

**FLORIDA PUBLIC SERVICE COMMISSION**

**INVESTOR-OWNED NATURAL GAS UTILITY  
EARNINGS SURVEILLANCE REPORT**

**FLORIDA CITY GAS**

**DECEMBER 2022**

PSC/AFA 13 (6/94)

FLORIDA CITY GAS  
 EARNINGS SURVEILLANCE REPORT SUMMARY  
 DECEMBER, 2022

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 19,725,475	(1,863,131)	17,862,344	-	17,862,344
AVERAGE RATE BASE	\$ 435,062,199	(55,446,330)	379,615,869	-	379,615,869
AVERAGE RATE OF RETURN	4.53%		4.71%		4.71%

II. REQUIRED RATES OF RETURN AVERAGE CAPITAL  
 STRUCTURE (FPSC ADJUSTED BASIS)

LOW	5.44%
MIDPOINT	5.87%
HIGH	6.30%

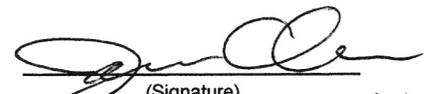
III. EARNED RETURN ON EQUITY

A. FPSC ADJUSTED RETURN ON COMMON EQUITY (AVERAGE)	7.47%
B. PROFORMA ADJUSTED RETURN ON COMMON EQUITY (AVERAGE)	7.52%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s.775.084.

Keith Ferguson, Vice President Accounting and Controller  
 (Name and Title of Chief Financial Officer)

  
 (Signature)  
 FOR KEITH FERGUSON

2/14/2023  
 (Date)

FLORIDA CITY GAS  
AVERAGE RATE BASE  
DECEMBER, 2022

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUM. DEPR. & AMORT.	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CWIP	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
1 PER BOOKS <sup>(1)</sup>	\$ 576,324,071	208,919,314	367,404,757	-	47,236,423	414,641,180	20,421,019	435,062,199
2								
3 <b>FPSC ADJUSTMENTS:</b>								
4 REMOVE SAFE CLAUSE PLANT	\$ (37,615,406)	(1,562,118)	(36,053,287)	-	(897,501)	(36,950,788)	-	(36,950,788)
5 REMOVE AEP	-	-	-	-	-	-	(1,867,777)	(1,867,777)
6 INTERCOMPANY AR	-	-	-	-	-	-	(91,053)	(91,053)
7 CLAUSE UNDERRECOVERIES	-	-	-	-	-	-	(5,566,641)	(5,566,641)
8 REMOVE LEASES	(9,677,542)	(1,973,549)	(7,703,993)	-	-	(7,703,993)	-	(7,703,993)
9 ACCUM DEFERRED RETIREMENT BENEFITS	-	-	-	-	-	-	40,057	40,057
10 TEMPORARY CASH INVESTMENTS	-	-	-	-	-	-	(3,306,135)	(3,306,135)
11 TOTAL FPSC ADJUSTMENTS <sup>(2)</sup>	<u>\$ (47,292,948)</u>	<u>(3,535,668)</u>	<u>(43,757,280)</u>	<u>-</u>	<u>(897,501)</u>	<u>(44,654,781)</u>	<u>(10,791,549)</u>	<u>(55,446,330)</u>
12								
13 FPSC ADJUSTED	<u>\$ 529,031,124</u>	<u>205,383,647</u>	<u>323,647,477</u>	<u>-</u>	<u>46,338,922</u>	<u>369,986,399</u>	<u>9,629,470</u>	<u>379,615,869</u>
14								
15 TOTAL PRO FORMA ADJUSTMENTS	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
16								
17 PRO FORMA ADJUSTED	<u>\$ 529,031,124</u>	<u>205,383,647</u>	<u>323,647,477</u>	<u>-</u>	<u>46,338,922</u>	<u>369,986,399</u>	<u>9,629,470</u>	<u>379,615,869</u>

<sup>(1)</sup> Recoverable AGL Acquisition Adjustment and related Accumulated Amortization are included in "Per Books" amounts.

<sup>(2)</sup> In order to be consistent with the "Per Book" capital structure reflected on Schedule 4, certain capital structure balances are no longer presented as part of "Per Book" Rate Base on this schedule. Therefore, no further capital structure adjustment is needed.

FLORIDA CITY GAS  
NET OPERATING INCOME  
DECEMBER, 2022

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
	OPERATING REVENUES	O&M GAS EXPENSE	O&M OTHER	DEPR. & AMORT.	TAXES OTHER THAN INCOME TAXES	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INV. TAX CREDIT (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME	
1	PER BOOKS	\$ 115,015,671	30,994,904	32,555,579	17,598,875	10,285,330	3,154,400	701,110	-	-	95,290,196	19,725,475
2												
3	<u>FPSC ADJUSTMENTS:</u>											
4	FUEL REVENUES/COSTS	\$ (32,820,190)	(32,696,702)	(187,407)	-	(11,014)	18,992	-	-	(32,876,132)	55,941	
5	FRANCHISE/GROSS RECEIPTS TAXES	(5,924,301)	-	(15,615)	-	(5,924,889)	4,107	-	-	(5,936,397)	12,096	
6	ECP REVENUE/COSTS	(6,070,844)	-	(5,999,258)	-	(87,513)	4,037	-	-	(6,082,734)	11,890	
7	AEP REVENUE/COSTS	(724,595)	-	(3,623)	(640,043)	-	(20,512)	-	-	(664,177)	(60,418)	
8	SAFE REVENUE/COSTS	(3,951,486)	-	(19,757)	(966,376)	(657,840)	(584,839)	-	-	(2,228,812)	(1,722,673)	
9	INDUSTRY ASSOCIATION DUES	-	-	5,000	-	-	(1,267)	-	-	3,733	(3,733)	
10	ECONOMIC DEVELOPMENT	-	-	(3,737)	-	-	947	-	-	(2,790)	2,790	
11	INTEREST SYNCHRONIZATION	-	-	-	-	-	159,024	-	-	159,024	(159,024)	
12	TOTAL FPSC ADJUSTMENTS	\$ (49,491,416)	(32,696,702)	(6,224,398)	(1,606,419)	(6,681,256)	(419,511)	-	-	(47,628,286)	(1,863,131)	
13												
14	FPSC ADJUSTED	\$ 65,524,255	(1,701,799)	26,331,181	15,992,456	3,604,074	2,734,889	701,110	-	-	47,661,911	17,862,344
15												
16	TOTAL PRO FORMA ADJUSTMENTS	\$ -	-	-	-	-	-	-	-	-	-	
17												
18	PRO FORMA ADJUSTED	\$ 65,524,255	(1,701,799)	26,331,181	15,992,456	3,604,074	2,734,889	701,110	-	-	47,661,911	17,862,344





FLORIDA CITY GAS  
EARNED RETURN ON COMMON EQUITY  
FPSC ADJUSTED BASIS  
DECEMBER, 2022

SCHEDULE 5

Line No.		FPSC ADJ.	PROFORMA
1	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	4.71%	4.71%
2	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
3	LONG TERM DEBT	-1.42%	-1.44%
4	SHORT TERM DEBT	-0.05%	-0.05%
5	PREFERRED STOCK	0.00%	0.00%
6	CUSTOMER DEPOSITS	-0.03%	-0.03%
7	TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%	0.00%
8	SUBTOTAL	-1.49%	-1.51%
9			
10	TOTAL	3.21%	3.20%
11			
12	DIVIDED BY RECONCILED COMMON EQUITY RATIO	43.01%	42.51%
13			
14	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>7.47%</u>	<u>7.52%</u>