



March 15, 2022

Mr. Andrew Maurey  
Director, Division of Accounting and Finance  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

Re: 2022 Forecasted Earnings Surveillance Report

Dear Mr. Maurey:

On February 16, 2022 you granted Florida City Gas's ("FCG's") request for an extension of time to March 15, 2022 to file its 2022 forecasted earnings surveillance report ("FESR"). Consistent with that extension, I am enclosing FCG's 2022 FESR. Please note that the forecast results contained in the FESR reflect the Company's 2022 planning assumptions.

Sincerely,

A handwritten signature in cursive script that reads "Ina Laney".

Ina Laney

Manager Cost & Performance, Financial Forecasting

Enclosures:

Cc: Richard Gentry, Office of Public Counsel

**FLORIDA PUBLIC SERVICE COMMISSION  
GAS FORECASTED EARNINGS SURVEILLANCE REPORT**

SCHEDULE 1

**Company: Florida City Gas  
Year: 2022**

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	(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	\$ 17,580,959	(2,220,876)	15,360,083	-	15,360,083
AVERAGE RATE BASE	\$ 444,722,175	(52,513,207)	392,208,969	-	392,208,969
AVERAGE RATE OF RETURN	3.95%		3.92%		3.92%

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

LOW	5.37%
MIDPOINT	5.79%
HIGH	6.21%

III. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)

A. RETURN ON COMMON EQUITY (AVERAGE)	5.70%
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FLORIDA PUBLIC SERVICE COMMISSION  
 GAS FORECASTED EARNINGS SURVEILLANCE REPORT  
 AVERAGE RATE OF RETURN  
 RATE BASE

Company: Florida City Gas  
 Year: 2022

Line No.	(1) PLANT IN SERVICE	(2) ACCUM. DEPR. & AMORT.	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CWIP	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE
1	\$ 582,538,177	209,760,658	372,777,519	-	57,660,027	430,437,545	14,284,630	444,722,175
2								
3	<u>FPSC ADJUSTMENTS:</u>							
4	\$ (39,039,055)	(1,573,071)	(37,465,984)	-	(2,714,008)	(40,179,992)	-	(40,179,992)
5	-	-	-	-	-	-	(1,811,657)	(1,811,657)
6	-	-	-	-	-	-	123	123
7	-	-	-	-	-	-	(2,188,598)	(2,188,598)
8	(9,677,542)	(1,703,882)	(7,973,660)	-	-	(7,973,660)	-	(7,973,660)
9	-	-	-	-	-	-	19,785	19,785
10	-	-	-	-	-	-	(379,207)	(379,207)
11	<u>(48,716,597)</u>	<u>(3,276,952)</u>	<u>(45,439,644)</u>	<u>-</u>	<u>(2,714,008)</u>	<u>(48,153,653)</u>	<u>(4,359,554)</u>	<u>(52,513,207)</u>
12								
13	<u>\$ 533,821,580</u>	<u>206,483,706</u>	<u>327,337,874</u>	<u>-</u>	<u>54,946,018</u>	<u>382,283,893</u>	<u>9,925,076</u>	<u>392,208,969</u>
14								
15	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
16								
17	<u>\$ 533,821,580</u>	<u>206,483,706</u>	<u>327,337,874</u>	<u>-</u>	<u>54,946,018</u>	<u>382,283,893</u>	<u>9,925,076</u>	<u>392,208,969</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 PUBLIC SERVICE COMMISSION  
GAS FORECASTED EARNINGS SURVEILLANCE REPORT  
AVERAGE RATE OF RETURN  
INCOME STATEMENT

SCHEDULE 2  
PAGE 2 OF 2

Company: Florida City Gas  
Year: 2022

Line No.	(1) OPERATING REVENUES	(2) O&M GAS EXPENSE	(3) O&M OTHER	(4) DEPR. & AMORT.	(5) TAXES OTHER THAN INCOME TAXES	(6) INCOME TAXES CURRENT	(7) DEFERRED INCOME TAXES (NET)	(8) INV. TAX CREDIT (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
1	105,225,050	25,469,394	32,510,968	17,797,838	8,861,611	1,512,579	1,491,702	-	-	87,644,091	17,580,959
2											
3	<u>FPSC ADJUSTMENTS:</u>										
4	\$ (25,963,698)	(25,969,394)	(167,492)	-	-	42,090	-	-	-	(26,094,796)	131,098
5	(3,917,405)	-	(11,756)	-	(3,917,405)	2,857	-	-	-	(3,926,304)	8,899
6	(6,830,985)	-	(6,780,557)	-	(78,869)	6,912	-	-	-	(6,852,513)	21,528
7	(750,276)	-	(3,751)	(679,200)	-	(16,362)	-	-	-	(699,313)	(50,963)
8	(4,601,338)	-	(23,007)	(1,005,445)	(685,000)	(701,843)	-	-	-	(2,415,295)	(2,186,043)
9	-	-	(25,000)	-	-	6,076	-	-	-	(18,924)	18,924
10	-	-	(3,367)	-	-	818	-	-	-	(2,549)	2,549
11	-	-	-	-	-	166,868	-	-	-	166,868	(166,868)
12	<u>\$ (42,063,702)</u>	<u>(25,969,394)</u>	<u>(7,014,930)</u>	<u>(1,684,645)</u>	<u>(4,681,273)</u>	<u>(492,585)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,842,826)</u>	<u>(2,220,876)</u>
13											
14	<u>\$ 63,161,348</u>	<u>(500,000)</u>	<u>25,496,038</u>	<u>16,113,193</u>	<u>4,180,338</u>	<u>1,019,994</u>	<u>1,491,702</u>	<u>-</u>	<u>-</u>	<u>47,801,265</u>	<u>15,360,083</u>
15											
16	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
17											
18	<u>\$ 63,161,348</u>	<u>(500,000)</u>	<u>25,496,038</u>	<u>16,113,193</u>	<u>4,180,338</u>	<u>1,019,994</u>	<u>1,491,702</u>	<u>-</u>	<u>-</u>	<u>47,801,265</u>	<u>15,360,083</u>



FLORIDA PUBLIC SERVICE COMMISSION  
GAS FORECASTED EARNINGS SURVEILLANCE REPORT  
EARNED RETURN ON COMMON EQUITY  
FPSC ADJUSTED BASIS

SCHEDULE 4

Company: Florida City Gas

Year: 2022

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Line No.		
1	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>3.92%</u>
2	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
3	LONG TERM DEBT	-1.47%
4	SHORT TERM DEBT	-0.04%
5	PREFERRED STOCK	0.00%
6	CUSTOMER DEPOSITS	-0.02%
7	TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00%</u>
8	SUBTOTAL	<u>-1.54%</u>
9		
10	TOTAL	2.38%
11		
12	DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>41.69%</u>
13		
14	JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>5.70%</u></u>

FLORIDA PUBLIC SERVICE COMMISSION  
 GAS FORECASTED EARNINGS SURVEILLANCE REPORT  
 FORECAST ASSUMPTIONS

SCHEDULE 5

Company: Florida City Gas  
 Year: 2022

FORECAST ASSUMPTIONS

Customers	Forecast Year	Prior Year
	YEAR	YEAR
Residential	108,235	107,418
Commercial	8,266	8,159
Industrial/Interruptable	107	105
Transportation	5	5
Other	94	94
<b>Total</b>	<b>116,707</b>	<b>115,782</b>

  

Therm Sales	Forecast Year	Prior Year
	YEAR (1)	YEAR (2)
Residential	17,324,302	17,193,520
Commercial	52,882,963	51,967,474
Industrial/Interruptable	52,035,338	56,882,410
Transportation	51,161,858	42,080,088
Other	18,177	18,177
<b>Total</b>	<b>173,422,638</b>	<b>168,141,668</b>

OTHER MAJOR FORECAST ASSUMPTIONS

- (1) Includes forecasted weather normal sales
- (2) 2021 actual sales

I am the person responsible for preparation of this document and 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.

Mark Campbell

Name

Senior Director, Financial Forecasting

Title

*Trina Laney*  
 Signature  
*on behalf of Mark Campbell*

3/15/2022

Date