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Writer's E-Mail Address: bkeating@gunster.com

September 1, 2020

E-PORTAL

Mr. Adam Teitzman, Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Re: [NEW FILING/DOCKET]: Petition of Florida City Gas for Approval of Safety, Access, and Facility Enhancement Program True-Up and 2021 Cost Recovery Factors

Dear Mr. Teitzman:

Attached for electronic filing, please find Florida City Gas's Petition for Approval of Safety, Access, and Facility Enhancement Program True-Up and 2021 Cost Recovery Factors. Included with this filing is the following revised tariff page:

Volume No. 10, Third Revised Sheet No. 78.

Volume No. 10, Third Revised Sheet No. 79.

Volume No. 10, Third Revised Sheet No. 81.

Thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

Beth Keating

Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601

Tallahassee, FL 32301

(850) 521-1706

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida City Gas for Approval of the Safety, Access, and Facility Enhancement Program True-Up and 2021 Surcharge Factors

Docket No.	
Filed: September 1, 2020	

PETITION OF FLORIDA CITY GAS FOR APPROVAL OF THE SAFETY, ACCESS, AND FACILITY ENHANCEMENT PROGRAM TRUE-UP AND 2021 COST RECOVERY FACTORS

Florida City Gas ("FCG" or "the Company") hereby submits this Petition to the Florida Public Service Commission ("Commission") requesting approval of the Safety, Access, and Facility Enhancement Program ("SAFE Program") true-up and 2021 surcharge factors for the projected period of January 1, 2021 through December 31, 2021. In support thereof, FCG states as follows:

1. The Company is a natural gas utility with its principal office located at:

Florida City Gas 4045 NW 97th Avenue Doral, Florida 33178

2. Any pleading, motion, notice, order or other document required to be served upon FCG or filed by any party to this proceeding should be served upon the following individuals:

Beth Keating
Gunster, Yoakley & Stewart, P.A.
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Tallahassee, FL 32301
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3. FCG is a natural gas local distribution company ("LDC") providing natural gas sales and transportation service to customers in parts of Florida, and is a public utility subject to the Commission's regulatory jurisdiction under Chapter 366, Florida Statutes ("F.S").

- 4. The Commission is vested with jurisdiction over this matter in accordance with Sections 366.04, 366.041, 366.05, and 366.06, F.S. Specifically, the Commission is authorized to establish fair and reasonable rates and charges for Florida utilities and, in doing so, shall consider, among other things, the adequacy of the utility's facilities and its ability to improve such facilities. The Commission also is vested with authority under Section 368.05(2), F.S., to require improvements to natural gas distribution systems as may be necessary to protect the public.
- 5. On September 15, 2015, the Commission approved FCG's request to establish the SAFE Program. The SAFE Program is designed to relocate on an expedited basis certain existing gas mains and associated facilities located in or associated with rear lot easements to street front locations to improve the Company's ability to inspect and maintain the facilities and reduce opportunities for damage to the facilities and theft. As the Commission recognized in its *SAFE Order*, the existing location of these mains, services and, in some cases, above-ground facilities, presents significant operational risks and challenges for the Company and its customers. *Id.* at p. 5.
- 6. The facilities to be relocated or replaced under the SAFE Program are generally prioritized based on the risk assessment model included in the FCG's Distribution Integrity Management Program. The factors for prioritization include, but are not limited to, location of pipeline, material of pipeline, leak incident rates, rear lot pipelines with maintenance access complications, and customer encroachments.
- 7. The SAFE Program facilitates the relocation process by enabling the Company to timely recover the appropriate costs, along with a reasonable return, incurred for the relocation of

¹ See In re: Petition for approval of safety, access, and facility enhancement program and associated cost recovery methodology, by Florida City Gas, Order No. PSC-2015-0390-TRF-GU, Docket No. 20150116-GU (FPSC Sept. 15, 2015) ("SAFE Order").

the mains and associated new service lines, as well as costs associated with any aboveground facilities, such as meters and regulator sets, that may need to be replaced or relocated due to the main and service line relocations. *Id.* at pp. 3-4.

- 8. The actual and forecasted mains and service replacements from 2015 through the end of the SAFE Program are provided by year in Attachment A to this Petition. In addition, a general description of the SAFE Program projects undertaken by FCG in 2019 and 2020 and forecasted for 2021, including location and types of replacements, are provided in Attachment B.
- 9. Pursuant to the *SAFE Order*, FCG is required to file an annual petition with this Commission on September 1 of each year. The purpose of the annual filing is to review and reset the SAFE Program surcharge factors to true-up any over- or under-recovery, and to update the ad valorem rates and debt and equity cost rates with the most recent earnings surveillance report rates. *Id.* at p. 5. The annual SAFE Program filing includes the following:
 - (a) Final true-up showing the actual replacement costs and actual surcharge revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to the annual petition filing, including the final over- or under-recovery for that period;
 - (b) Actual/estimated true-up showing six months of actual and six months of projected costs and revenues; and
 - (c) Projection showing 12 months of the projected revenue requirement for period beginning January 1 following the annual filing. *Id*.
- 10. FCG herein submits its annual SAFE Program filing. Attachment C, Schedules 1 through 7, which is attached to this Petition and incorporated herein by reference, provides the information required by the *SAFE Order* and FCG's SAFE Tariff. Attachment C fully supports FCG's calculation of the SAFE Program true-up and surcharge factors for the period of January 1, 2021 through December 31, 2021.

- On April 20, 2018, the Commission approved a settlement agreement in FCG's 2018 base rate case that, among other things, requires FCG to use a capital structure with a 48% equity ratio for the calculation of the revenue requirements for the capital investment recovered through the SAFE surcharge.² As shown on Attachment C to this Petition, FCG's calculation of the SAFE Program true-up and 2021 cost surcharge factors used a capital structure with a 48% equity ratio.
- 12. In addition, during the Agenda Conference for FCG's 2019 SAFE Program surcharge factors, FCG committed to include interest in the calculation of the SAFE Program true-up.³ As shown on Schedule 3.3 of Attachment C to this Petition, FCG has included interest in the SAFE Program true-up.
- 13. On December 30, 2019, the Commission issued a tariff order that, among other things, approved an adjustment to the Weighted Average Cost of Capital ("WACC") used to calculate the SAFE revenue requirements in order to be consistent with the normalization rules of the Internal Revenue Code.⁴ For purposes of the 2021 SAFE Program surcharge factors, FCG has not met or exceeded the limitation/exemption provision of the Internal Revenue Code and, therefore, FCG has modified the calculation of the WACC for purposes of the 2021 SAFE Program

² See In re: Petition for rate increase by Florida City Gas, Docket No. 20170179-GU, Order No. PSC-2018-0190-FOF-GU (FPSC Apr. 20, 2018).

³ See Transcript of Commission Conference Agenda Item No. 16 at p. 4, Docket No. 20180164 (Oct. 30, 2018).

⁴ See In re: Petition for approval of safety, access, and facility enhancement program true-up and 2020 cost recovery factors, by Florida City Gas, Docket No. 20190172-GU, Order No. PSC-2019-0550-TRF-GU (FPSC Dec. 30, 2019). The Commission's tariff order provides that in the event FCG does not meet or exceed the limitation provision set forth in the Internal Revenue Code, FCG shall not use the accumulated deferred income tax ("ADIT") balance as reported on the Company's most recent year-end surveillance report FCG and shall make an adjustment to the depreciation-related ADIT included in the year-end ADIT balance using the proration formula required by the normalization rules of the Internal Revenue Code.

surcharge factors consistent with the proration formula required by the normalization rules of the Internal Revenue Code. As shown on Schedules 5.1 and 5.2 of Attachment C to this Petition, this proposed adjustment has been incorporated into FCG's calculation of the 2021 SAFE Program surcharge factors.

- 14. Beginning on January 1, 2019 through January 1, 2022, the state corporate income tax rate changed from 5.5% to 4.458%. However, the change in the tax rate was announced by the Florida Department of Revenue's Tax Information Publication on September 12, 2019 and, therefore, was not included in FCG's 2020 SAFE Program surcharge factors that were filed on September 3, 2019. On December 30, 2019, the Commission issued a tariff order that, among other things, directed FCG to address the change in the state corporate income tax rate in the 2019 SAFE true-up calculations provided with the Company's 2021 Safe Program surcharge factors (*i.e.*, in this filing). FCG has included the impact of the lower tax rate in the expansion factor for the true-up of the 2019 SAFE Program surcharge factors.
- 15. The SAFE Program final true-up amount for the period January 2019 through December 2019 is an under recovery of \$48,309. *See* Attachment C, Schedule 1, line 12.
- 16. The SAFE Program projected true-up based on actual data for six months and projected data for six months for the current period January 2020 through December 2020 is an under recovery of \$28,779. *See* Attachment C, Schedule 2, line 11.

⁵ See In re: Petition for approval of safety, access, and facility enhancement program true-up and 2020 cost recovery factors, by Florida City Gas, Docket No. 20190172-GU, Order No. PSC-2019-0550-TRF-GU (FPSC Dec. 30, 2019).

⁶ For purposes of the January 2020 through July 2020 actuals used to calculate the 2020 SAFE Program estimated/actual revenue requirements, FCG included the lower state corporate income tax when it booked the 2020 SAFE over/under entries.

- 17. The SAFE Program total, cumulative net true-up for 2019 and 2020 is an over recovery of \$136,029. *See* Attachment C, Schedule 2, line 16. The interest calculation is provided in Attachment C, Schedule 3.3.
- 18. The Company's projected total revenue requirement for the SAFE Program for the period January 1, 2021 through December 31, 2021 is \$2,699,930. *See* Attachment C, Schedule 4, line 9. Applying the total, cumulative net true up for 2019 and 2020, the total amount to be collected through the SAFE Program surcharge during 2021 is \$2,563,901. *See* Attachment C, Schedule 4, line 10.
- 19. When the total amount to be collected through the SAFE Program surcharge during 2021 is allocated based upon the methodology approved in the *SAFE Order*, the proposed SAFE Program surcharge factors for the period January 1, 2021 through December 31, 2021 are as follows:

Rate Class	SAFE Factor
RS-1	\$1.84
RS-100	\$1.84
RS-600	\$1.84
GS-1	\$1.84
GS-6K	\$3.43
GS-25K	\$3.43
GS-120K	\$3.43
GS-1250K	\$3.43
GS-11M	\$3.43
GS-25M	\$3.43
Gas Lighting	\$1.84

See Attachment C, Schedule 6.

- 20. FCG's calculation of the 2021 SAFE Program surcharge factors are consistent with the methodology and requirements of the Commission's *SAFE Order* and FCG's SAFE Tariff. FCG, therefore, asks that they be approved and become effective January 1, 2021 until otherwise modified by Commission order.
- 21. Upon approval of the proposed SAFE surcharge factors, FCG will provide notice to customers through a customer bill message that will be issued during a 30-day period in advance of the January 1, 2021 effective date. In addition, an updated rate schedule will be made available online at: FloridaCityGas.com/rates-and-tariff.
- 22. Attachment D to this Petition provides the Company's revised tariff pages in clean and legislative format, reflecting its proposed SAFE Program surcharge factors for 2021. The Company notes that this filing is not made pursuant to the "file and suspend" provisions of Section 366.06(3). However, to the extent the Commission deems the suspension provisions applicable, FCG hereby waives the 60-day time frame in the statute for the Commission's disposition of the referenced tariff changes.

WHEREFORE, Florida City Gas respectfully requests that the Commission enter its order approving the Company's proposed SAFE Program surcharge factors for application to bills beginning the first billing cycle in January 2021 through the last billing cycle December 2021 and continuing until modified by subsequent order of this Commission, as set forth herein and the Attachments hereto.

Respectfully submitted this 1st day of September, 2020,

Beth Keating

Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601 Tallahassee, FL 32301

Christopher T. Wright Fla. Auth. House Counsel No. 1007055 Florida Power & Light Company 700 Universe Boulevard (JB/LAW) Juno Beach, Florida 33408

Attorneys for Florida City Gas

ATTACHMENT A

SAFE PROGRAM ACTUAL AND FORECASTED MAINS AND SERVICE REPLACEMENTS

ATTACHMENT A
Florida City Gas
SAFE Program
Actual and Forecasted Mains and Service Replacements

	٨	/lain Replacem	ents	Ser	vice Replaceme	ents
	Replaced	Remaining	Total Miles	Replaced	Remaining	Total
Year	main	main at Year	Remaining	Services	Services at	Remaining
	(miles)	End (miles)	Kemaning	(No.)	year end	Services
2014	0.0	254.3	254.3	0	11443	11443
2015	0.0	254.3	254.3	49	11394	11394
2016	17.1	237.2	237.2	1433	9961	9961
2017	37.5	199.7	199.7	1551	8410	8410
2018	27.6	172.1	172.1	1634	6776	6776
2019	37.8	134.3	134.3	1183	5593	5593
2020	45.3	89.0	89.0	1066	4527	4527
2021	26.1	62.9	62.9	1415	3112	3112
2022	19.2	43.7	43.7	1017	2095	2095
2023	19.0	24.7	24.7	1008	1087	1087
2024	18.7	6.0	6.0	995	92	92
2025	6.0	0.0	0.0	92	0	0

ATTACHMENT B

Description of the SAFE Program Projects undertaken by FCG in 2020 and forecasted for 2021

ATTACHMENT B Florida City Gas SAFE Program

General Overview of Florida City Gas Replacement Projects for 2020 and 2021

A general overview of the actual and projected SAFE replacement projects undertaken or to be undertaken by Florida City Gas during 2020 is provided below, and includes the following projects:

- 1. The Miami SAFE Area 23 project is located in the City of Miami Gardens, FL. The project began in 2019 and was completed in 2020. The project included the installation of 22,859 feet of mains and 227 services in 2019. The Miami SAFE 23 project retired 26,378 feet of rear easement mains in 2020.
- 2. The Miami SAFE Area 28 project is located in the City of Miami Gardens, FL. This project began in 2019 and was completed in 2020. The project included the installation of 22,970 feet of mains and 216 services in 2019. The Miami SAFE 28 project retired 25,615 feet of rear easement mains in 2020.
- 3. The Miami SAFE Area 26 project is located in unincorporated Miami-Dade County, FL, in the Westchester neighborhood. The project began 2019 and will be completed in 2020. The project includes the installation of 36,073 feet of mains and 293 services installed in 2020. The Miami SAFE 26 project is forecasted to retire 33,136 feet of rear easement mains by year-end 2020.
- 4. The Miami SAFE 25 project is located in unincorporated Miami-Dade County, FL, in the Westchester neighborhood. The project began in 2019 and was completed in 2020. The project included the installation of 26,529 feet of mains and 289 services. The Miami SAFE 25 project is forecasted to retire 31,643 feet of rear easement mains by year-end 2020.
- 5. The Miami SAFE 31 project is located in unincorporated Miami-Dade County, FL, in the Westchester neighborhood. It is forecasted that by year-end 2020, the project will provide the installation of 36,019 feet of mains and 313 services. The Miami SAFE 31 project is forecasted to retire 35,621 feet of rear easement main by year-end 2020.
- 6. The Miami SAFE 27 project will be located in the City of Miami Gardens, FL. It is forecasted that by year-end 2020, the project will provide the installation of 17,271 feet of mains and 98 services. The Miami SAFE 27 project is forecasted to retire 23,206 feet of rear easement mains by year-end 2021.
- 7. The Miami SAFE 29 project will be located in the City of Miami Gardens, FL. It is forecasted that by year-end 2020, the project will provide the installation of 28,875 feet of mains and 100 services. The Miami SAFE 27 project is forecasted to retire 28,448 feet of rear easement mains by year-end 2021.

- 8. The PSL SAFE 2 project is located in Port Saint Lucie County, FL. It is forecasted that by year-end 2020, the project will provide the installation of 33,898 feet of mains and 238 services. The PSL SAFE 2 project is forecasted to retire 50,036 feet of rear easement mains by year-end 2021.
- 9. The PSL SAFE 3 Phase 1 project will be located in Port Saint Lucie County, FL. It is forecasted that by year-end 2020, the project will provide the installation of 6,309 feet of mains and 24 services. The PSL SAFE 3 Phase 1 project is forecasted to retire 5,520 feet of rear easement mains by year-end 2020.

A general overview of the projected SAFE replacement projects to be undertaken by Florida City Gas during 2021 is provided below:

- 1. The Miami SAFE 30 project will be located in the City of Miami Gardens, FL. It is forecasted that by year-end 2021, the project will provide the installation of 23,665 feet of mains and 187 services. The Miami SAFE 30 project is forecasted to retire 27,040 feet of rear easement mains by year-end 2021.
- 2. The Miami SAFE 32 project will be located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2021, the project will provide the installation of 27,278 feet of mains and 318 services. The Miami SAFE 32 project is forecasted to retire 35,883 feet of rear easement mains by year-end 2021.
- 3. The Miami SAFE 33 project will be located in the City of Hialeah, FL. It is forecasted that by year-end 2021, the project will provide the installation of 17,853 feet of mains and 75 services. The Miami SAFE 33 project is forecasted to retire 13,230 feet of rear easement mains by year-end 2021.
- 4. The Miami SAFE 34 project will be located in the City of Miramar, FL. It is forecasted that by year-end 2021, the project will provide the installation of 24,176 feet of mains and 378 services. The Miami SAFE 34 project is forecasted to retire 24,900 feet of rear easement mains by year-end 2021.
- 5. The Miami SAFE 35 project will be located in the City of North Miami, FL. It is forecasted that by year-end 2021, the project will provide the installation of 18,800 feet of mains and 214 services. The Miami SAFE 35 project is forecasted to retire 19,320 feet of rear easement mains by year-end 2021.
- 6. The PSL SAFE 3 Phase 2 project will be located in Port Saint Lucie County, FL. It is forecasted that by year-end 2021, the project will provide the installation of 17,000 feet of mains and 214 services. The PSL SAFE 3 Phase 2 project is forecasted to retire 16,959 feet of rear easement mains by year-end 2021.

ATTACHMENT C

SAFE Schedules 1 through 7

Florida City Gas Attachment C, Schedule 1 - SAFE Program Revenue Requirement January 2019 through December 2019

		Beginning of	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Une	Description	Period Amount	January-19	February-19	March-19	April-19	May-19	June-19	July-19	August-19	September-19	October-19	November-19	December-19	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains	_		_		_	2,391,656	965,942	155,861	1,232,706	2,072,975	1,076,700			
	b. Eligible Replacements - Services, Plastic						264,351	22,820	10,080	33,147	15,117		688,934	(4,791,888)	3,792,886
	c. Eligible Replacements - Services, Steel	_				-	1,472	35	10,080	496	15,117	29,101	(14,701)	146,904	506,819
	d. Eligible Replacements - Meters			_	_		5,151	539	243	(82)	432	443		(1,312)	690
	e. Land Rights			_			3,131	24.995	99	(82)	(25,094)	443	95	67,039	73,861
					· ·		2,662,629	1,014,331	166,283	1,266,267	2,063,431	1,106,243	674,328	(4,579,258)	4,374,255
				, ,,,,						<u> </u>				(-1373)2307	7,317,233
2.a	Gross Plant-In-Service/Depreciation Base - Mains	•		-	-		2,391,656	3,357,597	3,513,458	4,746,165	6,819,140	7,895,840	8,584,774	3,792,886	3,792,886
2.b	Gross Plant-in-Service/Depreciation Base - Services, Plastic	-			-	•	264,351	287,171	297,251	330,398	345,515	374,616	359,915	506,819	506,819
2.c	Gross Plant-In-Service/Depreciation Base - Services, Steel	-					1,472	1,507	1,507	2,002	2,002	2,002	2,002	690	690
2.d	Gross Plant-in-Service/Depreciation Base - Meters	-	•	-	•	-	5,151	5,690	5,933	5,851	6,284	6,727	6,821	73,861	73.861
2.e	Gross Plant In-Service-Land Rights			-	-		-	24,995	25,094	25,094		-	-	_	
3.	Less: Accumulated Depreciation	-			-	-	(2,786)	(9,389)	(17,198)	(26,500)	(39,231)	(55,359)	(73,238)	(87,397)	(87,397)
4. 5.	CWIP - NonInterest Bearing	·_	458,769	1,141,853	617,553	2,386,135	707,696	1,344,194	1,952,465	1,378,400	324,971	401,371	814,147	5,994,044	5,994,044
э.	Net Book Value (Lines 2 + 3 + 4)		458,769	1,141,853	617,553	2,386,135	3,367,540	5,011,765	5,778,510	6,461,411	7,458,682	8,625,197	9,694,422	10,280,903	10,280,903
6,	Average Net Investment		229,384	800,311	879,703	1,501,844	2,876,837	4,189,652	5,395,137	6,119,960	6,960,046	8,041,940	9,159,810	9,987,662	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes - reduced for tax reform (A)		1,000	3,562	3,915	6.684	12,803	18.645	24.010						
	b. Debt component (B)		342	621	683	1,165	2,232	3,251	24,010 4,187	27,236	30,975	35,789	40,764	44,449	249,832
			242	021	003	1,105	2,232	3,251	4,187	4,749	5,401	6,241	7,108	7,750	43,731
8.	Investment Expenses														
	a. Depreciation (C)						2,786	6,603	7,809	9,302	12,731	****			
	b. Amortization			_	_		2,700	9,003	7,005	9,302	12,731	16,128	17,879	14,159	87,397
	c. Property Taxes (D)		159	- 554	608	1,039	1,990	2,898	3,732	4,233	4,814	5,562	6,336	6,908	
	d. Other	_		. :		-,	-	-	3,732	-,233	*,61*	5,562	8,330	6,908	38,832
9.	Revenue Requirements (Lines 7 + 8)														
э.	Revenue Requirements (Lines 7 + 8)	_	1,501	4,736	5,206	8,888	19,811	31,398	39,737	45,520	53,921	63,720	72,087	73,266	419,791
10.	Collections		(24,239)	(22,809)	(23,613)	(23,874)	(24,653)	(22,975)	(23,904)	(24,784)	(23,142)	(26,051)	(21,520)	(24,956)	(286,521)
11.	Estimated Net under(over) collection booked		(22,704)	(16,829)	(7,299)	2,391	(12,296)	9,144	19,169	24,998	31,667	43,346	48,245	50,166	
12.	Actual Net under(over) collection (Lines 9 + 10)		(22,738)	(18,072)	(18,407)	(14,986)	(4,842)	8,423	15,833	20,736	30,778	37,669	50,567	48,309	
13.	True-Up (Lines 12 - 11)		(34)	(1,244)	(11,108)	(17,377)	7,454	(721)	(3,336)	(4,262)	(889)	(5,677)	2,322	(1,857)	
14. 15.	Cumulative Net under{over} collection Interest		(361,431)	(379,011)	(388,301)	(397,795)	(428,263)	(412,499)	(394,875)	(373,969)	(347,242)	(305,386)	(263,313)	(211,213)	(211,213)
16.	Cumulative Net under(over) collection (Lines 14 + 15)	(338,727)	(718) (362,148)	(747)	(776)	(795)	(834)	(824)	(756)	(678)	(602)	(495)	(388)	(317)	(7,929)
10	Contralative Net Gridel (Over) Contection (Cines 14 + 15)	(336,727)	(362,148)	(379,759)	(389,077)	(398,590)	(429,096)	(413,323)	(395,631)	(374,647)	(347,844)	(305,881)	(263,701)	(211,530)	(211,530)
Notes:		Feb - Dec 2019	Jan 2019												
(A)	Line 6 x 5.2303 - Jan and 5.3404% - Feb-Dec x 1/12. Based on ROE of 10.19%, and weighted Income tax rate of 24.522%, expansion factor of 1.3374	5.3404%	5,2303%												
(B)	Line 6 x 1.7903% - Jan and 0.9312% - Feb-Dec x 1/12	0.9312%	1.7903%												
(C.1)	Applicable Mains depreciation rate is 2.5%	2.50%	1.7903%												
(C.2)	Applicable Services, Plastic depreciation rate is 2.54%														
(C.2)	Applicable Services, Plastic depreciation rate is 2.54% Applicable Services, Steel depreciation rate is 2.70%	2,54% 2,70%													
(C.4)	Applicable Meters depreciation rate is 6.10%	6.10%													
(D)	Ad Valorem Tax Rate is .83%	0.83%													
1-7		V-0376													

Florida City Gas Attachment C, Schedule 2 - SAFE Program Revenue Requirement January 2020 through December 2020

		Beginning of Period	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	
Line	Description	Amount	January-20	February-20	March-20	April-20	May-20	June-20	July-20	August-20	September-20	October-20	November-20	December-20	End of Period Total
1.	Investments														
	a, Eligible Replacements - Mains	3,792,886	5,083,492	613,832	1,854,565	355,179	309,473	306,904	398,881	803,267	386.373	236,277	136,674	42,925	14,320,729
	b. Eligible Replacements - Services, Plastic	506,819	901,918	10,158	99,693	4,563	1,056	(4,278)	377,514	250,548	246,266	152,943	18,858	42,923	2,566,058
	c. Eligible Replacements - Services, Steel	690				-		,	,	230,5 40			40,030		690
	d. Eligible Replacements - Meters	73,861	245,802	941	19,850	879	203	(1,085)		-		_	-		340,451
	e. Land Rights		-				-		-				-		340,431
		4,374,255	6,231.212	624,931	1,974,109	360,621	310,731	301,542	776,395	1,053,815	632,639	389,220	155,532	42,925	17,227,927
2.a	Gross Plant-In-Service/Depreciation Base - Mains	3,792,886													
2.b	Gross Plant-in-Service/Depreciation Base - Services, Plastic	3,792,886 506,819	8,876,378	9,490,210	11,344,775	11,699,954	12,009,427	12,316,332	12,715,213	13,518,480	13,904,853	14,141,130	14,277,804	14,320,729	14,320,729
2.c	Gross Plant-In-Service/Depreciation Base - Services, Steel	506,819	1,408,736	1,418,894 690	1,518,587	1,523,151	1,524,206	1,519.929	1,897,443	2,147,991	2,394,257	2,547,200	2,566,058	2,566,058	2,566,058
2.d	Gross Plant-in-Service/Depreciation Base - Meters	73,861	690 319,663	320,604	690	690	690	690	690	690	690	690	690	690	690
2.e	Gross Plant In-Service-Land Rights	13,001	319,003	320,604	340,454	341,333	341,536	340,451	340,451	340,451	340,451	340,451	340,451	340,451	340,451
3.	Less: Accumulated Depreciation	(87,397)	(103,623)	(127,376)	(153,870)	(182.828)	(212,488)					•		-	-
4.	CWIP - Noninterest Bearing	5,994,044	417,890	372,824	333.983	331,540	456.363	(242,784) 630,555	(274,207) 388,197	(307,548) 526,908	(342,653)	(378,829)	(415,576)	(452,530)	(452,530)
5.	Net Book Value (Lines 2 + 3 + 4)	10,280,903	10,919,734	11,475,846	13,384,620	13,713,840	14,119,734	14,565,172	15,067,786	16,226,972	316,319 16,613,916	194,610 16,845,251	77,766	21,463	21,463
					19,55-,520	15,715,040	27,113,737	14,503,172	15,007,746	10,220,572	10,013,916	16,845,251	16,847,192	16,796,860	16,796,860
6.	Average Net Investment		10,600,319	11,197,790	12,430,233	13,549,230	13,916,787	14,342,453	14,816,479	15,647,379	16,420,444	16,729,584	16,846,221	16,822,026	
7.	Return on Average Net Investment														
	 Equity component Grossed up for taxes - reduced for tax reform (A) 		49,094	51,861	57,569	62,751	64,454	66,425	68,620	72,469	76,049	77,481	78,021	77,909	
	b. Debt component (8)		14,401	15,213	16,887	18,407	18,907	19,485	20,129	21,258	22,308	22,728	22,886	22,854	
	Investment Expenses														
•	a. Degreciation (C)		16,226	23,753	•										
	b. Amortization		16,226		26,494	28,959	29,660	30,296	31,423	33,340	35,105	36,176	36,747	36,954	
	c. Property Taxes (D)	•	6,625	6,999	7,769	8.468					A.T.,		-		
	d. Other		0,023	6,533	7,769	8,468	8,698	8,964	9,260	9,780	10,263	10,456	10,529	10,514	
			-	•	•	-	-	-	•	-	•	-	-	-	
9.	Revenue Requirements (Lines 7 + 8)	_	86,346	97,826	108,718	118,585	121,718	125,170	129,433	136,846	143,725	146.841	148,183	148,230	
		_								·	* * * * * * * * * * * * * * * * * * * *				
10.	Collections		(121,842)	(109,005)	(124,002)	(120,910)	(117,201)	(124,992)	(119,451)	(119,451)	(119,451)	(119,451)	(119,451)	(119,451)	(1,434,656)
11.	Estimated Net underfover) collection booked		(56,549)	(17,404)	(15,863)	600	9,453								
			(30,249)	(17,404)	(15,863)	691	9,453	4,580	9,982	17,395	24,274	27,390	28,732	28,779	
12,	Actual Net under(over) collection (Lines 9 + 10)		(35,495)	(11,179)	(15,283)	(2,325)	4,517	178	9,982	17,395	24,274	27,390	28,732	28,779	
13.	True-Up (Lines 12 - 11)	-	21,054	8,225	580	(3,016)	(4,936)	(4,402)			-				
14.	Cumulative Net under(over) collection		(268,079)	(264,746)	(274,729)	(273,843)	(267,649)	(268,042)	(262,486)	(245,114)	(220,862)	(193,493)	(164,779)	(136,016)	(136,016)
15.	Interest		(318)	(344)	(385)	(244)	(37)	(23)	(23)	(22)	(20)	(18)	(16)	(13)	(1,464)
16.	Cumulative Net under(over) collection (Lines 14 + 15)	(211,530)	(268,396)	(265,091)	(275,114)	(274,087)	(267,687)	(268,066)	(262,509)	(245,136)	(220,883)	(193,511)	(164,795)	(136,029)	(136,029)
										,,-50,	(1,4/	(40-,-33)	(230,025)	(430,023)

Notes:		Jan 2020 - Dec 20
(A)	Line 7a x 5.5576% x 1/12. Based on Roe of 10.19%, and weighted income tax rate of 24.522%, expansion factor of 1.34930	5,55769
(B)	Line 7b x 1.6303% x 1/12	1.63039
(C.1)	Applicable Mains depreciation rate is 2.5%	2.50%
(C,2)	Applicable Services, Plastic depreciation rate is 2.54%	2.54%
(C.3)	Applicable Services, Steel depreciation rate is 2.70%	2,70%
(C.4)	Applicable Meters depreciation rate is 6.10%	6,10%
(D)	Ad Valorem Tax Rate is .75%	0.75%

Florida City Gas Attachment C, Schedule 3.1 - Cost of Capital and Ad Valorem Tax Rate January 2020 through December 2020

		Mic	point	
AVERAGE	RATIO (%)	COST RATE (%)		Revenue Expansion
		COST ROATE (74)	WEIGHTED COST (%)	Factor Cost of Equity
DIVISIONAL CAPITAL	40.42%	10.19%	4,1189%	1.34930 5.5576%
LONG TERM DEBT	42.86%	3,72%	1.5958%	· ·
SHORT TERM DEBT	0.93%	1.13%	0.0105%	Weighted Average Cost of Debt
PREFERRED STOCK	0.00%	0,00%	0.0000%	1.6303%
CUSTOMER DEPOSITS	0.82%	2.74%	0,0240%_	ال
TAX CREDITS - ZERO COST	0.00%	0.00%	0.0000%	
TAX CREDITS - WEIGHTED COST	0.00%	0.00%	0,0000%	
ACC DEF INC TAXES-ZERO COST	14.92%	0.00%	0.0000%	
TOTAL	100.00%		5.75%	

2018: 427101 Gen Tax Expense- Property Tax: \$ 1,803,961

2017 YE: Plant in Service Net of Goodwill: \$ 241,206,106

			ing the second		2020 Actual	/ Estimated Clau	se Filing		地 。	Reflection of	120	"现象社"。	THE REAL PROPERTY.
2019 YE Survelllance (1	3-month ave	rage) at ROE % mld	point and adjusted	to 48% Equity Ratio	1 1000 1000	/	13 - 13 - 13k	Service Control of the Control of th	Carlos Section (19	PERCHAMBANICAL	2 20000	0.000	45700
		Sys Per Book	Retali Per Book	Pro Rata Adj	Specific Adj.	Adj'd Retail	Cap Ratio	Reallocation to 48% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost		
Common Equity	_	141,914,189	141,914,189	(9,144,034)	-	132,770,156	40,28%	133,244,131	40.42%	10.19%	4.12%		
ong Term Debt		151,497,458	151,497,458	(9,761,518)		141,735,940	43.00%	141,272,065	42,86%	3.72%	1.60%		
hort Term Debt	•	3,298,368	3,298,368	(212,526)	- *	3,085,843	0.94%	3,075,743	0.93%	1.13%	0.01%		
Lust Dep Active		3,080,323	3,080,323	(198,476)	-	2,881,847	0.87%	2,881,847	0.87%	2.74%	0.02%		
Cust Dep InActive		-				-	0,00%	-	0.00%	0.00%	0.00%		
nvest Tax Cr		-		-	-		0.00%	-	0.00%	0.00%	0.00%		
Deferred Inc Tax		52,519,376	52,519,376	(3,384,009)		49,135,367	14.91%	49,135,367	14.91%	0.00%	0.00%		
	Total	352,309,715	352,309,715	(22,700,562)		329,609,153	100.00%	329,609,153	100.00%		5.75%		
										pretax WACC	7.19%		
2019 YE Surveillance w	ith ADFIT Con	sistency and Prora	tion Adjustments ad	Justed to 48% Equit	y Ratio	la late	7.95 10.65	3886	Social make the c		JAN STALL	Alice Lo	GM95
		System Per	Consistency &	System Per	Rotali Per	Pro Rata	Specific	Adjusted	Cap	Reallocation to	Revised	Cost	Weighte
		Sys Per Book	Proration Adi.	Books Adj'd	Books	Adj	Adj	Retail	Ratio	48% Equity Ratio	Ratio	Rate	Cost
Common Equity	_	141,914,189	(13,903)	141,900,287	141,900,286.53	(9,143,138)		132,757,149	40.28%	133,231,077	40.42%	10.19%	4.1
Long Term Debt		151,497,458	(14,842)	151,482,616	151,482,616	(9,760,561)		141,722,055	43.00%	141,258,225	42.86%	3.72%	1.6
Short Term Debt		3,298,368	(323)	3,298,045	3,298,045	(212,505)	_	3,085,541	0.94%	3,075,442	0.93%	1.13%	0.0
Cust Dep Active		3,080,323	(302)	3,080,021	3,080,021	(198,457)		2,881,564	0.87%	2,881,564	0.87%	2.74%	0.0
Cust Dep InActive		-		-	_				0.00%	-,00-,50	0.00%	0.00%	0.00
Invest Tax Cr				_		_	_	_	0.00%		0.00%	0.00%	0.00
Deferred Inc Tax		£2.540.236									0.00%	0.00%	
		52,519,376	29,369	52,548,746	52.548.745.75	(3.385.902)		49 162 844	14 9194	40 167 944	14 039/	0.000	0.00
	Total	352,309,715	29,369	52,548,746 352,309,715	52,548,745.75 352,309,715	(3,385,902)	 -	49,162,844	14.92%	49,162,844	14.92%	0.00%	
	Total				52,548,745.75 352,309,715	(3,385,902) (22,700,562)	<u> </u>	49,162,844 329,609,153	14.92% 100.00%	49,162,844 329,609,153	100.00%	~~~~	5.75
		352,309,715		352,309,715	352,309,715	(22,700,562)	SKIPA MAN	329,609,153			100.00% pre	0.00%	5.7
		352,309,715		352,309,715	352,309,715	(22,700,562)					100.00%	~~~~	5.75
		352,309,715		352,309,715	352,309,715 Actual/Estimated Year	(22,700,562) Actual/Projected	Original Projected	329,609,153	100.00%		100.00% pre	~~~~	5.75
		352,309,715	Reflect Projected AD	352,309,715 FIT Consistent with: Deprec-Related	352,309,715 Actual/Estimated Year Original Projected	(22,700,562) Actual/Projected Deprec-Related	Original Projected Deprec-Related	329,609,153	100.00% Revised		100.00% pre	~~~~	5.75
Proration Adjustment	and Consister	352,309,715	Reflect Projected AD ADIT Bal	352,309,715 FIT Consistent with Deprec-Related ADFIT Bai	352,309,715 Actual/Estimated Year Original Projected ADFIT Bal	(22,700,562) Actual/Projected	Original Projected	329,609,153	Revised ADFIT Balance		100.00% pre	~~~~	5.75
Proration Adjustment:	and Consister	352,309,715 acy Adjustment to R Month	Reflect Projected AD	352,309,715 FIT Consistent with: Deprec-Related	352,309,715 Actual/Estimated Year Original Projected ADFIT Bal 50,204,098	Actual/Projected Deprec-Related ADFIT Activity	Original Projected Deprec-Related ADFIT Activity	329,609,153 Variance	Revised ADFIT Balance S4,060,268		100.00% pre	~~~~	5.75
Proration Adjustment: Actual Actual	and Consisten	352,309,715 acy Adjustment to R Month Dec-19	ADIT Bal 54,060,268	352,309,715 FIT Consistent with Deprec-Related ADFIT Bai 54,060,268 54,147,752	352,309,715 Actual/Estimated Year Original Projected ADFIT Bal 50,204,098 50,169,766	Actual/Projected Deprec-Related ADFIT Activity 87,484	Original Projected Deprec-Related ADFIT Activity (34,332)	329,609,153 Variance 121,816	Revised ADFIT Balance 54,060,268 54,182,084		100.00% pre	~~~~	5.75
Proration Adjustment Actual Actual Actual	and Consisten	352,309,715 nov Adjustment to R Month Dec-19 an-20	ADIT Bal 54,060,268 54,147,752 54,232,245	352,309.715 FIT Consistent with: Deprec-Related ADFIT Bai 54,060,268 54,147,752 54,232,245	352,309,715 Actual/Estimated Year Original Projected ADFIT Bal 50,204,098 50,169,766 50,131,932	Actual/Projected Deprec-Related ADFIT Activity 87,484 84,493	Original Projected Deprec-Related ADFIT Activity (34,332) (37,834)	329,609,153 Variance 121,816 122,327	Revised ADFIT Balance 54,060,268 54,182,084 54,304,411		100.00% pre	~~~~	5.75
Proration Adjustment: Actual Actual Actual Actual Actual	and Consister	352,309,715 acy Adjustment to R Month Dec-19 an-20 eb-20	ADIT Bal 54,060,268 54,147,752	352,309,715 FTT Consistent with: Deprec-Related ADFIT Bai 54,060,268 54,147,752 54,232,245 54,312,806	352,309,715 Actual/Estimated Year Original Projected ADFIT Bal 50,204,098 50,169,766 50,131,932 50,090,596	(22,700,562) Actual/Projected Deprec-Related ADFIT Activity 87,484 84,493 80,561	Original Projected Deprec-Related ADFIT Activity (34,332) (37,834) (41,336)	Variance 121,816 122,327 121,897	Revised ADFIT Balance \$4,060,268 \$4,182,084 \$4,304,411 \$4,426,308		100.00% pre	~~~~	5.75
Prorotion Adjustment: Actual Actual Actual Actual Actual Actual	and Consisten	352,309,715 Adjustment to R Month Dec-19 an-20 eb-20 Mar-20	ADIT Bal 54,060,268 54,147,752 54,232,245 54,312,806	352,309.715 FIT Consistent with: Deprec-Related ADFIT Bai 54,060,268 54,147,752 54,232,245	352,309,715 Actual/Estimated Year Original Projected ADFIT Bal 50,204,098 50,169,766 50,131,932 50,095,596 50,095,757	(22,700,562) Actual/Projected Deprec-Related ADFIT Activity 87,484 84,493 80,561 78,581	Original Projected Deprec-Related ADFIT Activity (34,332) (37,834) (41,336) (44,839)	329,609,153 Variance 121,816 122,327 121,897 123,420	Revised ADFIT Balance 54,060,268 54,182,084 54,304,411 54,426,308 54,549,728		100.00% pre	~~~~	5.75
Proration Adjustment: Actual Actual Actual Actual Actual Actual	and Consisten	352,309,715 Month Dec-19 an-20 eb-20 Adar-20 Apr-20	ADIT Bal 54,060,268 54,147,752 54,232,245 54,312,806 54,391,387	352,309,715 FIT Consistent with: Deprec-Related ADFIT Bail 54,060,268 54,147,752 54,332,245 54,312,806 54,391,387	352,309,715 Actual/Estimated Year Original Projected ADFIT Bal 50,204,098 50,169,766 50,131,932 50,090,596 50,045,757 49,997,416	(22,700,562) Actual/Projected Deprec-Related ADFIT Activity 87,484 84,493 80,561 78,581 32,183	Original Projected Deprec-Related ADFIT Activity (34,332) (37,834) (41,336) (44,839) (48,341)	Variance 121,816 122,327 121,897 123,420 80,524	Revised ADFIT Balance 54,060,268 54,182,084 54,304,411 54,426,308 54,549,728 54,630,252		100.00% pre	~~~~	5.75
Proration Adjustments Actual Actual Actual Actual Actual Actual Actual projected	and Consister	352,309,715 Month Dec-19 an-20 eb-20 dar-20 dar-20 day-20	ADIT Bail 54,060,268 54,147,752 54,232,245 54,312,806 54,391,387 54,423,570	352,309,715 FTT Consistent with: Deprec-Related ADFIT Bai 54,060,268 54,147,752 54,332,245 54,312,806 54,391,387 54,423,570 54,428,146	352,309,715 Actual/Estimated Year Original Projected ADFIT Bal \$0,204,098 \$0,189,765 \$0,131,932 \$0,090,596 \$0,045,757 49,997,416 49,945,573	(22,700,562) Actual/Projected Deprec-Related ADFIT Activity 87,484 84,493 80,561 78,581 32,183 4,575	Original Projected Deprec-Related ADFIT Activity (34,332) (37,834) (41,336) (44,839) (48,341) (51,843)	329,609,153 Variance 121,816 122,327 121,897 123,420 80,524 56,419	Revised ADFIT Balance \$4,060,268 \$4,182,084 \$4,304,411 \$4,426,308 \$4,549,728 \$4,630,252 \$54,686,670		100.00% pre	~~~~	5.7
Proration Adjustment: Actual	and Consisten	Month Dec-19 an-20 ceb-20 dar-20	ADIT Bal 54,060,268 54,147,752 54,232,245 54,312,806 54,313,387 54,423,570 54,428,146	352,309,715 FT Consistent with: Deprec-Related ADFIT Bai 54,060,268 54,147,752 54,232,245 54,312,806 54,391,387 54,423,570 54,428,146 54,430,466	352,309,715 Actual/Estimated Year Original Projected ADFIT Bal \$0,204,098 \$0,169,766 \$0,031,932 \$0,090,596 \$0,085,757 49,997,416 49,945,573 49,890,228	(22,700,562) Actual/Projected Deprec-Related ADFIT Activity 87,484 84,493 80,561 78,581 32,183 4,575 2,370	Original Projected Deprec-Related ADFIT Activity [34,332] [37,834] (41,336) [44,839] (48,341) [51,843] (55,345)	329,609,153 Variance 121,816 122,327 121,897 123,420 80,524 56,419 57,666	100.00% Revised ADFIT Balance \$4,060,268 \$4,182,084 \$4,304,411 \$4,426,308 \$4,549,728 \$4,630,252 \$4,630,252 \$4,630,252 \$4,630,433		100.00% pre	~~~~	5.7
Proration Adjustment: Actual Actual Actual Actual Actual Actual projected projected projected	end Consister	352,309,715 Month Dec-19 an-20 cb-20 dar-20 dar-20 day-20 un-20 un-20 un-20	ADIT Bal 54,060,268 54,147,752 54,232,245 54,312,806 54,381,387 54,423,570 54,428,146 54,430,466	352,309,715 FTT Consistent with: Deprec-Related ADFIT Bai 54,060,268 54,147,752 54,332,245 54,312,806 54,391,387 54,423,570 54,428,146	352,309,715 Actual/Estimated Year Original Projected ADFIT Bal 50,204,098 50,169,766 50,131,932 50,096,596 50,045,757 49,997,416 49,945,573 49,890,228 49,831,380	(22,700,562) Actual/Projected Depres-Related ADFIT Activity 87,484 84,493 80,561 78,581 32,183 4,575 2,370 (156)	Original Projected Deprec-Related ADFIT Activity (34,332) (37,834) (41,336) (44,839) (48,341) (51,843) (55,845)	329,609,153 Variance 121,816 122,327 121,897 123,420 80,524 56,419 57,666 58,692	100.00% Revised ADFIT Balance 54,060,268 54,182,084 54,304,411 54,426,308 54,549,728 54,686,670 54,744,336 54,803,028		100.00% pre	~~~~	5.7
Precation Adjustment: Actual	and Consister	352,309,715 Month bec-19 an-20 cb-20 dar-20 dar-20 dar-20 un-20 un-20 un-20 un-20 un-20	ADIT Ball 54,060,268 54,147,752 54,313,280 54,343,446 54,430,466 54,430,466 54,430,466 54,430,310	352,309,715 EFT, Consistent with: Deprec-Related ADFIT Bai 54,060,268 54,147,752 54,312,806 54,312,806 54,343,148 54,423,570 54,428,146 54,430,466 54,430,4310	352,309,715 Actual/Estimated Year Original Projected ADFIT Bal 50,204,098 50,169,766 50,131,932 50,091,596 50,045,757 49,997,416 49,945,573 49,890,228 49,831,380 49,769,030	(22,700,562) Actual/Projected Degree-Related ADFIT Activity 87,484 84,493 80,561 75,581 32,183 4,575 2,320 (156) (5,333)	Original Projected Deprec-Related ADFIT Activity [34,332] [37,834] (41,336) (44,839) (48,341) (51,843) (55,345) [58,848) (62,350)	329,609,153 Variance 121,816 122,327 121,897 123,420 80,524 56,419 57,666 58,692 57,026	100.00% Revised ADFIT Balance \$4,060,268 \$4,182,084 \$4,304,411 \$4,426,308 \$4,549,728 \$4,630,252 \$4,680,252 \$4,680,252 \$4,680,804 \$4,800,024		100.00% pre	~~~~	5.7
Proration Adjustment: Actual	end Consister C J F M A J J C C C C C C C C C C C	352,309,715 Month Dec-19 an-20 cb-20 day-20 day-20 ul-20 ul-20 ul-20 ul-20 ep-20	ADIT Bal 54,060,268 54,147,752 54,232,245 54,312,806 54,391,387 54,423,570 54,423,146 54,430,410 54,424,976	352,309,715 FIT.Consistent with: Deprec-Related ADFIT Bail 54,060,768 54,147,752 54,322,245 54,312,806 54,391,387 54,423,570 54,428,146 54,430,310 54,424,976	352,309,715 Actual/Estimatod Year Original Projected ADIT Bal SQ.04,098 SQ.169,766 SQ.131,932 SQ.065,596 SQ.045,757 49,974,16 49,945,573 49,801,228 49,813,80 49,769,030 49,763,178	(22,700,562) Actual/Projected Depres-Related ADFIT Activity 87,484 84,493 80,561 78,581 32,183 4,575 2,320 (156) (5,333) (7,539)	Original Projected Deprec-Related ADFIT Activity (34,332) (37,834) (41,336) (44,839) (48,341) (51,843) (55,845) (58,848) (62,350) (65,852)	329,609,153 Variance 121,816 122,327 123,420 80,524 56,6419 57,666 58,692 57,016 58,313	100.00% Revised APIT Balance 54,060,268 54,182,084 54,304,411 54,426,308 54,549,728 54,680,025 54,860,044 54,913,357		100.00% pre	~~~~	5.75
Prioration Adjustment: Actual	ond Consisten	352,309,715 Month bec-19 ceb-20 cka-20 cyr-20 day-20 un-20	ADIT Bal 54,060,268 54,147,752 54,232,245 54,312,806 54,391,387 54,425,570 54,428,146 54,430,310 54,424,976 54,417,437	352,309,715 FIT.Consistent with: Deprec-Related ADFIT Bai 54,060,268 54,147,752 54,332,245 54,332,245 54,332,345 54,23,370 54,23,146 54,391,387 54,23,146 54,390,360 54,3490,466 54,3490,361 54,424,976 54,417,437 54,407,894	352,309,715 Actual/Estimatod Year Original Projected ADFIT Bal 50,204,098 50,169,766 50,131,932 50,000,596 50,045,757 49,997,416 49,945,573 49,800,728 49,831,380 49,769,030 49,763,178 49,633,178	(22,700,562) Actual/Projected Depres-Related ADFIT Activity 87,484 84,493 80,561 78,581 32,183 4,575 2,320 (156) (153,333) (7,539) (9,543)	Original Projected Deprec-Related ADFIT Activity [34,332] [37,834] [41,336] [44,339] [48,341] [51,843] [55,345] [62,350] [65,852] [65,852]	329,609,153 Variance 121,816 122,327 121,897 133,420 80,524 56,419 57,666 58,692 57,016 58,313 59,811	100.00% Revised ADFIT Balance 54,160,768 54,182,084 54,304,411 54,426,306,252 54,686,670 54,744,336 54,800,044 54,918,357 54,978,168		100.00% pre	~~~~	5.75
Proration Adjustment: Actual Actual Actual Actual Actual Actual Actual Actual Actual Conjected projected	ond Consisten	352,309,715 Month Dec-19 Dec-19 Dec-20 day-20	ADIT Bal 54,060,268 54,147,752 54,232,245 54,313,387 54,423,570 54,428,146 54,430,466 54,430,466 54,430,47,437 54,424,976 54,417,437 54,407,694	352,309,715 ETI Consistent with: Deprec-Related ADFIT Bal 54,060,268 54,147,752 54,133,245 54,312,806 54,391,387 54,423,745 54,428,146 54,430,310 54,424,975 54,417,437	352,309,715 Actual/Estimatod Year Original Projected ADIT Bal SQ.04,098 SQ.169,766 SQ.131,932 SQ.065,596 SQ.045,757 49,974,16 49,945,573 49,801,228 49,813,80 49,769,030 49,763,178	(22,700,562) Actual/Projected Depres-Related ADFIT Activity 87,484 84,493 80,561 78,581 32,183 4,575 2,320 (156) (5,333) (7,539)	Original Projected Deprec-Related ADFIT Activity (34,332) (37,834) (41,336) (44,839) (48,341) (51,843) (55,845) (58,848) (62,350) (65,852)	329,609,153 Variance 121,816 122,327 123,420 80,524 56,6419 57,666 58,692 57,016 58,313	Revised APFII Balance 54,060,268 54,080,268 54,182,084 54,304,411 54,445,308 54,549,728 54,680,670 54,744,336 54,803,028 54,860,044 54,918,357 54,978,168 55,061,518		100.00% pre	~~~~	0.00 5.75 7.199
Proration Adjustment: Actual Actual Actual Actual Actual Actual Actual Actual projected projected projected projected projected projected projected	and Consister	352,309,715 Month bec-19 an-20 eieb-20 dar-20 un-20	ADIT Bail 54,060,268 54,147,752 54,232,245 54,331,280 54,425,570 54,428,146 54,430,310 54,242,976 54,417,437 54,417,437 54,417,437	352,309,715 FIT.Consistent with: Deprec-Related ADFIT 8ai 54,060,768 54,147,752 54,147,752 54,312,806 54,391,387 54,423,146 54,390,466 54,390,366 54,430,310 54,244,397 54,417,437 54,417,437 54,417,437 54,417,437 54,417,437 54,417,437 54,417,437 54,417,437 54,417,437 54,417,437	352,309,715 Actual/Estimatod Year Original Projected ADFIT Bal SQ,204,098 S0,169,766 S0,131,932 S0,005,757 49,974,16 49,945,573 49,891,380 49,769,030 49,769,030 49,763,378 49,533,824 49,533,6667	(22,700,562) Actual/Projected Depres-Related ADFIT Activity 87,484 84,493 80,561 78,581 32,183 4,575 2,370 (1,56) (5,333) (7,539) (9,543) (14,007)	Orlginal Projected Deprec-Related ADFIT Activity. (34,332) (37,834) (41,336) (44,838) (48,341) (51,843) (55,345) (58,848) (62,350) (65,852) (69,354) (97,357)	329,609,153 Variance 121,816 122,327 121,897 123,420 80,524 56,419 57,666 58,692 57,016 58,313 59,811 83,350	100.00% Revised ADFIT Balance 54,160,768 54,182,084 54,304,411 54,426,306,252 54,686,670 54,744,336 54,800,044 54,918,357 54,978,168		100.00% pre	~~~~	5.75
Provation Adjustment: Actual	and Consister C J F F A A A C C C C C C C C C C C C C C C	352,309,715 Month Dec-19 an-20 cbe-20 dar-20 pr-20 day-20 ul-20 ul-20 dec-20 cc-20 Tr Balance	ADIT Bail 54,060,268 54,147,752 54,232,245 54,331,280 54,425,570 54,428,146 54,430,310 54,242,976 54,417,437 54,417,437 54,417,437	352,309,715 FIT.Consistent with: Deprec-Related ADFIT Bail 54,060,268 54,147,752 54,312,806 54,391,318 54,423,570 54,428,146 54,430,366 54,430,466 54,440	352,309,715 Actual/Estimatod Year Original Projected ADFIT Bal SQ,204,098 S0,169,766 S0,131,932 S0,005,757 49,974,16 49,945,573 49,891,380 49,769,030 49,769,030 49,763,378 49,533,824 49,533,6667	(22,700,562) Actual/Projected Depres-Related ADFIT Activity 87,484 84,493 80,561 78,581 32,183 4,575 2,370 (1,56) (5,333) (7,539) (9,543) (14,007)	Orlginal Projected Deprec-Related ADFIT Activity. (34,332) (37,834) (41,336) (44,838) (48,341) (51,843) (55,345) (58,848) (62,350) (65,852) (69,354) (97,357)	329,609,153 Variance 121,816 122,327 121,897 123,420 80,524 56,419 57,666 58,692 57,016 58,313 59,811 83,350	Revised APFII Balance 54,060,268 54,080,268 54,182,084 54,304,411 54,445,308 54,549,728 54,680,670 54,744,336 54,803,028 54,860,044 54,918,357 54,978,168 55,061,518		100.00% pre	~~~~	5.7
Proration Adjustment: Actual	and Consister D J F A A S C C C C D J J A A A A A A A A A A A A A A A A A	352,309,715 Month Month bec:19 an-20 cb-20 dar-20 un-20	ADIT Bail 54,060,268 54,147,752 54,232,245 54,331,280 54,425,570 54,428,146 54,430,310 54,242,976 54,417,437 54,417,437 54,417,437	352,309,715 FIT.Consistent with: Deprec-Related ADFIT 8ai \$4,060,768 \$4,147,752 \$4,147,752 \$4,243,246 \$4,310,3866 \$4,343,310 \$4,242,347 \$4,430,466 \$4,430,310 \$4,242,947 \$4,430,466 \$4,430,310 \$4,242,947 \$4,430,466 \$4,430,310 \$4,242,947 \$4,430,366 \$4,430,310 \$4,242,947 \$4,430,366 \$4,430,310 \$4,242,947 \$4,430,366 \$4,430,310 \$4,242,947 \$4,430,366 \$4,445,431,167 \$25,55,556	352,309,715 Actual/Estimatod Year Original Projected ADFIT Bal SQ,204,098 S0,169,766 S0,131,932 S0,005,757 49,974,16 49,945,573 49,891,380 49,769,030 49,769,030 49,763,378 49,533,824 49,533,6667	(22,700,562) Actual/Projected Depres-Related ADFIT Activity 87,484 84,493 80,561 78,581 32,183 4,575 2,370 (1,56) (5,333) (7,539) (9,543) (14,007)	Orlginal Projected Deprec-Related ADFIT Activity. (34,332) (37,834) (41,336) (44,838) (48,341) (51,843) (55,345) (58,848) (62,350) (65,852) (69,354) (97,357)	329,609,153 Variance 121,816 122,327 121,897 123,420 80,524 56,419 57,666 58,692 57,016 58,313 59,811 83,350	Revised APFII Balance 54,060,268 54,080,268 54,182,084 54,304,411 54,445,308 54,549,728 54,680,670 54,744,336 54,803,028 54,860,044 54,918,357 54,978,168 55,061,518		100.00% pre	~~~~	5.7
Proration Adjustment: Actual Actual	and Consister C J F M A S C D Z Z Z Z Z Z Z Z Z Z Z Z	352,309,715 Month Dec-19 an-20 cb-20 dar-20 pr-20 day-20 ul-20 ul-20 day-20 ul-20 to-20 cc-20 for Balance for Balance for Balance for Balance for Galance for Balance	ADIT Bail 54,060,268 54,147,752 54,232,245 54,331,280 54,425,570 54,428,146 54,430,310 54,242,976 54,417,437 54,417,437 54,417,437	352,309,715 FIT.Consistent with: Deprec-Related ADFIT Bail 54,060,268 54,147,752 54,312,806 54,391,318 54,423,570 54,428,146 54,430,366 54,430,466 54,440	352,309,715 Actual/Estimatod Year Original Projected ADFIT Bal SQ,204,098 S0,169,766 S0,131,932 S0,005,757 49,974,16 49,945,573 49,891,380 49,769,030 49,769,030 49,763,378 49,533,824 49,533,6667	(22,700,562) Actual/Projected Depres-Related ADFIT Activity 87,484 84,493 80,561 78,581 32,183 4,575 2,370 (1,56) (5,333) (7,539) (9,543) (14,007)	Orlginal Projected Deprec-Related ADFIT Activity. (34,332) (37,834) (41,336) (44,838) (48,341) (51,843) (55,345) (58,848) (62,350) (65,852) (69,354) (97,357)	329,609,153 Variance 121,816 122,327 121,897 123,420 80,524 56,419 57,666 58,692 57,016 58,313 59,811 83,350	Revised APFII Balance 54,060,268 54,080,268 54,182,084 54,304,411 54,445,308 54,549,728 54,680,670 54,744,336 54,803,028 54,860,044 54,918,357 54,978,168 55,061,518		100.00% pre	~~~~	5.7

Investor Sources			quity ratio cap 248%		
Common Equity	132,770,156	47,83% \$		48.00%	TRUE
Long Term Debt	141,735,940	51.06% 5		50.89%	TRUE
Short Term Debt	3.085.843	1.11%		1.11%	TRUE
	277,591,939		277,591,938.94	100%	INOL
Investor Sources			quity ratio cap		
Common Equity	132,757,149	47.83% \$	133,231,077.25	48.00%	TRUE
Long Term Debt	141,722,055	51.06% \$	141,258,224.90	50.89%	TRUE
Short Term Debt	3.085,541	1.11% \$	3.075,442.11	1.11%	TRUE
	277,564,744	100.00% \$	277,564,744.26	100.00%	

Florida City Gas

Attachment C, Schedule 3.2 - Cost of Capital and Ad Valorem Tax Rate for Jan - Dec 2020

From: Calculation Below for Capital Structure. Cost of debt components - Dec. 2019 Surveillance Report Sch. 4 adjusted for 48% Equity Ratio

January 2020 through December 2020

	System Per	Consistency &	System Per	Retail Per	Pro Rata	Specific	Adjusted	Сар	Reallocation to	Revised Cap	Cost	Weighted
	Sys Per Book	Proration Adj.	Books Adj'd	Books	Adj	Adj	Retail	Ratio	48% Equity Ratio	Ratio	Rate	Cost
Common Equity	141,914,189	(13,903)	141,900,287	141,900,287	(9,143,138)	-	132,757,149	40.28%	133,231,077	40.42%	10.19%	4.12%
Long Term Debt	151,497,458	(14,842)	151,482,616	151,482,616	(9,760,561)	-	141,722,055	43.00%	141,258,225	42.86%	3.72%	1.60%
Short Term Debt	3,298,368	(323)	3,298,045	3,298,045	(212,505)	-	3,085,541	0.94%	3,075,442	0.93%	1.13%	0.01%
Cust Dep Active	3,080,323	(302)	3,080,021	3,080,021	(198,457)	-	2,881,564	0.87%	2,881,564	0.87%	2.74%	0.02%
Cust Dep InActive	-	-	-	-	-	-		0.00%	-	0.00%	0.00%	0.00%
Invest Tax Cr	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Deferred Inc Tax	52,519,376	29,369	52,548,746	52,548,746	(3,385,902)	-	49,162,844	14.92%	49,162,844	14.92%	0.00%	0.00%
Total	352,309,715	-	352,309,715	352,309,715	(22,700,562)	-	329,609,153	100.00%	329,609,153	100.00%		5.75%

Florida City Gas Attachment C, Schedule 3.3 - Calculation of Interest Provision January 2020 through December 2020

2020 Interest Calculation	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. Beginning True-up Amount	(211,530)	(268,396)	(265,091)	(275,114)	(274,087)	(267,687)	(268,066)	(262,509)	(245,136)	(220,883)	(193,511)	(164,795)	(136,029)
2. Ending True-up Amount Before Interest	(268,079)	(264,746)	(274,729)	(273,843)	(267,649)	(268,042)	(262,486)	(245,114)	(220,862)	(193,493)	(164,779)	(136,016)	(136,029)
3. Total of Beginning & Ending True-up	(479,608)	(533,143)	(\$39,820)	(548,957)	(541,736)	(535,729)	(530,552)	(507,623)	(465,998)	(414,375)	(358,290)	(300,811)	(272,058)
4. Average True-up Amount (50% of Line 3)	(239,804)	(266,571)	(269,910)	(274,478)	(270,868)	(267,864)	(265,276)	(253,812)	(232,999)	(207,188)	(179,145)	(150,405)	(136,029)
5. Interest Rate-First day of reporting business month	1.59%	1.59%	1.51%	1.91%	0.22%	0.11%	0.11%	0.11%		0.11%	0.11%	0.11%	(,,
6. Interest Rate-First day of subsequent business month	1,59%	1.51%	1.91%	0.22%	0.11%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	
7. Total (Line 5 & 6)	3.18%	3.10%	3.42%	2.13%	0.33%	0.21%	0.21%	0,21%	0.21%	0.21%	0.21%	0.21%	0.00%
8. Average Interest Rate (50 % of Line 7)	1.59%	1.55%	1.71%	1.07%	0.17%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.00%
9. Monthly Average Interest Rate (Line 8/12)	0.133%	0.129%	0.143%	0.089%	0.014%	0.009%	0.009%	0.009%	0.009%	0.009%	0.009%	0.009%	0.000%
10. Interest Provision for the month (Line 4 *Line 9)	(318)	(344)	(385)	(244)	(37)	(23)	(23)	(22)	(20)	(18)	(16)	(13)	0.00076

^{*}Totals may not match Revenue Req due to rounding*

Florida City Gas Attachment C, Schedule 4 - SAFE Program Revenue Requirement January 2021 Utrough December 2021

- ;	Description	Beginning of Period Amount	Estimated January-21	Estimated February-21	Estimated March-21	Estimated April:23	Estimated May-21	Estimated June-21	Estimated July-23	Estimated August-23	Estimated - September-21	Estimated October-21	Estimaled November-21	Estimated · · · December-21 End	End of Period Total
ق ہ گ	inrestments a. Eligible Replacements - Mains b. Eligible Replacements - Service, Plastic	14,320,729	367,630	993,596	1.076,600	378,214	398,757	518,810,1 526,357	1,018,743	702,423	9E9'80E	279,071	۱ .		24,017,252
٠.	c. Ellgible Replacements - Services, Steel	069					· ·	, enclose		7na'/ac	, 1996 ,	741,587	196,012		6,714,482
	o. Engliste Aspiratements - Meters e. Land Rights	340,451				٠.					•	į		,	340,451
		17,227,527	524,874	1,071,536	1,575,108	1,009,215	942,608	1,354,274	1,529,275	1,270.025	697,421	420,612	378,832	71,168	28,072,875
ĝ,	Gross Plant-in-Service/Depreciation Base - Mains	14,320,729	14,688,358	15,681,955	16,758,555	17,136,769	17,535,526	18,554,437	19,573,180	20,275,603	20,584,239	20,763,264	20,946,084	21,017,252	21.017.252
5 5	Gross Plant-in-Service/Depreciation Base - Services, Plastic	2,566,058	2,723,302	2,801,742	3,299,749	3,930,751	4,474,602	4,809,965	5,320,497	5,888,099	6,276,884	6,518,470	6,714,482	6,714,482	6,714,482
9	Gross Plant-in-Service/Depreciation Base - Meters	340,451	340.451	340.451	340.451	690 340 451	590	240.451	690	069	069	069	069	069	069
Gross	Gross Plant In-Service-Land Rights								,	Tehrone	164,056	16p'0p6	14045	340,451	340,451
¥ 5	Less: Accumulated Depreciation CWIP - Noninterest Bearing	(452,530)	(490,627)	(530,959)	(574,590)	(620,344)	(668,079)	(718,648)	(772,419)	(828,855)	[886,757]	(945,544)	(1,005,126)	(1,064,856)	(1,064,856)
Net B	Net Book Value (Unes 2 + 3 + 4)	16,796,860	17,524,611	18,829,146	20,612,410	21,292,924	22,154,494	23,664,032	75,227,037	26,311,000	26,664,217	26,887,638	27,185,998	35,584	35,584
Ave	Average Net Investment		17,160,735	18,176,878	19,720,778	20,952,667	901,227,115	22,909,263	24,445,535	25,769,019	26,487,609	75,927	27,036,818	27,114,800	
5 4 m	Return on Average Het Investinent. 2. Equity component Grossed up for Taxes-reduced for tax reform (A) b. Debt component (B)		79,485	84,192 24,697	91,343 26,794	97,049	100,620	106,111 31,126	113,227	119,357	122,685 35,988	124,021 36,380	125,229	125,590	1,288,910
E 4 1	Investment Expenses 3. Depreciation (C) A. Americasion		38,097	40,332	43,630	45,754	47,736	50,568	53,771	56,436	57,902	58,786	59,582	067'65	612,326
c. Proper	2. Property Taxes (D) 4. Other		25,938	27,474	29,808	31.670	32,835	34,627	36,949	38,950	40,036	40,472	40,856	40,984	420,609
Ž	Aevenue Requirements (Lines 7 + 8)	•	166,837	176,695	191,575	202,940	230,707	222,433	237,161	249,755	256,612	659.622	262,412	263,145	2,699,930
	Collections		(213,658.45)	(213,658)	(213,658)	(213,658)	(213,658)	(213,658)	(213,658)	(213,658)	(213,658)	[213,658]	(213,658)	(213,658)	(106,563,501)
Netu	Net underlover) collection		(46,822)	(36,964)	(22,083)	(10,718)	(2,952)	8,775	23.503	36,096	42,953	46,000	48,753	49,487	
ð	a. Cumulative Net under(over) collection		(182,851)	(219,814)	(241,898)	(252,616)	(255,568)	(246,793)	(223,290)	(187,194)	(144,241)	(98,240)	(49,487)	6	0
in a	***				•	•					٠				
Cem	Cumulative Net under(over): SAFE Clause	(136,029)	(182,851)	(219,814)	(241,898)	(252,616)	(255,568)	(246,793)	(223,290)	(187,194)	(144,241)	(98,240)	(49,487)	Ó)	(0)
Ì		Jan 2021 - Dec 2021													
F 6	Une 6.x.5.58374 x 1/12. Based on ROE of 10.19%, and weighted income tax rate of 74.572%, organison battor of 1.34930. See Attachment C, Schedule 5.1.	5.5582%													
3	Live 6 x 1,6304% x 1/12. See Attachment C, Schedule S.1.	1.6304%													
ď.	Applicable Mains depreciation rate is 2.5%	2.50%													
	Applicable Services, Mastic Depreciation rate is 2.34% Applicable Services, Steel depreciation rate is 2.70%	254%													
ppice	Applicable Meters depreciation rate is 6.10%	6.10%													
de y	Ad Valorem Tax Nate is 181%	1.81%													
2021	Under/(Over) Collection as of 2020 2021 Revenue Requirement	(136,029) 2,699,930													
Total		2,563,901													

Forlds City Gas Attachment C, Schedule S, 1 - Cast of Capital and Ad Valonem Tay Bate for 2021 January 2022 through December 2023

2013 Property Tak Espense \$ 2,080,127 2013 Property Value \$ 114,580,743 Applicable Ad Valorem Tax Rate: 1,87,3874

3 YE Surveillance					֡							
	2019 YE Surveillance [13-month everage] at ROE X midpoint and adjusted to 48% Equity Rado	s midpoint and adjusted to	48% Equity Rado		Section of the sectio	Land Section 1	- 18 C	1282 Jahr	Section	Carpor Co.	高いまなられたりと.	
	Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Ad	Adj'd Retail	Cap Ratio	Reallocation to 48% Equity	Revised Cap	Cost Rate	Weighted		
'							Ratio	2		ĕ		
Common Equity	141,914,189	141,914,189	(9,144,034)		132,770,156	40,28%	133,244,133	40.42%	10.19%	4.12%		
Long Term Debt	151,497,458	151,497,458	(9,761,518)		141,735,940	43.00%	141,272,065	42.86%	3.72%	1,60%		
Short Term Debt	3,298,368	3,298,368	(212,526)		3,085,843	0.94%	3.075.743	A55.0	1.13%	2610.0		
Cust Dep Active	3,080,323	3,080,323	(198,476)		2,881,847	0.87%	2,881,847	0.87%	2.74%	0.02%		
Lust Dep Invertive			•		٠	90000		8000	9000	0.00%		
rivest Tax Cr	•					90000		9000	¥000	0.00%		
Referred Inc Tax	52,519,376	52,519,376	(3,384,009)		49,135,367	34.93%	49.135.367	74,91%	2000	2000		
Total	352,309,715	352,309,715	(22,700,562)		329,609,153	100.00%	329,609,153	100.00%		5.75%		
									pretay WACC	7,19%		
T SULVENIENCE	2043 TE SULVERIANTE WITH ADMI COMMITTING AND PROFIDOR AGUSTMENTS AGUSTMENT TO 48% EQUITY RADO	Poration Adjustments adj	used to 48% Equity)	(ago								
	System Per	Consistency &	System Per	Retail Per	Pro Rate	Specific	Adjusted	Cap	Reallocation to Revised Cap	Revised Cap	Cost	Weighted
,	Sys Per Book	Proration Adj.	Books Adl'd	Books	ργ	Adj	Retail	Ratio	48% Equity Batio	Se Bo	S.	Cost
Common Equity	141,914,189		141,914,189	141,914,189.35	(9,144,034)		132,770,156	40.28%	133,244,131	40.42%	10.19%	4.12%
Long Term Debt	151,497,458		151,497,458	151,497,458	(9,761,518)		141,735,940	43.00%	141,272,065	42.86%	3.72%	2005
short Term Debt	3,298,368		3,298,368	3,298,368	(212,526)		3.085.843	0.94%	3.075.743	763.00	1134	3,100
Cust Dep Active	3,080,323		3,080,323	3,080,323	(198,476)	٠	2.881.847	0.87%	2.881.847	0.87%	7.07	9600
Lust Dep InActive			٠			,		0.00%		3000	0000	0.000
nvest Tax Cr				٠				9,000		9,000	0.00%	2000
Deferred Inc Tax	52,519,376		52,519,376	52,519,376,38	(3,384,009)		49,135,367	14,91%	49.135.367	14 91%	*000	0.00%
Total	352,309,715		352,309,715	352,309,715	(22,700,562)		329,609,153	100.00%	329.609,153	100.00%		5.75%

	TRUE	TRUE	TRUE			TRUE		TRUE
	48.00%	\$68.05	1.11%	100%	•	48.00%	50.89%	1.17%
048%	47.83% \$ 133,244,130.69	51.06% \$ 141,272,064.82	1.11% \$ 3,075,743.43	100.00% \$ 277,591,938,94	equity ratio cap	47.83% \$ 133,244,130.69	51.06% \$ 141,272,064.82	1,11% 5 3,075,743,43
9	83% S	\$ 3690	11% \$	\$ 200	2.0	33X S	\$ %90	11% 5
	47.	51.	-1	100.		47.	15	-
	132,770,156	141,735,940	3,085,843	277,591,939		132,770,156	141,735,940	3,085.843
	132	141	3	77		132	141	۳
Investor Sources	Common Equity	Long Yerm Debt	Short Term Debt		Investor Sources	Common Equity	Long Term Debt	Short Term Debt
					_	_	_	٠.

						roreted	Prorated
	ADIT	Deprec-Related	Deprec-Related	Days to	Future Days	Deprec-Related Deprec-Related	Deprec-Related
Month	Bat	ADFIT Bal *	ADFIT Activity	Prorate	in Period	ADFIT Activity	ADFIT Bal
	54,086,735	54,086,715					54,086,715
_	54,163,275	54,163,275	76,560	31	335	70.267	54.156.982
volected Feb-21	54,237,656	54,237,656	74,381	28	307	62.562	54.219.544
	54,309,855	54,309,855	72,199	×	276	25.594	54.274.138
projected Apr-21	24,379,872	54,379,872	70.017	8	246	47,190	54.321.328
	54,447,732	54,447,732	67,860	33	215	39,973	54.361.300
projected Jun-21	54,513,385	54,513,385	65,653	8	185	33.276	\$4,394,576
_	54,576,831	54,576,831	63,446	33	154	26,769	54,421,345
_	54,638,120	54,638,120	61,289	31	123	20,654	\$4,441,999
	54,697,227	54,697,227	59,107	OE.	93	15,060	54,457,059
_	54,754,152	54,754,152	56,925	31	3	699'6	54,466,728
	54,808,895	54,808,895	54,743	8	33	4,799	54,471,528
projected Dec-21	54,836,955	54,836,955	28.061	E	•	2	54.471.605
	\$4,496,205	54,496,205	750,240	365		384,890	54,471,605
2019 YE Surv Bal. (13 mp. Avg.)	52,519,376	52,519,376				13 Mo Avg Bal	52,519,376
Consistency/Proration Total Adjustment	•					Proration-Ad	

Florida City Gas Attachment C, Schedule 5.2 - Cost of Capital and Ad Valorem Tax Rate for 2021 January 2021 through December 2021

2019 YE Surveillance with ADFIT Consistency and Proration Adjustments adjusted to 48% Equity Ratio

•	System Per	Consistency &	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Reallocation to	Revised Cap	Cost	Weighted
	Sys Per Book	Proration Adj.	Books Adj'd	Books	Adj	Adj	Retail	Ratio	48% Equity Ratio	Ratio	Rate	Cost
Common Equity	141,914,189	-	141,914,189	141,914,189	(9,144,034)	-	132,770,156	40.28%	133,244,131	40.42%	10.19%	4.12%
Long Term Debt	151,497,458	-	151,497,458	151,497,458	(9,761,518)	-	141,735,940	43.00%	141,272,065	42.86%	3.72%	1.60%
Short Term Debt	3,298,368	-	3,298,368	3,298,368	(212,526)	-	3,085,843	0.94%	3,075,743	0.93%	1.13%	0.01%
Cust Dep Active	3,080,323	-	3,080,323	3,080,323	(198,476)	_	2,881,847	0.87%	2,881,847	0.87%	2.74%	
Cust Dep InActive	-	-	-	-	-	_	-	0.00%	· · ·	0.00%	0.00%	
Invest Tax Cr	_	- .	-	-	-	-	-	0.00%	<u>-</u>	0.00%	0.00%	
Deferred Inc Tax	52,519,376	-	52,519,376	52,519,376	(3,384,009)	-	49,135,367	14.91%	49,135,367	14.91%	0.00%	
Total	352,309,715	-	352,309,715	352,309,715	(22,700,562)		329,609,153	100.00%	329,609,153	100.00%		5.75%

Florida City Gas Attachment C, Schedule 6 - 2021 SAFE Program Rates January 2021 through December 2021

Class	Percentage Allocation to Customer Class	evenue to be ollected From Rate Class	Total Annual Billing Units (1)	C	Monthly Justomer urcharge
RS-1	34.29%	\$ 879,112	477,680	\$	1.84
RS-100	55.43%	\$ 1,421,227	772,247	\$	1.84
RS-600	1.00%	\$ 25,746	13,989	\$	1.84
GS-1	4.68%	\$ 119,958	65,181	\$	1.84
GS-6K	3.78%	\$ 96,946	28,237	\$	3.43
GS-25K	0.63%	\$ 16,233	4,728	\$	3.43
GS-120K	0.16%	\$ 4,019	1,171	\$	3.43
GS-1250K	0.01%	\$ 247	72	\$	3.43
GS-11M	0.00%	\$ 41	12	\$	3.43
GS-25M	0.00%	\$ 41	12	\$	3.43
Gas Lighting	0.01%	\$ 331.27	180	\$	1.84
Total	100%	\$ 2,563,901			
2021 Revenue Requirement		\$ 2,699,930			
2020 Projected Over-Recovery		\$ (136,029)			

Note:

(1) - billing units for 12 months ending December 2021

Florida City Gas Attachment C, Schedule 7 - Pipe Allocated to all Customers January 2021 through December 2021

All Customers

Material	Mileage	Footage	Currnet Budget Cost per Foot	Total Cost
2"	254.5	1,343,760		\$72,536,165
Grand Total	254.5	1,343,760		\$72,536,165

Larger Customers Only

Material	Mileage	Footage	Incremental Cost per Foot	Total Cost
4"	45.3	239,184	\$ 6.59	\$1,576,223
Grand Total	254.5	239,184		\$1,576,223

Billing Unit Allocation Percentages

Class	Annual Billing Units	Minimum Size 2" Pipe Cost	Incremental 4" Pipe Cost	Total	Percentage Allocation
RS-1	477,680	25,411,693.12		\$ 25,411,6	34.3%
RS-100	772,247	41,082,123.90		\$ 41,082,12	24 55.4%
RS-600	13,989	744,213.06		\$ 744,2:	1.0%
GS-1	65,181	3,467,514.97		\$ 3,467,5	4.7%
GS-6K	28,237	1,502,143.46	\$1,300,195.00	\$ 2,802,33	3.8%
GS-25K	4,728	251,521.06	\$217,706.52	\$ 469,2	0.6%
GS-120K	1,171	62,272.53	\$53,900.60	\$ 116,1	73 0.2%
GS-1250K	72	3,830.27	\$3,315.33	\$ 7,14	0.0%
GS-11M	12	638.38	\$552.55	\$ 1,19	0.00161%
GS-25M	12	638.38	\$552.55	\$ 1,19	0.00161%
Gas Lighting	180	9,575.67		\$ 9,5	76 0.0%
Total	1,363,508	72,536,165	\$1,576,223	\$ 74,112,38	37 100.0%

ATTACHMENT D

Revised SAFE Tariff Volume No. 10, Third Revised Sheets Nos. 78 and 79 (Clean and Legislative Formats)

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

Through its SAFE Program, the Company has identified the potential replacement projects focusing initially on area of limited access/pipe overbuilds, and risk assessment for Rear Lot Mains and Services considering:

- i. The pipe material;
- ii. Leak incident rates;
- iii. Age of pipeline;
- iv. Pressure under which the pipeline is operating.

The Eligible Infrastructure Replacement includes the following:

Company investment in mains and service lines, as replacements for existing Rear Lot Facilities, and regulatory station and other distribution system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities that:

- i. do not increase revenues by directly connecting new Customers to the plant asset;
- ii. are in service and used and useful in providing utility service; and
- iii. that were not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.

The Company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

- 1. Return on investment as calculated using the following:
 - a.) Equity balance from the most recent year-end surveillance report and the ROE and equity ratio cap from the most recent rate case:
 - b.) Debt and customer deposit components from the Company's most recent yearend surveillance report; and
 - c.) Accumulated deferred income tax balance from the Company's most recent year-end surveillance report as adjusted, if applicable, consistent with the normalization rules of the Internal Revenue Code.
- 2. Depreciation expense (calculated using the currently approved depreciation rates);
- 3. Customer and general public notification expenses associated with the SAFE Program incurred for:

Issued by: Kurt Howard

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM (Continued)

- i. all Customers regarding the implementation of the SAFE Program and the approved surcharge factors;
- ii. the immediately affected Customers where the eligible infrastructure is being replaced; and
- iii. the general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities;
- 4. Ad valorem taxes; and
- 5. Federal and state income taxes.

The Company is utilizing a surcharge mechanism in order to recover the costs associated with the SAFE Program. The Company has developed the revenue requirement for the SAFE Program using the same methodology approved in its most recent rate case. The SAFE revenue requirement will be allocated to each Customer class (Rate Schedule) using allocation factors established by the Florida Public Service Commission for the SAFE Program. The per Customer SAFE surcharge is calculated by dividing the revenue requirement allocated to each Customer class by the number of Customers in the class.

The cost recovery factors including tax multiplier for the twelve-month period from January 1, 2021 through December 31, 2021 are:

Rate Class	Rates Per Customer
Rate Schedule RS-1	\$1.84
Rate Schedule RS-100	\$1.84
Rate Schedule RS-600	\$1.84
Rate Schedule GS-1	\$1.84
Rate Schedule GS-6K	\$3.43
Rate Schedule GS-25K	\$3.43
Rate Schedule GS-120K	\$3.43
Rate Schedule GS-1,250K	\$3.43
Rate Schedule GS-11M	\$3.43
Rate Schedule GS-25M	\$3.43
Rate Schedule GL	\$1.84
Rate Schedule RSG	N/A
Rate Schedule CSG	N/A

Issued by: Kurt Howard

General Manager, Florida City Gas

Effective:

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

Through its SAFE Program, the Company has identified the potential replacement projects focusing initially on area of limited access/pipe overbuilds, and risk assessment for Rear Lot Mains and Services considering:

- i. The pipe material;
- ii. Leak incident rates;
- iii. Age of pipeline;
- iv. Pressure under which the pipeline is operating.

The Eligible Infrastructure Replacement includes the following:

Company investment in mains and service lines, as replacements for existing Rear Lot Facilities, and regulatory station and other distribution system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities that:

- i. do not increase revenues by directly connecting new Customers to the plant asset;
- ii. are in service and used and useful in providing utility service; and
- iii. that were not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.

The Company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

- 1. Return on investment as calculated using the following:
 - a.) Equity balance from the most recent year-end surveillance report and the ROE and equity ratio cap from the most recent rate case Equity components as approved in the Company's most recent base rate case:
 - b.) Debt and customer deposit components from the Company's most recent yearend surveillance report; and
 - c.) Accumulated deferred income tax balance from the Company's most recent year-end surveillance report as adjusted, if applicable, consistent with the normalization rules of the Internal Revenue Code.
- 2. Depreciation expense (calculated using the currently approved depreciation rates);
- Customer and general public notification expenses associated with the SAFE Program incurred for:

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM (Continued)

- i. all Customers regarding the implementation of the SAFE Program and the approved surcharge factors;
- ii. the immediately affected Customers where the eligible infrastructure is being replaced; and
- the general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities;
- 4. Ad valorem taxes; and
- 5. Federal and state income taxes.

The Company is utilizing a surcharge mechanism in order to recover the costs associated with the SAFE Program. The Company has developed the revenue requirement for the SAFE Program using the same methodology approved in its most recent rate case. The SAFE revenue requirement will be allocated to each Customer class (Rate Schedule) using allocation factors established by the Florida Public Service Commission for the SAFE Program. The per Customer SAFE surcharge is calculated by dividing the revenue requirement allocated to each Customer class by the number of Customers in the class.

The cost recovery factors including tax multiplier for the twelve-month period from January 1, 2020-2021 through December 31, 2020-2021 are:

Rate Class	Rates Per Customer
Rate Schedule RS-1	\$1. 05 <u>84</u>
Rate Schedule RS-100	\$1. 05 <u>84</u>
Rate Schedule RS-600	\$1. 05 <u>84</u>
Rate Schedule GS-1	\$1. 05 <u>84</u>
Rate Schedule GS-6K	\$ 1.96 <u>3.43</u>
Rate Schedule GS-25K	\$ 1.96 <u>3.43</u>
Rate Schedule GS-120K	\$ 1.96 <u>3.43</u>
Rate Schedule GS-1,250K	\$ 1.96 <u>3.43</u>
Rate Schedule GS-11M	\$- <u>3.43</u>
Rate Schedule GS-25M	\$- <u>3.43</u>
Rate Schedule GL	\$1. 05 <u>84</u>
Rate Schedule RSG	N/A
Rate Schedule CSG	N/A

Issued by:

Carolyn BermudezKurt Howard

Effective: January 1, 2020

Vice President General Manager, Florida City Gas

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida City Gas's Petition for Approval of the SAFE Program True-Up and 2021 Surcharge Factors, along with Attachments A through D, has been furnished by Electronic Mail to the following this 1st day of September 2020:

Kurt Schrader, Esquire Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 kschrade@psc.state.fl.us	Office of Public Counsel J.R. Kelly/Patricia Christensen c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Kelly.JR@leg.state.fl.us
Kurt Howard Sr. Director and General Manager Florida City Gas 700 Universe Boulevard Juno Beach, FL 33408 KURT.HOWARD@nexteraenergy.com	

Beth Keating

Gunster, Yoakley & Stewart, P.A. 215 South Monroe St., Suite 601

Tallahassee, FL 32301 (850) 521-1706