

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for rate increase by Florida City  
Gas

Docket No. 20220069-GU

Served: August 16, 2022

**FLORIDA CITY GAS**  
**NOTICE OF IDENTIFIED ADJUSTMENTS**

Florida City Gas (“FCG”) hereby files this Notice of Identified Adjustments to advise the Florida Public Service Commission, its Staff, and intervenors of adjustments to certain information contained in its rate case filing that have been identified in this proceeding.

1. On May 31, 2022, FCG filed its Petition, Minimum Filing Requirements (“MFR”), direct testimony, and exhibits in support of FCG’s proposed base rate increase and four-year rate plan. FCG also submitted certain MFRs that do not reflect the impact of the proposed Reserve Surplus Amortization Mechanism (“RSAM”), as well as a 2022 Depreciation Study, in the event the Commission does not accept FCG’s proposed four-year rate plan with RSAM.

2. Since the May 31, 2022 filing date and during the course of discovery, FCG has identified adjustments to certain information contained in its rate case filing that affect the proposed revenue requirements for the 2023 Test Year. The adjustments identified by FCG and their impact on revenue requirements for the 2023 Test Year, both with and without RSAM, are reflected in Attachment 1 to this Notice. As reflected in Attachment 1, these adjustments, if made, would net to an approximate \$160,163 decrease in FCG’s requested incremental base revenue increase for the 2023 Test Year.

3. FCG will include all adjustments identified on Attachment 1 in an exhibit to be filed with rebuttal testimony, along with any other adjustments that may be identified between now and then, and will calculate the revenue requirement impact under FCG’s four-year rate plan (*i.e.*, with RSAM) and without RSAM. Final rates determined by the Commission would include such adjustments as may be determined appropriate through this proceeding.

Respectfully submitted this 16<sup>th</sup> day of August 2022,

FLORIDA CITY GAS

By: /s/ Christopher T. Wright  
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*Attorneys for Florida City Gas*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 16<sup>th</sup> day of August 2022:

<p>Walter Trierweiler, Esquire Matthew Jones, Esquire Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 <a href="mailto:wtrierwe@psc.state.fl.us">wtrierwe@psc.state.fl.us</a> <a href="mailto:majones@psc.state.fl.us">majones@psc.state.fl.us</a> <b><i>For Commission Staff</i></b></p>	<p>Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:Gentry.richard@leg.state.fl.us">Gentry.richard@leg.state.fl.us</a> <a href="mailto:wessling.mary@leg.state.fl.us">wessling.mary@leg.state.fl.us</a> <b><i>For Office of Public Counsel</i></b></p>
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s/ Christopher T. Wright

Christopher T. Wright  
Fla. Auth. House Counsel No. 1007055

*Attorney for Florida City Gas*

**ATTACHMENT 1**

DOCKET NO. 20220069-GU  
FLORIDA CITY GAS  
RECALCULATED REVENUE REQUIREMENTS

**2023 TEST YEAR WITH RSAM**

LINE NO.	DESCRIPTION	REFERENCE	2023 REVENUE REQUIREMENTS AS FILED <sup>(B)</sup>	IDENTIFIED ADJUSTMENTS <sup>(C)</sup>	2023 RECALCULATED REVENUE REQUIREMENTS
1					
2	ADJUSTED RATE BASE	Schedule G-1 p.1 (with RSAM)	\$489,002,189	\$0	\$489,002,189
3					
4	REQUESTED RATE OF RETURN	Schedule G-3 p.2 (with RSAM)	7.09%	0.00%	7.09%
5					
6	NET OPERATING INCOME REQUIREMENTS	Line 2 x Line 4	34,688,400	0	34,688,400
7					
8	LESS: ADJUSTED NET OPERATING INCOME	Page 2	13,268,605	118,403	13,387,008
9					
10	NET OPERATING INCOME DEFICIENCY (EXCESS)	Line 6 - Line 8	21,419,795	(118,403)	21,301,392
11					
12	EARNED RATE OF RETURN	Line 8 / Line 2	2.71%	0.02%	2.74%
13					
14	EXPANSION FACTOR	Schedule G-4 (with RSAM)	1.35270	0.00000	1.35270
15					
16	REVENUE DEFICIENCY	Line 10 x Line 14	\$28,974,556	(\$160,163)	\$28,814,393
17					
18	LESS:				
19					
20	LNG REVENUE INCREASE		3,828,493	\$0	\$3,828,493
21					
22	TRANSFER OF SAFE INVESTMENTS		5,696,211	\$0	\$5,696,211
23					
24	INCREMENTAL REVENUE INCREASE	Line 16 - Line 20 - Line 22	\$19,449,853	(\$160,163)	\$19,289,690

**2023 TEST YEAR WITHOUT RSAM**

LINE NO.	DESCRIPTION	REFERENCE	2023 REVENUE REQUIREMENTS AS FILED <sup>(B)</sup>	IDENTIFIED ADJUSTMENTS <sup>(C)</sup>	2023 RECALCULATED REVENUE REQUIREMENTS
25					
26	ADJUSTED RATE BASE	Schedule G-1 p.1	\$487,422,825	\$0	\$487,422,825
27					
28	REQUESTED RATE OF RETURN	Schedule G-3 p.2	7.09%	0.00%	7.09%
29					
30	NET OPERATING INCOME REQUIREMENTS	Line 26 x Line 28	34,574,871	0	34,574,871
31					
32	LESS: ADJUSTED NET OPERATING INCOME	Page 2	10,923,943	118,403	11,042,346
33					
34	NET OPERATING INCOME DEFICIENCY (EXCESS)	Line 30 - Line 32	23,650,928	(118,403)	23,532,526
35					
36	EARNED RATE OF RETURN	Line 32 / Line 26	2.24%	0.02%	2.27%
37					
38	EXPANSION FACTOR	Schedule G-4	1.35270	0.00000	1.35270
39					
40	REVENUE DEFICIENCY	Line 34 x Line 38	\$31,992,611	(\$160,163)	\$31,832,448
41					
42	LESS:				
43					
44	LNG REVENUE INCREASE		3,828,493	\$0	\$3,828,493
45					
46	TRANSFER OF SAFE INVESTMENTS		5,990,342	\$0	\$5,990,342
47					
48	INCREMENTAL REVENUE INCREASE	Line 40 - Line 44 - Line 46	\$22,173,776	(\$160,163)	\$22,013,613

NOTES:

- (A) TOTALS MAY NOT ADD DUE TO ROUNDING  
 (B) REPRESENTS AS FILED REVENUE REQUIREMENTS PER FCG'S MFR SCHEDULE G-5 WITH RSAM.  
 (C) INCLUDES IMPACT OF FCG'S IDENTIFIED ADJUSTMENTS REFLECTED ON PAGE 2.  
 (D) REPRESENTS AS FILED REVENUE REQUIREMENTS PER FCG'S MFR SCHEDULE G-5.

**DOCKET NO. 20220069-GU  
FLORIDA CITY GAS  
RECALCULATED NET OPERATING INCOME**

**2023 TEST YEAR WITH RSAM**

LINE NO.	2023 Filed NOI <sup>(A)</sup>	IDENTIFIED ADJUSTMENTS		Total NOI Adjustments	2023 Recalculated NOI <sup>(D)(E)</sup>
		LES Distribution Revenues <sup>(B)</sup>	AMI Pilot <sup>(C)</sup>		
1	\$ 64,545,404	\$ 155,495	\$ -	\$ 155,495	\$ 64,700,899
2	-	-	-	-	-
3	40,041	-	-	-	40,041
4	64,585,444	155,495	-	155,495	64,740,940
5	<b>OPERATING EXPENSES</b>				
6	-	-	-	-	-
7	25,980,967	-	(3,104)	(3,104)	25,977,862
8	17,316,572	-	-	-	17,316,572
9	-	-	-	-	-
10	6,386,610	-	-	-	6,386,610
11	49,684,149	-	(3,104)	(3,104)	49,681,044
12	<b>INCOME TAXES</b>				
13	245,033	30,858	616	31,474	276,507
14	(181,283)	8,552	171	8,723	(172,560)
15	-	-	-	-	-
16	947,721	-	-	-	947,721
17	621,219	-	-	-	621,219
18	-	-	-	-	-
19	1,632,691	39,410	787	40,197	1,672,888
20	51,316,839	39,410	(2,318)	37,093	51,353,932
21	<b>\$ 13,268,605</b>	<b>\$ 116,085</b>	<b>\$ 2,318</b>	<b>\$ 118,403</b>	<b>\$ 13,387,008</b>

**2023 TEST YEAR WITHOUT RSAM**

LINE NO.	2023 Filed NOI <sup>(F)</sup>	IDENTIFIED ADJUSTMENTS		Total NOI Adjustments	2023 Recalculated NOI <sup>(D)(E)</sup>
		LES Distribution Revenues <sup>(B)</sup>	AMI Pilot <sup>(C)</sup>		
22	\$ 64,545,404	\$ 155,495	\$ -	\$ 155,495	\$ 64,700,899
23	-	-	-	-	-
24	40,041	-	-	-	40,041
25	64,585,444	155,495	-	155,495	64,740,940
26	<b>OPERATING EXPENSES</b>				
27	-	-	-	-	-
28	25,980,967	-	(3,104)	(3,104)	25,977,863
29	20,501,181	-	-	-	20,501,181
30	-	-	-	-	-
31	6,386,610	-	-	-	6,386,610
32	52,868,759	-	(3,104)	(3,104)	52,865,655
33	<b>INCOME TAXES</b>				
34	(382,371)	30,858	616	31,474	(350,897)
35	(355,167)	8,552	171	8,723	(346,444)
36	-	-	-	-	-
37	909,060	-	-	-	909,060
38	621,219	-	-	-	621,219
39	-	-	-	-	-
40	792,742	39,410	787	40,197	832,939
41	53,661,501	39,410	(2,318)	37,093	53,698,594
42	<b>\$ 10,923,943</b>	<b>\$ 116,085</b>	<b>\$ 2,318</b>	<b>\$ 118,403</b>	<b>\$ 11,042,346</b>

**NOTES:**

46 (A) REPRESENTS AS FILED NET OPERATING INCOME PER FCG'S MFR G-2, p. 1 WITH RSAM.

47 (B) THE PRESENT REVENUE FORECAST ASSOCIATED WITH LOAD ENHANCEMENT SERVICE CUSTOMERS CONTAINED A FORMULA ERROR.

48 THEREFORE, OPERATING REVENUES IN THE 2023 TEST YEAR WERE UNDERSTATED.

49 (C) FCG INCORRECTLY FORECASTED THE AMOUNT OF O&M EXPENSE RELATED TO THE PROPOSED AMI PILOT FOR 1) ITS USE OF FPL'S METER

50 NETWORK IN THE AMI PILOT AND 2) ITRON SOFTWARE AND MANAGED SERVICE FEES. THEREFORE, O&M EXPENSE IN THE 2023 TEST YEAR

51 IS OVERSTATED.

52 (D) REPRESENTS RECALCULATED NOI REFLECTED ON PAGE 1.

53 (E) TOTALS MAY NOT ADD DUE TO ROUNDING.

54 (F) REPRESENTS AS FILED NET OPERATING INCOME PER FCG'S MFR SCHEDULE G-2, p. 1.