

FLORIDA PUBLIC SERVICE COMMISSION

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

FLORIDA CITY GAS

MARCH 2023

PSC/AFA 13 (6/94)

FLORIDA CITY GAS
EARNINGS SURVEILLANCE REPORT SUMMARY
MARCH, 2023

	(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	\$ 18,905,229	(2,291,294)	16,613,935	-	16,613,935
AVERAGE RATE BASE	\$ 452,283,556	(59,071,981)	393,211,575	-	393,211,575
AVERAGE RATE OF RETURN	4.18%		4.23%		4.23%

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

LOW	5.47%
MIDPOINT	5.90%
HIGH	6.34%

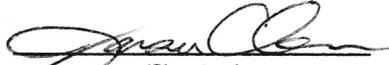
III. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)

A. FPSC ADJUSTED RETURN ON COMMON EQUITY (AVERAGE) 6.32%

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

05/15/2023
(Date)

FLORIDA CITY GAS
AVERAGE RATE OF RETURN
RATE BASE
MARCH, 2023

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 ⁽¹⁾	\$ 588,486,924	212,076,706	376,410,217	-	52,369,827	428,780,044	23,503,511	452,283,556
2								
3 <u>FPSC ADJUSTMENTS:</u>								
4 REMOVE SAFE CLAUSE PLANT	\$ (39,788,700)	(1,803,712)	(37,984,988)	-	(921,751)	(38,906,739)	-	(38,906,739)
5 REMOVE AEP	-	-	-	-	-	-	(1,728,003)	(1,728,003)
6 INTERCOMPANY AR	-	-	-	-	-	-	(113,140)	(113,140)
7 CLAUSE UNDERRECOVERIES	-	-	-	-	-	-	(5,751,308)	(5,751,308)
8 REMOVE LEASES	(9,677,542)	(2,109,834)	(7,567,708)	-	-	(7,567,708)	-	(7,567,708)
9 ACCUM DEFERRED RETIREMENT BENEFITS	-	-	-	-	-	-	42,349	42,349
10 TEMPORARY CASH INVESTMENTS	-	-	-	-	-	-	(5,047,433)	(5,047,433)
11 TOTAL FPSC ADJUSTMENTS ⁽²⁾	<u>(49,466,242)</u>	<u>(3,913,546)</u>	<u>(45,552,695)</u>	<u>-</u>	<u>(921,751)</u>	<u>(46,474,446)</u>	<u>(12,597,534)</u>	<u>(59,071,981)</u>
12								
13 FPSC ADJUSTED	<u>\$ 539,020,682</u>	<u>208,163,160</u>	<u>330,857,522</u>	<u>-</u>	<u>51,448,076</u>	<u>382,305,598</u>	<u>10,905,977</u>	<u>393,211,575</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>\$ 539,020,682</u>	<u>208,163,160</u>	<u>330,857,522</u>	<u>-</u>	<u>51,448,076</u>	<u>382,305,598</u>	<u>10,905,977</u>	<u>393,211,575</u>

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

⁽²⁾ 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
AVERAGE RATE OF RETURN
INCOME STATEMENT
MARCH, 2023

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	\$ 117,769,650	32,964,087	34,056,164	17,836,477	10,502,621	2,650,598	854,474	-	-	98,864,421	18,905,229
2											
3	<u>FPSC ADJUSTMENTS:</u>										
4	\$ (34,813,043)	(34,628,102)	(193,187)	-	(9,466)	4,489	-	-	-	(34,826,265)	13,222
5	(5,969,311)	-	(15,834)	-	(5,969,931)	4,170	-	-	-	(5,981,595)	12,284
6	(6,333,417)	-	(6,249,239)	-	(93,660)	2,403	-	-	-	(6,340,496)	7,079
7	(715,229)	-	(3,572)	(632,365)	-	(20,097)	-	-	-	(656,033)	(59,196)
8	(4,553,808)	-	(22,732)	(1,019,132)	(688,865)	(715,509)	-	-	-	(2,446,238)	(2,107,570)
9	-	-	5,000	-	-	(1,267)	-	-	-	3,733	(3,733)
10	-	-	(3,292)	-	-	834	-	-	-	(2,457)	2,457
11	-	-	-	-	-	155,839	-	-	-	155,839	(155,839)
12	<u>\$ (52,384,807)</u>	<u>(34,628,102)</u>	<u>(6,482,855)</u>	<u>(1,651,496)</u>	<u>(6,761,922)</u>	<u>(569,138)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,093,513)</u>	<u>(2,291,294)</u>
13											
14	<u>\$ 65,384,843</u>	<u>(1,664,015)</u>	<u>27,573,309</u>	<u>16,184,981</u>	<u>3,740,699</u>	<u>2,081,460</u>	<u>854,474</u>	<u>-</u>	<u>-</u>	<u>48,770,908</u>	<u>16,613,935</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>\$ 65,384,843</u>	<u>(1,664,015)</u>	<u>27,573,309</u>	<u>16,184,981</u>	<u>3,740,699</u>	<u>2,081,460</u>	<u>854,474</u>	<u>-</u>	<u>-</u>	<u>48,770,908</u>	<u>16,613,935</u>

FLORIDA CITY GAS
 CAPITAL STRUCTURE
 FPSC ADJUSTED BASIS
 MARCH, 2023

No.	AVERAGE	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MID POINT		HIGH POINT	
			SPECIFIC	PRO RATA			(%)	COST (%)	(%)	COST (%)	(%)	COST (%)
1	DIVISIONAL CAPITAL	\$ 192,746,391	(0)	(22,322,710)	170,423,682	43.34%	9.19%	3.98%	10.19%	4.42%	11.19%	4.85%
2												
3	LONG TERM DEBT	179,553,189	(7,567,708)	(19,918,308)	152,067,174	38.67%	3.64%	1.41%	3.64%	1.41%	3.64%	1.41%
4												
5	SHORT TERM DEBT	22,225,669	(0)	(2,574,041)	19,651,628	5.00%	1.09%	0.05%	1.09%	0.05%	1.09%	0.05%
6												
7	PREFERRED STOCK	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8												
9	CUSTOMER DEPOSITS	4,285,891	-	(496,366)	3,789,525	0.96%	2.67%	0.03%	2.67%	0.03%	2.67%	0.03%
10												
11	DEFERRED INCOME TAX	34,312,301	(0)	(3,973,841)	30,338,460	7.72%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12												
13	FAS 109 DEFERRED INCOME TAX	19,160,114	(0)	(2,219,007)	16,941,107	4.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14												
15	TAX CREDITS - ZERO COST	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16												
17	TAX CREDITS - WEIGHTED COST	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	TOTAL	\$ 452,283,556	(7,567,708)	(51,504,273)	393,211,575	100.00%	5.47%	5.90%	6.34%			

FLORIDA CITY GAS
 EARNED RETURN ON COMMON EQUITY
 FPSC ADJUSTED BASIS
 MARCH, 2023

Line No.		FPSC ADJ.
1	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	4.23%
2	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
3	LONG TERM DEBT	-1.41%
4	SHORT TERM DEBT	-0.05%
5	PREFERRED STOCK	0.00%
6	CUSTOMER DEPOSITS	-0.03%
7	TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%
8	SUBTOTAL	-1.49%
9		
10	TOTAL	2.74%
11		
12	DIVIDED BY RECONCILED COMMON EQUITY RATIO	43.34%
13		
14	JURISDICTIONAL RETURN ON COMMON EQUITY	6.32%