

**FLORIDA PUBLIC SERVICE COMMISSION**

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

**FLORIDA CITY GAS**

**SEPTEMBER 2023**

PSC/AFA 13 (6/94)

FLORIDA CITY GAS  
EARNINGS SURVEILLANCE REPORT SUMMARY  
SEPTEMBER, 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	\$ 28,253,601	(1,159,017)	27,094,584	-	27,094,584
AVERAGE RATE BASE	\$ 491,971,024	(56,088,557)	435,882,467	-	435,882,467
AVERAGE RATE OF RETURN	5.74%		6.22%		6.22%

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

III. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)

LOW	5.61%	A. RETURN ON COMMON EQUITY (AVERAGE)	9.75%
MIDPOINT	6.10%		
HIGH	6.58%		

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)

11/7/2023  
(Date)

FLORIDA CITY GAS  
AVERAGE RATE OF RETURN  
RATE BASE  
SEPTEMBER, 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	\$ 636,700,229	216,289,157	420,411,072	-	40,118,769	460,529,841	31,441,182	491,971,024
2								
3 <u>FPSC ADJUSTMENTS:</u>								
4 REMOVE SAFE CLAUSE PLANT	\$ (28,417,685)	(1,273,317)	(27,144,368)	-	(911,112)	(28,055,479)	-	(28,055,479)
5 REMOVE AEP	-	-	-	-	-	-	(1,450,077)	(1,450,077)
6 INTERCOMPANY AR	-	-	-	-	-	-	(171,826)	(171,826)
7 CLAUSE UNDERRECOVERIES	-	-	-	-	-	-	(4,532,921)	(4,532,921)
8 REMOVE LEASES	(12,302,225)	(2,386,366)	(9,915,859)	-	-	(9,915,859)	-	(9,915,859)
9 ACCUM DEFERRED RETIREMENT BENEFITS	-	-	-	-	-	-	39,769	39,769
10 REMOVE 50% DIRECTORS & OFFICERS EXPENSE	-	-	-	-	-	-	(2,944)	(2,944)
11 REMOVE UNAMORTIZED RATE CASE EXPENSE	-	-	-	-	-	-	(631,501)	(631,501)
12 OTHER RATE CASE ADJUSTMENTS <sup>(1)</sup>	-	(69,849)	69,849	-	-	69,849	-	69,849
13 TEMPORARY CASH INVESTMENTS	-	-	-	-	-	-	(11,437,567)	(11,437,567)
14 TOTAL FPSC ADJUSTMENTS	<u>(40,719,909)</u>	<u>(3,729,532)</u>	<u>(36,990,378)</u>	<u>-</u>	<u>(911,112)</u>	<u>(37,901,489)</u>	<u>(18,187,067)</u>	<u>(56,088,557)</u>
15								
16 FPSC ADJUSTED	<u>\$ 595,980,319</u>	<u>212,559,625</u>	<u>383,420,694</u>	<u>-</u>	<u>39,207,658</u>	<u>422,628,352</u>	<u>13,254,115</u>	<u>435,882,467</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>\$ 595,980,319</u>	<u>212,559,625</u>	<u>383,420,694</u>	<u>-</u>	<u>39,207,658</u>	<u>422,628,352</u>	<u>13,254,115</u>	<u>435,882,467</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  
SEPTEMBER, 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	\$ 125,461,131	31,945,689	37,191,837	10,608,256	11,030,366	2,957,911	3,473,470	-	-	97,207,530	28,253,601
2												
3	<u>FPSC ADJUSTMENTS:</u>											
4	FUEL REVENUES/COSTS	\$ (33,414,163)	(33,096,127)	(176,354)	-	(5,747)	(34,453)	-	-	(33,312,681)	(101,482)	
5	FRANCHISE/GROSS RECEIPTS TAXES	(6,237,853)	-	(16,933)	-	(6,238,490)	4,453	-	-	(6,250,969)	13,116	
6	ECP REVENUE/COSTS	(6,228,556)	-	(6,121,715)	-	(90,023)	(4,263)	-	-	(6,216,000)	(12,556)	
7	AEP REVENUE/COSTS	(718,477)	-	(3,579)	(634,424)	-	(20,396)	-	-	(658,399)	(60,078)	
8	SAFE REVENUE/COSTS	(3,230,561)	-	(16,099)	(602,176)	(422,131)	(555,095)	-	-	(1,595,500)	(1,635,061)	
9	ECONOMIC DEVELOPMENT	-	-	(2,286)	-	-	579	-	-	(1,706)	1,706	
10	DIRECTORS & OFFICERS LIABILITY INSURANCE - 50%	-	-	(4,381)	-	-	1,110	-	-	(3,270)	3,270	
11	EXECUTIVE INCENTIVE COMPENSATION	-	-	(123,601)	-	-	31,327	-	-	(92,274)	92,274	
12	OTHER RATE CASE ADJUSTMENTS <sup>(1)</sup>	-	-	-	(908,034)	-	230,141	-	-	(677,893)	677,893	
13	INTEREST SYNCHRONIZATION	-	-	-	-	-	138,100	-	-	138,100	(138,100)	
14	TOTAL FPSC ADJUSTMENTS	\$ (49,829,611)	(33,096,127)	(6,464,947)	(2,144,634)	(6,756,391)	(208,496)	-	-	(48,670,594)	(1,159,017)	
15												
16	FPSC ADJUSTED	\$ 75,631,519	(1,150,438)	30,726,891	8,463,622	4,273,975	2,749,415	3,473,470	-	-	48,536,936	27,094,584
17												
18	TOTAL PRO FORMA ADJUSTMENTS	\$ -	-	-	-	-	-	-	-	-	-	
19												
20	PRO FORMA ADJUSTED	\$ 75,631,519	(1,150,438)	30,726,891	8,463,622	4,273,975	2,749,415	3,473,470	-	-	48,536,936	27,094,584

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  
 SEPTEMBER, 2023

No.	AVERAGE	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MID POINT		HIGH POINT	
			SPECIFIC	PRO RATA			(%)	COST (%)	(%)	COST (%)	(%)	COST (%)
1	DIVISIONAL CAPITAL	\$ 232,097,195	(0)	(22,230,962)	209,866,232	48.15%	8.50%	4.09%	9.50%	4.57%	10.50%	5.06%
2												
3	LONG TERM DEBT	178,818,979	(9,915,859)	(16,178,045)	152,725,075	35.04%	3.36%	1.18%	3.36%	1.18%	3.36%	1.18%
4												
5	SHORT TERM DEBT	21,780,769	(0)	(2,086,227)	19,694,542	4.52%	7.04%	0.32%	7.04%	0.32%	7.04%	0.32%
6												
7	PREFERRED STOCK	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8												
9	CUSTOMER DEPOSITS	4,665,797	-	(446,904)	4,218,893	0.97%	2.67%	0.03%	2.67%	0.03%	2.67%	0.03%
10												
11	DEFERRED INCOME TAX	35,866,480	(0)	(3,435,399)	32,431,082	7.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12												
13	FAS 109 DEFERRED INCOME TAX	18,741,957	(0)	(1,795,161)	16,946,797	3.89%	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	\$ 491,971,177	(9,915,859)	(46,172,698)	435,882,620	100.00%	5.61%	6.10%	6.58%			

