



(850) 850-521-1708  
bkeating@gunster.com

October 4, 2019

**ELECTRONIC PORTAL**

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

**Re: Docket No. 20190172-GU** – Petition of Florida City Gas for Approval of the Safety, Access, and Facility Enhancement Program True-Up and 2020 Surcharge Factors.

Dear Mr. Teitzman:

Attached for electronic filing, please find the **Amended Petition of Florida City Gas for Approval of the Safety, Access, and Facility Enhancement Program True-Up and 2020 Cost Recovery Factors**, in the above-referenced docket.

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,

A handwritten signature in blue ink that reads 'Beth Keating'.

Beth Keating  
Greg Munson

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

MEK  
Enclosures

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of Florida City Gas for : Docket No. 20190172-GU  
Approval of the Safety, Access, and Facility :  
Enhancement Program True-Up and 2020 : Filed: October 4, 2019  
Surcharge Factors :

**AMENDED PETITION OF FLORIDA CITY GAS FOR APPROVAL OF THE  
SAFETY, ACCESS, AND FACILITY ENHANCEMENT PROGRAM  
TRUE-UP AND 2020 COST RECOVERY FACTORS**

Florida City Gas (“FCG” or “the Company”) hereby submits this Amended Petition to the Florida Public Service Commission (“Commission”) requesting approval of the Safety, Access, and Facility Enhancement Program (“SAFE Program”) true-up and 2020 surcharge factors for the projected period of January 1, 2020 through December 31, 2020. FCG initially filed the Petition for its SAFE Program on September 3, 2019, together with Attachments A through C. Following an inquiry from Commission Staff, FCG identified an inadvertent accounting error in Attachment B to the original SAFE Program Petition, which slightly understated the 2020 net revenue requirement and the surcharge factor for some of the commercial customer classes. FCG hereby files this Amended Petition to correct Attachment B and SAFE Program 2020 surcharge factors requested for the projected period of January 1, 2020 through December 31, 2020. In support thereof, FCG states as follows:

1. The Company is a natural gas utility with its principal office located at:

Florida City Gas  
4045 NW 97<sup>th</sup> Avenue  
Doral, Florida 33178

2. Any pleading, motion, notice, order or other document required to be served upon FCG or filed by any party to this proceeding should be served upon the following individuals:

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1980  
[BKeating@gunster.com](mailto:BKeating@gunster.com)

Christopher Wright  
Senior Attorney  
Florida Power & Light Company  
700 Universe Boulevard (JB/LAW)  
Juno Beach, Florida 33408  
(561) 691-7144  
[Christopher.Wright@fpl.com](mailto:Christopher.Wright@fpl.com)

3. FCG is a natural gas local distribution company (“LDC”) providing natural gas sales and transportation service to customers in parts of Florida, and is a public utility subject to the Commission’s regulatory jurisdiction under Chapter 366, Florida Statutes (“F.S”).

4. The Commission is vested with jurisdiction over this matter in accordance with Sections 366.04, 366.041, 366.05, and 366.06, F.S. Specifically, the Commission is authorized to establish fair and reasonable rates and charges for Florida utilities and, in doing so, shall consider, among other things, the adequacy of the utility’s facilities and its ability to improve such facilities. The Commission also is vested with authority under Section 368.05(2), F.S., to require improvements to natural gas distribution systems as may be necessary to protect the public.

5. On September 15, 2015, the Commission approved FCG’s request to establish the SAFE Program.<sup>1</sup> The SAFE Program is designed to relocate on an expedited basis certain existing gas mains and associated facilities located in or associated with rear lot easements to street front locations to improve the Company’s ability to inspect and maintain the facilities and reduce opportunities for damage to the facilities and theft. As the Commission recognized in its *SAFE Order*, the existing location of these mains, services and, in some cases, above-ground

---

<sup>1</sup> See *In re: Petition for approval of safety, access, and facility enhancement program and associated cost recovery methodology, by Florida City Gas*, Order No. PSC-2015-0390-TRF-GU, Docket No. 20150116-GU (FPSC Sept. 15, 2015) (“*SAFE Order*”).

facilities, presents significant operational risks and challenges for the Company and its customers. *Id.* at p. 5.

6. The facilities to be relocated or replaced under the SAFE Program are generally prioritized based on the risk assessment model included in the FCG's Distribution Integrity Management Program. The factors for prioritization include, but are not limited to, location of pipeline, material of pipeline, leak incident rates, rear lot pipelines with maintenance access complications, and customer encroachments. The actual and forecasted mains and service replacements from 2014 through the end of the SAFE Program are provided by year in Attachment A to this Petition.

7. The SAFE Program facilitates the relocation process by enabling the Company to timely recover the appropriate costs, along with a reasonable return, incurred for the relocation of the mains and associated new service lines, as well as costs associated with any aboveground facilities, such as meters and regulator sets, that may need to be replaced or relocated due to the main and service line relocations. *Id.* at pp. 3-4.

8. Pursuant to the *SAFE Order*, FCG is required to file an annual petition with this Commission on September 1 of each year. The purpose of the annual filing is to review and reset the SAFE Program surcharge factors to true-up any over- or under-recovery, and to update the ad valorem rates and debt and equity cost rates with the most recent earnings surveillance report rates. *Id.* at p. 5. The annual SAFE Program filing includes the following:

- (a) Final true-up showing the actual replacement costs and actual surcharge revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to the annual petition filing, including the final over- or under-recovery for that period;
- (b) Actual/estimated true-up showing seven months of actual and five months of projected costs and revenues; and

- (c) Projection showing 12 months of the projected revenue requirement for period beginning January 1 following the annual filing. *Id.*

9. On September 3, 2019, FCG submitted its annual SAFE Program filing for the period of January 1, 2020 through December 31, 2020, together with Attachments A through C. Following an inquiry from Commission Staff, FCG identified an inadvertent accounting error in Attachment B to the original SAFE Petition. Specifically, FCG determined that certain capital “Mains” costs associated with the 2019 SAFE projects were inadvertently booked as “Land Rights” expenses in 2019, as shown on Attachment B, Schedule 2, Line 1(e) of FCG’s original SAFE Petition. These “Land Rights” expenses were then carried over to Attachment B, Schedule 4, Line 1(e) of FCG’s original SAFE Petition as the “Beginning of Period Amount” for 2020. The costs shown as “Land Rights” on Schedules 2 and 4 of FCG’s original SAFE Petition should have been booked to “Mains” costs. This an inadvertent accounting resulted in the 2020 net revenue requirement and the surcharge factor for some of the commercial customer classes being slightly understated.

10. FCG hereby submits this Amended SAFE Petition to update Attachment B with corrected Schedules 2 and 4. The net effect of this correction results in the following minor changes from FCG’s original SAFE Petition submitted on September 3, 2019:

- (a) The total, cumulative net true-up for 2018 and 2019 slightly decreased from an over-recovery of \$134,263 to an over-recovery of \$134,022.
- (b) The projected total revenue requirement for the SAFE Program for the period January 1, 2020 through December 31, 2020 slightly increased from \$1,784,838 to \$1,785,425. Applying the corrected cumulative net true-up, the corrected total amount to be collected through the SAFE Program

surcharge during 2020 results in a slight increase from \$1,650,576 to \$1,651,403 (an increase of \$827.00).

- (c) Due to rounding, the proposed 2020 SAFE Program monthly surcharge factors for rate classes GS-6k, GS-25k, GS-120k and GS-1250k slightly increased from \$2.25 to \$2.26 (an increase of \$0.01). This change in the proposed monthly surcharge factors also necessitated a change to *pro forma* Tariff Sheet No. 79, which has been included in an updated Attachment C to this Amended Petition.

11. The updated Attachment B, Schedules 1 through 7, which is attached to this Amended Petition and incorporated herein by reference, provides the information required by the *SAFE Order* and FCG's *SAFE Tariff*. The updated Attachment B fully supports FCG's calculation of the SAFE Program true-up and 2020 surcharge factors for the period of January 1, 2020 through December 31, 2020.

12. On April 20, 2018, the Commission approved a settlement agreement in FCG's 2018 base rate case ("2018 Settlement") that, among other things, made adjustments to the annual SAFE Program filing that are pertinent to the 2020 surcharge factors.<sup>2</sup> Under the 2018 Settlement, all revenues from the SAFE Program were rolled into base rates effective June 1, 2018, and the SAFE Program surcharge factor was reset to zero for the period June 1, 2018 through December 31, 2018. Additionally, the 2018 Settlement requires FCG to use a capital structure with a 48% equity ratio for the calculation of the revenue requirements for the capital investment recovered through the SAFE surcharge. As shown on the updated Attachment B to

---

<sup>2</sup> See *In re: Petition for rate increase by Florida City Gas, Docket No. 20170179-GU*, Order No. PSC-2018-0190-FOF-GU (FPSC Apr. 20, 2018).

this Amended Petition, these adjustments have been incorporated into FCG's calculation of the SAFE Program true-up and 2020 cost surcharge factors.

13. In addition, during the Agenda Conference for FCG's 2019 SAFE Program surcharge factors, FCG committed to include interest in the calculation of the SAFE Program true-up. *See* Transcript of Commission Conference Agenda Item No. 16 at p. 4, Docket No. 20180164 (Oct. 30, 2018). As shown on updated Attachment B to this Amended Petition, FCG has included interest in the calculation of the SAFE Program true-up.

14. As part of this filing, FCG is also proposing to make an adjustment to the Weighted Average Cost of Capital ("WACC") used to calculate the SAFE revenue requirements in order to be consistent with the normalization rules of the Internal Revenue Code. To calculate the projected SAFE revenue requirements, FCG currently uses the accumulated deferred income tax ("ADIT") balance as reported on the Company's most recent year-end surveillance report. FCG submits that by using the ADIT balance from the most recent year-end surveillance report, the WACC used to calculate the SAFE revenue requirements may not be consistent with the normalization rules of the Internal Revenue Code.<sup>3</sup> FCG therefore proposes to modify the WACC used to calculate the SAFE revenue requirements. Specifically, in the event FCG does not meet or exceed the limitation provision set forth in the Internal Revenue Code, FCG proposes to make an adjustment to the depreciation-related ADIT included in the year-end ADIT balance

---

<sup>3</sup> The Internal Revenue Code Treasury Regulation § 1.167(l)-1(h)(6) requires public utilities to apply the normalization method of accounting. In order to accomplish this, when a forecasted test period is utilized in setting rates, a public utility must comply with the consistency rule in Treasury Regulation § 1.168(i)(9)(B) and apply the proration formula in Treasury Regulation § 1.167(l)-1(h)(6)(ii), which prorates the projected changes in depreciation-related accumulated deferred income tax unless the limitation provision in Treasury Regulation § 1.167(l)-1(h)(6)(i) is met or exceeded. Unless exempt under the limitation provision, the normalization rule of the Internal Revenue Code requires consistency in the treatment, including the time period, of projected costs for rate base, regulated depreciation expense, tax expense and the reserve for deferred taxes.

using projected period data and the proration formula required by the normalization rules of the Internal Revenue Code. The tariff changes necessary to implement this proposed modification are provided in Attachment C to this Amended Petition.

15. For purposes of the 2020 SAFE Program surcharge factors, FCG has not met or exceeded the limitation provision of the Internal Revenue Code and, therefore, is unable to use the ADIT balance reported in FCG's most recent year-end surveillance report to calculate the WACC. Accordingly, FCG has modified the calculation of the WACC for purposes of the 2020 SAFE Program surcharge factors by utilizing projected depreciation-related ADIT data and the proration formula required by the normalization rules of the Internal Revenue Code. As shown on Schedules 5.1 and 5.2 of updated Attachment B to this Amended Petition, this proposed adjustment has been incorporated into FCG's calculation of the 2020 SAFE Program surcharge factors.

16. The SAFE Program final net true-up amount for the period January 2018 through December 2018 is an over-recovery of \$338,727. *See* Attachment B, Schedule 1, line 12.

17. The SAFE Program projected true-up based on actual data for seven months and projected data for five months (including interest and applicable regulatory assessment fees) for the current period January 2019 through December 2019 is an under-recovery of \$212,810. *See* Attachment B, Schedule 2, line 11.

18. The SAFE Program total, cumulative net true-up for 2018 and 2019 is an over-recovery of \$134,022. *See* Attachment B, Schedule 2, line 14. The interest calculation is provided in Attachment B, Schedule 3.3.

19. The Company's projected total revenue requirement for the SAFE Program for the period January 1, 2020 through December 31, 2020 is \$1,785,425. *See* Attachment B, Schedule



*Florida City Gas*

4, line 9. Applying the total, cumulative net true up for 2018 and 2019, the total amount to be collected through the SAFE Program surcharge during 2020 is \$1,651,403. See Attachment B, Schedule 4, line 10.

20. When the total amount to be collected through the SAFE Program surcharge during 2020 is allocated based upon the methodology approved in the *SAFE Order*, the proposed SAFE Program surcharge factors for the period January 1, 2020 through December 31, 2020 are as follows:

<u>Rate Class</u>	<u>SAFE Factor</u>
RS-1	\$1.21
RS-100	\$1.21
RS-600	\$1.21
GS-1	\$1.21
GS-6K	\$2.26
GS-25K	\$2.26
GS-120K	\$2.26
GS-1250K	\$2.26
GS-11M	\$ -
GS-25M	\$ -
Gas Lighting	\$1.21

See Attachment B, Schedule 6.

21. FCG's calculation of the 2020 SAFE Program surcharge factors are consistent with the methodology and requirements of the Commission's *SAFE Order*, FCG's SAFE Tariff, and the 2018 Settlement. FCG, therefore, asks that they be approved and become effective January 1, 2020.

22. Upon approval of the proposed SAFE surcharge factors, FCG will provide notice to customers through a customer bill message that will be issued during a 30-day period in


*Florida City Gas*

advance of the January 1, 2020 effective date. In addition, an updated rate schedule will be made available online at: [FloridaCityGas.com/rates-and-tariff](http://FloridaCityGas.com/rates-and-tariff).

23. Attachment C to this Amended Petition provides the Company's revised tariff pages, including the updated *pro forma* Tariff Sheet No. 79 discussed above, in clean and legislative format, reflecting its proposed SAFE Program surcharge factors for 2020. The Company notes that this filing is not made pursuant to the "file and suspend" provisions of Section 366.06(3). However, to the extent the Commission deems the suspension provisions applicable, FCG hereby waives the 60-day time frame in the statute for the Commission's disposition of the referenced tariff changes.

WHEREFORE, Florida City Gas respectfully requests that the Commission enter its order approving the Company's proposed SAFE Program surcharge factors for the period of January 1, 2020 through December 31, 2020, as set forth herein and the updated Attachments hereto.

Respectfully submitted this 4th day of October, 2019.



Beth Keating  
Greg Munson

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

Christopher T. Wright  
Fla. Auth. House Counsel No.  
1007055 Florida Power & Light  
Company 700 Universe Boulevard  
(JB/LAW) Juno Beach, Florida 33408  
*Attorneys for Florida City Gas*

**ATTACHMENT A**

**SAFE PROGRAM  
ACTUAL AND FORECASTED  
MAINS AND SERVICE REPLACEMENTS**

ATTACHMENT A  
 Florida City Gas  
 SAFE Program  
 Actual and Forecasted Mains and Service Replacements

Year	Main Replacements			Service Replacements		
	Replaced main (miles)	Remaining main at Year End (miles)	Total Miles Remaining	Replaced Services (No.)	Remaining Services at year end	Total Remaining Services
2014	0.0	254.3	254.3	0	11443	11443
2015	0.0	254.3	254.3	49	11394	11394
2016	17.1	237.2	237.2	1433	9961	9961
2017	37.5	199.7	199.7	1551	8410	8410
2018	27.6	172.1	172.1	1634	6776	6776
2019	31.2	141.0	141.0	1164	5612	5612
2020	29.4	111.6	111.6	1060	4552	4552
2021	29.2	82.3	82.3	1290	3262	3262
2022	24.0	58.3	58.3	1055	2207	2207
2023	23.8	34.5	34.5	1046	1161	1161
2024	23.5	11.0	11.0	1032	128	128
2025	11.0	0.0	0.0	128	0	0

**ATTACHMENT B (Updated)**

SAFE Schedules 1 through 7

Florida City Gas  
Attachment B, Schedule 1 - SAFE Program Revenue Requirement  
January 2018 through December 2018

Line	Description	Beginning of	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	End of Period Total
		Period Amount	January-18	February-18	March-18	April-18	May-18	June-18	July-18	August-18	September-18	October-18	November-18	
1.	Investments													
	a. Eligible Replacements - Mains	13,846,973	599,205	316,330	609,148	823,322	944,819	-	-	-	-	-	-	17,139,796
	b. Eligible Replacements - Services	7,136,141	98,132	9,581	732,326	158,605	159,117	-	-	-	-	-	-	8,293,901
	c. Eligible Replacements - House Regulators	2,204	-	-	-	-	-	-	-	-	-	-	-	2,204
	d. Other	-	-	-	-	-	-	-	-	-	-	-	-	-
		<u>20,985,318</u>	<u>697,336</u>	<u>325,912</u>	<u>1,341,473</u>	<u>981,926</u>	<u>1,103,935</u>	-	-	-	-	-	-	<u>25,435,901</u>
2.a	Gross Plant-in-Service/Depreciation Base - Mains	13,846,973	14,446,178	14,762,508	15,371,656	16,194,978	17,139,796	-	-	-	-	-	-	-
2.b	Gross Plant-in-Service/Depreciation Base - Services	7,136,141	7,234,273	7,243,854	7,976,180	8,134,784	8,293,901	-	-	-	-	-	-	-
2.c	Gross Plant-in-Service/Depreciation Base - House Regulators	2,204	2,204	2,204	2,204	2,204	2,204	-	-	-	-	-	-	-
3.	Less: Accumulated Depreciation	(774,890)	(820,304)	(866,398)	(915,310)	(966,274)	(1,019,543)	-	-	-	-	-	-	-
4.	CWIP - NonInterest Bearing	652,230	339,043	675,331	542,695	1,020,514	985,567	-	-	-	-	-	-	-
5.	Net Book Value (Lines 2 + 3 + 4)	<u>20,862,658</u>	<u>21,201,394</u>	<u>21,817,499</u>	<u>22,977,424</u>	<u>24,386,206</u>	<u>25,401,925</u>	-	-	-	-	-	-	-
6.	Average Net Investment		21,032,026	21,509,447	22,397,462	23,681,815	24,894,066	-	-	-	-	-	-	-
7.	Return on Average Net Investment													
	a. Equity component Grossed up for taxes - reduced for tax reform (A)		96,596	98,789	102,867	108,766	114,334	-	-	-	-	-	-	521,352
	b. Debt component (B)		34,352	35,132	36,583	38,680	40,660	-	-	-	-	-	-	185,408
8.	Investment Expenses													
	a. Depreciation (C)		45,414	46,094	48,913	50,964	53,269	-	-	-	-	-	-	244,653
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		14,547	14,877	15,492	16,380	17,218	-	-	-	-	-	-	78,514
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		<u>190,910</u>	<u>194,892</u>	<u>203,854</u>	<u>214,790</u>	<u>225,481</u>	-	-	-	-	-	-	<u>1,029,927</u>
10.	Collections		(288,371)	(290,108)	(290,328)	(290,815)	(291,008)	-	-	-	-	-	-	(1,450,631)
11.	Net under(over) collection		(97,462)	(95,216)	(86,474)	(76,025)	(65,527)	-	-	-	-	-	-	(420,704)
12.	Cumulative Net under(over) collection		(15,484)	(110,700)	(197,174)	(273,199)	(338,727)	(338,727)	(338,727)	(338,727)	(338,727)	(338,727)	(338,727)	(338,727)

**Notes:**

(A)	Line 6 x 5.5114% x 1/12. Based on ROE of 11.25%, and weighted income tax rate of 25.345%, expansion factor of 1.3642. The expansion factor has been reduced to reflect the reduction in the Federal tax rate to 21% from 35% effective January 1, 2018.	5.5114%
(B)	Line 6 x 1.86% x 1/12	1.9600%
(C.1)	Applicable Mains depreciation rate is 2.5%	2.50%
(C.2)	Applicable Services depreciation rate is 4.1%	2.54%
(C.3)	Applicable House Regulator depreciation rate is 4.9%	3.00%
(D)	Ad Valorem Tax Rate is .83%	0.83%

Note: SAFE investment was included in the cost of service in the Company's base rate case effective June 1, 2018. The test year for the rate case was through December 31, 2018. Therefore, the SAFE revenue requirement related to the investment from June 1, 2018 through December 31, 2018 is recovered through base rates and no revenue requirement is calculated for that period.



Florida City Gas  
Attachment B, Schedule 3.1 - Cost of Capital and Ad Valorem Tax Rate for Jan-19  
January 2019 through December 2019

AVERAGE	RATIO (%)	Midpoint		Revenue Expansion Factor	Cost of Equity
		COST RATE (%)	WEIGHTED COST (%)		
DIVISIONAL CAPITAL	35.95%	11.25%	4.04%	1.35220	5.4629%
LONG TERM DEBT	37.79%	4.59%	1.73%	}	Weighted Average Cost of Debt 1.96%
SHORT TERM DEBT	6.22%	1.85%	0.12%		
PREFERRED STOCK	0.00%	0.00%	0.00%		
CUSTOMER DEPOSITS	1.61%	6.73%	0.11%		
TAX CREDITS - ZERO COST	0.00%	0.00%	0.00%		
TAX CREDITS - WEIGHTED COST	0.00%	0.00%	0.00%		
ACC DEF INC TAXES-ZERO COST	18.43%	0.00%	0.00%		
<b>TOTAL</b>	<b>100.00%</b>		<b>6.00%</b>		

2016: 427101 Gen Tax Expense- Property Tax: \$ 1,762,500

2015 YE: Plant in Service Net of Goodwill: \$ 212,674,190

Applicable Ad Valorem Tax Rate: 0.83%



Florida City Gas  
 Attachment B, Schedule 3.2 - Cost of Capital and Ad Valorem Tax Rate for Feb - Dec 2019  
 From: Calculation Below for Capital Structure. Cost of debt components - Dec. 2018 Surveillance Report Sch. 4 adjusted for 48% Equity Ratio  
 January 2019 through December 2019

Line No.	AVERAGE	RATIO (%)	Midpoint		WEIGHTED COST (%)	Revenue Expansion	
			COST RATE (%)			Factor	Cost of Equity
1	EQUITY CAPITAL	48.00%	10.19%		4.8912%	1.35220	6.6139%
2							
3	LONG TERM DEBT	24.94%	2.48%		0.62%		
4							
5	SHORT TERM DEBT	8.70%	1.08%		0.09%		
6							
7	PREFERRED STOCK	0.00%	0.00%		0.00%		
8							
9	CUSTOMER DEPOSITS	1.12%	2.73%		0.03%		
10							
11	TAX CREDITS - ZERO COST	0.00%	0.00%		0.00%		
12							
13	TAX CREDITS - WEIGHTED COST	0.00%	0.00%		0.00%		
14							
15	ACC DEF INC TAXES-ZERO COST	17.24%	0.00%		0.00%		
16	TOTAL	100.00%			5.64%		

Weighted Average Cost of Debt
0.7442%

**Ad Valorem Tax Rate Calculation**

<b>2017: 427101 Gen Tax Expense- Property Tax:</b>	\$	1,762,500
<b>2016 YE: Plant in Service Net of Goodwill:</b>	\$	212,674,190
<b>Applicable Ad Valorem Tax Rate:</b>		0.83%

Reallocation to get Equity Ratio at 48%	Juris Adj Balance per Dec.2018 ESR	48.00%		LTD	STD
		Before	Juris Adj After Eq. Ratio Adj.		
EQUITY CAPITAL	\$ 180,757,604	60.87%	\$ 142,534,128.83	\$ 38,223,475	\$ 9,883,519
LONG TERM DEBT	45,721,589	15.40%	74,061,545.25		
SHORT TERM DEBT	15,945,339	5.37%	25,828,858.16		
PREFERRED STOCK	-	0.00%	-		
CUSTOMER DEPOSITS	3,314,935	1.12%	3,314,935		
TAX CREDITS - ZERO COST	-	0.00%	-		
TAX CREDITS - WEIGHTED COST	-	0.00%	-		
ACC DEF INC TAXES-ZERO COST	51,206,634	17.24%	51,206,634		
	<b>\$ 296,946,102</b>	<b>100%</b>	<b>\$ 296,946,102</b>		

After	Cost Rate
48.00%	10.19%
24.94%	2.48%
8.70%	1.08%
0.00%	0.00%
1.12%	2.73%
0.00%	0.00%
0.00%	0.00%
17.24%	0.00%
<b>100%</b>	<b>5.635%</b>

Florida City Gas  
Attachment B, Schedule 3.3 - Calculation of Interest Provision  
January 2019 through December 2019

2019 Interest Calculation	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. Beginning True-up Amount	(338,727)	(362,105)	(380,201)	(398,598)	(413,044)	(413,337)	(400,908)	(384,077)	(358,524)	(317,862)	(264,891)	(201,669)	(134,022)
2. Ending True-up Amount Before Interest	(361,388)	(379,453)	(397,812)	(412,224)	(412,505)	(400,112)	(383,332)	(357,819)	(317,220)	(264,338)	(201,227)	(133,703)	(133,703)
3. Total of Beginning & Ending True-up	(700,114)	(741,559)	(778,013)	(810,822)	(825,548)	(813,449)	(784,240)	(741,896)	(675,744)	(582,200)	(466,117)	(335,373)	(267,726)
4. Average True-up Amount (50% of Line 3)	(350,057)	(370,779)	(389,006)	(405,411)	(412,774)	(406,724)	(392,120)	(370,948)	(337,872)	(291,100)	(233,059)	(167,686)	(133,863)
5. Interest Rate-First day of reporting business month	2.50%	2.42%	2.42%	2.43%	2.42%	2.42%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%
6. Interest Rate-First day of subsequent business month	2.42%	2.42%	2.43%	2.42%	2.42%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%
7. Total (Line 5 & 6)	4.92%	4.84%	4.85%	4.85%	4.84%	4.70%	4.56%	4.56%	4.56%	4.56%	4.56%	4.56%	4.56%
8. Average Interest Rate (50 % of Line 7)	2.46%	2.42%	2.43%	2.43%	2.42%	2.35%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%
9. Monthly Average Interest Rate (Line 8/12)	0.205%	0.202%	0.202%	0.202%	0.202%	0.196%	0.190%	0.190%	0.190%	0.190%	0.190%	0.190%	0.190%
10. Interest Provision for the month (Line 4 *Line 9)	(718)	(748)	(786)	(819)	(832)	(797)	(745)	(705)	(642)	(553)	(443)	(319)	

\*Totals may not match Revenue Req due to rounding\*

Florida City Gas  
Attachment B, Schedule 4 - SAFE Program Revenue Requirement  
January 2020 through December 2020

Line	Description	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	End of Period Total
		Beginning of Period Amount	January-20	February-20	March-20	April-20	May-20	June-20	July-20	August-20	September-20	October-20	November-20	December-20	
1.	Investments														
	a. Eligible Replacements - Mains	8,027,540	411,352	1,194,677	1,561,164	815,735	1,173,678	877,939	398,881	803,267	386,373	236,277	136,674	42,925	16,066,482
	b. Eligible Replacements - Services, Plastic	2,242,951	49,855	104,241	95,177	280,790	276,069	423,502	377,514	250,548	246,266	152,943	18,858	-	4,518,714
	c. Eligible Replacements - Services, Steel	1,507	-	-	-	-	1,472	35	-	-	-	-	-	-	3,013
	d. Eligible Replacements - Meters	5,690	-	-	-	-	5,151	539	-	-	-	-	-	-	11,381
	e. Land Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<b>10,277,688</b>	<b>461,206</b>	<b>1,298,918</b>	<b>1,656,341</b>	<b>1,096,526</b>	<b>1,456,370</b>	<b>1,302,015</b>	<b>776,395</b>	<b>1,053,815</b>	<b>632,639</b>	<b>389,220</b>	<b>155,531</b>	<b>42,925</b>	<b>20,599,589</b>
2.a	Gross Plant-in-Service/Depreciation Base - Mains	8,027,540	8,438,892	9,633,569	11,194,733	12,010,468	13,184,146	14,062,085	14,460,965	15,264,232	15,650,605	15,886,883	16,023,557	16,066,482	16,066,482
2.b	Gross Plant-in-Service/Depreciation Base - Services, Plastic	2,242,951	2,292,805	2,397,047	2,492,224	2,773,014	3,049,083	3,472,585	3,850,099	4,100,648	4,346,913	4,499,856	4,518,714	4,518,714	4,518,714
2.c	Gross Plant-in-Service/Depreciation Base - Services, Steel	1,507	1,507	1,507	1,507	1,507	2,978	3,013	3,013	3,013	3,013	3,013	3,013	3,013	3,013
2.d	Gross Plant-in-Service/Depreciation Base - Meters	5,690	5,690	5,690	5,690	5,690	10,841	11,381	11,381	11,381	11,381	11,381	11,381	11,381	11,381
2.e	Gross Plant in-Service-Land Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Less: Accumulated Depreciation	(110,236)	(132,703)	(157,879)	(186,508)	(217,432)	(251,415)	(288,126)	(326,467)	(367,012)	(408,883)	(451,570)	(494,581)	(537,682)	(537,682)
4.	CWIP - Noninterest Bearing	198,197	230,603	649,459	828,170	548,263	724,873	650,721	388,197	526,908	316,319	194,610	77,766	21,463	21,463
5.	Net Book Value (Lines 2 + 3 + 4)	<b>10,365,649</b>	<b>10,836,795</b>	<b>12,529,393</b>	<b>14,335,815</b>	<b>15,121,510</b>	<b>16,720,507</b>	<b>17,911,659</b>	<b>18,387,189</b>	<b>19,539,170</b>	<b>19,919,349</b>	<b>20,144,173</b>	<b>20,139,849</b>	<b>20,083,369</b>	<b>20,083,369</b>
6.	Average Net Investment		10,601,222	11,683,094	13,432,604	14,728,662	15,921,008	17,316,083	18,149,424	18,963,180	19,729,260	20,031,761	20,142,011	20,111,609	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes-reduced for tax reform(A)		58,429	64,392	74,035	81,178	87,750	95,439	100,032	104,517	108,739	110,406	111,014	110,846	1,106,777
	b. Debt component (B)		6,636	7,313	8,408	9,219	9,966	10,839	11,360	11,870	12,349	12,539	12,608	12,589	125,695
8.	Investment Expenses														
	a. Depreciation (C)		22,466	25,176	28,630	30,924	33,983	36,711	38,341	40,545	41,871	42,687	43,012	43,101	427,446
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		6,626	7,302	8,395	9,205	9,951	10,823	11,343	11,852	12,331	12,520	12,589	12,570	125,506
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		94,157	104,183	119,468	130,526	141,649	153,811	161,077	168,783	175,290	178,152	179,222	179,106	1,785,425
10.	Collections		(137,617)	(137,617)	(137,617)	(137,617)	(137,617)	(137,617)	(137,617)	(137,617)	(137,617)	(137,617)	(137,617)	(137,617)	(1,651,403)
11.	Net under(over) collection		(43,460)	(33,434)	(18,149)	(7,091)	4,032	16,194	23,460	31,167	37,673	40,535	41,605	41,489	
11	a. Cumulative Net under(over) collection		(177,482)	(210,916)	(229,064)	(236,155)	(232,123)	(215,929)	(192,469)	(161,303)	(123,629)	(83,094)	(41,489)	0	0
12	Interest		-	-	-	-	-	-	-	-	-	-	-	-	-
13	Cumulative Net under(over): SAFE Clause	(134,022)	(177,482)	(210,916)	(229,064)	(236,155)	(232,123)	(215,929)	(192,469)	(161,303)	(123,629)	(83,094)	(41,489)	0	0

**Notes:**

(A) Line 6 x 6.6139% x 1/12. Based on ROE of 10.19%, and weighted income tax rate of 25.345%, expansion factor of 1.3522. See Attachment B, Schedule 5.1.

(B) Line 6 x .75% x 1/12. See Attachment B, Schedule 5.1.

(C.1) Applicable Mains depreciation rate is 2.5%

(C.2) Applicable Services, Plastic depreciation rate is 2.54%

(C.3) Applicable Services, Steel depreciation rate is 2.70%

(C.4) Applicable Meters depreciation rate is 6.10%

(D) Ad Valorem Tax Rate is .83%

Under/(Over) Collection as of 2019	(134,022)
2020 Revenue Requirement	1,785,425
Total	1,651,403



Florida City Gas  
Attachment B, Schedule 5.2 - Cost of Capital and Ad Valorem Tax Rate for 2020  
January 2020 through December 2020  
2018 YE Surveillance with ADFIT Consistency and Proration Adjustments adjusted to 48% Equity Ratio

	System Per	Consistency &	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Reallocation to	Revised Cap	Cost	Weighted
	Sys Per Book	Proration Adj.	Books Adj'd	Books	Adj	Adj	Retail	Ratio	48% Equity Ratio	Ratio	Rate	Cost
Common Equity	196,492,147	719,316	197,211,464	197,211,464	(15,734,543)	-	181,476,920	61.11%	142,534,129	48.00%	10.19%	4.89%
Long Term Debt	49,701,551	181,947	49,883,498	49,883,498	(3,979,962)	-	45,903,536	15.46%	74,776,813	25.18%	2.48%	0.63%
Short Term Debt	17,333,345	63,454	17,396,799	17,396,799	(1,388,006)	-	16,008,793	5.39%	26,078,307	8.78%	1.08%	0.09%
Cust Dep Active	3,314,935		3,314,935	3,314,935		-	3,314,935	1.12%	3,314,935	1.12%	2.73%	0.03%
Cust Dep InActive	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Invest Tax Cr	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Deferred Inc Tax	50,913,259	(964,717)	49,948,542	49,948,542		293,375	50,241,918	16.92%	50,241,918	16.92%	0.00%	0.00%
<b>Total</b>	<b>317,755,237</b>	<b>-</b>	<b>317,755,237</b>	<b>317,755,237</b>	<b>(21,102,511)</b>	<b>293,375</b>	<b>296,946,102</b>	<b>100.00%</b>	<b>296,946,102</b>	<b>100.00%</b>		<b>5.64%</b>

Florida City Gas  
Attachment B, Schedule 6 - 2020 SAFE Program Rates  
January 2020 through December 2020

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (1)	Monthly Customer Surcharge
RS-1	32.23%	\$ 532,306	441,214	\$ 1.21
RS-100	57.52%	\$ 949,814	787,274	\$ 1.21
RS-600	0.94%	\$ 15,471	12,824	\$ 1.21
GS-1	4.73%	\$ 78,084	64,722	\$ 1.21
GS-6K	3.78%	\$ 62,455	27,688	\$ 2.26
GS-25K	0.63%	\$ 10,368	4,597	\$ 2.26
GS-120K	0.16%	\$ 2,560	1,135	\$ 2.26
GS-1250K	0.01%	\$ 127	56	\$ 2.26
GS-11M	0.00%	\$ -	0	\$ -
GS-25M	0.00%	\$ -	0	\$ -
Gas Lighting	0.01%	\$ 217.39	180	\$ 1.21
<b>Total</b>	<b>100%</b>	<b>\$ 1,651,403</b>		
2020 Revenue Requirement		\$ 1,785,425		
2019 Projected Under-Recovery		\$ (134,022)		
2018 Final True-Up		\$ -		

Note:

(1) - billing units for 12 months ending December 2020.

Florida City Gas  
Attachment B, Schedule 7 - Pipe Allocated to all Customers  
January 2020 through December 2020

**All Customers**

Material	Mileage	Footage	Currenet Budget Cost per Foot	Total Cost
2"	254.5	1,343,760	\$ 53.98	\$72,536,165
Grand Total	254.5	1,343,760		\$72,536,165

**Larger Customers Only**

Material	Mileage	Footage	Incremental Cost per Foot	Total Cost
4"	45.3	239,184	\$ 6.59	\$1,576,223
Grand Total	254.5	239,184		\$1,576,223

**Billing Unit Allocation Percentages**

Class	Annual Billing Units	Minimum Size 2" Pipe Cost	Incremental 4" Pipe Cost	Total	Percentage Allocation
RS-1	441,214	23,889,059.89		\$ 23,889,060	32.2%
RS-100	787,274	42,626,170.85		\$ 42,626,171	57.5%
RS-600	12,824	694,325.17		\$ 694,325	0.9%
GS-1	64,722	3,504,303.17		\$ 3,504,303	4.7%
GS-6K	27,688	1,499,163.46	\$1,303,697.02	\$ 2,802,860	3.8%
GS-25K	4,597	248,882.83	\$216,432.57	\$ 465,315	0.6%
GS-120K	1,135	61,447.94	\$53,436.13	\$ 114,884	0.2%
GS-1250K	56	3,055.18	\$2,656.83	\$ 5,712	0.0%
GS-11M	-				0.0%
GS-25M	-				0.0%
Gas Lighting	180	9,756.32		\$ 9,756	0.0%
Total	1,339,690	72,536,165	\$1,576,223	\$ 74,112,387	100.0%

**ATTACHMENT C (Updated)**

Revised SAFE Tariff Pages  
(Clean and Legislative Formats)



RIDER "D"

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

Through its SAFE Program, the Company has identified the potential replacement projects focusing initially on area of limited access/pipe overbuilds, and risk assessment for Rear Lot Mains and Services considering:

- i. The pipe material;
- ii. Leak incident rates;
- iii. Age of pipeline;
- iv. Pressure under which the pipeline is operating.

The Eligible Infrastructure Replacement includes the following:

Company investment in mains and service lines, as replacements for existing Rear Lot Facilities, and regulatory station and other distribution system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities that:

- i. do not increase revenues by directly connecting new Customers to the plant asset;
- ii. are in service and used and useful in providing utility service; and
- iii. that were not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.

The Company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the following:
  - a.) Equity components as approved in the Company's most recent base rate case;
  - b.) Debt and customer deposit components from the Company's most recent year-end surveillance report; and
  - c.) Accumulated deferred income tax balance from the Company's most recent year-end surveillance report as adjusted, if applicable, consistent with the normalization rules of the Internal Revenue Code.
2. Depreciation expense (calculated using the currently approved depreciation rates);
3. Customer and general public notification expenses associated with the SAFE Program incurred for:

RIDER "D"

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM

(Continued)

- i. all Customers regarding the implementation of the SAFE Program and the approved surcharge factors;
  - ii. the immediately affected Customers where the eligible infrastructure is being replaced; and
  - iii. the general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities;
4. Ad valorem taxes; and
  5. Federal and state income taxes.

The Company is utilizing a surcharge mechanism in order to recover the costs associated with the SAFE Program. The Company has developed the revenue requirement for the SAFE Program using the same methodology approved in its most recent rate case. The SAFE revenue requirement will be allocated to each Customer class (Rate Schedule) using allocation factors established by the Florida Public Service Commission for the SAFE Program. The per Customer SAFE surcharge is calculated by dividing the revenue requirement allocated to each Customer class by the number of Customers in the class.

The cost recovery factors including tax multiplier for the twelve-month period from January 1, 2020 through December 31, 2020 are:

<u>Rate Class</u>	<u>Rates Per Customer</u>
Rate Schedule RS-1	\$1.21
Rate Schedule RS-100	\$1.21
Rate Schedule RS-600	\$1.21
Rate Schedule GS-1	\$1.21
Rate Schedule GS-6K	\$2.26
Rate Schedule GS-25K	\$2.26
Rate Schedule GS-120K	\$2.26
Rate Schedule GS-1,250K	\$2.26
Rate Schedule GS-11M	\$-
Rate Schedule GS-25M	\$-
Rate Schedule GL	\$1.21
Rate Schedule RSG	N/A
Rate Schedule CSG	N/A

---

Issued by: Carolyn Bermudez  
Vice President, Florida City Gas

Effective:

RIDER "D"

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM

(Continued)

Calculation of the SAFE Revenue Requirements and SAFE Surcharges

In determining the SAFE Revenue Requirements, the Commission shall consider only (a) the net original cost of Eligible Replacements (i.e., the original cost); (b) the applicable depreciation rates as determined and approved by the Commission based on the Company's most recent depreciation study; (c) the accumulated depreciation associated with the Eligible Replacements; (d) the current state and federal income and ad valorem taxes; and (e) the Company's weighted average cost of capital as calculated on Tariff Sheet No. 78.

The SAFE Revenue Requirements shall be calculated as follows:

Line	Description	Value	Source
1	Revenue Expansion Factor	1.3522	As calculated in most recent base rate proceeding, using current tax rates
2	Ad Valorem Tax Rate	%	Effective Property Tax Rate for most recent 12 Months ended December 31
3	Mains	\$	Eligible Replacement Mains
4	Services	\$	Eligible Replacement Services
5	Regulators	\$	Eligible Replacement Regulators
6	Other	\$	Eligible Replacement Other
7	Gross Plant	\$	L3+L4+L5+L6
8	Accumulated Depreciation	\$	Previous Period Balance +L13
9	Construction Work In Progress	\$	Non-interest Bearing
10	Net Book Value	\$	L7-L8+L9
11	Average Net Book Value	\$	(L10 + Balance From Previous Period)/2
12	Return on Average Net Book Value	\$	L 11 X Company's calculated weighted average cost of capital
13	Depreciation Expense	\$	Lines 3,4,5 & 6 X applicable approved Depreciation Rates
14	Property Tax	\$	(L7-L8) X L 2
15	Customer and general public notification and other applicable expense	\$	O&M expense incurred as a result of eligible plant replacement
16	SAFE Revenue Requirement	\$	(L12+L13+L14+L15) X L 1

Issued by: Carolyn Bermudez  
 Vice President, Florida City Gas

Effective:

RIDER "D"

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

Through its SAFE Program, the Company has identified the potential replacement projects focusing initially on area of limited access/pipe overbuilds, and risk assessment for Rear Lot Mains and Services considering:

- i. The pipe material;
- ii. Leak incident rates;
- iii. Age of pipeline;
- iv. Pressure under which the pipeline is operating.

The Eligible Infrastructure Replacement includes the following:

Company investment in mains and service lines, as replacements for existing Rear Lot Facilities, and regulatory station and other distribution system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities that:

- i. do not increase revenues by directly connecting new Customers to the plant asset;
- ii. are in service and used and useful in providing utility service; and
- iii. that were not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.

The Company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the equity following:
  - a.) Equity components as approved in the Company's most recent base rate case;
  - b.) Debt and the debt customer deposit components from the Company's most recent year-end surveillance report; and
  - c.) Accumulated deferred income tax balance from the Company's most recent year-end surveillance report as adjusted, if applicable, consistent with the normalization rules of the Internal Revenue Code.
2. Depreciation expense (calculated using the currently approved depreciation rates);
3. Customer and general public notification expenses associated with the SAFE Program incurred for:

RIDER "D"

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM

(Continued)

- i. all Customers regarding the implementation of the SAFE Program and the approved surcharge factors;
  - ii. the immediately affected Customers where the eligible infrastructure is being replaced; and
  - iii. the general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities;
- 4. Ad valorem taxes; and
  - 5. Federal and state income taxes.

The Company is utilizing a surcharge mechanism in order to recover the costs associated with the SAFE Program. The Company has developed the revenue requirement for the SAFE Program using the same methodology approved in its most recent rate case. The SAFE revenue requirement will be allocated to each Customer class (Rate Schedule) using allocation factors established by the Florida Public Service Commission for the SAFE Program. The per Customer SAFE surcharge is calculated by dividing the revenue requirement allocated to each Customer class by the number of Customers in the class.

The cost recovery factors including tax multiplier for the twelve month period from January 1, ~~2019~~2020 through December 31, ~~2019~~2020 are:

<u>Rate Class</u>	<u>Rates Per Customer</u>
Rate Schedule RS-1	<del>\$0.211.21</del>
Rate Schedule RS-100	<del>\$0.211.21</del>
Rate Schedule RS-600	<del>\$0.211.21</del>
Rate Schedule GS-1	<del>\$0.211.21</del>
Rate Schedule GS-6K	<del>\$0.402.26</del>
Rate Schedule GS-25K	<del>\$0.402.26</del>
Rate Schedule GS-120K	<del>\$0.402.26</del>
Rate Schedule GS-1,250K	<del>\$0.402.26</del>
Rate Schedule GS-11M	<del>\$0.40</del>
Rate Schedule GS-25M	<del>\$0.40</del>
Rate Schedule GL	<del>\$0.211.21</del>
Rate Schedule RSG	N/A
Rate Schedule CSG	N/A

RIDER "D"

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM  
 (Continued)

Calculation of the SAFE Revenue Requirements and SAFE Surcharges

In determining the SAFE Revenue Requirements, the Commission shall consider only (a) the net original cost of Eligible Replacements (i.e., the original cost); (b) the applicable depreciation rates as determined and approved by the Commission based on the Company's most recent depreciation study; (c) the accumulated depreciation associated with the Eligible Replacements; (d) the current state and federal income and ad valorem taxes; and (e) the Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report on Tariff Sheet No. 78.

The SAFE Revenue Requirements shall be calculated as follows:

Line	Description	Value	Source
1	Revenue Expansion Factor	1.3522	As calculated in most recent base rate proceeding, using current tax rates
2	Ad Valorem Tax Rate	%	Effective Property Tax Rate for most recent 12 Months ended December 31
3	Mains	\$	Eligible Replacement Mains
4	Services	\$	Eligible Replacement Services
5	Regulators	\$	Eligible Replacement Regulators
6	Other	\$	Eligible Replacement Other
7	Gross Plant	\$	L3+L4+L5+L6
8	Accumulated Depreciation	\$	Previous Period Balance +L13
9	Construction Work In Progress	\$	Non-interest Bearing
10	Net Book Value	\$	L7-L8+L9
11	Average Net Book Value	\$	(L10 + Balance From Previous Period)/2
12	Return on Average Net Book Value	\$	L 11 X Company's <u>calculated</u> weighted average cost of capital
13	Depreciation Expense	\$	Lines 3,4,5 & 6 X applicable approved Depreciation Rates
14	Property Tax	\$	(L7-L8) X L 2
15	Customer and general public notification and other applicable expense	\$	O&M expense incurred as a result of eligible plant replacement
16	SAFE Revenue Requirement	\$	(L12+L13+L14+L15) X L 1

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of Florida City Gas's Petition for Approval of the SAFE Program True-Up and 2020 Surcharge Factors, along with Attachments A through C, has been furnished by Electronic Mail to the following this 4th day of October 2019:

<p>Kurt Schrader, Esquire Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 <a href="mailto:kschrade@psc.state.fl.us">kschrade@psc.state.fl.us</a></p>	<p>Office of Public Counsel J.R. Kelly/Patricia Christensen c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:Kelly.JR@leg.state.fl.us">Kelly.JR@leg.state.fl.us</a></p>
<p>Florida City Gas Carolyn Bermudez 4045 NW 97th Avenue Doral, Florida 33178 <a href="mailto:Carolyn.Bermudez@nexteraenergy.com">Carolyn.Bermudez@nexteraenergy.com</a></p>	



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