

**FLORIDA PUBLIC SERVICE COMMISSION**

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

**FLORIDA CITY GAS**

**JUNE 2023**

PSC/AFA 13 (6/94)

FLORIDA CITY GAS  
EARNINGS SURVEILLANCE REPORT SUMMARY  
JUNE, 2023

	(1) ACTUAL <u>PER BOOKS</u>	(2) FPSC <u>ADJUSTMENTS</u>	(3) FPSC <u>ADJUSTED</u>	(4) PRO FORMA <u>ADJUSTMENTS</u>	(5) PRO FORMA <u>ADJUSTED</u>
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 26,481,617	(2,394,621)	24,086,995	-	24,086,995
AVERAGE RATE BASE	\$ 470,915,990	(57,422,749)	413,493,241	-	413,493,241
AVERAGE RATE OF RETURN	5.62%		5.83%		5.83%

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

III. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)

LOW	5.37%	A. RETURN ON COMMON EQUITY (AVERAGE)	9.50%
MIDPOINT	5.83%		
HIGH	6.28%		

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		August 8, 2023
(Name and Title of Chief Financial Officer)	(Signature)	(Date)

FLORIDA CITY GAS  
AVERAGE RATE OF RETURN  
RATE BASE  
JUNE, 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	\$ 611,033,631	214,725,278	396,308,352	-	47,224,403	443,532,756	27,383,234	470,915,990
2								
3 <u>FPSC ADJUSTMENTS:</u>								
4 REMOVE SAFE CLAUSE PLANT	\$ (35,725,456)	(1,672,819)	(34,052,637)	-	(883,581)	(34,936,218)	-	(34,936,218)
5 REMOVE AEP	-	-	-	-	-	-	(1,589,702)	(1,589,702)
6 INTERCOMPANY AR	-	-	-	-	-	-	(124,509)	(124,509)
7 CLAUSE UNDERRECOVERIES	-	-	-	-	-	-	(5,282,509)	(5,282,509)
8 REMOVE LEASES	(9,677,542)	(2,247,436)	(7,430,106)	-	-	(7,430,106)	-	(7,430,106)
9 ACCUM DEFERRED RETIREMENT BENEFITS	-	-	-	-	-	-	42,220	42,220
10 REMOVE 50% DIRECTORS & OFFICERS EXPENSE	-	-	-	-	-	-	(1,420)	(1,420)
11 REMOVE UNAMORTIZED RATE CASE EXPENSE	-	-	-	-	-	-	(260,632)	(260,632)
12 OTHER RATE CASE ADJUSTMENTS (1)	-	15,557	(15,557)	-	-	(15,557)	-	(15,557)
13 TEMPORARY CASH INVESTMENTS	-	-	-	-	-	-	(7,824,316)	(7,824,316)
14 TOTAL FPSC ADJUSTMENTS	<u>(45,402,998)</u>	<u>(3,904,698)</u>	<u>(41,498,300)</u>	<u>-</u>	<u>(883,581)</u>	<u>(42,381,881)</u>	<u>(15,040,868)</u>	<u>(57,422,749)</u>
15								
16 FPSC ADJUSTED	<u>\$ 565,630,632</u>	<u>210,820,581</u>	<u>354,810,052</u>	<u>-</u>	<u>46,340,823</u>	<u>401,150,875</u>	<u>12,342,367</u>	<u>413,493,241</u>
17								
18 TOTAL PRO FORMA ADJUSTMENTS	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
19								
20 PRO FORMA ADJUSTED	<u>\$ 565,630,632</u>	<u>210,820,581</u>	<u>354,810,052</u>	<u>-</u>	<u>46,340,823</u>	<u>401,150,875</u>	<u>12,342,367</u>	<u>413,493,241</u>

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-2023-0177-FOF-GU

FLORIDA CITY GAS  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
JUNE, 2023

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	\$ 121,746,882	32,741,079.02	35,177,419.80	10,716,271.07	10,728,393.11	3,046,775.00	2,855,327.00	-	-	95,265,265.00	26,481,616.60
2												
3	<u>FPSC ADJUSTMENTS:</u>											
4	FUEL REVENUES/COSTS	\$ (34,614,835)	(34,320,713)	(187,789)	-	(7,770)	(24,981)	-	-	(34,541,252)	(73,583)	
5	FRANCHISE/GROSS RECEIPTS TAXES	(6,054,603)	-	(16,358)	-	(6,055,232)	4,305	-	-	(6,067,285)	12,682	
6	ECP REVENUE/COSTS	(6,246,018)	-	(6,147,847)	-	(93,920)	(1,077)	-	-	(6,242,844)	(3,173)	
7	AEP REVENUE/COSTS	(715,252)	-	(3,567)	(633,399)	-	(19,842)	-	-	(656,808)	(58,445)	
8	SAFE REVENUE/COSTS	(4,102,710)	-	(20,461)	(818,037)	(591,430)	(677,417)	-	-	(2,107,344)	(1,995,365)	
9	INDUSTRY ASSOCIATION DUES	-	-	17,500	-	-	(4,435)	-	-	13,065	(13,065)	
10	ECONOMIC DEVELOPMENT	-	-	(2,701)	-	-	685	-	-	(2,016)	2,016	
11	DIRECTORS & OFFICERS LIABILITY INSURANCE - 50%	-	-	(1,846)	-	-	468	-	-	(1,378)	1,378	
12	EXECUTIVE INCENTIVE COMPENSATION	-	-	(47,280)	-	-	11,983	-	-	(35,297)	35,297	
13	OTHER RATE CASE ADJUSTMENTS (1)	-	-	-	202,243	-	(51,258)	-	-	150,985	(150,985)	
14	INTEREST SYNCHRONIZATION	-	-	-	-	-	151,379	-	-	151,379	(151,379)	
15	TOTAL FPSC ADJUSTMENTS	\$ (51,733,418)	(34,320,713)	(6,410,349)	(1,249,193)	(6,748,352)	(610,191)	-	-	(49,338,797)	(2,394,621)	
16												
17	FPSC ADJUSTED	\$ 70,013,463	(1,579,634)	28,767,070	9,467,079	3,980,041	2,436,584	2,855,327	-	-	45,926,468	24,086,995
18												
19	TOTAL PRO FORMA ADJUSTMENTS	\$ -	-	-	-	-	-	-	-	-	-	
20												
21	PRO FORMA ADJUSTED	\$ 70,013,463	(1,579,634)	28,767,070	9,467,079	3,980,041	2,436,584	2,855,327	-	-	45,926,468	24,086,995

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-2023-0177-FOF-GU

FLORIDA CITY GAS  
 CAPITAL STRUCTURE  
 FPSC ADJUSTED BASIS  
 JUNE, 2023

No.	AVERAGE	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MID POINT		HIGH POINT	
			SPECIFIC	PRO RATA			(%)	COST (%)	(%)	COST (%)	(%)	COST (%)
1	DIVISIONAL CAPITAL	\$ 208,765,334	(0)	(22,517,904)	186,247,430	45.04%	8.50%	3.83%	9.50%	4.28%	10.50%	4.73%
2												
3	LONG TERM DEBT	181,340,896	(7,430,106)	(18,758,414)	155,152,376	37.52%	3.80%	1.43%	3.80%	1.43%	3.80%	1.43%
4												
5	SHORT TERM DEBT	22,498,429	(0)	(2,426,732)	20,071,697	4.85%	1.92%	0.09%	1.92%	0.09%	1.92%	0.09%
6												
7	PREFERRED STOCK	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8												
9	CUSTOMER DEPOSITS	4,461,974	-	(481,279)	3,980,696	0.96%	2.67%	0.03%	2.67%	0.03%	2.67%	0.03%
10												
11	DEFERRED INCOME TAX	34,899,661	(0)	(3,764,357)	31,135,304	7.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12												
13	FAS 109 DEFERRED INCOME TAX	18,949,695	(0)	(2,043,957)	16,905,738	4.09%	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	\$ 470,915,990	(7,430,106)	(49,992,643)	413,493,241	100.00%	5.37%	5.83%	6.28%			

