FLORIDA PUBLIC SERVICE COMMISSION
INVESTOR-OWNED NATURAL GAS UTILITY
EARNINGS SURVEILLANCE REPORT
FLORIDA CITY GAS
March 2019
PSC/AFA 13 (6/94)

FLORIDA CITY GAS YEAR END RATE BASE March 2019

SCHEDULE 1

			(1)	(1) (2) (3)			(4)	(5)		
			ACTUAL		FPSC		FPSC		PRO FORMA	PRO FORMA
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)			PER BOOKS	A	DJUSTMENTS		ADJUSTED		ADJUSTMENTS	ADJUSTED
NET OPERATING INCOME	(a)	\$	18,572,857	\$	(462,442)	\$	18,110,415	\$	558,605	\$ 18,669,020
AVERAGE RATE BASE	(a)	\$	267,041,221	\$	34,936,720	\$	301,977,941	\$	(11,610,469)	\$ 290,367,472
AVERAGE RATE OF RETURN	(a)		6.96%				6.00%			6.43%
II. YEAR END RATE BASE (JURISDICTIONAL)		\$	304,289,047	\$	39,087,902	\$	343,376,949	\$	(11,249,522)	\$ 332,127,428
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL										
STRUCTURE (FPSC ADJUSTED BASIS)				IV. E	EARNED RETUR	NO	N EQUITY (FPSC	AD.	JUSTED BASIS)	
LOW		6.42%		A. II	NCLUDINGAG	_ A(CQ. ADJ. & REGI	JLA	TORY ASSETS	<u>8.54</u> %
MIDPOINT		<u>7.08%</u>								0.00%
HIGH		<u>7.74%</u>		D.E	XULUDINGAG	LA	UQ. ADJ. & REG	ULA	ATORY ASSETS	<u>9.28</u> %

Note: Subsequent to receiving Financing Order # PSC-2018-0550-FOF-GU, Florida City Gas has received Long-term Debt proceeds from Florida Power & Light Co. However, due to financing 100% equity post acquisition, the return on equity is below the authorized range but is expected to be within authorized range by year end 2019.

I am aware that Section 837.06, Florida Statutes, provides:		
Whoever knowingly makes a false statement in writing with the intent to misle misdemeanor of the second degree punishable as provided in s. 775.082, s. 775		eguilty of a
Keith Ferguson, Vice President Accounting and Controller (Name and Title of Chief Financial Officer)	(Signature) FOR KEITH FERGUSON	5/15/2019 (Date)

FLORIDA CITY GAS AVERAGE RATE OF RETURN RATE BASE March 2019

			(1)	(2)	(3)	(4) PROPERTY		(5)		(7)		(8)	(9)
Line No.			T IN SERVICE	 JM. DEPR. &	NET PLANT IN SERVICE	HELD FOR		CWIP	N	ET UTILITY PLANT	wo	DRKING CAPITAL	TAL RATE BASE
1	PER BOOKS	\$	431,397,073	 180,465,038	\$ 250,932,035		- \$	28,350,526	\$	279,282,561		(12,241,340)	267,041,221
2 3	FPSC ADJUSTMENTS:												
4	GOODWILL	_	(7,283,170)		(7,283,170)					(7,283,170)			(7,283,170)
5	AGL COMMON PLANT		1,303,985	412,313	891,672					891,672			891,672
6	AGL PURCHASE PREMIUM		4,997,731	2,248,979	2,748,752					2,748,752			2,748,752
7	REMOVE AEP											(13,745,978)	(13,745,978)
8	NONUTILITY PLANT											(532)	(532)
9	CAPITAL STRUCTURE ADJUSTMENTS											53,069,630	53,069,630
10	GAS COST/CONSERVATION/CRA UNDERRECOVERIES											(743,518)	(743,518)
11	NONUTILITY STORAGE											(136)	(136)
12	PENSION AND TRANSITION COSTS REG. ASSET											-	-
13	TOTAL FPSC ADJUSTMENTS	\$	(981,454)	\$ 2,661,293	\$ (3,642,746)	\$	- <u>\$</u>	-	\$	(3,642,746)	\$	38,579,466	\$ 34,936,720
14													
15	FPSC ADJUSTED	\$	430,415,619	\$ 183,126,331	\$ 247,289,288	\$	- \$	28,350,526	\$	275,639,814	\$	26,338,127	\$ 301,977,941
16													
17	ADJUSTED FOR FLEX RATE REVENUES	\$	430,415,619	\$ 183,126,331	\$ 247,289,288	\$	- \$	28,350,526	\$	275,639,814	\$	26,338,127	\$ 301,977,941
18													
19	PRO FORMA ADJUSTMENTS:	_											
20													
21	TOTAL PRO FORMA ADJUSTMENTS	\$	(21,656,835)	\$ (10,046,366)	\$ (11,610,469)	\$	- \$		\$	(11,610,469)	\$		\$ (11,610,469)
22													
23	PRO FORMA ADJUSTED	\$	408,758,784	\$ 173,079,965	\$ 235,678,819	\$	- \$	28,350,526	\$	264,029,345	\$	26,338,127	\$ 290,367,472

FLORIDA CITY GAS AVERAGE RATE OF RETURN INCOME STATEMENT March 2019

		(1)		(2)	(3)		(4)	(5) TAXESOTHER		(6)		(7)		(8)		(9)		(10)		(11)
Line)	OPERATING						THAN INCOME	U	NCOME TAXES	DE	EFERRED INCOME	IN	W. TAX CREDIT		GAIN/LOSS ON	тот	TAL OPERATING	NET	OPERATING
No.	_	REVENUES	0& N	GASEXPENSE	O&M OTHER	D	EPR. & AMORT.	 TAXES		CURRENT		TAXES (NET)		(NET)		DISPOSITION		EXPENSES		NCOME
1	PER BOOKS	\$ 92,298,619	\$	22,146,908	25,916,148	\$	13,506,096	\$ 7,797,337	\$	5,077,239	\$	(717,966)	\$	-	\$	-	\$	73,725,762	\$	18,572,857
2	END OF YEAR CUSTOMER REFUND ACCRUAL																\$	-	\$	-
3 4	ADJUSTED BOOKS	\$ 92,298,619	\$	22,146,908	\$ 25,916,148	\$	13,506,096	\$ 7,797,337	\$	5,077,239	\$	(717,966)	\$	-	\$	-	\$	73,725,762	\$	18,572,857
5	FPSC ADJUSTMENTS																			
6	FUEL REVENUES/COSTS	(22,257,642)		(22,146,908)				(110,735)		-								(22,257,642)		
7	FRANCHISE/GROSS RECEIPTS TAXES	(4,831,753)						(4,831,753)		-								(4,831,753)		
ŏ	ECP REVENUE/COSTS	(4,606,129)			(4,604,247)	(1 100 000)	(23,021)		5,357								(4,621,911)		15,782
9	REMOVE AEP	(1,380,462)					(1,186,398)			(49,186)								(1,235,583)		(144,879)
10	AGL PURCHASE PREMIUM PER AMORT SCHED						120,316			(30,494)								89,822		(89,822)
11	RECLASS PEN. AND OPEB EXP. TO OPERATING				(35,834)				9,082								(26,752)		26,752
12 13	RECORD EQUITY COMPONENT OF SAFE (Nets to zero)	28,824			-		-			7,305								7,305		21,518
	ASSOCIATION DUES				(65,634)				16,635								(48,999)		48,999
14 15	PENSION AND TRANSITION COSTS REG. ASSET				-		-					-						-		-
15	EMPLOYEE ACTIVITIES/CIVIC PARTICIPATION				(37,858)				9,595								(28,263)		28,263
10	INTEREST SYNCHRONIZATION TOTAL FPSC ADJUSTMENTS	 (33,047,162)		(22,146,908)	(4,743,572	. —	(1,066,082)	 (4,965,508)		369,056 337,350	-	-	-	-		-		369,056 (32,584,720)		(369,056)
18	TOTAL FPSC ADJUSTMENTS	 (33,047,102)		(22,140,900)	(4,743,372	/	(1,000,082)	 (4,905,506)		337,330	-							(32,364,720)		(462,442)
19	FPSC ADJUSTED	\$ 59,251,457	\$	-	\$ 21,172,575	\$	12,440,015	\$ 2,831,828	\$	5,414,590	\$	(717,966)	\$	-	\$	-	\$	41,141,042	\$	18,110,415
20								 							_					
21	FLEX RATE REVENUES	 -		-			-	 -		-		-		-				-		-
22	ADJUSTED FOR																			
23	FLEX RATE REVENUES	\$ 59,251,457	\$	-	<u>\$</u> 21,172,575	\$	12,440,015	\$ 2,831,828	\$	5,414,590	\$	(717,966)	\$	<u> </u>	\$		\$	41,141,042	\$	18,110,415
24																				
25 26	PRO FOR <a adjustments<="" td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td>																			
20 27	TOTAL PRO FORMA ADJUSTMENTS	_		_	_		(721,895)	_		163,290		_		_		_		(558,605)		558,605
28	TOTAL PROFORMA ADJUSTMENTS	 					(/21,080)	 		103,230	-	<u> </u>	-					(338,003)		556,005
29	PRO FORMA ADJUSTED	\$ 59,251,457	\$		<u>\$ 21,172,575</u>	\$	11,718,120	\$ 2,995,118	\$	5,577,879	\$	(717,966)	\$		\$	-	\$	40,582,437	\$	18,669,020

FLORIDA CITY GAS YEAR END RATE BASE RATE BASE March 2019

			(1)		(2)		(3)	н	(4) KUPER I Y		(5)	(7)	(8)		(9)
Line				AC	CUM. DEPR. &	N	ET PLANT IN		ELD FOR			NET UTILITY	WORKING		
No.		PLAN	IN SERVICE		AMORT.		SERVICE	FU	TUREUSE		CWIP	 PLANT	CAPITAL	ΤΟΤΑ	L RATE BASE
1	PER BOOKS(1)	\$	436,406,483	\$	185,003,056	\$	251,403,427	\$	-	\$	44,936,902	\$ 296,340,329	\$ 7,948,718	\$	304,289,047
2															
3	FPSC ADJUSTMENTS:														
4	GOODWILL												-		-
5	AGL COMMON PLANT														-
6	AGL ACQUISITION ADJ. PER AMORT SCHEDULE														-
7	REMOVE AEP		-				-				-	-	(14,116,308)		(14,116,308)
8	CAPITAL STRUCTURE ADJUSTMENTS						-				-	-	54,540,065		54,540,065
9	GAS COST/CONSERVATION/CRA UNDERRECOVERIES										-	-	(1,335,855)		(1,335,855)
10	NONUTILITY STORAGE										-		-		-
11	TOTAL FPSC ADJUSTMENTS		-		-		-		-		-	 -	 39,087,902		39,087,902
12															
13	FPSC ADJUSTED	\$	436,406,483	\$	185,003,056	\$	251,403,427	\$	-	\$	44,936,902	\$ 296,340,329	\$ 47,036,620	\$	343,376,949
14															
15	PRO FORMA ADJUSTMENTS:	_													
16															
17	TOTAL PRO FORMA ADJUSTMENTS	\$	(21,656,835)	\$	(10,407,313)	\$	(11,249,522)	\$	-	\$	-	\$ (11,249,522)	\$ -	\$	(11,249,522)
18															
19	PRO FORMA ADJUSTED	\$	414,749,648	\$	174,595,743	\$	240,153,905	\$		<u>\$</u>	44,936,902	\$ 285,090,807	\$ 47,036,620	<u>\$</u>	332,127,428

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

SCHEDULE 3

SCHEDULE 4

FLORIDA CITY GAS CAPITAL STRUCTURE FPSC ADJUSTED BASIS March 2019

AVERAGE VISIONAL CARITAL ING TERM DEBT INT TERM DEBT EFERRED STOCK INSTOMER DEPOSITS X CREDITS - ZERO COST	FER BOOKS \$ 213,299,853 53,741,388 (1,263,540) 3,251,620	COMPANY RATIO 66.63% 16.79% -0.39% 0.00% 1.02%	ADJUSTMENTS TO INVESTOR CAPITAL \$ -	ADJUSTED \$ 213,299, 53,741, (1,263,	368	\$	PRO RATA (14,699,720) (3,703,627)		RATIO (%) 65.77%	COST RATE (%) 9.19%	WEIGHTED COST (%) 6.04%	COST RATE (%) 10.19%	WEIGHTED COST (%) 6.70%	COST RATE (%) 11.19%	COST
VISIONAL CARTAL ING TERM DEBT INFT TERM DEBT EFERRED STOCK INSTOMER DEPOSITS IX OREDITS - ZERO COST	\$ 213,299,853 53,741,368 (1.263,540) -	66.63% 16.79% -0.39% 0.00%		\$ 213,299, 53,741,	853 368		(14,699,720)	\$ 198,600,132	65.77%						
ort term debt Eferred Stock Istomer Deposits X credits-Zero Cost	(1,263,540)	-0.39% 0.00%					(3,703,627)								
EFERRED STOCK ISTOMER DEPOSITS X CREDITS - ZERO COST	-	0.00%		(1,263,	j40)			50,037,741	16.57%	2.10%	0.35%	2.10%	0.35%	2.10%	6
EFERRED STOCK ISTOMER DEPOSITS X CREDITS - ZERO COST	-	0.00%	-	(1,263,	540)										6
ISTOMER DEPOSITS	- 3,251,620 -						87,078	(1,176,462)	-0.39%	0.62%	0.00%	0.62%	0.00%	0.62%	
X CREDITS - ZERO COST	3,251,620	1.02%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2
				3,251,	320			3,251,620	1.08%	2.73%	0.03%	2.73%	0.03%	2.73%	2
X CREDITS - WEIGHTED COST		0.00%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
		0.00%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	à
C DEF INC TAXES-ZERO COST	51,081,550	<u>15.95</u> %	-	51,081,	550 18'	3,360	-	51,264,909	16.98%	0.00%	<u>0.00</u> %	0.00%	<u>0.00</u> %	0.00%	6
TAL	\$ 320,110,851	<u>100.00</u> %	<u>s</u> -	\$ 320,110,		<u>1.360</u> <u>\$</u>	(18,316,269)	<u>\$ 301,977,941</u>	<u>100.00</u> %		<u>6.42</u> %		<u>7.08</u> %		
					A	DJUSTME	ENTS			LOW	POINT	MIDP		HIGH	POINT
YEAR END	PER BOOKS	RATIO	INVESTOR CAPITAL	ADJUSTED	SPECIFIC		PRO RATA	ADJUSTED	RATIO (%)	(%)	COST (%)	(%)	COST (%)	(%)	00
VISIONAL CAPITAL	\$ 125,137,864	34.87%	\$-	\$ 125,137,	164	\$	(6,351,761)	\$ 118,786,103	34.59%	9.19%	3.18%	10.19%	3.52%	11.19%	3
NG TERM DEBT (1)	179,151,183	49.93%	-	179,151,	183		(9,093,374)	170,057,809	49.53%	4.53%	2.24%	4.53%	2.24%	4.53%	5
IORT TERM DEBT	138,464	0.04%	-	138,	164		(7,028)	131,435	0.04%	4.54%	0.00%	4.54%	0.00%	4.54%	\$
EFERRED STOCK	-	0.00%			-			-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2
ISTOMER DEPOSITS	3,137,289	0.87%		3,137,	289			3,137,289	0.91%	2.73%	0.02%	2.73%	0.02%	2.73%	2
X CREDITS - ZERO COST	-	0.00%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5
X CREDITS - WEIGHTED COST	-	0.00%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	à
C DEF INC TAXES-ZERO COST	51,264,312	<u>14.29</u> %		51,264,	312			51,264,312	<u>14.93</u> %	0.00%	<u>0.00</u> %	0.00%	<u>0.00</u> %	0.00%	6
TAL	<u>\$ 358,829,113</u>	<u>100.00</u> %	<u>s -</u>	<u>\$ 356,829,</u>	<u>13</u>	- \$	(15,452,163)	\$ 343,376,949	<u>100.00</u> %		<u>5.44</u> %		<u>5.78</u> %		
		COMPANY				DJUSTME	ENTS				POINT		OINT WEIGHTED		POIN
ADJ. & REG. ASSETS	PER BOOKS	RATIO	INVESTOR CAPITAL	ADJUSTED	SPECIFIC		PRO RATA	ADJUSTED	RATIO (%)	(%)	COST (%)	(%)	COST (%)	(%)	CO
VISIONAL CAPITAL	\$ 213,299,853	66.63%	s -	\$ 213,299,	53	\$	(24,017,701)	\$ 189,282,151	65.19%	9.19%	5.99%	10.19%	6.64%	11.19%	
NG TERM DEBT	53,741,368	16.79%	-	53,741,	168	\$	(6,051,313)	47,690,055	16.42%	2.10%	0.35%	2.10%	0.35%	2.10%	\$
ORT TERM DEBT	(1,263,540)	-0.39%	-	(1,263,	j 40)	\$	142,275	(1,121,265)	-0.39%	0.62%	0.00%	0.62%	0.00%	0.62%	à
EFERRED STOCK		0.00%			-			-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2
ISTOMER DEPOSITS	3,251,620	1.02%		3,251,	320			3,251,620	1.12%	2.73%	0.03%	2.73%	0.03%	2.73%	à
X CREDITS - ZERO COST		0.00%						-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2
X CREDITS - WEIGHTED COST		0.00%							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	ò
C DEF INC TAXES-ZERO COST	51,081,550	<u>15.96</u> %		51,081,		3,360		51,264,909	17.66%	0.00%	<u>0.00</u> %	0.00%	<u>0.00</u> %	0.00%	
	YEAR END II'SIONAL CARTAL II'SIONAL CARTAL II	YEAR IND PER BOCK3 /ISONAL CARITAL \$ 125,137,884 NG TERM DEBT (1) 178,151,183 CRIT TERM DEBT (1) 178,151,183 CRIT TERM DEBT (1) 178,151,183 CRIT TERM DEBT (1) 178,151,183 STOMER DEPOSITS 3,137,289 K GREDITS - ZERO COST 51,264,312 TAL \$ 51,284,312 TAL \$ 38,422,118 VERAGE EXCLUDING AGL ACQ ADJ, & REALASSETS PER BOCK3 YISONAL CARITAL \$ 213,299,853 NG TERM DEBT (1,283,540) SPERPED STOCK - STOMER DEPOSITS 3,251,820 STOMER DEPOSITS 3,251,820 STOMER DEPOSITS 3,251,820 STOMER DEPOSITS 3,251,820	YEAR END CONTRAINT YISONAL CARTAL S 125,132,864 34,87% NG TERM DEBT (1) 178,151,183 49,93% CRIT TERM DEBT 188,464 0,00% STOMER DEPOSITS 3,137,289 0,85% K OREDITS - ZERO COST - 0,00% CDEF INC TAXES-ZERO COST	YEAR END PER BOCKS COMPANY INTEGRA ANTAL AUUSTIMENTS TO INTEGRA ANTAL 1/9 ONAL CANTAL \$ 125,137,84 34,87% \$ NG TERM DEBT (1) 179,151,183 49,93% - NG TERM DEBT (1) 179,151,183 49,93% - STOMER DEPOSITS 3,197,299 0,87% - STOMER DEPOSITS 3,197,299 0,87% - K OREDITS- VEIGHTED COST - 0,00% - COEFINC TAXES-ZERO COST _ 0,00% - K OREDITS- WEIGHTED COST _ 0,00% - TAL \$ 38,829,113 100,0% \$ VERAGE EXCLUDING AGL ACC PER BOCKS COMPANY ADJUSTIGETOR CANTAL NG TERM DEBT 53,241,328 66,65% \$ - VISTORAL CANTAL \$ 213,299,853 66,65% - VISTOR CANTAL \$ 213,299,853 66,65% - VISTOR CANTAL \$ 213,299,853 66,65% - VIST TERM DEBT	YEAR END PER BOOKS COMPANY INTO ADJUSTINE HTS TO INVESTOR CANTAL ADJUSTED 119 CINAL CARTAL S 125,137,894 34,87% S S 125,137,84 NG TERM DEBT 172,151,183 49,93% - 5 125,137,84 NG TERM DEBT 172,151,183 49,93% - 172,151,13 CRIT TERM DEBT 138,464 0.04% - 138,4 STOMER DEPOSITS 3,137,289 0.87% - 3,137,2 K OREDITS - ZERO COST - 0.00% - 51,284,3 K OREDITS - WEIGHTED COST - 0.00% - 51,284,3 K OREDITS - WEIGHTED COST - 0.00% - 51,284,3 K OREDITS - WEIGHTED COST - 0.00% - 51,284,3 K OREDITS - WEIGHTED COST - 0.00% - 51,284,3 VERAGE EXCLUDING AGL, ACO - MADUSTER CANTAL S 213,290,8 NG TERM DEBT 5,241,328 66,55% - 5 213,290,8 <	YEAR END PER BOOKS ADJUSTINENTS TO INVESTOR CAPITAL ADJUSTINE YISONAL CAPITAL S 125,137,894 3.487% S S 125,137,894 NG TERM DEBT (1) 172,151,183 49,93% - 5 126,137,894 NG TERM DEBT (1) 172,151,183 49,93% - 172,151,183 CRIT TERM DEBT 138,464 0.04% - 138,464 STOMER DEPOSITS 3,137,289 0.87% - - STOMER DEPOSITS 3,137,289 0.87% - - COMPTS - WEIGHTED COST - 0.00% - - K OREDITS - WEIGHTED COST - 0.00% - - TAL S SSA23,113 10.00% S SSA23,113 S VERAGE EXCLUDING AGL, ACO MAN & REA ASERTS PER BOOKS PER BOOKS S 213,20,853 PER BOOKS S 213,20,853 VISIONAL CAPITAL S 213,20,853 66,55% S 213,20,853 PER BOOKS S 213,20,853	TEAR END PER BOCKS COMPANY RATIO ADJUSTIMENTS TO INSEGRE CAPITAL ADJUSTIMENTS TO STOMET CAPITAL ADJUSTIMENTS TO STOMET CERM DEBT ADJUSTIMENTS TO STOMET CERM DEBT	TEAR END PER BOCKS RATIO ADJUSTMENTS TO INVESTOR CAPITAL ADJUSTED FEEDINC PRO RATA 1/13 CMAL CAPITAL \$ 125,132,894 34.87% \$ \$ 125,137,894 \$ (0.003,374) NG TERM DEBT (1) 172,151,183 49.93% . 179,151,183 (0.003,374) CRIT TERM DEBT 138,464 0.04% . 138,464 . (7.028) STOMER DEPOSITS 3,137,289 0.67% .	TAN BD PB BOOK ADJUSTION ADJ	VAN BO PER BOOKS AULITINENTS TO MATIC ADJUSTION ADJUSTION PER ADJUSTICE PER ADJUSTICE	TEAL IND TEAL OFFIC ALASTINITY ALASTIN ALASTINITY </td <td>Tex RIP Community Addition output Addition output Addition output Addition output Addition output Results Result</td> <td>NUMBRING ADJETED TO BECHO ADJETED TO BECHO</td> <td>Take Problem Autor Market Warden Warden</td> <td>Name Addression Addression Addression Addression Note Total Properties Note Total Properiis Note Properiis Note Properiis Note Properiis Note Properiis Note Properiis Note Properiis</td>	Tex RIP Community Addition output Addition output Addition output Addition output Addition output Results Result	NUMBRING ADJETED TO BECHO ADJETED TO BECHO	Take Problem Autor Market Warden	Name Addression Addression Addression Addression Note Total Properties Note Total Properiis Note Properiis Note Properiis Note Properiis Note Properiis Note Properiis Note Properiis

(1) Recoverable unamortized cost of early debt extingushment.

(2) On JU 91, 2018 Florida City Gas ("FOG") was acquired and became a direct, wholly-owned subsidiary of Florida-Power & Light Company ("FPL") at which time all of FOG's outstanding funded debt from it's former parent. Southern Company Gas, was exclined and became a direct, wholly-owned subsidiary of Florida-Power & Light Company ("FPL") at which time all of FOG's outstanding funded debt from it's former parent. Southern Company Gas, was exclined and became a direct, wholly-owned subsidiary of Florida-Power & Light Company ("FPL") at which time all of FOG's outstanding funded debt from it's former parent. Southern Company Gas, was exclined and the proceeds from Florida-Power & Light Company ("FPL") at which time all of FOG's outstanding funded debt from it's former parent. Southern Company Gas, was exclined and became a direct, wholly-owned a Movember 19, 2018 in Docket No. 20180166-GU with the Florida-Power & Light Company ("FPL") at which time all of FOG's outstanding funded debt from it's former parent. Southern Company Gas, was exclined and the proceeds from Florida-Power & Light Company ("FPL") at which time all of FOG's outstanding funded debt from it's former parent. Southern Company Gas, was exclined and the proceeds from Florida-Power & Light Company ("FPL") at which time all of FOG's outstanding funded debt from it's former parent. Southern Company Gas, was exclined and the proceeds from Florida-Power & Light Company ("FPL") at which time all of FOG's outstanding former parent. Southern Company Gas, was exclined and the proceeds from Florida-Power & Light Company ("FPL") at which time all of FOG's outstanding former parent.

FLORIDA CITY GAS EARNED RETURN ON COMMON EQUITY FPSC ADJUSTED BASIS March 2019

A. INCLUDING AGL ACQUISITION ADJUSTMENT & REGULATORY ASSETS

Line

No.

1	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>6.00</u> %
2	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
3	LONG TERM DEBT	-0.35%
4	SHORT TERM DEBT	0.00%
5	PREFERRED STOCK	0.00%
6	CUSTOMER DEPOSITS	-0.03%
7	TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00</u> %
8	SUBTOTAL	- <u>0.38</u> %
9	TOTAL	<u>5.62</u> %
10	DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>65.77</u> %
11	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>8.54</u> %
12		

- 12 13
- 14
- 15
- 15 16

17

B. EXCLUDING AGL ACQUISITION ADJUSTMENT & REGULATORY ASSETS

18 19 20	NET OPERATING INCOME EXCLUDING FLEX RATE REVENUES	\$ 18,669,020
20 21 22	RATE BASE EXCLUDING FLEX RATE REVENUES	\$ 290,367,472
23	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	6.43%
24	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
25	LONG TERM DEBT	-0.35%
26	SHORT TERM DEBT	0.00%
27	PREFERRED STOCK	0.00%
28	CUSTOMER DEPOSITS	-0.03%
29	TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00%</u>
30	SUBTOTAL	- <u>0.38</u> %
31	TOTAL	<u>6.05</u> %
32	DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>65.19</u> %
33	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.28</u> %