

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

October 31, 2019

**VIA E-PORTAL**

Mr. Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Docket No. 20190083-GU: Petition for Rate Increase by Sebring Gas System, Inc.**

Dear Mr. Teitzman:

Attached, for electronic filing in the above referenced matter, please find Sebring Gas System's Responses to Staff's Eleventh Set of Data Requests.

Thank you for your assistance with this filing. As always, please do not hesitate to contact me if you have any questions whatsoever.

Sincerely,



Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

MEK

ATTACHMENTS

cc:// Office of Public Counsel (Kelly/Fall-Fry)



**Sebring Gas System, Inc.  
Docket No. 20190083-GU  
Responses to Staff's  
Eleventh Set of Data Requests**

**Cost of Capital – Short-Term Debt**

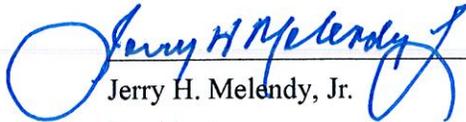
1. On Schedule G-3, page 2 of 11, Line No. 3, the Utility recorded a cost rate for short-term debt of 6.00 percent for the projected test year ended December 31, 2020. In its August 5, 2019 response to Staff's Third Set of Data Requests, Number 5, the Company stated that it requested documentation from Heartland to support the interest rate information on its short-term note, and will provide it upon receipt. However, the Utility has not provided the requested information. Please provide current loan documentation supporting the projected cost rate of 6.00 percent for short-term debt.

**Response: Please see attached documentation of the interest rate changes on the short-term debt and subsequent documentation for interest rate changes to the date of this response. The Company has no documentation, other than the attached documentation, that supports the 6.00% Projected Test Year Short-term Debt Cost Rate that existed at the time of the Company's filing. Subsequently, on August 1, 2019, the interest rate changed to 5.75% and remains at that rate as of the date of this response.**

2. On Schedule D-3, page 1 of 1, the Utility recorded an effective cost rate of 3.33 percent for short-term debt. Please explain the reason for the increase in the cost rate for short-term debt from 3.33 percent in the historic test year ended in December 31, 2018, to 6.00 percent in the projected test year ended December 31, 2020.

**Response: The calculated effective cost rate of 3.33% for short-term debt was based on actual Company data for the Historic Base Year (2018). Market conditions are the reason for the changes in interest rates. The Company used the data available (current interest rate at time of filing) to project the short-term debt interest rate for the Projected Test Year.**

Response Provided By:

  
Jerry H. Melandy, Jr.  
President

  
Date

CURRENT BALANCE	50,259.43	PRINCIPAL DUE	.00
INTEREST RATE	5.5000%	INTEREST DUE	542.47
INTEREST PAID YTD	2,526.67	ESCROW/OTHER CHGS	.00
MATURITY DATE	10/06/18	TOTAL CURRENT DUE	542.47
CREDIT LIMIT	650,000.00	PAST DUE AMOUNT	.00
AVAILABLE CREDIT	599,740.57	LATE CHARGES DUE	.00
		TOTAL AMOUNT DUE	542.47

DATE	DESCRIPTION OF TRANSACTIONS	AMOUNT	BALANCE
	BEGINNING BALANCE		89,693.06
3/21/18	INTEREST RATE CHANGE	5.2500%	89,693.06
3/29/18	INTEREST PAYMENT	1,121.16	89,693.06
4/04/18	PRINCIPAL CURTAILMENT	19,693.06	70,000.00
5/01/18	INTEREST PAYMENT	259.43	70,000.00
5/01/18	PRINCIPAL CURTAILMENT	9,740.57	60,259.43
6/05/18	PRINCIPAL ONLY PAYMENT	10,000.00	50,259.43
6/14/18	INTEREST RATE CHANGE	5.5000%	50,259.43

CURRENT BALANCE	20,000.00	PRINCIPAL DUE	20,000.00
INTEREST RATE	5.7500%	INTEREST DUE	178.89
INTEREST PAID YTD	3,454.47	ESCROW/OTHER CHGS	.00
MATURITY DATE	12/01/18	TOTAL CURRENT DUE	20,178.89
CREDIT LIMIT	650,000.00	PAST DUE AMOUNT	.00
AVAILABLE CREDIT	630,000.00	LATE CHARGES DUE	.00
		TOTAL AMOUNT DUE	20,178.89

DATE	DESCRIPTION OF TRANSACTIONS	AMOUNT	BALANCE
	BEGINNING BALANCE		20,000.00
9/27/18	INTEREST RATE CHANGE	5.7500%	20,000.00
10/11/18	INTEREST ONLY PAYMENT	385.33	20,000.00

CURRENT BALANCE	288,793.56	PRINCIPAL DUE	.00
INTEREST RATE	5.7500%	INTEREST DUE	3,972.00
INTEREST PAID YTD	4,830.39	ESCROW/OTHER CHGS	.00
MATURITY DATE	12/01/19	TOTAL CURRENT DUE	3,972.00
CREDIT LIMIT	650,000.00	PAST DUE AMOUNT	.00
AVAILABLE CREDIT	361,206.44	LATE CHARGES DUE	.00
		TOTAL AMOUNT DUE	3,972.00

DATE	DESCRIPTION OF TRANSACTIONS	AMOUNT	BALANCE
	BEGINNING BALANCE		189,793.56
5/31/19	INTEREST PAYMENT	2,706.83	189,793.56
6/06/19	HOME BANKING TRANSFER ADVANCE	10,000.00	199,793.56
6/07/19	HOME BANKING TRANSFER ADVANCE	50,000.00	249,793.56
7/16/19	HOME BANKING TRANSFER ADVANCE	20,000.00	269,793.56
7/29/19	HOME BANKING TRANSFER ADVANCE	15,000.00	284,793.56
8/01/19	HOME BANKING TRANSFER ADVANCE	4,000.00	288,793.56
8/01/19	INTEREST RATE CHANGE	5.7500%	288,793.56