

**FLORIDA CITY GAS
YEAR END RATE BASE
March 2018**

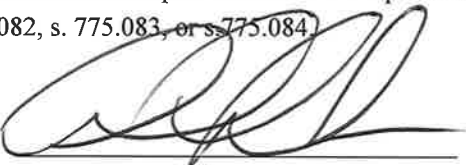
		(1)		(2)		(3)		(4)		(5)
		<u>ACTUAL PER BOOKS</u>		<u>FPSC ADJUSTMENTS</u>		<u>FPSC ADJUSTED</u>		<u>PRO FORMA ADJUSTMENTS</u>		<u>PRO FORMA ADJUSTED</u>
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>										
NET OPERATING INCOME	(a)	\$ 12,498,157	\$	(1,232,577)	\$	11,265,580	\$	508,503	\$	11,774,083
AVERAGE RATE BASE	(a)	\$ 199,968,961	\$	41,190,770	\$	241,159,731	\$	(12,379,316)	\$	228,780,415
AVERAGE RATE OF RETURN	(a)			6.25%					4.67%	5.15%
<u>II. YEAR END RATE BASE (JURISDICTIONAL)</u>										
		\$ 212,808,869	\$	49,630,093	\$	262,438,962	\$	(11,971,416)	\$	250,467,545
<u>III. REQUIRED RATES OF RETURN</u>										
<u>AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</u>										
LOW				<u>5.61%</u>						
MIDPOINT				<u>5.97%</u>						
HIGH				<u>6.33%</u>						
<u>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</u>										
A. INCLUDING AGL ACQ. ADJ. & REGULATORY ASSETS										
<u>7.61%</u>										
B. EXCLUDING AGL ACQ. ADJ. & REGULATORY ASSETS										
<u>9.13%</u>										

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.

David C. Weaver, VP External Affairs

 (Name and Title of Chief Financial Officer)



 (Signature)

5/15/2018

 (Date)

FLORIDA CITY GAS
AVERAGE RATE OF RETURN
RATE BASE
March 2018

Line No.	(1) PLANT IN SERVICE	(2) ACCUM. DEPR. & AMORT.	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CWIP	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE
1 PER BOOKS	\$ 418,507,247	\$ 171,773,004	\$ 246,734,243	\$ -	\$ 11,661,015	\$ 258,395,258	\$ (58,426,297)	\$ 199,968,961
2								
3 FPSC ADJUSTMENTS:								
4 Goodwill	(26,633,077)	-	(26,633,077)	-	-	(26,633,077)	-	(26,633,077)
5 AGL Common Plant	3,491,524	906,929	2,584,595	-	-	2,584,595	-	2,584,595
6 AGL Purchase Premium	21,656,835	9,324,471	12,332,364	-	-	12,332,364	-	12,332,364
7 Remove AEP	-	-	-	-	-	-	(14,082,879)	(14,082,879)
8 Nonutility plant	-	-	-	-	-	-	(30,829)	(30,829)
9 FCG Acquisition Adjustment	-	-	-	-	-	-	-	-
10 Accumulated Removal Cost	-	-	-	-	-	-	-	-
11 Capital structure adjustments	-	-	-	-	-	-	68,846,649	68,846,649
12 Gas cost/conservation/CRA underrecoveries	-	-	-	-	-	-	(822,855)	(822,855)
13 Interest payable adjustment	-	-	-	-	-	-	(1,056,703)	(1,056,703)
14 Nonutility storage	-	-	-	-	-	-	6,554	6,554
15 Pension and Transition Costs Reg. Asset	-	-	-	-	-	-	46,952	46,952
16 Fort Pierce Utility acquisition	-	-	-	-	-	-	-	-
17 TOTAL FPSC ADJUSTMENTS	<u>\$ (1,484,718)</u>	<u>\$ 10,231,400</u>	<u>\$ (11,716,118)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,716,118)</u>	<u>\$ 52,906,889</u>	<u>\$ 41,190,770</u>
18								
19 FPSC ADJUSTED	<u>\$ 417,022,528</u>	<u>\$ 182,004,404</u>	<u>\$ 235,018,125</u>	<u>\$ -</u>	<u>\$ 11,661,015</u>	<u>\$ 246,679,140</u>	<u>\$ (5,519,409)</u>	<u>\$ 241,159,731</u>
20								
21 FLEX RATE REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
22								
23 ADJUSTED FOR FLEX RATE REVENUES	<u>\$ 417,022,528</u>	<u>\$ 182,004,404</u>	<u>\$ 235,018,125</u>	<u>\$ -</u>	<u>\$ 11,661,015</u>	<u>\$ 246,679,140</u>	<u>\$ (5,519,409)</u>	<u>\$ 241,159,731</u>
24								
25								
26								
27 PRO FORMA ADJUSTMENTS:								
28								
29 TOTAL PRO FORMA ADJUSTMENTS	<u>\$ (21,656,835)</u>	<u>\$ (9,324,471)</u>	<u>\$ (12,332,364)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,332,364)</u>	<u>\$ (46,952)</u>	<u>\$ (12,379,316)</u>
30								
31 PRO FORMA ADJUSTED	<u>\$ 395,365,693</u>	<u>\$ 172,679,932</u>	<u>\$ 222,685,761</u>	<u>\$ -</u>	<u>\$ 11,661,015</u>	<u>\$ 234,346,776</u>	<u>\$ (5,566,361)</u>	<u>\$ 228,780,415</u>

**FLORIDA CITY GAS
AVERAGE RATE OF RETURN
INCOME STATEMENT
March 2018**

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	PER BOOKS	\$ 88,000,833	\$ 25,441,648	\$ 22,199,344	\$ 16,440,127	\$ 8,040,457	\$ (5,542,516)	\$ 8,923,615	\$ -	\$ 75,502,676	\$ 12,498,157
2	End of year customer refund accrual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	ADJUSTED BOOKS	\$ 88,000,833	\$ 25,441,648	\$ 22,199,344	\$ 16,440,127	\$ 8,040,457	\$ (5,542,516)	\$ 8,923,615	\$ -	\$ 75,502,676	\$ 12,498,157
4											
5	FPSC ADJUSTMENTS:										
6	Fuel revenues/costs	(25,568,857)	(25,441,648)							(25,568,857)	
7	Franchise/gross receipts taxes	(4,635,134)					(127,208)			(4,635,134)	
8	ECP revenue/costs						(4,635,134)				
10	Remove AEP	(2,287,675)									
11	AGL Purchase Premium per Amort Sched				(1,027,272)		(446,851)			(1,474,123)	(813,552)
12	Energy Services Revenues and Expenses				721,895		(249,478)			472,417	(472,417)
13	Propane Sales										
14	Record Equity Component of SAFE	245,861			61,767		17,023	57,124		135,914	109,947
15	Association dues			(16,025)		5,538				(10,487)	10,487
16	Economic development expense			(878)		303				(575)	575
17	Pension and Transition Costs Reg. Asset				150,562			(53,293)		97,268	(97,268)
18	Employee activities			(13,503)		4,666				(8,837)	8,837
19	Interest synchronization					(20,816)				(20,816)	20,816
20	TOTAL FPSC ADJUSTMENTS	(32,245,805)	(25,441,648)	(30,406)	(93,049)	(4,745,319)	(706,636)	3,830		(31,013,229)	(1,232,577)
21											
22	FPSC ADJUSTED	\$ 55,755,027	\$ -	\$ 22,168,938	\$ 16,347,078	\$ 3,295,138	\$ (6,249,152)	\$ 8,927,446	\$ -	\$ 44,489,447	\$ 11,265,580
23											
24	FLEX RATE REVENUES										
25	ADJUSTED FOR										
26	FLEX RATE REVENUES	\$ 55,755,027	\$ -	\$ 22,168,938	\$ 16,347,078	\$ 3,295,138	\$ (6,249,152)	\$ 8,927,446	\$ -	\$ 44,489,447	\$ 11,265,580
27											
28											
29	PRO FORMA ADJUSTMENTS										
30											
31	TOTAL PRO FORMA ADJUSTMENTS				(872,456)		310,660	53,293		(508,503)	508,503
32											
33	PRO FORMA ADJUSTED	\$ 55,755,027	\$ -	\$ 22,168,938	\$ 15,474,621	\$ 3,295,138	\$ (5,938,492)	\$ 8,980,739	\$ -	\$ 43,980,944	\$ 11,774,083
34											
35	PER BOOKS										
36	CURRENT QUARTER AMOUNT	\$ 26,295,050	\$ 6,723,873	\$ 6,202,716	\$ 4,259,162	\$ 2,845,336	\$ 914,324	\$ 369,647	\$ -	\$ 21,315,057	\$ 4,979,993

FLORIDA CITY GAS
YEAR END RATE BASE
RATE BASE
March 2018

Line No.	(1) PLANT IN SERVICE	(2) ACCUM. DEPR. & AMORT.	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CWIP	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE	
1	PER BOOKS	\$ 430,650,442	\$ 172,980,247	\$ 257,670,195	\$ -	\$ 15,234,491	\$ 272,904,686	\$ (60,095,817)	\$ 212,808,869
2									
3	FPSC ADJUSTMENTS:								
4	Goodwill	(26,633,077)	-	(26,633,077)		(26,633,077)		(26,633,077)	
5	AGL Common Plant	3,940,633	1,381,220	2,559,413		2,559,413		2,559,413	
6	AGL Acquisition Adj. Per Amort Schedule	21,656,835	9,685,419	11,971,416		11,971,416		11,971,416	
7	Remove AEP	-	-	-		-	(14,073,827)	(14,073,827)	
8	FCG Acquisition Adjustments	-	-	-		-	-	-	
9	Nonutility plant	-	-	-		-	-	-	
10	Capital structure adjustments			-		-	76,637,944	76,637,944	
11	Gas cost/conservation/CRA underrecoveries					-	(831,783)	(831,783)	
12	Interest payable adjustment			-		-	-	-	
13	Pension and Transition Costs Reg. Asset					-	-	-	
14	Nonutility storage						7	7	
15	Fort Pierce Utility acquisition	-	-	-		-	-	-	
16	TOTAL FPSC ADJUSTMENTS	(1,035,609)	11,066,639	(12,102,248)	-	(12,102,248)	61,732,341	49,630,093	
17									
18	FPSC ADJUSTED	\$ 429,614,833	\$ 184,046,886	\$ 245,567,947	\$ -	\$ 15,234,491	\$ 260,802,438	\$ 1,636,524	\$ 262,438,962
19									
20	PRO FORMA ADJUSTMENTS:								
21									
22	TOTAL PRO FORMA ADJUSTMENTS	\$ (21,656,835)	\$ (9,685,419)	\$ (11,971,416)	\$ -	\$ (11,971,416)	\$ -	\$ (11,971,416)	
23									
24	PRO FORMA ADJUSTED	\$ 407,957,998	\$ 174,361,467	\$ 233,596,530	\$ -	\$ 15,234,491	\$ 248,831,021	\$ 1,636,524	\$ 250,467,545

FLORIDA CITY GAS
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
March 2018

Line No.	AVERAGE	PER BOOKS	COMPANY RATIO	ADJUSTMENTS TO INVESTOR CAPITAL	ADJUSTED	ADJUSTMENTS			RATIO (%)	LOW POINT		MID POINT		HIGH POINT	
						SPECIFIC	PRO RATA	ADJUSTED		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
1	DIVISIONAL CAPITAL	\$ 99,231,925	36.96%	\$ (568,422)	\$ 98,663,503		\$ (12,469,693)	\$ 86,193,810	35.74%	10.25%	3.66%	11.25%	4.02%	12.25%	4.38%
2															
3	LONG TERM DEBT	100,737,036	37.52%	3,577,681	104,314,717		(13,183,928)	91,130,789	37.79%	4.59%	1.73%	4.59%	1.73%	4.59%	1.73%
4															
5	SHORT TERM DEBT	20,182,856	7.52%	(3,009,250)	17,173,606		(2,170,505)	15,003,101	6.22%	1.85%	0.12%	1.85%	0.12%	1.85%	0.12%
6															
7	PREFERRED STOCK	-	0.00%	-	-		-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8															
9	CUSTOMER DEPOSITS	3,630,672	1.35%	-	3,630,672		-	3,630,672	1.51%	6.73%	0.10%	6.73%	0.10%	6.73%	0.10%
10															
11	TAX CREDITS - ZERO COST	-	0.00%	-	-		-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12															
13	TAX CREDITS - WEIGHTED COST	-	0.00%	-	-		-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14															
15	ACC DEF INC TAXES-ZERO COST	44,720,261	16.65%	-	44,720,261	481,098	-	45,201,359	18.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	TOTAL	\$ 268,502,751	100.00%	\$ 9	\$ 268,502,759	\$ 481,098	\$ (27,824,126)	\$ 241,159,731	100.00%	5.61%	5.97%	5.97%	6.33%	6.33%	6.33%
17															
18															
Line No.	YEAR END	PER BOOKS	COMPANY RATIO	ADJUSTMENTS TO INVESTOR CAPITAL	ADJUSTED	ADJUSTMENTS			RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
						SPECIFIC	PRO RATA	ADJUSTED		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
19															
20	DIVISIONAL CAPITAL	\$ 111,150,791	38.40%	\$ (5,418,241)	\$ 105,732,550		\$ (12,302,779)	\$ 93,429,771	35.60%	10.25%	3.65%	11.25%	4.01%	12.25%	4.36%
21															
22	LONG TERM DEBT	101,658,078	35.12%	10,130,594	111,788,672		(13,007,454)	98,781,218	37.64%	4.59%	1.73%	4.59%	1.73%	4.59%	1.73%
23															
24	SHORT TERM DEBT	23,116,417	7.99%	(4,712,354)	18,404,063		(2,141,451)	16,262,612	6.20%	1.85%	0.11%	1.85%	0.11%	1.85%	0.11%
25															
26	PREFERRED STOCK	-	0.00%	-	-		-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27															
28	CUSTOMER DEPOSITS	3,381,441	1.17%	-	3,381,441		-	3,381,441	1.29%	6.73%	0.09%	6.73%	0.09%	6.73%	0.09%
29															
30	TAX CREDITS - ZERO COST	-	0.00%	-	-		-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31															
32	TAX CREDITS - WEIGHTED COST	-	0.00%	-	-		-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
33															
34	ACC DEF INC TAXES-ZERO COST	50,140,086	17.32%	-	50,140,086	443,833	-	50,583,920	19.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
35	TOTAL	\$ 289,446,813	100.00%	\$ (0)	\$ 289,446,812	\$ 443,833	\$ (27,451,684)	\$ 262,438,962	100.00%	5.58%	5.94%	5.94%	6.29%	6.29%	6.29%
36															
37															
Line No.	AVERAGE EXCLUDING AGL ACQ ADJ. & REG. ASSETS	PER BOOKS	COMPANY RATIO	ADJUSTMENTS TO INVESTOR CAPITAL	ADJUSTED	ADJUSTMENTS			RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
						SPECIFIC	PRO RATA	ADJUSTED		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
38															
39	DIVISIONAL CAPITAL	\$ 99,231,925	36.96%	\$ (568,422)	\$ 98,663,503		\$ (18,017,622)	\$ 80,645,881	35.25%	10.25%	3.61%	11.25%	3.97%	12.25%	4.32%
40															
41	LONG TERM DEBT	100,737,036	37.52%	3,577,681	104,314,717		(19,049,629)	85,265,088	37.27%	4.59%	1.71%	4.59%	1.71%	4.59%	1.71%
42															
43	SHORT TERM DEBT	20,182,856	7.52%	(3,009,250)	17,173,606		(3,136,190)	14,037,416	6.14%	1.85%	0.11%	1.85%	0.11%	1.85%	0.11%
44															
45	PREFERRED STOCK	-	0.00%	-	-		-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
46															
47	CUSTOMER DEPOSITS	3,630,672	1.35%	-	3,630,672		-	3,630,672	1.59%	6.73%	0.11%	6.73%	0.11%	6.73%	0.11%
48															
49	TAX CREDITS - ZERO COST	-	0.00%	-	-		-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
50															
51	TAX CREDITS - WEIGHTED COST	-	0.00%	-	-		-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
52															
53	ACC DEF INC TAXES-ZERO COST	44,720,261	16.66%	-	44,720,261	481,098	-	45,201,359	19.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
54	TOTAL	\$ 268,502,751	100.00%	\$ 9	\$ 268,502,759	\$ 481,098	\$ (40,203,441)	\$ 228,780,415	100.00%	5.54%	5.90%	5.90%	6.25%	6.25%	6.25%

FLORIDA CITY GAS
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
March 2018

SCHEDULE 5

A. INCLUDING AGL ACQUISITION ADJUSTMENT & REGULATORY ASSETS

Line No.

1	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	4.67%
2	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
3	LONG TERM DEBT	-1.73%
4	SHORT TERM DEBT	-0.12%
5	PREFERRED STOCK	0.00%
6	CUSTOMER DEPOSITS	-0.10%
7	TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%
8	SUBTOTAL	-1.95%
9	TOTAL	<u>2.72%</u>
10	DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>35.74%</u>
11	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>7.61%</u>
12		
13		
14		
15		
16		

B. EXCLUDING AGL ACQUISITION ADJUSTMENT & REGULATORY ASSETS

17		
18		
19	NET OPERATING INCOME EXCLUDING FLEX RATE REVENUES	\$ 11,774,083
20		
21	RATE BASE EXCLUDING FLEX RATE REVENUES	\$ 228,780,415
22		
23	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	5.15%
24	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
25	LONG TERM DEBT	-1.71%
26	SHORT TERM DEBT	-0.11%
27	PREFERRED STOCK	0.00%
28	CUSTOMER DEPOSITS	-0.11%
29	TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%
30	SUBTOTAL	-1.93%
31	TOTAL	<u>3.22%</u>
32	DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>35.25%</u>
33	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.13%</u>