



**GUNSTER**  
ATTORNEYS AT LAW

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September 1, 2021

**E-PORTAL**

Mr. Adam Teitzman, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: [NEW FILING/DOCKET]: Petition of Florida City Gas for Approval of Safety, Access, and Facility Enhancement Program True-Up and 2022 Cost Recovery Factors**

Dear Mr. Teitzman:

Attached for electronic filing, please find Florida City Gas's Petition for Approval of Safety, Access, and Facility Enhancement Program True-Up and 2022 Cost Recovery Factors. Included with this filing is the following revised tariff page:

Volume No. 10, Fourth Revised Sheet No. 79.

Thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of Florida City Gas for  
Approval of the Safety, Access, and Facility  
Enhancement Program True-Up and 2022  
Surcharge Factors

Docket No. \_\_\_\_\_

Filed: September 1, 2021

**PETITION OF FLORIDA CITY GAS FOR APPROVAL OF THE  
SAFETY, ACCESS, AND FACILITY ENHANCEMENT PROGRAM  
TRUE-UP AND 2022 COST RECOVERY FACTORS**

Florida City Gas (“FCG” or “the Company”) hereby files this Petition requesting the Florida Public Service Commission (“Commission”) approve: (a) the 2020 Safety, Access, and Facility Enhancement (“SAFE”) Program final true-up amount for the period January 1, 2020 through December 1, 2020; (b) the 2021 SAFE Program actual/estimated true-up amount for the period January 1, 2021 through December 31, 2021; and (c) the 2022 SAFE Program Factors to be applied to bills issued during the projected period of January 1, 2022 through December 31, 2022. In support thereof, FCG states as follows:

1. The Company is a natural gas utility with its principal office located at:

Florida City Gas  
4045 NW 97<sup>th</sup> Avenue  
Doral, Florida 33178

2. Any pleading, motion, notice, order or other document required to be served upon FCG or filed by any party to this proceeding should be served upon the following individuals:

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3. FCG is a natural gas local distribution company (“LDC”) providing natural gas sales and transportation service to customers in parts of Florida, and is a public utility subject to the Commission’s regulatory jurisdiction under Chapter 366, Florida Statutes (“F.S”).

4. The Commission is vested with jurisdiction over this matter in accordance with Sections 366.04, 366.041, 366.05, and 366.06, F.S. Specifically, the Commission is authorized to establish fair and reasonable rates and charges for Florida utilities and, in doing so, shall consider, among other things, the adequacy of the utility’s facilities and its ability to improve such facilities. The Commission also is vested with authority under Section 368.05(2), F.S., to require improvements to natural gas distribution systems as may be necessary to protect the public.

5. On September 15, 2015, the Commission approved FCG’s request to establish the SAFE Program.<sup>1</sup> The SAFE Program is designed to relocate on an expedited basis certain existing gas mains and associated facilities located in or associated with rear lot easements to street front locations to improve the Company’s ability to inspect and maintain the facilities and reduce opportunities for damage to the facilities and theft. As the Commission recognized in its *SAFE Order*, the existing location of these mains, services and, in some cases, above-ground facilities, presents significant operational risks and challenges for the Company and its customers. *Id.* at p. 5.

6. The facilities to be relocated or replaced under the SAFE Program are generally prioritized based on the risk assessment model included in the FCG’s Distribution Integrity Management Program. The factors for prioritization include, but are not limited to, location of

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<sup>1</sup> See *In re: Petition for approval of safety, access, and facility enhancement program and associated cost recovery methodology, by Florida City Gas*, Order No. PSC-2015-0390-TRF-GU, Docket No. 20150116-GU (FPSC Sept. 15, 2015) (“*SAFE Order*”).

pipeline, material of pipeline, leak incident rates, rear lot pipelines with maintenance access complications, and customer encroachments.

7. The SAFE Program facilitates the relocation process by enabling the Company to timely recover the appropriate costs, along with a reasonable return, incurred for the relocation of the mains and associated new service lines, as well as costs associated with any above ground facilities, such as meters and regulator sets, that may need to be replaced or relocated due to the main and service line relocations. *Id.* at pp. 3-4.

8. The actual and forecasted mains and service replacements from 2015 through the end of the SAFE Program are provided by year in **Attachment A** to this Petition, which has been updated to reflect actuals through the end of June 2021. In addition, a general description of the SAFE Program projects undertaken by FCG in 2020 and 2021 and forecasted to be undertaken for 2022, including location and types of replacements, are provided in **Attachment B**.

9. Pursuant to the *SAFE Order*, FCG is required to file an annual petition with this Commission on September 1 of each year. The purpose of the annual filing is to review and reset the SAFE Program surcharge factors to true-up any over- or under-recovery, and to update the ad valorem rates and debt and equity cost rates with the most recent earnings surveillance report rates. *Id.* at p. 5. The annual SAFE Program filing includes the following:

(a) Final true-up showing the actual replacement costs and actual surcharge revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to the annual petition filing, including the final over- or under-recovery for that period;

(b) Actual/estimated true-up showing six months of actual and six months of projected costs and revenues; and

(c) Projection showing 12 months of the projected revenue requirement for period beginning January 1 following the annual filing. *Id.*

10. FCG herein submits its annual SAFE Program filing. **Attachment C, Schedules 1 through 7**, which is attached to this Petition and incorporated herein by reference, provides the information required by the *SAFE Order* and FCG's SAFE Tariff. Attachment C fully supports FCG's calculation of the 2020 final true-up, the 2021 actual/estimated true-up, and the 2022 SAFE Program Factors for the period of January 1, 2022 through December 31, 2022.

11. On April 20, 2018, the Commission approved a settlement agreement in FCG's 2018 base rate case that, among other things, requires FCG to use a capital structure with a 48% equity ratio for the calculation of the revenue requirements for the capital investment recovered through the SAFE surcharge.<sup>2</sup> As shown on Attachment C to this Petition, FCG's calculation of the SAFE Program true-up amounts and 2022 SAFE Program Factors used a capital structure with a 48% equity ratio.

12. In addition, during the Agenda Conference for FCG's 2019 SAFE Program filing in Docket No. 20180164, FCG committed to include interest in the calculation of the SAFE Program true-up amounts.<sup>3</sup> As shown on Schedule 3.3 of Attachment C to this Petition, FCG has included interest in the SAFE Program true-up amounts.

13. On December 30, 2019, the Commission issued a tariff order that, among other things, approved an adjustment to the Weighted Average Cost of Capital ("WACC") used to calculate the SAFE revenue requirements in order to be consistent with the normalization rules of the Internal Revenue Code.<sup>4</sup> For purposes of the 2022 SAFE Program Factors, FCG has not met

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<sup>2</sup> See *In re: Petition for rate increase by Florida City Gas*, Docket No. 20170179-GU, Order No. PSC-2018-0190-FOF-GU (FPSC Apr. 20, 2018).

<sup>3</sup> See Transcript of Commission Conference Agenda Item No. 16 at p. 4, Docket No. 20180164 (Oct. 30, 2018).

<sup>4</sup> See *In re: Petition for approval of safety, access, and facility enhancement program true-up and 2020 cost recovery factors, by Florida City Gas*, Docket No. 20190172-GU, Order No. PSC-2019-0550-TRF-GU (FPSC Dec. 30, 2019). The Commission-approved tariff provides that in the event

the limitation /exemption provision of the Internal Revenue Code and, therefore, modification to the calculation of the WACC was required for purposes of the 2022 SAFE Program Factors consistent with the proration formula required by the normalization rules of the Internal Revenue Code. As shown on Schedules 5.1 and 5.2 of Attachment C to this Petition, the proposed adjustment of \$1,950,958 has been incorporated into FCG's calculation of the 2022 SAFE Program surcharge factors.

14. The SAFE Program final net true-up amount for the period January 2020 through December 2020 is an under-recovery of \$140,674. *See* Attachment C, Schedule 1, line 12.

15. The SAFE Program projected actual/estimated true-up amount, based on actual data for six months and projected data for six months, for the current period January 2021 through December 2021 is an under-recovery of \$594,699. *See* Attachment C, Schedule 2, line 12.

16. The SAFE Program total, cumulative net true-up for 2020 and 2021, inclusive of interest, is an under-recovery of \$520,582. *See* Attachment C, Schedule 2, line 16. The interest calculation is provided in Attachment C, Schedule 3.3.

17. The Company's projected total revenue requirement for the SAFE Program for the period January 1, 2022 through December 31, 2022 is \$4,148,112. *See* Attachment C, Schedule 4, line 9. Applying the total, cumulative net true up for 2020 and 2021, the total amount to be collected through the SAFE Program Factors during 2022 is \$4,668,694. *See* Attachment C, Schedule 4, line 10.

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FCG does not meet or exceed the limitation provision set forth in the Internal Revenue Code, FCG shall not use the accumulated deferred income tax ("ADIT") balance as reported on the Company's most recent year-end surveillance report and FCG shall make an adjustment to the depreciation-related ADIT included in the year-end ADIT balance using the proration formula required by the normalization rules of the Internal Revenue Code.

18. When the total amount to be collected through the SAFE Program Factors during 2022 is allocated based upon the methodology approved in the *SAFE Order*, the proposed 2022 SAFE Program Factors for the period January 1, 2022 through December 31, 2022 are as follows:

<u>Rate Class</u>	<u>SAFE Factor</u>
RS-1	\$3.17
RS-100	\$3.17
RS-600	\$3.17
GS-1	\$3.17
GS-6K	\$6.39
GS-25K	\$6.39
GS-120K	\$6.39
GS-1250K	\$6.39
GS-11M	\$6.39
GS-25M	\$6.39
Gas Lighting	\$3.17

See Attachment C, Schedule 6.

19. FCG's calculation of the 2022 SAFE Program Factors is consistent with the methodology and requirements of the Commission's *SAFE Order* and FCG's SAFE Tariff. FCG, therefore, asks that they be approved and become effective for the January 2022 through December 2022 billing period, starting with January 1, 2022, and continuing until modified by subsequent order of this Commission.

20. Upon approval of the proposed 2022 SAFE Factors, FCG will provide notice to customers through a customer bill message that will be issued during a 30-day period in advance of the January 1, 2022 effective date. In addition, an updated rate schedule will be made available online at: <https://www.floridacitygas.com/rates-and-tariff.html>.

21. **Attachment D** to this Petition provides the Company's revised tariff pages in clean and legislative format, reflecting its proposed 2022 SAFE Program Factors. The Company notes that this filing is not made pursuant to the "file and suspend" provisions of Section 366.06(3). However, to the extent the Commission deems the suspension provisions applicable, FCG hereby waives the 60-day time frame in the statute for the Commission's disposition of the referenced tariff changes.

WHEREFORE, FCG respectfully requests that the Commission enter its order approving:

(a) FCG's 2020 SAFE Program final true-up under-recovery amount of \$140,674 for the period of January 1, 2020 through December 31, 2020;

(b) FCG's 2021 SAFE Program actual/estimated true-up under-recovery amount of \$594,699 for the period of January 1, 2021 through December 31, 2021; and

(c) FCG's 2022 SAFE Program Factors, as set forth herein and the Attachments hereto, for application to bills beginning the first billing cycle in January 2022 through the last billing cycle December 2022, and continuing until modified by subsequent order of this Commission.



Respectfully submitted this 1st day of September 2021,



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**ATTACHMENT A**

SAFE PROGRAM  
ACTUAL AND FORECASTED  
MAINS AND SERVICE REPLACEMENTS

ATTACHMENT A  
 Florida City Gas  
 SAFE Program  
 Actual and Forecasted Mains and Service Replacements

Year	Main Replacements			Service Replacements		
	Replaced main (miles)	Remaining main at Year End (miles)	Total Miles Remaining	Replaced Services (No.)	Remaining Services at year end	Total Remaining Services
2014	0.0	254.3	254.3	0	11443	11443
2015	0.0	254.3	254.3	49	11394	11394
2016	17.1	237.2	237.2	1433	9961	9961
2017	37.5	199.7	199.7	1551	8410	8410
2018	27.6	172.1	172.1	1634	6776	6776
2019	37.8	134.3	134.3	1183	5593	5593
2020	25.5	108.8	108.8	1186	4407	4407
2021	26.0	82.8	82.8	1105	3302	3302
2022	29.4	53.4	53.4	1355	1947	1947
2023	17.8	35.6	35.6	649	1298	1298
2024	17.8	17.8	17.8	649	649	649
2025	17.8	0.0	0.0	649	0	0

## **ATTACHMENT B**

Description of the SAFE Program Projects undertaken by FCG  
in 2019 and 2020 and forecasted for 2021

ATTACHMENT B  
Florida City Gas  
SAFE Program

General Overview of Florida City Gas Replacement Projects for 2021 and 2022

A general overview of the actual and projected SAFE replacement projects undertaken or to be undertaken by Florida City Gas during 2021 is provided below, and includes the following projects:

1. The PSL SAFE 3 Phase 2 project is located in Port Saint Lucie County, FL. It is forecasted that by year-end 2021, the project will provide the installation of 14,275 feet of mains and 87 services. The PSL SAFE 3 Phase 2 project is forecasted to retire 16,870 feet of rear easement mains by year-end 2021.
2. The Miami SAFE 30 project is located in the City of Miami Gardens, FL. It is forecasted that by year-end 2021, the project will provide the installation of 23,665 feet of mains and 189 services. The Miami SAFE 30 project is forecasted to retire 27,034 feet of rear easement mains by year-end 2021.
3. The Miami SAFE 32 project is located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2021, the project will provide the installation of 27,964 feet of mains and 355 services. The Miami SAFE 32 project is forecasted to retire 35,883 feet of rear easement mains by year-end 2021.
4. The Miami SAFE 33 project is located in the City of Hialeah, FL. It is forecasted that by year-end 2021, the project will provide the installation of 15,662 feet of mains and 88 services. The Miami SAFE 33 project is forecasted to retire 16,918 feet of rear easement mains by year-end 2021.
5. The Miami SAFE 34 project will be located in the City of Miramar, FL. It is forecasted that by year-end 2021, the project will provide the installation of 26,125 feet of mains and 163 services. The Miami SAFE 34 project is forecasted to retire 24,900 feet of rear easement mains by year-end 2021.
6. The Miami SAFE 35 project will be located in the City of North Miami, FL. It is forecasted that by year-end 2021, the project will provide the installation of 29,540 feet of mains and 223 services. The Miami SAFE 35 project is forecasted to retire 24,640 feet of rear easement mains by year-end 2021.
7. The Brevard SAFE 6 project will be located in the City of Titusville, FL. It is forecasted that by year-end 2021, the project will provide installation of 2,697 feet of mains and 22 services. The Brevard SAFE 6 project is forecasted to retire 3,093 feet of rear easement mains by year-end 2022.

A general overview of the projected SAFE replacement projects to be undertaken by Florida City Gas during 2022 is provided below:

1. The Miami SAFE 36 project will be located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2022, the project will provide the installation of 17,900 feet of mains and 120 services. The Miami SAFE 36 project is forecasted to retire 15,153 feet of rear easement mains by year-end 2022.

2. The Miami SAFE 37 project will be located in the city of West Park, FL. It is forecasted that by year-end 2022, the project will provide the installation of 28,173 feet of mains and 182 services. The Miami SAFE 37 project is forecasted to retire 38,018 feet of rear easement mains by year-end 2022.
3. The Miami SAFE 38 project will be located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2022, the project will provide the installation of 24,962 feet of mains and 208 services. The Miami SAFE 38 project is forecasted to retire 23,192 feet of rear easement mains by year-end 2022.
4. The Miami SAFE 39 project will be located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2022, the project will provide the installation of 18,553 feet of mains and 165 services. The Miami SAFE 39 project is forecasted to retire 18,530 feet of rear easement mains by year-end 2022.
5. The Miami SAFE 40 project will be located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2022, the project will provide the installation of 22,904 feet of mains and 212 services. The Miami SAFE 40 project is forecasted to retire 24,427 feet of rear easement mains by year-end 2022.
6. The Miami SAFE 41 project will be located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2022, the project will provide the installation of 28,397 feet of mains and 258 services. The Miami SAFE 41 project is forecasted to retire 30,398 feet of rear easement mains by year-end 2022.
7. The Brevard SAFE 5 project will be located in the City of Melbourne, FL. It is forecasted that by year-end 2022, the project will provide the installation of 14,484 feet of mains and 211 services. The Brevard SAFE 5 project is forecasted to retire 17,077 feet of rear easement mains by year-end 2022.

**ATTACHMENT C**

SAFE Schedules 1 through 7

Florida City Gas  
 Attachment C, Schedule 1 - GAS Program Revenue Requirement  
 January 2020 through December 2020

Line	Description	Beginning of Period Amount	January-20	February-20	March-20	April-20	May-20	June-20	July-20	August-20	September-20	October-20	November-20	December-20	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains	3,792,886	5,083,497	613,832	1,854,565	356,179	309,473	806,904	876	533,465	373,774	165,257	(415,700)	309,691	13,283,695
b.	Eligible Replacements - Services, Plastic	506,819	901,918	10,138	99,693	4,563	1,056	(4,278)	844	1,127	784	4,207	324,015	769	1,851,676
c.	Eligible Replacements - Services, Steel	800	245,802	941	19,850	879	203	(1,085)	162		151	840	83,699	150	425,669
d.	Land Rights	4,374,255	6,231,212	624,931	3,974,109	360,621	310,331	301,542	3,882	534,609	376,709	170,304	(7,880)	310,610	15,561,710
2.a	Gross Plant on Service/Depreciation Base - Mains	3,792,886	8,876,378	9,490,210	11,344,775	11,699,954	12,009,427	12,316,332	12,317,208	12,850,673	13,224,448	13,899,705	12,924,005	11,283,695	13,283,695
2.b	Gross Plant on Service/Depreciation Base - Services, Plastic	506,819	1,408,736	1,418,894	3,518,587	1,523,151	1,528,206	1,519,879	1,520,772	1,521,800	1,522,684	1,526,891	1,850,906	1,851,676	1,851,676
2.c	Gross Plant on Service/Depreciation Base - Services, Steel	690	690	690	690	690	690	690	690	690	690	690	690	690	690
2.d	Gross Plant on Service/Depreciation Base - Meters	73,861	319,663	370,604	340,454	341,333	341,536	340,451	340,613	340,830	340,980	341,200	425,519	425,669	425,669
2.e	Gross Plant in Service/Land Rights	(87,397)	(103,595)	(176,660)	(154,866)	(184,156)	(214,148)	(244,276)	(275,738)	(307,245)	(336,671)	(370,669)	(405,033)	(439,513)	(439,513)
3.	Accumulated Depreciation	5,000	10,000	15,000	20,000	25,000	30,000	35,000	40,000	45,000	50,000	55,000	60,000	65,000	70,000
4.	Net Book Value (Lines 2 - 3 - 4)	10,280,901	10,919,402	11,475,182	13,883,624	13,772,512	14,118,024	14,568,181	14,756,894	16,175,760	18,420,450	19,863,213	20,654,492	22,718,474	22,718,474
5.	Average Net Investment	10,600,153	11,197,292	12,429,403	13,540,068	13,915,293	14,340,627	14,660,038	15,706,342	17,598,124	19,156,841	20,273,858	21,686,483		
6.	Return on Average Net Investment														
7.	a. Equity component Grossed up for taxes - reduced for tax reform (A)	49,545	52,336	58,095	63,324	65,040	65,040	67,028	66,521	73,692	82,253	89,539	94,760	101,367	865,094
	b. Debt component (B)	14,697	15,525	17,234	18,785	19,294	19,884	20,327	20,327	21,861	24,400	26,562	28,110	30,089	256,748
8.	Investment Expenses														
a.	Depreciation (C)	16,558	24,095	26,826	29,290	29,992	29,992	30,628	30,943	31,502	32,450	33,020	33,232	33,590	352,116
b.	Amortization	6,606	6,979	7,787	8,444	8,673	8,673	8,938	9,137	9,826	10,968	11,939	12,616	13,518	115,408
c.	Property Taxes (D)														
d.	Other	87,407	98,925	109,901	119,843	122,998	122,998	126,477	128,977	136,481	150,077	161,099	168,738	178,338	1,589,766
9.	Revenue Requirements (Lines 7 - 8)	(21,842)	(20,965)	(24,002)	(28,002)	(28,002)	(28,002)	(28,002)	(28,002)	(31,677)	(34,972)	(38,259)	(41,545)	(44,831)	(440,931)
10.	Collections	(56,549)	(57,490)	(58,431)	(59,372)	(60,313)	(61,254)	(62,195)	(63,136)	(64,077)	(65,018)	(65,959)	(66,900)	(67,841)	(68,782)
11.	Estimated Net under/(over) collection based	(34,707)	(36,525)	(37,339)	(38,153)	(38,967)	(39,781)	(40,595)	(41,409)	(42,223)	(43,037)	(43,851)	(44,665)	(45,479)	(46,293)
12.	Actual Net under/(over) collection (Lines 9 - 10)	22,115	7,124	1,763	(1,798)	(2,739)	(3,680)	(4,621)	(5,562)	(6,503)	(7,444)	(8,385)	(9,326)	(10,267)	(11,208)
13.	True-Up (Lines 12 - 11)	(269,935)	(265,543)	(274,429)	(272,360)	(264,598)	(264,207)	(264,207)	(251,403)	(242,147)	(228,009)	(183,870)	(134,140)	(82,007)	(82,007)
14.	Cumulative Net under/(over) collection	(119)	(119)	(186)	(185)	(183)	(177)	(171)	(165)	(159)	(154)	(148)	(142)	(136)	(130)
15.	Interest	(270,254)	(266,890)	(272,814)	(272,601)	(264,945)	(264,945)	(264,945)	(251,403)	(242,147)	(228,009)	(183,870)	(134,140)	(82,007)	(82,007)
16.	Cumulative Net under/(over) collection (Lines 14 - 15)	(389,153)	(387,784)	(399,628)	(399,201)	(389,140)	(389,140)	(389,140)	(375,548)	(363,691)	(352,057)	(340,419)	(328,779)	(317,539)	(306,299)

Jan-Dec 2020  
 5.0083%  
 1.6038%  
 2.500%  
 2.500%  
 6.100%  
 6.100%  
 0.750%

Notes:  
 (A) Cost of Equity  
 (B) WACC  
 (C.1) Applicable Mains depreciation rate  
 (C.2) Applicable Services depreciation rate  
 (C.3) Applicable Steel depreciation rate  
 (C.4) Applicable Meters depreciation rate  
 (D) Ad Valorem Tax Rate



Florida City Gas  
Attachment C, Schedule 2 - SAFE Program Revenue Requirements  
January 2021 through December 2021

Line	Description	Beginning of Period Amount												Estimated	Estimated	Estimated	Estimated	Estimated	End of Period Total	
		January-21	February-21	March-21	April-21	May-21	June-21	July-21	August-21	September-21	October-21	November-21	December-21							
1.	Investments	13,283,655	272,672	92,575	(143,914)	5,843,325	647,391	441,373	1,018,743	702,423	308,636	179,025	182,400	179,025	388,784	341,307	196,012	182,400	71,168	33,040,933
	a. Eligible Replacements - Mains	1,851,676	1,480		(64,966)	1,802,705	171,399	141,087	510,552	567,602	388,784	341,307	196,012	182,400	179,025	182,400	196,012	182,400	71,168	5,807,888
	b. Eligible Replacements - Services, Plastic	890																		690
	c. Eligible Replacements - Services, Steel	425,669	289		(11,564)	371,058	21,855	2,129												809,436
	d. Eligible Replacements - Meters																			
	e. Land Rights	15,561,730	274,441	92,575	(220,444)	8,153,089	840,646	584,388	1,528,275	1,220,025	697,421	420,612	378,832	420,612	697,421	420,612	378,832	420,612	71,168	29,653,938
2.a	Gross Plant-in-Service/Depreciation Base - Mains	13,283,655	13,648,043	13,805,028	18,489,354	20,136,746	20,578,119	21,596,862	22,298,284	22,607,921	22,786,946	22,960,765	23,040,933	23,040,933	23,040,933	23,040,933	23,040,933	23,040,933	23,040,933	23,040,933
2.b	Gross Plant-in-Service/Depreciation Base - Services, Plastic	1,851,676	1,853,156	1,853,156	1,789,189	3,990,884	3,762,384	3,903,381	4,413,913	4,881,515	5,370,300	5,611,886	5,807,888	5,807,888	5,807,888	5,807,888	5,807,888	5,807,888	5,807,888	5,807,888
2.c	Gross Plant-in-Service/Depreciation Base - Services, Steel	690	690	690	690	690	690	690	690	690	690	690	690	690	690	690	690	690	690	690
2.d	Gross Plant-in-Service/Depreciation Base - Meters	425,669	425,958	425,958	414,394	783,452	807,307	809,436	809,436	809,436	809,436	809,436	809,436	809,436	809,436	809,436	809,436	809,436	809,436	809,436
2.e	Gross Plant-in-Service/Land Rights																			
3.	Less: Accumulated Depreciation	(439,513)	(473,713)	(508,293)	(545,738)	(585,639)	(638,121)	(692,104)	(748,955)	(810,072)	(872,655)	(936,123)	(1,000,386)	(1,064,797)	(1,064,797)	(1,064,797)	(1,064,797)	(1,064,797)	(1,064,797)	
4.	OWIP - Noninherited Bearing	7,596,257	7,667,049	9,655,485	10,649,240	2,724,385	3,368,644	3,411,042	3,411,042	3,411,042	3,411,042	3,411,042	3,411,042	3,411,042	3,411,042	3,411,042	3,411,042	3,411,042	3,411,042	3,411,042
5.	Net Book Value (Lines 2 + 3 - 4)	22,718,474	23,009,507	25,105,935	25,614,803	26,005,138	27,437,860	28,010,564	29,482,988	30,691,895	31,326,733	31,683,877	31,998,446	32,000,202	32,000,202	32,000,202	32,000,202	32,000,202	32,000,202	32,000,202
6.	Average Net Investment	22,863,990	24,057,721	25,360,369	25,809,971	26,721,249	27,723,962	28,746,776	30,087,442	31,009,314	31,505,305	31,841,162	32,001,824	32,001,824	32,001,824	32,001,824	32,001,824	32,001,824	32,001,824	32,001,824
7.	Return on Average Net Investment	106,876	112,456	116,545	120,646	124,506	129,593	134,374	140,641	146,641	144,950	147,269	148,839	149,590	147,269	148,839	149,590	148,839	149,590	149,590
	a. Equity component Grossed up for taxes - reduced for tax reform (A)	31,705	33,360	35,166	35,790	37,053	38,444	39,862	41,721	42,999	42,999	43,687	44,153	44,376	42,999	43,687	44,153	44,376	44,376	44,376
	b. Debt component (B)																			
8.	Investment Expenses	34,200	34,582	34,443	42,901	52,482	53,983	56,851	61,117	62,583	63,467	64,867	64,867	64,867	64,867	64,867	64,867	64,867	64,867	64,867
	a. Depreciation (C)																			
	b. Amortization																			
	c. Property Taxes (D)																			
	d. Other																			
9.	Revenue Requirements (Lines 7 + 8)	207,339	216,761	226,486	238,348	254,831	263,974	274,538	288,956	297,403	307,043	305,383	306,747	305,383	306,747	305,383	306,747	305,383	306,747	306,747
10.	Collections	(215,092)	(209,861)	(224,085)	(218,178)	(216,279)	(218,230)	(218,820)	(218,503)	(213,503)	(213,503)	(213,503)	(213,503)	(213,503)	(213,503)	(213,503)	(213,503)	(213,503)	(213,503)	(213,503)
11.	Estimated Net under(over) collection booked	(84,891)	2,092	6,205	12,728	35,336	47,913	55,717	75,453	83,900	88,540	91,880	93,244	91,880	93,244	91,880	93,244	91,880	93,244	93,244
12.	Actual Net under(over) collection (Lines 9 + 10)	17,759	6,900	2,401	20,170	38,552	45,694	55,717	75,453	83,900	88,540	91,880	93,244	91,880	93,244	91,880	93,244	91,880	93,244	93,244
13.	True-Up (Lines 12 - 11)	8,758	27,138	4,809	(3,804)	7,442	3,316	(2,219)	-	-	-	-	-	-	-	-	-	-	-	-
14.	Cumulative Net under(over) collection	(109,048)	(79,825)	(79,825)	(68,817)	(59,896)	(49,007)	(34,007)	(17,120)	162,962	246,867	335,415	427,805	520,564	613,809	707,053	800,297	893,541	986,785	1,080,029
15.	Interest	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
16.	Cumulative Net under(over) collection (Lines 14 + 15)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)	(109,054)

Notes:  
 (A) Jan 2021 - Dec 2021  
 (B) Cost of Equity, See Attachment C, Schedule 3.1  
 (C-1) WACC See Attachment C, Schedule 3.1  
 (C-2) Applicable Mains depreciation rate  
 (C-3) Applicable Services, Plastic depreciation rate  
 (C-4) Applicable Services, Steel depreciation rate  
 (D) Applicable Meters depreciation rate  
 Ad Valorem Tax Rate  
 1.81%

Florida City Gas  
Attachment C, Schedule 3.1 - Cost of Capital and Ad Valorem Tax Rate  
January 2021 through December 2021

AVERAGE	RATIO (%)	Midpoint		Revenue Expansion Factor	Cost of Equity
		COST RATE (%)	WEIGHTED COST (%)		
DIVISIONAL CAPITAL	40.80%	10.19%	4.1572%	1.34930	5.6093%
LONG TERM DEBT	24.95%	4.38%	1.0917%	Weighted Average Cost of Debt 1.6640%	
SHORT TERM DEBT	19.25%	2.86%	0.5509%		
PREFERRED STOCK	0.00%	0.00%	0.0000%		
CUSTOMER DEPOSITS	0.89%	2.66%	0.0214%		
TAX CREDITS - ZERO COST	0.00%	0.00%	0.0000%		
TAX CREDITS - WEIGHTED COST	0.00%	0.00%	0.0000%		
ACC DEF INC TAXES-ZERO COST	14.20%	0.00%	0.0000%		
<b>TOTAL</b>	<b>100.00%</b>		<b>5.82%</b>		

2019 Property Tax Expense \$ 2,080,127

2019 Property Value \$ 114,683,743

Applicable Ad Valorem Tax Rate: 1.8138%

**2021 Actual / Estimated Clause Filing**

2020 YE Surveillance (13-month average) at RDE % midpoint and adjusted to 48% Equity Ratio										
	Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Adj.	Adj'd Retail	Cap Ratio	Reallocation to 48% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost
Common Equity	153,075,773	153,075,773	(18,069,041)	-	135,006,732	40.55%	135,832,792	40.80%	10.19%	4.16%
Long Term Debt	94,716,270	94,716,270	(11,180,294)	-	83,535,975	25.09%	83,069,652	24.95%	4.38%	1.09%
Short Term Debt	73,067,106	73,067,106	(8,624,830)	-	64,442,276	19.35%	64,082,539	19.25%	2.86%	0.55%
Cust Dep Active	3,031,140	3,031,140	(357,795)	-	2,673,345	0.80%	2,673,345	0.80%	2.66%	0.02%
Cust Dep InActive	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Invest Tax Cr	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Deferred Inc Tax	53,621,158	53,621,158	(6,329,433)	-	47,291,724	14.20%	47,291,724	14.20%	0.00%	0.00%
<b>Total</b>	<b>377,511,447</b>	<b>377,511,447</b>	<b>(44,561,395)</b>	<b>-</b>	<b>332,950,052</b>	<b>100.00%</b>	<b>332,950,052</b>	<b>100.00%</b>		<b>5.82%</b>

pretax WACC 7.27%

2020 YE Surveillance with ADFIT Consistency and Proration Adjustments adjusted to 48% Equity Ratio												
	System Per	Consistency & Proration Adj	System Per Books Adj'd	Retail Per Books	Pro Rata Adj	Specific Adj	Adjusted Retail	Cap Ratio	Reallocation to 48% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost
Common Equity	153,075,773	-	153,075,773	153,075,772.91	(18,069,041)	-	135,006,732	40.55%	135,832,792	40.80%	10.19%	4.16%
Long Term Debt	94,716,270	-	94,716,270	94,716,270	(11,180,294)	-	83,535,975	25.09%	83,069,652	24.95%	4.38%	1.09%
Short Term Debt	73,067,106	-	73,067,106	73,067,106	(8,624,830)	-	64,442,276	19.35%	64,082,539	19.25%	2.86%	0.55%
Cust Dep Active	3,031,140	-	3,031,140	3,031,140	(357,795)	-	2,673,345	0.80%	2,673,345	0.80%	2.66%	0.02%
Cust Dep InActive	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Invest Tax Cr	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Deferred Inc Tax	53,621,158	-	53,621,158	53,621,157.82	(6,329,433)	-	47,291,724	14.20%	47,291,724	14.20%	0.00%	0.00%
<b>Total</b>	<b>377,511,447</b>	<b>-</b>	<b>377,511,447</b>	<b>377,511,447</b>	<b>(44,561,395)</b>	<b>-</b>	<b>332,950,052</b>	<b>100.00%</b>	<b>332,950,052</b>	<b>100.00%</b>		<b>5.82%</b>

pretax WACC 7.27%

Proration Adjustment and Consistency Adjustment to Reflect Projected ADFIT Consistent with Actual/Estimated Year							
	Month	ADIT Bal	Deprec-Related ADFIT Bal	Original Projected ADFIT Bal (i)	Actual/Projected Deprec-Related ADFIT Activity (ii)	Original Projected Deprec-Related ADFIT Activity (i)	Revised ADFIT Balance (ii)
Actual	Dec-20	52,216,698	52,216,698				
Actual	Jan-21	52,360,820	52,360,820				
Actual	Feb-21	52,507,029	52,507,029				
Actual	Mar-21	52,738,217	52,738,217				
Actual	Apr-21	52,836,691	52,836,691				
Actual	May-21	52,965,716	52,965,716				
projected	Jun-21	52,968,117	52,968,117				
projected	Jul-21	52,967,932	52,967,932				
projected	Aug-21	52,964,896	52,964,896				
projected	Sep-21	52,959,176	52,959,176				
projected	Oct-21	52,950,887	52,950,887				
projected	Nov-21	52,940,473	52,940,473				
projected	Dec-21	52,928,131	52,928,131				
		52,792,676	52,792,676				

Revised 13-Month Average 2021 ADIT Balance -  
Original Amount of 2021 Projected Prorated ADFIT -  
Revised 2021 Actual/Estimated Allowable ADFIT -  
2021 Actual/Estimated Allowable ADIT -  
Proration Adjustment for 2021 Actual/Estimated True-up -

Florida City Gas  
Attachment C, Schedule 3.2 - Cost of Capital and Ad Valorem Tax Rate for Jan - Dec 2021  
From: Calculation Below for Capital Structure. Cost of debt components - Dec. 2020 Surveillance Report Sch. 4 - adjusted for 48% Equity Ratio  
January 2021 through December 2021

	System Per Sys Per Book	Consistency & Proration Adj.	System Per Books Adj'd	Retail Per Books	Pro Rata Adj	Specific Adj	Adjusted Retail	Cap Ratio	Reallocation to 48% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost
Common Equity	153,075,773	-	153,075,773	153,075,773	(18,069,041)	-	135,006,732	40.55%	135,832,792	40.80%	10.19%	4.16%
Long Term Debt	94,716,270	-	94,716,270	94,716,270	(11,180,294)	-	83,535,975	25.09%	83,069,652	24.95%	4.38%	1.09%
Short Term Debt	73,067,106	-	73,067,106	73,067,106	(8,624,830)	-	64,442,276	19.35%	64,082,539	19.25%	2.86%	0.55%
Cust Dep Active	3,031,140	-	3,031,140	3,031,140	(357,795)	-	2,673,345	0.80%	2,673,345	0.80%	2.66%	0.02%
Cust Dep InActive	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Invest Tax Cr	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Deferred Inc Tax	53,621,158	-	53,621,158	53,621,158	(6,329,433)	-	47,291,724	14.20%	47,291,724	14.20%	0.00%	0.00%
<b>Total</b>	<b>377,511,447</b>	<b>-</b>	<b>377,511,447</b>	<b>377,511,447</b>	<b>(44,561,395)</b>	<b>-</b>	<b>332,950,052</b>	<b>100.00%</b>	<b>332,950,052</b>	<b>100.00%</b>		<b>5.82%</b>

Florida City Gas  
Attachment C, Schedule 3.3 - Calculation of Interest Provision  
January 2021 through December 2021

2021 Interest Calculation	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. Beginning True-up Amount	(82,915)	(109,054)	(79,830)	(68,820)	(59,899)	(17,121)	34,008	87,509	162,967	246,875	335,426	427,320	520,582
2. Ending True-up Amount Before Interest	(109,048)	(79,825)	(68,817)	(59,896)	(17,120)	34,007	87,506	162,962	246,867	335,415	427,305	520,564	520,582
3. Total of Beginning & Ending True-up	(191,963)	(188,880)	(148,647)	(128,716)	(77,019)	16,886	121,514	250,471	409,833	582,290	762,731	947,884	1,041,164
4. Average True-up Amount (50% of Line 3)	(95,981)	(94,440)	(74,323)	(64,358)	(38,509)	8,443	60,757	125,235	204,917	291,145	381,366	473,942	520,582
5. Interest Rate-First day of reporting business month	0.09%	0.07%	0.06%	0.04%	0.04%	0.03%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
6. Interest Rate-First day of subsequent business month	0.07%	0.06%	0.04%	0.04%	0.03%	0.04%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
7. Total (Line 5 & 6)	0.16%	0.13%	0.10%	0.08%	0.07%	0.07%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
8. Average Interest Rate (50 % of Line 7)	0.08%	0.07%	0.05%	0.04%	0.04%	0.04%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
9. Monthly Average Interest Rate (Line 8/12)	0.007%	0.005%	0.004%	0.003%	0.003%	0.003%	0.004%	0.004%	0.004%	0.004%	0.004%	0.004%	0.000%
10. Interest Provision for the month (Line 4 *Line 9)	(6)	(5)	(3)	(2)	(1)	0	2	5	8	11	14	18	

\*Totals may not match Revenue Req due to rounding\*

**City of San Jose**  
**Measurement System for 2022 Budget Revenue Requirement**  
**January 2022 through December 2022**

Line	Description	Fiscal Year Budget Amount	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	End of Year Total
			January 22	February 22	March 22	April 22	May 22	June 22	July 22	August 22	September 22	October 22	November 22	December 22	
1	Interest														
	a. Electric Refinancing - Bonds		308,854	318,794	322,184	313,305	298,243	312,817	327,713	339,435	342,493	338,221	321,911	193,326	7,824,878
	b. Electric Refinancing - Service Fees		102,267	102,267	102,267	102,267	102,267	102,267	102,267	102,267	102,267	102,267	102,267	102,267	9,238,418
	c. Public Refinancing - Service Fees														
	d. Electric Refinancing - Market														
	e. Local Loans														
	<b>Subtotal</b>		<b>411,121</b>	<b>421,061</b>	<b>424,451</b>	<b>415,572</b>	<b>400,510</b>	<b>415,084</b>	<b>430,000</b>	<b>441,702</b>	<b>444,760</b>	<b>440,488</b>	<b>424,178</b>	<b>195,593</b>	<b>17,063,296</b>
2	Grant Payments - Service Description Base - Market	23,041,833	23,041,833	23,041,833	23,041,833	23,041,833	23,041,833	23,041,833	23,041,833	23,041,833	23,041,833	23,041,833	23,041,833	23,041,833	230,418,333
3	Grant Payments - Service Description Base - General Fund	3,817,414	3,817,414	3,817,414	3,817,414	3,817,414	3,817,414	3,817,414	3,817,414	3,817,414	3,817,414	3,817,414	3,817,414	3,817,414	38,174,141
4	Grant Payments - Service Description Base - Market - Street	430	430	430	430	430	430	430	430	430	430	430	430	430	4,300
5	Grant Payments - Service Description Base - Market - Other	819,436	819,436	819,436	819,436	819,436	819,436	819,436	819,436	819,436	819,436	819,436	819,436	819,436	8,194,360
6	Grant Payments - Service Description Base - Other	11,355,340	11,355,340	11,355,340	11,355,340	11,355,340	11,355,340	11,355,340	11,355,340	11,355,340	11,355,340	11,355,340	11,355,340	11,355,340	113,553,400
7	Grant Payments - Other	3,411,481	3,411,481	3,411,481	3,411,481	3,411,481	3,411,481	3,411,481	3,411,481	3,411,481	3,411,481	3,411,481	3,411,481	3,411,481	34,114,811
8	Net Book Value of Debt (a-f)	32,059,237	32,059,237	32,059,237	32,059,237	32,059,237	32,059,237	32,059,237	32,059,237	32,059,237	32,059,237	32,059,237	32,059,237	32,059,237	320,592,370
9	Transfer Net Requirement		30,633,316	29,639,795	11,317,189	12,543,367	11,512,168	10,419,474	11,440,863	10,647,518	11,100,302	11,103,653	11,171,812	11,273,213	
10	Net of Interest and Transfer		119,487	142,266	107,262	103,205	108,342	104,036	118,146	134,182	131,399	129,835	102,365	101,227	1,105,644
	a. Electric Refinancing - Other		42,818	41,809	43,549	43,122	41,435	41,127	43,510	51,124	53,155	54,257	54,645	54,787	545,332
11	Investment Expenses														
	a. Depreciation (C)		83,596	87,725	70,376	72,841	74,914	77,618	79,840	82,722	85,806	87,347	88,207	88,510	840,782
	b. Amortization		43,647	44,761	46,610	47,315	47,915	51,512	53,043	54,741	56,341	56,696	55,512	54,664	436,411
	c. Property Taxes (D)														
	d. Other														
	<b>Subtotal</b>		<b>127,243</b>	<b>132,486</b>	<b>116,986</b>	<b>120,156</b>	<b>122,829</b>	<b>129,129</b>	<b>132,883</b>	<b>137,463</b>	<b>142,147</b>	<b>143,963</b>	<b>143,719</b>	<b>143,174</b>	<b>1,277,193</b>
12	Depreciation		108,637,801	109,158,181	109,038,181	109,158,181	109,158,181	109,158,181	109,158,181	109,158,181	109,158,181	109,158,181	109,158,181	109,158,181	1,086,378,011
13	Net of Interest and Transfer		119,487	142,266	107,262	103,205	108,342	104,036	118,146	134,182	131,399	129,835	102,365	101,227	1,105,644
14	Sum of Net of Interest and Transfer		119,487	142,266	107,262	103,205	108,342	104,036	118,146	134,182	131,399	129,835	102,365	101,227	1,105,644
15	Interest														
16	Comprehensive Net of Interest and SAFE Credit		127,243	132,486	116,986	120,156	122,829	129,129	132,883	137,463	142,147	143,963	143,719	143,174	1,277,193

**Notes:**  
 (A) Cost of Equity, See Measurement System Schedule 5.1  
 (B) M&E, See Measurement System Schedule 5.1  
 (C) Depreciation, See Measurement System Schedule 5.1  
 (D) Amortization, See Measurement System Schedule 5.1  
 (E) Property Taxes, See Measurement System Schedule 5.1  
 (F) Other, See Measurement System Schedule 5.1  
 (G) Amortization, See Measurement System Schedule 5.1  
 (H) Depreciation, See Measurement System Schedule 5.1  
 (I) Property Taxes, See Measurement System Schedule 5.1  
 (J) Other, See Measurement System Schedule 5.1

Florida City Gas  
Attachment C, Schedule 5.1 - Cost of Capital and Ad Valorem Tax Rate for 2022  
January 2022 through December 2022

Line No.	AVERAGE	RATIO (%)	Midpoint		WEIGHTED COST (%)	Revenue Expansion Factor	Cost of Equity
			COST RATE (%)				
1	EQUITY CAPITAL	41.04%	10.19%		4.1822%	1.36420	5.7054%
2							
3	LONG TERM DEBT	25.10%	4.38%		1.0983%		
4							
5	SHORT TERM DEBT	19.36%	2.86%		0.5542%		
6							
7	PREFERRED STOCK	0.00%	0.00%		0.0000%		
8							
9	CUSTOMER DEPOSITS	0.81%	2.66%		0.0215%		
10							
11	TAX CREDITS - ZERO COST	0.00%	0.00%		0.0000%		
12							
13	TAX CREDITS - WEIGHTED	0.00%	0.00%		0.0000%		
14							
15	ACC DEF INC TAXES-ZERO COST	13.69%	0.00%		0.0000%		
16	TOTAL	100.00%			5.86%		

Weighted Average Cost of Debt  
1.6740%

Ad Valorem Tax Rate Calculation

2020 Property Tax Expense \$	2,959,341
2020 Property Value \$	165,099,012
Applicable Ad Valorem Tax Rate:	1.7925%

2022 Clause Projection Filing												
2020 YE Surveillance (13-month average) at ROE % midpoint and adjusted to 48% Equity Ratio												
	Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Adj	Adj'd Retail	Cap Ratio	Reallocation to 48% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost		
Common Equity	153,075,773	153,075,773	(18,069,041)	-	135,006,732	40.55%	135,832,792	40.80%	10.19%	4.16%		
Long Term Debt	94,716,270	94,716,270	(11,180,294)	-	83,535,975	25.09%	83,069,652	24.95%	4.38%	1.09%		
Short Term Debt	73,067,106	73,067,106	(8,624,830)	-	64,442,276	19.35%	64,082,539	19.25%	2.86%	0.55%		
Cust Dep Active	3,011,140	3,011,140	(357,795)	-	2,673,345	0.80%	2,673,345	0.80%	2.66%	0.02%		
Cust Dep InActive	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%		
Invest Tax Cr	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%		
Deferred Inc Tax	53,621,158	53,621,158	(6,129,433)	-	47,291,724	14.20%	47,291,724	14.20%	0.00%	0.00%		
<b>Total</b>	<b>377,511,447</b>	<b>377,511,447</b>	<b>(44,561,395)</b>	<b>-</b>	<b>332,950,052</b>	<b>100.00%</b>	<b>332,950,052</b>	<b>100.00%</b>		<b>5.82%</b>		
										pretax WACC 7.34%		
2020 YE Surveillance with ADFIT Consistency and Proration Adjustments adjusted to 48% Equity Ratio												
	System Per	Consistency & Proration Adj	System Per Books Adj'd	Retail Per Books	Pro Rata Adj	Specific Adj	Adjusted Retail	Cap Ratio	Reallocation to 48% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost
Common Equity	153,075,773	927,054	153,997,827	153,997,827	(18,177,881)	-	135,819,947	40.79%	136,650,983	41.04%	10.19%	4.18%
Long Term Debt	94,716,270	570,525	95,286,794	95,286,794	(11,247,639)	-	84,039,155	25.24%	83,570,023	25.10%	4.38%	1.10%
Short Term Debt	73,067,106	440,121	73,507,227	73,507,227	(8,676,782)	-	64,830,445	19.47%	64,468,541	19.36%	2.86%	0.55%
Cust Dep Active	3,011,140	18,258	3,049,399	3,049,399	(359,951)	-	2,689,448	0.81%	2,689,448	0.81%	2.66%	0.02%
Cust Dep InActive	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Invest Tax Cr	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Deferred Inc Tax	53,621,158	(1,950,958)	51,670,200	51,670,200	(6,099,143)	-	45,571,057	13.69%	45,571,057	13.69%	0.00%	0.00%
<b>Total</b>	<b>377,511,447</b>	<b>-</b>	<b>377,511,447</b>	<b>377,511,447</b>	<b>(44,561,395)</b>	<b>-</b>	<b>332,950,052</b>	<b>100.00%</b>	<b>332,950,052</b>	<b>100.00%</b>		<b>5.86%</b>
												pretax WACC 7.38%
Proration Adjustment and Consistency Adjustment to Reflect Projected ADFIT Consistent with Projection Year												
	Month	ADIT Bal	Deprec-Related ADFIT Bal *	Deprec-Related ADFIT Activity	Days to Prorate	Future Days in Period	Prorated Deprec-Related ADFIT Activity	Prorated Deprec-Related ADFIT Bal				
projected	Dec-21	51,571,371	51,571,371		31	335		51,571,371				
projected	Jan-22	51,598,094	51,598,094	26,723	31	307	24,526	51,595,897				
projected	Feb-22	51,622,158	51,622,158	24,064	31	276	20,240	51,616,138				
projected	Mar-22	51,643,532	51,643,532	21,374	31	246	16,162	51,632,300				
projected	Apr-22	51,662,376	51,662,376	18,844	30	215	12,700	51,645,000				
projected	May-22	51,678,545	51,678,545	16,169	31	185	9,524	51,654,524				
projected	Jun-22	51,691,886	51,691,886	13,341	31	154	6,762	51,661,286				
projected	Jul-22	51,702,408	51,702,408	10,522	31	123	4,439	51,665,726				
projected	Aug-22	51,710,391	51,710,391	7,983	31	93	2,690	51,668,416				
projected	Sep-22	51,715,691	51,715,691	5,300	30	62	1,350	51,669,766				
projected	Oct-22	51,718,317	51,718,317	2,626	30	32	446	51,670,212				
projected	Nov-22	51,718,261	51,718,261	(55)	31	1	(5)	51,670,207				
projected	Dec-22	51,715,478	51,715,478	(2,784)	31		(8)	51,670,200				
		51,672,962	51,672,962	144,107	365		98,829	51,670,200				
2020 YE Surv Bal (13 mo. Avg.)		53,621,158	53,621,158				13 Mo Avg Bal	53,621,158				
Consistency/Proration Total Adjustment			(1,950,958)				Proration Adj	(1,950,958)				

Florida City Gas  
Attachment C, Schedule 5.2 - Cost of Capital and Ad Valorem Tax Rate for 2022  
January 2022 through December 2022  
2020 YE Surveillance with ADFIT Consistency and Proration Adjustments adjusted to 48% Equity Ratio

	System Per Sys Per Book	Consistency & Proration Adj.	System Per Books Adj'd	Retail Per Books	Pro Rata Adj	Specific Adj	Adjusted Retail	Cap Ratio	Reallocation to 48% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost
Common Equity	153,075,773	922,054	153,997,827	153,997,827	(18,177,881)	-	135,819,947	40.79%	136,650,983	41.04%	10.19%	4.18%
Long Term Debt	94,716,270	570,525	95,286,794	95,286,794	(11,247,639)	-	84,039,155	25.24%	83,570,023	25.10%	4.38%	1.10%
Short Term Debt	73,067,106	440,121	73,507,227	73,507,227	(8,676,782)	-	64,830,445	19.47%	64,468,541	19.36%	2.86%	0.55%
Cust Dep Active	3,031,140	18,258	3,049,399	3,049,399	(359,951)	-	2,689,448	0.81%	2,689,448	0.81%	2.66%	0.02%
Cust Dep InActive	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Invest Tax Cr	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Deferred Inc Tax	53,621,158	(1,950,958)	51,670,200	51,670,200	(6,099,143)	-	45,571,057	13.69%	45,571,057	13.69%	0.00%	0.00%
<b>Total</b>	<b>377,511,447</b>	<b>-</b>	<b>377,511,447</b>	<b>377,511,447</b>	<b>(44,561,395)</b>	<b>-</b>	<b>332,950,052</b>	<b>100.00%</b>	<b>332,950,052</b>	<b>100.00%</b>		<b>5.86%</b>

Florida City Gas  
Attachment C, Schedule 6 - 2022 SAFE Program Rates  
January 2022 through December 2022

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (1)	Monthly Customer Surcharge
RS-1	29.08%	\$ 1,357,720	427,802	\$ 3.17
RS-100	60.65%	\$ 2,831,659	892,223	\$ 3.17
RS-600	0.99%	\$ 46,085	14,521	\$ 3.17
GS-1	4.17%	\$ 194,599	61,316	\$ 3.17
GS-6K	4.23%	\$ 197,637	30,909	\$ 6.39
GS-25K	0.69%	\$ 32,252	5,044	\$ 6.39
GS-120K	0.17%	\$ 7,890	1,234	\$ 6.39
GS-1250K	0.02%	\$ 799	125	\$ 6.39
GS-11M	0.00%	\$ 6	1	\$ 6.39
GS-25M	0.00%	\$ 6	1	\$ 6.39
Gas Lighting	0.00%	\$ 38.08	12	\$ 3.17
<b>Total</b>	<b>100%</b>	<b>\$ 4,668,694</b>		
2022 Revenue Requirement		\$ 4,148,112		
2021 Projected Over-Recovery		\$ 520,582		

Note:

(1) - billing units for 12 months ending December 2022



Florida City Gas  
Attachment C, Schedule 7 - Pipe Allocated to all Customers  
January 2022 through December 2022

**All Customers**

Material	Mileage	Footage	Current Budget Cost per Foot	Total Cost
2"	209.2	1,104,576	\$ 66.39	\$73,332,801
Grand Total	254.5	1,343,760		\$73,332,801

**Larger Customers Only**

Material	Mileage	Footage	Incremental Cost per Foot	Total Cost
4"	45.3	239,184	\$ 8.10	\$1,937,390
Grand Total	45.3	239,184	\$ 74.49	\$1,937,390

**Billing Unit Allocation Percentages**

Class	Annual Billing Units	Minimum Size 2" Pipe Cost	Incremental 4" Pipe Cost	Total	Percentage Allocation
RS-1	427,802	21,889,604.70		\$ 21,889,605	29.08%
RS-100	892,223	45,652,916.01		\$ 45,652,916	60.65%
RS-600	14,521	743,004.82		\$ 743,005	0.99%
GS-1	61,316	3,137,393.00		\$ 3,137,393	4.17%
GS-6K	30,909	1,581,539.57	\$1,604,834.64	\$ 3,186,374	4.23%
GS-25K	5,044	258,089.41	\$261,890.90	\$ 519,980	0.69%
GS-120K	1,234	63,140.83	\$64,070.85	\$ 127,212	0.17%
GS-1250K	125	6,395.95	\$6,490.16	\$ 12,886	0.02%
GS-11M	1	51.17	\$51.92	\$ 103	0.00%
GS-25M	1	51.17	\$51.92	\$ 103	0.00%
Gas Lighting	12	614.01		\$ 614	0.00%
Total	1,433,188	73,332,801	\$1,937,390	\$ 75,270,191	100.0%

**ATTACHMENT D**

Revised SAFE Tariff  
Volume No. 10, Fourth Revised Sheet No. 79  
(Clean and Legislative Formats)

RIDER "D"

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM

(Continued)

- i. all Customers regarding the implementation of the SAFE Program and the approved surcharge factors;
  - ii. the immediately affected Customers where the eligible infrastructure is being replaced; and
  - iii. the general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities;
4. Ad valorem taxes; and
  5. Federal and state income taxes.

The Company is utilizing a surcharge mechanism in order to recover the costs associated with the SAFE Program. The Company has developed the revenue requirement for the SAFE Program using the same methodology approved in its most recent rate case. The SAFE revenue requirement will be allocated to each Customer class (Rate Schedule) using allocation factors established by the Florida Public Service Commission for the SAFE Program. The per Customer SAFE surcharge is calculated by dividing the revenue requirement allocated to each Customer class by the number of Customers in the class.

The cost recovery factors including tax multiplier for the twelve-month period from January 1, 2022 through December 31, 2022 are:

<u>Rate Class</u>	<u>Rates Per Customer</u>
Rate Schedule RS-1	\$3.17
Rate Schedule RS-100	\$3.17
Rate Schedule RS-600	\$3.17
Rate Schedule GS-1	\$3.17
Rate Schedule GS-6K	\$6.39
Rate Schedule GS-25K	\$6.39
Rate Schedule GS-120K	\$6.39
Rate Schedule GS-1,250K	\$6.39
Rate Schedule GS-11M	\$6.39
Rate Schedule GS-25M	\$6.39
Rate Schedule GL	\$3.17

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Issued by: Kurt Howard  
General Manager, Florida City Gas

Effective:

RIDER "D"

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM  
(Continued)

- i. all Customers regarding the implementation of the SAFE Program and the approved surcharge factors;
  - ii. the immediately affected Customers where the eligible infrastructure is being replaced; and
  - iii. the general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities;
4. Ad valorem taxes; and
  5. Federal and state income taxes.

The Company is utilizing a surcharge mechanism in order to recover the costs associated with the SAFE Program. The Company has developed the revenue requirement for the SAFE Program using the same methodology approved in its most recent rate case. The SAFE revenue requirement will be allocated to each Customer class (Rate Schedule) using allocation factors established by the Florida Public Service Commission for the SAFE Program. The per Customer SAFE surcharge is calculated by dividing the revenue requirement allocated to each Customer class by the number of Customers in the class.

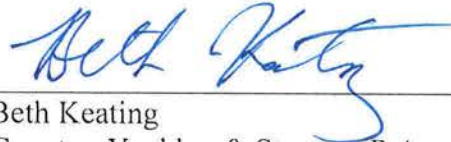
The cost recovery factors including tax multiplier for the twelve-month period from January 1, 2021-2022 through December 31, 2021-2022 are:

<u>Rate Class</u>	<u>Rates Per Customer</u>
Rate Schedule RS-1	<u>\$1,843.17</u>
Rate Schedule RS-100	<u>\$1,843.17</u>
Rate Schedule RS-600	<u>\$1,843.17</u>
Rate Schedule GS-1	<u>\$1,843.17</u>
Rate Schedule GS-6K	<u>\$3,436.39</u>
Rate Schedule GS-25K	<u>\$3,436.39</u>
Rate Schedule GS-120K	<u>\$3,436.39</u>
Rate Schedule GS-1,250K	<u>\$3,436.39</u>
Rate Schedule GS-11M	<u>\$3,436.39</u>
Rate Schedule GS-25M	<u>\$3,436.39</u>
Rate Schedule GL	<u>\$1,843.17</u>
Rate Schedule RSG	N/A
Rate Schedule CSG	N/A

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following this 1st day of September 2021:

Office of Public Counsel Richard Gentry c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:Gentry.richard@leg.state.fl.us">Gentry.richard@leg.state.fl.us</a>	Christopher T. Wright Fla. Auth. House Counsel No. 1007055 Florida Power & Light Company 700 Universe Boulevard (JB/LAW) Juno Beach, Florida 33408 <a href="mailto:Christopher.Wright@fpl.com">Christopher.Wright@fpl.com</a>
Kurt Howard Sr. Director and General Manager Florida City Gas 700 Universe Boulevard Juno Beach, FL 33408 <a href="mailto:KURT.HOWARD@nexteraenergy.com">KURT.HOWARD@nexteraenergy.com</a>	



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