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## INVESTOR-OWNED NATURAL GASUTILITY

# EARNINGS SURVEILLANCE REPORT

FLORIDA CITY GAS

MARCH 2022

PSC/AFA 13 (6/94)

SCHEDULE 1

## FLORIDA CITY GAS EARNINGS SURVEILLANCE REPORT SUMMARY MARCH, 2022

		(1) ACTUAL	(2) FPSC	(3) FPSC	(4) PRO FORMA	(5) PRO FORMA
I. AVERAGE RATE OF RETURN (JURISDICTIONAL) NET OPERATING INCOME	<u>F</u> \$	PER BOOKS 19,432,718	ADJUSTMENTS (3,301,687)	ADJUSTED 16,131,031	ADJUSTMENTS	<u>ADJUSTED</u> 16,131,031
AVERAGE RATE BASE	\$	407,767,289	(51,283,269)	356,484,020	-	356,484,020
AVERAGE RATE OF RETURN		4.77%		4.53%		4.53%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			IV. EARNED RETUR	<u>N ON EQUITY (FP</u>	SC ADJUSTED BASIS)	
LOW	4.95%		A. RETURN ON COM	MON EQUITY (AV	ERAGE)	8.16%
MIDPOINT	5.37%					
HIGH	5.78%					

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

(Signature) FOR KETTH FERGUS

13/2022 51 (Date)

(Name and Title of Chief Financial Officer)

.

### FLORIDA CITY GAS AVERAGE RATE BASE MARCH, 2022

		(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
Line No.	_	 PLANT IN SERVICE	ACCUM. DEPR. & AMORT.	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CWIP	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
1	PER BOOKS (1)	\$ 553,497,264	200,156,855	353,340,409	-	27,719,673	381,060,082	26,707,207	407,767,289
2									
3	FPSC ADJUSTMENTS:								
4	REMOVE SAFE CLAUSE PLANT	\$ (29,658,005)	(577,136)	(29,080,868)	-	(1,820,017)	(30,900,885)	-	(30,900,885)
5	REMOVE AEP	-	-	-	-	-	-	(5,342,768)	(5,342,768)
6	INTERCOMPANY AR	-	-	-	-	-	-	(76,746)	(76,746)
7	CLAUSE UNDERRECOVERIES	-	-	-	-	-	-	(3,490,861)	(3,490,861)
8	REMOVE LEASES	(7,222,672)	(1,035,137)	(6,187,535)	-	-	(6,187,535)	-	(6,187,535)
9	ACCUM DEFERRED RETIREMENT BENEFITS	-	-	-	-	-	-	37,485	37,485
10	TEMPORARY CASH INVESTMENTS	 -	<u> </u>	-		<u> </u>	-	(5,321,959)	(5,321,959)
11	TOTAL FPSC ADJUSTMENTS (2)	 (36,880,677)	(1,612,274)	(35,268,403)		(1,820,017)	(37,088,420)	(14,194,849)	(51,283,269)
12									
13	FPSC ADJUSTED	\$ 516,616,587	198,544,581	318,072,006	-	25,899,656	343,971,663	12,512,357	356,484,020
14									
15	TOTAL PRO FORMA ADJUSTMENTS	\$ <u> </u>	<u> </u>	-			-	<u> </u>	<u> </u>
16									
17	PRO FORMA ADJUSTED	\$ 516,616,587	198,544,581	318,072,006		25,899,656	343,971,663	12,512,357	356,484,020

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

(2) In order to be consistent with the "Per Book" capital structure reflected on Schedule 4, certain capital structure balances are no longer presented as part of "Per Book" Rate Base on this schedule. Therefore, no further capital structure adjustment is needed.

SCHEDULE 2

#### FLORIDA CITY GAS NET OPERATING INCOME MARCH, 2022

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Line No.	_	PERATING EVENUES	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
1	PER BOOKS	\$ 114,977,075	26,507,642.56	31,858,806.09	23,625,542.85	9,420,681.38	3,854,742.00	305,384.00		(28,441.74)	95,544,357.14	19,432,717.54
2												
3	FPSC ADJUSTMENTS:											
4	FUEL REVENUES/COSTS	\$ (27,422,544)	(27,256,411)	(159,216)	-	(9,050)	519	-	-	-	(27,424,158)	1,614
5	FRANCHISE/GROSS RECEIPTS TAXES	(5,798,550)	-	(15,081)	-	(5,654,471)	(31,651)	-	-	-	(5,701,203)	(97,348)
6	ECP REVENUE/COSTS	(8,494,885)	-	(6,652,790)	-	(70,954)	(431,987)	-	-	-	(7,155,731)	(1,339,153)
7	AEP REVENUE/COSTS	(7,636,903)	-	(38,185)	(7,278,439)	-	(78,136)	-	-	-	(7,394,760)	(242,143)
8	SAFE REVENUE/COSTS	(3,393,814)	-	(16,969)	(773,990)	(591,001)	(490,708)	-	-	-	(1,872,668)	(1,521,145)
9	INDUSTRY ASSOCIATION DUES	-	-	(25,000)	-	-	6,130	-	-	-	(18,870)	18,870
10	ECONOMIC DEVELOPMENT	-	-	(3,426)	-	-	836	-	-	-	(2,590)	2,590
11	INTEREST SYNCHRONIZATION	 <u> </u>		<u> </u>			124,971				124,971	(124,971)
12	TOTAL FPSC ADJUSTMENTS	\$ (52,746,696)	(27,256,411)	(6,910,666)	(8,052,429)	(6,325,476)	(900,027)				(49,445,009)	(3,301,687)
13												
14	FPSC ADJUSTED	\$ 62,230,379	(748,768)	24,948,140	15,573,114	3,095,205	2,954,715	305,384		(28,442)	46,099,348	16,131,031
15												
16	TOTAL PRO FORMA ADJUSTMENTS	\$ <u> </u>	<u> </u>	<u> </u>		<u> </u>					-	<u> </u>
17												
18	PRO FORMA ADJUSTED	\$ 62,230,379	(748,768)	24,948,140	15,573,114	3,095,205	2,954,715	305,384		(28,442)	46,099,348	16,131,031

SCHEDULE 3

#### FLORIDA CITY GAS CAPITAL STRUCTURE FPSC ADJUSTED BASIS MARCH, 2022

		-	ADJUSTMENTS				LOW POINT		MID POINT		HIGH POINT	
Line No.	AVERAGE	PER BOOKS	SPECIFIC	PRO RATA	ADJUSTED	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
1	DIVISIONAL CAPITAL	\$ 166,592,350	0	(18,707,627)	147,884,723	41.48%	9.19%	3.81%	10.19%	4.23%	11.19%	4.64%
2												
3	LONG TERM DEBT	116,115,437	(6,187,535)	(12,344,446)	97,583,457	27.37%	3.82%	1.05%	3.82%	1.05%	3.82%	1.05%
4												
5	SHORT TERM DEBT	68,454,198	0	(7,687,121)	60,767,077	17.05%	0.41%	0.07%	0.41%	0.07%	0.41%	0.07%
6												
7	PREFERRED STOCK	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8												
9	CUSTOMER DEPOSITS	3,715,734	-	(417,261)	3,298,472	0.93%	2.72%	0.03%	2.72%	0.03%	2.72%	0.03%
10				(0.004.050)								
11 12	DEFERRED INCOME TAX	32,901,069	0	(3,694,653)	29,206,416	8.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12	FAS 109 DEFERRED INCOME TAX	19,988,501	0	(2,244,625)	17,743,875	4.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	TAS 109 DEFERRED INCOME TAX	13,300,301	0	(2,244,023)	17,743,673	4.90%	0.00%	0.00%	0.00 %	0.00 %	0.00 %	0.00 %
15	TAX CREDITS - ZERO COST	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16												
17	TAX CREDITS - WEIGHTED COST	<u> </u>			-	<u>0.00</u> %	0.00%	<u>0.00</u> %	0.00%	<u>0.00</u> %	0.00%	<u>0.00</u> %
18	TOTAL	\$ 407,767,289	(6,187,535)	(45,095,735)	356,484,020	<u>100.00</u> %		<u>4.95</u> %		<u>5.37</u> %		<u>5.78</u> %
19												

# FLORIDA CITY GAS

# EARNED RETURN ON COMMON EQUITY FPSC ADJUSTED BASIS

MARCH, 2022

Line No.	_	
1	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	4.53%
2	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
3	LONG TERM DEBT	-1.05%
4	SHORT TERM DEBT	-0.07%
5	PREFERRED STOCK	0.00%
6	CUSTOMER DEPOSITS	-0.03%
7	TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%
8	SUBTOTAL	-1.14%
9		
10	TOTAL	3.38%
11		
11	DIVIDED BY RECONCILED COMMON EQUITY RATIO	41.48%
12		
13	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>8.16</u> %