u>	<u>\$14,280</u>	<u>\$14,117</u>	<u>\$13,816</u>	<u>\$14,701</u>	<u>\$17,934</u>	<u>\$19,774</u>	<u>\$19,463</u>	
INT. RATE - 1ST DAY													
5 OF REPORTING MONTH	0.40%	0.40%	0.42%	0.44%	0.34%	0.36%	0.38%	0.43%	0.41%	0.48%	0.48%	0.48%	
INT. RATE - 1ST DAY													
6 OF SUBSEQUENT MONTH	<u>0.40%</u>	<u>0.42%</u>	<u>0.44%</u>	<u>0.34%</u>	<u>0.36%</u>	<u>0.38%</u>	<u>0.43%</u>	<u>0.41%</u>	<u>0.48%</u>	<u>0.48%</u>	<u>0.48%</u>	<u>0.72%</u>	
7 TOTAL (LINES 5 + 6)	0.80%	0.82%	0.86%	0.78%	0.70%	0.74%	0.81%	0.84%	0.89%	0.96%	0.96%	1.20%	
AVG. INT. RATE													
8 (LINE 7 x 50%)	0.40%	0.41%	0.43%	0.39%	0.35%	0.37%	0.41%	0.42%	0.45%	0.48%	0.48%	0.60%	
MONTHLY AVG.													
9 INT. RATE	0.03%	0.03%	0.04%	0.03%	0.03%	0.03%	0.03%	0.04%	0.04%	0.04%	0.04%	0.05%	
10 INTEREST PROVISION													
(LINE 4 x LINE 9)	<u>\$2</u>	<u>\$3</u>	<u>\$5</u>	<u>\$4</u>	<u>\$4</u>	<u>\$4</u>	<u>\$4</u>	<u>\$6</u>	<u>\$6</u>	<u>\$7</u>	<u>\$8</u>	<u>\$10</u>	<u>\$63</u>

SEBRING GAS SYSTEM, INC.

Reconciliation and Explanation of differences between Filing and
PSC Audit Report for January 2016 through December 2016.

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, 2016 through December 31, 2016, 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 2016 through December 2016, the amount of incentives paid by the Company was:
\$4,500.00

Program Fiscal Expenditures:

During 2016 expenditures for the Residential New Construction Program totaled
\$9,237.00

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, 2016 through December 31, 2016, 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 Heat	\$675
Gas Tankless Water Heater	\$725
Gas Heating	\$200
Gas Cooking	\$150
Gas Clothes Drying	

Program Accomplishments:

For the twelve month period January 2016 through December 2016, the amount of incentives paid by the Company under the Residential Appliance Replacement Program was:
\$9,875.00

Program Fiscal Expenditures:

During 2016 expenditures for the Resident Appliance Replacement Program totaled
\$14,612.00

SEBRING GAS SYSTEM, INC.
Program Description and Progress

Program Title:

Residential Appliance 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, 2016 through December 31, 2016, 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 2016 through December 2016, the amount of incentives paid by the Company under the Residential Appliance Retention Program was:
\$5,500.00

Program Fiscal Expenditures:

During 2016 expenditures for the Resident Appliance Retention Program totaled
\$10,237

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 2016 through December 2016, the amount of incentives paid by the Company under the Commercial New Construction Program was:

\$0.00

Program Fiscal Expenditures:

During 2016 expenditures for the Commercial New Construction Program totaled \$416

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 2016 through December 2016, the amount of incentives paid by the Company under the Commercial Retrofit Program was:

\$0.00

Program Fiscal Expenditures:

During 2016 expenditures for the Commercial Retrofit Program totaled \$416

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 2016 through December 2016, the amount of incentives paid by the Company under the Commercial Retention Program was:
\$1,467.00

Program Fiscal Expenditures:

During 2016 expenditures for the Commercial Retention Program totaled
\$1,883