

FLORIDA CITY GAS
 NATURAL GAS
 RATE OF RETURN REPORT SUMMARY
 For the 12 Months Ending December 31, 2023

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 32,939,690	\$ (2,185,666)	\$ 30,754,024	\$ -	\$ 30,754,024
AVERAGE RATE BASE	\$ 547,621,702	\$ (90,795,261)	\$ 456,826,441	\$ -	\$ 456,826,441
AVERAGE RATE OF RETURN	6.02%		6.73%		6.73%
III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)					
LOW	6.20%				
MIDPOINT	6.73%				
HIGH	7.26%				
IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)					
A. RETURN ON EQUITY					9.50%

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.

Michelle D. Napier
 Director, Regulatory Affairs Distribution

Michelle Napier
 Signature

3/29/2024
 Date

FLORIDA CITY GAS
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending December 31, 2023
 RATE BASE

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) PLANT IN SERVICE	(4) NET PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
PER BOOKS	\$ 700,129,008	\$ (217,362,079)	\$ 482,766,929	\$ -	\$ 31,519,198	\$ 514,286,127	\$ 33,335,575	\$ 547,621,702
FPSC ADJUSTMENTS:								
1) ELIMINATIONS OF 1/2 OF D & O PREPAID	\$ -	\$ -	\$ -			\$ -	\$ (5,207)	\$ (5,207)
2) REMOVE SAFE CLAUSE PLANT	(21,407,883)	821,780	(20,586,103)		(1,324,754)	(21,910,856)		(21,910,856)
3) INTERCOMPANY ACCOUNTS RECEIVABLE							(163,134)	(163,134)
4) REMOVE LEASES	(17,302,962)	2,404,573	(14,898,389)			(14,898,389)		(14,898,389)
5) ELIMINATE UNDER-RECOVERIES	-	-	-				(3,586,708)	(3,586,708)
6) ACCUM. DEFERRED RETIREMENT BENEFITS	-	-	-				(36,615)	(36,615)
7) REMOVE UNRECOVERED AEP							(1,302,818)	(1,302,818)
8) REMOVE DEFERRED RATE CASE EXPENSE							(978,993)	(978,993)
9) OTHER RATE CASE ADJUSTMENTS (1)		(3,987)	(3,987)			(3,987)		(3,987)
10) TEMPORARY CASH INVESTMENTS							(12,089,717)	(12,089,717)
11) REMOVE GOODWILL	(35,818,837)		(35,818,837)			(35,818,837)		(35,818,837)
TOTAL FPSC ADJUSTMENTS	\$ (74,529,682)	\$ 3,222,366	\$ (71,307,316)	\$ -	\$ (1,324,754)	\$ (72,632,070)	\$ (18,163,191)	\$ (90,795,261)
FPSC ADJUSTED	\$ 625,599,326	\$ (214,139,713)	\$ 411,459,613	\$ -	\$ 30,194,444	\$ 441,654,057	\$ 15,172,384	\$ 456,826,441
			\$ -			\$ -		\$ -
ADJUSTED	\$ 625,599,326	\$ (214,139,713)	\$ 411,459,613	\$ -	\$ 30,194,444	\$ 441,654,057	\$ 15,172,384	\$ 456,826,441
PROFORMA ADJUSTMENTS								
			\$ -			\$ -		\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 625,599,326	\$ (214,139,713)	\$ 411,459,613	\$ -	\$ 30,194,444	\$ 441,654,057	\$ 15,172,384	\$ 456,826,441

1) RSAM

FLORIDA CITY GAS
NATURAL GAS
AVERAGE RATE OF RETURN
For the 12 Months Ending December 31, 2023
INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 130,139,742	\$ 31,415,158	\$ 39,218,109	\$ 7,788,044	\$ 11,690,996	\$ 7,087,745				\$ 97,200,052	\$ 32,939,690
FPSC ADJUSTMENTS:						923,421				923,421	(923,421)
1) INTEREST SYNC					(3,995)	(28,366)				(31,983,114)	(83,554)
2) ELIMINATE FUEL & SWING REVENUES AND EXP.	(32,066,668)	(31,743,278)	(207,475)		(81,266)	(4,898)				(6,787,459)	(14,426)
3) ELIMINATE CONSERVATION	(6,801,885)		(6,701,296)		(253,061)	(492,712)				(1,135,666)	(1,451,308)
4) ELIMINATE SAFE REVENUES AND COSTS	(2,586,975)		(12,287)	(377,606)	(4,241)	(55,007)				(685,361)	(162,027)
5) ELIMINATE AEP REVENUES AND EXPENSES	(847,388)		(3,488)	(622,625)	(6,445,955)	4,080				(6,457,974)	12,019
6) ELIMINATE REVENUE RELATED TAXES	(6,445,955)		(1,771)			449				(1,322)	1,322
7) 5% OF ECONOMIC DEVELOPMENT			-			-				-	-
8) INDUSTRY ASSOCIATION DUES			(194,585)			49,318				(145,267)	145,267
9) EXECUTIVE INCENTIVE COMPENSATION				(380,242)		96,372				(283,870)	283,870
10) OTHER RATE CASE ADJUSTMENTS (1)			(8,832)			2,238				(6,593)	6,593
11) REMOVE 1/2 D & O INSURANCE											
TOTAL FPSC ADJUSTMENTS	\$ (48,748,871)	\$ (31,743,278)	\$ (7,145,831)	\$ (1,380,474)	\$ (6,788,518)	\$ 494,896	\$ -	\$ -	\$ -	\$ (46,563,205)	\$ (2,185,666)
FPSC ADJUSTED	\$ 81,390,871	\$ (328,120)	\$ 32,072,277	\$ 6,407,570	\$ 4,902,479	\$ 7,582,641	\$ -	\$ -	\$ -	\$ 50,636,847	\$ 30,754,024
						\$ -				\$ -	\$ -
ADJUSTED	\$ 81,390,871	\$ (328,120)	\$ 32,072,277	\$ 6,407,570	\$ 4,902,479	\$ 7,582,641	\$ -	\$ -	\$ -	\$ 50,636,847	\$ 30,754,024
						\$ -				\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 81,390,871	\$ (328,120)	\$ 32,072,277	\$ 6,407,570	\$ 4,902,479	\$ 7,582,641	\$ -	\$ -	\$ -	\$ 50,636,847	\$ 30,754,024

(1) RSAM

Michelle D. Napier
Director, Regulatory Affairs Distribution

FLORIDA CITY GAS
 NATURAL GAS
 CAPITAL STRUCTURE
 For the 12 Months Ending December 31, 2023
 FPSC ADJUSTED BASIS

SCHEDULE 4

AVERAGE	ADJUSTMENTS					RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC		BALANCE	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 281,616,103		\$ 281,616,103	\$ (40,121,741)		\$ 241,494,362	52.86%	8.50%	4.49%	9.50%	5.02%	10.50%	5.55%
LONG TERM DEBT	\$ 188,573,584		\$ 188,573,584	\$ (24,743,427)	\$ (14,898,389)	\$ 148,931,768	32.60%	4.65%	1.52%	4.65%	1.52%	4.65%	1.52%
SHORT TERM DEBT	\$ 22,686,388		\$ 22,686,388	\$ (3,232,119)		\$ 19,454,268	4.26%	4.24%	0.18%	4.24%	0.18%	4.24%	0.18%
CUSTOMER DEPOSITS	\$ 4,927,181		\$ 4,927,181	\$ (701,973)		\$ 4,225,208	0.93%	1.59%	0.01%	1.59%	0.01%	1.59%	0.01%
DEFERRED INCOME TAXES	\$ 31,226,973		\$ 31,226,973	\$ (4,448,893)		\$ 26,778,080	5.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	\$ 18,591,473		\$ 18,591,473	\$ (2,648,719)		\$ 15,942,754	3.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL AVERAGE	547,621,702	\$ -	\$ 547,621,703	\$ (75,896,872)	\$ (14,898,389)	\$ 456,826,442	100.00%		6.20%		6.73%		7.26%

Earned Ret on Equity

SCHEDULE 5

FLORIDA CITY GAS
 NATURAL GAS
 EARNED RETURN ON COMMON EQUITY
 FPSC ADJUSTED BASIS
 For the 12 Months Ending December 31, 2023

A. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY
 INCLUDING ACQUISITION ADJUSTMENTS

NET OPERATING INCOME INCLUDING ACQUISITION ADJUSTMENTS	\$30,754,024
RATE BASE INCLUDING ACQUISITION ADJUSTMENTS	<u>\$456,826,441</u>

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN LESS: RECONCILED AVERAGE JURISDICTIONAL	6.73%
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WEIGHTED COST RATES FOR:

LONG TERM DEBT - CU	1.52%
SHORT TERM DEBT	0.18%
CUSTOMER DEPOSITS	0.01%
TAX CREDITS-WEIGHTED COST (MIDPOINT)	0
SUBTOTAL	<u>1.71%</u>

TOTAL

5.02%

DIVIDED BY RECONCILED COMMON EQUITY RATIO

52.86%

JURISDICTIONAL RETURN ON COMMON EQUITY

9.50%

FLORIDA CITY GAS
RESERVE AMOUNT BALANCE AS OF DECEMBER 31, 2023

ATTACHMENT 1

	AMOUNT	RELATED ORDER
Total Reserve Amount Available Under Current Settlement Agreement	\$ 25,000,000	PSC-2023-0177-FOF-GU
Actual Amortization from 5/31/2023 - 12/31/2023 ⁽¹⁾ :		
January, 2023		
February, 2023		
March, 2023		
April, 2023	\$ -	
May, 2023	\$ (6,301,154)	
June, 2023		
July, 2023		
August, 2023	\$ (385,699)	
September, 2023	\$ (908,029)	
October, 2023	\$ 3,180,759	
November, 2023	\$ (5,458,460)	
December, 2023	\$ (9,872,584)	
Total Amortization from 5/31/2023 - 12/31/2023:		
Remaining Reserve Amount - 12/31/2023	<u>\$ 15,127,416</u>	

Note

(1) Reserve amortization debits/credits are usually recorded on a quarterly basis. Because of the sale some were made monthly.