

FLORIDA PUBLIC SERVICE COMMISSION

INVESTOR-OWNED NATURAL GAS UTILITY  
EARNINGS SURVEILLANCE REPORT

FLORIDA CITY GAS

September 2018

PSC/AFA 13 (6/94)

FLORIDA CITY GAS  
 YEAR END RATE BASE  
 September 2018


SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. LEVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	(a) \$ 17,229,988	\$ (1,161,381)	\$ 16,068,607	\$ 557,204	\$ 16,625,811
AVERAGE RATE BASE	(a) \$ 222,650,115	\$ 52,867,073	\$ 275,517,188	\$ (11,992,758)	\$ 263,524,430
AVERAGE RATE OF RETURN	(a) 7.74%		5.83%		6.31%
<b>II. YEAR END RATE BASE (JURISDICTIONAL)</b>					
	\$ 293,665,699	\$ 48,472,517	\$ 342,138,215	\$ (11,610,469)	\$ 330,527,746

	<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>		<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>	
LOW	5.50%	A. INCLUDING AGL ACQ. ADJ. & REGULATORY ASSETS	9.87%	
MIDPOINT	5.99%	B. EXCLUDING AGL ACQ. ADJ. & REGULATORY ASSETS	10.37%	
HIGH	6.48%			

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)  
 11/15/2018 (Date)

TABOR CHIN FOR KEITH FERGUSON

FLORIDA CITY GAS  
AVERAGE RATE OF RETURN  
RATE BASE  
September 2018

Line No.	(1) PLANT IN SERVICE	(2) ACCUM. DEPR. & AMORT.	(3) NET PLANT IN SERVICE	(4) PROBABILITY HELD FOR FUTURE USE	(5) CWIP	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE
1	428,697,373	174,824,399	253,872,974	-	16,447,727	270,320,700	(47,670,586)	222,650,115
2								
3	FISC ADJUSTMENTS							
4	(19,575,359)		(19,575,359)			(19,575,359)		(19,575,359)
5	2,868,767	907,090	1,961,678			1,961,678		1,961,678
6	14,993,193	6,621,994	8,371,199			8,371,199		8,371,199
7							(13,912,286)	(13,912,286)
8							0	0
9							76,712,101	76,712,101
10							(717,599)	(717,599)
11							5,998	5,998
12							21,342	21,342
13	(1,713,399)	7,529,084	(9,242,483)			(9,242,483)	62,109,556	52,867,073
14								
15	FISC ADJUSTED							
16	426,983,974	182,353,483	244,630,491	-	16,447,727	261,078,218	14,438,970	275,517,188
17	ADJUSTED FOR FLEX RATE REVENUES							
18	426,983,974	182,353,483	244,630,491	-	16,447,727	261,078,218	14,438,970	275,517,188
19	PRO FORMA ADJUSTMENTS							
20								
21	(21,656,635)	(9,695,419)	(11,971,416)	-	-	(11,971,416)	(21,342)	(11,992,759)
22	TOTAL PRO FORMA ADJUSTMENTS							
23	405,327,139	172,658,064	232,659,075	-	16,447,727	249,106,801	14,417,628	263,524,430
23	PRO FORMA ADJUSTED							

FLORIDA CITY GAS  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
September 2018

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										
2	END OF YEAR CUSTOMER REFUND ACCRUAL	\$ 91,501,131	\$ 25,425,450	\$ 22,875,651	\$ 14,658,782	\$ 7,420,517	\$ (371,481)	\$ 4,262,244	\$ -	\$ 74,271,143	\$ 17,229,988
3	ADJUSTED BOOKS	\$ 91,501,131	\$ 25,425,450	\$ 22,875,651	\$ 14,658,782	\$ 7,420,517	\$ (371,481)	\$ 4,262,244	\$ -	\$ 74,271,143	\$ 17,229,988
4	PRO FORMA ADJUSTMENTS										
5	FUEL REVENUES/COSTS	(25,552,578)	(25,425,450)			(127,127)					(25,552,578)
6	FRANCHISE/GROSS RECEIPTS TAXES	(4,711,427)				(4,711,427)					(4,711,427)
7	EOP REV/EUL/COSTS	(4,691,050)				(24,050)					(4,791,524)
8	REMOVE AEP	(1,895,297)				(855,169)					(1,111,048)
9	AQL PURCHASE PREMIUM PER AMORT SCHED					481,263					337,116)
10	RECLASSIFY AND OPEB EXP TO OPERATING					(80,449)					(80,059)
11	RECORD EQUITY COMPONENT OF SAHE (Nas to zero)					(31,101)					22,826)
12	ASSOCIATION DUES					(44,322)					46,047)
13	EMPLOYEE ACTIVITIES/COSTS/REG. ASSET					68,437					(32,655)
14	EMPLOYEE ACTIVITIES/COSTS/REG. ASSET					11,667					409,983)
15	INTEREST SYNCHRONIZATION					409,983					(1,161,381)
16	INTEREST SYNCHRONIZATION					92,833					(409,983)
17	TOTAL PRO FORMA ADJUSTMENTS					(22,390)					(35,488,971)
18	PRO FORMA ADJUSTED	\$ 54,850,779	\$ 17,909,756	\$ 14,353,297	\$ 2,557,912	\$ (278,648)	\$ 4,239,854	\$ -	\$ -	\$ 38,782,172	\$ 16,058,607
19	FLEX RATE REVENUES										
20	ADJUSTED FOR										
21	FLEX RATE REVENUES	\$ 54,850,779	\$ 17,909,756	\$ 14,353,297	\$ 2,557,912	\$ (278,648)	\$ 4,239,854	\$ -	\$ -	\$ 38,782,172	\$ 16,058,607
22	PRO FORMA ADJUSTMENTS										
23	TOTAL PRO FORMA ADJUSTMENTS	\$ 54,850,779	\$ 17,909,756	\$ 14,353,297	\$ 2,557,912	\$ (278,648)	\$ 4,239,854	\$ -	\$ -	\$ 38,782,172	\$ 16,058,607
24	PRO FORMA ADJUSTED										
25	FLEX RATE REVENUES										
26	ADJUSTED FOR										
27	FLEX RATE REVENUES	\$ 54,850,779	\$ 17,909,756	\$ 14,353,297	\$ 2,557,912	\$ (278,648)	\$ 4,239,854	\$ -	\$ -	\$ 38,782,172	\$ 16,058,607
28	PRO FORMA ADJUSTMENTS										
29	TOTAL PRO FORMA ADJUSTMENTS	\$ 54,850,779	\$ 17,909,756	\$ 14,353,297	\$ 2,557,912	\$ (278,648)	\$ 4,239,854	\$ -	\$ -	\$ 38,782,172	\$ 16,058,607

FLORIDA CITY GAS  
 YEAR END RATE BASE  
 RATE BASE  
 September 2018

SCHEDULE 3

Line No.	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	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	427,249,526	181,664,949	245,584,578	-	26,362,274	271,946,852	21,718,847	293,665,699
2								
3								
4								
5								
6								
7								
8							(13,205,860)	(13,205,860)
9							61,754,241	61,754,241
10							(75,865)	(75,865)
11								
12							48,472,517	48,472,517
13	427,249,526	181,664,949	245,584,578	-	26,362,274	271,946,852	70,191,394	342,138,215
14								
15								
16								
17								
18	(21,656,835)	(10,046,366)	(11,610,469)	-	-	(11,610,469)	-	(11,610,469)
19	405,592,691	171,618,583	223,974,109	-	26,362,274	280,336,383	70,191,394	330,527,746

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



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

SCHEDULE 5

A. INCLUDING AGL ACQUISITION ADJUSTMENT & REGULATORY ASSETS

Line No.		
1	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	5.83%
2	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
3	LONG TERM DEBT	-0.85%
4	SHORT TERM DEBT	-0.12%
5	PREFERRED STOCK	0.00%
6	CUSTOMER DEPOSITS	-0.03%
7	TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%
8	SUBTOTAL	-1.00%
9	TOTAL	4.83%
10	DIVIDED BY RECONCILED COMMON EQUITY RATIO	48.95%
11	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.87%</u>

B. EXCLUDING AGL ACQUISITION ADJUSTMENT & REGULATORY ASSETS

Line No.		
19	NET OPERATING INCOME EXCLUDING FLEX RATE REVENUES	\$ 16,625,811
21	RATE BASE EXCLUDING FLEX RATE REVENUES	\$ 263,524,430
23	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	6.31%
24	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
25	LONG TERM DEBT	-1.09%
26	SHORT TERM DEBT	-0.16%
27	PREFERRED STOCK	0.00%
28	CUSTOMER DEPOSITS	-0.04%
29	TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%
30	SUBTOTAL	-1.29%
31	TOTAL	5.02%
32	DIVIDED BY RECONCILED COMMON EQUITY RATIO	48.42%
33	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>10.37%</u>