FLORIDA PUBLIC SERVICE COMMISSION	
INVESTOR-OWNED NATURAL GAS UTILITY	
EARNINGS SURVEILLANCE REPORT	
FLORIDA CITY GAS	
DECEMBER 2022	
DECEMBER 2022	
PSC/AFA 13 (6/94)	

FLORIDA CITY GAS

EARNINGS SURVEILLANCE REPORT SUMMARY

DECEMBER, 2022

	F	(1) ACTUAL PER BOOKS	(2) FPSC <u>ADJUSTMENTS</u>	(3) FPSC <u>ADJUSTED</u>	(4) PRO FORMA <u>ADJUSTMENTS</u>	(5) PRO FORMA <u>ADJUSTED</u>	
I. AVERAGE RATE OF RETURN (JURISDICTIONAL) NET OPERATING INCOME	\$	19,725,475	(1,863,131)	17,862,344	-	17,862,344	
AVERAGE RATE BASE	\$	435,062,199	(55,446,330)	379,615,869	•	379,615,869	
AVERAGE RATE OF RETURN		4.53%		4.71%		4.71%	
II. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)			III. EARNED RETUR	RN ON EQUITY			
LOW	5.44% A. FPSC ADJUSTED RETURN ON COMMON EQUITY (AVERAGE)						
MIDPOINT	5.87%	7.52%					
HIGH	6.30%						

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)
FOR KETTH FERGVSON

(Date)

FLORIDA CITY GAS AVERAGE RATE BASE DECEMBER, 2022

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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)	\$	576,324,071	208,919,314	367,404,757	-	47,236,423	414,641,180	20,421,019	435,062,199
2										
3	FPSC ADJUSTMENTS:									
4	REMOVE SAFE CLAUSE PLANT	\$	(37,615,406)	(1,562,118)	(36,053,287)	-	(897,501)	(36,950,788)	-	(36,950,788)
5	REMOVE AEP		-	-	-	-	-	-	(1,867,777)	(1,867,777)
6	INTERCOMPANY AR		-	-	-	-	-	-	(91,053)	(91,053)
7	CLAUSE UNDERRECOVERIES		-	-	-	-	-	-	(5,566,641)	(5,566,641)
8	REMOVE LEASES		(9,677,542)	(1,973,549)	(7,703,993)	-	-	(7,703,993)	-	(7,703,993)
9	ACCUM DEFERRED RETIREMENT BENEFITS		-	-	-	-	-	-	40,057	40,057
10	TEMPORARY CASH INVESTMENTS	_			<u> </u>				(3,306,135)	(3,306,135)
11	TOTAL FPSC ADJUSTMENTS (2)	\$	(47,292,948)	(3,535,668)	(43,757,280)		(897,501)	(44,654,781)	(10,791,549)	(55,446,330)
12										
13	FPSC ADJUSTED	\$	529,031,124	205,383,647	323,647,477		46,338,922	369,986,399	9,629,470	379,615,869
14										
15	TOTAL PRO FORMA ADJUSTMENTS	\$		<u> </u>						
16										
17	PRO FORMA ADJUSTED	\$	529,031,124	205,383,647	323,647,477		46,338,922	369,986,399	9,629,470	379,615,869

⁽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.

FLORIDA CITY GAS NET OPERATING INCOME DECEMBER, 2022

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Line No.	_		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	\$	115,015,671	30,994,904	32,555,579	17,598,875	10,285,330	3,154,400	701,110	-	-	95,290,196	19,725,475
2													
3	FPSC ADJUSTMENTS:												
4	FUEL REVENUES/COSTS	\$	(32,820,190)	(32,696,702)	(187,407)	-	(11,014)	18,992	-	-	-	(32,876,132)	55,941
5	FRANCHISE/GROSS RECEIPTS TAXES		(5,924,301)	-	(15,615)	-	(5,924,889)	4,107	-	-	-	(5,936,397)	12,096
6	ECP REVENUE/COSTS		(6,070,844)	-	(5,999,258)	-	(87,513)	4,037	-	-	-	(6,082,734)	11,890
7	AEP REVENUE/COSTS		(724,595)	-	(3,623)	(640,043)	-	(20,512)	-	-	-	(664,177)	(60,418)
8	SAFE REVENUE/COSTS		(3,951,486)	-	(19,757)	(966,376)	(657,840)	(584,839)	-	-	-	(2,228,812)	(1,722,673)
9	INDUSTRY ASSOCIATION DUES		-	-	5,000	-	-	(1,267)	-	-	-	3,733	(3,733)
10	ECONOMIC DEVELOPMENT		-	-	(3,737)	-	-	947	-	-	-	(2,790)	2,790
11	INTEREST SYNCHRONIZATION	_	<u> </u>					159,024				159,024	(159,024)
12	TOTAL FPSC ADJUSTMENTS	\$	(49,491,416)	(32,696,702)	(6,224,398)	(1,606,419)	(6,681,256)	(419,511)				(47,628,286)	(1,863,131)
13													
14	FPSC ADJUSTED	\$	65,524,255	(1,701,799)	26,331,181	15,992,456	3,604,074	2,734,889	701,110			47,661,911	17,862,344
15													
16	TOTAL PRO FORMA ADJUSTMENTS	\$	<u> </u>	<u> </u>									
17													
18	PRO FORMA ADJUSTED	\$	65,524,255	(1,701,799)	26,331,181	15,992,456	3,604,074	2,734,889	701,110			47,661,911	17,862,344

FLORIDA CITY GAS CAPITAL STRUCTURE FPSC ADJUSTED BASIS DECEMBER, 2022

			<u>-</u>	ADJUSTMENTS			_	LOW POINT		MID POINT		HIGH POINT	
No.	AVERAGE		PER BOOKS	SPECIFIC	PRO RATA	ADJUSTED	RATIO (%)	(%)	COST (%)	(%)	COST (%)	(%)	COST (%)
1	DIVISIONAL CAPITAL	\$	183,808,662	(0)	(20,534,191)	163,274,471	43.01%	9.19%	3.95%	10.19%	4.38%	11.19%	4.81%
2													
3	LONG TERM DEBT		172,448,012	(7,703,993)	(18,404,384)	146,339,635	38.55%	3.68%	1.42%	3.68%	1.42%	3.68%	1.42%
4													
5	SHORT TERM DEBT		21,430,805	(0)	(2,394,143)	19,036,662	5.01%	0.91%	0.05%	0.91%	0.05%	0.91%	0.05%
6													
7	PREFERRED STOCK		-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8													
9	CUSTOMER DEPOSITS		4,132,086	0	(461,616)	3,670,470	0.97%	2.68%	0.03%	2.68%	0.03%	2.68%	0.03%
10													
11	DEFERRED INCOME TAX		33,872,604	(0)	(3,784,079)	30,088,525	7.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12													
13	FAS 109 DEFERRED INCOME TAX		19,370,030	(0)	(2,163,924)	17,206,106	4.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14													
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	\$	435,062,199	(7,703,993)	(47,742,337)	379,615,869	100.00%		<u>5.44</u> %		<u>5.87</u> %		<u>6.30</u> %
19													

FLORIDA CITY GAS CAPITAL STRUCTURE PROFORMA ADJUSTED BASIS DECEMBER, 2022

						LOW POINT		MID POINT		HIGH POINT	
Line		FPSC	PRO-FORMA	PRO-FORMA		COST RATE	WEIGHTED	COST RATE	WEIGHTED	COST RATE	WEIGHTED
No.	AVERAGE	 ADJUSTED	ADJUSTMENTS	ADJUSTED	RATIO (%)	(%)	COST (%)	(%)	COST (%)	(%)	COST (%)
1	DIVISIONAL CAPITAL	\$ 163,274,471	(1,906,944)	161,367,527	42.51%	9.19%	3.91%	10.19%	4.33%	11.19%	4.76%
2											
3	LONG TERM DEBT	\$ 146,339,635	1,687,433	148,027,068	38.99%	3.68%	1.44%	3.68%	1.44%	3.68%	1.44%
4											
5	SHORT TERM DEBT	\$ 19,036,662	219,511	19,256,173	5.07%	0.91%	0.05%	0.91%	0.05%	0.91%	0.05%
6											
7	PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8											
9	CUSTOMER DEPOSITS	\$ 3,670,470	0	3,670,470	0.97%	2.68%	0.03%	2.68%	0.03%	2.68%	0.03%
10											
11	DEFERRED INCOME TAX	\$ 30,088,525	(0)	30,088,525	7.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12											
13	FAS 109 DEFERRED INCOME TAX	\$ 17,206,106	(0)	17,206,106	4.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14											
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	 			0.00%	0.00%	<u>0.00</u> %	0.00%	<u>0.00</u> %	0.00%	<u>0.00</u> %
18	TOTAL	\$ 379,615,869	(0)	379,615,869	<u>100.00</u> %		<u>5.41</u> %		<u>5.84</u> %		<u>6.26</u> %
19											

FLORIDA CITY GAS

EARNED RETURN ON COMMON EQUITY FPSC ADJUSTED BASIS

DECEMBER, 2022

Line			
No.	-	FPSC ADJ.	PROFORMA
1	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	4.71%	4.71%
2	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
3	LONG TERM DEBT	-1.42%	-1.44%
4	SHORT TERM DEBT	-0.05%	-0.05%
5	PREFERRED STOCK	0.00%	0.00%
6	CUSTOMER DEPOSITS	-0.03%	-0.03%
7	TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%	0.00%
8	SUBTOTAL	-1.49%	-1.51%
9	<u>.</u>		
10	TOTAL	3.21%	3.20%
11			
12	DIVIDED BY RECONCILED COMMON EQUITY RATIO	43.01%	42.51%
13			
14	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>7.47</u> %	<u>7.52</u> %