

<b>Docket No. 20170179-GU</b> <b>Comprehensive Exhibit List for Entry into Hearing Record</b> <b>March 26, 2018</b>					
<b>EXH #</b>	<b>Witness</b>	<b>I.D. # As Filed</b>	<b>Exhibit Description</b>	<b>Issue Nos.</b>	<b>Entered</b>
<b>STAFF</b>					
1		Exhibit List	Comprehensive Exhibit List		
<b>Service Hearing Exhibits- (Coral Gables January 23, 2018)</b>					
2	FCG		Composite Exhibit <i>[Bates Nos 00001-00076]</i>		
<b>Service Hearing Exhibits- (Port St. Lucie January 24, 2018)</b>					
3	FCG		Composite Exhibit Port St. Lucie <i>[Bates Nos 00077-00138]</i>		
<b>Service Hearing Exhibits- (Melbourne January 24, 2018)</b>					
4	FCG		Composite Exhibit Melbourne <i>[Bates Nos 00139-00196]</i>		
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7	Matthew Kim	MK-3 <sup>2</sup>	Storm-related Costs	19, 22, 40, 42, 43, 49	
8	Daniel J. Nikolich	DJN-1	CV	2, 3, 5, 33, 34, 35, 58, 59, 60, 61, 62, 63, 64, 65	

<sup>1</sup> As corrected on February 5, 2018.

<sup>2</sup> As corrected on February 5, 2018.



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102	Gregory Becker	GB-7	January 2018 Capacity Releases	4, 5, 6	
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<b>STAFF HEARING EXHIBITS</b>					

107			Stipulation and Settlement Agreement filed March 12, 2018 <i>[Bates Nos 00197-00233]</i>		
108			FCG Revised MFRs filed February 26, 2018, to reflect the impact of the Federal Tax Cuts and Jobs Act: MFR A MFR E MFR G MFR H (confidential version filed under separate cover) <b>Confidential DN# 01424-18</b> <i>[Bates Nos 00234-00345]</i>		
109	Matt Kim (23); Dane Watson (8, 13, 15, 17)		FCG Responses to Staff's First Set of Interrogatories, Nos. 8, 13, 15, 17, 23 <b>(See additional files contained on Staff Hearing Exhibit CD USB for No. 8.</b> <i>[Bates Nos 00346-00356]</i>	8-13, 14, 16, 21, 48, 50 (Depreciation Issues)	
110	Mike Morley; Dane Watson (38-49)		FCG Responses to Staff's Fourth Set of Interrogatories, Nos. 38-44, 48 <i>[Bates Nos 00357-00366]</i>	8-13, 14, 16, 21, 48, 50	
111	Dane Watson (82-93)		FCG Responses to Staff's Sixth Set of Interrogatories, Nos. 82-93 <i>[Bates Nos 00367-00394]</i>	8-13, 14, 16, 21, 48, 50	
112	Mike Morley; Dane Watson (123, 124, 127)		FCG Responses to Staff's Tenth Set of Interrogatories, Nos. 123, 124, 127  <b>(See additional files contained on Staff Hearing Exhibit CD/USB for Nos. 123, 124, and 127.)</b> <i>[Bates Nos 00395-00403]</i>	8-13, 14, 16, 21, 48, 50	



113	Dane Watson; Mike Morley		FCG Responses to Staff's First Production of Documents, Nos. 2 and 3 <b>(See additional files contained on Staff Hearing Exhibit CD/USB for No. 2. )</b> <i>[Bates Nos 00404-00406]</i>	8-13, 14, 16, 21, 48, 50	
114	Bermudez; Morley; Nikolich; Wassell; Becker		FCG Responses to Staff's First Data Requests on Stipulation and Settlement  <b>(See additional files contained on Staff Hearing Exhibit CD/USB for Nos. 4, 15, 16, and 19.)</b>  <i>[Bates Nos 00407-00446]</i>		
115	Morley		FCG Responses to Staff's Second Data Requests on Stipulation and Settlement  <i>[Bates Nos 00447-00451]</i>		
116			FCG Responses to Staff's Third Data Requests on Stipulation and Settlement  <i>[Bates Nos 00452-00456]</i>		
117	Matt Kim		FCG Responses to Staff's 5 <sup>th</sup> Interrogatories , Nos. 73, 74, and 78 <b>(See additional files contained on Staff Hearing Exhibit CD/USB for No. 78)</b> <i>[Bates Nos 00457-00462]</i>	19 and 49	
118	Gregory Becker; Carolyn Bermudez		FCG Responses to OPC's 6th Set of Interrogatories, Nos. 159, 160, and 161 <i>[Bates Nos 00463-00474]</i>	4, 5, and 6	
119	Mike Morley		FCG Response and Supplemental Response to OPC 8 <sup>th</sup> Set of Interrogatories, No. 175 <b>(See additional files contained on Staff Hearing Exhibit CD/USB for No. 175)</b> <i>[Bates Nos 00475-00479]</i>	52	

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120	Mike Morley		FCG Response to Staff's 15 <sup>th</sup> Set of Interrogatories, No. 183 <b>(See additional files contained on Staff Hearing Exhibit CD/USB for No. 183)</b> <i>[Bates Nos 00480-00482]</i>	52	
121			Letter dated 3/22/18, with attached updated natural gas tariff, in clean and legislative formats, reflecting rates and terms of stipulation and settlement submitted previously, by FCG, OPC, and FEA <i>[Bates Nos 00483-00651]</i>		

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## Composite Exhibit

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 2  
PARTY: Service Hearing Exhibits- (Coral  
Gables January 23, 2018)  
DESCRIPTION: FCG

HEARING EXHIBIT NO. 2

(Composite Exhibit – Miami/Coral Gables

A. Proof of Publication

B. Proof of Mailing Customer Notice

C. Proof of Mailing Synopsis)

Submitted by

FLORIDA CITY GAS

## ATTACHMENT A

Miami Herald Media Company  
3511 NW 91 Avenue  
Miami, FL 33172

**Miami Herald** **el Nuevo Herald**  
**KEYNOTER The Reporter**

## Order Confirmation

**Customer**

SOUTHERN COMPANY GAS SOUTHERN COMPANY GAS

**Customer Account**

638391

**Customer Address**

NEED ADDRESS INFORMATION  
MIAMI FL 33172 USA

**Customer Phone**

404-584-4915

**Customer Fax**

**Sales Rep**

jahernandez@miamiherald.com

**Payer Customer**

SOUTHERN COMPANY GAS SOUTHERN COMPANY GAS

**Payer Account**

638391

**Payer Address**

NEED ADDRESS INFORMATION  
MIAMI FL 33172 USA

**Payer Phone**

404-584-4915

**Customer EMail**

tdanzey@southernco.com

**Order Taker**

jahernandez@miamiherald.com

<u>PO Number</u>	<u>Payment Method</u>	<u>Blind Box</u>	<u>Tear Sheets</u>	<u>Proofs</u>	<u>Affidavits</u>
	Credit Card		0	0	0

<u>Net Amount</u>	<u>Tax Amount</u>	<u>Total Amount</u>	<u>Payment Amount</u>	<u>Amount Due</u>
\$1,121.38	\$0.00	\$1,121.38	\$0.00	\$1,121.38

<u>Ad Order Number</u>	<u>Order Source</u>	<u>Ordered By</u>	<u>Special Pricing</u>
0003459366			
<u>Invoice Text</u>			<u>Promo Type</u>
<u>Package Buy</u>			<u>Materials</u>

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# Miami Herald

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MIAMI-DADE-FLORIDA

STATE OF FLORIDA  
COUNTY OF MIAMI-DADE

Before the undersigned authority personally  
appeared:

Jeannette Martinez

who on oath says that he/she is

CUSTODIAN OF RECORDS

of The Miami Herald, a daily newspaper published at  
Miami in Miami-Dade County, Florida; that the attached  
copy of advertisement that was published was published in said  
newspaper in the issue of:

January 5<sup>th</sup>, 2018

Affiant further says that the said The Miami Herald  
is a newspaper published at Miami, in the said Miami-Dade  
County, Florida and that the said newspaper has  
heretofore been continuously published in said Dade  
County, Florida each day and has been entered as  
second class mail matter at the post office in Miami,  
in said Miami-Dade County, Florida, for a period of one  
year next preceding the first publication of the  
attached copy of advertisement; and affiant further  
says that he has neither paid nor promised any  
person, firm or corporation any discount, rebate,  
commission or refund for the purpose of securing  
this advertisement for publication in the said  
newspapers(s).

Sharon Follins

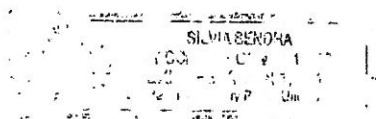
Sworn to and subscribed before me this  
18th day of January, 2018

My Commission

Expires: August 1, 2018

Silvia Sendra

Silvia Sendra  
Notary





## ATTACHMENT B

El 20 de octubre de 2017, Florida City Gas (FCG) solicitó de la Florida Public Service Commission (FPSC) un aumento en la tasa base por la primera vez en los últimos 14 años.

Las tasas nuevas propuestas reflejarán el costo de las inversiones de capital que la compañía hizo para mejorar la seguridad y fiabilidad del sistema, desafíos en la capacidad de tuberías que han provocado el desarrollo de una estrategia de LNG, y desafíos asociados con una fuerza laboral envejecida y los costos implicados para abordar la brecha de habilidades de manera proactiva.

La FPSC llevará a cabo audiencias públicas con respecto a la solicitud de FCG para un aumento en la tasa base en las siguientes fechas:

4 pm, Miércoles 20, 2018  
Coral Gables City Hall  
Commission Chambers  
405 Biscayne Way  
Coral Gables, FL 33134

9 am, Miércoles 24, 2018  
Port St. Lucie  
PSC Civic Center  
PSC Civic Center Plaza  
Port St. Lucie, FL 34953

9 am, Miércoles 24, 2018  
Melbourne Broward County Governmental Center  
Commission Chambers  
2720 Judge Theo Jennings Way  
West Melbourne, FL 32909

Se alienta a los clientes que estén presentes al principio de estas audiencias, donde que podrá comparecer la sesión de la audiencia pública una vez que todos los clientes presentes han tenido la oportunidad de hablar.

Cualquier persona que requiera acomodación en las audiencias debido a una discapacidad física debe llamar al secretario de la comisión y al departamento de servicios administrativos al 800.855.8777 por lo menos cinco días calendario antes de la audiencia. Cualquier persona con discapacidad auditiva o visual que habla debe comunicarse con la Florida Public Service Commission usando el servicio Relay de Florida al 800.855.8777 (TDD).

Adicionalmente, la FPSC tiene programada la emisión de la solicitud de tasa de FCG en:

6:30 a.m. Tuesday, 12/12/17 (Tasas Temporales)  
1:30 p.m. 6/5/18 (Requisito de Ingresos permanentes)  
8:30 a.m. 6/18/18 (Tasas Permanentes)  
Sala 148, Betty Eshelby Conference Center 4075 Esplanade Way  
Tallahassee, FL 32399-0850

El horario actual de este procedimiento se indica a continuación:

1. Testimonio y prueba documental 20 de octubre de 2017 (completo)
2. Testimonio y prueba documental del segundo Intervista 1 de febrero de 2018
3. Audiencias de servicio 23 y 24 de enero de 2018
4. Testimonio y prueba documental del personal de la comisión 1 de febrero de 2018
5. Testimonio y prueba documental de refutación 16 de febrero de 2018
6. Declaraciones antes de la audiencia 5 de marzo de 2018
7. Puntos finales para desahuciarlos de pruebas 9 de marzo de 2018
8. Conferencia antes de la audiencia 12 de marzo de 2018
9. Audiencia 16 al 30 de marzo de 2018
10. Resoluciones 18 de abril de 2018

Información más detallada respecto de la solicitud de la compañía está disponible en las siguientes oficinas empresariales:

**Doral Office**  
4045 NW 57th Avenue  
Doral, FL 33178-2300  
8:00 a.m. - 5:00 p.m.

**Broward Service Center**  
4160 South US Highway 1  
Rockledge, FL 32955-5305  
9:00 a.m. - 5:00 p.m.

Los requisitos mínimos de la compañía para archivar, además de un resumen del caso, pueden revisarse también durante las horas normales de funcionamiento en:

**St. Lucie Co. Public Library/Port St. Lucie Branch**  
140 SW Prima Vista  
Port St. Lucie, FL 34983  
772.871.5450

Un resumen detallado del caso puede revisarse también durante las horas normales de funcionamiento en:

**Central Broward Library**  
Attention: Director  
308 Forest Avenue  
Cocoa, FL 32922  
321.433.7792

**Melbourne JFC Memorial Library**  
Attention: Director  
1500 W. 40th Street  
Melbourne, FL 32932  
321.433.7792

**Miami Dade Main Library**  
Attention: Director  
101 West Flagler Street  
Miami, FL 33135  
305.375.2455

**Broward Co. Main Library**  
Attention: Director  
100 S. Andrews Avenue  
Ft. Lauderdale, FL 33307  
954.857.2444

**Palm Beach Co. Library**  
Belle Glade Branch  
530 South Main Street  
Belle Glade, FL 33410  
561.996.4353

**St. Lucie Co. Public Library**  
Port St. Lucie Branch  
140 SW Prima Vista  
Port St. Lucie, FL 34983  
772.871.5450

**Alachua Co. Public Library**  
Hialeah Library  
1750 NW Jack Williams Way  
Jensen Beach, FL 34957  
772.443.2670

**Indian River Co. Public Library**  
Hialeah Library  
1750 NW Jack Williams Way  
Jensen Beach, FL 34957  
772.443.2670

Todos los comentarios de clientes respecto del servicio de la compañía o respecto del aumento propuesto de la tasa deben incluir el número de la lista de casos asignado a esta caso, N° de caso 20170704-1, y deben dirigirse a:

**Commission Clerk**  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
800.842-8552

El personal de la compañía puede ser contactado a la dirección que aparece en su factura para responder a cualquier pregunta con respecto a la solicitud de tasa, al visitar el sitio web de la compañía: [floridacitygas.com](http://floridacitygas.com) o bien, llamando al siguiente número de teléfono: 888.784.5072 (disponible entre las 8:00 a.m. y las 5:00 p.m., hora del este).

COMPARACIÓN DE TASAS ACTUALES Y TASAS PROPUESTAS DE FLORIDA CITY GAS									
Clase de tasa	TASAS ACTUALES			TASAS TEMPORALES			TASAS PROPUESTAS		
	Cargo al Cliente	Cargo de Distribución/Tarifa	Cargo al Cliente	Cargo de Distribución/Tarifa	Mostrar clase de tasa/Reducción (R) y Servicio General (SG)	Cargo al Cliente	Cargo de Distribución/Tarifa	Cargo al Cliente	Cargo de Distribución/Tarifa
RESIDENTIAL	GS-1	\$6.00	\$0.52713	El mismo	\$0.34777	RS-1	\$12.00	\$0.53230	
	GS-400	\$3.50	\$0.32248	El mismo	\$0.28758	RS-100	\$18.00	\$0.43700	
	GS-320	\$7.00	\$0.49531	El mismo	\$0.60246	RS-300	\$35.00	\$0.43720	
	GS-400	\$7.00	\$0.49531	El mismo	\$0.49883	RS-400	\$30.00	\$0.37559	
	GS-12K	\$15.00	\$0.39715	El mismo	\$0.38507	RS-400	\$30.00	\$0.37558	
	GS-6K	\$30.00	\$0.27487	El mismo	\$0.30847	GS-6K	\$35.00	\$0.3205	
	Gas Light	\$0.00	\$0.39535	El mismo	\$0.38505	Gas Light	\$0.00	\$0.36000	
	GS-1	\$4.00	\$0.34713	El mismo	\$0.34713	GS-1	\$25.00	\$0.3635	
	GS-400	\$4.00	\$0.32248	El mismo	\$0.28758	GS-400	\$25.00	\$0.3635	
	GS-320	\$7.00	\$0.49531	El mismo	\$0.60246	GS-320	\$25.00	\$0.3635	
NO RESIDENTIAL	GS-400	\$7.00	\$0.49531	El mismo	\$0.49883	GS-400	\$25.00	\$0.3635	
	GS-12K	\$15.00	\$0.39715	El mismo	\$0.38507	GS-12K	\$25.00	\$0.3635	
	GS-6K	\$30.00	\$0.27487	El mismo	\$0.30847	GS-6K	\$25.00	\$0.3635	
	GS-400	\$7.00	\$0.49531	El mismo	\$0.60246	GS-400	\$25.00	\$0.3635	
	GS-12K	\$15.00	\$0.39715	El mismo	\$0.38507	GS-12K	\$25.00	\$0.3635	
	GS-6K	\$30.00	\$0.27487	El mismo	\$0.30847	GS-6K	\$25.00	\$0.3635	
	GS-400	\$7.00	\$0.49531	El mismo	\$0.60246	GS-400	\$25.00	\$0.3635	
	GS-12K	\$15.00	\$0.39715	El mismo	\$0.38507	GS-12K	\$25.00	\$0.3635	
	GS-6K	\$30.00	\$0.27487	El mismo	\$0.30847	GS-6K	\$25.00	\$0.3635	
	GSV	\$75.00	\$0.33372	El mismo	El mismo	GSV	\$75.00	\$0.33372	
NO RESIDENTIAL	SG	\$76.01	\$0.80/tercio (hasta 14 tercios)	\$0.52346/tercio (hasta 14 tercios)		SG	El mismo	El mismo	El mismo
	GS-400	\$750.00	\$0.38081	\$0.380	\$0.33077	GS-400	\$750.00	\$0.38081	\$0.380
	GS-320K	\$750.00	\$0.37718	\$0.380	\$0.33077	GS-320K	\$750.00	\$0.37718	\$0.380
	GS-400K	\$500.00	\$0.33225	\$0.380	\$0.33077	GS-400K	\$500.00	\$0.33225	\$0.380
	GS-400	N/A	N/A	N/A		GS-400	N/A	N/A	
	GS-23M	N/A	N/A	N/A		GS-23M	N/A	N/A	
	TPS Shipper	\$480.00	\$1.83/decena			TPS Shipper	\$480.00	\$1.83/decena	
	Cargo de conexión (R)	\$50.00		\$50.00		Cargo de conexión (R)	\$50.00		\$50.00
	Cargo de conexión (R)	\$700.00		\$700.00		Cargo de conexión (R)	\$700.00		\$700.00
	Cargo de conexión (R) (DIRECH)	\$30.00		\$30.00		Cargo de conexión (R) (DIRECH)	\$30.00		\$30.00
NO RESIDENTIAL	Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00		Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00
	Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00		Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00
	Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00		Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00
	Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00		Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00
	Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00		Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00
	Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00		Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00
	Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00		Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00
	Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00		Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00
	Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00		Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00
	Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00		Cargo de conexión (R) (DIRECH)	\$700.00		\$700.00

\* Cargo de servicio adicional de \$25 al valor nominal no supera \$25, \$45 al valor nominal supera \$25 pero no supera \$250, \$440 al valor nominal supera \$250, o el del valor nominal, el que sea mayor.

\*\* Llave o llaves, al que sea mayor. Un cargo por desechos que se aplica a actividades gubernamentales con conformidad con las leyes aplicables.

(R) = Reducción (DIRECH) = No reducción (DIRECH) = Puntos del horario comercial

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## Restricted Information

Dashboard &gt; Display

Today's Date: 12/18/2017

## Mailing Group Summary Information

Mailing Group ID: 203929461 Mailer's Job #: 85612001 Open Date: 12-18-2017  
 Preparer: -UNIVERSAL MAILING SERVICE PO of Mailing Finance No: 335685 Close Date:  
 Description: 11485 SoCo FCG Rate Increase Submission Type: Mail.dal

PS # 281671638, UPD

[Cancel](#) | [Confirmation Page](#) | [Register](#) | [Piece-Weight Information](#)

## PS Form 3602-P - USPS Marketing Mail - Postage Affixed

## Postage Summary

Account Holder:	UNIVERSAL MAILING SERVICE Mailing Agent: 10 NEW ENGLAND AVE PISCATAWAY, NJ 08854 -4101	UNIVERSAL MAILING SERVICE Mail Owner: 10 NEW ENGLAND AVE PISCATAWAY, NJ 08854 -4101	AGL RESOURCES 10 PEACHTREE PL NE ATLANTA, GA 30309 -4497
Contact: BRIAN SHAMY (908) 985 - 1010			
Account Number:	1928217		
Permit:	Precanceled 262	Processing Category:	Letters
	CRID: 4703171		CRID: 4817541
Statement FS Fee Waiver %:	99.31%		
Post Office Of Mailing:	EDISON, NJ 08899-9998	Mailer's Mailing Date:	
Post Office of Permit:	EDISON, NJ 08899-9998		
Mailer Declared Weight of Single Piece:	0.0354 lbs.	Mailer Declared Total Pieces:	107,073 pcs.
USPS Determined Weight of Single Piece:	0.0354 lbs.	USPS Determined Total Pieces:	107,073 pcs.
		Mailer Declared Total Weight:	3,790.3850 lbs.
		USPS Determined Total Weight:	3,780.3842 lbs.
		Total Postage:	\$ 19,716.80
Additional Postage Permit:	PI 1	Price at which Postage is Affixed:	Neither
	CRID: 4703171		
Sequencing Date:	12/18/2017	Address Matching Date - Automation:	
		Address Matching Date - Carrier Route:	
No of Containers:	1' MM Trays 247	2' MM Trays 105	2' EMM Trays Flat Trays Sacks Pallets Other 7
Customer Reference ID:	85612		
Move Update Method:	NCOALink	NSA:	NO
Political Mail:	NO	Official Election Mail:	NO
Mailpiece is a product sample:	NO	Mailpieces contain a DVD/CD or other Disk:	NO
Incentive/Discount Claimed:	AB Testing Claimed: NO	Type of Fee:	N/A
NO			
Mail Arrival Date and Time:	N/A	Payment Date and Time:	N/A
Container Grouping ID:			
Copy Mailing Type:			
SSF TID Number:			

[https://www.uspspostalone.com/postal1/postage\\_statements/index.cfm?fa=web\\_version&...](https://www.uspspostalone.com/postal1/postage_statements/index.cfm?fa=web_version&...) 12/18/2017

## Part A: Automation Letters

Line Number	Entry Discount	Title	Description	Price	Quantity	Subtotal Postage	FS Discount	Discount Total*	Fee Total	Postage
A1	NONE	5-Digit	Letters 3.5 oz (0.2188 lbs) or less	0.251	155pcs.	\$ 38.9050	\$ 0.1550	\$ -0.1550	\$ 0.0000	\$ 38.7500
A2	NONE	AADC	Letters 3.5 oz (0.2188 lbs) or less	0.271	59pcs.	\$ 15.9890	\$ 0.0590	\$ -0.0590	\$ 0.0000	\$ 15.9300
A3	NONE	Mixed AADC	Letters 3.5 oz (0.2188 lbs) or less	0.288	2784pcs.	\$ 801.7920	\$ 2.7840	\$ -2.7840	\$ 0.0000	\$ 799.0080
A7	DSCF	5-Digit	Letters 3.5 oz (0.2188 lbs) or less	0.217	28869pcs.	\$ 6,264.5730	\$ 28.8690	\$ -28.8690	\$ 0.0000	\$ 6,235.7040
A8	DSCF	AADC	Letters 3.5 oz (0.2188 lbs) or less	0.237	2181pcs.	\$ 516.8970	\$ 2.1810	\$ -2.1810	\$ 0.0000	\$ 514.7160
A9						Part A Total (Add lines A1-A8)				\$ 7,604.1080
A10		DISPLAY ONLY Letters - Number of Pieces that Comply	Full Service Intelligent Mail Option	0.001	34048pcs.					

## Part B: Nonautomation Letters

Line Number	Entry Discount	Title	Description	Price	Quantity	Subtotal Postage	FS Discount	Discount Total	Fee Total	Postage
B1	NONE	AADC	Machinable Letters 3.5 oz (0.2188 lbs) or less	0.284	1pcs.	\$ 0.2840	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.2840
B2	NONE	Mixed AADC	Machinable Letters 3.5 oz (0.2188 lbs) or less	0.301	162pcs.	\$ 48.7620	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 48.7620
B5	DSCF	AADC	Machinable Letters 3.5 oz (0.2188 lbs) or less	0.250	580pcs.	\$ 145.0000	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 145.0000
B28						Part B Total (Add lines B1-B27)				\$ 194.0460

## Part C: Carrier Route Letters

Line Number	Entry Discount	Title	Description	Price	Quantity	Subtotal Postage	FS Discount	Discount Total*	Fee Total	Postage
C1	NONE	Saturation	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.186	197pcs.	\$ 36.6420	\$ 0.1970	\$ -0.1970	\$ 0.0000	\$ 36.4450
C9	DSCF	Saturation	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.155	6672pcs.	\$ 1,034.1600	\$ 6.6720	\$ -6.6720	\$ 0.0000	\$ 1,027.4880
C10	DSCF	High Density Plus	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.165	23085pcs.	\$ 3,809.0250	\$ 23.0850	\$ -23.0850	\$ 0.0000	\$ 3,785.9400
C11	DSCF	High Density	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.168	42328pcs.	\$ 7,111.1040	\$ 42.3280	\$ -42.3280	\$ 0.0000	\$ 7,068.7760
C46						Part C Total (Add lines C1-C45)				\$ 11,918.6490
C47		DISPLAY ONLY Letters - Number of Pieces that Comply	Full Service Intelligent Mail Option	0.001	72282pcs.					

Total Full Service Discount From All Parts \$ -106.3300

Total Postage From All Parts \$ 19,716.8030

Total Postage: \$ 19,716.80

Total Postage Affixed: \$ 10,707.3000

Net Postage Due: \$ 9,009.5000

Net Postage Adjustment Transaction Amount: \$ 9,009.50

For Extra Services and Other Fees

Total From Attached Form 3540-S 10/A

Total Postage \$ 19,716.80

Total Incentive/Discount Claimed \$ -106.3300

\* May contain both Full Service Intelligent Mail and other discount - see Instructions page for additional information.

## USPS Use Only

Perform Verification:	Verification data not available at this time.		
One Pass/Two Pass Verification			
Received:	Error Percentage:	Additional Postage:	\$ 0.00
A/R/C:	Cost Avoidance:	Verifying Employee's Name:	
Total Additional Postage:	\$ 0.00	Number of Reworked Pieces:	

## ATTACHMENT C



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: [bkeating@gunster.com](mailto:bkeating@gunster.com)

December 11, 2017

**U.S. MAIL**

Larry M. Spring  
City Manager  
City of North Miami  
776 NE 125 Street  
North Miami, FL 33161

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis***

Dear Manager Spring:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,



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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: [bkeating@gunster.com](mailto:bkeating@gunster.com)

December 11, 2017

U.S. MAIL

Ana M. Garcia  
City Manager  
City of N. Miami Beach  
NMB City Hall, 4th Floor  
17011 NE 19th Avenue  
North Miami Beach, FL, 33162

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Garcia:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

William Alonso  
City Manager  
City of Miami Springs  
201 Westward Drive  
Miami Springs, FL 33166

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Alonso:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,



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

*Attorneys for Florida City Gas*





**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: [bkeating@gunster.com](mailto:bkeating@gunster.com)

December 11, 2017

**U.S. MAIL**

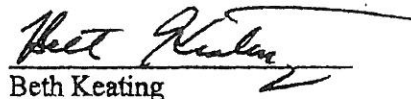
Alex Rey  
City of Miami Lakes  
Town Manager  
6601 Main Street  
Miami Lakes, FL 33014

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis***

Dear Manager Rey:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,



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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Cameron Benson  
City Manager  
City of Miami Gardens  
18605 NW 27th Avenue  
Miami Gardens, FL 33056

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Benson:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,



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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Daniel J. Alfonso  
City Manager  
City of Miami  
444 SW 2nd Ave., 10th Floor  
Miami, FL 33130

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Alfonso:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*

December 11, 2017

**U.S. MAIL**


George Gretsas  
City Manager  
City of Homestead  
City Hall  
100 Civic Court  
Homestead, FL 33030

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Gretsas:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,



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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Honorable Yioiset De La Cruz  
Mayor  
City of Hialeah Gardens  
10001 NW 87th Avenue  
Hialeah Gardens, FL 33016

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Mayor De La Cruz:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**


Honorable Carlos Hernandez  
Mayor  
City of Hialeah  
Office of the Mayor  
501 Palm Avenue  
Hialeah, FL 33010

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation  
study by Florida City Gas. *Case Synopsis*

Dear Mayor Hernandez:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Edward A. Rojas  
City Manager  
City of Doral  
Government Center  
8401 NW 53rd Terrace  
Doral, FL 33166

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Rojas:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,



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

*Attorneys for Florida City Gas*

December 11, 2017

**U.S. MAIL**


Rafael G. Casals  
Town Manager  
Town of Cutler Bay  
10720 Caribbean Boulevard, Suite 105  
Cutler Bay, FL 33189

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Casals:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*





**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: [bkeating@gunster.com](mailto:bkeating@gunster.com)

December 11, 2017

**U.S. MAIL**

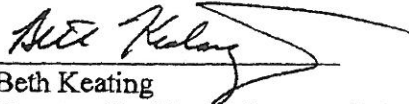
Cathy Swanson-Rivenbark  
City Manager  
City of Coral Gables  
405 Biltmore Way, First Floor  
Coral Gables, FL 33134

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Swanson-Rivenbark:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Al Perry  
City Manager  
City of Clewiston  
115 W Ventura Avenue  
Clewiston, FL 33440

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Perry:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Bertha Henry  
County Administrator  
City of Broward  
115 S. Andrews Ave., Room 409  
Fort Lauderdale, FL 33301

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Administrator Henry:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Lomax Harrelle  
City Manager  
City of Belle Glade  
110 Dr. Martin Luther King Jr. Blvd W.  
Belle Glade, FL 33430

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis***

Dear Manager Harrelle:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Doral Office

4045 N.W. 97th Avenue  
Doral, FL 33178-2300 USA  
Attn.: Miguel Bustos

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Mr. Bustos:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission. An additional copy is enclosed for placement at the following additional location:

Brevard Service Center

4180 South US Highway 1  
Rockledge, Florida 32955-5309

I would ask that you kindly place this document in a visible location and make this available for public review. Thank you for your assistance in this matter.

Sincerely,

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



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Palm Beach County Library  
Belle Glade Branch  
530 South Main Street  
Belle Glade, FL 33430

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation  
study by Florida City Gas. *Case Synopsis*

Dear Sir/Madam:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

I would ask that you kindly place this document in a visible location and make this available for public review. Thank you for your assistance in this matter.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Broward County Main Library

Attention: Director  
100 S. Andrews Avenue  
Ft. Lauderdale, FL 33301

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation  
study by Florida City Gas. *Case Synopsis*

Dear Sir/Madam:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

I would ask that you kindly place this document in a visible location and make this available for public review. Thank you for your assistance in this matter.

Sincerely,



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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Miami Dade Main Library  
Attention: Director  
101 West Flagler Street  
Miami, FL 33 128


Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation  
study by Florida City Gas. *Case Synopsis*

Dear Sir/Madam:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

I would ask that you kindly place this document in a visible location and make this available for public review. Thank you for your assistance in this matter.

Sincerely,

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

*Attorneys for Florida City Gas*





**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Hialeah John F. Kennedy  
Memorial Library  
Attention: Director  
190 W. 49 Street  
Hialeah, FL 33012

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation  
study by Florida City Gas. *Case Synopsis*

Dear Sir/Madam:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

I would ask that you kindly place this document in a visible location and make this available for public review. Thank you for your assistance in this matter.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

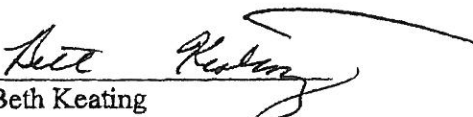
Yolanda Aguilar  
City Manager  
City of West Miami  
901 SW 62 Avenue  
West Miami, FL 33144

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Aguilar:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Honorable Orlando Lopez  
Mayor  
City of Sweetwater  
500 S.W. 109 Avenue  
Sweetwater, FL 33174

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Mayor Lopez:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Steven Alexander  
City Manager  
City of South Miami  
City Hall, 1st Floor  
6130 Sunset Drive  
South Miami, FL 33143

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Alexander:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Kathleen Woods-Richardson  
City Manager  
City of Miramar  
Office of the City Manager  
2300 Civic Center Place  
Miramar, FL 33025

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Woods-Richardson:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



DOCKET NO. 20170179-GU

Synopsis of Rate Request

I. Company Overview

Florida City Gas (FCG or Company) was originally incorporated as City Gas Company of Florida in 1949. Its initial operations were as a propane dealer in Dade County, Florida. Beginning in 1960, the Company commenced operations as a natural gas local distribution company ("LDC"), and thus, became a "public utility" as that term is defined in Section 366.02, Florida Statutes. As such, the Company was, henceforth, subject to the regulatory jurisdiction of the Florida Public Service Commission. In 1988, NUI Corporation, which was headquartered in Bedminster, New Jersey, acquired the Company, merging it under its subsidiary, NUI Utilities, Inc. The Company also expanded its service to include St. Lucie, Martin, Indian River, and Palm Beach Counties. On November 30, 2004, NUI Utilities, Inc. became a wholly-owned subsidiary of AGL Resources Inc. ("AGLR"), headquartered in Atlanta, Georgia, whereupon the Company's name was eventually changed to Pivotal Utility Holdings, Inc. d/b/a Florida City Gas in Florida. In July 2016, AGLR became Southern Company Gas, a wholly-owned subsidiary of The Southern Company ("Southern"), which provides electric and natural gas service to over 9 million customers through its various subsidiaries, and also operates as a leading provider of wholesale energy and customized energy solutions, as well as fiber optics and wireless communications. The common stock of Southern is owned by approximately 128,000 registered shareholders of record, over 11,000 of whom reside in Florida. As a subsidiary of Southern Company Gas, FCG currently serves approximately 108,000 residential, commercial and industrial natural gas customers in Florida's Miami-Dade, Brevard, St. Lucie, Palm Beach, Glades, Hendry, Broward, and Indian River counties.

II. Request for Rate Increase/ Summary

On October 23, 2017, for the first time in almost fourteen years, the Company filed a request for a rate increase with the Florida Public Service Commission ("Commission") asking

for a permanent increase in rates, as well as an interim increase in rates pending the Commission's decision in this case. The Commission is the agency, under Florida law<sup>1</sup>, charged with setting and regulating the rates, fees, and services of Florida utilities and will review the Company's request. The Docket Number assigned by the Commission for this proceeding is Docket No. 20170179-GU.

The Company is asking that the Commission allow the Company to increase its rates and charges to the extent necessary to generate additional gross annual revenues in the amount of \$19.3 million, which will enable the Company to continue to provide safe, reliable natural gas service at a level the customers have come to expect, and to approve the Company's depreciation study also submitted herewith in support of the Company's requested increase. The requested increase will provide FCG with a reasonable opportunity to earn a fair rate of return of 6.32 percent on the Company's plant and property used to serve its customers and an 11.25 percent midpoint rate of return on FCG's common equity. The Company's request for interim relief seeks permission to implement a temporary increase in an amount necessary to generate additional revenues in the amount of \$4,893,061, for the interim period before permanent rates and charges go into effect in accordance with the Commission's final determinations in this proceeding.

The Commission will utilize a "test year" for purposes of setting rates for FCG. The Company has used a projected test year of January 1, 2018 through December 31, 2018 for purposes of presenting its case, and believes this time period best represents actual conditions in effect at the time new rates will go into effect, as compared with other prior periods. The Company's jurisdictional 13-month average rate base for the test year period is projected to be \$-299.3 million. Without the requested rate increase, the jurisdictional net operating income for the Company in the same period is projected to be \$9.3 million. The projected rate of return is, consequently, projected to be 3.10 percent, while the return on common equity is projected to be 2.95 percent in the test year. As such, FCG asks that the Commission allow the Company an overall rate of return of 6.32 percent, including a mid-point ROE of 11.25 percent. The resulting revenue deficiency is \$15.8 million.

The Company is also seeking to include the existing Safety, Access, and Facility Enhancement program ("SAFE") distribution facility installations in rate base, consistent with

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<sup>1</sup> Chapter 366, Florida Statutes.

the Commission's prior decision on the Company's SAFE program. When the additional revenue requirement of \$3.5 million associated with SAFE installments is included, as contemplated by Commission order and as further discussed herein, this results in a total revenue increase request of \$19.3 million. It should, however, be noted that moving the SAFE investments into rate base is ultimately bill neutral for FCG's customers, as well as revenue neutral to the Company, because FCG is also proposing to make a corresponding adjustment to reduce the current SAFE surcharge.

### III. Interim Request

FCG is also asking for an interim increase in its retail rates and charges in an amount necessary to generate additional revenues in the amount of \$4,893,061. This proposed interim increase would be effective during the interim period while the case is processed and before permanent rates and charges go into effect in accordance with the Commission's final determinations in this proceeding. The requested amount is based upon actual data derived from the preceding or "historic" test year with an ending date of December 31, 2016. For that period, the Company's annual revenue deficiency is \$4,893,061 based upon a historic test year rate base of \$209,312,678. The Commission will consider the Company's request for interim rate relief at its December 12, 2017, Agenda Conference. If the request is granted, any interim increase will be placed into effect subject to refund, with interest, if at the conclusion of this proceeding, the Commission determines that some or all of the increase was not justified.

### IV. Reasons for Request - Key Factors

As further set forth in the testimony and exhibits of FCG's witnesses, there are three key drivers for FCG's request in this proceeding: (1) capital investments to enhance the safety and reliability of FCG's distribution system; (2) capacity challenges, which have prompted FCG to develop a liquefied natural gas ("LNG") strategy; and (3) the challenges associated with an aging workforce and the costs associated with proactively addressing the pending skills and knowledge gap. Significant investments have been made by FCG to its system in response to federal regulatory changes regarding safety of natural gas facilities. FCG has also made investments to improve the reliability of its system and to enhance the ability of its employees to access facilities for maintenance and repairs, as well as to extend facilities to provide natural gas service



to customers who would otherwise be unable to obtain such service. As further addressed herein, and in the testimony and exhibits of FCG's witnesses, the Company is also faced with capacity challenges that it proposes to address through a two-pronged approach involving the purchase of additional interstate pipeline capacity and the construction of an LNG "peaking" unit. FCG has also invested significantly to provide enhanced training opportunities for development and retention of highly skilled and highly specialized personnel in response to the challenges of an aging workforce.

In order to continue to provide, in the face of these challenges, "reasonably sufficient, adequate, and efficient service," as required by Section 366.03, Florida Statutes, FCG must be able to not only recover its cost to serve, but also attract capital at reasonable rates and offer a fair return for its investors. Without a rate increase, FCG will be unable to provide the level of service required by statute and will also be unable to meet its obligations to its investors. Thus, FCG is asking that this Commission allow the Company to increase its rates and charges enough to provide a total increase in annual revenues of \$19.3 million.

FCG's current rates were established by the Commission back in 2004, in Docket No. 20030569-GU, by Order No. PSC-2004-0128-PAA-GU, issued February 9, 2004, using a test year ending September 30, 2004.

Since that time, FCG has maintained its focus on the customer as reflected by its service quality, while also effectively managing its costs such that it has been able to avoid seeking a base rate increase for nearly 14 years. As set forth in the testimony and exhibits of FCG's witnesses, cost saving measures, such as becoming a part of the AGL Resources Inc. (AGLR) shared services model and FCG's deployment of various technology solutions, have created significant operational efficiencies that have helped the Company maintain its rates at the same level over this extended period. The Company has seen, however, an increase in its cost to serve customers, which has contributed to its declining rate of return. At present, the Company's current rates and charges no longer allow it to earn a fair and reasonable rate of return nor do they yield reasonable compensation for services provided, which FCG is entitled to under Section 366.06(3), Florida Statutes. As of June 2017, FCG was earning an overall rate of return of 4.86% on a pro forma adjusted basis with an ROE of 7.91%, excluding the AGLR acquisition adjustment and associated regulatory assets, and a mere 6.46% with the acquisition adjustment and regulatory assets included.

Without the requested revenue increase, FCG projects that its overall rate of return will fall to 3.10%, well below its currently authorized rate of return of 6.27%. As such, FCG's ability to continue to provide consistent reliable service at the level to which our customers expect and deserve will be jeopardized.

To produce the requested permanent revenue increase, the Company has also filed revised tariff schedules which include the requested rate increases. The adjustments to the various rates and charges, and the changes made to the different rate classes, are based upon a cost of service study, which was then used to allocate costs across the Company's different rate classes. While revisions vary from rate class to rate class, a typical residential customer would see a total bill increase of \$1.73/month, which equates to a 6.4% increase to their bill, with SAFE and gas costs (PGA) included. A comparison of the present and proposed rates is attached to this Synopsis as Appendix A, along with a copy of the Executive Summary submitted with the Company's filing at the Commission.

V. Additional Requests

In addition to the requested rate increase, the Company is also seeking Commission approval to take several additional items and actions, including:

- 1) Approval of the Company's Depreciation Study;
- 2) Authorization to make certain adjustments to its rate structure, namely to create residential and commercial classes, to consolidate certain industrial rate classes, and eliminate or close certain rate classes and riders;
- 3) Authorization to make certain changes to its customer charges, including adding new customer charges, such as a Failed Trip Charge, which will help reduce upward pressure on base rates by assessing the charges directly to the customers that cause the underlying cost;
- 4) Authorization to implement the proposed Economic Development Extension Program, to encourage new business growth by making it more economically feasible to extend service to new customers;
- 5) Authorization to revise its transportation service tariff to allow it to expand the allocation of its capacity costs to include an amount to be allocated to Third Party Shippers who serve transportation customers on the Company's system;

- 6) Authorization to establish a storm reserve to better allow it to address storm damages expeditiously without incurring significant financial harm; and
- 7) Authorization to construct and include in rate base a new, liquefied natural gas (LNG) facility to help address the Company's concerns regarding limitations on capacity, which could impact its ability to serve customers.

VI. Rate Making Process

The Company has filed detailed accounting and financial schedules, based upon the projected and historic test years, which are called Minimum Filing Requirements or "MFRs". The Company has also filed a formal Petition making its request to the Commission, along with written, prefiled testimony and exhibits of its witnesses, who explain and support the Company's analysis of rate base, capital structure, achieved and required net operating income, adjustments to expenses and rate base, tariff changes, including the economic development plan, quality of service, and other pertinent issues.

The Commission will address the Company's request through a full hearing process. This process will include customer meetings in Coral Gables, Melbourne, and Port St. Lucie to receive testimony from the Company's customers regarding the Company's quality of service and other matters pertinent to the Company's requested rate increase.

Key issues in the case are likely to include:

1. What is the appropriate test year for setting base rates?
2. What is FCG's test year rate base?
3. What is FCG's cost of capital?
4. What is FCG's test year net operating income?
5. Is FCG's cost of service methodology appropriate?
6. What are the appropriate rate levels for each customer class?

Specific issues will be identified in a prehearing order issued by the Commissioner assigned as Prehearing Officer for the case.

Upon completion of the customer meetings and the formal hearing (scheduled for March 26-30, 2018, in Tallahassee), the Commission's professional staff will prepare a recommendation based upon the evidence presented addressing what rate relief, if any, is appropriate for the Company. The Commission's staff is composed of attorneys, engineers, accountants, rate and

finance analysts, and consumer affairs specialists. The Commission will review and take action on their staff's recommendation and thereafter, an Order addressing the Company's request will be issued. A panel of three Commissioners has been assigned to decide this case. Currently, the Commission is scheduled to make a determination regarding the Company's revenue requirement on June 5, 2018 at 1:30 p.m., with a final determination regarding the appropriate new rates to be made on June 19, 2018, beginning at 9:30 a.m. They will base their decisions on all issues in the case upon the evidence that is received.

In addition to the Commission's professional staff, the Office of Public Counsel has intervened in this docket and will be analyzing the documents and testimony submitted by the Company, as well as any additional information produced through the formal discovery process or as a result of the audit that will be conducted by Commission audit staff. The Office of Public Counsel may be contacted at: Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, FL 32399-1400.

Customer meetings have been scheduled in Coral Gables, Melbourne, and Port St. Lucie, as follows:

January 23, 2018, 6:00 pm (EST)  
Coral Gables City Hall  
Commission Chambers  
405 Biltmore Way  
Coral Gables, FL 33134

January 24, 2018, 9:00 am (EST)  
PSL Civic Center  
9221 Civic Center Place  
Port St. Lucie, FL 34953

January 24, 2018, 6:00 pm (EST)  
Brevard County Governmental Center  
Commission Chambers  
2725 Judge Fran Jamieson Way  
Viera (Melbourne), FL 32940

Customers are urged to be present at the beginning of the meeting, since customer meetings may be adjourned once all customers present have been allowed to speak. One or more Commissioners may be present at the customer meetings.

Currently, the schedule for this proceeding is as follows:

*DOCKET NO. 20170179-GU*

(1) Florida City Gas's testimony and exhibits	October 23, 2017 (complete)
(2) Intervenor's testimony and exhibits	February 1, 2018
(3) Service Hearings	January 23-24, 2018
(4) Commission Staff's testimony and exhibits	February 7, 2018
(5) Rebuttal testimony and exhibits	February 16, 2018
(6) Prehearing Statements	March 5, 2018
(7) Discovery deadline	March 9, 2018
(8) Prehearing Conference	March 12, 2018
(9) Hearing	March 26-30, 2018
(10) Briefs	April 13, 2018

More detailed information regarding the Company's requested rate increase is included in the Company's MFRs, which can be reviewed at the Company's offices in the following locations:

Doral Office

4045 N.W. 97th Avenue  
Doral, FL 33178-2300 USA  
(9:00 a.m. – 5:00 p.m.)

Brevard Service Center

4180 South US Highway 1  
Rockledge, Florida 32955-5309  
(9:00 a.m. – 5:00 p.m.)

The Company's MFRs and a synopsis of the case can also be reviewed at the following location during normal operating hours:

St. Lucie County Public Library

Port St. Lucie Branch  
180 SW Prima Vista  
Port St. Lucie, FL 34983  
(772) 871-5450

A detailed synopsis of the case can also be reviewed at the following locations during normal operating hours:

Central Brevard Library  
Attention: Director

*DOCKET NO. 20170179-GU*

308 Forrest Avenue  
Cocoa, FL 32922  
(321) 633-1792

Hialeah John F. Kennedy  
Memorial Library  
Attention: Director  
190 W. 49 Street  
Hialeah, FL 33012  
(305) 819-9140

Miami Dade Main Library  
Attention: Director  
101 West Flagler Street  
Miami, FL 33 128  
(305) 375-2665

Broward County Main Library  
Attention: Director  
100 S. Andrews Avenue  
Ft. Lauderdale, FL 33301  
(954) 357-7444

Palm Beach County Library  
Belle Glade Branch  
530 South Main Street  
Belle Glade, FL 33430  
(561) 996-3453

St. Lucie County Public Library  
Port St. Lucie Branch  
180 SW Prima Vista  
Port St. Lucie, FL 34983  
(772) 871-5450

Martin County Public Library  
Hoke Library  
1150 NW Jack Williams Way  
Jensen Beach, FL 34957  
(772) 443-2870

Indian River County Public Library  
1600 21st Street  
Vero Beach, FL 32960

*DOCKET NO. 20170179-GU*

Any customer comments regarding the Company's service or the proposed rate increase should include the docket number assigned to this case, Docket No. 20170179-GU, and should be addressed to:

Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

You may also contact the Commission at their toll free number: 1-800-342-3552.

Company personnel may be contacted to answer any questions concerning the rate request at the address shown on your bill, by visiting the Company's website: [www.floridacitygas.com](http://www.floridacitygas.com), or by calling the following telephone number: 1-888-284-5072 (available between the hours of 8:00 a.m. and 5:00 p.m. EST).

APPENDIX A  
FLORIDA CITY GAS  
COMPARISON OF CURRENT AND PROPOSED RATES





The Company is proposing revisions to its customer classes and rate schedules. The Company proposes to create separate rate schedules for Residential and Commercial customers, which will allow for more accurate allocation of costs to each class of customers. The Company also proposes three standard rate schedules for Residential customers (RS-1, RS-100 and RS-600) and to decrease the number of standard rate schedules for Commercial customers from eight to three (GS-1, GS-6K and GS-25K), which simplifies the process of classifying and administering customer accounts, and it maintains appropriate grouping of customers for cost of service allocations. In addition, FCG proposes to consolidate GS-120K and GS-250K into one GS-120K rate schedule and add two new rate schedules above the GS-1250K consumption level: GS-11M and GS-25M.

FCG also proposes to eliminate the FGS rate schedule, as well as the LED and AFD riders. The Company proposes to close the LES and KDS rate schedules to any new accounts. The GS-11M and GS-25M rate schedules are designed to meet the needs of future customers.

In addition, the Company notes that the Off-System Sales and Contract Demand Service are not included for comparison purposes, as the rates for these classes are established through negotiation. The following table provides information to enable customers to compare current proposed rates in the current and proposed rate classes.

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
GS-1	\$8.00	\$0.56213	No change	\$0.74751	RS-1	\$12.00	\$0.55220
GS-100	\$9.50	\$0.55248	No change	\$0.65758	RS-100	\$15.00	\$0.43120
GS-220	\$11.00	\$0.49531	No change	\$0.60246	RS-100	\$15.00	\$0.43120
GS-600	\$12.00	\$0.43663	No change	\$0.49869	RS-600	\$20.00	\$0.37559
GS-1.2K	\$15.00	\$0.31715	No change	\$0.35507	RS-600	\$20.00	\$0.37559
Gas Light	\$0.00	\$0.59535	No change	\$0.65605	Gas Light	\$0.00	\$0.4000
GS-1	\$8.00	\$0.56213	No	\$0.74751	GS-1	\$25.00	\$0.4262

DOCKET NO. 20170179-GU

Rate Class	PRESENT RATES			INTERIM RATES			PROPOSED RATES			
	Customer Charge	Distr. Charge/Therm		Customer Charge	Distr. Charge/Therm		New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm	
				change						
GS-100	\$9.50	\$0.52248		No change	\$0.65758		GS-1	\$25.00	\$0.4262	
GS-220	\$11.00	\$0.49531		No change	\$0.60246		GS-1	\$25.00	\$0.4262	
GS-600	\$12.00	\$0.43663		No change	\$0.49869		GS-1	\$25.00	\$0.4262	
GS-1.2K	\$15.00	\$0.31715		No change	\$0.35507		GS-1	\$25.00	\$0.4262	
GS-6K	\$30.00	\$0.27487		No change	\$0.30647		GS-6K	\$35.00	\$0.3785	
GS-25K	\$80.00	\$0.27618		No change	\$0.30740		GS-25K	\$150.00	\$0.3571	
GS-60K	\$150.00	\$0.27477		No change	\$0.30449		GS-25k	\$150.00	\$0.3571	
NGV	\$15.00	\$0.23232		No change	No change		NGV	\$25.00	\$0.4262	
RSG	\$16.81	\$0.000/Therm (up to 14 therms)	\$0.52248 /per therm (over 14 therms)				RSG	No change	No change	No change
		Distribution Charge/Therm	Demand Charge/Therm		Distribution Charge/Therm	Demand Charge/Therm			Distrib. Charge/Therm	Demand Charge/Therm
GS-120k	\$250.00	\$0.18084	\$0.289		\$0.20277	No change	GS-120K	\$300.00	\$0.3172	\$0.575
GS-250K	\$300.00	\$0.17191	\$0.289		\$0.19261	No change	GS-120K	\$300.00	\$0.3172	\$0.575
GS-1250K	\$500.00	\$0.12225	\$0.289		\$0.13732	No change	GS-1250K	\$500.00	\$0.1606	\$0.575
GS-11M	N/A	N/A	N/A				GS-11 M	\$1,000.00	\$0.0800	\$0.575
GS-25M	N/A	N/A	N/A				GS-25	\$2,000.00	\$0.0400	\$0.575
TPS Shippers	\$400.00	\$5.92/customer					TPS (Shippers)	\$400.00	\$6.07/customer	
Connect Charge	\$50.00			\$50.00			\$80.00			

DOCKET NO. 20170179-GU

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
(Residential)							
Connect Charge (Non-residential)	\$110.00		\$110.00			\$150.00	
Connect Charge (Residential – Outside regular business hours)	\$50.00		\$50.00			\$100.00	
Connect Charge (Non-residential – outside regular business hours)	\$110.00		\$110.00			\$200.00	
Reconnection Charge (residential)	\$37.00		\$37.00			\$40.00	
Reconnection (Residential – outside regular business hours)	\$37.00		\$37.00			\$50.00	
Reconnection (Non residential – outside regular business hours)	\$80.00		\$80.00			\$100.00	
Returned Check Charge	\$25.00 or 5%, whichever					Additional service charge of	

DOCKET NO. 20170179-GU

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
	is greater					\$25 if the face value does not exceed \$50, \$30 if the face value exceeds \$50 but does not exceed \$300, \$40 if the face value exceeds \$300, or 5 percent of the face amount of the dishonored instrument, whichever is greater.	
Failed Trip Charge	\$0					\$20	
Late Payment Charge	1.5% or \$5.00					1.5% or \$5.00 whichever is greater. Late Payment Charge applied to the accounts of governmental entities shall be at a rate no greater than allowed by	

**DOCKET NO. 20170179-GU**

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
						applicable law.	
Change of Account	\$20.00		\$20.00			\$25.00	
Bill Collection in lieu of disconnection	\$20.00		\$20.00			\$25.00	
Temporary Disconnection	\$25.00		\$25.00			\$35.00	
Temporary Disconnect (Outside regular business hours)	\$25.00		\$25.00			\$45.00	

## APPENDIX B

### FLORIDA CITY GAS

#### Schedule A – Executive Summary Schedules



PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU  
MINIMUM FILING REQUIREMENTS  
INDEX

SCHEDULE		EXECUTIVE SUMMARY	
NO.	WITNESS	TITLE	PAGE
A-1 p. 1	M. J. MORLEY	MAGNITUDE OF CHANGE-PRESENT vs PRIOR RATE CASE	3
A-2 p. 1	M. J. MORLEY	ANALYSIS OF PERMANENT RATE INCREASE REQUESTED	4
A-3 p. 1	M. J. MORLEY	ANALYSIS OF JURISDICTIONAL RATE BASE	5
A-4 p. 1	M. J. MORLEY	ANALYSIS OF JURISDICTIONAL N. O. I.	6
A-5 p. 1	M. J. MORLEY	OVERALL RATE OF RETURN COMPARISON	7
A-6 p. 1	M. J. MORLEY	FINANCIAL INDICATORS	8

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PMOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE MAGNITUDE  
OF CHANGE - PRESENT vs PRIOR RATE CASE.

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 9/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 9/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

LAST RATE CASE												
HISTORICAL (A)				ATTRITION (A)				DIFFERENCE (A) (B) (C) (D) (E)				
(1)*	(2)*	(3)*	(4)*	(5)*	(6)*	(7)*	(8)*	(9)	(10)**	(11)**		
Line No.	Item	Historical	Attrition	Total	Projected Test Year	Historical	Attrition	Total	Projected Test Year	Projected Test Year	Dollar or Percent Difference	Percentage Change
									09/30/04	12/31/18		
1	DOCKET NUMBER	n/a	n/a	n/a	030589 -GU	n/a	n/a	n/a	030589 -GU	20170179-GU		
2	HISTORICAL DATA OR TEST YEAR	:	:	:	08/30/02	:	:	:	08/30/02	12/31/18		
3	PROJECTED TEST YEAR	:	:	:	09/30/04	:	:	:	09/30/04	12/31/18		
4	RATE INCREASE - PERMANENT	:	:	:	\$10,489,305	:	:	:	\$9,899,855	\$15,791,812	\$9,082,157	135.71%
5	RATE INCREASE - INTERIM	:	:	:	\$3,548,987	:	:	:	\$2,942,308	\$4,883,081	\$1,950,755	66.30%
6	JURISDICTIONAL RATE BASE BEFORE RATE RELIEF	:	:	:	\$123,421,819	:	:	:	\$119,897,447	\$288,278,151	\$179,380,704	149.81%
7	JURISDICTIONAL N.O.I BEFORE RATE RELIEF	:	:	:	\$3,588,957	:	:	:	\$4,721,534	\$8,280,482	\$4,588,948	88.77%
8	RATE OF RETURN BEFORE RATE RELIEF	:	:	:	2.91%	:	:	:	3.84%	3.10%	-0.84%	-21.32%
9	SYSTEM CAPITALIZATION	:	:	:	\$123,421,819	:	:	:	\$119,897,447	\$288,278,151	\$179,380,704	149.81%
10	OVERALL RATE OF RETURN	:	:	:	8.10%	:	:	:	7.36%	6.32%	-1.04%	-14.15%
11	COST OF LONG-TERM DEBT	:	:	:	6.43%	:	:	:	6.43%	4.66%	-1.77%	-27.53%
12	COST OF PREFERRED STOCK	:	:	:	n/a	:	:	:	n/a	n/a	n/a	n/a
13	COST OF SHORT-TERM DEBT	:	:	:	2.91%	:	:	:	3.80%	2.84%	-1.26%	-32.31%
14	COST OF CUSTOMER DEPOSITS	:	:	:	6.70%	:	:	:	6.70%	2.73%	-3.97%	-59.25%
15	COST OF COMMON EQUITY	:	:	:	11.25%	:	:	:	11.25%	11.25%	0.00%	0.00%
16	NUMBER OF CUSTOMERS - AVERAGE	:	:	:	101,807	:	:	:	101,807	108,503	7,696	7.56%
17	DATE NEW PERMANENT RATES EFFECTIVE	:	:	:	(A)	:	:	:	(A)	(A)		

(A) AS DETERMINED BY THE "FILE AND SUSPEND" PROVISIONS OF SECTION 388.06 (4), FLORIDA STATUTES.

\* IF COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3) AND COLUMNS (5) - (7) UNDER THE HEADING "LAST RATE CASE". IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMNS (4) AND (6) UNDER THE HEADING "LAST RATE CASE".

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (7). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (8).

SUPPORTING SCHEDULES: A-4, A-5, D-1, F-7, G-3 p2; G-5

RECAP SCHEDULES:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF PERMANENT RATE INCREASE REQUESTEDCOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

TYPE OF DATA SHOWN:

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 09/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

Line No.	Description		Increase In Gross Revenue Dollars	% of Total
1	RESTORE ADJUSTED NET OPERATING INCOME TO PREVIOUSLY ALLOWED OVERALL RATE OF RETURN OF	7.35%	\$ 10,198,776	64.58%
2	INCREASE IN REQUESTED OVERALL RATE OF RETURN TO	6.32%	(3,667,451)	(23.22%)
3	EFFECT OF PROJECTED TEST YEAR		<u>9,200,487</u>	<u>58.64%</u>
4	TOTAL PERMANENT RATE INCREASE REQUESTED		<u>\$ 15,791,812</u>	<u>100.00%</u>

SUPPORTING SCHEDULES: D-1, G-5

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF JURISDICTIONAL RATE BASE

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 9/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 9/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

LINE NO.	Description	RATE BASE DETERMINED BY COMMISSION IN LAST RATE CASE				RATE BASE REQUESTED BY COMPANY IN CURRENT CASE		(6)** Dollar Difference	(7)** Percent Difference
		(1)*	(2)*	(3)*	(4)*	(5)			
		Historical	Attrition	Total	Projected Test Year 9/30/2004	Projected Test Year 12/31/2018			
<u>UTILITY PLANT</u>									
1	GAS PLANT IN SERVICE	n/a	n/a	n/a	106,324,255	429,446,193	231,121,928	116.54%	
2	COMMON PLANT ALLOCATED	:	:	:	3,351,037	4,959,263	1,608,226	47.89%	
3	ACQUISITION ADJUSTMENT	:	:	:	1,462,697	21,656,835	20,194,138	1380.61%	
4	PLANT HELD FOR FUTURE USE	:	:	:			-	0.00%	
5	CONSTRUCTION WORK IN PROGRESS	:	:	:	8,452,439	30,862,848	24,510,509	379.66%	
6	GROSS UTILITY PLANT	:	:	:	209,590,438	487,025,239	277,434,801	132.37%	
<u>DEDUCTIONS</u>									
7	ACCUMULATED DEPRECIATION - UTILITY PLANT	:	:	:	84,776,445	177,918,948	93,142,503	109.87%	
8	ACCUM. DEPRECIATION - COMMON PLANT ALLOCATED	:	:	:	2,468,493	918,038	(1,550,456)	(62.81%)	
9	ACCUM. AMORTIZATION - ACQUISITION ADJUSTMENTS	:	:	:	226,472	9,865,892	9,639,420	4256.34%	
10	CUSTOMER ADVANCES FOR CONSTRUCTION	:	:	:	-	-	-	0.00%	
11	TOTAL DEDUCTIONS	:	:	:	87,471,410	188,702,878	101,231,468	115.73%	
12	UTILITY PLANT, NET	:	:	:	122,119,028	298,322,361	176,203,333	144.29%	
13	ALLOWANCE FOR WORKING CAPITAL	:	:	:	(2,221,561)	955,780	3,177,371	(143.02%)	
14	RATE BASE	:	:	:	119,897,447	299,278,151	179,380,704	149.61%	

IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).  
IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

SUPPORTING SCHEDULES: G-1 p.1

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF JURISDICTIONAL NET OPERATING INCOMECOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GUTYPE OF DATA SHOWN:  
HISTORIC TEST YEAR LAST CASE: 9/30/2002  
ATTRITION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 9/30/04  
PROJECTED TEST YEAR CURRENT CASE: 12/31/18  
WITNESS: M. J. MORLEY

LINE NO.	Description	NET OPERATING INCOME DETERMINED BY COMMISSION IN LAST RATE CASE				NET OPERATING INCOME REQUESTED BY COMPANY IN CURRENT CASE	(6)** Dollar Difference	(7)** Percent Difference
		(1)* Historical	(2)* Attrition	(3)* Total	(4)* Projected Test Year 9/30/2004	(5)* Projected Test Year		
1	OPERATING REVENUES (A)	n/a	n/a	n/a	30,222,074	53,847,331	15,625,257	40.88%
	OPERATING REVENUE DEDUCTIONS:	:	:	:				
2	OPERATING & MAINTENANCE EXPENSE	:	:	:	22,908,548	22,903,906	(2,640)	-0.01%
3	DEPRECIATION & AMORTIZATION EXPENSE	:	:	:	7,937,786	18,603,266	8,665,480	109.17%
4	TAXES OTHER THAN INCOME	:	:	:	2,297,928	2,900,349	602,421	26.22%
5	INCOME TAXES (FEDERAL & STATE)	:	:	:	358,280	2,149,328	1,791,048	499.90%
6	TOTAL OPERATING EXPENSES	:	:	:	33,500,540	44,556,849	11,056,309	33.00%
7	NET OPERATING INCOME (B)	:	:	:	4,721,534	9,290,482	4,568,948	98.77%

(A) EXCLUDES FUEL &amp; CONSERVATION REVENUE

(B) BEFORE RATE RELIEF

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).  
IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

SUPPORTING SCHEDULES: G-2 p.1

RECAP SCHEDULE: A-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING  
OVERALL RATE OF RETURN COMPARISON

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 9/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 9/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

Line No.	Item	Dollars	Ratio	Embedded Cost	Weighted Cost
<u>LAST RATE CASE (AUTHORIZED)*</u>					
1	COMMON EQUITY	44,083,240	38.77%	11.25%	4.14%
2	PREFERRED STOCK	-	0.00%	n/a	0.00%
3	LONG-TERM DEBT	49,347,307	40.32%	6.43%	2.59%
4	SHORT-TERM DEBT	9,252,522	7.72%	3.90%	0.30%
5	CUSTOMER DEPOSITS	5,833,009	4.86%	6.70%	0.33%
6	TAX CREDITS	536,361	0.45%	0.00%	0.00%
7	DEFERRED TAXES	11,845,018	9.88%	0.00%	0.00%
8	TOTAL CAPITALIZATION	<u>119,887,457</u>	<u>100.00%</u>		<u>7.36%</u>
<u>CURRENT RATE CASE (REQUESTED)</u>					
9	COMMON EQUITY	115,745,170	38.67%	11.25%	4.35%
10	PREFERRED STOCK	-	0.00%	n/a	0.00%
11	LONG-TERM DEBT	116,217,944	38.50%	4.66%	1.78%
12	SHORT-TERM DEBT	15,814,600	5.28%	2.64%	0.14%
13	CUSTOMER DEPOSITS	3,888,281	1.30%	2.73%	0.04%
14	TAX CREDITS	-	0.00%	0.00%	0.00%
15	DEFERRED TAXES	48,612,155	16.24%	0.00%	0.00%
16	TOTAL CAPITALIZATION	<u>299,278,150</u>	<u>100.00%</u>		<u>8.32%</u>

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, REPORT THE CAPITAL STRUCTURE FOR THE ATTRITION YEAR. IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, REPORT THE CAPITAL STRUCTURE FOR THE PROJECTED TEST YEAR.

## SCHEDULE A-6

## EXECUTIVE SUMMARY

PAGE 1 OF 1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SUMMARY OF FINANCIAL INDICATORS AS SPECIFIED BELOW FOR THE HISTORIC DATA BASE YEAR OF THE LAST RATE CASE, HISTORIC DATA BASE YEAR FOR THIS CASE, AND THE YEAR IMMEDIATELY FOLLOWING THE PRESENT HISTORIC DATA BASE YEAR.

TYPE OF DATA SHOWN:  
 HISTORIC TEST YEAR LAST CASE: 9/30/02  
 ATTRITION YEAR LAST CASE: N/A  
 PROJECTED TEST YEAR LAST CASE: 9/30/04  
 PROJECTED TEST YEAR CURRENT CASE: 12/31/10  
 WITNESS: M. J. MORLEY

DOCKET NO. 20170178-GU

LINE NO.	INDICATORS	2002 (1) DATA FROM HISTORIC BASE YR OR TY RELATED TO COMPANY'S PRIOR CASE	2016 (2) DATA FROM HISTORIC BASE YEAR RELATED TO COMPANY'S CURRENT CASE	2017 (3) YEAR AFTER CURRENT HISTORIC BASE YEAR WITHOUT ANY RATE INCREASE	2018 (4) PROJECTED TEST YEAR WITHOUT ANY RATE INCREASE	2018 (5) PROJECTED TEST YEAR INCLUDING REQUESTED RATE INCREASE
INTEREST COVERAGE RATIOS:						
1	INCLUDING AFUDC IN INCOME BEFORE INTEREST CHARGES	1.48	4.39	3.31	2.28	5.21
2	EXCLUDING AFUDC FROM INCOME BEFORE INTEREST CHARGES	1.48	4.39	3.31	2.28	5.21
OTHER FINANCIAL RATIOS:						
3	AFUDC AS A PERCENT OF INCOME AVAILABLE FOR COMMON	0.00%	0.00%	0.00%	0.00%	0.00%
4	PERCENT OF CONSTRUCTION FUNDS GENERATED INTERNALLY	22.98%	74.33%	63.03%	22.32%	32.06%
PREFERRED DIVIDEND COVERAGE:						
5	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
6	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
RATIO OF EARNINGS TO FIXED CHARGES:						
7	INCLUDING AFUDC	1.48	4.39	3.31	2.28	5.21
8	EXCLUDING AFUDC	1.48	4.39	3.31	2.28	5.21
EARNINGS PER SHARE:						
9	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
10	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
11	DIVIDENDS PER SHARE	N/A	N/A	N/A	N/A	N/A

SUPPORTING SCHEDULES: D-11 p.1-3, 0-3 p.4-11

RECAP SCHEDULES:

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Rate Case Synopsis has been served by U.S. Mail this 11th day of December, 2017, upon the following:

Lomax Harrelle City Manager City of Belle Glade 110 Dr. Martin Luther King Jr. Blvd W. Belle Glade, FL 33430	Frank Abbate Interim County Manager City of Brevard 2725 Judge Fran Jamieson Way, Bldg. C Viera, FL 32940
Bertha Henry County Administrator City of Broward 115 S. Andrews Ave., Room 409 Fort Lauderdale, FL 33301	David L. Greene City Manager City of Cape Canaveral P.O. Box 326 Cape Canaveral, FL 32920
Al Perry City Manager City of Clewiston 115 W Ventura Avenue Clewiston, FL 33440	John Titkanich City Manager City of Cocoa 65 Stone Street Cocoa, FL 32922
James "Jim" McKnight City Manager City of Cocoa Beach 2 S. Orlando Avenue Cocoa Beach, FL 32932-2430	Cathy Swanson-Rivenbark City Manager City of Coral Gables 405 Biltmore Way, First Floor Coral Gables, FL 33134
Rafael G. Casals Town Manager Town of Cutler Bay 10720 Caribbean Boulevard, Suite 105 Cutler Bay, FL 33189	Edward A. Rojas City Manager City of Doral Government Center 8401 NW 53rd Terrace Doral, FL 33166
Jason R. Nunemaker City Manager City of Fellsmere 22 S. Orange Street Fellsmere, FL 32948-6700	Charles T. Chapman IV County Administrator City of Hendry PO Box 2340 LaBelle, FL 33975-2340
Carlos Hernandez Mayor City of Hialeah Office of the Mayor 501 Palm Avenue Hialeah, FL 33010	Yioset De La Cruz Mayor City of Hialeah Gardens 10001 NW 87th Avenue Hialeah Gardens, FL 33016

Dr. Wazir Ishmael City Manager City of Hollywood 2600 Hollywood Boulevard, Room 419 Hollywood, FL 33022	George Gretsas City Manager City of Homestead City Hall 100 Civic Court Homestead, FL 33030
Christopher Chinault Town Manager Town of Indialantic 216 5th Avenue Indialantic, FL 32903	Mark Ryan City Manager City of Indian Harbor Beach 2055 South Patrick Drive Indian Harbor Beach, FL 32937
Jason E. Brown County Administrator City of Indian River County Administration Office 1801 27th Street Vero Beach, FL 32960-3365	Taryn Kryzda County Administrator City of Jensen Beach 2401 SE Monterey Road Stuart, FL 34996
Michael A. Boyle Superintendent of Public Works City of LaBelle P.O. Box 458 LaBelle, FL 33975	Douglas C. Hoyt Town Manager City of Malabar 2725 Malabar Road Malabar, FL 32950-4427
Roberto Martell Mayor City of Medley 7777 NW 72nd Avenue Medley FL 33166	Mike McNees City Manager City of Melbourne City Hall, Fifth Floor 900 E. Strawbridge Avenue Melbourne, FL 32901
Head of Village Administration City of Melbourne Village 555 Hammock Road Melbourne Village, FL 32904	Daniel J. Alfonso City Manager City of Miami 444 SW 2nd Ave., 10th Floor Miami, FL 33130
Cameron Benson City Manager City of Miami Gardens 18605 NW 27th Avenue Miami Gardens, FL 33056	Alex Rey City of Miami Lakes Town Manager 6601 Main Street Miami Lakes, FL 33014
William Alonso City Manager City of Miami Springs 201 Westward Drive Miami Springs, FL 33166	Leondrae Camel City Manager City of South Bay 335 SW 2nd Avenue South Bay, FL 33493

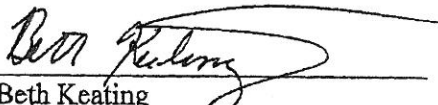
<p>Carlos Gimenez Mayor City of Miami-Dade Office of the Mayor Stephen P. Clark Center 111 N.W. 1st Street, 29th Floor Miami, FL 33128</p>	<p>Joe Griffin City Manager City of Sebastian City Hall 1225 Main Street Sebastian, FL 32958</p>
<p>Kathleen Woods-Richardson City Manager City of Miramar Office of the City Manager 2300 Civic Center Place Miramar, FL 33025</p>	<p>Ana M. Garcia City Manager City of N. Miami Beach NMB City Hall, 4th Floor 17011 NE 19th Avenue North Miami Beach, FL, 33162</p>
<p>Larry M. Spring City Manager City of North Miami 776 NE 125 Street North Miami, FL 33161</p>	<p>Yvette Harrell City Manager City of Opa Locka 780 Fisherman Street, 4th Floor Opa-locka, FL 33054</p>
<p>Gregg Lynk City Manager City of Palm Bay City Manager's Office 120 Malabar Road Palm Bay, FL 32907</p>	<p>Verdenia C. Baker County Administrator City of Palm Beach 301 N. Olive Avenue West Palm Beach, FL 33401</p>
<p>Town Clerk City of Palm Shores 247 Edwards Lane Palm Beach Shores, FL 33404</p>	<p>Edward Silva Village Manager Village of Palmetto Bay Municipal Center Office of the Village Manager 9705 East Hibiscus Street Palmetto Bay, FL 33157</p>
<p>Dr. Robert A. Levy Town Manager Town of Pembroke Park Town Hall 3150 SW 52nd Avenue Pembroke Park, FL 33023</p>	<p>Russ Blackburn City Manager City of Port St. Lucie 121 S.W. Port St. Lucie Blvd Port St. Lucie, FL 34984</p>
<p>Dr. Brenda Fettrow City Manager City of Rockledge 1600 Huntington Lane Rockledge, FL 32955</p>	<p>Courtney H. Barker City Manager City of Satellite Beach 565 Cassia Boulevard Satellite Beach, FL 32937</p>



<p>Steven Alexander City Manager City of South Miami City Hall, 1st Floor 6130 Sunset Drive South Miami, FL 33143</p>	<p>Howard Tipton County Administrator St. Lucie County St. Lucie County BOCC 2300 Virginia Avenue Fort Pierce, FL 34982</p>
<p>Orlando Lopez Mayor City of Sweetwater 500 S.W. 109 Avenue Sweetwater, FL 33174</p>	<p>Scott Larese City Manager City of Titusville P. O. Box 2806 Titusville, FL 32781-2806</p>
<p>James R. O'Connor City Manager City of Vero Beach P. O. Box 1389 Vero Beach, FL 32961-1389</p>	<p>Yocelyn Galiano Village Manager Village of Pinecrest Office of the Village Manager 12645 Pinecrest Parkway Pinecrest, FL 33156</p>
<p>Fred Spencer Deno IV Mayor The Village of Virginia Gardens 6498 N.W. 38th Terrace Virginia Gardens, FL 33166</p>	<p>Scott Morgan City Manager City of West Melbourne 2240 Minton Road, Second Floor West Melbourne, FL 32904</p>
<p>Yolanda Aguilar City Manager City of West Miami 901 SW 62 Avenue West Miami, FL 33144</p>	
<p><u>Central Brevard Library</u> Attention: Director 308 Forrest Avenue Cocoa, FL 32922</p>	<p><u>Hialeah John F. Kennedy</u> Memorial Library Attention: Director 190 W. 49 Street Hialeah, FL 33012</p>
<p><u>Miami Dade Main Library</u> Attention: Director 101 West Flagler Street Miami, FL 33 128</p>	<p><u>Broward County Main Library</u> Attention: Director 100 S. Andrews Avenue Ft. Lauderdale, FL 33301</p>
<p><u>Palm Beach County Library</u> Belle Glade Branch 530 South Main Street Belle Glade, FL 33430</p>	<p><u>St. Lucie County Public Library</u> Port St. Lucie Branch 180 SW Prima Vista Port St. Lucie, FL 34983</p>

<u>Martin County Public Library</u> Hoke Library 1150 NW Jack Williams Way Jensen Beach, FL 34957	<u>Indian River County Public Library</u> 1600 21st Street Vero Beach, FL 32960
<u>St. Lucie County Public Library</u> Port St. Lucie Branch 180 SW Prima Vista Port St. Lucie, FL 34983	<u>Doral Office</u> 4045 N.W. 97th Avenue Doral, FL 33178-2300 USA
<u>Brevard Service Center</u> 4180 South US Highway 1 Rockledge, Florida 32955-5309	

By: \_\_\_\_\_

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

## APPENDIX B

FLORIDA CITY GAS

Schedule A – Executive Summary Schedules



PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU  
MINIMUM FILING REQUIREMENTS  
INDEX

SCHEDULE		EXECUTIVE SUMMARY	
NO.	WITNESS	TITLE	PAGE
A-1 p. 1	M. J. MORLEY	MAGNITUDE OF CHANGE-PRESENT vs PRIOR RATE CASE	3
A-2 p. 1	M. J. MORLEY	ANALYSIS OF PERMANENT RATE INCREASE REQUESTED	4
A-3 p. 1	M. J. MORLEY	ANALYSIS OF JURISDICTIONAL RATE BASE	5
A-4 p. 1	M. J. MORLEY	ANALYSIS OF JURISDICTIONAL N. O. I.	6
A-5 p. 1	M. J. MORLEY	OVERALL RATE OF RETURN COMPARISON	7
A-6 p. 1	M. J. MORLEY	FINANCIAL INDICATORS	8

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170178-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE MAGNITUDE  
OF CHANGE - PRESENT vs PRIOR RATE CASE.

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 8/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 8/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

Line No.	Item	LAST RATE CASE										
		HISTORICAL (A)			ATTRITION (B)				PROJECTED RATE BASE - HISTORICAL			
		(1)*	(2)*	(3)*	(4)*	(5)*	(6)*	(7)*	(8)*	(9)	(10)**	(11)**
		Historical	Addition	Total	Projected Test Year	Historical	Addition	Total	Projected Test Year	Projected Test Year	Dollar or Percent Difference	Percentage Change
									030509	12/31/18		
1	DOCKET NUMBER	n/a	n/a	n/a	030509 -GU	n/a	n/a	n/a	030509 -GU	20170178-GU		
2	HISTORICAL DATA OR TEST YEAR	:	:	:	08/30/02	:	:	:	08/30/02	12/31/18		
3	PROJECTED TEST YEAR	:	:	:	09/30/04	:	:	:	09/30/04	12/31/18		
4	RATE INCREASE - PERMANENT	:	:	:	\$10,489,305	:	:	:	\$8,899,655	\$15,791,812	\$8,082,157	135.71%
5	RATE INCREASE - INTERIM	:	:	:	\$3,548,987	:	:	:	\$2,842,308	\$4,893,061	\$1,950,755	68.30%
6	JURISDICTIONAL RATE BASE BEFORE RATE RELIEF	:	:	:	\$123,421,819	:	:	:	\$119,897,447	\$288,278,151	\$178,380,704	149.61%
7	JURISDICTIONAL N.O.L BEFORE RATE RELIEF	:	:	:	\$3,596,957	:	:	:	\$4,721,534	\$8,280,462	\$4,588,948	88.77%
8	RATE OF RETURN BEFORE RATE RELIEF	:	:	:	2.91%	:	:	:	3.84%	3.10%	-0.84%	-21.32%
9	SYSTEM CAPITALIZATION	:	:	:	\$123,421,819	:	:	:	\$119,897,447	\$288,278,151	\$178,380,704	149.61%
10	OVERALL RATE OF RETURN	:	:	:	8.10%	:	:	:	7.36%	6.32%	-1.04%	-14.13%
11	COST OF LONG-TERM DEBT	:	:	:	6.43%	:	:	:	6.43%	4.86%	-1.77%	-27.53%
12	COST OF PREFERRED STOCK	:	:	:	n/a	:	:	:	n/a	n/a	n/a	n/a
13	COST OF SHORT-TERM DEBT	:	:	:	2.91%	:	:	:	3.80%	2.64%	-1.28%	-32.31%
14	COST OF CUSTOMER DEPOSITS	:	:	:	6.70%	:	:	:	6.70%	2.73%	-3.97%	-59.25%
15	COST OF COMMON EQUITY	:	:	:	11.25%	:	:	:	11.25%	11.25%	0.00%	0.00%
16	NUMBER OF CUSTOMERS - AVERAGE	:	:	:	101,807	:	:	:	101,807	108,503	7,696	7.56%
17	DATE NEW PERMANENT RATES EFFECTIVE	:	:	:	(A)	:	:	:	(A)	(A)		

(A) AS DETERMINED BY THE 'FILE AND SUSPEND' PROVISIONS OF SECTION 368.08 (4), FLORIDA STATUTES.

\* IF COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3) AND COLUMNS (6) - (7) UNDER THE HEADING "LAST RATE CASE". IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMNS (4) AND (8) UNDER THE HEADING "LAST RATE CASE".

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (8) AND COLUMN (7). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (8) AND COLUMN (9).

SUPPORTING SCHEDULES: A-4, A-5, D-1, F-7, G-3 p2; G-5

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF PERMANENT RATE INCREASE REQUESTED

TYPE OF DATA SHOWN:

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GASATTRITION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 09/30/04  
PROJECTED TEST YEAR CURRENT CASE: 12/31/18  
WITNESS: M. J. MORLEY

DOCKET NO. 20170179-GU

Line No.	Description		Increase in Gross Revenue Dollars	% of Total
1	RESTORE ADJUSTED NET OPERATING INCOME TO PREVIOUSLY ALLOWED OVERALL RATE OF RETURN OF 7.35%	7.35%	\$ 10,198,776	64.58%
2	INCREASE IN REQUESTED OVERALL RATE OF RETURN TO 8.32%	8.32%	(3,667,451)	(23.22%)
3	EFFECT OF PROJECTED TEST YEAR		<u>9,260,487</u>	<u>58.64%</u>
4	TOTAL PERMANENT RATE INCREASE REQUESTED		<u>\$ 15,791,812</u>	<u>100.00%</u>

SUPPORTING SCHEDULES: D-1, C-5

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF JURISDICTIONAL RATE BASE

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO. 2017-0179-GU

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 9/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 9/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

LINE NO.	Description	RATE BASE DETERMINED BY COMMISSION IN LAST RATE CASE				RATE BASE REQUESTED BY COMPANY IN CURRENT CASE		(7) <sup>**</sup> Percent Difference
		(1) <sup>*</sup> Historical	(2) <sup>*</sup> Attrition	(3) <sup>*</sup> Total	(4) <sup>*</sup> Projected Test Year 9/30/2004	(5) Projected Test Year 12/31/2018	(6) <sup>*</sup> Dollar Difference	
	<u>UTILITY PLANT</u>							
1	GAS PLANT IN SERVICE	n/a	n/a	n/a	198,324,265	429,446,193	231,121,928	116.54%
2	COMMON PLANT ALLOCATED	:	:	:	3,351,037	4,659,263	1,608,226	47.99%
3	ACQUISITION ADJUSTMENT	:	:	:	1,462,897	21,656,835	20,194,138	1380.61%
4	PLANT HELD FOR FUTURE USE	:	:	:			-	0.00%
5	CONSTRUCTION WORK IN PROGRESS	:	:	:	8,452,439	30,962,848	24,610,609	379.66%
6	GROSS UTILITY PLANT	:	:	:	209,590,438	487,025,239	277,434,801	132.37%
	<u>DEDUCTIONS</u>							
7	ACCUMULATED DEPRECIATION - UTILITY PLANT	:	:	:	84,776,445	177,918,948	93,142,603	109.67%
8	ACCUM. DEPRECIATION - COMMON PLANT ALLOCATED	:	:	:	2,468,493	918,038	(1,550,455)	(62.81%)
9	ACCUM. AMORTIZATION - ACQUISITION ADJUSTMENTS	:	:	:	226,472	9,665,892	9,639,420	4256.34%
10	CUSTOMER ADVANCES FOR CONSTRUCTION	:	:	:	-	-	-	0.00%
11	TOTAL DEDUCTIONS	:	:	:	87,471,410	188,702,878	101,231,468	115.73%
12	UTILITY PLANT, NET	:	:	:	122,119,028	298,322,361	176,203,333	144.29%
13	ALLOWANCE FOR WORKING CAPITAL	:	:	:	(2,221,581)	855,790	3,177,371	(143.02%)
14	RATE BASE	:	:	:	119,897,447	299,278,151	179,380,704	149.61%

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).  
IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE  
THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON  
A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

SUPPORTING SCHEDULES: G-1 p.1

REDAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF JURISDICTIONAL NET OPERATING INCOMECOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GUTYPE OF DATA SHOWN:  
HISTORIC TEST YEAR LAST CASE: 0/30/2002  
ATTRITION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 0/30/04  
PROJECTED TEST YEAR CURRENT CASE: 12/31/10  
WITNESS: M. J. MORLEY

LINE NO.	Description	NET OPERATING INCOME DETERMINED BY COMMISSION IN LAST RATE CASE				NET OPERATING INCOME REQUESTED BY COMPANY IN CURRENT CASE (5) Projected Test Year	(6) Dollar Difference	(7) Percent Difference
		(1) Historical	(2) Attrition	(3) Total	(4) Projected Test Year 0/30/2004			
1	OPERATING REVENUES (A)	n/a	n/a	n/a	30,222,074	53,947,331	15,025,257	49.69%
	OPERATING REVENUE DEDUCTIONS:	:	:	:				
2	OPERATING & MAINTENANCE EXPENSE	:	:	:	22,906,548	22,903,906	(2,640)	-0.01%
3	DEPRECIATION & AMORTIZATION EXPENSE	:	:	:	7,937,786	16,603,266	8,665,480	109.17%
4	TAXES OTHER THAN INCOME	:	:	:	2,297,928	2,900,549	602,421	26.22%
5	INCOME TAXES (FEDERAL & STATE)	:	:	:	358,260	2,149,328	1,791,048	499.90%
6	TOTAL OPERATING EXPENSES	:	:	:	33,500,540	44,556,849	11,056,309	33.00%
7	NET OPERATING INCOME (B)	:	:	:	4,721,534	9,290,482	4,568,948	96.77%
(A)	EXCLUDES FUEL & CONSERVATION REVENUE							
(B)	BEFORE RATE RELIEF							
*	IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).							
**	IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (6). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).							

SUPPORTING SCHEDULES: G-2 p.1

RECAP SCHEDULE: A-1



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING  
OVERALL RATE OF RETURN COMPARISONCOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GUTYPE OF DATA SHOWN:  
HISTORIC TEST YEAR LAST CASE: 9/30/02  
ATTRITION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 9/30/04  
PROJECTED TEST YEAR CURRENT CASE: 12/31/18  
WITNESS: M. J. MORLEY

Line No.	Item	Dollars	Ratio	Embedded Cost	Weighted Cost
<u>LAST RATE CASE (AUTHORIZED)*</u>					
1	COMMON EQUITY	44,083,240	38.77%	11.25%	4.14%
2	PREFERRED STOCK	-	0.00%	n/a	0.00%
3	LONG-TERM DEBT	48,347,307	40.32%	6.43%	2.59%
4	SHORT-TERM DEBT	9,252,522	7.72%	3.90%	0.30%
5	CUSTOMER DEPOSITS	5,833,009	4.88%	6.70%	0.33%
6	TAX CREDITS	536,361	0.45%	0.00%	0.00%
7	DEFERRED TAXES	11,845,018	9.88%	0.00%	0.00%
8	TOTAL CAPITALIZATION	<u>118,897,457</u>	<u>100.00%</u>		<u>7.36%</u>
<u>CURRENT RATE CASE (REQUESTED)</u>					
9	COMMON EQUITY	115,745,170	38.67%	11.26%	4.35%
10	PREFERRED STOCK	-	0.00%	n/a	0.00%
11	LONG-TERM DEBT	115,217,944	38.50%	4.66%	1.79%
12	SHORT-TERM DEBT	15,814,600	5.28%	2.64%	0.14%
13	CUSTOMER DEPOSITS	3,888,281	1.30%	2.73%	0.04%
14	TAX CREDITS	-	0.00%	0.00%	0.00%
15	DEFERRED TAXES	48,612,155	16.24%	0.00%	0.00%
16	TOTAL CAPITALIZATION	<u>299,278,150</u>	<u>100.00%</u>		<u>5.32%</u>

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, REPORT THE CAPITAL STRUCTURE FOR THE ATTRITION YEAR. IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, REPORT THE CAPITAL STRUCTURE FOR THE PROJECTED TEST YEAR.

## SCHEDULE A-8

## EXECUTIVE SUMMARY

PAGE 1 OF 1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
DBA FLORIDA CITY GAS

DOCKET NO. 20170179-GU

EXPLANATION: PROVIDE A SUMMARY OF FINANCIAL INDICATORS AS SPECIFIED  
BELOW FOR THE HISTORIC DATA BASE YEAR OF THE LAST RATE CASE, HISTORIC  
DATA BASE YEAR FOR THIS CASE, AND THE YEAR IMMEDIATELY FOLLOWING THE  
PRESENT HISTORIC DATA BASE YEAR.TYPE OF DATA SHOWN:  
HISTORIC TEST YEAR LAST CASE: 9/30/02  
ATTRITION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 9/30/14  
PROJECTED TEST YEAR CURRENT CASE: 12/31/19  
WITNESS: M. J. MORLEY

LINE NO.	INDICATORS	2002	2016	2017	2018	2019
		(1) DATA FROM HISTORIC BASE YR OR TY RELATED TO COMPANY'S PRIOR CASE	(2) DATA FROM HISTORIC BASE YEAR RELATED TO COMPANY'S CURRENT CASE	(3) YEAR AFTER CURRENT HISTORIC BASE YEAR WITHOUT ANY RATE INCREASE	(4) PROJECTED TEST YEAR WITHOUT ANY RATE INCREASE	(5) PROJECTED TEST YEAR INCLUDING REQUESTED RATE INCREASE
INTEREST COVERAGE RATIOS:						
1	INCLUDING AFUDC IN INCOME BEFORE INTEREST CHARGES	1.48	4.39	3.31	2.28	5.21
2	EXCLUDING AFUDC FROM INCOME BEFORE INTEREST CHARGES	1.48	4.39	3.31	2.28	5.21
OTHER FINANCIAL RATIOS:						
3	AFUDC AS A PERCENT OF INCOME AVAILABLE FOR COMMON	0.00%	0.00%	0.00%	0.00%	0.00%
4	PERCENT OF CONSTRUCTION FUNDS GENERATED INTERNALLY	22.98%	74.33%	63.03%	22.32%	32.06%
PREFERRED DIVIDEND COVERAGE:						
5	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
6	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
RATIO OF EARNINGS TO FIXED CHARGES:						
7	INCLUDING AFUDC	1.48	4.39	3.31	2.28	5.21
8	EXCLUDING AFUDC	1.48	4.39	3.31	2.28	5.21
EARNINGS PER SHARE:						
9	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
10	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
11	DIVIDENDS PER SHARE	N/A	N/A	N/A	N/A	N/A

SUPPORTING SCHEDULES: D-11 p.1-3, G-3 p.8-11

RECAP SCHEDULES:

**CERTIFICATE OF SERVICE**

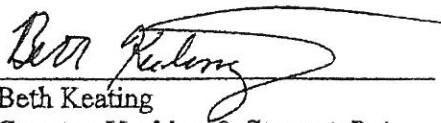
I hereby certify that a true and correct copy of the foregoing Rate Case Synopsis has been served by U.S. Mail this 11th day of December, 2017, upon the following:

Lomax Harrelle City Manager City of Belle Glade 110 Dr. Martin Luther King Jr. Blvd W. Belle Glade, FL 33430	Frank Abbate Interim County Manager City of Brevard 2725 Judge Fran Jamieson Way, Bldg. C Viera, FL 32940
Bertha Henry County Administrator City of Broward 115 S. Andrews Ave., Room 409 Fort Lauderdale, FL 33301	David L. Greene City Manager City of Cape Canaveral P.O. Box 326 Cape Canaveral, FL 32920
Al Perry City Manager City of Clewiston 115 W Ventura Avenue Clewiston, FL 33440	John Titkanich City Manager City of Cocoa 65 Stone Street Cocoa, FL 32922
James "Jim" McKnight City Manager City of Cocoa Beach 2 S. Orlando Avenue Cocoa Beach, FL 32932-2430	Cathy Swanson-Rivenbark City Manager City of Coral Gables 405 Biltmore Way, First Floor Coral Gables, FL 33134
Rafael G. Casals Town Manager Town of Cutler Bay 10720 Caribbean Boulevard, Suite 105 Cutler Bay, FL 33189	Edward A. Rojas City Manager City of Doral Government Center 8401 NW 53rd Terrace Doral, FL 33166
Jason R. Nunemaker City Manager City of Fellsmere 22 S. Orange Street Fellsmere, FL 32948-6700	Charles T. Chapman IV County Administrator City of Hendry PO Box 2340 LaBelle, FL 33975-2340
Carlos Hernandez Mayor City of Hialeah Office of the Mayor 501 Palm Avenue Hialeah, FL 33010	Yioset De La Cruz Mayor City of Hialeah Gardens 10001 NW 87th Avenue Hialeah Gardens, FL 33016

Dr. Wazir Ishmael City Manager City of Hollywood 2600 Hollywood Boulevard, Room 419 Hollywood, FL 33022	George Gretsas City Manager City of Homestead City Hall 100 Civic Court Homestead, FL 33030
Christopher Chinault Town Manager Town of Indialantic 216 5th Avenue Indialantic, FL 32903	Mark Ryan City Manager City of Indian Harbor Beach 2055 South Patrick Drive Indian Harbor Beach, FL 32937
Jason E. Brown County Administrator City of Indian River County Administration Office 1801 27th Street Vero Beach, FL 32960-3365	Taryn Kryzda County Administrator City of Jensen Beach 2401 SE Monterey Road Stuart, FL 34996
Michael A. Boyle Superintendent of Public Works City of LaBelle P.O. Box 458 LaBelle, FL 33975	Douglas C. Hoyt Town Manager City of Malabar 2725 Malabar Road Malabar, FL 32950-4427
Roberto Martell Mayor City of Medley 7777 NW 72nd Avenue Medley FL 33166	Mike McNees City Manager City of Melbourne City Hall, Fifth Floor 900 E. Strawbridge Avenue Melbourne, FL 32901
Head of Village Administration City of Melbourne Village 555 Hammock Road Melbourne Village, FL 32904	Daniel J. Alfonso City Manager City of Miami 444 SW 2nd Ave., 10th Floor Miami, FL 33130
Cameron Benson City Manager City of Miami Gardens 18605 NW 27th Avenue Miami Gardens, FL 33056	Alex Rey City of Miami Lakes Town Manager 6601 Main Street Miami Lakes, FL 33014
William Alonso City Manager City of Miami Springs 201 Westward Drive Miami Springs, FL 33166	Leondrae Camel City Manager City of South Bay 335 SW 2nd Avenue South Bay, FL 33493

<p>Carlos Gimenez Mayor City of Miami-Dade Office of the Mayor Stephen P. Clark Center 111 N.W. 1st Street, 29th Floor Miami, FL 33128</p>	<p>Joe Griffin City Manager City of Sebastian City Hall 1225 Main Street Sebastian, FL 32958</p>
<p>Kathleen Woods-Richardson City Manager City of Miramar Office of the City Manager 2300 Civic Center Place Miramar, FL 33025</p>	<p>Ana M. Garcia City Manager City of N. Miami Beach NMB City Hall, 4th Floor 17011 NE 19th Avenue North Miami Beach, FL, 33162</p>
<p>Larry M. Spring City Manager City of North Miami 776 NE 125 Street North Miami, FL 33161</p>	<p>Yvette Harrell City Manager City of Opa Locka 780 Fisherman Street, 4th Floor Opa-locka, FL 33054</p>
<p>Gregg Lynk City Manager City of Palm Bay City Manager's Office 120 Malabar Road Palm Bay, FL 32907</p>	<p>Verdenia C. Baker County Administrator City of Palm Beach 301 N. Olive Avenue West Palm Beach, FL 33401</p>
<p>Town Clerk City of Palm Shores 247 Edwards Lane Palm Beach Shores, FL 33404</p>	<p>Edward Silva Village Manager Village of Palmetto Bay Municipal Center Office of the Village Manager 9705 East Hibiscus Street Palmetto Bay, FL 33157</p>
<p>Dr. Robert A. Levy Town Manager Town of Pembroke Park Town Hall 3150 SW 52nd Avenue Pembroke Park, FL 33023</p>	<p>Russ Blackburn City Manager City of Port St. Lucie 121 S.W. Port St. Lucie Blvd Port St. Lucie, FL 34984</p>
<p>Dr. Brenda Fettrow City Manager City of Rockledge 1600 Huntington Lane Rockledge, FL 32955</p>	<p>Courtney H. Barker City Manager City of Satellite Beach 565 Cassia Boulevard Satellite Beach, FL 32937</p>

<u>Martin County Public Library</u> Hoke Library 1150 NW Jack Williams Way Jensen Beach, FL 34957	<u>Indian River County Public Library</u> 1600 21st Street Vero Beach, FL 32960
<u>St. Lucie County Public Library</u> Port St. Lucie Branch 180 SW Prima Vista Port St. Lucie, FL 34983	<u>Doral Office</u> 4045 N.W. 97th Avenue Doral, FL 33178-2300 USA
<u>Brevard Service Center</u> 4180 South US Highway 1 Rockledge, Florida 32955-5309	

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

3

Composite Exhibit  
Port St. Lucie

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 3  
PARTY: Service Hearing Exhibits- (Port St.  
Lucie January 24, 2018)  
DESCRIPTION: FCG

HEARING EXHIBIT NO. 3

(Composite Exhibit – Port St. Lucie  
A. Proof of Publication  
B. Proof of Mailing Customer Notice  
C. Proof of Mailing Synopsis)

Submitted by

FLORIDA CITY GAS



## ATTACHMENT A

Treasure Coast Newspapers

TCPALM

St. Lucie News-Tribune

1939 SE Federal Highway, Stuart, FL 34994

**AFFIDAVIT OF PUBLICATION**

STATE OF FLORIDA

COUNTY OF ST. LUCIE

Before the undersigned authority personally appeared, Natalie Zollar, who on oath says that she is Classified Inside Sales Manager of the St. Lucie News-Tribune, a daily newspaper published at Fort Pierce in St. Lucie County, Florida: that the attached copy of advertisement was published in the St. Lucie News-Tribune in the following issues below. Affiant further says that the said St. Lucie News-Tribune is a newspaper published in Fort Pierce, in said St. Lucie County, Florida, and that said newspaper has heretofore been continuously published in said St. Lucie County, Florida, daily and distributed in St. Lucie County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she has neither paid or promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper. The St. Lucie News-Tribune has been entered as Periodical Matter at the Post Offices in Fort Pierce, St. Lucie County, Florida and has been for a period of one year next preceding the first publication of the attached copy of advertisement.

Customer	Ad Number	Copyline	PO #
952605 - SOUTHERN COMPANY GAS	1872886	PUBLIC NOTICE The Florida Public Ser	

**Pub Dates**

January 5, 2018

January 5, 2018

January 5, 2018

Sworn to and subscribed before me this day of, January 05, 2018, by

*Natalie Zollar*

who is

Natalie Zollar

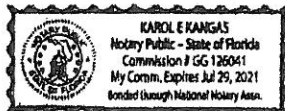
(X) personally known to me or

( ) who has produced \_\_\_\_\_ as identification.

*Karol E Kangas*

Karol Kangas

Notary Public



## Public Notices

**Notice is hereby given** that CIT CLIPS LLC, 4100 Pacific Terrace, Roswell, GA 30075, desiring to prepay in business under the fictitious name of Great Clips, with its principal place of business in the County of Florida in the County of St. Lucie, intends to file an Application for Registration of Fictitious Name with the Florida Department of State.

Pub: January 5, 2012  
TCN 1842126

## PUBLIC NOTICE

The Florida Public Service Commission announces a customer service hearing to be held in the following dockets, to which all interested persons and parties are invited to attend.

**Docket No. 2012-075-00**  
**Petition for rate increase by Florida City Gas**

Tuesday, January 23, 2012, 9:00 AM  
Coral Gables City Hall  
Commission Chambers  
465 Biltmore Way  
Coral Gables, FL 33134

Wednesday, January 24, 2012, 9:00 AM  
Port St. Lucie  
PSC City Center  
2210 U.S. 1  
Port St. Lucie, FL 34954

Wednesday, January 24, 2012, 9:00 AM  
Melbourne Brevard County  
Governmental Center  
Commission Chambers  
1725 Judge Fran Jamieson Way  
Viera (Melbourne), FL 32940

The hearing will begin as scheduled and will continue until all witnesses have been heard. All persons who wish to present testimony are urged to appear at the beginning of the hearing since the hearing may be adjourned early in the afternoon if all witnesses are present to testify.

**PURPOSE:** To take testimony from the public on the quality and adequacy of Florida City Gas (FCG) service and other matters related to FCG's petition for a rate increase. All witnesses shall be subject to cross-examination at the conclusion of their testimony. In accordance with the Americans with Disabilities Act, persons needing accommodations to participate in this proceeding should contact the Office of Commission Clerk no later than five days prior to the hearing at 2540 Shumaker Oak Boulevard, Tallahassee, FL 32399-0850 or call 1-850-413-6771 or TDD 1-850-413-6771.

Pub: January 5, 2012  
TCN 1872686

**THE MARTIN COUNTY SCHOOL BOARD** will be attending a Treasure Coast Workgroup meeting on Friday, January 13, 2012 at 10:00 A.M. The meeting will be held in the Superintendent's Conference Room, 12051 Copper Creek Drive, Port St. Lucie, Florida 34987.

Pub: January 5, 2012  
TCN 1854925

## Request for Bids

**FORT PIERCE UTILITIES AUTHORITY (FPUA)**

**FORT PIERCE, FLORIDA**  
CALL FOR BIDS  
NO. 18-01

Sealed bids will be received by FPUA, Fort Pierce, Florida, at the office of the Purchasing Manager, until:

3:00PM FRIDAY  
FEBRUARY 2, 2012

For remodeling  
GENERATOR LEAK REPAIR AT  
ENERGY SERVICES CENTER  
(ESC)

per detailed specifications and statement of work available on www.fpua.com, www.demand.com or by formal request to PurchasingManager@fpua.com. All documents are also available upon request from the Purchasing Manager, FPUA, 100 Boston Ave., Fort Pierce, Florida.

FPUA encourages Minority/Women Business Enterprise participation.

Pub: January 5 and 10, 2012  
TCN 1873126

## Tax Deed Application

**NOTICE OF APPLICATION FOR TAX DEED**

**CASE NO: 2012-00861D**

**NOTICE IS HEREBY GIVEN:** GAZZA, JOSEPH EDWARD, the holder of the following certificate has filed said certificates for a tax deed to be issued thereon. The certificate number and year of issuance, the description of the property, and the names in which it was assessed are as follows:

**Certificate No. 2012-1373**  
**Date of Issuance:** May 27, 2010

**Description of Property:** BEING THE WEST 1/2 OF THE EAST 1/2 OF THE NORTH 1/2 OF THE WEST 1/2 OF THE NORTH 1/2 OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 12-40 OF PUBLIC RECORDS IN MARTIN COUNTY FLORIDA (SOUTH 1/2 OF YV-26 A & B)

**Parcel ID: 12-40-39-000-280-0122.0000**

Said property being in the County of Martin, State of Florida.

**Name in which assessed:** F. SOULENBERGER ESTATE

Unless said certificate shall be redeemed according to law, the property described in such certificate shall be sold to the highest bidder, on the 17th day of January, 2012 at 10:00 AM in the MARTIN COUNTY COURTHOUSE COMPLEX, 1ST FLOOR OF THE CONSTITUTIONAL OFFICE BUILDING, 100 SE OCEAN BLVD, STUART, FL 34994. Property sold is subject to any additional outstanding taxes.

**CAROLYN TIMMANN CLERK OF THE CIRCUIT COURT & COMPTROLLER**  
Martin County, Florida  
/s/ Sue Korney  
Deputy Clerk

If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact Sue Korney, 100 SE OCEAN BLVD, STUART, FL 34994 at (772) 288-5554 within 2 working days of your receipt of this Notice of Application for Tax Deed; if you are seeing or voice impaired, call 711. December 15, 22, 29, 2011 and January 5, 2012

**NOTICE OF APPLICATION FOR TAX DEED**

**CASE NO: 2012-00817D**

**NOTICE IS HEREBY GIVEN:** GAZZA, JOSEPH EDWARD, the holder of the following certificate has filed said certificates for a tax deed to be issued thereon. The certificate number and year of issuance, the description of the property, and the names in which it was assessed are as follows:

**Certificate No. 2012-3165**  
**Date of Issuance:** June 01, 2012

**Description of Property:** BEING THE WEST 1/2 OF THE EAST 1/2 OF THE WEST 1/2 OF THE NORTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE WEST 1/4 OF YV-257 PALM BEACH HEIGHTS

**Parcel ID: 12-40-39-000-280-0122.0000**

Said property being in the County of Martin, State of Florida.

**Name in which assessed:** DOLORES DULLE

Unless said certificate shall be redeemed according to law, the property described in such certificate shall be sold to the highest bidder, on the 17th day of January, 2012 at 10:00 AM in the MARTIN COUNTY COURTHOUSE COMPLEX, 1ST FLOOR OF THE CONSTITUTIONAL OFFICE BUILDING, 100 SE OCEAN BLVD, STUART, FL 34994. Property sold is subject to any additional outstanding taxes.

**CAROLYN TIMMANN CLERK OF THE CIRCUIT COURT & COMPTROLLER**  
Martin County, Florida  
/s/ Sue Korney  
Deputy Clerk

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**NOTICE OF APPLICATION FOR TAX DEED**

**CASE NO: 2012-00817D**

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**Date of Issuance:** June 01, 2012

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**Parcel ID: 12-40-39-000-280-0122.0000**

Said property being in the County of Martin, State of Florida.

**Name in which assessed:** ELISIE FAWCETT

Unless said certificate shall be redeemed according to law, the property described in such certificate shall be sold to the highest bidder, on the 17th day of January, 2012 at 10:00 AM in the MARTIN COUNTY COURTHOUSE COMPLEX, 1ST FLOOR OF THE CONSTITUTIONAL OFFICE BUILDING, 100 SE OCEAN BLVD, STUART, FL 34994. Property sold is subject to any additional outstanding taxes.

**CAROLYN TIMMANN CLERK OF THE CIRCUIT COURT & COMPTROLLER**  
Martin County, Florida  
/s/ Sue Korney  
Deputy Clerk

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**Parcel ID: 12-40-39-000-280-0122.0000**

Said property being in the County of Martin, State of Florida.

**Name in which assessed:** ELISIE FAWCETT

Unless said certificate shall be redeemed according to law, the property described in such certificate shall be sold to the highest bidder, on the 17th day of January, 2012 at 10:00 AM in the MARTIN COUNTY COURTHOUSE COMPLEX, 1ST FLOOR OF THE CONSTITUTIONAL OFFICE BUILDING, 100 SE OCEAN BLVD, STUART, FL 34994. Property sold is subject to any additional outstanding taxes.

**CAROLYN TIMMANN CLERK OF THE CIRCUIT COURT & COMPTROLLER**  
Martin County, Florida  
/s/ Sue Korney  
Deputy Clerk

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**Parcel ID: 12-40-39-000-280-0122.0000**

Said property being in the County of Martin, State of Florida.

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**CAROLYN TIMMANN CLERK OF THE CIRCUIT COURT & COMPTROLLER**  
Martin County, Florida  
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Deputy Clerk

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**CAROLYN TIMMANN CLERK OF THE CIRCUIT COURT & COMPTROLLER**  
Martin County, Florida  
/s/ Sue Korney  
Deputy Clerk

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**CAROLYN TIMMANN CLERK OF THE CIRCUIT COURT & COMPTROLLER**  
Martin

Treasure Coast Newspapers

TCPALM

Indian River Press Journal  
1801 U.S. 1, Vero Beach, FL 32960  
AFFIDAVIT OF PUBLICATION

STATE OF FLORIDA

COUNTY OF INDIAN RIVER

Before the undersigned authority personally appeared, Natalie Zollar, who on oath says that she is Classified Inside Sales Manager of the Indian River Press Journal, a daily newspaper published at Vero Beach in Indian River County, Florida: that the attached copy of advertisement was published in the Indian River Press Journal in the following issues below. Affiant further says that the said Indian River Press Journal is a newspaper published in Vero Beach in said Indian River County, Florida, and that said newspaper has heretofore been continuously published in said Indian River County, Florida, daily and distributed in Indian River County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she has neither paid or promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper. The Indian River Press Journal has been entered as Periodical Matter at the Post Offices in Vero Beach, Indian River County, Florida and has been for a period of one year next preceding the first publication of the attached copy of advertisement.

Customer	Ad Number	Copyline	PO #
952605 - SOUTHERN COMPANY GAS	1872886	PUBLIC NOTICE The Florida Public Ser	

Pub Dates

January 5, 2018

January 5, 2018

January 5, 2018

Sworn to and subscribed before me this day of, January 05, 2018, by

*Natalie Zollar*

who is

Natalie Zollar

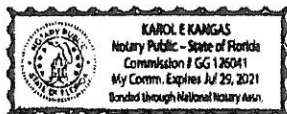
(X) personally known to me or

( ) who has produced \_\_\_\_\_ as identification.

*Karol E Kangas*

Karol Kangas

Notary Public



### Sea-Beach Association

County of Martin, State  
Florida.

Name in which assessed:  
ALICE KASSERMAN

Unless said certificate shall  
be redeemed according  
law, the property described  
such certificate shall be sold  
to the highest bidder, on 1

10:00AM in the MARTIN COUNTY COURTHOUSE COMPLE

1ST FLOOR OF THE CONSTITUTIONAL OFFICE BUILDING JURY MANAGEMENT ROOM 100 SE OCEAN BLVD, STUART FL 34994. Property sold subject to any additional outstanding taxes.

CAROLYN TIMMANN CLERK  
THE CIRCUIT COURT  
& COMPTROLLER  
Maithe County, Florida

if you are a person with disability who needs a accommodation in order participate in this process.

you are entitled, at no cost to you, to the provision of certain assistance. Please contact Sue Korney- 100 SE OCEAN BLVD, STUART, FL 34954 (772) 288-5554 within 2 weeks of the date of your arrest.

ing days of your receipt  
this Notice of Application for  
Tax Deed; if you are seeing  
voice impaired, call 711.  
December 15, 22, 29, 2017 or  
January 5, 2018  
TCN 1842196

**NOTICE OF APPLICATION FOR  
TAX DEED**

**CASE NO: 2017-0085TD**

**NOTICE IS HEREBY GIVEN**  
**GAZZA, JOSEPH EDWARD, JR.**  
holder of the following certificate  
has filed said certificate  
for a tax deed to be issued

thereon). The certificate number and year of issuance, a description of the property and the names in which it was assessed are as follows:

**Certificate No.:** 2012-3374  
**Date of Issuance:** June 01, 2012

**Description of Property:** PAL BEACH HEIGHTS, UNREC, E1/4 OF W4/5 OF S1/2 OF NW1/4 NE1/4 OF NW1/4 (AKA VV-39)

**Parcel ID:** 12-44-79-000-20 00340.00000

Said property being in the County of Marlin, State of Florida.

**Name in which Owner:** GEORGE F COOK JR and BE NICE S COOK

Unless said certificate shall be redeemed according law, the property described

such certificate shall be so to the highest bidder, on the 17th day of January, 2018, 10:00AM in the MARTIN COUNTY COURTHOUSE COMPLE, 1ST FLOOR OF THE CONSTITUTIONAL OFFICE BUILDING, JURY MANAGEMENT ROOM, 100 SE OCEAN BLVD, STUART, FL 34994. Property sold subject to any additional outstanding taxes.

**CAROLYN TIMMANN CLERK OF  
THE CIRCUIT COURT  
& COMPTROLLER**  
Martin County, Florida  
/s/ Sue Konney  
Deputy Clerk

If you are a person with

disability who needs an accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain

assistance. Please contact  
Sue Konney, 100 SE OCEA  
BLVD, STUART, FL 34994  
(772) 288-5554 within 2 work-  
ing days of your receipt of  
this Notice of Application for  
tax Deed; if you are seeking

voice impaired, call TII.  
December 15, 22, 29, 2017 and  
January 5, 2018  
TCN 1842329

---

**NOTICE OF APPLICATION FOR  
TAX DEED**

**CASE NO: 2017-0093TD**

NOTICE IS HEREBY GIVEN  
GAZZA, ZACHARY MICHAEL  
the holder of the following  
certificate has filed said cer-  
tificates for a tax deed to be  
issued thereon. The certifi-

case number and year of issuance, the description of the property, and the names in which it was assessed are as follows:

Certificate No.: 2010-3147  
Date of Issuance: May 27, 2011  
Description of Property  
PALM BEACH HEIGHTS YY-20  
SOUTH 1/2

Said property being in the  
County of Martin, State of  
Florida.

Name in which assessed  
MIGUEL M ALVAREZ

law, the property described in such certificate shall be sold to the highest bidder, on the 17th day of January, 2012 at 10:00AM in the MARTIN COUNTY COURTHOUSE COMPLEX, 1000 N. 1ST ST., JACOBSON, NE 68901.

1ST FLOOR OF THE CONSTITUTIONAL OFFICE BUILDING  
JURY MANAGEMENT ROOM  
100 SE OCEAN BLVD. STUART  
FL 34994. Property sold is  
subject to any additional out-  
standing taxes.

CAROLYN TIMMANN CLERK OF  
THE CIRCUIT COURT  
A COMPTROLLER  
Martin County, Florida  
c/o Sue Konney  
Deputy Clerk

If you are a person with a disability who needs any accommodation in order to participate in this proceeding,

You are entitled, at no cost to you, to the provision of certain assistance. Please contact

## g Exhibi

## ATTACHMENT B

**AFFIDAVIT**

STATE OF GEORGIA

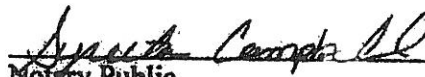
COUNTY OF FULTON

BEFORE ME, the undersigned authority, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Tamela Danzey, who deposed and stated that the Customer Notice of Florida City Gas's Application for a Rate Increase, assigned Florida Public Service Commission Docket No. 20170179-GU, has been sent to all customers of the Company in accordance with Commission Rule 25-22.0406(2)(f), Florida Administrative Code.

Sworn to and subscribed before me this 28th day of December, 2017.

 (Tamela Danzey)

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 28th day of December, 2017.

  
Notary Public  
State of Georgia, at Large

My Commission Expires: 03/26/19











HOME | HELP | CUSTOMER CARE | SIGN OUT

## Restricted Information

Dashboard &gt; Display

Today's Date: 12/18/2017

## Mailing Group Summary Information

Mailing Group ID: 203929461 Mailer's Job #: 85612001 Open Date: 12-18-2017  
 Preparer: -UNIVERSAL MAILING SERVICE PO of Mailing Finance No: 335685 Close Date:  
 Description: 11485 SoCo FCG Rate Increase Submission Type: Mail.dat

PS # 281671638, UPD

[Cancel](#) | [Confirmation Page](#) | [Register](#) | [Piece-Weight Information](#)

## PS Form 3602-P - USPS Marketing Mail - Postage Affixed

## Postage Summary

Account Holder:	UNIVERSAL MAILING SERVICE 10 NEW ENGLAND AVE PISCATAWAY, NJ 08854-4101 Contact: BRIAN SHAMY (908) 985-1010	Mailing Agent:	UNIVERSAL MAILING SERVICE Mail 10 NEW ENGLAND AVE PISCATAWAY, NJ 08854-4101	Owner:	AGL RESOURCES 10 PEACHTREE PL NE ATLANTA, GA 30308-4487
Account Number:	1926217				
Permit:	Precanceled 262			Processing Category:	Letters
Statement FS Fee Waiver %:	99.31%	CRID: 4703171	CRID: 4703171	CRID: 4817541	
Post Office Of Mailing:	EDISON, NJ 08899-9998	Mailers Mailing Date:			
Post Office of Permit:	EDISON, NJ 08899-9998				
Mailer Declared Weight of Single Piece:	0.0354 lbs.	Mailer Declared Total Pieces:	107,073 pcs.	Mailer Declared Total Weight:	3,790.3850 lbs.
USPS Determined Weight of Single Piece:	0.0354 lbs.	USPS Determined Total Pieces:	107,073 pcs.	USPS Determined Total Weight:	3,790.3842 lbs.
				Total Postage:	\$ 19,716.80
Additional Postage Permit:	PI 1	Price at which Postage is Affixed:	Neither		
	CRID: 4703171				
Sequencing Date:	12/18/2017	Address Matching Data Automation:		Address Matching Data - Carrier Route:	
No of Containers:	1' MM Trays 247	2' MM Trays 195	2' EMM Trays	Flat Trays	Sacks
					Pallets 7
Customer Reference ID:	85612				
Move Update Method:	NCOALink	NSA:	NO		
Political Mail:	NO	Official Election Mail:	NO		
Mailpiece is a product sample:	NO	Mailpieces contain a DVD/CD or other Disk:	NO		
Incentive/Discount Claimed:	AB Testing Claimed: NO	Type of Fee:	N/A		
Mail Arrival Date and Time:	N/A	Payment Date and Time:	N/A		
Container Grouping ID:					
Copial Mailing Type:					
SSF TID Number:					

[https://www.uspspostalone.com/postal/postage\\_statements/index.cfm?fa=web\\_version&...](https://www.uspspostalone.com/postal/postage_statements/index.cfm?fa=web_version&...) 12/18/2017

## Part A: Automation Letters

Line Number	Entry Discount	Title	Description	Price	Quantity	Subtotal Postage	FS Discount	Discount Total*	Fee Total	Postage
A1	NONE	5-Digit	Letters 3.5 oz (0.2188 lbs) or less	0.251	155pcs.	\$ 38.9050	\$ 0.1550	\$ -0.1550	\$ 0.0000	\$ 38.7500
A2	NONE	AADC	Letters 3.5 oz (0.2188 lbs) or less	0.271	59pcs.	\$ 15.9890	\$ 0.0590	\$ -0.0590	\$ 0.0000	\$ 15.9300
A3	NONE	Mixed AADC	Letters 3.5 oz (0.2188 lbs) or less	0.288	2784pcs.	\$ 801.7920	\$ 2.7840	\$ -2.7840	\$ 0.0000	\$ 799.0080
A7	DSCF	5-Digit	Letters 3.5 oz (0.2188 lbs) or less	0.217	28869pcs.	\$ 6,264.5730	\$ 28.8690	\$ -28.8690	\$ 0.0000	\$ 6,235.7040
A8	DSCF	AADC	Letters 3.5 oz (0.2188 lbs) or less	0.237	2181pcs.	\$ 516.8970	\$ 2.1810	\$ -2.1810	\$ 0.0000	\$ 514.7160
A9						Part A Total (Add lines A1-A8)				\$ 7,604.1080
A10		DISPLAY ONLY Letters - Number of Pieces that Comply	Full Service Intelligent Mail Option	0.001	34048pcs.					

## Part B: Nonautomation Letters

Line Number	Entry Discount	Title	Description	Price	Quantity	Subtotal Postage	FS Discount	Discount Total	Fee Total	Postage
B1	NONE	AADC	Machinable Letters 3.5 oz (0.2188 lbs) or less	0.284	1pcs.	\$ 0.2840	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.2840
B2	NONE	Mixed AADC	Machinable Letters 3.5 oz (0.2188 lbs) or less	0.301	162pcs.	\$ 48.7620	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 48.7620
B5	DSCF	AADC	Machinable Letters 3.5 oz (0.2188 lbs) or less	0.250	580pcs.	\$ 145.0000	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 145.0000
B28						Part B Total (Add lines B1-B27)				\$ 194.0460

## Part C: Carrier Route Letters

Line Number	Entry Discount	Title	Description	Price	Quantity	Subtotal Postage	FS Discount	Discount Total*	Fee Total	Postage
C1	NONE	Saturation	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.186	197pcs.	\$ 36.6420	\$ 0.1970	\$ -0.1970	\$ 0.0000	\$ 36.4450
C9	DSCF	Saturation	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.155	6672pcs.	\$ 1,034.1600	\$ 6.6720	\$ -6.6720	\$ 0.0000	\$ 1,027.4880
C10	DSCF	High Density Plus	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.165	23085pcs.	\$ 3,809.0250	\$ 23.0850	\$ -23.0850	\$ 0.0000	\$ 3,785.9400
C11	DSCF	High Density	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.168	42328pcs.	\$ 7,111.1040	\$ 42.3280	\$ -42.3280	\$ 0.0000	\$ 7,068.7760
C46						Part C Total (Add lines C1-C45)				\$ 11,918.6490
C47		DISPLAY ONLY Letters - Number of Pieces that Comply	Full Service Intelligent Mail Option	0.001	72282pcs.					

Total Full Service Discount From All Parts \$ -106.3300

Total Postage From All Parts \$ 19,716.8030

Total Postage: \$ 19,716.80

Total Postage Affixed: \$ 10,707.3000

Net Postage Due: \$ 9,009.5000

Net Postage Adjustment Transaction Amount: \$ 9,009.50

For Extra Services and Other Fees

Total From Attached Form 3540-S N/A

Total Postage \$ 19,716.80

Total Incentive/Discount Claimed \$ -106.3300

\* May contain both Full Service Intelligent Mail and other discount - see Instructions page for additional information.

## USPS Use Only

Perform Verification:	Verification data not available at this time.		
One Pass/Two Pass Verification			
Received:	Error Percentage:	Additional Postage:	\$ 0.00
A/R/C:	Cost Avoidance:	Verifying Employee's Name:	
Total Additional Postage:	\$ 0.00	Number of Reworked Pieces:	

## ATTACHMENT C



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**


Dr. Robert A. Levy  
Town Manager  
Town of Pembroke Park  
Town Hall  
3150 SW 52nd Avenue  
Pembroke Park, FL 33023

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Dr. Levy:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*

December 11, 2017

**U.S. MAIL**

Edward Silva  
Village Manager  
Village of Palmetto Bay Municipal Center  
Office of the Village Manager  
9705 East Hibiscus Street  
Palmetto Bay, FL 33157

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Silva:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,



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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Town Clerk  
City of Palm Shores  
247 Edwards Lane  
Palm Beach Shores, FL 33404

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Sir/Madame:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Verdenia C. Baker  
County Administrator  
City of Palm Beach  
301 N. Olive Avenue  
West Palm Beach, FL 33401

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Administrator Baker:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**


Yvette Harrell  
City Manager  
City of Opa Locka  
780 Fisherman Street, 4th Floor  
Opa-locka, FL 33054

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Harrell:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*





**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

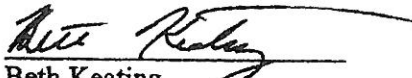
Leondrae Camel  
City Manager  
City of South Bay  
335 SW 2nd Avenue  
South Bay, FL 33493

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Camel:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Honorable Roberto Martell  
Mayor  
City of Medley  
7777 NW 72nd Avenue  
Medley FL 33166

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Mayor Martell:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Douglas C. Hoyt  
Town Manager  
City of Malabar  
2725 Malabar Road  
Malabar, FL 32950-4427

Re: **Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Hoyt:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Michael A. Boyle  
Superintendent of Public Works  
City of LaBelle  
P.O. Box 458  
LaBelle, FL 33975

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Superintendent Boyle:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Mark Ryan  
City Manager  
City of Indian Harbor Beach  
2055 South Patrick Drive  
Indian Harbor Beach, FL 32937

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Ryan:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: [bkeating@gunster.com](mailto:bkeating@gunster.com)

December 11, 2017

**U.S. MAIL**

Christopher Chinault  
Town Manager  
Town of Indialantic  
216 5th Avenue  
Indialantic, FL 32903

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Chinault:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*

December 11, 2017

U.S. MAIL

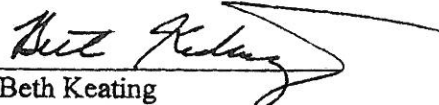
Dr. Wazir Ishmael  
City Manager  
City of Hollywood  
2600 Hollywood Boulevard, Room 419  
Hollywood, FL 33022

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Dr. Ishmael:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,



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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: [bkeating@gunster.com](mailto:bkeating@gunster.com)

December 11, 2017

U.S. MAIL

Charles T. Chapman IV  
County Administrator  
City of Hendry  
PO Box 2340  
LaBelle, FL 33975-2340

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Administrator Chapman:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*





**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: [bkeating@gunster.com](mailto:bkeating@gunster.com)

December 11, 2017

U.S. MAIL

Jason R. Nunemaker  
City Manager  
City of Fellsmere  
22 S. Orange Street  
Fellsmere, FL 32948-6700

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Nunemaker:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

St. Lucie County Public Library

Port St. Lucie Branch  
180 SW Prima Vista  
Port St. Lucie, FL 34983

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation  
study by Florida City Gas. *Case Synopsis*

Dear Sir/Madam:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

I would ask that you kindly place this document in a visible location and make this available for public review. Thank you for your assistance in this matter.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

St. Lucie County Public Library  
Port St. Lucie Branch  
180 SW Prima Vista  
Port St. Lucie, FL 34983

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation  
study by Florida City Gas. *Case Synopsis*

Dear Sir/Madam:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

I would ask that you kindly place this document in a visible location and make this available for public review. Thank you for your assistance in this matter.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Honorable Fred Spencer Deno IV  
Mayor  
The Village of Virginia Gardens  
6498 N.W. 38th Terrace  
Virginia Gardens, FL 33166

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Mayor Deno:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Yocelyn Galiano  
Village Manager  
Village of Pinecrest  
Office of the Village Manager  
12645 Pinecrest Parkway  
Pinecrest, FL 33156

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Galiano:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



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FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

James R. O'Connor  
City Manager  
City of Vero Beach  
P. O. Box 1389  
Vero Beach, FL 32961-1389

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager O'Connor:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*

December 11, 2017

**U.S. MAIL**

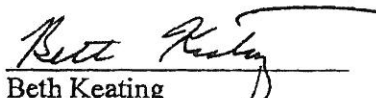
Howard Tipton  
County Administrator  
St. Lucie County  
St. Lucie County BOCC  
2300 Virginia Avenue  
Fort Pierce, FL 34982

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Administrator Tipton:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Russ Blackburn  
City Manager  
City of Port St. Lucie  
121 S.W. Port St. Lucie Blvd  
Port St. Lucie, FL 34984

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Blackburn:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



for a permanent increase in rates, as well as an interim increase in rates pending the Commission's decision in this case. The Commission is the agency, under Florida law<sup>1</sup>, charged with setting and regulating the rates, fees, and services of Florida utilities and will review the Company's request. The Docket Number assigned by the Commission for this proceeding is Docket No. 20170179-GU.

The Company is asking that the Commission allow the Company to increase its rates and charges to the extent necessary to generate additional gross annual revenues in the amount of \$19.3 million, which will enable the Company to continue to provide safe, reliable natural gas service at a level the customers have come to expect, and to approve the Company's depreciation study also submitted herewith in support of the Company's requested increase. The requested increase will provide FCG with a reasonable opportunity to earn a fair rate of return of 6.32 percent on the Company's plant and property used to serve its customers and an 11.25 percent midpoint rate of return on FCG's common equity. The Company's request for interim relief seeks permission to implement a temporary increase in an amount necessary to generate additional revenues in the amount of \$4,893,061, for the interim period before permanent rates and charges go into effect in accordance with the Commission's final determinations in this proceeding.

The Commission will utilize a "test year" for purposes of setting rates for FCG. The Company has used a projected test year of January 1, 2018 through December 31, 2018 for purposes of presenting its case, and believes this time period best represents actual conditions in effect at the time new rates will go into effect, as compared with other prior periods. The Company's jurisdictional 13-month average rate base for the test year period is projected to be \$-299.3 million. Without the requested rate increase, the jurisdictional net operating income for the Company in the same period is projected to be \$9.3 million. The projected rate of return is, consequently, projected to be 3.10 percent, while the return on common equity is projected to be 2.95 percent in the test year. As such, FCG asks that the Commission allow the Company an overall rate of return of 6.32 percent, including a mid-point ROE of 11.25 percent. The resulting revenue deficiency is \$15.8 million.

The Company is also seeking to include the existing Safety, Access, and Facility Enhancement program ("SAFE") distribution facility installations in rate base, consistent with

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<sup>1</sup> Chapter 366, Florida Statutes.

the Commission's prior decision on the Company's SAFE program. When the additional revenue requirement of \$3.5 million associated with SAFE installments is included, as contemplated by Commission order and as further discussed herein, this results in a total revenue increase request of \$19.3 million. It should, however, be noted that moving the SAFE investments into rate base is ultimately bill neutral for FCG's customers, as well as revenue neutral to the Company, because FCG is also proposing to make a corresponding adjustment to reduce the current SAFE surcharge.

### III. Interim Request

FCG is also asking for an interim increase in its retail rates and charges in an amount necessary to generate additional revenues in the amount of \$4,893,061. This proposed interim increase would be effective during the interim period while the case is processed and before permanent rates and charges go into effect in accordance with the Commission's final determinations in this proceeding. The requested amount is based upon actual data derived from the preceding or "historic" test year with an ending date of December 31, 2016. For that period, the Company's annual revenue deficiency is \$4,893,061 based upon a historic test year rate base of \$209,312,678. The Commission will consider the Company's request for interim rate relief at its December 12, 2017, Agenda Conference. If the request is granted, any interim increase will be placed into effect subject to refund, with interest, if at the conclusion of this proceeding, the Commission determines that some or all of the increase was not justified.

### IV. Reasons for Request - Key Factors

As further set forth in the testimony and exhibits of FCG's witnesses, there are three key drivers for FCG's request in this proceeding: (1) capital investments to enhance the safety and reliability of FCG's distribution system; (2) capacity challenges, which have prompted FCG to develop a liquefied natural gas ("LNG") strategy; and (3) the challenges associated with an aging workforce and the costs associated with proactively addressing the pending skills and knowledge gap. Significant investments have been made by FCG to its system in response to federal regulatory changes regarding safety of natural gas facilities. FCG has also made investments to improve the reliability of its system and to enhance the ability of its employees to access facilities for maintenance and repairs, as well as to extend facilities to provide natural gas service

to customers who would otherwise be unable to obtain such service. As further addressed herein, and in the testimony and exhibits of FCG's witnesses, the Company is also faced with capacity challenges that it proposes to address through a two-pronged approach involving the purchase of additional interstate pipeline capacity and the construction of an LNG "peaking" unit. FCG has also invested significantly to provide enhanced training opportunities for development and retention of highly skilled and highly specialized personnel in response to the challenges of an aging workforce.

In order to continue to provide, in the face of these challenges, "reasonably sufficient, adequate, and efficient service," as required by Section 366.03, Florida Statutes, FCG must be able to not only recover its cost to serve, but also attract capital at reasonable rates and offer a fair return for its investors. Without a rate increase, FCG will be unable to provide the level of service required by statute and will also be unable to meet its obligations to its investors. Thus, FCG is asking that this Commission allow the Company to increase its rates and charges enough to provide a total increase in annual revenues of \$19.3 million.

FCG's current rates were established by the Commission back in 2004, in Docket No. 20030569-GU, by Order No. PSC-2004-0128-PAA-GU, issued February 9, 2004, using a test year ending September 30, 2004.

Since that time, FCG has maintained its focus on the customer as reflected by its service quality, while also effectively managing its costs such that it has been able to avoid seeking a base rate increase for nearly 14 years. As set forth in the testimony and exhibits of FCG's witnesses, cost saving measures, such as becoming a part of the AGL Resources Inc. (AGLR) shared services model and FCG's deployment of various technology solutions, have created significant operational efficiencies that have helped the Company maintain its rates at the same level over this extended period. The Company has seen, however, an increase in its cost to serve customers, which has contributed to its declining rate of return. At present, the Company's current rates and charges no longer allow it to earn a fair and reasonable rate of return nor do they yield reasonable compensation for services provided, which FCG is entitled to under Section 366.06(3), Florida Statutes. As of June 2017, FCG was earning an overall rate of return of 4.86% on a pro forma adjusted basis with an ROE of 7.91%, excluding the AGLR acquisition adjustment and associated regulatory assets, and a mere 6.46% with the acquisition adjustment and regulatory assets included.

Without the requested revenue increase, FCG projects that its overall rate of return will fall to 3.10%, well below its currently authorized rate of return of 6.27%. As such, FCG's ability to continue to provide consistent reliable service at the level to which our customers expect and deserve will be jeopardized.

To produce the requested permanent revenue increase, the Company has also filed revised tariff schedules which include the requested rate increases. The adjustments to the various rates and charges, and the changes made to the different rate classes, are based upon a cost of service study, which was then used to allocate costs across the Company's different rate classes. While revisions vary from rate class to rate class, a typical residential customer would see a total bill increase of \$1.73/month, which equates to a 6.4% increase to their bill, with SAFE and gas costs (PGA) included. A comparison of the present and proposed rates is attached to this Synopsis as Appendix A, along with a copy of the Executive Summary submitted with the Company's filing at the Commission.

#### V. Additional Requests

In addition to the requested rate increase, the Company is also seeking Commission approval to take several additional items and actions, including:

- 1) Approval of the Company's Depreciation Study;
- 2) Authorization to make certain adjustments to its rate structure, namely to create residential and commercial classes, to consolidate certain industrial rate classes, and eliminate or close certain rate classes and riders;
- 3) Authorization to make certain changes to its customer charges, including adding new customer charges, such as a Failed Trip Charge, which will help reduce upward pressure on base rates by assessing the charges directly to the customers that cause the underlying cost;
- 4) Authorization to implement the proposed Economic Development Extension Program, to encourage new business growth by making it more economically feasible to extend service to new customers;
- 5) Authorization to revise its transportation service tariff to allow it to expand the allocation of its capacity costs to include an amount to be allocated to Third Party Shippers who serve transportation customers on the Company's system;

- 6) Authorization to establish a storm reserve to better allow it to address storm damages expeditiously without incurring significant financial harm; and
- 7) Authorization to construct and include in rate base a new, liquefied natural gas (LNG) facility to help address the Company's concerns regarding limitations on capacity, which could impact its ability to serve customers.

VI. Rate Making Process

The Company has filed detailed accounting and financial schedules, based upon the projected and historic test years, which are called Minimum Filing Requirements or "MFRs". The Company has also filed a formal Petition making its request to the Commission, along with written, prefiled testimony and exhibits of its witnesses, who explain and support the Company's analysis of rate base, capital structure, achieved and required net operating income, adjustments to expenses and rate base, tariff changes, including the economic development plan, quality of service, and other pertinent issues.

The Commission will address the Company's request through a full hearing process. This process will include customer meetings in Coral Gables, Melbourne, and Port St. Lucie to receive testimony from the Company's customers regarding the Company's quality of service and other matters pertinent to the Company's requested rate increase.

Key issues in the case are likely to include:

1. What is the appropriate test year for setting base rates?
2. What is FCG's test year rate base?
3. What is FCG's cost of capital?
4. What is FCG's test year net operating income?
5. Is FCG's cost of service methodology appropriate?
6. What are the appropriate rate levels for each customer class?

Specific issues will be identified in a prehearing order issued by the Commissioner assigned as Prehearing Officer for the case.

Upon completion of the customer meetings and the formal hearing (scheduled for March 26-30, 2018, in Tallahassee), the Commission's professional staff will prepare a recommendation based upon the evidence presented addressing what rate relief, if any, is appropriate for the Company. The Commission's staff is composed of attorneys, engineers, accountants, rate and

finance analysts, and consumer affairs specialists. The Commission will review and take action on their staff's recommendation and thereafter, an Order addressing the Company's request will be issued. A panel of three Commissioners has been assigned to decide this case. Currently, the Commission is scheduled to make a determination regarding the Company's revenue requirement on June 5, 2018 at 1:30 p.m., with a final determination regarding the appropriate new rates to be made on June 19, 2018, beginning at 9:30 a.m. They will base their decisions on all issues in the case upon the evidence that is received.

In addition to the Commission's professional staff, the Office of Public Counsel has intervened in this docket and will be analyzing the documents and testimony submitted by the Company, as well as any additional information produced through the formal discovery process or as a result of the audit that will be conducted by Commission audit staff. The Office of Public Counsel may be contacted at: Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, FL 32399-1400.

Customer meetings have been scheduled in Coral Gables, Melbourne, and Port St. Lucie, as follows:

January 23, 2018, 6:00 pm (EST)  
Coral Gables City Hall  
Commission Chambers  
405 Biltmore Way  
Coral Gables, FL 33134

January 24, 2018, 9:00 am (EST)  
PSL Civic Center  
9221 Civic Center Place  
Port St. Lucie, FL 34953

January 24, 2018, 6:00 pm (EST)  
Brevard County Governmental Center  
Commission Chambers  
2725 Judge Fran Jamieson Way  
Viera (Melbourne), FL 32940

Customers are urged to be present at the beginning of the meeting, since customer meetings may be adjourned once all customers present have been allowed to speak. One or more Commissioners may be present at the customer meetings.

Currently, the schedule for this proceeding is as follows:

*DOCKET NO. 20170179-GU*

(1) Florida City Gas's testimony and exhibits	October 23, 2017 (complete)
(2) Intervenor's testimony and exhibits	February 1, 2018
(3) Service Hearings	January 23-24, 2018
(4) Commission Staff's testimony and exhibits	February 7, 2018
(5) Rebuttal testimony and exhibits	February 16, 2018
(6) Prehearing Statements	March 5, 2018
(7) Discovery deadline	March 9, 2018
(8) Prehearing Conference	March 12, 2018
(9) Hearing	March 26-30, 2018
(10) Briefs	April 13, 2018

More detailed information regarding the Company's requested rate increase is included in the Company's MFRs, which can be reviewed at the Company's offices in the following locations:

Doral Office

4045 N.W. 97th Avenue  
Doral, FL 33178-2300 USA  
(9:00 a.m. – 5:00 p.m.)

Brevard Service Center

4180 South US Highway 1  
Rockledge, Florida 32955-5309  
(9:00 a.m. – 5:00 p.m.)

The Company's MFRs and a synopsis of the case can also be reviewed at the following location during normal operating hours:

St. Lucie County Public Library

Port St. Lucie Branch  
180 SW Prima Vista  
Port St. Lucie, FL 34983  
(772) 871-5450

A detailed synopsis of the case can also be reviewed at the following locations during normal operating hours:

Central Brevard Library

Attention: Director



*DOCKET NO. 20170179-GU*

308 Forrest Avenue  
Cocoa, FL 32922  
(321) 633-1792

Hialeah John F. Kennedy  
Memorial Library  
Attention: Director  
190 W. 49 Street  
Hialeah, FL 33012  
(305) 819-9140

Miami Dade Main Library  
Attention: Director  
101 West Flagler Street  
Miami, FL 33128  
(305) 375-2665

Broward County Main Library  
Attention: Director  
100 S. Andrews Avenue  
Ft. Lauderdale, FL 33301  
(954) 357-7444

Palm Beach County Library  
Belle Glade Branch  
530 South Main Street  
Belle Glade, FL 33430  
(561) 996-3453

St. Lucie County Public Library  
Port St. Lucie Branch  
180 SW Prima Vista  
Port St. Lucie, FL 34983  
(772) 871-5450

Martin County Public Library  
Hoke Library  
1150 NW Jack Williams Way  
Jensen Beach, FL 34957  
(772) 443-2870

Indian River County Public Library  
1600 21st Street  
Vero Beach, FL 32960



***DOCKET NO. 20170179-GU***

Any customer comments regarding the Company's service or the proposed rate increase should include the docket number assigned to this case, Docket No. 20170179-GU, and should be addressed to:

Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

You may also contact the Commission at their toll free number: **1-800-342-3552**.

Company personnel may be contacted to answer any questions concerning the rate request at the address shown on your bill, by visiting the Company's website: [www.floridacitygas.com](http://www.floridacitygas.com), or by calling the following telephone number: 1-888-284-5072 (available between the hours of 8:00 a.m. and 5:00 p.m. EST).

**APPENDIX A**  
**FLORIDA CITY GAS**  
**COMPARISON OF CURRENT AND PROPOSED RATES**



The Company is proposing revisions to its customer classes and rate schedules. The Company proposes to create separate rate schedules for Residential and Commercial customers, which will allow for more accurate allocation of costs to each class of customers. The Company also proposes three standard rate schedules for Residential customers (RS-1, RS-100 and RS-600) and to decrease the number of standard rate schedules for Commercial customers from eight to three (GS-1, GS-6K and GS-25K), which simplifies the process of classifying and administering customer accounts, and it maintains appropriate grouping of customers for cost of service allocations. In addition, FCG proposes to consolidate GS-120K and GS-250K into one GS-120K rate schedule and add two new rate schedules above the GS-1250K consumption level: GS-11M and GS-25M.

FCG also proposes to eliminate the FGS rate schedule, as well as the LED and AFD riders. The Company proposes to close the LES and KDS rate schedules to any new accounts. The GS-11M and GS-25M rate schedules are designed to meet the needs of future customers.

In addition, the Company notes that the Off-System Sales and Contract Demand Service are not included for comparison purposes, as the rates for these classes are established through negotiation. The following table provides information to enable customers to compare current proposed rates in the current and proposed rate classes.

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
GS-1	\$8.00	\$0.56213	No change	\$0.74751	RS-1	\$12.00	\$0.55220
GS-100	\$9.50	\$0.55248	No change	\$0.65758	RS-100	\$15.00	\$0.43120
GS-220	\$11.00	\$0.49531	No change	\$0.60246	RS-100	\$15.00	\$0.43120
GS-600	\$12.00	\$0.43663	No change	\$0.49869	RS-600	\$20.00	\$0.37559
GS-1.2K	\$15.00	\$0.31715	No change	\$0.35507	RS-600	\$20.00	\$0.37559
Gas Light	\$0.00	\$0.59535	No change	\$0.65605	Gas Light	\$0.00	\$0.4000
GS-1	\$8.00	\$0.56213	No	\$0.74751	GS-1	\$25.00	\$0.4262

DOCKET NO. 20170179-GU

Rate Class	PRESENT RATES			INTERIM RATES			PROPOSED RATES			
	Customer Charge	Distr. Charge/Therm		Customer Charge	Distr. Charge/Therm		New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm	
				change						
GS-100	\$9.50	\$0.52248		No change	\$0.65758		GS-1	\$25.00	\$0.4262	
GS-220	\$11.00	\$0.49531		No change	\$0.60246		GS-1	\$25.00	\$0.4262	
GS-600	\$12.00	\$0.43663		No change	\$0.49869		GS-1	\$25.00	\$0.4262	
GS-1.2K	\$15.00	\$0.31715		No change	\$0.35507		GS-1	\$25.00	\$0.4262	
GS-6K	\$30.00	\$0.27487		No change	\$0.30647		GS-6K	\$35.00	\$0.3785	
GS-25K	\$80.00	\$0.27618		No change	\$0.30740		GS-25K	\$150.00	\$0.3571	
GS-60K	\$150.00	\$0.27477		No change	\$0.30449		GS-25k	\$150.00	\$0.3571	
NGV	\$15.00	\$0.23232		No change	No change		NGV	\$25.00	\$0.4262	
RSG	\$16.81	\$0.000/Therm (up to 14 therms)	\$0.52248 /per therm (over 14 terms)				RSG	No change	No change	No change
		Distribution Charge/ Therm	Demand Charge/ Therm		Distribution Charge/ Therm	Demand Charge/ Therm			Distrib. Charge/ Therm	Demand Charge/ Therm
GS-120k	\$250.00	\$0.18084	\$0.289		\$0.20277	No change	GS-120K	\$300.00	\$0.3172	\$0.575
GS-250K	\$300.00	\$0.17191	\$0.289		\$0.19261	No change	GS-120K	\$300.00	\$0.3172	\$0.575
GS-1250K	\$500.00	\$0.12225	\$0.289		\$0.13732	No change	GS-1250K	\$500.00	\$0.1606	\$0.575
GS-11M	N/A	N/A	N/A				GS-11 M	\$1,000.00	\$0.0800	\$0.575
GS-25M	N/A	N/A	N/A				GS-25	\$2,000.00	\$0.0400	\$0.575
TPS Shippers	\$400.00	\$5.92/customer					TPS (Shippers)	\$400.00	\$6.07/customer	
Connect Charge	\$50.00			\$50.00			\$80.00			

DOCKET NO. 20170179-GU

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
(Residential)							
Connect Charge (Non-residential)	\$110.00		\$110.00			\$150.00	
Connect Charge (Residential – Outside regular business hours)	\$50.00		\$50.00			\$100.00	
Connect Charge (Non-residential- outside regular business hours)	\$110.00		\$110.00			\$200.00	
Reconnection Charge (residential)	\$37.00		\$37.00			\$40.00	
Reconnection (Residential - outside regular business hours)	\$37.00		\$37.00			\$50.00	
Reconnection (Non residential – outside regular business hours)	\$80.00		\$80.00			\$100.00	
Returned Check Charge	\$25.00 or 5%, whichever					Additional service charge of	

DOCKET NO. 20170179-GU

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
	is greater					\$25 if the face value does not exceed \$50, \$30 if the face value exceeds \$50 but does not exceed \$300, \$40 if the face value exceeds \$300, or 5 percent of the face amount of the dishonored instrument, whichever is greater.	
Failed Trip Charge	\$0					\$20	
Late Payment Charge	1.5% or \$5.00					1.5% or \$5.00 whichever is greater. Late Payment Charge applied to the accounts of government al entities shall be at a rate no greater than allowed by	

DOCKET NO. 20170179-GU

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
						applicable law.	
Change of Account	\$20.00		\$20.00			\$25.00	
Bill Collection in lieu of disconnection	\$20.00		\$20.00			\$25.00	
Temporary Disconnection	\$25.00		\$25.00			\$35.00	
Temporary Disconnect (Outside regular business hours)	\$25.00		\$25.00			\$45.00	

**APPENDIX B**

**FLORIDA CITY GAS**

**Schedule A – Executive Summary Schedules**





PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU  
MINIMUM FILING REQUIREMENTS  
INDEX

SCHEDULE		EXECUTIVE SUMMARY	
NO.	WITNESS	TITLE	PAGE
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A-3 p. 1	M. J. MORLEY	ANALYSIS OF JURISDICTIONAL RATE BASE	5
A-4 p. 1	M. J. MORLEY	ANALYSIS OF JURISDICTIONAL N. O. I.	6
A-5 p. 1	M. J. MORLEY	OVERALL RATE OF RETURN COMPARISON	7
A-6 p. 1	M. J. MORLEY	FINANCIAL INDICATORS	8

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE MAGNITUDE  
OF CHANGE - PRESENT vs PRIOR RATE CASE.

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 8/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 8/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU

Line No.	Item	LAST RATE CASE										
		HISTORICAL			ATTRITION			PROJECTED TEST YEAR				
		(1)*	(2)*	(3)*	(4)*	(5)*	(6)*	(7)*	(8)*	(9)	(10)**	(11)**
		Historical	Attrition	Total	Projected Test Year	Historical	Attrition	Total	Projected Test Year	Projected Test Year	Dollar or Percent Difference	Percentage Change
									08/30/04	12/31/2018		
1	DOCKET NUMBER	n/a	n/a	n/a	030569 -GU	n/a	n/a	n/a	030569 -GU	20170179-GU		
2	HISTORICAL DATA OR TEST YEAR	:	:	:	08/30/02	:	:	:	08/30/02	12/31/18		
3	PROJECTED TEST YEAR	:	:	:	08/30/04	:	:	:	08/30/04	12/31/18		
4	RATE INCREASE - PERMANENT	:	:	:	\$10,468,305	:	:	:	\$9,699,855	\$15,791,812	\$9,082,157	135.71%
5	RATE INCREASE - INTERIM	:	:	:	\$3,548,987	:	:	:	\$2,842,306	\$4,893,061	\$1,950,755	68.30%
6	JURISDICTIONAL RATE BASE BEFORE RATE RELIEF	:	:	:	\$123,421,819	:	:	:	\$119,697,447	\$299,278,151	\$179,380,704	149.61%
7	JURISDICTIONAL N.O.L BEFORE RATE RELIEF	:	:	:	\$3,598,957	:	:	:	\$4,721,534	\$8,280,482	\$4,568,948	86.77%
8	RATE OF RETURN BEFORE RATE RELIEF	:	:	:	2.81%	:	:	:	3.84%	3.10%	-0.84%	-21.32%
9	SYSTEM CAPITALIZATION	:	:	:	\$123,421,819	:	:	:	\$119,697,447	\$299,278,151	\$179,380,704	149.61%
10	OVERALL RATE OF RETURN	:	:	:	8.10%	:	:	:	7.36%	6.32%	-1.04%	-14.13%
11	COST OF LONG-TERM DEBT	:	:	:	6.43%	:	:	:	6.43%	4.68%	-1.77%	-27.53%
12	COST OF PREFERRED STOCK	:	:	:	n/a	:	:	:	n/a	n/a	n/a	n/a
13	COST OF SHORT-TERM DEBT	:	:	:	2.81%	:	:	:	3.80%	2.64%	-1.26%	-32.31%
14	COST OF CUSTOMER DEPOSITS	:	:	:	6.70%	:	:	:	6.70%	2.73%	-3.97%	-59.25%
15	COST OF COMMON EQUITY	:	:	:	11.25%	:	:	:	11.25%	11.25%	0.00%	0.00%
16	NUMBER OF CUSTOMERS - AVERAGE	:	:	:	101,807	:	:	:	101,807	106,503	7,696	7.56%
17	DATE NEW PERMANENT RATES EFFECTIVE	:	:	:	(A)	:	:	:	(A)	(A)		

(A) AS DETERMINED BY THE "FILE AND SUSPEND" PROVISIONS OF SECTION 366.08 (4), FLORIDA STATUTES.

\* IF COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3) AND COLUMNS (5) - (7) UNDER THE HEADING "LAST RATE CASE". IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMNS (4) AND (8) UNDER THE HEADING "LAST RATE CASE".

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (7). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (8).

SUPPORTING SCHEDULES: A-1, A-5, D-1, F-7; G-3 p2; G-5

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF PERMANENT RATE INCREASE REQUESTED

TYPE OF DATA SHOWN:

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 09/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

DOCKET NO. 20170179-GU

WITNESS: M. J. MORLEY

Line No.	Description		Increase in Gross Revenue Dollars	% of Total
1	RESTORE ADJUSTED NET OPERATING INCOME TO PREVIOUSLY ALLOWED OVERALL RATE OF RETURN OF	7.38%	\$ 10,198,776	84.58%
2	INCREASE IN REQUESTED OVERALL RATE OF RETURN TO	6.32%	(3,667,451)	(23.22%)
3	EFFECT OF PROJECTED TEST YEAR		<u>9,280,487</u>	<u>58.64%</u>
4	TOTAL PERMANENT RATE INCREASE REQUESTED		<u>\$ 15,791,812</u>	<u>100.00%</u>

SUPPORTING SCHEDULES: D-1, G-5

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF JURISDICTIONAL RATE BASETYPE OF DATA SHOWN:  
HISTORIC TEST YEAR LAST CASE: 9/30/02  
ATTRITION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 9/30/04  
PROJECTED TEST YEAR CURRENT CASE: 12/31/18  
WITNESS: M. J. MORLEYCOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU

LINE NO.	Description	RATE BASE DETERMINED BY COMMISSION IN LAST RATE CASE				RATE BASE REQUESTED BY COMPANY IN CURRENT CASE	(6) <sup>***</sup> Dollar Difference	(7) <sup>***</sup> Percent Difference
		(1) <sup>*</sup> Historical	(2) <sup>*</sup> Attrition	(3) <sup>*</sup> Total	(4) <sup>*</sup> Projected Test Year 9/30/2004	(5) Projected Test Year 12/31/2018		
	<b>UTILITY PLANT</b>							
1	GAS PLANT IN SERVICE	n/a	n/a	n/a	198,324,265	429,446,193	231,121,928	116.54%
2	COMMON PLANT ALLOCATED	:	:	:	3,351,037	4,959,263	1,608,226	47.99%
3	ACQUISITION ADJUSTMENT	:	:	:	1,492,897	21,656,835	20,164,138	1380.81%
4	PLANT HELD FOR FUTURE USE	:	:	:			-	0.00%
5	CONSTRUCTION WORK IN PROGRESS	:	:	:	6,452,439	30,862,948	24,510,509	379.86%
6	GROSS UTILITY PLANT	:	:	:	209,590,438	487,025,239	277,434,801	132.37%
	<b>DEDUCTIONS</b>							
7	ACCUMULATED DEPRECIATION - UTILITY PLANT	:	:	:	84,776,445	177,918,948	93,142,503	109.87%
8	ACCUM. DEPRECIATION - COMMON PLANT ALLOCATED	:	:	:	2,468,493	918,038	(1,550,455)	(62.81%)
9	ACCUM. AMORTIZATION - ACQUISITION ADJUSTMENTS	:	:	:	226,472	9,865,892	9,639,420	4256.34%
10	CUSTOMER ADVANCES FOR CONSTRUCTION	:	:	:	-	-	-	0.00%
11	TOTAL DEDUCTIONS	:	:	:	87,471,410	188,702,878	101,231,468	115.73%
12	UTILITY PLANT, NET	:	:	:	122,119,028	298,322,361	176,203,333	144.29%
13	ALLOWANCE FOR WORKING CAPITAL	:	:	:	(2,221,581)	955,790	3,177,371	(143.02%)
14	RATE BASE	:	:	:	119,897,447	299,278,151	179,380,704	149.61%

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).  
IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

SUPPORTING SCHEDULES: G-1 p.1

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF JURISDICTIONAL NET OPERATING INCOMECOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 2017179-GUTYPE OF DATA SHOWN:  
HISTORIC TEST YEAR LAST CASE: 9/30/2002  
ATTRITION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 9/30/04  
PROJECTED TEST YEAR CURRENT CASE: 12/31/16

WITNESS: M. J. MORLEY

LINE NO.	Description	NET OPERATING INCOME DETERMINED BY COMMISSION IN LAST RATE CASE				NET OPERATING INCOME REQUESTED BY COMPANY IN CURRENT CASE	(5) <sup>**</sup> Dollar Difference	(7) <sup>**</sup> Percent Difference
		(1) <sup>*</sup>	(2) <sup>*</sup>	(3) <sup>*</sup>	(4) <sup>*</sup>	(5)		
		Historical	Attrition	Total	Projected Test Year 9/30/2004	Projected Test Year		
1	OPERATING REVENUES (A)	n/a	n/a	n/a	38,222,074	53,847,331 <sup>1</sup>	15,625,257	40.88%
	OPERATING REVENUE DEDUCTIONS:	:	:	:				
2	OPERATING & MAINTENANCE EXPENSE	:	:	:	22,906,548	22,903,906	(2,640)	-0.01%
3	DEPRECIATION & AMORTIZATION EXPENSE	:	:	:	7,937,786	16,603,266	8,665,480	109.17%
4	TAXES OTHER THAN INCOME	:	:	:	2,297,926	2,900,348	602,421	26.22%
5	INCOME TAXES (FEDERAL & STATE)	:	:	:	358,280	2,148,328	1,781,048	499.90%
6	TOTAL OPERATING EXPENSES	:	:	:	33,500,540	44,556,849	11,056,309	33.00%
7	NET OPERATING INCOME (B)	:	:	:	4,721,534	9,290,482	4,568,948	96.77%

(A) EXCLUDES FUEL &amp; CONSERVATION REVENUE

(B) BEFORE RATE RELIEF

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).  
IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE  
THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON  
A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

SUPPORTING SCHEDULES: G-2 p.1

RECAP SCHEDULES: A-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING  
OVERALL RATE OF RETURN COMPARISON

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 9/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 9/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU

WITNESS: M. J. MORLEY

Line No.	Item	Dollars	Ratio	Embedded Cost	Weighted Cost
<u>LAST RATE CASE (AUTHORIZED)*</u>					
1	COMMON EQUITY	44,083,240	38.77%	11.25%	4.14%
2	PREFERRED STOCK	-	0.00%	n/a	0.00%
3	LONG-TERM DEBT	48,347,307	40.32%	6.43%	2.59%
4	SHORT-TERM DEBT	9,252,522	7.72%	3.90%	0.30%
5	CUSTOMER DEPOSITS	5,833,009	4.86%	6.70%	0.33%
6	TAX CREDITS	538,361	0.45%	0.00%	0.00%
7	DEFERRED TAXES	11,845,018	9.88%	0.00%	0.00%
8	TOTAL CAPITALIZATION	<u>119,897,457</u>	<u>100.00%</u>		<u>7.36%</u>
<u>CURRENT RATE CASE (REQUESTED)</u>					
9	COMMON EQUITY	115,745,170	38.67%	11.25%	4.35%
10	PREFERRED STOCK	-	0.00%	n/a	0.00%
11	LONG-TERM DEBT	115,217,944	38.50%	4.66%	1.79%
12	SHORT-TERM DEBT	15,814,600	5.28%	2.64%	0.14%
13	CUSTOMER DEPOSITS	3,888,281	1.30%	2.73%	0.04%
14	TAX CREDITS	-	0.00%	0.00%	0.00%
15	DEFERRED TAXES	48,812,155	16.24%	0.00%	0.00%
16	TOTAL CAPITALIZATION	<u>299,278,150</u>	<u>100.00%</u>		<u>6.32%</u>

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, REPORT THE CAPITAL STRUCTURE FOR THE ATTRITION YEAR. IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, REPORT THE CAPITAL STRUCTURE FOR THE PROJECTED TEST YEAR.

## SCHEDULE A-6

## EXECUTIVE SUMMARY

PAGE 1 OF 1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
DB/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

EXPLANATION: PROVIDE A SUMMARY OF FINANCIAL INDICATORS AS SPECIFIED  
BELOW FOR THE HISTORIC DATA BASE YEAR OF THE LAST RATE CASE, HISTORIC  
DATA BASE YEAR FOR THIS CASE, AND THE YEAR IMMEDIATELY FOLLOWING THE  
PRESENT HISTORIC DATA BASE YEAR.TYPE OF DATA SHOWN:  
HISTORIC TEST YEAR LAST CASE: 9/30/02  
ATTENTION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 9/30/04  
PROJECTED TEST YEAR CURRENT CASE: 12/31/18  
WITNESS: M. J. MORLEY

LINE NO.	INDICATORS	2002 (1) DATA FROM HISTORIC BASE YR OR TY RELATED TO COMPANY'S PRIOR CASE	2016 (2) DATA FROM HISTORIC BASE YEAR RELATED TO COMPANY'S CURRENT CASE	2017 (3) YEAR AFTER CURRENT HISTORIC BASE YEAR WITHOUT ANY RATE INCREASE	2018 (4) PROJECTED TEST YEAR WITHOUT ANY RATE INCREASE	2018 (5) PROJECTED TEST YEAR INCLUDING REQUESTED RATE INCREASE
INTEREST COVERAGE RATIOS:						
1	INCLUDING AFUDC IN INCOME BEFORE INTEREST CHARGES	1.48	4.39	3.31	2.28	5.21
2	EXCLUDING AFUDC FROM INCOME BEFORE INTEREST CHARGES	1.48	4.39	3.31	2.28	5.21
OTHER FINANCIAL RATIOS:						
3	AFUDC AS A PERCENT OF INCOME AVAILABLE FOR COMMON	0.00%	0.00%	0.00%	0.00%	0.00%
4	PERCENT OF CONSTRUCTION FUNDS GENERATED INTERNALLY	22.96%	74.33%	63.03%	22.32%	32.06%
PREFERRED DIVIDEND COVERAGE:						
5	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
6	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
RATIO OF EARNINGS TO FIXED CHARGES:						
7	INCLUDING AFUDC	1.48	4.39	3.31	2.28	5.21
8	EXCLUDING AFUDC	1.48	4.39	3.31	2.28	5.21
EARNINGS PER SHARE:						
9	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
10	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
11	DIVIDENDS PER SHARE	N/A	N/A	N/A	N/A	N/A

SUPPORTING SCHEDULES: D-11 p.1-3, G-3 p.8-11

RECAP SCHEDULES:

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Rate Case Synopsis has been served by U.S. Mail this 11th day of December, 2017, upon the following:

Lomax Harrelle City Manager City of Belle Glade 110 Dr. Martin Luther King Jr. Blvd W. Belle Glade, FL 33430	Frank Abbate Interim County Manager City of Brevard 2725 Judge Fran Jamieson Way, Bldg. C Viera, FL 32940
Bertha Henry County Administrator City of Broward 115 S. Andrews Ave., Room 409 Fort Lauderdale, FL 33301	David L. Greene City Manager City of Cape Canaveral P.O. Box 326 Cape Canaveral, FL 32920
Al Perry City Manager City of Clewiston 115 W Ventura Avenue Clewiston, FL 33440	John Titkanich City Manager City of Cocoa 65 Stone Street Cocoa, FL 32922
James "Jim" McKnight City Manager City of Cocoa Beach 2 S. Orlando Avenue Cocoa Beach, FL 32932-2430	Cathy Swanson-Rivenbark City Manager City of Coral Gables 405 Biltmore Way, First Floor Coral Gables, FL 33134
Rafael G. Casals Town Manager Town of Cutler Bay 10720 Caribbean Boulevard, Suite 105 Cutler Bay, FL 33189	Edward A. Rojas City Manager City of Doral Government Center 8401 NW 53rd Terrace Doral, FL 33166
Jason R. Nunemaker City Manager City of Fellsmere 22 S. Orange Street Fellsmere, FL 32948-6700	Charles T. Chapman IV County Administrator City of Hendry PO Box 2340 LaBelle, FL 33975-2340
Carlos Hernandez Mayor City of Hialeah Office of the Mayor 501 Palm Avenue Hialeah, FL 33010	Yioset De La Cruz Mayor City of Hialeah Gardens 10001 NW 87th Avenue Hialeah Gardens, FL 33016



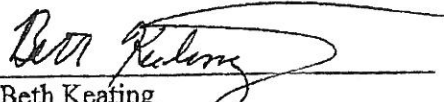
Dr. Wazir Ishmael City Manager City of Hollywood 2600 Hollywood Boulevard, Room 419 Hollywood, FL 33022	George Gretsas City Manager City of Homestead City Hall 100 Civic Court Homestead, FL 33030
Christopher Chinault Town Manager Town of Indialantic 216 5th Avenue Indialantic, FL 32903	Mark Ryan City Manager City of Indian Harbor Beach 2055 South Patrick Drive Indian Harbor Beach, FL 32937
Jason E. Brown County Administrator City of Indian River County Administration Office 1801 27th Street Vero Beach, FL 32960-3365	Taryn Kryzda County Administrator City of Jensen Beach 2401 SE Monterey Road Stuart, FL 34996
Michael A. Boyle Superintendent of Public Works City of LaBelle P.O. Box 458 LaBelle, FL 33975	Douglas C. Hoyt Town Manager City of Malabar 2725 Malabar Road Malabar, FL 32950-4427
Roberto Martell Mayor City of Medley 7777 NW 72nd Avenue Medley FL 33166	Mike McNees City Manager City of Melbourne City Hall, Fifth Floor 900 E. Strawbridge Avenue Melbourne, FL 32901
Head of Village Administration City of Melbourne Village 555 Hammock Road Melbourne Village, FL 32904	Daniel J. Alfonso City Manager City of Miami 444 SW 2nd Ave., 10th Floor Miami, FL 33130
Cameron Benson City Manager City of Miami Gardens 18605 NW 27th Avenue Miami Gardens, FL 33056	Alex Rey City of Miami Lakes Town Manager 6601 Main Street Miami Lakes, FL 33014
William Alonso City Manager City of Miami Springs 201 Westward Drive Miami Springs, FL 33166	Leondrae Camel City Manager City of South Bay 335 SW 2nd Avenue South Bay, FL 33493

<p>Carlos Gimenez Mayor City of Miami-Dade Office of the Mayor Stephen P. Clark Center 111 N.W. 1st Street, 29th Floor Miami, FL 33128</p>	<p>Joe Griffin City Manager City of Sebastian City Hall 1225 Main Street Sebastian, FL 32958</p>
<p>Kathleen Woods-Richardson City Manager City of Miramar Office of the City Manager 2300 Civic Center Place Miramar, FL 33025</p>	<p>Ana M. Garcia City Manager City of N. Miami Beach NMB City Hall, 4th Floor 17011 NE 19th Avenue North Miami Beach, FL, 33162</p>
<p>Larry M. Spring City Manager City of North Miami 776 NE 125 Street North Miami, FL 33161</p>	<p>Yvette Harrell City Manager City of Opa Locka 780 Fisherman Street, 4th Floor Opa-locka, FL 33054</p>
<p>Gregg Lynk City Manager City of Palm Bay City Manager's Office 120 Malabar Road Palm Bay, FL 32907</p>	<p>Verdenia C. Baker County Administrator City of Palm Beach 301 N. Olive Avenue West Palm Beach, FL 33401</p>
<p>Town Clerk City of Palm Shores 247 Edwards Lane Palm Beach Shores, FL 33404</p>	<p>Edward Silva Village Manager Village of Palmetto Bay Municipal Center Office of the Village Manager 9705 East Hibiscus Street Palmetto Bay, FL 33157</p>
<p>Dr. Robert A. Levy Town Manager Town of Pembroke Park Town Hall 3150 SW 52nd Avenue Pembroke Park, FL 33023</p>	<p>Russ Blackburn City Manager City of Port St. Lucie 121 S.W. Port St. Lucie Blvd Port St. Lucie, FL 34984</p>
<p>Dr. Brenda Fettrow City Manager City of Rockledge 1600 Huntington Lane Rockledge, FL 32955</p>	<p>Courtney H. Barker City Manager City of Satellite Beach 565 Cassia Boulevard Satellite Beach, FL 32937</p>

Steven Alexander City Manager City of South Miami City Hall, 1st Floor 6130 Sunset Drive South Miami, FL 33143	Howard Tipton County Administrator St. Lucie County St. Lucie County BOCC 2300 Virginia Avenue Fort Pierce, FL 34982
Orlando Lopez Mayor City of Sweetwater 500 S.W. 109 Avenue Sweetwater, FL 33174	Scott Larese City Manager City of Titusville P. O. Box 2806 Titusville, FL 32781-2806
James R. O'Connor City Manager City of Vero Beach P. O. Box 1389 Vero Beach, FL 32961-1389	Yocelyn Galiano Village Manager Village of Pinecrest Office of the Village Manager 12645 Pinecrest Parkway Pinecrest, FL 33156
Fred Spencer Deno IV Mayor The Village of Virginia Gardens 6498 N.W. 38th Terrace Virginia Gardens, FL 33166	Scott Morgan City Manager City of West Melbourne 2240 Minton Road, Second Floor West Melbourne, FL 32904
Yolanda Aguilar City Manager City of West Miami 901 SW 62 Avenue West Miami, FL 33144	
<u>Central Brevard Library</u> Attention: Director 308 Forrest Avenue Cocoa, FL 32922	<u>Hialeah John F. Kennedy</u> Memorial Library Attention: Director 190 W. 49 Street Hialeah, FL 33012
<u>Miami Dade Main Library</u> Attention: Director 101 West Flagler Street Miami, FL 33128	<u>Broward County Main Library</u> Attention: Director 100 S. Andrews Avenue Ft. Lauderdale, FL 33301
<u>Palm Beach County Library</u> Belle Glade Branch 530 South Main Street Belle Glade, FL 33430	<u>St. Lucie County Public Library</u> Port St. Lucie Branch 180 SW Prima Vista Port St. Lucie, FL 34983

<u>Martin County Public Library</u> Hoke Library 1150 NW Jack Williams Way Jensen Beach, FL 34957	<u>Indian River County Public Library</u> 1600 21st Street Vero Beach, FL 32960
<u>St. Lucie County Public Library</u> Port St. Lucie Branch 180 SW Prima Vista Port St. Lucie, FL 34983	<u>Doral Office</u> 4045 N.W. 97th Avenue Doral, FL 33178-2300 USA
<u>Brevard Service Center</u> 4180 South US Highway 1 Rockledge, Florida 32955-5309	

By: \_\_\_\_\_

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

4

## Composite Exhibit Melbourne

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 4  
PARTY: Service Hearing Exhibits- (Melbourne  
January 24, 2018)  
DESCRIPTION: FCG

HEARING EXHIBIT NO. 4

(Composite Exhibit – Melbourne  
A. Proof of Publication  
B. Proof of Mailing Customer Notice  
C. Proof of Mailing Synopsis)

Submitted by

**FLORIDA CITY GAS**

## ATTACHMENT A



Attn: TAMELA DANZEY  
SOUTHERN COMPANY GAS  
TEN PEACHTREE PLACE

ATLANTA, 30309

STATE OF FLORIDA COUNTY OF BREVARD:  
Before the undersigned authority personally appeared  
Becky Holland, who on oath says that he or she is a  
Legal Advertising Representative of the FLORIDA TODAY  
, a daily newspaper published in Brevard County, Florida  
that the attached copy of advertisement, being a Legal  
Ad in the matter of

**Legal Notices**

as published in FLORIDA TODAY in the issue(s) of:

01/05/18

Affiant further says that the said FLORIDA TODAY is a  
newspaper in said Brevard County, Florida and that the  
said newspaper has heretofore been continuously  
published in said Brevard County, Florida each day and  
has been entered as periodicals matter at the post office  
in MELBOURNE in said Brevard County, Florida, for a  
period of one year next preceding the first publication of  
the attached copy of advertisement; and affiant further  
says that he or she has never paid nor promised any  
person, firm or corporation any discount, rebate,  
commission or refund for the purpose of securing this  
advertisement for publication in the said newspaper.

Sworn to and Subscribed before me this 11th of January  
2018, by Becky Holland who is personally known to me

Adia Bell  
Notary Public for the State of Florida  
My Commission expires January 27, 2020

Publication Cost: \$188.68  
Ad No: 0002637734  
Customer No: 4045844915SOUT



Adia Bell  
NOTARY PUBLIC  
STATE OF FLORIDA  
Comm# FF954893  
Expires 1/27/2020

**PUBLIC NOTICE**

The Florida Public Service Commission  
announces a customer service hearing to  
be held in the following dockets, to  
which all interested persons and parties  
are invited to attend.

Docket No. 20170179-GU Petition for  
rate increase by Florida City Gas  
Tuesday, January 23, 2018 8pm EST  
Coral Gables City Hall  
Commission Chambers  
405 Biltmore Way  
Coral Gables, FL 33154  
Wednesday, January 24, 2018, 9am EST  
Port St. Lucie  
PSL Civic Center  
9221 Civic Center Place  
Port St. Lucie, FL 34953  
Wednesday, January 24, 2018, 6pm EST  
Melbourne Brevard County  
Governmental Center  
Commission Chambers  
2725 Judge Fran Jamieson Way  
Viera (Melbourne), FL 32940

The hearing will begin as scheduled and  
will continue until all witnesses have  
been heard. All persons who wish to  
present testimony are urged to appear  
at the beginning of the hearing since  
the hearing may be adjourned early in  
no witnesses are present to testify

**PURPOSE:**

To take testimony from the public on  
the quality and adequacy of Florida City  
Gas' (FCG) service and other matters re-  
lated to FCG's petition for a rate in-  
crease. All witnesses shall be subject to  
cross-examination at the conclusion of  
their testimony. In accordance with the  
Americans with Disabilities Act, persons  
needing accommodations to participate  
at this proceeding should contact the  
Office of Commission Clerk no later than  
five days prior to the hearing at 2540  
Shumard Oak Boulevard, Tallahassee, FL  
32399-0850 or call 1-850-413-6770. Any  
person who is hearing or speech im-  
paired should contact the Commission  
by using the Florida Relay Service, which  
can be reached at 1-800-955-8771.  
PUBLICATION: 1/5/2018

DUPLICATE



Treasure Coast Newspapers

TCPALM

The Stuart News

1939 SE Federal Highway, Stuart, FL 34994

**AFFIDAVIT OF PUBLICATION**

STATE OF FLORIDA

COUNTY OF MARTIN

Before the undersigned authority personally appeared, Natalie Zollar, who on oath says that she is Classified Inside Sales Manager of the Stuart News, a daily newspaper published at Stuart in Martin County, Florida: that the attached copy of advertisement was published in the Stuart News in the following issues below. Affiant further says that the said Stuart News is a newspaper published in Stuart in said Martin County, Florida, with offices and paid circulation in Martin County, Florida, and that said newspapers have heretofore been continuously published in said Martin County, Florida, daily and distributed in Martin, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she has neither paid or promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper. The Stuart News has been entered as Periodical Matter at the Post Offices in Stuart, Martin County, Florida and has been for a period of one year next preceding the first publication of the attached copy of advertisement.

<u>Customer</u>	<u>Ad Number</u>	<u>Copyline</u>	<u>PO #</u>
952605 - SOUTHERN COMPANY GAS	1872886	PUBLIC NOTICE The Florida Public Ser	

Pub Dates

January 5, 2018

January 5, 2018

January 5, 2018

Sworn to and subscribed before me this day of, January 05, 2018, by

*Natalie Zollar*

who is

Natalie Zollar

(X) personally known to me or

( ) who has produced \_\_\_\_\_ as identification.

*Karol E Kangas*

Karol Kangas

Notary Public



## Public Notices

**Notice** is hereby given that CRT Clips LLC, 470 Prado Terrace, Roswell, GA 30076, desiring to engage in business under the fictitious name of Great Clips, with its principal place of business in the State of Florida in the County of St. Lucie, intends to file an Application for Registration of Fictitious Name with the Florida Department of State, Public January 5, 2018 TCN 1842176

## PUBLIC NOTICE

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Problems for rate increase by Florida City Gas

Tuesday, January 23, 2018, 6pm EST  
Coral Gables City Hall  
Commission Chambers  
405 Baltimore Way  
Coral Gables, FL 33134

Wednesday, January 24, 2018, 6pm EST  
Port St. Lucie  
PSC Civil Center  
6201 Civic Center Place  
Port St. Lucie, FL 34953

Wednesday, January 24, 2018, 6pm EST  
McBourne Brevard County Governmental Center  
Commission Chambers  
2725 Judge Fran Jamieson Way  
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The hearing will begin as scheduled and will continue until all witnesses have been heard. All persons who wish to present testimony are urged to appear at the beginning of the hearing since the hearing may be adjourned early if no witnesses are present to testify.

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Port St. Lucie School Board will be attending a Treasure Coast Workgroup meeting on Friday, January 12, 2018 at 10:30 AM. The meeting will be held in the Superintendent's Conference Room, 12051 Copper Creek Road, Port St. Lucie, Florida 34967. PSC January 5, 2018 TCN 1842184

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3:00PM FRIDAY  
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For furnishing  
GENERATOR LEAK REPAIR AT  
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PSC January 5 and 10, 2018  
TCN 1871326

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Certificate No: 2010-3137  
Date of Issuance: May 27, 2010

Description of Property: NEW MONROVIA, LOTS 22 & 23, B.LK.11

Parcel ID: 29-30-41-042-413-00023.00000

Said property being in the County of Martin, State of Florida.

Name in which assessed: CRYSTAL LLC

Unless said certificate shall be redeemed according to law, the property described in such certificate shall be sold to the highest bidder, on the 17th day of January, 2018 at 10:30 AM in the MARTIN COUNTY COURTHOUSE COMPLEX, 1ST FLOOR OF THE CONSTITUTIONAL OFFICE BUILDING, JURY MANAGEMENT ROOM, 100 SE OCEAN BLVD, STUART, FL 34994. Property sold is subject to any additional outstanding taxes.

CAROLYN TIMMANN CLERK OF THE CIRCUIT COURT & COMPTROLLER  
Martin County, Florida  
/s/ Sue Korney  
Deputy Clerk

If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact Sue Korney, 100 SE OCEAN BLVD, STUART, FL 34994 at (772) 288-5554 within 2 working days of your receipt of this Notice of Application for Tax Deed; if you are seeing or voice impaired, call 711. December 15, 22, 29, 2017 and January 5, 2018  
TCN 1842267

Buy & Sell! 

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## ATTACHMENT B

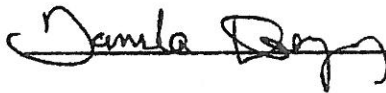
**AFFIDAVIT**

STATE OF GEORGIA


COUNTY OF FULTON

BEFORE ME, the undersigned authority, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Tamela Danzey, who deposed and stated that the Customer Notice of Florida City Gas's Application for a Rate Increase, assigned Florida Public Service Commission Docket No. 20170179-GU, has been sent to all customers of the Company in accordance with Commission Rule 25-22.0406(2)(f), Florida Administrative Code.

Sworn to and subscribed before me this 28th day of December, 2017.

 (Tamela Danzey)

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 28th day of December, 2017.

  
Notary Public  
State of Georgia, at Large

My Commission Expires: 03/26/19



# Notice to Customers



On Oct. 23, 2017, for the first time in 14 years, Florida City Gas (FCG) filed a base rate increase request with the Florida Public Service Commission (FPSC).

The proposed new rates will reflect the cost of capital investments the company has made to enhance the safety and reliability of its system pipeline capacity challenges which have prompted the development of an LNG strategy, and challenges associated with an aging workforce and the costs associated with proactively addressing the skills gap.

The FPSC will hold public hearings regarding FCG's request for a base rate increase at:

January 23, 2018, 6 pm  
Coral Gables City Hall  
Commission Chambers  
405 Biltmore Way  
Coral Gables, FL 33134

January 24, 2018, 9 am  
Port St. Lucie  
PSC Civic Center  
300 Civic Center Plaza  
Port St. Lucie, FL 34953

January 24, 2018, 6 pm  
Melbourne Broward County Governmental Center  
Commission Chambers  
2025 Judge E. J. Jackson Way  
Vienna (Melbourne), FL 32940

Customers are urged to be present at the beginning of the meeting, since public hearings may be adjourned once all customers present have been allowed to speak.

Any person requiring accommodation at the meetings due to a physical impairment should call the Commission Clerk and Administrative Services at 850.413.8770 at least five calendar days prior to the meeting. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service at 800.855.4771 (TDD).

Currently, the FPSC is scheduled to consider FCG's rate request at:

8:30 a.m. Tuesday, 12/12/17 (Interim Rates)  
1:30 p.m. 4/5/18 (Permanent Revenue Requirement)  
8:30 a.m. 4/19/18 (Permanent Rates)

Room 148, Betty Easley Conference Center  
4075 Esplanade Way  
Tallahassee, FL 32399-0850

Currently, the schedule for this proceeding is as follows:

1. Florida City Gas's testimony and exhibits October 23, 2017 (complete)
2. Intervenor's testimony and exhibits February 1, 2018
3. Service hearings January 23-24, 2018
4. Commission staff's testimony and exhibits February 7, 2018
5. Rebuttal testimony and exhibits February 16, 2018
6. Prehearing Statements March 5, 2018
7. Discovery deadline March 5, 2018
8. Prehearing Conference March 12, 2018
9. Hearing March 26-30, 2018
10. Briefs April 13, 2018

More detailed information regarding the company's request is available at the following company offices:

Doral Office  
4045 NW 97th Avenue  
Doral, FL 33178-3300  
9:00 a.m. - 5:00 p.m.

Broward Service Center  
4180 South US Highway 1  
Rockledge, FL 32955-5309  
9:00 a.m. - 5:00 p.m.

The Company's minimum filing requirements and a synopsis of the case can also be reviewed during normal operating hours at:

St. Lucie Co. Public Library/Port St. Lucie Branch  
180 SW Prima Vista  
Port St. Lucie, FL 34983  
772.871.5450

A detailed synopsis of the case can also be reviewed during normal operating hours at:

Central Broward Library  
Attention: Director  
308 Forrest Avenue  
Coconut Creek, FL 32633  
376.833.7792

Hialeah JPK Memorial Library  
Attention: Director  
1910 W. 49th Street  
Hialeah, FL 33012  
305.818.9140

Miami Dade Main Library  
Attention: Director  
131 West Flagler Street  
Miami, FL 33135  
305.375.2645

Broward Co. Main Library  
Attention: Director  
100 S. Andrews Avenue  
FL Lauderdale, FL 33301  
954.357.2444

Palm Beach Co. Library  
Belle Glade Branch  
530 South Main Street  
Belle Glade, FL 33430  
561.896.3433

St. Lucie Co. Public Library  
Port St. Lucie Branch  
180 SW Prima Vista  
Port St. Lucie, FL 34983  
772.871.5450

Martin Co. Public Library  
Hole Library  
1150 NW Jack Williams Way  
Jensen Beach, FL 34857  
772.443.2876

Indian River Co. Public Library  
Vero Beach, FL 32960  
772.770.5060

Any customer comments regarding the Company's service or the proposed rate increase should include the docket number assigned to this case, Docket No. 20170719-EL, and should be addressed to:

Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
800.342-3552

Company personnel may be contacted to answer any questions concerning the rate request at the address shown on your bill, by visiting the Company's website: [floridacitygas.com](http://floridacitygas.com), or by calling the following telephone number: 888.284.5072 (available between the hours of 8:00 a.m. and 5:00 p.m. EST).

FLORIDA CITY GAS COMPARISON OF CURRENT AND PROPOSED RATES									
Rate Class	CURRENT RATES			INTERIM RATES			PROPOSED RATES		
	Customer Charge	Dist. Charge/Therm		Customer Charge	Dist. Charge/Therm		Customer Charge	Dist. Charge/Therm	
RESIDENTIAL	GS-1	\$8.00	\$0.34279	Same	\$0.74751		RS-1	\$12.00	\$0.55230
	GS-100	\$9.50	\$0.52248	Same	\$0.63758		RS-100	\$15.00	\$0.48720
	GS-230	\$11.00	\$0.49531	Same	\$0.66346		RS-230	\$18.00	\$0.49130
	GS-400	\$13.00	\$0.43561	Same	\$0.49888		RS-400	\$20.00	\$0.37958
	GS-42K	\$15.00	\$0.33775	Same	\$0.35507		RS-400K	\$30.00	\$0.37558
	GS-4K	\$18.00	\$0.27487	Same	\$0.30847		GS-40	\$15.00	\$0.3781
	Size Light	\$0.00	\$0.39535	Same	\$0.65405		Gas Light	\$6.00	\$0.4009
	GS-1	\$8.00	\$0.56270	Same	\$0.76191		GS-1	\$25.00	\$0.4363
	GS-100	\$9.50	\$0.52048	Same	\$0.65754		GS-1	\$25.00	\$0.4263
	GS-230	\$11.00	\$0.49531	Same	\$0.60248		GS-1	\$25.00	\$0.4283
	GS-400	\$13.00	\$0.40563	Same	\$0.48868		GS-1	\$25.00	\$0.4263
	GS-12K	\$15.00	\$0.33775	Same	\$0.35507		GS-1	\$25.00	\$0.4263
NON-RESIDENTIAL	GS-25K	\$18.00	\$0.27638	Same	\$0.30740		GS-25K	\$150.00	\$0.3571
	GS-60K	\$150.00	\$0.25777	Same	\$0.30441		GS-25K	\$150.00	\$0.2571
	NGV	\$15.00	\$0.31332	Same	Same		NGV	\$25.00	\$0.4363
	RSG	\$18.01	\$0.807/therm (up to 14 therm)				RSG	Same	Same
			\$0.52346/therm (over 14 therm)						
		Dist. Charge/Therm	Demand Charge/Therm		Dist. Charge/Therm	Demand Charge/Therm		Dist. Charge/Therm	Demand Charge/Therm
	GS-120K	\$350.00	\$0.96084	\$0.389	\$0.30777	Same	GS-120K	\$100.00	\$0.3777
	GS-200K	\$700.00	\$0.7791	\$0.389	\$0.37561	Same	GS-170K	\$200.00	\$0.3777
	GS-4250K	\$500.00	\$0.32225	\$0.389	\$0.37752	Same	GS-1250K	\$500.00	\$0.3566
	GS-11M	N/A	N/A	N/A			GS-11M	\$1,000.00	\$0.0600
	GS-25M	N/A	N/A	N/A			GS-25	\$1,000.00	\$0.0400
							TPS (Shippers)	\$400.00	\$8.03/customer
TPS Shippers	Connect Charge (R)	\$50.00		\$50.00					
	Connect Charge (NR)	\$100.00		\$100.00					
	Connect Charge (R) (DRBH)	\$50.00		\$50.00					
	Connect Charge (NR) (DRBH)	\$100.00		\$100.00					
	Reconnect Charge (R)	\$70.00		\$70.00					
	Reconnect (R) (DRBH)	\$70.00		\$70.00					
	Reconnect (NR) (DRBH)	\$100.00		\$100.00					
	Returned Check Charge	\$25 or 5% whichever is greater							
	Failed Trip Charge	\$0							
	Late Pymt. Charge	1.5% or \$5.00**							
	Change of Account	\$30.00		\$30.00					
	BS Collection in lieu of disconnect	\$25.00		\$25.00					
Temporary Disconnect	Temporary Disconnect (DRBH)	\$35.00		\$35.00					
	Temporary Disconnect (NRBH)	\$75.00		\$75.00					

\* Additional service charge of \$25 if the first value does not exceed \$50, \$50 if the first value exceeds \$50 but does not exceed \$100, \$100 if the first value exceeds \$100 but does not exceed \$200, \$200 if the first value exceeds \$200 but does not exceed \$500, \$500 if the first value exceeds \$500 but does not exceed \$1,000, \$1,000 if the first value exceeds \$1,000 but does not exceed \$2,000, \$2,000 if the first value exceeds \$2,000 but does not exceed \$5,000, \$5,000 if the first value exceeds \$5,000 but does not exceed \$10,000, \$10,000 if the first value exceeds \$10,000 but does not exceed \$25,000, \$25,000 if the first value exceeds \$25,000 but does not exceed \$50,000, \$50,000 if the first value exceeds \$50,000 but does not exceed \$100,000, \$100,000 if the first value exceeds \$100,000 but does not exceed \$250,000, \$250,000 if the first value exceeds \$250,000 but does not exceed \$500,000, \$500,000 if the first value exceeds \$500,000 but does not 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# Aviso a nuestros clientes



El 23 de octubre de 2017, Florida City Gas (FCG) solicitó de la Florida Public Service Commission (FPSC) un aumento en la tasa base por la primera vez en los últimos 14 años.

Las nuevas tarifas propuestas reflejarán el costo de las inversiones de capital que la compañía hizo para mejorar la seguridad y fiabilidad del sistema, desafíos en la capacidad de tuberías que han provocado el desarrollo de una estrategia de LNG, y desafíos asociados con una fuerza laboral envejecida y los costos implicados para abordar la brecha de habilidades de manera proactiva.

La FPSC llevará a cabo audiencias públicas con respecto a la solicitud de FCG para un aumento en la tasa base en las siguientes fechas:

6 pm, Miércoles 20, 2018  
Coral Gables City Hall  
Commission Chambers  
405 Biscayne Way  
Coral Gables, FL 33134

6 pm, Miércoles 20, 2018  
Port St. Lucie  
PSC Civic Center  
8221 Civic Center Plaza  
Port St. Lucie, FL 34953

6 pm, Miércoles 20, 2018  
Melbourne Broward County Governmental Center  
Commission Chambers  
3025 Judge Fred Johnson Way  
West Melbourne, FL 32940

Se alienta a los clientes que estén presentes al principio de estas reuniones, dado que podrá comparecer en la sesión de la audiencia pública una vez que todos los clientes presentes han tenido la oportunidad de hablar.

Cualquier persona que requiera acomodación en las audiencias debido a una discapacidad física debe llamar al secretario de la comisión y al departamento de servicios administrativos al 850.418.6770 por lo menos cinco días calendario antes de la audiencia. Cualquier persona con discapacidades activas o dificultades del habla debe comunicarse con la Florida Public Service Commission usando el servicio Relay de Florida al 800.855.8771 (TDD).

Actualmente, la FPSC tiene programada la reconsideración de la solicitud de tasa de FCG en:

8:30 a.m. Tuesday 12/12/17 (Tasas Temporales)  
1:30 p.m. 6/5/18 (Requisito de Ingresos permanentes)  
8:30 a.m. 6/18/18 (Tasas Permanentes)

Sala 348, Betty Easley Conference Center 4075 Esplanade Way  
Tallahassee, FL 32309-0850

El horario actual de este procedimiento se indica a continuación:

1. Testimonio y prueba documental 23 de octubre de 2017 de Florida City Gas [completo]
2. Testimonio y prueba documental del tercero interviniente 1 de febrero de 2018
3. Audiencias de servicio 23 y 24 de enero de 2018
4. Testimonio y prueba documental del personal de la comisión 7 de febrero de 2018
5. Testimonio y prueba documental de refutación 16 de febrero de 2018
6. Declaraciones antes de la audiencia 5 de marzo de 2018
7. Fecha final para descubrimiento de pruebas 9 de marzo de 2018
8. Conferencia antes de la audiencia 12 de marzo de 2018
9. Audiencia 26 al 30 de marzo de 2018
10. Resumen 13 de abril de 2018

Información más detallada respecto de la solicitud de la compañía está disponible en las siguientes oficinas empresariales:

**Doral Office**  
4045 NW 97th Avenue  
Doral, FL 33178-3300  
8:00 a.m. - 5:00 p.m.

**Broward Service Center**  
4180 South US Highway 1  
Rockledge, FL 32955-5205  
8:00 a.m. - 5:00 p.m.

Los requisitos mínimos de la compañía para archivar, además de un resumen del caso, pueden revisarse también durante las horas normales de funcionamiento en:

**St. Lucie Co. Public Library/Port St. Lucie Branch**  
160 SW Palma Vista  
Port St. Lucie, FL 34983  
772.877.5480

Un resumen detallado del caso puede revisarse también durante las horas normales de funcionamiento en:

**Central Broward Library**  
Attention: Director  
308 Forest Avenue  
Coralia, FL 32622  
351.699.7792

**Hialeah J.K. Memorial Library**  
Attention: Director  
190 W. 49th Street  
Hialeah, FL 33012  
305.499.9740

**Miami Dade Main Library**  
Attention: Director  
101 West Flagler Street  
Miami, FL 33128  
305.375.3885

**Broward Co. Main Library**  
Attention: Director  
100 S. Andrews Avenue  
Ft. Lauderdale, FL 33301  
954.3573444

**Palm Beach Co. Library**  
Belle Glade Branch  
530 South Main Street  
Belle Glade, FL 33420  
561.996.3453

**St. Lucie Co. Public Library**  
Port St. Lucie Branch  
150 SW Palma Vista  
Port St. Lucie, FL 34983  
772.877.5480

**Marion Co. Public Library**  
Hole Library  
1150 NW Jack Williams Way  
Jensen Beach, FL 34957  
772.443.3870

**Indian River Co. Public Library**  
Vero Beach Branch  
1600 2nd Street  
Vero Beach, FL 32960  
772.770.8060

Todos los comentarios de clientes respecto del período de la compañía o respecto del aumento propuesto de la tasa deben incluir el número de la lista de casos asignado a este caso, N° de caso 20170719-01, y deben dirigirse a:

**Commission Clerk**  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32390-0850  
800.842-5552

El personal de la compañía puede ser contactado a la dirección que aparece en su factura para responder a cualquier pregunta con respecto a la solicitud de tasa, al visitar el sitio web de la compañía: [floridacitygas.com](http://floridacitygas.com) o bien, llamando al siguiente número de teléfono: 888.334.5072 (disponible entre las 8:00 a.m. y las 5:00 p.m. hora del este).

COMPARACIÓN DE TARIAS ACTUALES Y TARIAS PROPUESAS DE FLORIDA CITY GAS									
TARIAS ACTUALES					TARIAS PROPUESAS				
Clase de tasa	Cargos al Cliente	Cargos de Distribución/Tarifa	Cargos al Cliente	Cargos de Distribución/Tarifa	Nueva clase de tasa/Reducción (R) y Servicio General (G)	Cargos al Cliente	Cargos de Distribución/Tarifa		
RESIDENTIAL	GS-1	\$6.00	\$6.54215	El mismo	RS-1	\$7.00	\$6.5320		
	GS-100	\$25.00	\$23.248	El mismo	RS-100	\$15.00	\$24.9720		
	GS-200	\$81.00	\$6.4831	El mismo	RS-200	\$15.00	\$24.9720		
	GS-300	\$12.00	\$2.43643	El mismo	RS-300	\$20.00	\$24.9720		
	GS-4-3K	\$15.00	\$6.3775	El mismo	RS-400	\$20.00	\$24.9720		
	GS-5K	\$30.00	\$6.74487	El mismo	RS-5K	\$20.00	\$24.9720		
	GS-6K	\$45.00	\$6.99535	El mismo	GS-6K	\$45.00	\$24.9720		
	GS-7	\$6.00	\$6.36213	El mismo	GS-7	\$6.00	\$24.9720		
	GS-800	\$6.50	\$6.52248	El mismo	GS-8	\$20.00	\$24.9720		
	GS-900	\$11.00	\$6.48931	El mismo	GS-9	\$20.00	\$24.9720		
	GS-950	\$12.00	\$2.43643	El mismo	GS-9	\$20.00	\$24.9720		
	GS-1K	\$12.00	\$6.3775	El mismo	GS-1K	\$20.00	\$24.9720		
NO RESIDENTIAL	GS-12K	\$60.00	\$2.7018	El mismo	GS-12K	\$20.00	\$24.9720		
	GS-15K	\$15.00	\$6.74487	El mismo	GS-15K	\$20.00	\$24.9720		
	GS-20K	\$15.00	\$6.74487	El mismo	GS-20K	\$20.00	\$24.9720		
	GS-25K	\$15.00	\$6.74487	El mismo	GS-25K	\$20.00	\$24.9720		
	GS-30K	\$15.00	\$6.74487	El mismo	GS-30K	\$20.00	\$24.9720		
	GS-35K	\$15.00	\$6.74487	El mismo	GS-35K	\$20.00	\$24.9720		
	GS-40K	\$15.00	\$6.74487	El mismo	GS-40K	\$20.00	\$24.9720		
	GS-45K	\$15.00	\$6.74487	El mismo	GS-45K	\$20.00	\$24.9720		
	GS-50K	\$15.00	\$6.74487	El mismo	GS-50K	\$20.00	\$24.9720		
	GS-55K	\$15.00	\$6.74487	El mismo	GS-55K	\$20.00	\$24.9720		
	GS-60K	\$15.00	\$6.74487	El mismo	GS-60K	\$20.00	\$24.9720		
	GS-65K	\$15.00	\$6.74487	El mismo	GS-65K	\$20.00	\$24.9720		
TIPS	GS-70K	\$15.00	\$6.74487	El mismo	GS-70K	\$20.00	\$24.9720		
	GS-75K	\$15.00	\$6.74487	El mismo	GS-75K	\$20.00	\$24.9720		
	GS-80K	\$15.00	\$6.74487	El mismo	GS-80K	\$20.00	\$24.9720		
	GS-85K	\$15.00	\$6.74487	El mismo	GS-85K	\$20.00	\$24.9720		
	GS-90K	\$15.00	\$6.74487	El mismo	GS-90K	\$20.00	\$24.9720		
	GS-95K	\$15.00	\$6.74487	El mismo	GS-95K	\$20.00	\$24.9720		
	GS-100K	\$15.00	\$6.74487	El mismo	GS-100K	\$20.00	\$24.9720		
	GS-105K	\$15.00	\$6.74487	El mismo	GS-105K	\$20.00	\$24.9720		
	GS-110K	\$15.00	\$6.74487	El mismo	GS-110K	\$20.00	\$24.9720		
	GS-115K	\$15.00	\$6.74487	El mismo	GS-115K	\$20.00	\$24.9720		
	GS-120K	\$15.00	\$6.74487	El mismo	GS-120K	\$20.00	\$24.9720		
	GS-125K	\$15.00	\$6.74487	El mismo	GS-125K	\$20.00	\$24.9720		
TIPS	GS-130K	\$15.00	\$6.74487	El mismo	GS-130K	\$20.00	\$24.9720		
	GS-135K	\$15.00	\$6.74487	El mismo	GS-135K	\$20.00	\$24.9720		
	GS-140K	\$15.00	\$6.74487	El mismo	GS-140K	\$20.00	\$24.9720		
	GS-145K	\$15.00	\$6.74487	El mismo	GS-145K	\$20.00	\$24.9720		
	GS-150K	\$15.00	\$6.74487	El mismo	GS-150K	\$20.00	\$24.9720		
	GS-155K	\$15.00	\$6.74487	El mismo	GS-155K	\$20.00	\$24.9720		
	GS-160K	\$15.00	\$6.74487	El mismo	GS-160K	\$20.00	\$24.9720		
	GS-165K	\$15.00	\$6.74487	El mismo	GS-165K	\$20.00	\$24.9720		
	GS-170K	\$15.00	\$6.74487	El mismo	GS-170K	\$20.00	\$24.9720		
	GS-175K	\$15.00	\$6.74487	El mismo	GS-175K	\$20.00	\$24.9720		
	GS-180K	\$15.00	\$6.74487	El mismo	GS-180K	\$20.00	\$24.9720		
	GS-185K	\$15.00	\$6.74487	El mismo	GS-185K	\$20.00	\$24.9720		
TIPS	GS-190K	\$15.00	\$6.74487	El mismo	GS-190K	\$20.00	\$24.9720		
	GS-195K	\$15.00	\$6.74487	El mismo	GS-195K	\$20.00	\$24.9720		
	GS-200K	\$15.00	\$6.74487	El mismo	GS-200K	\$20.00	\$24.9720		
	GS-205K	\$15.00	\$6.74487	El mismo	GS-205K	\$20.00	\$24.9720		
	GS-210K	\$15.00	\$6.74487	El mismo	GS-210K	\$20.00	\$24.9720		
	GS-215K	\$15.00	\$6.74487	El mismo	GS-215K	\$20.00	\$24.9720		
	GS-220K	\$15.00	\$6.74487	El mismo	GS-220K	\$20.00	\$24.9720		
	GS-225K	\$15.00	\$6.74487	El mismo	GS-225K	\$20.00	\$24.9720		
	GS-230K	\$15.00	\$6.74487	El mismo	GS-230K	\$20.00	\$24.9720		
	GS-235K	\$15.00	\$6.74487	El mismo	GS-235K	\$20.00	\$24.9720		
	GS-240K	\$15.00	\$6.74487	El mismo	GS-240K	\$20.00	\$24.9720		
	GS-245K	\$15.00	\$6.74487	El mismo	GS-245K	\$20.00	\$24.9720		
TIPS	GS-250K	\$15.00	\$6.74487	El mismo	GS-250K	\$20.00	\$24.9720		
	GS-255K	\$15.00	\$6.74487	El mismo	GS-255K	\$20.00	\$24.9720		
	GS-260K	\$15.00	\$6.74487	El mismo	GS-260K	\$20.00	\$24.9720		
	GS-265K	\$15.00	\$6.74487	El mismo	GS-265K	\$20.00	\$24.9720		
	GS-270K	\$15.00	\$6.74487	El mismo	GS-270K	\$20.00	\$24.9720		
	GS-275K	\$15.00	\$6.74487	El mismo	GS-275K	\$20.00	\$24.9720		
	GS-280K	\$15.00	\$6.74487	El mismo	GS-280K	\$20.00	\$24.9720		
	GS-285K	\$15.00	\$6.74487	El mismo	GS-285K	\$20.00	\$24.9720		
	GS-290K	\$15.00	\$6.74487	El mismo	GS-290K	\$20.00	\$24.9720		
	GS-295K	\$15.00	\$6.74487	El mismo	GS-295K	\$20.00	\$24.9720		
	GS-300K	\$15.00	\$6.74487	El mismo	GS-300K	\$20.00	\$24.9720		
	GS-305K	\$15.00	\$6.74487	El mismo	GS-305K	\$20.00	\$24.9720		

\* Cargo de servicio adicional de \$25 al valor mensual no supera \$80, \$40 al valor mensual no supera \$40, \$40 al valor mensual no supera \$200, a \$40 el valor mensual, el que sea mayor.

\*\* Llamada a \$4.00, el que sea mayor. Un cargo por diseño que se aplica a actividades gubernamentales no corresponde con las leyes aplicables.

(R) = Residental (NR) = No Residental (CORNH) = Paga del horario comercial  
© 2017 Florida City Gas. Todos los derechos reservados. No se permite la reproducción o uso no autorizado sin el consentimiento escrito de Florida City Gas.



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Restricted Information

[Dashboard](#) > Display

Today's Date: 12/18/2017

## Mailing Group Summary Information

Mailing Group ID: 203829461 Mailer's Job #: 85612001 Open Date: 12-18-2017  
 Preparer: --UNIVERSAL MAILING SERVICE PO of Mailing Finance No: 335685 Close Date:  
 Description: 11485 SoCo FCG Rate Increase Submission Type: Mail.dat

PS # 291671638, UPD

[Cancel](#) | [Confirmation Page](#) | [Register](#) | [Piece-Weight Information](#)

## PS Form 3602-P - USPS Marketing Mail - Postage Affixed

## Postage Summary

Account Holder:	UNIVERSAL MAILING SERVICE 10 NEW ENGLAND AVE PISCATAWAY, NJ 08854 -4101 Contact: BRIAN SHAMY (908) 985 - 1010	Mailing Agent:	UNIVERSAL MAILING SERVICE 10 NEW ENGLAND AVE PISCATAWAY, NJ 08854 -4101	Mail Owner:	AGL RESOURCES 10 PEACHTREE PL NE ATLANTA, GA 30309 -4487
Account Number:	1826217				
Permit:	Precanceled 262			Processing Category:	Letters
Statement FS Fee Waiver %:	99.31%	CRID: 4703171	CRID: 4703171		CRID: 4817541
Post Office Of Mailing:	EDISON, NJ 08899-9998	CRID: 4703171			
Post Office of Permit:	EDISON, NJ 08899-9998				
Mailer Declared Weight of Single Piece:	0.0354 lbs.	CRID: 4703171	107,073 pcs.	CRID: 4703171	3,790.3850 lbs.
USPS Determined Weight of Single Piece:	0.0354 lbs.	107,073 pcs.			3,790.3842 lbs.
					\$ 19,716.80
Additional Postage Permit:	PI 1	Price at which Postage is Affixed:	Neither		
	CRID: 4703171				
Sequencing Date:	12/18/2017	Address Matching Date - Automation:		Address Matching Date - Carrier Route:	
No of Containers:	1' MM Trays 247	2' MM Trays 195	2' EMM Trays	Flat Trays	Sacks
					Pallets 7
Customer Reference ID:	85612				
Move Update Method:	NCOALink	NSA:	NO		
Political Mail:	NO			Official Election Mail:	NO
Mailpiece is a product sample:	NO			Mailpieces contain a DVD/CD or other Disk:	NO
Incentive/Discount Claimed:	AB Testing Claimed: NO			Type of Fee:	N/A
NO					
Mail Arrival Date and Time:	N/A	Payment Date and Time:	N/A		
Container Grouping ID:					
Copy Mailing Type:					
SSF TID Number:					

[https://www.uspspostalone.com/postall/postage\\_statements/index.cfm?fa=web\\_version&...](https://www.uspspostalone.com/postall/postage_statements/index.cfm?fa=web_version&...) 12/18/2017

## Part A: Automation Letters

Line Number	Entry Discount	Title	Description	Price	Quantity	Subtotal Postage	FS Discount	Discount Total*	Fee Total	Postage
A1	NONE	5-Digit	Letters 3.5 oz (0.2188 lbs) or less	0.251	155pcs.	\$ 38.9050	\$ 0.1550	\$ -0.1550	\$ 0.0000	\$ 38.7500
A2	NONE	AADC	Letters 3.5 oz (0.2188 lbs) or less	0.271	59pcs.	\$ 15.9880	\$ 0.0590	\$ -0.0590	\$ 0.0000	\$ 15.9300
A3	NONE	Mixed AADC	Letters 3.5 oz (0.2188 lbs) or less	0.288	2784pcs.	\$ 801.7920	\$ 2.7840	\$ -2.7840	\$ 0.0000	\$ 799.0080
A7	DSCF	5-Digit	Letters 3.5 oz (0.2188 lbs) or less	0.217	28869pcs.	\$ 6,264.5730	\$ 28.8690	\$ -28.8690	\$ 0.0000	\$ 6,235.7040
A8	DSCF	AADC	Letters 3.5 oz (0.2188 lbs) or less	0.237	2181pcs.	\$ 516.8970	\$ 2.1810	\$ -2.1810	\$ 0.0000	\$ 514.7160
A9						Part A Total (Add lines A1-A8)				\$ 7,604.1080
A10		DISPLAY ONLY Letters - Number of Pieces that Comply	Full Service Intelligent Mail Option	0.001	34048pcs.					

## Part B: Nonautomation Letters

Line Number	Entry Discount	Title	Description	Price	Quantity	Subtotal Postage	FS Discount	Discount Total	Fee Total	Postage
B1	NONE	AADC	Machinable Letters 3.5 oz (0.2188 lbs) or less	0.284	1pcs.	\$ 0.2840	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 0.2840
B2	NONE	Mixed AADC	Machinable Letters 3.5 oz (0.2188 lbs) or less	0.301	162pcs.	\$ 48.7620	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 48.7620
B5	DSCF	AADC	Machinable Letters 3.5 oz (0.2188 lbs) or less	0.250	580pcs.	\$ 145.0000	\$ 0.0000	\$ 0.0000	\$ 0.0000	\$ 145.0000
B28						Part B Total (Add lines B1-B27)				\$ 194.0460

## Part C: Carrier Route Letters

Line Number	Entry Discount	Title	Description	Price	Quantity	Subtotal Postage	FS Discount	Discount Total*	Fee Total	Postage
C1	NONE	Saturation	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.186	197pcs.	\$ 36.6420	\$ 0.1970	\$ -0.1970	\$ 0.0000	\$ 36.4450
C9	DSCF	Saturation	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.155	6672pcs.	\$ 1,034.1600	\$ 6.6720	\$ -6.6720	\$ 0.0000	\$ 1,027.4880
C10	DSCF	High Density Plus	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.165	23085pcs.	\$ 3,809.0250	\$ 23.0850	\$ -23.0850	\$ 0.0000	\$ 3,785.9400
C11	DSCF	High Density	(Automation) Letters 3.5 oz. (0.2188 lbs.) or less	0.168	42328pcs.	\$ 7,111.1040	\$ 42.3280	\$ -42.3280	\$ 0.0000	\$ 7,068.7760
C46						Part C Total (Add lines C1-C45)				\$ 11,918.6490
C47		DISPLAY ONLY Letters - Number of Pieces that Comply	Full Service Intelligent Mail Option	0.001	72282pcs.					

Total Full Service Discount From All Parts \$ -106.3300

Total Postage From All Parts \$ 18,716.8030

Total Postage: \$ 18,716.80

Total Postage Affixed: \$ 10,707.3000

Net Postage Due: \$ 9,009.5000

Net Postage Adjustment Transaction Amount: \$ 9,009.60

For Extra Services and Other Fees

Total From Attached Form 3840-S

N/A

Total Postage \$ 18,716.80

Total Incentive/Discount Claimed \$ -106.3300

\* May contain both Full Service Intelligent Mail and other discount - see Instructions page for additional information.

## USPS Use Only

Perform Verification:	Verification data not available at this time.			
One Pass/Two Pass Verification				
Received:		Error Percentage:	Additional Postage:	\$ 0.00
A/R/C:		Cost Avoidance:	Verifying Employee's Name:	
Total Additional Postage:	\$ 0.00	Number of Reworked Pieces:		

https://www.uspspostalone.com/postal1/postage\_statements/index.cfm?fa=web\_version&amp;... 12/18/2017



## ATTACHMENT C



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**


Gregg Lynk  
City Manager  
City of Palm Bay  
City Manager's Office  
120 Malabar Road  
Palm Bay, FL 32907

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis***

Dear Manager Lynk:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: [bkeating@gunster.com](mailto:bkeating@gunster.com)

December 11, 2017

**U.S. MAIL**

Joe Griffin  
City Manager  
City of Sebastian  
City Hall  
1225 Main Street  
Sebastian, FL 32958

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Griffin:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Head of Village Administration  
City of Melbourne Village  
555 Hammock Road  
Melbourne Village, FL 32904

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Sir/Madame:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Mike McNees  
City Manager  
City of Melbourne  
City Hall, Fifth Floor  
900 E. Strawbridge Avenue  
Melbourne, FL 32901

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis***

Dear Manager McNees:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,



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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Taryn Kryzda  
County Administrator  
City of Jensen Beach  
2401 SE Monterey Road  
Stuart, FL 34996

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Administrator Kryzda:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Jason E. Brown  
County Administrator  
City of Indian River  
County Administration Office  
1801 27th Street  
Vero Beach, FL 32960-3365

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Administrator Brown:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

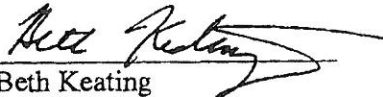
James "Jim" McKnight  
City Manager  
City of Cocoa Beach  
2 S. Orlando Avenue  
Cocoa Beach, FL 32932-2430

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager McKnight:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,



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

*Attorneys for Florida City Gas*





**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

John Titkanich  
City Manager  
City of Cocoa  
65 Stone Street  
Cocoa, FL 32922

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Titkanich:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

David L. Greene  
City Manager  
City of Cape Canaveral  
P.O. Box 326  
Cape Canaveral, FL 32920

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Greene:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

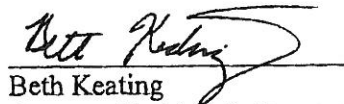
Frank Abbate  
Interim County Manager  
City of Brevard  
2725 Judge Fran Jamieson Way, Bldg. C  
Viera, FL 32940

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Abbate:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,



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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: [bkcating@gunster.com](mailto:bkcating@gunster.com)

December 11, 2017

U.S. MAIL

Indian River County Public Library  
1600 21st Street  
Vero Beach, FL 32960

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation  
study by Florida City Gas. *Case Synopsis*

Dear Sir/Madam:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

I would ask that you kindly place this document in a visible location and make this available for public review. Thank you for your assistance in this matter.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Martin County Public Library  
Hoke Library  
1150 NW Jack Williams Way  
Jensen Beach, FL 34957

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation  
study by Florida City Gas. *Case Synopsis*

Dear Sir/Madam:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

I would ask that you kindly place this document in a visible location and make this available for public review. Thank you for your assistance in this matter.

Sincerely,

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

*Attorneys for Florida City Gas*



Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

U.S. MAIL

Central Brevard Library  
Attention: Director  
308 Forrest Avenue  
Cocoa, FL 32922

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation  
study by Florida City Gas. *Case Synopsis*

Dear Sir/Madam:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

I would ask that you kindly place this document in a visible location and make this available for public review. Thank you for your assistance in this matter.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Scott Morgan  
City Manager  
City of West Melbourne  
2240 Minton Road, Second Floor  
West Melbourne, FL 32904

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Morgan:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Scott Larese  
City Manager  
City of Titusville  
P. O. Box 2806  
Titusville, FL 32781-2806

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. Case Synopsis**

Dear Manager Larese:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*





**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

December 11, 2017

**U.S. MAIL**

Courtney H. Barker  
City Manager  
City of Satellite Beach  
565 Cassia Boulevard  
Satellite Beach, FL 32937

Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis*

Dear Manager Barker:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: [bkeating@gunster.com](mailto:bkeating@gunster.com)

December 11, 2017

**U.S. MAIL**


Dr. Brenda Fettrow  
City Manager  
City of Rockledge  
1600 Huntington Lane  
Rockledge, FL 32955

**Re: Docket No. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas. *Case Synopsis***

Dear Dr. Fettrow:

Enclosed, please find a copy of the synopsis of Florida City Gas's application to the Florida Public Service Commission for approval of a rate increase, which is being provided in accordance with the Rules of the Florida Public Service Commission.

Sincerely,

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

*Attorneys for Florida City Gas*



DOCKET NO. 20170179-GU

Synopsis of Rate Request

I. Company Overview

Florida City Gas (FCG or Company) was originally incorporated as City Gas Company of Florida in 1949. Its initial operations were as a propane dealer in Dade County, Florida. Beginning in 1960, the Company commenced operations as a natural gas local distribution company ("LDC"), and thus, became a "public utility" as that term is defined in Section 366.02, Florida Statutes. As such, the Company was, henceforth, subject to the regulatory jurisdiction of the Florida Public Service Commission. In 1988, NUI Corporation, which was headquartered in Bedminster, New Jersey, acquired the Company, merging it under its subsidiary, NUI Utilities, Inc. The Company also expanded its service to include St. Lucie, Martin, Indian River, and Palm Beach Counties. On November 30, 2004, NUI Utilities, Inc. became a wholly-owned subsidiary of AGL Resources Inc. ("AGLR"), headquartered in Atlanta, Georgia, whereupon the Company's name was eventually changed to Pivotal Utility Holdings, Inc. d/b/a Florida City Gas in Florida. In July 2016, AGLR became Southern Company Gas, a wholly-owned subsidiary of The Southern Company ("Southern"), which provides electric and natural gas service to over 9 million customers through its various subsidiaries, and also operates as a leading provider of wholesale energy and customized energy solutions, as well as fiber optics and wireless communications. The common stock of Southern is owned by approximately 128,000 registered shareholders of record, over 11,000 of whom reside in Florida. As a subsidiary of Southern Company Gas, FCG currently serves approximately 108,000 residential, commercial and industrial natural gas customers in Florida's Miami-Dade, Brevard, St. Lucie, Palm Beach, Glades, Hendry, Broward, and Indian River counties.

II. Request for Rate Increase/ Summary

On October 23, 2017, for the first time in almost fourteen years, the Company filed a request for a rate increase with the Florida Public Service Commission ("Commission") asking

for a permanent increase in rates, as well as an interim increase in rates pending the Commission's decision in this case. The Commission is the agency, under Florida law<sup>1</sup>, charged with setting and regulating the rates, fees, and services of Florida utilities and will review the Company's request. The Docket Number assigned by the Commission for this proceeding is Docket No. 20170179-GU.

The Company is asking that the Commission allow the Company to increase its rates and charges to the extent necessary to generate additional gross annual revenues in the amount of \$19.3 million, which will enable the Company to continue to provide safe, reliable natural gas service at a level the customers have come to expect, and to approve the Company's depreciation study also submitted herewith in support of the Company's requested increase. The requested increase will provide FCG with a reasonable opportunity to earn a fair rate of return of 6.32 percent on the Company's plant and property used to serve its customers and an 11.25 percent midpoint rate of return on FCG's common equity. The Company's request for interim relief seeks permission to implement a temporary increase in an amount necessary to generate additional revenues in the amount of \$4,893,061, for the interim period before permanent rates and charges go into effect in accordance with the Commission's final determinations in this proceeding.

The Commission will utilize a "test year" for purposes of setting rates for FCG. The Company has used a projected test year of January 1, 2018 through December 31, 2018 for purposes of presenting its case, and believes this time period best represents actual conditions in effect at the time new rates will go into effect, as compared with other prior periods. The Company's jurisdictional 13-month average rate base for the test year period is projected to be \$-299.3 million. Without the requested rate increase, the jurisdictional net operating income for the Company in the same period is projected to be \$9.3 million. The projected rate of return is, consequently, projected to be 3.10 percent, while the return on common equity is projected to be 2.95 percent in the test year. As such, FCG asks that the Commission allow the Company an overall rate of return of 6.32 percent, including a mid-point ROE of 11.25 percent. The resulting revenue deficiency is \$15.8 million.

The Company is also seeking to include the existing Safety, Access, and Facility Enhancement program ("SAFE") distribution facility installations in rate base, consistent with

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<sup>1</sup> Chapter 366, Florida Statutes.

the Commission's prior decision on the Company's SAFE program. When the additional revenue requirement of \$3.5 million associated with SAFE installments is included, as contemplated by Commission order and as further discussed herein, this results in a total revenue increase request of \$19.3 million. It should, however, be noted that moving the SAFE investments into rate base is ultimately bill neutral for FCG's customers, as well as revenue neutral to the Company, because FCG is also proposing to make a corresponding adjustment to reduce the current SAFE surcharge.

III. Interim Request

FCG is also asking for an interim increase in its retail rates and charges in an amount necessary to generate additional revenues in the amount of \$4,893,061. This proposed interim increase would be effective during the interim period while the case is processed and before permanent rates and charges go into effect in accordance with the Commission's final determinations in this proceeding. The requested amount is based upon actual data derived from the preceding or "historic" test year with an ending date of December 31, 2016. For that period, the Company's annual revenue deficiency is \$4,893,061 based upon a historic test year rate base of \$209,312,678. The Commission will consider the Company's request for interim rate relief at its December 12, 2017, Agenda Conference. If the request is granted, any interim increase will be placed into effect subject to refund, with interest, if at the conclusion of this proceeding, the Commission determines that some or all of the increase was not justified.

IV. Reasons for Request - Key Factors

As further set forth in the testimony and exhibits of FCG's witnesses, there are three key drivers for FCG's request in this proceeding: (1) capital investments to enhance the safety and reliability of FCG's distribution system; (2) capacity challenges, which have prompted FCG to develop a liquefied natural gas ("LNG") strategy; and (3) the challenges associated with an aging workforce and the costs associated with proactively addressing the pending skills and knowledge gap. Significant investments have been made by FCG to its system in response to federal regulatory changes regarding safety of natural gas facilities. FCG has also made investments to improve the reliability of its system and to enhance the ability of its employees to access facilities for maintenance and repairs, as well as to extend facilities to provide natural gas service

to customers who would otherwise be unable to obtain such service. As further addressed herein, and in the testimony and exhibits of FCG's witnesses, the Company is also faced with capacity challenges that it proposes to address through a two-pronged approach involving the purchase of additional interstate pipeline capacity and the construction of an LNG "peaking" unit. FCG has also invested significantly to provide enhanced training opportunities for development and retention of highly skilled and highly specialized personnel in response to the challenges of an aging workforce.

In order to continue to provide, in the face of these challenges, "reasonably sufficient, adequate, and efficient service," as required by Section 366.03, Florida Statutes, FCG must be able to not only recover its cost to serve, but also attract capital at reasonable rates and offer a fair return for its investors. Without a rate increase, FCG will be unable to provide the level of service required by statute and will also be unable to meet its obligations to its investors. Thus, FCG is asking that this Commission allow the Company to increase its rates and charges enough to provide a total increase in annual revenues of \$19.3 million.

FCG's current rates were established by the Commission back in 2004, in Docket No. 20030569-GU, by Order No. PSC-2004-0128-PAA-GU, issued February 9, 2004, using a test year ending September 30, 2004.

Since that time, FCG has maintained its focus on the customer as reflected by its service quality, while also effectively managing its costs such that it has been able to avoid seeking a base rate increase for nearly 14 years. As set forth in the testimony and exhibits of FCG's witnesses, cost saving measures, such as becoming a part of the AGL Resources Inc. (AGLR) shared services model and FCG's deployment of various technology solutions, have created significant operational efficiencies that have helped the Company maintain its rates at the same level over this extended period. The Company has seen, however, an increase in its cost to serve customers, which has contributed to its declining rate of return. At present, the Company's current rates and charges no longer allow it to earn a fair and reasonable rate of return nor do they yield reasonable compensation for services provided, which FCG is entitled to under Section 366.06(3), Florida Statutes. As of June 2017, FCG was earning an overall rate of return of 4.86% on a pro forma adjusted basis with an ROE of 7.91%, excluding the AGLR acquisition adjustment and associated regulatory assets, and a mere 6.46% with the acquisition adjustment and regulatory assets included.

Without the requested revenue increase, FCG projects that its overall rate of return will fall to 3.10%, well below its currently authorized rate of return of 6.27%. As such, FCG's ability to continue to provide consistent reliable service at the level to which our customers expect and deserve will be jeopardized.

To produce the requested permanent revenue increase, the Company has also filed revised tariff schedules which include the requested rate increases. The adjustments to the various rates and charges, and the changes made to the different rate classes, are based upon a cost of service study, which was then used to allocate costs across the Company's different rate classes. While revisions vary from rate class to rate class, a typical residential customer would see a total bill increase of \$1.73/month, which equates to a 6.4% increase to their bill, with SAFE and gas costs (PGA) included. A comparison of the present and proposed rates is attached to this Synopsis as Appendix A, along with a copy of the Executive Summary submitted with the Company's filing at the Commission.

V. Additional Requests

In addition to the requested rate increase, the Company is also seeking Commission approval to take several additional items and actions, including:

- 1) Approval of the Company's Depreciation Study;
- 2) Authorization to make certain adjustments to its rate structure, namely to create residential and commercial classes, to consolidate certain industrial rate classes, and eliminate or close certain rate classes and riders;
- 3) Authorization to make certain changes to its customer charges, including adding new customer charges, such as a Failed Trip Charge, which will help reduce upward pressure on base rates by assessing the charges directly to the customers that cause the underlying cost;
- 4) Authorization to implement the proposed Economic Development Extension Program, to encourage new business growth by making it more economically feasible to extend service to new customers;
- 5) Authorization to revise its transportation service tariff to allow it to expand the allocation of its capacity costs to include an amount to be allocated to Third Party Shippers who serve transportation customers on the Company's system;



- 6) Authorization to establish a storm reserve to better allow it to address storm damages expeditiously without incurring significant financial harm; and
- 7) Authorization to construct and include in rate base a new, liquefied natural gas (LNG) facility to help address the Company's concerns regarding limitations on capacity, which could impact its ability to serve customers.

VI. Rate Making Process

The Company has filed detailed accounting and financial schedules, based upon the projected and historic test years, which are called Minimum Filing Requirements or "MFRs". The Company has also filed a formal Petition making its request to the Commission, along with written, prefiled testimony and exhibits of its witnesses, who explain and support the Company's analysis of rate base, capital structure, achieved and required net operating income, adjustments to expenses and rate base, tariff changes, including the economic development plan, quality of service, and other pertinent issues.

The Commission will address the Company's request through a full hearing process. This process will include customer meetings in Coral Gables, Melbourne, and Port St. Lucie to receive testimony from the Company's customers regarding the Company's quality of service and other matters pertinent to the Company's requested rate increase.

Key issues in the case are likely to include:

1. What is the appropriate test year for setting base rates?
2. What is FCG's test year rate base?
3. What is FCG's cost of capital?
4. What is FCG's test year net operating income?
5. Is FCG's cost of service methodology appropriate?
6. What are the appropriate rate levels for each customer class?

Specific issues will be identified in a prehearing order issued by the Commissioner assigned as Prehearing Officer for the case.

Upon completion of the customer meetings and the formal hearing (scheduled for March 26-30, 2018, in Tallahassee), the Commission's professional staff will prepare a recommendation based upon the evidence presented addressing what rate relief, if any, is appropriate for the Company. The Commission's staff is composed of attorneys, engineers, accountants, rate and



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finance analysts, and consumer affairs specialists. The Commission will review and take action on their staff's recommendation and thereafter, an Order addressing the Company's request will be issued. A panel of three Commissioners has been assigned to decide this case. Currently, the Commission is scheduled to make a determination regarding the Company's revenue requirement on June 5, 2018 at 1:30 p.m., with a final determination regarding the appropriate new rates to be made on June 19, 2018, beginning at 9:30 a.m. They will base their decisions on all issues in the case upon the evidence that is received.

In addition to the Commission's professional staff, the Office of Public Counsel has intervened in this docket and will be analyzing the documents and testimony submitted by the Company, as well as any additional information produced through the formal discovery process or as a result of the audit that will be conducted by Commission audit staff. The Office of Public Counsel may be contacted at: Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, FL 32399-1400.

Customer meetings have been scheduled in Coral Gables, Melbourne, and Port St. Lucie, as follows:

January 23, 2018, 6:00 pm (EST)  
Coral Gables City Hall  
Commission Chambers  
405 Biltmore Way  
Coral Gables, FL 33134

January 24, 2018, 9:00 am (EST)  
PSL Civic Center  
9221 Civic Center Place  
Port St. Lucie, FL 34953

January 24, 2018, 6:00 pm (EST)  
Brevard County Governmental Center  
Commission Chambers  
2725 Judge Fran Jamieson Way  
Viera (Melbourne), FL 32940

Customers are urged to be present at the beginning of the meeting, since customer meetings may be adjourned once all customers present have been allowed to speak. One or more Commissioners may be present at the customer meetings.

Currently, the schedule for this proceeding is as follows:

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(1) Florida City Gas's testimony and exhibits	October 23, 2017 (complete)
(2) Intervenor's testimony and exhibits	February 1, 2018
(3) Service Hearings	January 23-24, 2018
(4) Commission Staff's testimony and exhibits	February 7, 2018
(5) Rebuttal testimony and exhibits	February 16, 2018
(6) Prehearing Statements	March 5, 2018
(7) Discovery deadline	March 9, 2018
(8) Prehearing Conference	March 12, 2018
(9) Hearing	March 26-30, 2018
(10) Briefs	April 13, 2018

More detailed information regarding the Company's requested rate increase is included in the Company's MFRs, which can be reviewed at the Company's offices in the following locations:

Doral Office

4045 N.W. 97th Avenue  
Doral, FL 33178-2300 USA  
(9:00 a.m. – 5:00 p.m.)

Brevard Service Center

4180 South US Highway 1  
Rockledge, Florida 32955-5309  
(9:00 a.m. – 5:00 p.m.)

The Company's MFRs and a synopsis of the case can also be reviewed at the following location during normal operating hours:

St. Lucie County Public Library

Port St. Lucie Branch  
180 SW Prima Vista  
Port St. Lucie, FL 34983  
(772) 871-5450

A detailed synopsis of the case can also be reviewed at the following locations during normal operating hours:

Central Brevard Library  
Attention: Director

**DOCKET NO. 20170179-GU**

308 Forrest Avenue  
Cocoa, FL 32922  
(321) 633-1792

Hialeah John F. Kennedy  
Memorial Library  
Attention: Director  
190 W. 49 Street  
Hialeah, FL 33012  
(305) 819-9140

Miami Dade Main Library  
Attention: Director  
101 West Flagler Street  
Miami, FL 33128  
(305) 375-2665

Broward County Main Library  
~~Attention: Director~~  
100 S. Andrews Avenue  
Ft. Lauderdale, FL 33301  
(954) 357-7444

Palm Beach County Library  
Belle Glade Branch  
530 South Main Street  
Belle Glade, FL 33430  
(561) 996-3453

St. Lucie County Public Library  
Port St. Lucie Branch  
180 SW Prima Vista  
Port St. Lucie, FL 34983  
(772) 871-5450

Martin County Public Library  
Hoke Library  
1150 NW Jack Williams Way  
Jensen Beach, FL 34957  
(772) 443-2870

Indian River County Public Library  
1600 21st Street  
Vero Beach, FL 32960

***DOCKET NO. 20170179-GU***

Any customer comments regarding the Company's service or the proposed rate increase should include the docket number assigned to this case, Docket No. 20170179-GU, and should be addressed to:

Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

You may also contact the Commission at their toll free number: 1-800-342-3552.

Company personnel may be contacted to answer any questions concerning the rate request at the address shown on your bill, by visiting the Company's website: [www.floridacitygas.com](http://www.floridacitygas.com), or by calling the following telephone number: 1-888-284-5072 (available between the hours of 8:00 a.m. and 5:00 p.m. EST).

**APPENDIX A**  
**FLORIDA CITY GAS**  
**COMPARISON OF CURRENT AND PROPOSED RATES**



The Company is proposing revisions to its customer classes and rate schedules. The Company proposes to create separate rate schedules for Residential and Commercial customers, which will allow for more accurate allocation of costs to each class of customers. The Company also proposes three standard rate schedules for Residential customers (RS-1, RS-100 and RS-600) and to decrease the number of standard rate schedules for Commercial customers from eight to three (GS-1, GS-6K and GS-25K), which simplifies the process of classifying and administering customer accounts, and it maintains appropriate grouping of customers for cost of service allocations. In addition, FCG proposes to consolidate GS-120K and GS-250K into one GS-120K rate schedule and add two new rate schedules above the GS-1250K consumption level: GS-11M and GS-25M.

FCG also proposes to eliminate the FGS rate schedule, as well as the LED and AFD riders. The Company proposes to close the LES and KDS rate schedules to any new accounts. The GS-11M and GS-25M rate schedules are designed to meet the needs of future customers.

In addition, the Company notes that the Off-System Sales and Contract Demand Service are not included for comparison purposes, as the rates for these classes are established through negotiation. The following table provides information to enable customers to compare current proposed rates in the current and proposed rate classes.

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
GS-1	\$8.00	\$0.56213	No change	\$0.74751	RS-1	\$12.00	\$0.55220
GS-100	\$9.50	\$0.55248	No change	\$0.65758	RS-100	\$15.00	\$0.43120
GS-220	\$11.00	\$0.49531	No change	\$0.60246	RS-100	\$15.00	\$0.43120
GS-600	\$12.00	\$0.43663	No change	\$0.49869	RS-600	\$20.00	\$0.37559
GS-1.2K	\$15.00	\$0.31715	No change	\$0.35507	RS-600	\$20.00	\$0.37559
Gas Light	\$0.00	\$0.59535	No change	\$0.65605	Gas Light	\$0.00	\$0.4000
GS-1	\$8.00	\$0.56213	No	\$0.74751	GS-1	\$25.00	\$0.4262

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Rate Class	PRESENT RATES			INTERIM RATES			PROPOSED RATES			
	Customer Charge	Distr. Charge/Therm		Customer Charge	Distr. Charge/Therm		New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm	
				change						
GS-100	\$9.50	\$0.52248		No change	\$0.65758		GS-1	\$25.00	\$0.4262	
GS-220	\$11.00	\$0.49531		No change	\$0.60246		GS-1	\$25.00	\$0.4262	
GS-600	\$12.00	\$0.43663		No change	\$0.49869		GS-1	\$25.00	\$0.4262	
GS-1.2K	\$15.00	\$0.31715		No change	\$0.35507		GS-1	\$25.00	\$0.4262	
GS-6K	\$30.00	\$0.27487		No change	\$0.30647		GS-6K	\$35.00	\$0.3785	
GS-25K	\$80.00	\$0.27618		No change	\$0.30740		GS-25K	\$150.00	\$0.3571	
GS-60K	\$150.00	\$0.27477		No change	\$0.30449		GS-25k	\$150.00	\$0.3571	
NGV	\$15.00	\$0.23232		No change	No change		NGV	\$25.00	\$0.4262	
RSG	\$16.81	\$0.000/Therm (up to 14 therms)	\$0.52248 /per therm (over 14 terms)				RSG	No change	No change	No change
		Distribution Charge/ Therm	Demand Charge/ Therm		Distribution Charge/ Therm	Demand Charge/ Therm			Distrib. Charge/ Therm	Demand Charge/ Therm
GS-120k	\$250.00	\$0.18084	\$0.289		\$0.20277	No change	GS-120K	\$300.00	\$0.3172	\$0.575
GS-250K	\$300.00	\$0.17191	\$0.289		\$0.19261	No change	GS-120K	\$300.00	\$0.3172	\$0.575
GS-1250K	\$500.00	\$0.12225	\$0.289		\$0.13732	No change	GS-1250K	\$500.00	\$0.1606	\$0.575
GS-11M	N/A	N/A	N/A				GS-11 M	\$1,000.00	\$0.0800	\$0.575
GS-25M	N/A	N/A	N/A				GS-25	\$2,000.00	\$0.0400	\$0.575
TPS Shippers	\$400.00	\$5.92/customer					TPS (Shippers)	\$400.00	\$6.07/customer	
Connect Charge	\$50.00			\$50.00			\$80.00			

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Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
(Residential)							
Connect Charge (Non-residential)	\$110.00		\$110.00			\$150.00	
Connect Charge (Residential - Outside regular business hours)	\$50.00		\$50.00			\$100.00	
Connect Charge (Non-residential - outside regular business hours)	\$110.00		\$110.00			\$200.00	
Reconnection Charge (residential)	\$37.00		\$37.00			\$40.00	
Reconnection (Residential - outside regular business hours)	\$37.00		\$37.00			\$50.00	
Reconnection (Non residential - outside regular business hours)	\$80.00		\$80.00			\$100.00	
Returned Check Charge	\$25.00 or 5%, whichever					Additional service charge of	



DOCKET NO. 20170179-GU

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
	is greater					\$25 if the face value does not exceed \$50, \$30 if the face value exceeds \$50 but does not exceed \$300, \$40 if the face value exceeds \$300, or 5 percent of the face amount of the dishonored instrument, whichever is greater.	
Failed Trip Charge	\$0					\$20	
Late Payment Charge	1.5% or \$5.00					1.5% or \$5.00 whichever is greater. Late Payment Charge applied to the accounts of government al entities shall be at a rate no greater than allowed by	

DOCKET NO. 20170179-GU

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED RATES		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
						applicable law.	
Change of Account	\$20.00		\$20.00			\$25.00	
Bill Collection in lieu of disconnection	\$20.00		\$20.00			\$25.00	
Temporary Disconnection	\$25.00		\$25.00			\$35.00	
Temporary Disconnect (Outside regular business hours)	\$25.00		\$25.00			\$45.00	

## APPENDIX B

FLORIDA CITY GAS

Schedule A – Executive Summary Schedules



PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU  
MINIMUM FILING REQUIREMENTS  
INDEX

SCHEDULE		EXECUTIVE SUMMARY	
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A-3 p. 1	M. J. MORLEY	ANALYSIS OF JURISDICTIONAL RATE BASE	5
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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE MAGNITUDE  
OF CHANGE - PRESENT vs PRIOR RATE CASE.

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 8/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 8/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

## LAST RATE CASE

		REVENUES (A)				AV (HURRICANE)			UPPER-NI RATE CASE REVENUES			
		(1)*	(2)*	(3)*	(4)*	(5)*	(6)*	(7)*	(8)*	(9)	(10)**	(11)**
Line No.	Item	Historical	Attrition	Total	Projected Test Year	Historical	Attrition	Total	Projected Test Year 8/30/2004	Projected Test Year 12/31/2018	Dollar or Percent Difference	Percentage Change
1	DOCKET NUMBER	n/a	n/a	n/a	030569 -GU	n/a	n/a	n/a	030569 -GU	20170179-GU		
2	HISTORICAL DATA OR TEST YEAR	:	:	:	08/30/02	:	:	:	08/30/02	12/31/18		
3	PROJECTED TEST YEAR	:	:	:	08/30/04	:	:	:	08/30/04	12/31/18		
4	RATE INCREASE - PERMANENT	:	:	:	\$10,489,305	:	:	:	\$9,599,855	\$15,791,612	\$9,092,157	136.71%
5	RATE INCREASE - INTERIM	:	:	:	\$3,548,987	:	:	:	\$2,842,306	\$4,893,081	\$1,850,755	66.30%
6	JURISDICTIONAL RATE BASE BEFORE RATE RELIEF	:	:	:	\$123,421,819	:	:	:	\$119,897,447	\$280,278,151	\$179,380,704	149.61%
7	JURISDICTIONAL N.O.I BEFORE RATE RELIEF	:	:	:	\$3,598,957	:	:	:	\$4,721,534	\$9,280,482	\$4,888,948	86.77%
8	RATE OF RETURN BEFORE RATE RELIEF	:	:	:	2.81%	:	:	:	3.04%	3.10%	-0.54%	-21.32%
9	SYSTEM CAPITALIZATION	:	:	:	\$123,421,819	:	:	:	\$119,897,447	\$280,278,151	\$179,380,704	149.61%
10	OVERALL RATE OF RETURN	:	:	:	8.10%	:	:	:	7.36%	6.32%	-1.04%	-14.15%
11	COST OF LONG-TERM DEBT	:	:	:	8.43%	:	:	:	8.43%	4.66%	-1.77%	-27.53%
12	COST OF PREFERRED STOCK	:	:	:	n/a	:	:	:	n/a	n/a	n/a	n/a
13	COST OF SHORT-TERM DEBT	:	:	:	2.81%	:	:	:	3.80%	2.84%	-1.26%	-32.31%
14	COST OF CUSTOMER DEPOSITS	:	:	:	6.70%	:	:	:	6.70%	2.73%	-3.97%	-59.25%
15	COST OF COMMON EQUITY	:	:	:	11.25%	:	:	:	11.25%	11.25%	0.00%	0.00%
16	NUMBER OF CUSTOMERS - AVERAGE	:	:	:	101,807	:	:	:	101,807	106,503	7,696	7.58%
17	DATE NEW PERMANENT RATES EFFECTIVE	:	(A)	:	(A)	:	:	:	(A)	(A)		

(A) AS DETERMINED BY THE "FILE AND SUSPEND" PROVISIONS OF SECTION 386.06 (4), FLORIDA STATUTES.

\* IF COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3)  
AND COLUMNS (5) - (7) UNDER THE HEADING "LAST RATE CASE". IF THE COMPANY'S LAST RATE CASE WAS  
BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMNS (4) AND (6) UNDER THE HEADING "LAST RATE CASE".\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE  
THE DIFFERENCE BETWEEN COLUMN (8) AND COLUMN (7). IF THE COMPANY'S LAST RATE CASE WAS BASED ON  
A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (8).

SUPPORTING SCHEDULES: A-4, A-5, D-1, F-7, G-8 p2; G-5

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF PERMANENT RATE INCREASE REQUESTEDCOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GUTYPE OF DATA SHOWN:  
ATTRITION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 09/30/04  
PROJECTED TEST YEAR CURRENT CASE: 12/31/18  
WITNESS: M. J. MORLEY

Line No.	Description		Increase in Gross Revenue Dollars	% of Total
1	RESTORE ADJUSTED NET OPERATING INCOME TO PREVIOUSLY ALLOWED OVERALL RATE OF RETURN OF 7.38%		\$ 10,198,776	64.58%
2	INCREASE IN REQUESTED OVERALL RATE OF RETURN TO 6.32%		(3,667,451)	(23.22%)
3	EFFECT OF PROJECTED TEST YEAR		<u>9,260,487</u>	<u>58.64%</u>
4	TOTAL PERMANENT RATE INCREASE REQUESTED		<u>\$ 15,791,812</u>	<u>100.00%</u>

SUPPORTING SCHEDULES: D-1, G-5

RECAP SCHEDULE:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF JURISDICTIONAL RATE BASE

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 9/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 9/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

WITNESS: M. J. MORLEY

LINE NO.	Description	RATE BASE DETERMINED BY COMMISSION IN LAST RATE CASE				RATE BASE REQUESTED BY COMPANY IN CURRENT CASE	(5)** Dollar Difference	(7)** Percent Difference
		(1)* Historical	(2)* Attrition	(3)* Total	(4)* Projected Test Year 9/30/2004	(5) Projected Test Year 12/31/2018		
	<u>UTILITY PLANT</u>							
1	GAS PLANT IN SERVICE	n/a	n/a	n/a	188,324,265	429,448,193	231,121,928	118.54%
2	COMMON PLANT ALLOCATED	:	:	:	3,351,037	4,959,263	1,608,226	47.99%
3	ACQUISITION ADJUSTMENT	:	:	:	1,462,697	21,856,835	20,194,138	1380.61%
4	PLANT HELD FOR FUTURE USE	:	:	:			-	0.00%
5	CONSTRUCTION WORK IN PROGRESS	:	:	:	5,452,438	30,982,948	24,510,508	379.86%
6	GROSS UTILITY PLANT	:	:	:	209,590,438	487,025,239	277,434,801	132.37%
	<u>DEDUCTIONS</u>	:	:	:				
7	ACCUMULATED DEPRECIATION - UTILITY PLANT	:	:	:	84,776,445	177,918,948	93,142,503	109.87%
8	ACCUM. DEPRECIATION - COMMON PLANT ALLOCATED	:	:	:	2,468,493	918,038	(1,550,455)	(62.81%)
9	ACCUM. AMORTIZATION - ACQUISITION ADJUSTMENTS	:	:	:	226,472	9,865,892	9,639,420	4256.34%
10	CUSTOMER ADVANCES FOR CONSTRUCTION	:	:	:	-	-	-	0.00%
11	TOTAL DEDUCTIONS	:	:	:	87,471,410	188,702,878	101,231,468	115.73%
12	UTILITY PLANT, NET	:	:	:	122,119,028	298,322,361	176,203,333	144.28%
13	ALLOWANCE FOR WORKING CAPITAL	:	:	:	(2,221,581)	955,790	3,177,371	(143.02%)
14	RATE BASE	:	:	:	119,897,447	299,278,151	179,380,704	149.61%

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).

\* IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

SUPPORTING SCHEDULES: G-1 p.1

RECAP SCHEDULE:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF JURISDICTIONAL NET OPERATING INCOMECOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GUTYPE OF DATA SHOWN:  
HISTORIC TEST YEAR LAST CASE: 9/30/2002  
ATTRITION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 9/30/04  
PROJECTED TEST YEAR CURRENT CASE: 12/31/18  
WITNESS: M. J. MORLEY

LINE NO.	Description	NET OPERATING INCOME DETERMINED BY COMMISSION IN LAST RATE CASE				NET OPERATING INCOME REQUESTED BY COMPANY IN CURRENT CASE	(6) <sup>**</sup> Dollar Difference	(7) <sup>**</sup> Percent Difference
		(1) <sup>*</sup>	(2) <sup>*</sup>	(3) <sup>*</sup>	(4) <sup>*</sup>	(5)		
		Historical	Attrition	Total	Projected Test Year 9/30/2004	Projected Test Year		
1	OPERATING REVENUES (A)	n/a	n/a	n/a	38,222,074	53,847,381	15,625,257	40.88%
	OPERATING REVENUE DEDUCTIONS:	:	:	:				
2	OPERATING & MAINTENANCE EXPENSE	:	:	:	22,908,548	22,903,906	(2,640)	-0.01%
3	DEPRECIATION & AMORTIZATION EXPENSE	:	:	:	7,937,788	18,603,266	8,665,480	109.17%
4	TAXES OTHER THAN INCOME	:	:	:	2,297,928	2,900,348	602,421	26.22%
5	INCOME TAXES (FEDERAL & STATE)	:	:	:	358,280	2,148,328	1,781,048	499.90%
6	TOTAL OPERATING EXPENSES	:	:	:	33,500,540	44,556,849	11,056,309	33.00%
7	NET OPERATING INCOME (B)	:	:	:	4,721,534	9,290,482	4,568,948	96.77%

(A) EXCLUDES FUEL & CONSERVATION REVENUE  
(B) BEFORE RATE RELIEF\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).  
IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE  
THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON  
A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

SUPPORTING SCHEDULES: G-2 p.1

RECAP SCHEDULES: A-1



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING  
OVERALL RATE OF RETURN COMPARISON

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 9/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 9/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

WITNESS: M. J. MORLEY

Line No.	Item	Dollars	Ratio	Embedded Cost	Weighted Cost
<u>LAST RATE CASE (AUTHORIZED)*</u>					
1	COMMON EQUITY	44,083,240	36.77%	11.25%	4.14%
2	PREFERRED STOCK	-	0.00%	n/a	0.00%
3	LONG-TERM DEBT	48,347,307	40.32%	6.43%	2.59%
4	SHORT-TERM DEBT	9,252,522	7.72%	3.90%	0.30%
5	CUSTOMER DEPOSITS	5,833,009	4.86%	6.70%	0.33%
6	TAX CREDITS	536,361	0.45%	0.00%	0.00%
7	DEFERRED TAXES	11,845,018	9.88%	0.00%	0.00%
8	TOTAL CAPITALIZATION	<u>119,897,457</u>	<u>100.00%</u>		<u>7.36%</u>
<u>CURRENT RATE CASE (REQUESTED)</u>					
9	COMMON EQUITY	115,745,170	38.67%	11.25%	4.35%
10	PREFERRED STOCK	-	0.00%	n/a	0.00%
11	LONG-TERM DEBT	115,217,944	38.50%	4.66%	1.79%
12	SHORT-TERM DEBT	15,814,600	5.28%	2.64%	0.14%
13	CUSTOMER DEPOSITS	3,888,281	1.30%	2.73%	0.04%
14	TAX CREDITS	-	0.00%	0.00%	0.00%
15	DEFERRED TAXES	48,612,155	16.24%	0.00%	0.00%
16	TOTAL CAPITALIZATION	<u>299,278,150</u>	<u>100.00%</u>		<u>8.32%</u>

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, REPORT THE CAPITAL STRUCTURE FOR THE ATTRITION YEAR. IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, REPORT THE CAPITAL STRUCTURE FOR THE PROJECTED TEST YEAR.

## SCHEDULE A-6

## EXECUTIVE SUMMARY

PAGE 1 OF 1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

EXPLANATION: PROVIDE A SUMMARY OF FINANCIAL INDICATORS AS SPECIFIED  
BELOW FOR THE HISTORIC DATA BASE YEAR OF THE LAST RATE CASE, HISTORIC  
DATA BASE YEAR FOR THIS CASE, AND THE YEAR IMMEDIATELY FOLLOWING THE  
PRESENT HISTORIC DATA BASE YEAR.TYPE OF DATA SHOWN:  
HISTORIC TEST YEAR LAST CASE: 8/30/02  
ATTRITION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 8/30/04  
PROJECTED TEST YEAR CURRENT CASE: 12/31/18  
WITNESS: M. J. MORLEY

LINE NO.	INDICATORS	2002	2016	2017	2018	2018
		(1) DATA FROM HISTORIC BASE YR OR TY RELATED TO COMPANY'S PRIOR CASE	(2) DATA FROM HISTORIC BASE YEAR RELATED TO COMPANY'S CURRENT CASE	(3) YEAR AFTER CURRENT HISTORIC BASE YEAR WITHOUT ANY RATE INCREASE	(4) PROJECTED TEST YEAR WITHOUT ANY RATE INCREASE	(5) PROJECTED TEST YEAR INCLUDING REQUESTED RATE INCREASE
INTEREST COVERAGE RATIOS:						
1	INCLUDING AFUDC IN INCOME BEFORE INTEREST CHARGES	1.48	4.38	3.31	2.28	5.21
2	EXCLUDING AFUDC FROM INCOME BEFORE INTEREST CHARGES	1.48	4.38	3.31	2.28	5.21
OTHER FINANCIAL RATIOS:						
3	AFUDC AS A PERCENT OF INCOME AVAILABLE FOR COMMON	0.00%	0.08%	0.00%	0.00%	0.00%
4	PERCENT OF CONSTRUCTION FUNDS GENERATED INTERNALLY	22.96%	74.33%	63.03%	22.52%	32.06%
PREFERRED DIVIDEND COVERAGE:						
5	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
6	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
RATIO OF EARNINGS TO FIXED CHARGES:						
7	INCLUDING AFUDC	1.48	4.38	3.31	2.28	5.21
8	EXCLUDING AFUDC	1.48	4.38	3.31	2.28	5.21
EARNINGS PER SHARE:						
9	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
10	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
11	DIVIDENDS PER SHARE	N/A	N/A	N/A	N/A	N/A

SUPPORTING SCHEDULES: D-11 p.1-3, G-3 p.1-11

RECAP SCHEDULES:

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Rate Case Synopsis has been served by U.S. Mail this 11th day of December, 2017, upon the following:


Lomax Harrelle City Manager City of Belle Glade 110 Dr. Martin Luther King Jr. Blvd W. Belle Glade, FL 33430	Frank Abbate Interim County Manager City of Brevard 2725 Judge Fran Jamieson Way, Bldg. C Viera, FL 32940
Bertha Henry County Administrator City of Broward 115 S. Andrews Ave., Room 409 Fort Lauderdale, FL 33301	David L. Greene City Manager City of Cape Canaveral P.O. Box 326 Cape Canaveral, FL 32920
Al Perry City Manager City of Clewiston 115 W Ventura Avenue Clewiston, FL 33440	John Titkanich City Manager City of Cocoa 65 Stone Street Cocoa, FL 32922
James "Jim" McKnight City Manager City of Cocoa Beach 2 S. Orlando Avenue Cocoa Beach, FL 32932-2430	Cathy Swanson-Rivenbark City Manager City of Coral Gables 405 Biltmore Way, First Floor Coral Gables, FL 33134
Rafael G. Casals Town Manager Town of Cutler Bay 10720 Caribbean Boulevard, Suite 105 Cutler Bay, FL 33189	Edward A. Rojas City Manager City of Doral Government Center 8401 NW 53rd Terrace Doral, FL 33166
Jason R. Nunemaker City Manager City of Fellsmere 22 S. Orange Street Fellsmere, FL 32948-6700	Charles T. Chapman IV County Administrator City of Hendry PO Box 2340 LaBelle, FL 33975-2340
Carlos Hernandez Mayor City of Hialeah Office of the Mayor 501 Palm Avenue Hialeah, FL 33010	Yioset De La Cruz Mayor City of Hialeah Gardens 10001 NW 87th Avenue Hialeah Gardens, FL 33016

Dr. Wazir Ishmael City Manager City of Hollywood 2600 Hollywood Boulevard, Room 419 Hollywood, FL 33022	George Gretsas City Manager City of Homestead City Hall 100 Civic Court Homestead, FL 33030
Christopher Chinault Town Manager Town of Indialantic 216 5th Avenue Indialantic, FL 32903	Mark Ryan City Manager City of Indian Harbor Beach 2055 South Patrick Drive Indian Harbor Beach, FL 32937
Jason E. Brown County Administrator City of Indian River County Administration Office 1801 27th Street Vero Beach, FL 32960-3365	Taryn Kryzda County Administrator City of Jensen Beach 2401 SE Monterey Road Stuart, FL 34996
Michael A. Boyle Superintendent of Public Works City of LaBelle P.O. Box 458 LaBelle, FL 33975	Douglas C. Hoyt Town Manager City of Malabar 2725 Malabar Road Malabar, FL 32950-4427
Roberto Martell Mayor City of Medley 7777 NW 72nd Avenue Medley FL 33166	Mike McNees City Manager City of Melbourne City Hall, Fifth Floor 900 E. Strawbridge Avenue Melbourne, FL 32901
Head of Village Administration City of Melbourne Village 555 Hammock Road Melbourne Village, FL 32904	Daniel J. Alfonso City Manager City of Miami 444 SW 2nd Ave., 10th Floor Miami, FL 33130
Cameron Benson City Manager City of Miami Gardens 18605 NW 27th Avenue Miami Gardens, FL 33056	Alex Rey City of Miami Lakes Town Manager 6601 Main Street Miami Lakes, FL 33014
William Alonso City Manager City of Miami Springs 201 Westward Drive Miami Springs, FL 33166	Leondrae Camel City Manager City of South Bay 335 SW 2nd Avenue South Bay, FL 33493

<p>Carlos Gimenez Mayor City of Miami-Dade Office of the Mayor Stephen P. Clark Center 111 N.W. 1st Street, 29th Floor Miami, FL 33128</p>	<p>Joe Griffin City Manager City of Sebastian City Hall 1225 Main Street Sebastian, FL 32958</p>
<p>Kathleen Woods-Richardson City Manager City of Miramar Office of the City Manager 2300 Civic Center Place Miramar, FL 33025</p>	<p>Ana M. Garcia City Manager City of N. Miami Beach NMB City Hall, 4th Floor 17011 NE 19th Avenue North Miami Beach, FL, 33162</p>
<p>Larry M. Spring City Manager City of North Miami 776 NE 125 Street North Miami, FL 33161</p>	<p>Yvette Harrell City Manager City of Opa Locka 780 Fisherman Street, 4th Floor Opa-locka, FL 33054</p>
<p>Gregg Lynk City Manager City of Palm Bay City Manager's Office 120 Malabar Road Palm Bay, FL 32907</p>	<p>Verdenia C. Baker County Administrator City of Palm Beach 301 N. Olive Avenue West Palm Beach, FL 33401</p>
<p>Town Clerk City of Palm Shores 247 Edwards Lane Palm Beach Shores, FL 33404</p>	<p>Edward Silva Village Manager Village of Palmetto Bay Municipal Center Office of the Village Manager 9705 East Hibiscus Street Palmetto Bay, FL 33157</p>
<p>Dr. Robert A. Levy Town Manager Town of Pembroke Park Town Hall 3150 SW 52nd Avenue Pembroke Park, FL 33023</p>	<p>Russ Blackburn City Manager City of Port St. Lucie 121 S.W. Port St. Lucie Blvd Port St. Lucie, FL 34984</p>
<p>Dr. Brenda Fettrow City Manager City of Rockledge 1600 Huntington Lane Rockledge, FL 32955</p>	<p>Courtney H. Barker City Manager City of Satellite Beach 565 Cassia Boulevard Satellite Beach, FL 32937</p>

<u>Martin County Public Library</u> Hoke Library 1150 NW Jack Williams Way Jensen Beach, FL 34957	<u>Indian River County Public Library</u> 1600 21st Street Vero Beach, FL 32960
<u>St. Lucie County Public Library</u> Port St. Lucie Branch 180 SW Prima Vista Port St. Lucie, FL 34983	<u>Doral Office</u> 4045 N.W. 97th Avenue Doral, FL 33178-2300 USA
<u>Brevard Service Center</u> 4180 South US Highway 1 Rockledge, Florida 32955-5309	

By: \_\_\_\_\_



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

Florida City Gas  
Acquisition Net Savings to Florida City Gas

Line No.		A	B	C	D	E	F	G	H	I
		Actual 12 Months Ended December 2016	Actual 12 Months Ended September 2004	Reclassification of Customer Service Expenses to Allocation	Reclassified 12 Months Ended September 2004	Inflation & Growth Compound Multiplier	F=D*E Adjusted 12 Months Ended September 2004	G=F-A Difference	Less Capitalized Cost	I=G+H Total Savings
1	Labor	7,447,164	7,688,023	(1,973,874)	5,714,149	1.3591	7,766,100	318,936		318,936
2	Benefits	2,315,038	2,273,725	(471,414)	1,802,311	1.3591	2,449,521	134,483		134,483
3	Outside services	1,844,355	2,160,045	(225,501)	1,934,544	1.3591	2,629,239	784,884		784,884
4	Allocations	8,144,025	6,347,641	3,812,150	10,159,791	1.3591	13,808,172	5,664,147		5,664,147
5	Capitalized cost	(2,238,724)	(49,586)	-	(49,586)	1.3591	(67,392)	2,171,332	(2,171,332)	-
6	Other operating expense	3,414,010	5,265,916	(1,141,361)	4,124,555	1.3591	5,605,683	2,191,673		2,191,673
7	Total operations and maintenance expenses	20,925,868	23,685,764	-	23,685,764		32,191,323	11,265,455	(2,171,332)	9,094,123
8	Acquisition adjustment		21,656,835							
9	Accumulated amortization		(9,865,892)							
10	Net acquisition adjustment		11,790,943							
11	Weighted average cost of capital (after-tax)		5.55%							
12	Return on acquisition adjustment (operating		654,397							
13	income requirement)									
14	Gross-up factor		1.6432							
15	Revenue requirement for return		1,075,305							
16	Amortization of acquisition adjustment		721,895							
17	Total revenue requirement		1,797,200							
18	Total savings		9,094,123							
19	Total revenue requirement		1,797,200							
20	Net savings		7,296,923							

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 5  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Matthew Kim MK-1

Per FERC Form

Operations expense	42,632,479
Maintenance expense	<u>1,600,237</u>
Total O&M per FERC Form	44,232,716

2016 FERC Form page 8 line 4  
2016 FERC Form page 8 line 5

Reconciling items to O&M presented:

Less: Gas cost	(18,563,889)
Less: Conservation	(5,329,977)
Add: AGSC depreciation in 403	500,010
Less: Pension regulatory asset amortization in 926	(164,249)
Add: AGSC other taxes	
FICA, SUTA, FUTA related to payroll accrual	237,133
Taxes other than income - other	7,103
Add: Other	<u>7,021</u>
Total reconciling items	(23,306,848)

MFR C-2  
MFR C-2  
2016 FERC Form page 16, note 3  
2016 FERC Form page 19 line 5 of account 182.3 detail

See note 1 below  
2016 FERC Form page 23

O&M per internal presentation 20,925,868

Per Exhibit MK-1

Note 1> FICA, SUTA, FUTA difference

Per FERC Form (included in FERC account 408.1)	678,053
Per internal TOTI accounts	
Account 427100	575,798
Account 427111	<u>(134,878)</u>
	440,920

2016 FERC Form page 23

Per internal GL  
Per internal GL

Difference - included in O&M per internal 237,133



### AGL SERVICES AGREEMENT

This AGL Services Agreement (the "Agreement") is entered into as of the 9<sup>th</sup> day of July, 2008 by and between Pivotal Utility Holdings, Inc. d/b/a Florida City Gas Company, a New Jersey corporation (the "Company"), and AGL Services Company, a Georgia company, ("AGSC").

WHEREAS, each of the Company and AGSC is an associate company of AGL Resources Inc. ("AGLR");

WHEREAS, AGSC has been formed for the purpose of providing administrative, management and other services to associate companies; and

WHEREAS, the Company believes that it is in the interest of the Company to provide for an arrangement whereby the Company may, from time to time and at the option of the Company, agree to purchase certain administrative, management and other services from AGSC;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

I. SERVICES OFFERED. Exhibit I hereto lists and describes all of the services that are available from AGSC. AGSC hereby offers to supply those services to Company and to other associate companies. Such services are and will be provided to the Company only at the request of the Company.

II. SERVICES SELECTED.

A. Initial Selection of Services. Exhibit II lists the services each Company hereby agrees to receive from AGSC.

B. Annual Selection of Services. AGSC shall send an annual service proposal form to the Company on or about October 1st listing services proposed for the next fiscal year. By November 30th, the Company shall notify AGSC of the services it has elected to receive during the next fiscal year.

III. PERSONNEL. AGSC will provide services by utilizing the services of such executives, accountants, financial advisers, technical advisers, attorneys, engineers and other persons as have the necessary qualifications.

If necessary, AGSC, after consultation with the Company, may also arrange for the services of affiliated or unaffiliated experts, consultants, attorneys and others in connection with the performance of any of the services supplied under this Agreement. AGSC also may serve as administrative agent, arranging

and monitoring services provided by third parties to Company, whether such services are billed directly to Company or through AGSC.

IV. COMPENSATION AND ALLOCATION. As and to the extent required by law, AGSC will provide such services at cost. The attached Exhibit I contains AGSC's Policies and Procedures Manual which describes the rules for determining and allocating costs for AGSC.

V. BILLING. Bills will be rendered on or about the 15th of each month covering amounts due for the month calculated using the actual expenses incurred to the extent possible during the previous month. Any amount remaining unpaid after thirty days following receipt of the bill shall bear interest thereon from the date of the bill at an annual rate of 2% above the interest rate on 30 day commercial paper as listed on the last working day of that month in the Wall Street Journal.

VI. TERMINATION AND MODIFICATION.

A. Modification of Services. The Company may modify its selection of services at any time during the fiscal year by giving AGSC written notice sixty (60) days in advance for the additional services it wishes to receive, and/or the services it no longer wishes to receive, from AGSC.

B. Modification of Other Terms and Conditions. No other amendment, change or modification of this Agreement shall be valid, unless made in writing and signed by all parties hereto.

C. Termination of this Agreement. The Company may terminate this Agreement with AGSC by providing sixty (60) days advance written notice of such termination to AGSC. AGSC may terminate this Agreement as to the Company by providing sixty (60) days advance written notice of such termination to the Company.

This Agreement shall be subject to the approval of any state commission or other state regulatory body whose approval is, by the laws of said state, a legal prerequisite to the execution and delivery or the performance of this Agreement.

VII. NOTICE. Where written notice is required by this Agreement, said notice shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

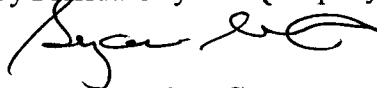
- a. To Florida City Gas Company  
933/955 East 25<sup>th</sup> Street  
Hialeah, FL 33013  
Attention: Jay Sutton  
Facsimile: 305-835-6491

b. To AGL Services Company  
Ten Peachtree Place  
Atlanta, GA 30309  
Attention: Paul R. Shlanta, Executive Vice President, General Counsel and  
Chief Ethics and Compliance Officer  
Facsimile: (404) 584-3237

- VIII. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, without regard to their respective conflict of law provisions.
- IX. ENTIRE AGREEMENT. This Agreement, together with its exhibits, constitutes the entire understanding and agreement of the parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective parties hereof and thereto, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and cancelled in their entirety and of no further force or effect.
- X. WAIVER. No waiver by any party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.
- XI. ASSIGNMENT. This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns. No assignment of this Agreement or any party's rights, interests or obligations hereunder may be made without the other party's consent, which shall not be unreasonably withheld, delayed or conditioned.
- XII. SEVERABILITY. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.
- XIII. EFFECTIVE DATE. This Agreement is effective as of January 1, 2006.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above mentioned.

By Florida City Gas Company:



By AGL Services Company:



## EXHIBIT I. POLICIES AND PROCEDURES MANUAL

### Cost Accumulation and Assignment. Allocation Methods, and Description of Services Offered by AGL Services Company.

This document sets forth the methodologies used to accumulate the costs of services performed by AGL Services Company ("AGSC") and to charge, assign or allocate such costs to other subsidiaries and business units within the AGL Resources Inc. ("AGLR") system. The subsidiaries and business units of AGLR are referred to as the "AGLR System Companies".

#### Cost of Services Performed

AGSC maintains an accounting system that enables costs to be identified by "Account Codes" which include Cost Center, Account Number, Capital Project or O&M Project. The primary inputs to the accounting system are payroll records for AGSC's employees, accounts payable transactions and journal entries.

To the extent practicable, costs of services are directly charged to the appropriate AGLR System Companies and the applicable Account Codes. AGSC uses a Project Costing work order system to directly charge costs related to specifically created O&M projects to one or more AGLR System Companies as defined by the project owner. Additionally, AGSC uses standard rates and drivers to direct charge costs to AGLR System Companies.

AGLR also uses the Project Costing work order system to directly assign payroll costs and related benefits based on a unique business unit identifier for all AGLR System Companies. Other operational costs can also be direct assigned to AGLR System Companies by utilizing the unique business unit identifier.

The full cost of providing services also includes certain indirect costs such as departmental overheads, administrative and general costs, and taxes. These indirect costs are associated with the services performed by AGSC that are not directly charged or assigned to one or more AGLR System Companies. These indirect costs are distributed or allocated to one or more AGLR System Companies. Causal relationships between the services provided and the allocation factors are identified and utilized as the basis for selecting the appropriate allocation driver for distributed and allocated costs.

#### Cost Assignment and Allocation

AGSC's costs will be directly charged, assigned, distributed or allocated to AGLR System Companies in the manner described below:

1. Direct Charge: Costs accumulated in specific O&M projects will be directly charged to one or more AGLR System Companies as defined by the project owner. Costs will also be directly charged to AGLR System Companies using

methods determined on a case-by-case basis consistent with the nature of the work performed and/or based on the utilization of one of the standard rates and drivers described below.

- A. Number of Stores Issues Ratio - A ratio based on the actual withdrawals from materials and supplies inventory. This ratio will be updated at regular intervals, at least annually, based on actual withdrawals from materials and supplies inventory using the most recent data reasonably available.
- B. Rate Per Square Foot - This rate may be used by Business Support-Facilities Management and is based on the estimated or actual costs to maintain and support the common facilities used by AGLR System Companies. This rate will be updated at regular intervals, at least annually, using the most recent data reasonably available. This rate will be applied to the actual square footage used by the applicable AGLR System Companies. The actual square footage will be updated at regular intervals, at least annually, using the most recent data reasonably available.
- C. Rate Per Vehicle - This rate may be used by Business Support-Fleet Services and is based on the estimated or actual costs to maintain and support fleet vehicles used by AGLR System Companies. This rate will be updated at regular intervals, at least annually, using the most recent data reasonably available. This rate will be applied to the actual number of vehicles used by the applicable AGLR System Company. The actual number of vehicles will be updated at regular intervals, at least annually, using the most recent data reasonably available.
- D. Rate Per Computer - This rate may be used by Information Systems and is based on the estimated costs of personal computers and peripheral equipment. This rate will be updated at regular intervals, at least annually, using the most recent data reasonably available. This rate will be applied to the actual number of personal computers and peripheral equipment for the applicable AGLR System Company. The actual number of personal computers and peripheral equipment will be determined at regular intervals, at least annually, using the most recent data reasonably available.
- E. Rate Per Employee - This rate may be used by Information Systems and is based on a cost per hour to maintain electronic data processing and telecommunications systems in the AGLR System Companies. This rate will be updated at regular intervals, at least annually, using the most recent data reasonably available.
- F. Direct Charge Payroll Ratio - This ratio may be used to direct charge costs related to administration of benefits, at-risk compensation plans, etc. In addition, this ratio may be used to direct charge benefit costs such as health, pension, retirement, etc. when such benefits are not recorded directly on books of AGLR System Companies. This ratio will be based

on the relative percentage of a participating AGLR System Company department's payroll costs to total AGLR System payroll costs. This ratio will be determined at regular intervals, at least annually, using the most recent data reasonably available.

2. Direct Assigned: Costs accumulated in Account Codes for services specifically performed for one or more AGLR System Companies will be assigned utilizing the unique business unit identifier for all operational costs including payroll expenses. Benefit related expenses will be direct assigned among and charged to such AGLR System Companies using methods determined on a case- by-case basis consistent with the nature of the work performed and/or based on one of the distribution or allocation methods described below.
  - A. Direct Assign Payroll Ratio - This ratio is based on the total payroll costs a department incurs on behalf of an AGLR System Company as tracked in an unique business unit identifier and/or O&M project. This ratio will be determined monthly based on time recorded on time sheets by AGSC employees and the AGSC employees' effective salary rates.
3. Distributed and Allocated: Costs accumulated in Account Codes for services of a general nature which are applicable to all AGLR System Companies or to a class or classes of AGLR System Companies will be allocated among or charged to such AGLR System Companies by application of one or more of the allocation methods described below.

#### Distribution and Allocation Methods

The following methods will be applied, as indicated in the Description of Services section that follows, to distribute or allocate any remaining costs that are not directly charged or directly assigned using the allocation methodologies described above:

- A. Number of End-Use Customers Ratio - A ratio based on the number of end-use customers for AGLR natural gas affiliates. This ratio will be updated at regular intervals, at least annually, using the most recent data reasonably available.
- B. Total Assets Ratio - A ratio based on the total assets less intercompany receivables and intercompany notes. This ratio will be updated at regular intervals, at least annually, using the most recent data reasonably available.
- C. Number of Employees Ratio - A ratio based on the number of employees benefiting from the performance of a service. Additionally, for the parent or holding company of AGLR, the number of employees are those officers common to the parent and AGSC. This ratio will be updated at regular intervals, at least annually, using the most recent data reasonably available.

- D. Call/Phone Volume Ratio - A ratio based on the monthly call volume incurred on behalf of the AGLR System Companies and may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes.
- E. Operating Expense Ratio- A ratio based on total operating expense. This ratio will be updated at regular intervals, at least annually, using the most recent data reasonably available.
- F. Operating Margin Ratio - A ratio based on operating margin defined as revenue less cost of goods. Additionally, for the parent or holding company of AGLR, operating margin consists of dividends for the AGLR System Company subsidiaries. This ratio will be updated at regular intervals, at least annually, using the most recent data reasonably available.
- G. Composite Ratio - This ratio is an average of the above four ratios of: Number of Employees, Total Assets, Operating Expenses and Operating Margin. This ratio will be updated at regular intervals, at least annually, using the most recent data reasonably available.

#### Description of Services

A description of each of the services performed by AGSC, which may be modified from time to time, is presented below. As discussed above, where identifiable, costs will be directly charged or assigned to AGLR System Companies. For costs accumulated in Account Codes which are for services of a general nature that cannot be directly charged or assigned, the method or methods of allocation are also set forth. Substitution or changes may be made in the methods of allocation hereinafter specified, as may be appropriate, and will be provided to state regulatory agencies and to each affected AGLR System Company.

##### 1. Rates and Regulatory.

AGSC assists the AGLR System Companies in the analysis of their rate structures and in the formulation of rate policies and advises and assists AGLR System Companies in proceedings before regulatory bodies involving the rates and operations of AGLR System Companies and of other competitors where such rates and operations directly or indirectly affect the AGLR System Companies. AGSC also assists AGLR System Companies by analyzing Pipeline Safety, Environmental and Safety Regulations; writing the appropriate procedures to assist the system companies to stay in compliance with those regulations; providing internal reviews to assure operational, environmental and safety compliance; assisting in work with state and federal pipeline safety regulators and managing leak survey, pipeline integrity, locate and right of way contractors. Any remaining costs not directly charged or assigned will be distributed using the Number of End-Use Customers Ratio.

2. Internal Auditing.

AGSC performs periodic reviews of operational, compliance, financial and information system processes for AGLR System Companies. Any remaining costs not directly charged or assigned will be allocated using the Composite Ratio.

3. Strategic Planning.

AGSC advises and assists AGLR System Companies with the preparation of strategic business plans and corporate strategies. Any remaining costs not direct charged or assigned will be allocated using the Composite Ratio.

4. External Relations.

AGSC maintains relationships with government policy makers, conducts lobbying activities and provides community relations support. Any remaining costs not directly charged or assigned will be allocated using the Composite Ratio.

5. Gas Supply, Capacity Planning and Capacity Management.

AGSC provides gas control, scheduling, capacity planning and monitoring services. AGSC manages a centralized gas control center which provides natural gas delivery for natural gas distribution affiliates. AGSC also provides scheduling functions between the natural gas distribution affiliates and the pipelines for their daily supply. AGSC provides capacity planning services for each natural gas distribution affiliate including identifying present and future gas requirements to meet the needs of each natural gas distribution affiliate. AGSC provides monitoring of natural gas storage facilities and telecommunications networks.

AGSC also coordinates the management of gas supply for natural gas distribution affiliates who offer retail services and coordinates gas transmission and storage services for all natural gas distribution affiliates to ensure the most efficient use of services and to capture economies of scale as a larger purchaser in the market. Individually, natural gas distribution affiliates may, however, remain as the contract party under any agreement. Any remaining costs not directly charged or assigned will be distributed using the Number of End-Use Customers Ratio.

6. Legal Services and Risk Management.

AGSC provides various legal services and general legal oversight. In addition, AGSC provides insurance, claims, security, environmental and safety related



services and performs corporate secretarial functions. Any remaining costs not directly charged or assigned will be allocated using the Composite Ratio.

7. Marketing.

AGSC assists AGLR System Companies by providing analysis, implementation and maintenance of line extension policies, by providing analysis of tariff rates in response to customer needs and by developing marketing strategies and programs. Any remaining costs not directly charged or assigned will be distributed using the Number of End-Use Customers Ratio.

8. Financial Services.

AGSC provides various services to AGLR System Companies including corporate tax, treasury, corporate accounting and reporting, general ledger maintenance and all accounting recordkeeping, processing certain accounts such as accounts payable, cash management, and others as may be deemed necessary, including hedging policy and oversight, financial planning and regulatory support (for all natural gas distribution affiliates and other AGLR System Companies that interact with regulators or regulated companies). Each AGLR System Company may also maintain its own corporate and accounting group and engage AGSC to provide advice and assistance on accounting matters, including the development of accounting practices, procedures and controls, the preparation and analysis of financial reports and the filing of financial reports with regulatory bodies, on a system-wide basis. Any remaining costs not directly charged or assigned will be allocated using the Composite Ratio.

9. Information Systems.

AGSC provides the AGLR System Companies with production support of web, mainframe and distributed computing applications, servers and networks. Also, provides deskside asset management, disaster recovery, data network, application security and voice communications services. Any remaining costs not directly charged or assigned will be allocated using the Composite Ratio to affiliates receiving these services.

10. Executive.

AGSC utilizes the executive staff of AGLR in order to assist the AGLR System Companies in formulating and executing general plans and policies, including operations, issuances of securities, appointment of executive personnel, budgets and financing plans, expansion of services, acquisitions and dispositions of property, public relationships and other related matters. Any remaining costs not directly charged or assigned will be allocated using the Composite Ratio.

11. Investor Relations.

AGSC maintains relationships with the financial community and provides

shareholder services for the benefit of AGLR System Companies. Any remaining costs not directly charged or assigned will be allocated using the Composite Ratio.

12. Customer Services.

AGSC assists AGLR System Companies by providing billing, mailing, remittance processing, call center and customer communication services for customers; by providing credit and collections support and analysis; by providing support for response to customer complaints and by providing customer service surveys to improve service and efficiency. Any remaining costs, except for AGSC call center department costs, not directly charged or assigned will be distributed using the Number of End-Use Customers Ratio to affiliates receiving these services. Any remaining costs related to the AGSC call center will be distributed using the Call/Phone Volume Ratio defined for customer services representatives and management support staff.

13. Employee Services.

AGSC assists AGLR System Companies in developing employee relations policies and programs, and training personnel in a coordinated manner throughout the AGLR System Companies. Each AGLR System Company may maintain a human resources group to handle the individualized application of policies and programs. AGSC also provides payroll services, management of the employee benefit plans and employee communications. Any remaining costs not directly charged or assigned will be distributed using the Number of Employees Ratio.

14. Engineering.

AGSC provides engineering services for the AGLR System Companies. These services include design of infrastructure expansion and improvements, system analysis and modeling, GIS mapping and updates and maintenance and general engineering expertise. AGSC may also provide certain services for non-regulated subsidiaries. Any remaining costs not directly charged or assigned will be distributed using the Number of End-Use Customers Ratio.

15. Business Support.

i. Purchasing.

AGSC provides procurement services to AGLR System Companies. Any remaining costs not directly charged or assigned will be allocated using the Composite Ratio to affiliates receiving these services.

ii. Facilities Management.

AGSC provides facilities management services for offices owned or leased by AGLR System Companies. Any remaining costs not directly

charged or assigned will be allocated using the Composite Ratio to affiliates receiving these services.

iii. Fleet.

AGSC provides fleet management services for vehicles owned or leased by AGLR System Companies. Any remaining costs not directly charged or assigned will be allocated using the Composite Ratio to affiliates receiving these services.

vi. Other

AGSC provides other services to AGLR System Companies such as records management, media and visual services and business process innovation. Any remaining costs not directly charged or assigned will be allocated using the Composite Ratio to affiliates receiving these services.

16. Other.

AGSC provides other services, such as business development, as identified in this document or requested by the AGLR System Companies. Any remaining costs not directly charged or assigned will be allocated using the Composite Ratio.

EXHIBIT II

**AGREED UPON SERVICES TO BE RECEIVED FROM AGL SERVICES COMPANY**

	<b>SERVICES</b>	<b>YES</b>	<b>NO</b>
1.	Rates and Regulator	X	
2.	Internal Auditing	X	
3.	Strategic Planning		X
4.	External Relations	X	
5.	Gas Supply and Capacity Management	X	
6.	Legal Services and Risk Management	X	
7.	Marketing	X	
8.	Financial Services	X	
9.	Information Systems and Technology	X	
10.	Executive	X	
11.	Investor Relations	X	
12.	Customer Services	X	
13.	Employee Services	X	
14.	Engineering	X	
15.	Business Support	X	
	i. Purchasing	X	
	ii. Facilities Management	X	
	iii. Fleet	X	
	iv. Other	X	
	– Corporate Communications	X	
	– Corporate Compliance	X	
16.	Other	X	

Florida City Gas  
Storm-related Costs

Florida Public Service Commission  
Docket No. 20170179-GU  
FLORIDA CITY GAS  
Exhibit MK-3 (Revised) Page 1 of 1

	Hurricane Matthew	Revised Hurricane Irma	Total
Overtime payroll	45,944	33,778	79,723
Payroll charged by affiliated utilities assisting FCG	37,020	-	37,020
Travel and expense through P-Card			
Hotel	40,639	15,091	55,730
Meals	6,267	30,534	36,801
Other	8,433	1,249	9,681
Travel and expense from affiliated utilities assisting FCG	47,989	-	47,989
LNG expense	17,450	-	17,450
Contractor expense	-	119,226	119,226
Fleet expense	21,582	111,314	132,896
Materials	2,791	23,383	26,174
Other miscellaneous	(7,395)	22,614	15,219
Total storm-related costs	220,721	357,189	577,910

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 7  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Matthew Kim MK-3

**Daniel J. Nikolich**  
**Manager, Rates – Southern Operations**

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Mr. Nikolich is the Manager, Rates – Southern Operations for Southern Company Gas who has over 24-years of experience working with regulated rates and tariffs in multiple states. Mr. Nikolich is responsible for overseeing the development of short-term and long-term demand and revenue forecasts, along with short-term and long-term new load growth forecasts. Further, he is responsible for providing economic and statistical analysis for rate design, cost of service and allocation studies. He is also responsible for market research and planning studies along with and maintaining the supporting informational databases in the various states that Southern Company Gas has local distribution companies.

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**RELEVANT PROJECT EXPERIENCE**

**Regulatory Analysis, Ratemaking, Cost of Service**

- Responsible for rate design 2017 Atlanta Gas Light Georgia Rate Adjustment Mechanism filing. Provided rate design and discovery support.
- Responsible for program design and cost effectiveness analysis for the Elizabethtown Gas energySmart program (ESP) in the 2015 annual program renewal filing. Provided testimony for the benefits of the ESP and the cost effectiveness of its measures, represented the company and supported its position in negotiations with regulatory agencies, customers and intervenors.
- Responsible for program design and cost effectiveness analysis for the Chattanooga Gas energySmart program (ESP) in the 2009 Chattanooga Rate Case. Provided testimony for the benefits of the ESP and the cost effectiveness of its measures, represented the company and supported its position in negotiations with regulatory agencies, customers and intervenors.
- Responsible for rate design and cost of service allocation studies for the 2006 Chattanooga Gas Company rate case. Provided testimony and represented the company and supported its position in negotiations with regulatory agencies, customers and intervenors.
- Responsible for rate design studies for the 2003 Florida City Gas Flat Rate billing filing. Provided testimony and represented the company and supported its position in negotiations with regulatory agencies, customers and intervenors.
- Responsible for the development of cost-of-service allocation, weather normalization and rate design studies for the 2002 Elizabethtown Gas rate case. Represented the company and supported its position in negotiations with regulatory agencies, customers and intervenors.
- Responsible for rate design and economic studies and analysis for the 2001 Valley Cities dual issue Customer Assistance Rate and Customer Education Rider rate case. Provided testimony and represented the company and supported its position in negotiations with regulatory agencies, customers and intervenors.

- Responsible for rate design and operational studies for the 2001 North Carolina Third Party Supplier tariff restructuring filing. Provided testimony and represented the company and supported its position in negotiations with regulatory agencies, customers and intervenors.
- Responsible for rate design, operational and economic studies and analysis for the 2000 Valley Cities Gas unbundling filing. Provided testimony and represented the company and supported its position in negotiations with regulatory agencies, customers and intervenors.
- Responsible for the development of cost-of-service, allocation and rate design studies for the 2000 Florida City Gas rate case. Represented the company and supported its position in negotiations with regulatory agencies, customers and intervenors

**Forecasting**

- Supervised the development of the demand and revenue forecasts for the 2017 Virginia Natural Gas Rate Case.
- Developed and prepared the demand and revenue forecasts for the 2017 Elizabethtown Gas Rate Case.
- Developed and the demand and revenue forecasts for the 2017 Atlanta Gas Light Rate Georgia Rate Adjustment Mechanism Filing.
- Developed and prepared the demand and revenue forecasts for the 2010 Virginia Natural Gas Rate Case.
- Developed and the demand and revenue forecasts for the 2010 Atlanta Gas Light Rate Case.
- Developed and prepared the demand and revenue forecasts for the 2009 Elizabethtown Gas Rate Case.
- Supervised the development of the demand and revenue forecasts for the 2009 Chattanooga Gas Rate Case.
- Prepared and testified on the demand and revenue forecast for the 2003 Florida City Gas rate case.
- Prepared and testified on the demand and revenue forecast for the 2002 Elizabethtown Gas rate case.
- Developed and prepared 2005-2017 demand and revenue forecasts for Atlanta Gas Light, Chattanooga Gas, Elizabethtown Gas, Elkton Gas, and Florida City Gas.
- Developed and prepared the 1994-2004 demand and revenue forecasts for Elizabethtown Gas, and Florida City Gas.
- Developed and prepared the 1997-2004 forecasts for Elkton Gas.
- Developed and prepared the 1997-2001 forecasts for Valley Cities and Waverly Gas and North Carolina Gas.

**Market Analysis**

- Provided Market Analysis of residential and commercial attrition for Atlanta Gas Light's Georgia Market.

- Provided market analysis of Elizabethtown Gas', Florida City Gas' and Elkton Gas' Markets.
- Provided market analysis of North Carolina Gas' and Valley Cities and Waverly Gas' Markets.

**Expert Witness Testimony Presentation**

- Florida Public Service Commission
- New Jersey Board of Public Utilities
- Pennsylvania Public Utility Commission
- North Carolina Public Utilities Commission
- Tennessee Regulatory Authority

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**PROFESSIONAL HISTORY**

**Southern Company Gas (2012-Present)**

Manager, Rates – Southern Operations

**AGL Resources (2005 – 2012)**

Manager, Planning and Forecasting

**NUI Corporation (2001-2005)**

Manager, Planning and Forecasting

**NUI Corporation (1993-2001)**

Forecast Analyst

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**EDUCATION**

B.S. Business, Economics, College of Business and Economics, University of Idaho,  
1984



CALCULATION OF THE HISTORIC BASE YEAR + 1  
NUMBER OF BILLS  
(CURRENT RATES - CURRENT RATE CLASSES)

RATE CLASS	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	TOTAL
GS-1	27,209	31,132	31,156	31,109	31,069	31,011	34,857	34,834	34,811	34,794	34,779	34,756	391,517
GS-100	50,661	51,337	51,366	51,416	51,390	51,367	50,323	50,381	50,447	50,490	50,522	50,554	610,254
GS-220	22,895	18,566	18,628	18,680	18,740	18,760	15,898	15,915	15,953	15,993	16,067	16,111	212,206
GS-600	1,337	1,330	1,330	1,337	1,339	1,342	1,347	1,343	1,344	1,347	1,346	1,345	16,087
GS-1.2K	3,041	3,028	3,046	3,060	3,065	3,069	3,030	3,028	3,038	3,039	3,039	3,047	36,530
GS-6K	2,431	2,315	2,306	2,313	2,323	2,317	2,323	2,326	2,342	2,345	2,346	2,348	28,035
GS-25K	326	298	307	306	306	306	305	306	310	310	310	310	3,700
GS-60K	70	71	72	71	71	73	73	73	73	73	73	73	866
GS-120K	44	49	49	49	49	47	47	46	46	46	46	46	564
GS-250K	46	50	47	46	45	46	46	49	49	49	49	49	571
GS-1250K	3	5	4	4	4	4	4	6	6	6	6	6	58
Gas Lighting (GL)	196	196	192	191	192	190	328	328	328	328	328	328	3,125
Natural Gas Vehicles (NGV)	0	0	0	0	0	0	0	0	0	0	0	0	0
Load Enhancement Service (LES)	3	3	3	3	3	3	3	3	3	3	3	3	36
Contract Demand Service (KDS)	1	1	1	1	1	1	1	1	1	1	1	1	12
<b>TOTAL</b>	<b>108,263</b>	<b>108,381</b>	<b>108,507</b>	<b>108,586</b>	<b>108,597</b>	<b>108,536</b>	<b>108,585</b>	<b>108,639</b>	<b>108,751</b>	<b>108,824</b>	<b>108,915</b>	<b>108,977</b>	<b>1,303,561</b>

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 9  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Daniel J. Nikolich DJN-2

CALCULATION OF THE HISTORIC BASE YEAR + 1  
CONSUMPTION IN THERMS  
(CURRENT RATES - CURRENT RATE CLASSES)

RATE CLASS	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	TOTAL
GS-1	222,680	216,280	205,947	211,182	188,643	177,129	169,226	215,897	214,959	208,622	253,518	307,774	2,591,860
GS-100	737,133	802,082	717,059	706,335	617,709	571,752	536,235	532,624	531,089	523,681	659,738	819,898	7,755,336
GS-220	555,904	537,642	484,714	482,182	416,336	382,695	328,067	280,047	279,382	277,930	352,052	437,152	4,814,102
GS-600	107,815	108,421	115,706	118,603	102,868	90,733	78,846	92,088	91,720	90,287	104,842	121,286	1,223,214
GS-1.2K	927,525	898,821	1,003,718	976,170	905,886	870,433	774,726	855,105	852,624	835,381	899,035	971,311	10,770,733
GS-6K	2,174,705	2,196,459	2,310,044	2,322,763	2,155,518	2,135,220	2,056,597	2,168,526	2,167,006	2,122,927	2,265,796	2,429,678	26,505,238
GS-25K	904,766	877,748	977,899	910,680	870,053	849,321	802,320	832,920	837,010	815,932	877,467	944,634	10,500,750
GS-60K	640,141	640,094	670,268	631,512	588,176	714,303	626,007	509,562	506,463	493,700	521,323	552,061	7,093,610
GS-120K	700,704	708,201	837,953	713,648	840,490	682,810	741,579	708,300	677,000	682,300	725,500	713,200	8,731,685
GS-250K	2,536,889	2,182,923	2,439,711	2,122,253	1,939,178	1,784,877	1,764,372	1,993,423	1,875,754	1,934,047	2,029,818	2,070,989	24,674,233
GS-1250K	977,808	601,995	1,090,544	955,155	859,559	718,443	727,035	1,072,170	1,216,570	1,807,070	1,121,300	1,264,900	12,412,548
Gas Lighting (GL)	1,224	1,224	1,224	1,224	1,224	1,224	3,169	3,169	3,169	3,169	3,169	3,169	26,360
Natural Gas Vehicles (NGV)	0	0	0	0	0	0	0	0	0	0	0	0	0
Load Enhancement Service (LES)	422,558	589,127	599,071	631,672	631,016	437,418	404,983	611,100	619,500	628,800	565,400	532,100	6,672,746
Contract Demand Service (KDS)	1,292,861	1,162,682	1,140,503	50,864	47,200	44,140	44,319	392,000	300,000	872,500	798,000	798,000	6,943,069
<b>TOTAL</b>	<b>12,202,714</b>	<b>11,523,699</b>	<b>12,594,360</b>	<b>10,834,242</b>	<b>10,163,856</b>	<b>9,460,497</b>	<b>9,057,482</b>	<b>10,266,930</b>	<b>10,172,247</b>	<b>11,296,346</b>	<b>11,176,959</b>	<b>11,966,152</b>	<b>130,715,484</b>

CALCULATION OF THE HISTORIC BASE YEAR + 1  
REVENUE  
(CURRENT RATES - CURRENT RATE CLASSES)

RATE CLASS	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	TOTAL
GS-1	\$582,104	\$608,728	\$602,243	\$608,836	\$575,178	\$551,285	\$576,887	\$629,403	\$627,997	\$619,905	\$679,501	\$751,173	\$7,413,241
GS-100	\$1,591,300	\$1,694,875	\$1,575,064	\$1,560,506	\$1,438,238	\$1,351,847	\$1,292,143	\$1,260,791	\$1,259,509	\$1,251,442	\$1,426,884	\$1,633,172	\$17,335,772
GS-220	\$1,046,765	\$973,852	\$890,941	\$885,383	\$798,917	\$738,948	\$630,253	\$558,390	\$557,933	\$557,003	\$651,270	\$758,935	\$9,048,589
GS-600	\$140,069	\$141,007	\$148,662	\$154,529	\$135,808	\$119,277	\$106,433	\$114,795	\$114,277	\$112,593	\$127,146	\$143,842	\$1,558,438
GS-1.2K	\$826,017	\$816,149	\$894,236	\$881,513	\$822,819	\$769,642	\$680,137	\$718,130	\$715,949	\$701,889	\$751,677	\$807,483	\$9,385,642
GS-6K	\$1,421,487	\$1,414,746	\$1,475,664	\$1,485,201	\$1,384,194	\$1,338,794	\$1,286,274	\$1,286,762	\$1,290,382	\$1,264,539	\$1,345,910	\$1,437,653	\$16,431,607
GS-25K	\$462,032	\$454,208	\$505,321	\$462,369	\$454,966	\$444,305	\$409,201	\$409,109	\$415,025	\$405,691	\$436,690	\$470,089	\$5,329,007
GS-60K	\$326,503	\$327,257	\$347,389	\$318,071	\$288,505	\$388,834	\$313,994	\$228,774	\$227,382	\$221,481	\$234,202	\$247,138	\$3,469,529
GS-120K	\$199,404	\$204,963	\$231,326	\$204,005	\$228,933	\$262,847	\$212,425	\$199,374	\$194,603	\$191,928	\$204,700	\$201,937	\$2,536,446
GS-250K	\$606,253	\$557,484	\$585,197	\$500,068	\$460,877	\$429,943	\$424,674	\$489,330	\$464,156	\$466,418	\$492,550	\$458,253	\$5,935,201
GS-1250K	\$143,106	\$109,789	\$165,039	\$149,097	\$136,825	\$118,710	\$119,813	\$173,873	\$197,331	\$276,728	\$212,308	\$224,349	\$2,026,969
Gas Lighting (GL)	\$1,656	\$1,656	\$1,656	\$1,670	\$1,670	\$1,621	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$35,725
Natural Gas Vehicles (NGV)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Load Enhancement Service (LES)	\$60,716	\$81,080	\$82,295	\$86,086	\$86,005	\$62,338	\$56,373	\$83,572	\$84,598	\$85,735	\$78,180	\$74,108	\$923,086
Contract Demand Service (KDS)	\$78,526	\$76,313	\$74,998	\$25,156	\$25,156	\$25,156	\$1,730	\$12,160	\$9,400	\$26,575	\$20,565	\$24,340	\$400,075
Miscellaneous and Other Revenues	\$1,590,062	\$81,164	\$756,269	\$114,099	\$278,635	(\$196,354)	\$187,077	\$333,333	\$230,974	\$743,377	\$761,006	\$787,469	\$5,667,112
<b>TOTAL</b>	<b>\$9,076,002</b>	<b>\$7,543,271</b>	<b>\$8,336,301</b>	<b>\$7,436,590</b>	<b>\$7,116,727</b>	<b>\$6,407,192</b>	<b>\$6,303,713</b>	<b>\$6,502,096</b>	<b>\$6,393,815</b>	<b>\$6,929,604</b>	<b>\$7,426,888</b>	<b>\$8,024,242</b>	<b>\$87,496,439</b>

CALCULATION OF THE PROJECTED TEST YEAR  
NUMBER OF BILLS  
(CURRENT RATES - CURRENT RATE CLASSES)

RATE CLASS	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	TOTAL
GS-1	34,736	34,724	34,711	34,696	34,675	34,660	34,639	34,620	34,601	34,587	34,576	34,557	415,782
GS-100	50,594	50,627	50,658	50,688	50,733	50,766	50,782	50,839	50,907	50,951	50,984	51,017	609,546
GS-220	16,183	16,219	16,277	16,302	16,353	16,398	16,432	16,450	16,490	16,532	16,606	16,651	196,893
GS-600	1,349	1,351	1,359	1,364	1,371	1,370	1,373	1,377	1,378	1,381	1,380	1,379	16,432
GS-1.2K	3,045	3,058	3,065	3,067	3,072	3,077	3,082	3,083	3,092	3,093	3,093	3,100	36,927
GS-6K	2,348	2,357	2,370	2,368	2,377	2,378	2,376	2,379	2,394	2,396	2,397	2,398	28,538
GS-25K	312	312	312	313	315	315	315	317	321	321	321	321	3,795
GS-60K	73	73	73	73	73	74	74	74	74	74	74	74	883
GS-120K	51	51	51	51	51	51	51	51	51	51	51	51	612
GS-250K	50	50	50	50	50	50	50	50	50	50	50	50	600
GS-1250K	4	4	4	4	4	4	4	4	4	4	4	4	48
Gas Lighting (GL)	328	328	328	328	328	328	328	328	328	328	328	328	3,936
Natural Gas Vehicles (NGV)	0	0	0	0	0	0	0	0	0	0	0	0	0
Load Enhancement Service (LES)	3	3	3	3	3	3	3	3	3	3	3	3	36
Contract Demand Service (KDS)	1	1	1	1	1	1	1	1	1	1	1	1	12
<b>TOTAL</b>	<b>109,077</b>	<b>109,158</b>	<b>109,262</b>	<b>109,308</b>	<b>109,406</b>	<b>109,475</b>	<b>109,510</b>	<b>109,576</b>	<b>109,694</b>	<b>109,772</b>	<b>109,868</b>	<b>109,934</b>	<b>1,314,040</b>

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 10  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Daniel J. Nikolich DJN-3

CALCULATION OF THE PROJECTED TEST YEAR  
CONSUMPTION IN THERMS  
(CURRENT RATES - CURRENT RATE CLASSES)

RATE CLASS	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	TOTAL
GS-1	371,291	383,987	327,166	267,296	224,329	210,626	207,982	199,256	206,245	201,357	246,048	299,971	3,145,553
GS-100	1,003,372	1,043,550	880,687	704,398	577,521	530,179	519,520	496,660	514,760	510,705	647,154	807,908	8,236,413
GS-220	533,980	554,987	471,837	381,603	314,527	287,269	280,638	268,000	277,918	278,367	354,237	441,411	4,444,772
GS-600	139,847	141,871	126,565	112,359	98,996	93,430	92,213	88,463	91,561	90,720	105,602	122,342	1,303,968
GS-1.2K	1,040,100	1,032,368	976,477	961,174	910,536	883,813	870,559	837,402	867,439	855,071	919,554	992,470	11,146,964
GS-6K	2,590,486	2,563,798	2,443,055	2,421,175	2,310,368	2,248,676	2,212,198	2,131,638	2,212,450	2,179,791	2,324,231	2,489,242	28,127,107
GS-25K	1,015,463	1,006,194	951,248	937,789	896,213	868,981	854,206	828,352	864,930	848,568	912,193	981,952	10,966,089
GS-60K	583,611	574,081	547,350	547,575	527,215	521,898	515,093	496,202	512,564	502,600	530,451	561,372	6,420,012
GS-120K	807,999	739,299	816,999	788,399	800,199	768,099	752,099	775,699	744,399	749,699	792,899	780,599	9,316,392
GS-250K	2,404,810	2,061,210	2,423,810	2,154,380	1,992,710	1,928,110	1,913,910	2,061,410	1,943,810	2,002,010	2,097,810	2,139,010	25,122,990
GS-1250K	991,600	562,400	1,007,200	814,000	710,100	390,300	455,900	524,400	493,800	1,040,100	636,800	887,900	8,514,500
Gas Lighting (GL)	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	38,033
Natural Gas Vehicles (NGV)	0	0	0	0	0	0	0	0	0	0	0	0	0
Load Enhancement Service (LES)	482,800	589,100	599,100	637,900	633,900	592,000	606,900	611,100	619,500	628,800	565,400	532,100	7,098,600
Contract Demand Service (KDS)	997,500	798,000	1,102,000	50,860	26,780	22,440	26,240	0	0	872,500	798,000	798,000	5,492,320
<b>TOTAL</b>	<b>12,966,029</b>	<b>12,054,013</b>	<b>12,676,666</b>	<b>10,782,078</b>	<b>10,026,562</b>	<b>9,348,990</b>	<b>9,310,629</b>	<b>9,321,751</b>	<b>9,352,546</b>	<b>10,763,456</b>	<b>10,933,548</b>	<b>11,837,447</b>	<b>129,373,714</b>

CALCULATION OF THE PROJECTED TEST YEAR  
REVENUE  
(CURRENT RATES - CURRENT RATE CLASSES)

RATE CLASS	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	TOTAL
GS-1	\$874,014	\$892,339	\$815,531	\$735,032	\$676,885	\$658,346	\$654,396	\$643,072	\$652,086	\$645,911	\$705,257	\$776,506	\$8,729,375
GS-100	\$1,927,507	\$1,984,658	\$1,770,759	\$1,542,046	\$1,378,460	\$1,317,051	\$1,303,363	\$1,275,443	\$1,299,343	\$1,295,614	\$1,471,594	\$1,678,694	\$18,244,533
GS-220	\$900,600	\$929,420	\$823,118	\$709,633	\$625,512	\$591,391	\$583,419	\$568,290	\$581,113	\$582,635	\$679,186	\$789,522	\$8,363,841
GS-600	\$164,592	\$166,817	\$150,986	\$136,532	\$122,916	\$117,610	\$116,569	\$112,990	\$116,075	\$115,017	\$129,929	\$146,949	\$1,596,983
GS-1.2K	\$863,819	\$859,512	\$816,916	\$804,932	\$765,734	\$746,091	\$735,590	\$711,144	\$734,266	\$723,973	\$774,551	\$830,947	\$9,367,475
GS-6K	\$1,533,094	\$1,522,951	\$1,459,521	\$1,447,088	\$1,385,781	\$1,351,053	\$1,327,987	\$1,286,371	\$1,335,852	\$1,315,902	\$1,398,741	\$1,491,569	\$16,855,909
GS-25K	\$508,460	\$505,886	\$478,347	\$470,688	\$449,948	\$435,786	\$427,683	\$418,618	\$439,624	\$432,539	\$465,367	\$501,140	\$5,534,087
GS-60K	\$260,897	\$258,010	\$246,082	\$245,608	\$236,890	\$236,723	\$233,532	\$225,823	\$232,816	\$227,998	\$240,969	\$254,128	\$2,899,477
GS-120K	\$214,861	\$198,890	\$217,843	\$213,896	\$215,849	\$206,889	\$203,166	\$207,579	\$202,963	\$200,118	\$213,034	\$210,169	\$2,505,258
GS-250K	\$576,446	\$507,889	\$581,955	\$526,375	\$488,774	\$479,339	\$472,566	\$505,368	\$480,229	\$482,120	\$508,491	\$472,741	\$6,082,292
GS-1250K	\$174,755	\$121,306	\$179,419	\$132,013	\$118,412	\$76,546	\$83,316	\$91,862	\$89,650	\$163,544	\$136,061	\$165,018	\$1,531,902
Gas Lighting (GL)	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$51,588
Natural Gas Vehicles (NGV)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Load Enhancement Service (LES)	\$68,081	\$81,076	\$82,299	\$86,847	\$86,358	\$81,236	\$83,058	\$83,572	\$84,598	\$85,735	\$78,180	\$74,108	\$975,148
Contract Demand Service (KDS)	\$30,325	\$24,340	\$33,460	\$1,926	\$1,203	\$1,073	\$1,187	\$400	\$400	\$26,575	\$24,340	\$24,340	\$169,570
Miscellaneous and Other Revenues	\$762,334	(\$337,689)	\$377,103	\$15,299	\$276,806	\$213,723	\$393,255	\$548,227	\$296,707	\$688,168	\$771,492	\$777,039	\$4,782,464
<b>TOTAL</b>	<b>\$8,864,082</b>	<b>\$7,719,705</b>	<b>\$8,037,639</b>	<b>\$7,072,214</b>	<b>\$6,833,828</b>	<b>\$6,517,158</b>	<b>\$6,623,386</b>	<b>\$6,683,056</b>	<b>\$6,550,021</b>	<b>\$6,990,150</b>	<b>\$7,601,492</b>	<b>\$8,197,169</b>	<b>\$87,689,900</b>

CALCULATION OF THE PROJECTED TEST YEAR  
NUMBER OF BILLS  
(CURRENT RATES - PROPOSED RATE CLASSES)

RATE CLASS	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	TOTAL
RS-1	33,957	33,957	33,957	33,957	33,957	33,957	33,957	33,957	33,957	33,957	33,957	33,957	407,484
RS-100	66,052	66,052	66,052	66,052	66,052	66,052	66,052	66,052	66,052	66,052	66,052	66,052	792,624
RS-600	946	946	946	946	946	946	946	946	946	946	946	946	11,352
GS-1	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	4,952	59,424
GS-6K	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	28,176
GS-25K	385	385	385	385	385	385	385	385	385	385	385	385	4,620
GS-120K	101	101	101	101	101	101	101	101	101	101	101	101	1,212
GS-1250K	4	4	4	4	4	4	4	4	4	4	4	4	48
Gas Lighting (GL)	328	328	328	328	328	328	328	328	328	328	328	328	3,936
Natural Gas Vehicles (NGV)	0	0	0	0	0	0	0	0	0	0	0	0	0
Load Enhancement Service (LES)	3	3	3	3	3	3	3	3	3	3	3	3	36
Contract Demand Service (KDS)	1	1	1	1	1	1	1	1	1	1	1	1	12
<b>TOTAL</b>	<b>109,077</b>	<b>109,077</b>	<b>109,077</b>	<b>109,077</b>	<b>109,077</b>	<b>109,077</b>	<b>109,077</b>	<b>109,077</b>	<b>109,077</b>	<b>109,077</b>	<b>109,077</b>	<b>109,077</b>	<b>1,308,924</b>

CALCULATION OF THE PROJECTED TEST YEAR  
CONSUMPTION IN THERMS  
(CURRENT RATES - PROPOSED RATE CLASSES)

RATE CLASS	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	TOTAL
RS-1	348,562	348,562	348,562	348,562	348,562	348,562	348,562	348,562	348,562	348,562	348,562	348,562	4,182,747
RS-100	1,495,331	1,495,331	1,495,331	1,495,331	1,495,331	1,495,331	1,495,331	1,495,331	1,495,331	1,495,331	1,495,331	1,495,331	17,943,968
RS-600	93,463	93,463	93,463	93,463	93,463	93,463	93,463	93,463	93,463	93,463	93,463	93,463	1,121,560
GS-1	1,151,234	1,151,234	1,151,234	1,151,234	1,151,234	1,151,234	1,151,234	1,151,234	1,151,234	1,151,234	1,151,234	1,151,234	13,814,805
GS-6K	2,590,486	2,590,486	2,590,486	2,590,486	2,590,486	2,590,486	2,590,486	2,590,486	2,590,486	2,590,486	2,590,486	2,590,486	31,085,831
GS-25K	1,599,074	1,599,074	1,599,074	1,599,074	1,599,074	1,599,074	1,599,074	1,599,074	1,599,074	1,599,074	1,599,074	1,599,074	19,188,892
GS-120K	3,212,809	3,212,809	3,212,809	3,212,809	3,212,809	3,212,809	3,212,809	3,212,809	3,212,809	3,212,809	3,212,809	3,212,809	38,553,712
GS-1250K	991,600	991,600	991,600	991,600	991,600	991,600	991,600	991,600	991,600	991,600	991,600	991,600	11,899,200
Gas Lighting (GL)	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	3,169	38,033
Natural Gas Vehicles (NGV)	0	0	0	0	0	0	0	0	0	0	0	0	0
Load Enhancement Service (LES)	482,800	482,800	482,800	482,800	482,800	482,800	482,800	482,800	482,800	482,800	482,800	482,800	5,793,600
Contract Demand Service (KDS)	997,500	997,500	997,500	997,500	997,500	997,500	997,500	997,500	997,500	997,500	997,500	997,500	11,970,000
<b>TOTAL</b>	<b>12,966,029</b>	<b>12,966,029</b>	<b>12,966,029</b>	<b>12,966,029</b>	<b>12,966,029</b>	<b>12,966,029</b>	<b>12,966,029</b>	<b>12,966,029</b>	<b>12,966,029</b>	<b>12,966,029</b>	<b>12,966,029</b>	<b>12,966,029</b>	<b>155,592,349</b>



**CALCULATION OF THE PROJECTED TEST YEAR  
REVENUE  
(CURRENT RATES - PROPOSED RATE CLASSES)**

RATE CLASS	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	TOTAL
RS-1	\$837,445	\$856,255	\$780,344	\$699,282	\$641,980	\$623,420	\$619,938	\$609,476	\$617,611	\$612,200	\$670,438	\$740,691	\$8,309,080
RS-100	\$2,771,727	\$2,857,947	\$2,540,478	\$2,199,378	\$1,954,137	\$1,860,092	\$1,839,054	\$1,797,346	\$1,832,821	\$1,831,025	\$2,100,125	\$2,414,007	\$25,998,137
RS-600	\$115,400	\$119,288	\$103,207	\$85,706	\$72,062	\$67,832	\$67,472	\$65,408	\$67,497	\$67,245	\$81,408	\$97,604	\$1,010,129
GS-1	\$1,005,961	\$999,256	\$953,282	\$943,810	\$901,328	\$879,146	\$866,873	\$838,709	\$864,956	\$852,681	\$908,546	\$970,315	\$10,984,861
GS-6K	\$1,533,094	\$1,522,951	\$1,459,521	\$1,447,088	\$1,385,781	\$1,351,053	\$1,327,987	\$1,286,371	\$1,335,852	\$1,315,902	\$1,398,741	\$1,491,569	\$16,855,909
GS-25K	\$769,356	\$763,897	\$724,429	\$716,295	\$686,838	\$672,509	\$661,215	\$644,441	\$672,440	\$660,538	\$706,336	\$755,268	\$8,433,564
GS-120K	\$791,306	\$706,779	\$799,799	\$740,272	\$704,622	\$686,228	\$675,732	\$712,946	\$683,192	\$682,238	\$721,525	\$682,910	\$8,587,550
GS-1250K	\$174,755	\$121,306	\$179,419	\$132,013	\$118,412	\$76,546	\$83,316	\$91,862	\$89,650	\$163,544	\$136,061	\$165,018	\$1,531,902
Gas Lighting (GL)	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$4,299	\$51,588
Natural Gas Vehicles (NGV)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Load Enhancement Service (LES)	\$68,081	\$81,076	\$82,299	\$86,847	\$86,358	\$81,236	\$83,058	\$83,572	\$84,598	\$85,735	\$78,180	\$74,108	\$975,148
Contract Demand Service (KDS)	\$30,325	\$24,340	\$33,460	\$1,926	\$1,203	\$1,073	\$1,187	\$400	\$400	\$26,575	\$24,340	\$24,340	\$169,570
Miscellaneous and Other Revenues	\$762,334	(\$337,689)	\$377,103	\$15,299	\$276,806	\$213,723	\$393,255	\$548,227	\$296,707	\$688,168	\$771,492	\$777,039	\$4,782,464
<b>TOTAL</b>	<b>\$8,864,082</b>	<b>\$7,719,705</b>	<b>\$8,037,639</b>	<b>\$7,072,214</b>	<b>\$6,833,828</b>	<b>\$6,517,158</b>	<b>\$6,623,386</b>	<b>\$6,683,056</b>	<b>\$6,550,021</b>	<b>\$6,990,150</b>	<b>\$7,601,492</b>	<b>\$8,197,169</b>	<b>\$87,689,900</b>

**CALCULATION OF THE PROJECTED TEST YEAR  
REVENUE  
(PROPOSED RATES - PROPOSED RATE CLASSES)**

RATE CLASS	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	TOTAL
RS-1	\$964,828	\$983,264	\$908,648	\$828,981	\$772,627	\$754,332	\$750,829	\$740,483	\$748,390	\$743,030	\$800,151	\$869,043	\$9,864,606
RS-100	\$2,975,075	\$3,056,032	\$2,761,193	\$2,444,566	\$2,217,227	\$2,130,167	\$2,110,849	\$2,072,642	\$2,106,199	\$2,105,143	\$2,355,726	\$2,647,723	\$28,982,544
RS-600	\$116,935	\$120,489	\$106,167	\$90,584	\$78,381	\$74,531	\$74,216	\$72,420	\$74,324	\$74,192	\$86,945	\$101,486	\$1,070,670
GS-1	\$1,151,544	\$1,144,253	\$1,094,084	\$1,083,807	\$1,037,472	\$1,013,229	\$999,935	\$969,050	\$997,881	\$984,594	\$1,045,537	\$1,113,177	\$12,634,563
GS-6K	\$1,809,216	\$1,796,393	\$1,720,706	\$1,706,030	\$1,633,460	\$1,592,441	\$1,565,642	\$1,515,819	\$1,573,622	\$1,550,349	\$1,647,935	\$1,757,609	\$19,869,222
GS-25K	\$850,889	\$844,725	\$802,210	\$793,662	\$762,036	\$746,500	\$734,403	\$716,094	\$746,344	\$733,461	\$782,666	\$835,345	\$9,348,335
GS-120K	\$1,298,338	\$1,156,255	\$1,310,703	\$1,207,930	\$1,151,034	\$1,119,283	\$1,104,667	\$1,165,809	\$1,115,327	\$1,123,281	\$1,183,251	\$1,148,818	\$14,084,696
GS-1250K	\$267,815	\$198,738	\$273,048	\$194,740	\$177,354	\$123,844	\$133,003	\$144,043	\$140,717	\$234,504	\$216,202	\$254,302	\$2,358,312
Gas Lighting (GL)	\$26,045	\$26,045	\$26,045	\$26,045	\$26,045	\$26,045	\$26,045	\$26,045	\$26,045	\$26,045	\$26,045	\$26,045	\$312,541
Natural Gas Vehicles (NGV)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Load Enhancement Service (LES)	\$93,142	\$110,008	\$111,594	\$117,362	\$116,728	\$110,080	\$112,444	\$113,110	\$114,443	\$115,918	\$106,247	\$100,964	\$1,322,038
Contract Demand Service (KDS)	\$30,325	\$24,340	\$33,460	\$1,926	\$1,203	\$1,073	\$1,187	\$400	\$400	\$26,575	\$24,340	\$24,340	\$169,570
Miscellaneous and Other Revenues	\$762,334	(\$337,689)	\$377,103	\$15,299	\$276,806	\$213,723	\$393,255	\$548,227	\$296,707	\$688,168	\$771,492	\$777,039	\$4,782,464
<b>TOTAL</b>	<b>\$10,346,485</b>	<b>\$9,122,853</b>	<b>\$9,524,962</b>	<b>\$8,510,931</b>	<b>\$8,250,373</b>	<b>\$7,905,248</b>	<b>\$8,006,475</b>	<b>\$8,084,142</b>	<b>\$7,940,400</b>	<b>\$8,405,260</b>	<b>\$9,046,539</b>	<b>\$9,655,891</b>	<b>\$104,799,559</b>

**HEATING DEGREE DAYS BY GEOGRAPHIC REGION**  
**10 YEAR AVERAGE - JULY 1, 2007 through JUNE 30, 2017**

	BREVARD DIVISION												PORT ST. LUCIE DIVISION												MIAMI DIVISION											
	MELBOURNE INTERNATIONAL AIRPORT						VERO BEACH INTERNATIONAL AIRPORT						MIAMI INTERNATIONAL AIRPORT																							
	Base Temperature 65°F			Base Temperature 80°F			Base Temperature 65°F			Base Temperature 80°F			Base Temperature 65°F			Base Temperature 80°F																				
	Historic Billing Cycle Average Base Year + 1 2017	Projected Billing Cycle Average Test Year 2018	2007-2017 Calendar Year Normal	10-	Historic Billing Cycle Average Base Year + 1 2017	Projected Billing Cycle Average Test Year 2018	2007-2017 Calendar Year Normal	10-	Historic Billing Cycle Average Base Year + 1 2017	Projected Billing Cycle Average Test Year 2018	2007-2017 Calendar Year Normal	10-	Historic Billing Cycle Average Base Year + 1 2017	Projected Billing Cycle Average Test Year 2018	2007-2017 Calendar Year Normal	10-	Historic Billing Cycle Average Base Year + 1 2017	Projected Billing Cycle Average Test Year 2018	2007-2017 Calendar Year Normal	10-	Historic Billing Cycle Average Base Year + 1 2017	Projected Billing Cycle Average Test Year 2018	2007-2017 Calendar Year Normal	10-	Historic Billing Cycle Average Base Year + 1 2017	Projected Billing Cycle Average Test Year 2018	2007-2017 Calendar Year Normal	10-	Historic Billing Cycle Average Base Year + 1 2017	Projected Billing Cycle Average Test Year 2018	2007-2017 Calendar Year Normal	10-	Historic Billing Cycle Average Base Year + 1 2017	Projected Billing Cycle Average Test Year 2018	2007-2017 Calendar Year Normal	10-
January	127	125	162		496	492	568		111	108	150		502	498	550		41	40	51		292	289	348		292	289	348		292	289	348		292	289	348	
February	132	139	104		504	529	443		123	129	94		470	488	430		36	38	27		306	322	267		306	322	267		306	322	267		306	322	267	
March	87	87	54		422	423	372		80	80	51		390	390	370		22	22	9		259	258	224		259	258	224		259	258	224		259	258	224	
April	24	23	4		288	284	196		33	34	6		274	284	202		2	2	0		160	157	91		160	157	91		160	157	91		160	157	91	
May	2	1	0		148	147	87		4	3	0		149	139	100		0	0	0		66	66	28		66	66	28		66	66	28		66	66	28	
June	0	0	0		49	48	26		0	0	0		53	53	27		0	0	0		12	12	3		12	12	3		12	12	3		12	12	3	
July	0	0	0		22	22	16		0	0	0		24	25	21		0	0	0		2	2	3		2	2	3		2	2	3		2	2	3	
August	0	0	0		9	9	5		0	0	0		11	10	5		0	0	0		1	1	0		1	1	0		1	1	0		1	1	0	
September	0	0	0		9	9	21		0	0	0		15	15	28		0	0	0		0	0	4		0	0	4		0	0	4		0	0	4	
October	1	1	7		55	55	125		1	1	7		80	80	125		0	0	0		12	12	40		12	12	40		12	12	40		12	12	40	
November	20	20	40		220	220	330		15	15	40		238	238	311		1	1	3		100	100	180		100	100	180		100	100	180		100	100	180	
December	61	61	86		375	375	421		52	52	86		353	353	404		11	11	24		207	207	239		207	207	239		207	207	239		207	207	239	

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 12  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Daniel J. Nikolich DJN-5

USAGE PER CUSTOMER  
COMPARISON OF HISTORICAL USAGE TO PROJECTED TEST YEAR FORECASTS

	Miami Annual Usage (Therms/Customer)		Brevard Annual Usage (Therms/Customer)		PSL Annual Usage (Therms/Customer)	
	Residential	Commercial <sup>(1),(3)</sup>	Residential	Commercial <sup>(1),(4)</sup>	Residential <sup>(2)</sup>	Commercial <sup>(1),(5)</sup>
2004	172.4	7,907.0	225.4	6,735.9	173.5	8,914.6
2005	172.2	9,127.2	231.1	7,031.8	184.5	8,304.8
2006	162.7	8,405.4	207.8	6,566.7	168.5	8,344.7
2007	158.8	7,989.3	187.5	6,077.6	235.9	8,015.6
2008	158.5	7,967.6	190.8	6,246.7	167.8	7,475.0
2009	154.8	7,534.8	193.4	6,382.1	175.1	7,605.3
2010	161.5	7,625.5	252.9	6,673.2	223.2	7,915.1
2011	151.7	7,525.7	201.4	6,147.4	173.8	7,429.8
2012	151.5	7,485.5	168.9	5,952.9	165.3	7,121.3
2013	149.9	7,516.6	177.2	6,058.1	167.6	7,101.7
2014	147.3	7,632.8	181.2	6,270.6	166.9	7,070.0
2015	144.1	7,792.9	173.4	6,534.4	158.1	7,304.8
2016	146.0	7,886.0	168.8	6,315.0	156.7	7,330.5
2018 Projected Test Year <sup>(6)</sup>	137.1	8,016.8	177.9	6,238.0	162.2	7,299.8

Notes:

- <sup>(1)</sup> Represents the average annual usage for all commercial customers within the following tariff classes: GS-1, GS-100, GS-220, GS-600, GS-1.2K, GS-6K, GS-25K, GS-60K.  
<sup>(2)</sup> Forecasted test year is based on regression data back to January 2008.  
<sup>(3)</sup> Forecasted test year is based on regression data back to October 2008.  
<sup>(4)</sup> Forecasted test year is based on regression data back to October 2008.  
<sup>(5)</sup> Forecasted test year is based on regression data back to January 2009.  
<sup>(6)</sup> Therm/customer factor based on a 2007-2016 10 Year normal heating degree day distribution.

**DEMAND CHARGE QUANTITIES**

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<b>CURRENT RATE CLASS</b>	<b>Demand Charge Quantity Therms</b>
GS-120k	46,247
GS-250k	126,100
GS-1,250k	172,721
LES	26,155
<b>TOTAL</b>	<b>371,223</b>

<b>CURRENT RATE CLASS</b>	<b>Demand Charge Quantity Therms</b>
GS-120k	172,347
GS-1,250k	172,721
LES	26,155
<b>TOTAL</b>	<b>371,223</b>

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 14  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Daniel J. Nikolich DJN-7

# **Brevard Division Firm Sendout** November 1, 2000 through March 31, 2003

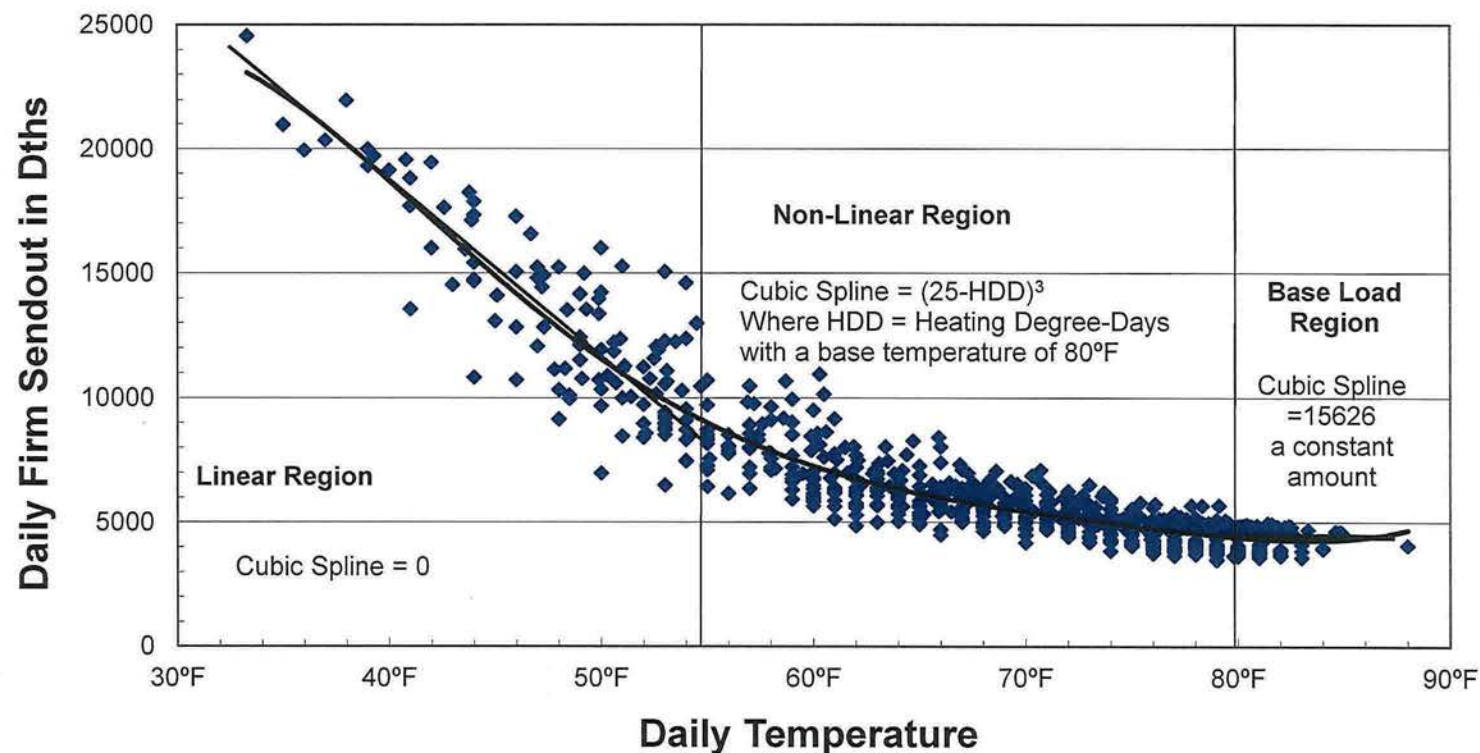


EXHIBIT NO. \_\_\_\_\_ (DJN-8)  
FLORIDA CITY GAS  
DOCKET NO. 20170179-GU  
PAGE 1 OF 1

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 15  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Daniel J. Nikolich DJN-8



**ALLOCATION OF THE INTERIM RATE RELIEF**

<b>RATE SCHEDULE</b>	<b>BILLS</b>	<b>THERM SALES</b>	<b>CUSTOMER CHARGE</b>	<b>SAFE</b>	<b>ENERGY CHARGE</b>	<b>TOTAL (4+5+6)</b>	<b>DOLLAR INCREASE</b>	<b>% INCREASE</b>	<b>INCREASE \$ Per Therm</b>
RS-1	320,481	2,047,031	\$2,563,848	\$226,423	\$1,150,698	\$3,940,968	\$338,919	8.60%	\$0.16557
RS-100	601,645	7,519,951	\$5,715,628	\$425,040	\$3,929,024	\$10,069,691	\$865,981	8.60%	\$0.11516
RS-220	266,061	5,465,062	\$2,926,671	\$187,614	\$2,706,900	\$5,821,185	\$500,615	8.60%	\$0.09160
RS-600	9,805	481,723	\$117,660	\$6,893	\$210,335	\$334,888	\$28,800	8.60%	\$0.05979
RS-1.2K	1,794	191,309	\$26,910	\$1,259	\$60,673	\$88,843	\$7,640	8.60%	\$0.03994
RS-6K	15	15,405	\$450	\$17	\$4,234	\$4,701	\$404	8.60%	\$0.02625
GAS LIGHTING	2,373	14,854	\$0	\$0	\$8,843	\$8,843	\$761	8.60%	\$0.05120
GS-1	320,481	2,047,031	\$2,563,848	\$5,390	\$1,150,698	\$3,719,936	\$319,910	8.60%	\$0.15628
GS-100	601,645	7,519,951	\$5,715,628	\$2,241	\$3,929,024	\$9,646,893	\$829,621	8.60%	\$0.11032
GS-220	266,061	5,465,062	\$2,926,671	\$3,668	\$2,706,900	\$5,637,239	\$484,796	8.60%	\$0.08871
GS-600	9,805	481,723	\$117,660	\$4,307	\$210,335	\$332,301	\$28,577	8.60%	\$0.05932
GS-1.2K	1,794	191,309	\$26,910	\$24,167	\$60,673	\$111,750	\$9,610	8.60%	\$0.05024
GS-6K	15	15,405	\$450	\$37,457	\$4,234	\$42,142	\$3,624	8.60%	\$0.23526
GS-25K	3,700	10,500,750	\$296,000	\$5,052	\$2,900,097	\$3,201,149	\$275,295	8.60%	\$0.02622
GS-60K	866	7,093,610	\$129,900	\$1,114	\$1,949,111	\$2,080,125	\$178,888	8.60%	\$0.02522
GS-120K	507	8,079,386	\$126,750	\$517	\$1,610,247	\$1,737,514	\$149,424	8.60%	\$0.01849
GS-250K	555	23,876,304	\$166,500	\$607	\$4,681,307	\$4,848,413	\$416,958	8.60%	\$0.01746
GS-1,250K	98	20,598,129	\$49,000	\$66	\$2,995,329	\$3,044,395	\$261,814	8.60%	\$0.01271
NATURAL GAS VEHICLES CONTRACT DEMAND TOTAL	0 156 2,407,857	0 0 101,603,993	\$0 \$62,400 23,532,883	\$0 \$0 931,833	\$0 \$187,439 30,456,101	\$0 \$249,839 54,920,816	\$0 \$0 4,701,638	0.00% 0.00% 8.56%	\$0.00000 \$0.00000 \$0.04627

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 16  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Daniel J. Nikolich DJN-9

Average Meter and Service Costs by Class

New Class	RS-1	RS-100		RS-600		GS-1					GS-6K	GS-25k		GS-120k		GS-1,250k	GS-11M	GS-25M
Old Class	GS-1	GS-100	GS-220	GS-600	GS-1200	GS-1	GS-100	GS-220	GS-600	GS-1200	GS-6k	GS-25k	GS-60k	GS-120k	GS-250k	GS-1,250k	GS-11M	GS-25M
<b>SERVICE LINE:</b>																		
PIPE AND PIPING	\$567	\$1,243	\$1,243	\$5,307	\$5,307	\$348	\$348	\$348	\$348	\$348	\$1,644	\$6,190	\$6,190	\$12,396	\$12,396	\$31,043	\$64,569	\$140,850
<b>METER:</b>																		
Meter Only	\$131	\$131	\$135	\$173	\$198	\$355	\$355	\$355	\$355	\$355	\$591	\$969	\$1,482	\$2,958	\$4,146	\$7,127	\$20,407	\$40,631
ERT	\$0	\$0	\$0	\$2	\$2	\$27	\$27	\$27	\$27	\$27	\$59	\$92	\$92	\$92	\$92	\$92	\$92	\$92
AMR	\$0	\$0	\$0	\$0	\$0	\$5	\$5	\$5	\$5	\$5	\$7	\$51	\$188	\$711	\$1,664	\$1,778	\$3,200	\$3,200
Press Corr Cost	\$0	\$0	\$0	\$0	\$0	\$71	\$71	\$71	\$71	\$71	\$193	\$735	\$1,239	\$1,373	\$1,404	\$1,404	\$1,404	\$1,404
Regulator	\$0	\$0	\$0	\$6	\$7	\$101	\$101	\$101	\$101	\$101	\$231	\$447	\$672	\$1,053	\$1,197	\$2,318	\$5,000	\$6,000
MSA/Ancillary Piping	\$87	\$87	\$92	\$116	\$124	\$196	\$196	\$196	\$196	\$196	\$281	\$370	\$461	\$879	\$1,436	\$1,622	\$3,000	\$5,000
Total Labor Cost	\$34	\$34	\$34	\$36	\$38	\$133	\$133	\$133	\$133	\$133	\$266	\$870	\$1,780	\$3,914	\$5,740	\$6,444	\$9,000	\$10,000
Overhead	\$34	\$34	\$35	\$45	\$50	\$120	\$120	\$120	\$120	\$120	\$220	\$477	\$798	\$1,482	\$2,117	\$2,806	\$5,671	\$8,954
<b>Total Meter Set</b>	<b>\$285</b>	<b>\$286</b>	<b>\$296</b>	<b>\$378</b>	<b>\$420</b>	<b>\$1,008</b>	<b>\$1,008</b>	<b>\$1,008</b>	<b>\$1,008</b>	<b>\$1,008</b>	<b>\$1,848</b>	<b>\$4,011</b>	<b>\$6,712</b>	<b>\$12,462</b>	<b>\$17,796</b>	<b>\$23,591</b>	<b>\$47,682</b>	<b>\$75,188</b>
<b>TOTAL</b>	<b>\$852</b>	<b>\$1,529</b>	<b>\$1,539</b>	<b>\$5,685</b>	<b>\$5,727</b>	<b>\$1,356</b>	<b>\$1,356</b>	<b>\$1,356</b>	<b>\$1,356</b>	<b>\$1,356</b>	<b>\$3,492</b>	<b>\$10,201</b>	<b>\$12,902</b>	<b>\$24,858</b>	<b>\$30,192</b>	<b>\$54,634</b>	<b>\$112,251</b>	<b>\$216,038</b>

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 17  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Daniel J. Nikolich DJN-10



Derivation of Revenue Deficiency by Class

SALES & TRANSPORTATION SERVICES:															
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
CUSTOMER COSTS	\$ 5,660,067	\$ 13,116,136	\$ 220,819	\$ 2,164,226	\$ 1,390,578	\$ 612,686	\$ 397,805	\$ 56,822	\$ -	\$ -	\$ 40,049	\$ -	\$ 44,983	\$ 265,021	\$ 23,969,193
CAPACITY COSTS	\$ 1,075,778	\$ 4,603,203	\$ 287,366	\$ 3,899,952	\$ 8,815,047	\$ 5,444,930	\$ 10,102,784	\$ 2,961,178	\$ -	\$ -	\$ 11,324	\$ -	\$ 448,471	\$ -	\$ 37,650,033
COMMODITY COSTS	\$ 43,704	\$ 185,313	\$ 11,625	\$ 187,454	\$ 425,816	\$ 263,208	\$ 521,378	\$ 236,367	\$ -	\$ -	\$ 576	\$ -	\$ 40,165	\$ -	\$ 1,915,606
REVENUE COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 6,779,548	\$ 17,904,652	\$ 519,810	\$ 6,251,632	\$ 10,631,442	\$ 6,320,824	\$ 11,021,967	\$ 3,254,367	\$ -	\$ -	\$ 51,949	\$ -	\$ 533,619	\$ 265,021	\$ 63,534,831
less: REVENUE AT PI (in the projected test year)	\$ 6,437,859	\$ 17,363,379	\$ 506,289	\$ 5,569,921	\$ 9,043,340	\$ 5,428,892	\$ 6,853,611	\$ 2,392,863			\$ 20,966		\$ 531,283	\$ 262,518	\$ 54,410,922
less: REVENUE ADJL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
equals: REVENUE AT	\$ 6,437,859	\$ 17,363,379	\$ 506,289	\$ 5,569,921	\$ 9,043,340	\$ 5,428,892	\$ 6,853,611	\$ 2,392,863	\$ -	\$ -	\$ 20,966	\$ -	\$ 531,283	\$ 262,518	\$ 54,410,922
equals: GAS SALES F	\$ 341,689	\$ 541,273	\$ 13,520	\$ 681,711	\$ 1,588,102	\$ 891,932	\$ 4,168,357	\$ 861,504	\$ -	\$ -	\$ 30,982	\$ -	\$ 2,336	\$ 2,503	\$ 9,123,909
plus: DEFICIENCY DUE TO REVENUE EXPANSION															
0.50%	\$ 2,807	\$ 4,447	\$ 111	\$ 5,601	\$ 13,048	\$ 7,328	\$ 34,247	\$ 7,078	\$ -	\$ -	\$ 255	\$ -	\$ 19	\$ 21	\$ 74,962
0.4233%	\$ 2,400	\$ 3,800	\$ 100	\$ 4,700	\$ 11,000	\$ 6,200	\$ 29,000	\$ 6,000	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ 63,400
5.50%	\$ 30,590	\$ 48,460	\$ 1,210	\$ 61,040	\$ 142,200	\$ 79,870	\$ 373,240	\$ 77,140	\$ -	\$ -	\$ 2,780	\$ -	\$ 210	\$ 230	\$ 816,970
35.00%	\$ 184,000	\$ 291,400	\$ 7,300	\$ 367,100	\$ 855,200	\$ 480,300	\$ 2,244,500	\$ 463,900	\$ -	\$ -	\$ 16,700	\$ -	\$ 1,300	\$ 1,400	\$ 4,913,100
plus: DEFICIENCY IN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
equals: TOTAL REVE	\$ 561,486	\$ 889,380	\$ 22,241	\$ 1,120,152	\$ 2,609,550	\$ 1,465,630	\$ 6,849,344	\$ 1,415,622	\$ -	\$ -	\$ 50,917	\$ -	\$ 3,865	\$ 4,154	\$ 14,982,341
UNIT COSTS:															
Customer	\$ 15.08	\$ 17.26	\$ 19.80	\$ 42.60	\$ 60.69	\$ 161.34	\$ 532.19	\$ 970.70			\$ 20.15		\$ 3,775.77		\$ 18.24
Capacity	\$ 0.40351	\$ 0.39473	\$ 0.39024	\$ 0.37140	\$ 0.39033	\$ 0.38579	\$ 0.47565	\$ 0.27216			\$ 0.58957		\$ 0.02259		\$ 0.26167
Commodity	\$ 0.01639	\$ 0.01589	\$ 0.01579	\$ 0.01785	\$ 0.01885	\$ 0.01865	\$ 0.02455	\$ 0.02172			\$ 0.02998		\$ 0.00202		\$ 0.01331

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 18  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Daniel J. Nikolich DJN-11

# BYPASS ANALYSIS

Total Mains Cost of System \$ 157,379,529

Customer Name & Location	(1) Customer Rate Class	(2) Customer MDQ in Dth	(3) Customer Annual Needs in Dth	(4) Distance to Bypass City Gas in feet	(5) Pipe Size Nominal Dia. (Inches)	(6) Estimated Cost Per Foot	(7) Estimated Cost of Bypass Pipeline (col 6X col 4)	(8) Estimated cost of Gate Station @ Interstate Pipeline	(9) Estimate of Total Facilities Cost to Bypass*	(10) Peak & avg (Monthly) Allocator	(11) Allocated Mains Cost
Customer1	GS-1250k			10,800	4	\$ 55.00	\$ 594,000	\$ 1,000,000	\$ 1,594,000	1.69789%	\$ 2,672,100
Customer2	GS-1250k			300	4	\$ 45.00	\$ 13,500	\$ 1,000,000	\$ 1,013,500	3.49278%	\$ 5,496,900
Customer3	GS-1250k			Customer 2's by pass would serve this load							\$ -
Customer6	GS-250k			900	4	\$ 45.00	\$ 40,500	\$ 1,000,000	\$ 1,040,500	0.28155%	\$ 443,100
Customer7	GS-250k			12,000	4	\$ 45.00	\$ 540,000	\$ 1,000,000	\$ 1,540,000	0.73365%	\$ 1,154,600
Customer4	GS-1250k			16,500	4	\$ 55.00	\$ 907,500	\$ 1,000,000	\$ 1,907,500	1.74903%	\$ 2,752,600
Customer5	GS-250k			14,000	4	\$ 55.00	\$ 770,000	\$ 1,000,000	\$ 1,770,000	1.85903%	\$ 2,925,700
Customer8	GS-250k			250	4	\$ 45.00	\$ 11,250	\$ 1,000,000	\$ 1,011,250	0.96880%	\$ 1,524,700
Customer9	GS-250k			1,000	4	\$ 45.00	\$ 45,000	\$ 1,000,000	\$ 1,045,000	1.00285%	\$ 1,578,300
Subtotal				24,000			\$ 1,188,000		\$ 5,188,000		\$ 9,766,700
							\$ -		\$ -		\$ -
							\$ -		\$ -		\$ -
Customer10	KDS			253,440	8	\$ 85.00	\$ 21,542,400	\$ 1,100,000	\$ 22,642,400	6.45783%	\$ 10,163,300
Subtotal				253,440			\$ 21,542,400		\$ 22,642,400		\$ 10,163,300
Total				277,440			\$ 22,730,400		\$ 27,830,400		\$ 19,930,000

(12) Min Cost (Monthly) vs Bypass
\$ 1,594,000
\$ 1,013,500
\$ -
\$ -
\$ 1,907,500
\$ 1,770,000
\$ 1,011,250
\$ 1,045,000
\$ 2,607,500
\$ -
\$ -
\$ -
\$ 2,607,500

\* Does not include Meter and Regulation Equipment at Customer site.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 19  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Daniel J. Nikolich DJN-12

**Customer Charge Comparison**

Florida City Gas			TECO - Peoples's Gas		Florida Public Utilities
Current Rates	Proposed Rates	Customer Cost of Service	Current Rates	Current Rates	Current Rates
<b>Residential Service</b>	<b>Residential Service</b>		<b>Residential Service</b>		<b>Residential Service</b>
GS-1 \$ 8.00	RS-1 \$ 12.00	\$ 15.08	RS-1 (0 to 99 Thms) \$ 12.00		RS \$ 11.00
GS-100 \$ 9.50	RS-100 \$ 15.00	\$ 17.26	RS-2 (100 to 249 Thms) \$ 15.00		
GS-220 \$ 11.00			RS-3 (250 to 1999 Thms) \$ 30.00		
GS-600 \$ 12.00	RS-600 \$ 20.00				
GS-1.2k \$ 15.00		\$ 19.80			
GS-6k \$ 30.00					
<b>General Service</b>	<b>General Service</b>		<b>General Service</b>		<b>General Service</b>
GS-1 \$ 8.00	GS-1 \$ 25.00	\$ 42.60	SGS (0 to 1,999) \$ 25.00		GS-1 (0-600 Thms) \$ 20.00
GS-100 \$ 9.50					
GS-220 \$ 11.00					
GS-600 \$ 12.00					GS-2 (600 Thms +) \$ 33.00
GS-1.2K \$ 15.00			GS-1 (2,000 to 9,999) \$ 35.00		
GS-6K \$ 30.00	GS-6K \$ 35.00	\$ 60.69	GS-2 (10,000 to 49,999) \$ 50.00		
GS-25K \$ 80.00	GS-25K \$ 150.00	\$ 161.34	GS-3 (50,000 to 249,999) \$ 150.00		
GS-60K \$ 150.00					
GS-120K \$ 250.00	GS-120K \$ 300.00	\$ 532.19			
GS-250K \$ 300.00			GS-4 (250,000 to 499,999) \$ 250.00		Large Volume Service \$ 90.00
GS-1,250K \$ 500.00	GS-1,250K \$ 500.00	\$ 970.70	GS-5 (500,000 and beyond) \$ 300.00		
	GS-11M \$ 1,000.00				
	GS-25M \$ 2,000.00				

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 20  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Daniel J. Nikolich DJN-13

EXHIBIT NO. \_\_\_\_\_ (DJN-13)  
Florida City Gas  
DOCKET NO. 20170179-GU  
PAGE 1 OF 1

Calculation of Proposed Rates															
SALES & TRANSPORTATION SERVICES:															
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
PROPOSED TOTAL TARGET REVENUES	\$ 7,210,626	\$ 18,807,784	\$ 550,722	\$ 7,041,468	\$ 11,981,069	\$ 7,088,431	\$ 12,514,667	\$ 3,932,041			\$ 74,237	\$ -	\$ 173,632	\$ 266,633	\$ 69,405,425
LESS: OTHER OPERATING REVENUE	\$ 740,118	\$ 1,564,482	\$ 29,664	\$ 266,912	\$ 334,748	\$ 178,092	\$ 38,002	\$ 9,895			\$ 131	\$ -	\$ 2,034	\$ -	\$ 3,164,078
Less: Proposed Customer Charge Revenues															
Proposed demand charges: SALES & TRANSPORTATION	\$ 12.00	\$ 15.00	\$ 20.00	\$ 25.00	\$ 35.00	\$ 150.00	\$ 300.00	\$ 500.00	\$ 1,000.00	\$ 2,000.00		\$ 25.00	\$ 500.00	\$ 400.00	
TIMES: NUMBER OF BILLS: SALES & TRANSPORTATION	406,366	797,671	11,632	59,911	28,538	4,678	1,212	84	0	0	3,936	0	12	132	1,314,172
EQUALS: CUSTOMER CHARGE REVENUES	\$ 4,876,392	\$ 11,965,065	\$ 232,640	\$ 1,497,775	\$ 998,830	\$ 701,700	\$ 363,600	\$ 42,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,000	\$ 52,800	\$ 20,736,802
Less: Proposed Demand Charge Revenues															
Proposed demand charges: SALES & TRANSPORTATION	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 0	\$ 0	\$ 0	\$ 6.07	
TIMES: DCC: SALES & TRANSPORTATION	-	-	-	-	-	-	206,816	238,651	-	-	-	-	-	33,807	479,275
EQUALS: DEMAND CHARGE REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,189,194	\$ 1,372,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,167	\$ 2,766,646
EQUALS: PER-THERM TARGET REVENUES	\$ 1,594,116	\$ 5,278,237	\$ 288,418	\$ 5,276,781	\$ 10,647,491	\$ 6,208,639	\$ 10,923,870	\$ 2,507,901	\$ -	\$ -	\$ 74,105	\$ -	\$ 165,598	\$ 8,665	\$ 42,737,899
DIVIDED BY: NUMBER OF THERMS	2,886,825	12,240,769	767,899	12,382,178	28,127,107	17,386,101	34,439,382	15,613,100	-	-	38,033	-	5,492,320	-	143,881,394
EQUALS: PER-THERM RATES (Unrounded)	\$ 0.552204	\$ 0.431201	\$ 0.375594	\$ 0.426159	\$ 0.378549	\$ 0.357104	\$ 0.317191	\$ 0.160628	\$ 0.080000	\$ 0.040000	\$ 1.948461	\$ 0.426159		\$ -	
PER-THERM RATES (Rounded)	\$ 0.55220	\$ 0.43120	\$ 0.37559	\$ 0.42616	\$ 0.37855	\$ 0.35710	\$ 0.31719	\$ 0.16063	\$ 0.08000	\$ 0.04000	\$ 1.94846	\$ 0.42616		\$ -	
PER-THERM-RATE REVENUES (Rounded Rates)	\$ 1,594,105	\$ 5,278,219	\$ 288,415	\$ 5,276,789	\$ 10,647,516	\$ 6,208,577	\$ 10,923,828	\$ 2,507,932	\$ -	\$ -	\$ 74,105	\$ -	\$ 165,593	\$ -	\$ 42,729,286
SUMMARY: PROPOSED TARIFF RATES															
CUSTOMER CHARGES	\$ 12.00	\$ 15.00	\$ 20.00	\$ 25.00	\$ 35.00	\$ 150.00	\$ 300.00	\$ 500.00	\$ 1,000.00	\$ 2,000.00	\$ -	\$ 25.00		\$ 400.00	
DEMAND CHARGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ -	\$ -		\$ 6.07	
ENERGY CHARGES															
NON-GAS (CENTS PER THERM)	55.2204	43.1201	37.5594	42.6159	37.8549	35.7104	31.7191	16.0628	8.0000	4.0000	40.0000	42.6159		-	
PURCHASED GAS ADJUSTMENT	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000		-	
TOTAL (INCLUDING PGA)	109.2204	97.1201	91.5594	96.6159	91.8549	89.7104	85.7191	70.0628	62.0000	58.0000	94.0000	96.6159		-	
SUMMARY: PRESENT TARIFF RATES															
CUSTOMER CHARGES															
RESIDENTIAL	\$ 8.00	\$ 9.86	\$ 12.50										\$15.00		
COMMERCIAL AND INDUSTRIAL SALES				\$ 14.07	\$30.00	\$ 93.21	\$ 267.33	\$500.00							
DEMAND CHARGES NON-GAS (CENTS PER THERM)															
RESIDENTIAL															
COMMERCIAL AND INDUSTRIAL							28.9000	28.9000							
ENERGY CHARGES NON-GAS (CENTS PER THERM)															
RESIDENTIAL	56.2130	51.3242	39.8577								56.2130				
COMMERCIAL AND INDUSTRIAL				33.4308	27.4870	27.5660	21.4152	12.2250				23.2320			
PURCHASED GAS ADJUSTMENT	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000		
TOTAL (INCLUDING PGA)															
RESIDENTIAL	110.2130	105.3242	93.8577								110.2130				
COMMERCIAL AND INDUSTRIAL				87.4308	81.4870	81.5660	75.4152	66.2250	54.0000	54.0000		77.2320	56.3000		
SUMMARY: OTHER OPERATING REVENUE															
CONNECTION CHARGE	\$50.00-\$110.00	\$695,821	\$50.00-\$200.00	\$ 1,121,632											
COLLECTION IN LIEU OF DISCONNECT CHARGE	\$20.00	\$263,406	\$25.00-\$32.00	\$331,467											
RECONNECT CHARGE	\$37.00-\$80.00	\$139,591	\$40.00-\$100.00	\$150,523											
BAD CHECKS	\$25.00	\$37,766	\$25.00	\$37,775											
LATE PAYMENT CHARGES	\$5.00 OR 1.5%	\$1,107,835	\$5.00 OR 1.5%	\$1,107,835											
DAMAGE BILLING		\$192,297		\$192,297											
CHANGE OF ACCOUNT															
METER READ				\$15.00-\$22.00	\$100,766										
TEMPORARY DISCONNECT				\$35.00-\$45.00	\$103,562										
FAILED TRIP				\$20.00	\$18,220										
TOTAL															

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 21  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Daniel J. Nikolich DJN-14

MFR SCHEDULES SPONSORED BY  
Michael J. Morley

SCHEDULE NO.	WITNESS	TITLE
A-1 p. 1	M. J. MORLEY	MAGNITUDE OF CHANGE-PRESENT vs PRIOR RATE CASE
A-2 p. 1	M. J. MORLEY	ANALYSIS OF PERMANENT RATE INCREASE REQUESTED
A-3 p. 1	M. J. MORLEY	ANALYSIS OF JURISDICTIONAL RATE BASE
A-4 p. 1	M. J. MORLEY	ANALYSIS OF JURISDICTIONAL N. O. I.
A-5 p. 1	M. J. MORLEY	OVERALL RATE OF RETURN COMPARISON
A-6 p. 1	M. J. MORLEY	FINANCIAL INDICATORS
B-1 p.1	M. J. MORLEY	BALANCE SHEET - ASSETS
B-1 p.2	M. J. MORLEY	BALANCE SHEET - LIABILITIES & CAPITALIZATION
B-2 p.1	M. J. MORLEY	ADJUSTED RATE BASE
B-3 p.1	M. J. MORLEY	RATE BASE ADJUSTMENTS
B-4 p.1	M. J. MORLEY	MONTHLY UTILITY PLANT BALANCES
B-5 p.1	M. J. MORLEY	COMMON PLANT ALLOCATED
B-5 p.2	M. J. MORLEY	COMMON PLANT ALLOCATED - DETAIL
B-5 p.3	M. J. MORLEY	COMMON PLANT ALLOCATED - DETAIL (CONT.)
B-6 p.1	M. J. MORLEY	ACQUISITION ADJUSTMENTS
B-6 p.2	M. J. MORLEY	ACQUISITION ADJUSTMENTS (CONT.)
B-7 p.1	M. J. MORLEY	PROPERTY HELD FOR FUTURE USE
B-7 p.2	M. J. MORLEY	PROPERTY HELD FOR FUTURE USE - DETAIL
B-8 p.1	M. J. MORLEY	CONSTRUCTION WORK IN PROGRESS
B-9 p.1	M. J. MORLEY	ACCUMULATED DEPRECIATION - MONTHLY BALANCES
B-10 p.1	M. J. MORLEY	ACCUMULATED AMORTIZATION - MONTHLY BALANCES
B-11 p.1	M. J. MORLEY	ALLOCATION OF DEPRECIATION RESERVE - COMMON PLANT
B-12 p.1	M. J. MORLEY	CUSTOMER ADVANCES FOR CONSTRUCTION
B-13 p.1	M. J. MORLEY	WORKING CAPITAL ALLOWANCE - ASSETS
B-13 p.2	M. J. MORLEY	WORKING CAPITAL ALLOWANCE - LIABILITIES
B-14 p.1	M. J. MORLEY	MISCELLANEOUS DEFERRED DEBITS
B-15 p.1	M. J. MORLEY	OTHER DEFERRED CREDITS
B-16 p.1	M. J. MORLEY	ADDITIONAL RATE BASE COMPONENTS
B-17 p.1	M. J. MORLEY	INVESTMENT TAX CREDITS - 3% AND 4% ITC DETAIL
B-17 p.2	M. J. MORLEY	INVESTMENT TAX CREDITS - 8% AND 10% ITC DETAIL
B-17 p.3	M. J. MORLEY	INVESTMENT TAX CREDITS - COMPANY POLICIES
B-17 p.4	M. J. MORLEY	INVESTMENT TAX CREDITS - SECTION 46(f) ELECTION
B-18 p.1	M. J. MORLEY	ACCUMULATED DEFERRED INCOME TAX - SUMMARY
B-18 p.2	M. J. MORLEY	ACCUMULATED DEFERRED INCOME TAX - STATE
B-18 p.3	M. J. MORLEY	ACCUMULATED DEFERRED INCOME TAX - STATE
C-1 p.1	M. J. MORLEY	ADJUSTED NET OPERATING INCOME
C-2 p.1	M. J. MORLEY	ADJUSTMENTS TO NET OPERATING INCOME
C-2 p.2	M. J. MORLEY	ADJUSTMENTS TO NET OPERATING INCOME - (CONT.)
C-3 p.1	M. J. MORLEY	OPERATING REVENUES BY MONTH
C-4 p.1	M. J. MORLEY	UNBILLED REVENUES
C-5 p.1	M. J. MORLEY	O & M EXPENSES BY MONTH
C-5 p.2	M. J. MORLEY	O & M EXPENSES BY MONTH - (CONT.)
C-6 p.1	M. J. MORLEY	ALLOCATION OF EXPENSES
C-7 p.1	M. J. MORLEY	CONSERVATION REVENUES AND EXPENSES
C-8 p.1	M. J. MORLEY	UNCOLLECTIBLE ACCOUNTS - GAS
C-8 p.2	M. J. MORLEY	UNCOLLECTIBLE ACCOUNTS - (CONT.)
C-8 p.3	M. J. MORLEY	UNCOLLECTIBLE ACCOUNTS - MERCHANDISE

**MFR SCHEDULES SPONSORED BY**  
**Michael J. Morley**

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SCHEDULE NO.	WITNESS	TITLE
C-8 p.4	M. J. MORLEY	UNCOLLECTIBLE ACCOUNTS - (CONT.)
C-8 p.5	M. J. MORLEY	UNCOLLECTIBLE ACCOUNTS - MISCELLANEOUS
C-8 p.6	M. J. MORLEY	UNCOLLECTIBLE ACCOUNTS - (CONT.)
C-9 p.1	M. J. MORLEY	ADVERTISING EXPENSES
C-9 p.2	M. J. MORLEY	ADVERTISING EXPENSES - (CONT.)
C-10 p.1	M. J. MORLEY	CIVIC AND CHARITABLE CONTRIBUTIONS
C-11 p.1	M. J. MORLEY	INDUSTRY ASSOCIATION DUES
C-12 p.1	M. J. MORLEY	LOBBYING AND POLITICAL EXPENSES
C-13 p.1	M. J. MORLEY	RATE CASE EXPENSES
C-14 p.1	M. J. MORLEY	MISCELLANEOUS GENERAL EXPENSES
C-15 p.1	M. J. MORLEY	OUT OF PERIOD ADJUSTMENTS
C-16 p.1	M. J. MORLEY	GAIN/LOSS ON DISPOSITION OF PROPERTY
C-17 p.1	M. J. MORLEY	DEPRECIATION EXPENSE
C-18 p.1	M. J. MORLEY	AMORTIZATION/RECOVERY SCHEDULE
C-19 p.1	M. J. MORLEY	ALLOCATION OF DEPRECIATION/AMORTIZATION EXPENSE - COMMON PLANT
C-20 p.1	M. J. MORLEY	SUMMARY OF TOTAL INCOME TAX PROVISION
C-21 p.1	M. J. MORLEY	STATE AND FEDERAL INCOME TAX - CURRENT
C-22 p.1	M. J. MORLEY	INTEREST EXPENSE - INCOME TAX
C-23 p.1	M. J. MORLEY	BOOK / TAX DIFFERENCES - PERMANENT
C-24 p.1	M. J. MORLEY	DEFERRED INCOME TAX EXPENSE
C-25 p.1	M. J. MORLEY	DEFERRED INCOME TAX ADJUSTMENT
C-26 p.1	M. J. MORLEY	PARENT DEBT INFORMATION
C-27 p.1	M. J. MORLEY	INCOME TAX RETURNS
C-28 p.1	M. J. MORLEY	MISCELLANEOUS TAX INFORMATION
C-29 p.1	M. J. MORLEY	CONSOLIDATED RETURN
C-30 p.1 and 2	M. J. MORLEY	OTHER TAXES - DETAIL
C-31 p.1	M. J. MORLEY	OUTSIDE PROFESSIONAL SERVICES
C-32 p.1	M. J. MORLEY	AFFILIATED COMPANY TRANSACTIONS
C-33 p.1	M. J. MORLEY	WAGE & SALARY INCREASES COMPARED TO C.P.I.
C-34 p.1	M. J. MORLEY	O & M BENCHMARK COMPARISONS
C-35 p.1	M. J. MORLEY	O & M ADJUSTMENTS BY FUNCTION
C-36 p.1	M. J. MORLEY	BASE YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
C-37 p.1	M. J. MORLEY	O & M COMPOUND MULTIPLIER
C-38 p.1	M. J. MORLEY	O & M BENCHMARK VARIANCE BY FUNCTION
C-38 p.2	M. J. MORLEY	O & M BENCHMARK VARIANCE BY FUNCTION
C-38 p.3	M. J. MORLEY	O & M BENCHMARK VARIANCE BY FUNCTION
C-38 p.4	M. J. MORLEY	O & M BENCHMARK VARIANCE BY FUNCTION
C-38 p.5	M. J. MORLEY	O & M BENCHMARK VARIANCE BY FUNCTION
D-1 p.1	M. J. MORLEY	COST OF CAPITAL - 13 MONTH AVERAGE
D-1 p.2	M. J. MORLEY	COST OF CAPITAL - HISTORICAL DATA
D-2 p.1	M. J. MORLEY	LONG TERM DEBT OUTSTANDING - DETAIL
D-2 p.2	M. J. MORLEY	LONG TERM DEBT - CALL PROVISIONS
D-3 p.1	M. J. MORLEY	SHORT TERM DEBT
D-4 p.1	M. J. MORLEY	PREFERRED STOCK
D-5 p.1	M. J. MORLEY	COMMON STOCK ISSUES
D-6 p.1	M. J. MORLEY	CUSTOMER DEPOSITS
D-7 p.1	M. J. MORLEY	SOURCES AND USES OF FUNDS
D-8 p.1	M. J. MORLEY	ISSUANCE OF SECURITIES

**MFR SCHEDULES SPONSORED BY**  
**Michael J. Morley**

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SCHEDULE NO.	WITNESS	TITLE
D-9 p.1	M. J. MORLEY	SUBSIDIARY INVESTMENTS
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D-11 p.1	M. J. MORLEY	FINANCIAL INDICATORS - COVERAGE RATIOS
D-11 p.2	M. J. MORLEY	FINANCIAL INDICATORS - PERCENTAGE OF CONSTRUCTION FUNDS INTERNALLY GENERATED
D-11 p.3	M. J. MORLEY	FINANCIAL INDICATORS - AFUDC AS A PERCENTAGE OF INCOME
D-12 p.1	M. J. MORLEY	APPLICANT'S MARKET DATA
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G-1 p.21	M. J. MORLEY	ACCUM DEPRECIATION COMMON PLANT, BASE + 1
G-1 p.22	M. J. MORLEY	ACCUM DEPRECIATION COMMON PLANT, PROJECTED
G-1 p.23	M. J. MORLEY	CWIP BUDGET, BASE + 1



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SCHEDULE NO.	WITNESS	TITLE
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G-1 p.25	M. J. MORLEY	PLANT RETIREMENTS, BASE + 1
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G-2 p.20	M. J. MORLEY	INTENTIONALLY LEFT BLANK
G-2 p.21	M. J. MORLEY	INTENTIONALLY LEFT BLANK
G-2 p.22	M. J. MORLEY	INTENTIONALLY LEFT BLANK
G-2 p.23	M. J. MORLEY	DEPRECIATION EXPENSE, BASE + 1
G-2 p.24	M. J. MORLEY	AMORTIZATION, BASE + 1
G-2 p.25	M. J. MORLEY	DEPRECIATION EXPENSE-COMMON PLANT, BASE + 1
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<u>SCHEDULE NO.</u>	<u>WITNESS</u>	<u>TITLE</u>
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G-7 p.2	M. J. MORLEY	OTHER TAXES PROJECTED YEAR

# **FLORIDA CITY GAS COMPANY**

## **GAS UTILITY PLANT**

### **DEPRECIATION RATE STUDY**

**AT JULY 31, 2018**



<http://www.utilityalliance.com>

**FLORIDA CITY GAS COMPANY  
GAS UTILITY PLANT  
DEPRECIATION RATE STUDY  
EXECUTIVE SUMMARY**

Florida City Gas Company (“FCG” or “Company”) engaged Alliance Consulting Group to conduct a depreciation study of the Company’s Gas utility plant depreciable assets using actual plant asset balances as of July 31, 2018 and projected plant and depreciation reserve balances as of July 31, 2018 (“Study”). To determine depreciation rates for the projected time period of July 31, 2018, the following process occurred: 1) historic data through December 31, 2016 and judgment were used to estimate life and net salvage parameters; 2) the Company provided Alliance a walk-forward of projected plant and depreciation reserve activity from January 1, 2017 to July 31, 2018; 3) additions were projected as the transaction year the asset went into service; 4) retirements were based on a first-in, first out approach where the oldest vintages were retired; and 5) the projected vintage balances and reserves at July 31, 2018 were used to compute the proposed depreciation accrual. The total proposed decrease in depreciation expense in this Study is \$2.3 million based on plant balances as of July 31, 2018.

This Study uses the straight-line, broad (average) life group, remaining life depreciation system. The net salvage analysis in this Study parallels the approach previously used in developing the depreciation rates adopted by the Florida Public Service Commission (“Commission” or “FPSC”) in FCG’s gas rate case in Docket No. 140051-GU.

For Storage, Distribution, and General Accounts the lives of the accounts and net salvage parameters are reviewed in this Study. This Study recommends changes in depreciation in accounts for each function based on the estimated account balances as of July 31, 2018 as follows: a decrease of \$2.5 million for Distribution and an increase of \$201 thousand for General. The total proposed change in depreciation expense for Distribution and General is a decrease of \$2.3

million based on projected account balances as of July 31, 2018. Appendix B demonstrates the change in depreciation expense for the various accounts based on projected plant balances as of July 31, 2018.

For Storage, Distribution, and General accounts there are 10 accounts that have increasing lives and 12 accounts that have decreasing lives, while nine had no change and two where no comparison was possible. There is a trend toward slightly higher negative net salvage (where the projected cost of removal exceeds projected salvage value) with eight accounts increasing their negative net salvage (i.e., more negative or simply decrease in net salvage) and three accounts with increasing positive net salvage while 20 accounts had no change and two where no comparison was possible.

**FLORIDA CITY GAS COMPANY**  
**GAS UTILITY PLANT**  
**DEPRECIATION RATE STUDY**  
**AT JULY 31, 2018**  
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## **I. REPORT ORGANIZATION**

The Proposed Rates shown in Table 1 summarize the annual depreciation accrual rates recommended by this study. (Florida Administrative Code 25-6.0436 (6) (a)).

The Proforma Expense Comparison shown in Appendix B computes depreciation expense on July 31, 2018, projected investment, using both the current and proposed accrual rates. This analysis compares the current and proposed rates, and also shows the change in expense as a result of adopting the proposed rates. (Florida Administrative Code 25-6.0436 (6) (a) & (b)).

The Analysis Results shown in Section VI Determination of Lives and Net Salvage contains summary pages for each of the following three major functions:

1) Storage Plant, 2) Distribution Plant and 3) General Plant. Each summary page presents a narrative of pertinent information related to the analysis. Each summary page is followed by analysis of each account (subaccount) life and net salvage, similarly arranged, that comprise that function. (Florida Administrative Code 25-6.0436 (6) (a), (b), (d), (f), (g); (7) (a)).

The Parameter Schedules shown in Appendix C (Storage, Distribution, and General Plant) summarize the parameters used in the calculation of depreciation rates for each account (subaccount) within the three major functions of FCG Company's depreciable investment. The schedules present the estimates of average service life, net salvage, and average remaining life for each account (subaccount) within the major study groupings. (Florida Administrative Code 25-6.0436 (6) (d) & (g)).

In the Company's last several depreciation studies, the Company has presented an Aged Plant investment Summary by account which shows the vintage surviving dollars by account and weighted average age. This data is found in Appendix D.

The Net Salvage Schedules shown in Appendix E provide the historical account analysis. Appendix C also contains a summary comparison of net salvage

factors between approved and proposed. In Section VI Determination of Lives and Net Salvage, is a net salvage narrative by account (Florida Administrative Code 25-6.0436 (6) (h)).

Appendix F presents a comparison between the total book reserve and the theoretical depreciation reserve based on the whole life and remaining life basis.

The Summary of Plant-in-Service and Accumulated Depreciation (Appendix G-1 and G-2) presents annual activity by function and account. (Florida Administrative Code 25-6.0436 (6) (c) & (g)).

Finally Appendix H is a summary of parameters that have been provided to the Florida Public Service Commission in past proceedings.



## **II. PURPOSE OF THE STUDY**

The purpose of this Study is to develop depreciation rates for the depreciable property of FCG based on projected plant balances at July 31, 2018. Historic data at December 31, 2016 and judgment are used to estimate life and net salvage. The account-based depreciation rates are designed to recover the total remaining undepreciated investment, adjusted for net salvage, over the remaining life of FCG's property on a straight-line basis. This Study includes the Company's depreciable gas plant assets. Non-depreciable property and property that is amortized, such as intangible software, are excluded from the analysis of this Study.

The Study includes investment and reserves for the projected plant balances at July 31, 2018 for all storage, distribution, and general plant assets. The depreciation rates were designed to recover the total remaining undepreciated investment, adjusted for net salvage, over the remaining life of FCG's property on a straight-line basis.

Florida City Gas serves approximately 108,000 residential and commercial natural gas customers in Florida's Miami-Dade, Brevard, St. Lucie, and Indian River. FCG provides the essential service of storing and delivering natural gas safely, reliably and economically to end-use consumers through its storage and distribution systems.

### **III. STUDY RESULTS WITH PROPOSED RATES**

Overall depreciation rates for all FCG depreciable property are shown in Appendix B. As shown in Appendix B, these rates translate into an annual depreciation expense of \$14.0 million based on FCG's depreciable investment for the projected plant balances as of July 31, 2018. This reflects a decrease of \$2.3 million as compared to the equivalent annual depreciation expense of \$16.3 million calculated using the currently approved rates. The proposed depreciation rates translate into an annual depreciation accrual for Distribution of \$11.4 million, and General Plant of \$2.6 million. The changes in proposed depreciation expense are due to a mix of life and net salvage changes. The Storage function is shown even though the investment is not anticipated until after the depreciation study forecast period.

Appendix A shows the development of the annual depreciation rates and accruals. Appendix B presents a comparison of approved rates versus proposed rates by account. Appendix C presents a summary of average service lives and net salvage estimates by account. Appendix D presents the aged plant history which has been part of FCG's presentation in past depreciation studies. Appendix E presents the net salvage analysis for all accounts. Appendix F presents a comparison between the total book reserve and the theoretical depreciation reserve based on the whole life and remaining life basis. Appendix G is a summary of plant in service and the accumulated depreciation and presents annual activity by function and account. Appendix H presents summaries for the Florida Public Service Commission consistent with past proceedings.

The depreciation rates proposed in this study are based on FCG Company's (FCG) estimated depreciable investment as of July 31, 2018. The proposed rates will provide for the systematic and rational allocation of capital costs over the expected useful life of the property. Capital costs include the acquisition cost of the property, in addition to the estimated cost of retirement (salvage and cost of removal).

The majority of FCG's current depreciation rates were approved by

the Florida Public Service Commission under Docket No. 140051-GU. As a result of this study, the following accrual rates are proposed:

**Table 1**  
**Total Company Comparison**  
**Depreciation Accrual Rates at July 31, 2018**

<u>Description</u>	<u>Existing</u>	<u>Proposed</u>
<b>STORAGE PLANT</b>		
364.00 LNG Plant	New	2.00%
<b>DISTRIBUTION PLANT</b>		
375.00 Structures & Improvements	2.80%	3.10%
376.10 Mains, Steel	3.00%	2.50%
376.20 Mains, Plastic	3.10%	2.50%
378.00 M&R Station Equipment - General	3.30%	3.50%
379.00 M&R Station Equipment - City Gate	3.30%	2.70%
380.10 Services, Steel	6.50%	2.70%
380.20 Services, Plastic	4.10%	3.40%
381.00 Meters	4.90%	6.10%
381.10 Meters - ERTs	4.90%	6.10%
382.00 Meter Installations	4.50%	4.50%
382.10 Meter Install - ERTs	6.70%	3.10%
383.00 House Regulators	4.90%	3.00%
384.00 House Regulator Installations	3.10%	3.20%
385.00 Industrial M&R Station Equipment	3.30%	2.80%
387.00 Other Equipment	3.30%	3.00%
<b>GENERAL PLANT</b>		
390.00 Structures & Improvements	2.60%	2.50%
391.00 Office Furniture	7.70%	6.70%
391.10 Software Non-Enterprise	8.30%	10.00%
391.11 Computer Software	9.10%	8.30%
391.12 Computer Hardware	8.30%	20.00%
391.50 Individual Equipment	11.50%	20.00%
392.00 Transportation Equipment	11.50%	11.50%
392.10 Transportation Equip - Autos & Lt Trucks*	11.50%	11.00%
392.20 Trans Equip - Service Trucks	11.50%	12.10%
392.30 Trans Equip - Heavy Trucks	11.50%	4.90%
393.00 Stores Equipment	6.20%	4.90%
394.00 Tools, Shop,& Garage Equipment	7.20%	6.70%
394.10 Natural Gas Vehicle Equipment	5.00%	4.70%
395.00 Laboratory Equipment	4.00%	5.00%
396.00 Power Operated Equipment	8.30%	6.50%
397.00 Communication Equipment	8.30%	8.30%
398.00 Miscellaneous Equipment	7.50%	5.00%

\*Account fully accrued

#### **IV. GENERAL DISCUSSION OF THE DEPRECIATION RATE STUDY PROCESS**

##### **A. Definition of Depreciation**

The term "depreciation" as used in this Study is considered in the accounting sense; that is, depreciation is a system of accounting that distributes the cost of assets, less net salvage (if any), over the estimated useful life of the assets in a systematic and rational manner. It is a process of allocation, not valuation. This expense is systematically allocated to accounting periods over the life of the properties. The amount allocated to any one accounting period does not necessarily represent the loss or decrease in value that will occur during that particular period. The Company accrues depreciation on the basis of the original cost of all depreciable property included in each functional property group. On retirement, the full cost of depreciable property, less the net salvage value, is charged to the depreciation reserve.

##### **B. Basis of Depreciation Estimates**

###### **1. Overview of the Depreciation Method, Procedure and Technique**

The Straight-Line, Broad (Average) Life Group, Remaining Life depreciation system is employed to calculate annual and accrued depreciation in this Study. In this system, the annual depreciation accrual for each plant account or sub-account is computed by dividing the original cost of the asset, less allocated depreciation reserve less estimated net salvage, by its respective average life group remaining life. The resulting annual accrual amounts of all depreciable property within a functional group<sup>1</sup> are accumulated, and that total is divided by the original cost of all functional depreciable property to determine the depreciation rate. The calculated remaining lives and annual depreciation accrual rates are based on attained ages of plant in service and the estimated service life and salvage characteristics of each

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<sup>1</sup> Function or function group refers to different categories of plant. Specifically, the functions analyzed in this study are: Storage, Distribution, and General.

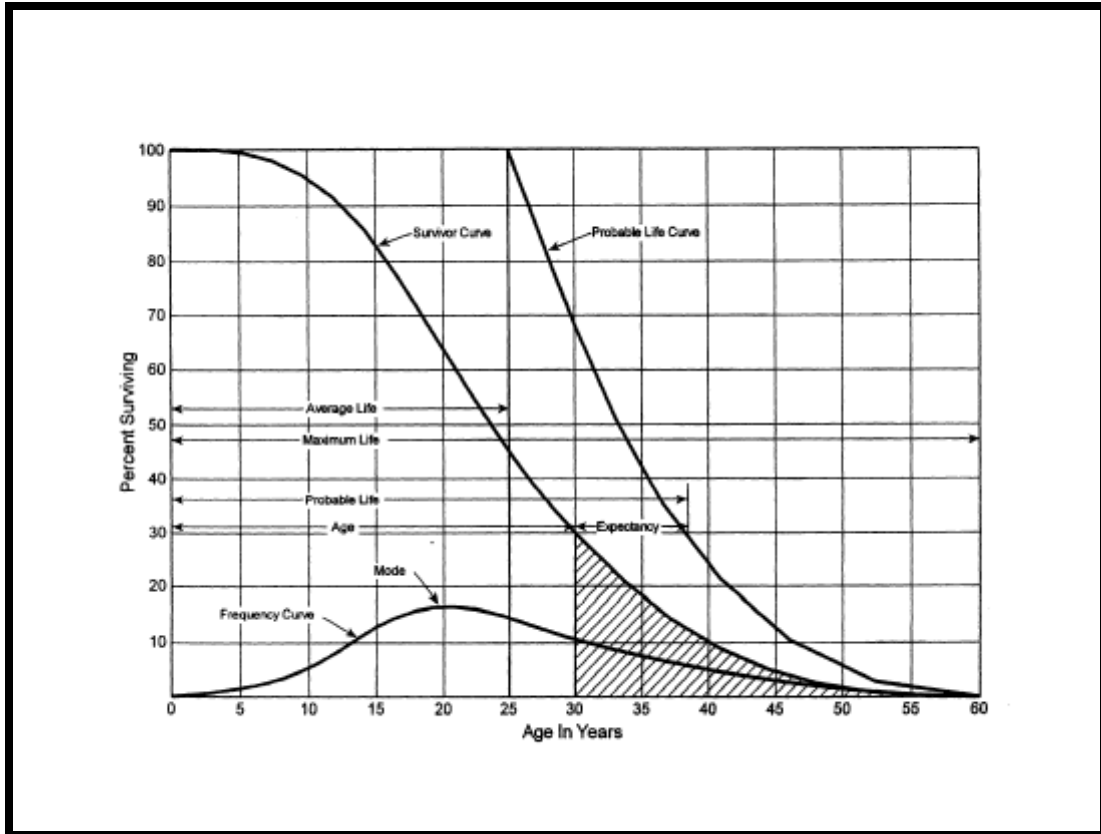
depreciable group. The computations of the annual depreciation rates are shown in Appendix A.

For FCG property, annual and accrued depreciation are calculated by the Straight-Line, Broad (Average Life) Group, Remaining Life technique depreciation system. In this system, the depreciation accrual uses an allocation of the accumulated provision for depreciation based on each unit/account's theoretical depreciation reserve to determine the net investment needed to be recovered over each unit's remaining life (along with its estimated net salvage). The computations of accrual rates are shown in Appendix A, and the comparison of the accumulated provision for depreciation and the theoretical depreciation reserve is found in Appendix F.

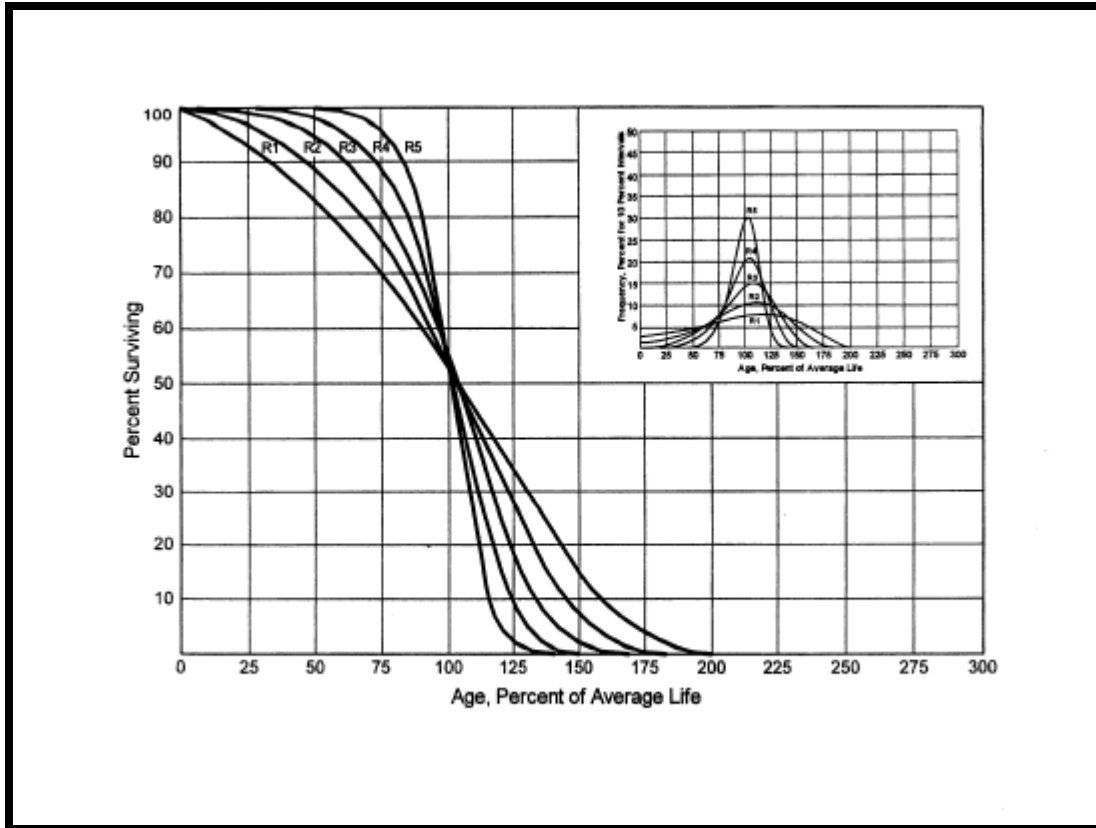
For Storage, Distribution, and General Plant, actuarial analysis is used for each account within a functional group where sufficient data is available. Judgment is used to some degree on all accounts.

## **2. Survivor Curves**

To fully understand depreciation projections in a regulated utility setting, there must be a basic understanding of survivor curves. Individual property units within a group do not normally have identical lives or investment amounts. The average life of a group can be determined by first constructing a survivor curve, which is plotted as a percentage of the units surviving at each age. A survivor curve represents the percentage of property remaining in service at various age intervals. The Iowa Curves are the result of an extensive investigation of life characteristics of physical property made at Iowa State College Engineering Experiment Station in the first half of the prior century. Through common usage, revalidation and regulatory acceptance, the Iowa Curves have become a descriptive standard for the life characteristics of industrial property. An example of an Iowa Curve is shown below.



There are four families in the Iowa Curves that are distinguished by the relation of the age at the retirement mode (largest annual retirement frequency) and the average life. For distributions with the mode age greater than the average life, an "R" designation (i.e., Right modal) is used. The family of "R" moded curves is shown below.



Similarly, an “S” designation (i.e., Symmetric modal) is used for the family whose mode age is symmetric about the average life. An “L” designation (i.e., Left modal) is used for the family whose mode age is less than the average life. A special case of left modal dispersion is the “O” or origin modal curve family. Within each curve family, numerical designations are used to describe the relative magnitude of the retirement frequencies at the mode. A “6” indicates that the retirements are not greatly dispersed from the mode (i.e., high mode frequency), while a “1” indicates a large dispersion about the mode (i.e., low mode frequency). For example, a curve with an average life of 30 years and an “L3” dispersion is a moderately dispersed, left modal curve that can be designated as a 30 L3 Curve. An SQ, or square, survivor curve occurs where no dispersion is present (i.e., units of common age retire simultaneously).

Most property groups can be closely fitted to one Iowa Curve with a unique average service life. The blending of judgment concerning current conditions and

future trends along with the matching of historical data permits the depreciation analyst to make an informed selection of an account's average life and retirement dispersion pattern.

### **3. Actuarial Analysis**

For Distribution and General property, actuarial analysis ("Retirement Rate" method) is used in evaluating historical asset retirement experience where vintage data are available and sufficient retirement activity is present. In actuarial analysis, interval exposures (total property subject to retirement at the beginning of the age interval, regardless of vintage) and age interval retirements are calculated. The complement of the ratio of interval retirements to interval exposures establishes a survivor ratio. The survivor ratio is the fraction of property surviving to the end of the selected age interval, given that it has survived to the beginning of that age interval. Survivor ratios for all of the available age intervals are computed by successive multiplications to establish a series of survivor factors, collectively known as an observed life table. The observed life table shows the experienced mortality characteristic of the account and may be compared to standard mortality curves, such as the Iowa Curves. Where data is available, accounts are analyzed using this method. Placement bands are used to illustrate the composite history over a specific era, and experience bands are used to focus on retirement history for all vintages during a set period. The results from the analyses for the accounts having data sufficient to be analyzed using this method are shown in the Life Analysis section of this Study

### **4. Net Salvage**

When a capital asset is retired, physically removed from service, and finally disposed of, terminal retirement is said to have occurred. The residual value of a terminal retirement is called gross salvage. Net salvage is the difference between the gross salvage (what the asset was sold for) and the removal cost (cost to remove and dispose of the asset).



Gross salvage and cost of removal related to retirements are recorded to the general ledger in the accumulated provision for depreciation at the time retirements occur within the system.

Removal cost percentages are calculated by dividing the current cost of removal by the original installed cost of the asset. Some plant assets can experience significant negative removal cost percentages due to the timing of the addition versus the retirement. For example, a distribution asset in FERC Account 376.1 with a current installed cost of \$500 (2018) would have had an installed cost of \$41.78 in 1963<sup>2</sup> (which is the proposed average life of the account). A removal cost of \$50 for the asset calculated (incorrectly) on current installed cost would only have a negative 10 percent removal cost ( $\$50/\$500$ ). However, a correct removal cost calculation would show a negative 119.67 percent removal cost for that asset ( $\$50/\$41.78$ ). Inflation from the time of installation of the asset until the time of its removal must be taken into account in the calculation of the removal cost percentage because the depreciation rate, which includes the removal cost percentage, will be applied to the original installed cost of assets.

## **5. Judgment**

Any depreciation study requires informed judgment by the analyst conducting the study. A knowledge of the property being studied, company policies and procedures, general trends in technology and industry practice, and a sound basis of understanding in depreciation theory are needed to apply this informed judgment. Judgment is used in areas such as survivor curve modeling and selection, depreciation method selection, simulated plant record method analysis, and actuarial analysis.

Judgment is not used in cases where there are specific, significant pieces of information that influence the choice of a life or curve. Those cases would simply be a reflection of applying specific facts to the relevant analysis. Where there are multiple factors, activities, actions, property characteristics, statistical inconsistencies, implications of applying certain curves, property mix in accounts or

a multitude of other considerations that impact the analysis (potentially in various directions), judgment is used to take all of these factors and synthesize them into a general direction or understanding of the characteristics of the property. Individually, no one factor in these cases may have a substantial impact on the analysis, but overall, may shed light on the utilization and characteristics of assets. Judgment also may include deduction, inference, wisdom, common sense, or the ability to make sensible decisions. Statistical analysis is a tool in life estimation; and all facets of selecting a life estimate require judgment. At the very least, as an example, any analysis requires choosing upon which bands to place more emphasis.

The establishment of appropriate average service lives and retirement dispersions for the Storage, Distribution, General Plant accounts requires judgment to incorporate the understanding of the operation of the system with the available accounting information analyzed using the Retirement Rate actuarial methods. The appropriateness of lives and curves depends not only on statistical analyses, but also on how well future retirement patterns will match past retirements. Current applications and trends in use of the equipment also need to be factored into life and survivor curve choices in order for appropriate mortality characteristics to be chosen.

## **6. Broad (Average Life) Group Depreciation Procedure**

FCG's current depreciation rates, as authorized by the Commission in Docket No. 140051-GU for Gas Distribution and General Plant were developed using the Broad (Average Life) Group ("ALG") depreciation procedure. At the request of FCG, this Study continues to use the ALG depreciation procedure to group the assets within each account. After an average service life and dispersion are selected for each account, those parameters are used to estimate what portion of the surviving investment of each vintage is expected to retire. The depreciation of the group continues until all investment in the vintage group is retired. ALG is defined by each group's respective account dispersion, life, and salvage estimates. A straight-line rate for each ALG is calculated by computing a composite remaining life for each

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<sup>2</sup> Using the Handy-Whitman Bulletin No. 184, G-2, line 44,  $\$41.78 = \$500 \times 60/718$ .

group across all vintages within the group, dividing the remaining investment to be recovered by the remaining life to find the annual depreciation expense and then dividing the annual depreciation expense by the surviving investment. The resulting rate for each account using the ALG procedure is designed to recover all retirements less net salvage when the last unit retires. The ALG procedure recovers net estimated book cost over the life of each account by averaging many components.

## **7. Theoretical Depreciation Reserve – Storage, Distribution, General Property**

The book depreciation reserve is derived from Company records. This Study uses a reserve model that relies on a prospective concept relating future retirement and accrual patterns for property, given current life and salvage estimates. The theoretical reserve of a group is developed from the estimated remaining life, total life of the property group, and estimated net salvage. The theoretical reserve represents the portion of the group cost that would have been accrued if current expectations were used throughout the life of the group for future depreciation accruals. The computation involves multiplying the vintage balances within the group by the theoretical reserve ratio for each vintage. The ALG method requires an estimate of dispersion and service life to establish how much of each vintage is expected to be retired in each year until all property within the group is retired. Estimated average service lives and dispersion determine the amount within each average life group. The straight-line, remaining life theoretical reserve ratio at any given age (RR) is calculated as:

$$RR = 1 - \frac{(\text{Average Remaining Life})}{(\text{Average Service Life})} * (1 - \text{Net Salvage Ratio})$$

In the workpapers, a theoretical reserve is computed for each account as of July 31, 2018, using the proposed life and net salvage percentage

## **V. THE DETAILS OF THIS DEPRECIATION RATE STUDY**

### **A. The Four Phases of the Depreciation Study Process**

This Study encompasses four distinct phases. The first phase involves data collection and field interviews. The second phase is where the initial data analysis occurs. The third phase is where the information and analysis is evaluated. Once the first three stages are complete, the fourth phase begins. This fourth phase involves the calculation of depreciation rates and documentation of the corresponding recommendations.

During the Phase I data collection process, historical data is compiled from property records and general ledger systems. Data is validated for accuracy by extracting and comparing to multiple financial system sources. Audit of this data is validated against historical data from prior periods, historical general ledger sources, and field personnel discussions. This data is reviewed extensively to put it in the proper format for the Study. Further discussion on data review and adjustment is found in the Salvage Considerations section of this Study. Also as part of the Phase I data collection process, numerous discussions are conducted with engineers and field operations personnel to obtain information that will assist in formulating life and salvage recommendations in this Study. One of the most important elements of performing a proper depreciation study is to understand how the Company utilizes assets and the environment of those assets. Interviews with engineering and operations personnel are important ways to allow the analyst to obtain information that is beneficial when evaluating the output from the life and net salvage programs in relation to the Company's actual asset utilization and environment. Information regarding these discussions is found in the life analysis and salvage analysis discussions below in this Section VI of the Study and also in workpapers.

Phase 2 is where the actuarial analysis is performed. Phase 2 and 3 overlap to a significant degree. The detailed property records information is used in Phase 2 to develop observed life tables for life analysis. These tables are visually compared to industry standard tables to determine historical life characteristics. It is possible that the analyst will cycle back to this Phase 2 based on the evaluation process

performed in Phase 3. Net salvage analysis consists of compiling historical salvage and removal data by functional group to determine values and trends in gross salvage and removal cost. This information is then carried forward into Phase 3 for the evaluation process.

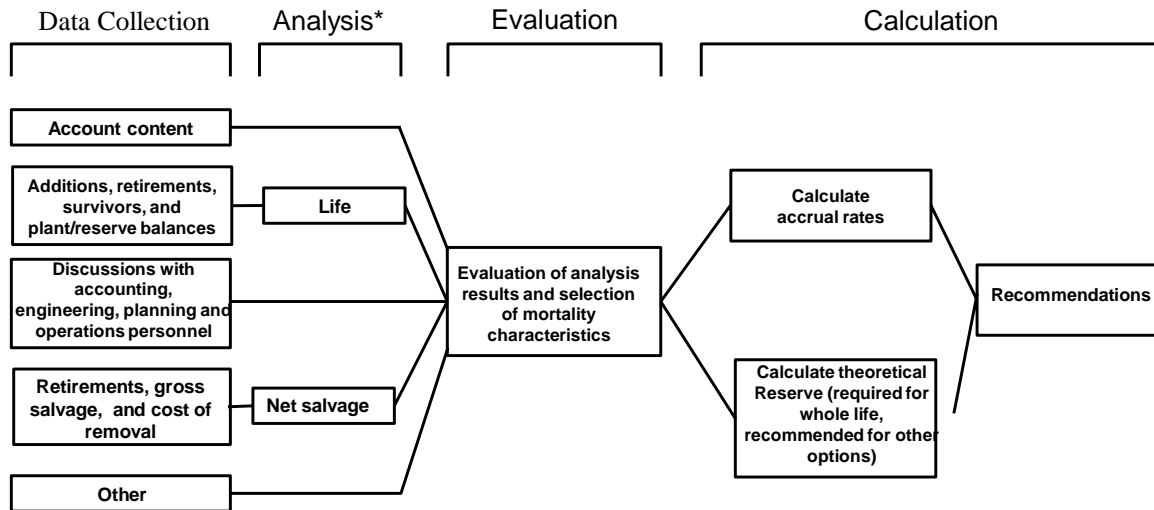
Phase 3 is the evaluation process, which synthesizes analyses, interviews, and operational characteristics into a final selection of asset lives and net salvage parameters. The historical analysis from Phase 2 is further enhanced by the incorporation of recent or future changes in the characteristics or operations of assets that were revealed in Phase 1. Phases 2 and 3 allow the depreciation analyst to validate the asset characteristics as seen in the accounting transactions with actual Company operational experience.

Finally, Phase 4 involves the calculation of accrual rates, making recommendations and documenting the conclusions in the Study. The calculation of accrual rates is found in Appendix B. Recommendations for the various accounts are contained within this Section VI of this Study. The depreciation study flow diagram shown as Figure 1<sup>3</sup> below also documents the steps used in conducting this Study. DEPRECIATION SYSTEMS<sup>4</sup>, at page 289, documents the same basic processes in performing a depreciation study which are: statistical analysis, evaluation of statistical analysis, discussions with management, forecast assumptions, and document recommendations.

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<sup>3</sup>INTRODUCTION TO DEPRECIATION FOR PUBLIC UTILITIES & OTHER INDUSTRIES, AGA EEI (2013).

<sup>4</sup> W. C. Fitch and F.K.Wolf, DEPRECIATION SYSTEMS, Iowa State Press, at page 289 (1994).



Source: Introduction to Depreciation for Public Utilities and Other Industries, AGA EEL , 2013.

\*Although not specifically noted, the mathematical analysis may need some level of input from other sources (for example, to determine analysis bands for life and adjustments to data used in all analysis).

Figure 1

## FLORIDA CITY GAS DEPRECIATION STUDY PROCESS

## B. Depreciation Rate Calculation for Storage, Distribution, General

### 1. Overview of Calculation

Annual depreciation expense amounts for accounts other than production are calculated by the Average Life, Straight-Line, Remaining Life system.

In a whole-life representation, the annual accrual rate is computed by the following equation:

$$\text{Annual Accrual Rate} = \frac{(100\% - \text{Net Salvage Percent})}{\text{Average Service Life}}$$

Use of the remaining life depreciation system adds a self-correcting mechanism, which accounts for any differences between theoretical and book depreciation reserve over the remaining life of the group. With the straight-line, remaining life, system using Iowa Curves, composite remaining lives are calculated according to standard broad group expectancy techniques, noted in the formula below:

$$\text{Composite Remaining Life} = \frac{\sum \text{Original Cost} - \text{Theoretical Reserve}}{\sum \text{Whole Life Annual Accrual}}$$

For each FERC plant account, the difference between the surviving investment, adjusted for estimated net salvage, and the allocated projected book depreciation reserve as of July 31, 2018, is divided by the composite remaining life to yield the annual depreciation expense as noted in this equation.

$$\text{Annual Depr Expense} = \frac{\text{Orig Cost} - \text{Allocated Reserve} - (\text{Orig Cost}) * (1 - \text{Net Salv \%})}{\text{Composite Remaining Life}}$$

In the equation above the Net Salv% represents future net salvage.

Within a group, the sum of the group annual depreciation expense amounts, as a percentage of the depreciable original cost investment summed, gives the annual depreciation rate as shown below:

$$\text{Annual Depreciation Rate} = \frac{\sum \text{Annual Depreciation Expense}}{\sum \text{Original Cost}}$$

These calculations are shown in Appendix A. The calculations of the theoretical depreciation reserve values and the corresponding remaining life calculations are shown in workpapers. Projected book depreciation reserves as of July 31, 2018 are from individual accounts and the theoretical reserve computation is used to compute a composite remaining life for each account.

The calculation of the accrual rates are shown in Appendix A.

## **2. Remaining Life Calculation**

The establishment of appropriate average service lives and retirement dispersions for each account within a functional group is based on engineering judgment that incorporates available accounting information analyzed using the Retirement Rate actuarial methods. After establishment of appropriate average service lives and retirement dispersion, remaining life is computed for each account. Theoretical depreciation reserve is calculated using theoretical reserve ratios as defined in the theoretical reserve portion of Section III of this Study. The difference between plant balance and theoretical reserve is then spread over the ALG depreciation accruals for each plant account. Remaining life computations are found for each account in workpapers.

## **3. Net Salvage Considerations**

The cost of removing distribution assets from service has increased over time. Many general factors have occurred, creating changes that increase removal cost including:

While gas mains for distribution are usually abandoned in place, the following removal costs are incurred per 49 CFR 192.727 (entitled "Abandonment or deactivation of facilities"). This regulation provides as follows:

- (a) Each operator shall conduct abandonment or deactivation of pipelines in accordance with the requirements of this section.



(b) Each pipeline abandoned in place must be disconnected from all sources and supplies of gas; purged of gas; in the case of offshore pipelines, filled with water or inert materials; and sealed at the ends. However, the pipeline need not be purged when the volume of gas is so small that there is no potential hazard.

(c) Except for service lines, each inactive pipeline that is not being maintained under this part must be disconnected from all sources and supplies of gas; purged of gas; in the case of offshore pipelines, filled with water or inert materials; and sealed at the ends. However, the pipeline need not be purged when the volume of gas is so small that there is no potential hazard.

The cost of deactivation, abandon in place, and removal of gas mains from distribution assets has increased over time due to several general factors, including:

#### Time Value of Money

Many gas main assets have a life cycle of 60 years or more. Some of the assets being removed were installed nearly 60 years ago when materials, labor and cost of goods were cheaper.

#### Change in PHMSA requirements

The PHMSA has issued Advisory Bulletins and a Notice of Proposed Rule Making that requires operators to replace or test gas pipelines that lack records used to establish Maximum Allowable Operating Pressure (MAOP). FCG has started this work and in many cases will be replacing existing gas pipelines if they don't meet the new requirements, regardless of whether or not they have reached the average service life. FCG continuously replaces existing pipe based on materials that historically have presented safety issues like Adyl-A and Xtrube Pipe. In addition, FCG is replacing plastic pipe that is not locatable due to deterioration of tracing methods used in the past.

### Urban Area

The majority of the construction and reconstruction projects are in urban areas. Many cities require permits. These permits may impose fees and certain limitations such as the closure of roads during high traffic times. These permits may also require construction to occur in the evening, or on weekends that require overtime of crews and additional equipment. Some municipalities are increasingly requiring companies to repave more of the road than just the paving disturbed by excavation activity.

### Contract Labor

In the last decade, investment in utility gas main renewal projects has increased substantially across the country. In addition, the same skills and resources are needed in the larger oil and gas industry. This has created a high demand for the limited number of qualified personnel available to construct the work. Therefore, the cost of external contracts has increased due to supply and demand factors.

### Safety Requirements

The industry, and specifically FCG, has strived to provide a very high level of safe working practices. The equipment and provisions required today have increased substantially from 50 years ago. FCG uses work safety practices that align with modern industry practice. These policies have increased the cost of doing business, but are important part of the strong safety principles at FCG.

## **VI. DETERMINATION OF LIVES AND NET SALVAGE**

### **A. Storage Plant**

The Analysis Results in front of each account discussion below represent FCG's projected depreciable investment in Storage Plant as of July 31, 2018 and provide an overall summary of the account rate details.

The net changes by year to Storage Plant investment and depreciation reserves are presented in Appendix G, which summarize annual changes since the prior study.

In the Analysis Results for Storage Plant the "average life" concept is used. Average life property is that property expected to have a continuous life. In other words, additions and retirements are expected to occur continuously creating an average service life as opposed to the location life.

The Storage Plant property listed will be all new additions and is expected to go into service by year end 2018. However, once installed the data will be recorded and maintained so the property will have aged data available for future studies.

The average remaining life ("ARL") is a function of several variables. For example, a change in average service life, a change in the selection of Iowa Survivor curve, or a change in the investment balance all affect the ARL. A selected Iowa Curve for each account is shown below.

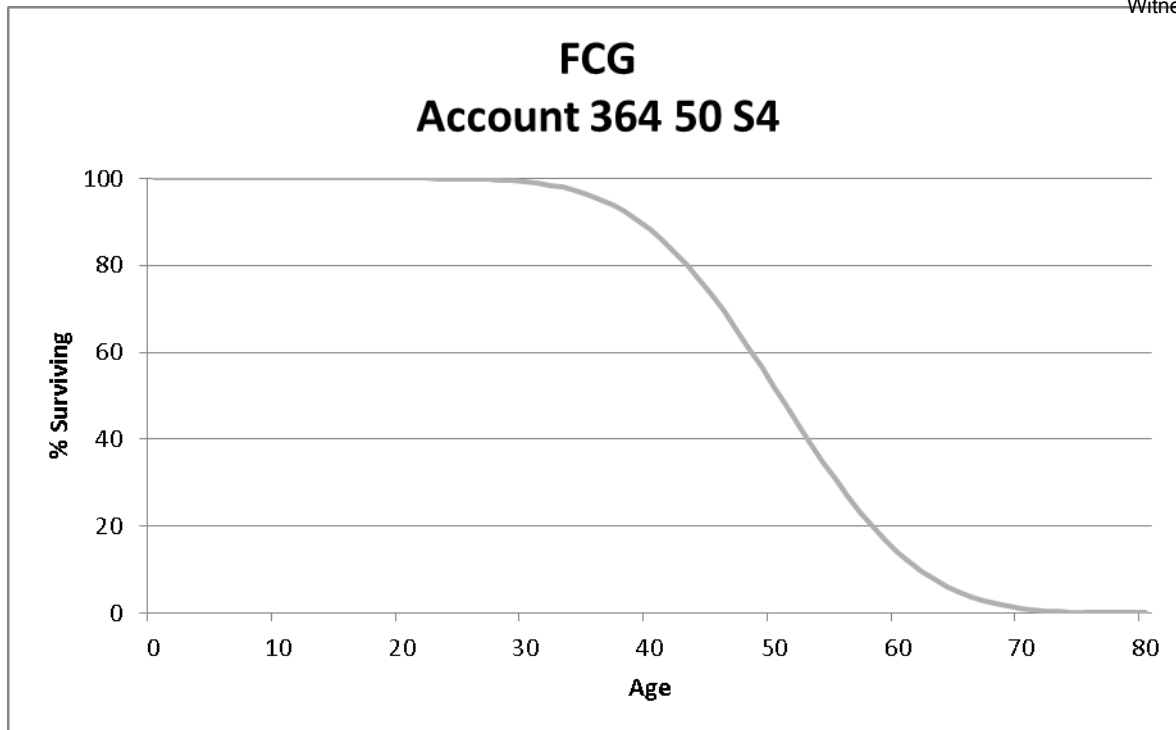
**Storage FERC Account 364.0**

**FERC Account 364.0 LNG Plant**

ANALYSIS RESULTS			
Depreciable Property			
Account 364.0			
LNG Plant			
Item	FPSC Approved	7/31/2018	Change
Investment	\$0	\$0	\$0
Iowa Curve		S4	
Average Service Life		50	50
Theoretical Reserve	\$0	\$0	\$0
Book Reserve	\$0	-	-
Reserve Variance	\$0	-	-
Reserve Ratio	0.00%	0.00%	
Gross Salvage		0%	0%
Removal Cost		0%	0%
Net Salvage		0%	0%
Avg Whole Life Rate		2.0%	2.2%
AWL Expense (7/31/2018)		\$0	\$0
Average Remaining Life		50.0	NA
ARL Rate		2.0%	2.0%
ARL Expense (7/31/2018)		\$0	\$0

**Life (50 S4)**

This account includes the structures and other types of equipment used in connection with liquefied natural gas (LNG) terminaling and processing operations. The estimated plant balance at July 31, 2018 is \$0. Plant is estimated to be placed in service after the end of the forecast period. Currently, there are no depreciation parameters in place for this account. From an accounting perspective, a depreciation rate is necessary when those assets go into service. In order to have a rate for those assets, an estimated service life is proposed. There is no historic data on which to perform actuarial analysis. Based on a review of lives for other utilities across the United States for assets in this group, judgment, the type of assets, and intended operations, this Study recommends using a 50-year average service life with the S4 Iowa Curve (dispersion). To demonstrate the shape the proposed curve, a graph for this account is provided below.



### **Net Salvage (NS 0%)**

This account includes any salvage and removal related to structures and other types of equipment used connection with liquefied natural gas terminaling and processing operations. Currently, there is no authorized net salvage for this account. While it is reasonable to expect cost of removal to exceed salvage, there is no basis at this time. Understanding the regulatory requirements for filing depreciation studies in Florida, zero percent is recommended for this account at this time and will be evaluated as actual experience is incurred in the future.

### **B. Distribution Plant**

The Analysis Results in front of each account discussion below represent FCG's projected depreciable investment in Distribution Plant as of July 31, 2018 and provide an overall summary of the account rate details.

The net changes by year to Distribution Plant investment and depreciation reserves are presented in Appendix G, which summarize annual changes to plant-in-service and the depreciation reserve.

As discussed above, average life property is that property expected to have a continuous life. In other words, additions and retirements will continually occur creating

an average service life. The average service life used for average life properties is based in part upon the analysis of historical accounting data using the actuarial method.

The factors outlined previously are also contributing to increases in distribution asset retirement costs. More safety related requirements are required than in the past. Labor costs have increased over time. Travel and other loadings have increased over time also. There are many general factors that are changing which have the effect of driving removal cost higher and are reflected in the movement of Distribution net salvage to be more negative.

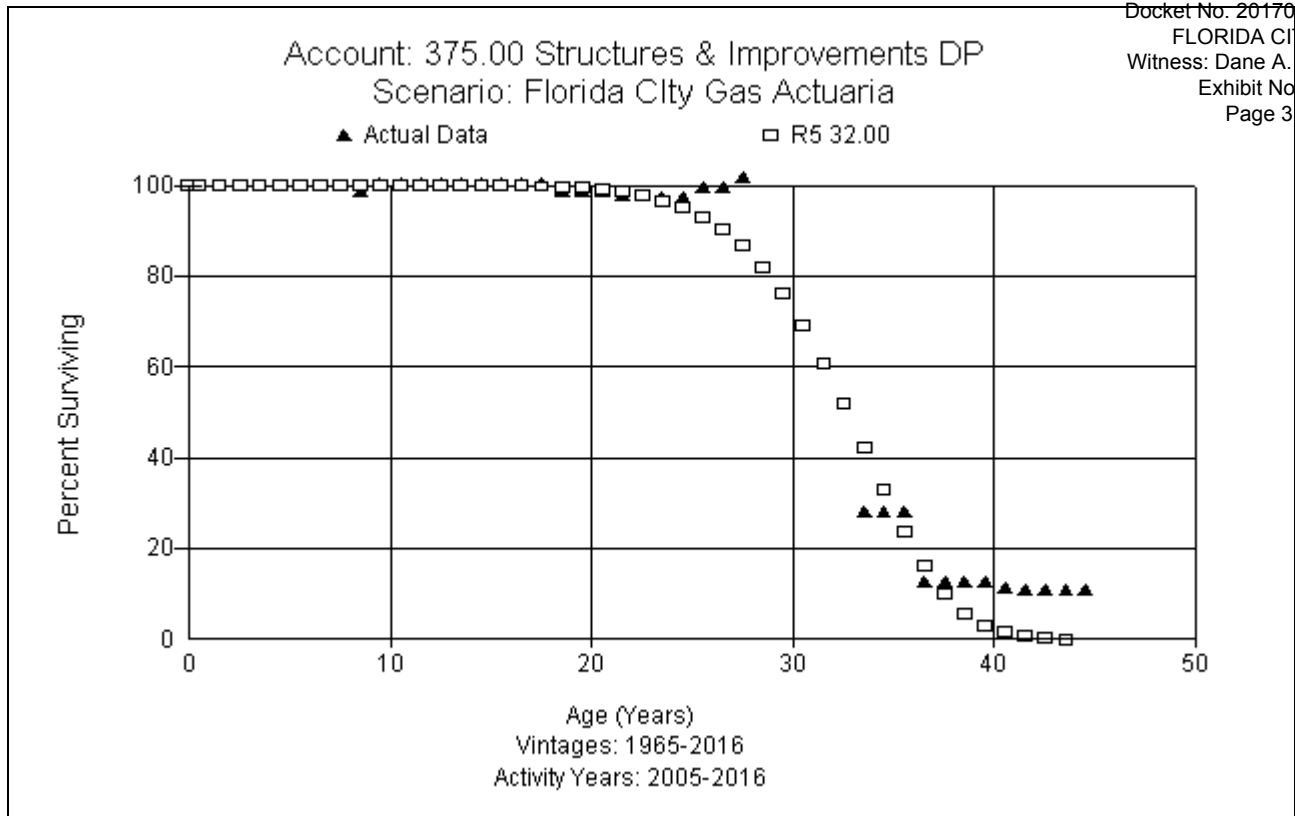
**Distribution Plant FERC Accounts 375.0-387.0**

**FERC Account 375 Structures and Improvements**

ANALYSIS RESULTS			
Depreciable Property			
Account 375			
Structures and Improvements			
Item	FPSC Approved	7/31/2018	Change
Investment	\$607,824	-	(\$607,824)
Iowa Curve	R3	R5	
Average Service Life	40	32	-8
Theoretical Reserve	\$197,543	\$0	(\$197,543)
Book Reserve	\$166,185	(\$80,099)	(246,284)
Reserve Variance	(\$31,358)	(\$80,099)	(\$48,741)
Reserve Ratio	27.34%	0.00%	-27.34%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	2.5%	3.1%	0.6%
AWL Expense (7/31/2018)	\$15,196	\$0	(\$15,196)
Average Remaining Life	26.2	NA	NA
ARL Rate	2.8%	3.1%	0.3%
ARL Expense (7/31/2018)	\$17,019	\$0	(\$17,019)

**Life (32 R5)**

This account contains structures and controls related to distribution operations There is no projected balance at July 31, 2018 in this account. The current approved life for this account is 40 years with the R3 dispersion. Actuarial analysis shows a shorter life, than is approved for this account, around 32 years. Based on the type of assets in this account and judgment, this Study recommends decreasing the life to 32 years while moving to the R5 dispersion. A graph of the observed life table versus the proposed curve is shown.



### Net Salvage (0%)

This account contains any gross salvage and cost of removal for structures and controls related to distribution operations. The current authorized net salvage for this account is zero percent and is retained.



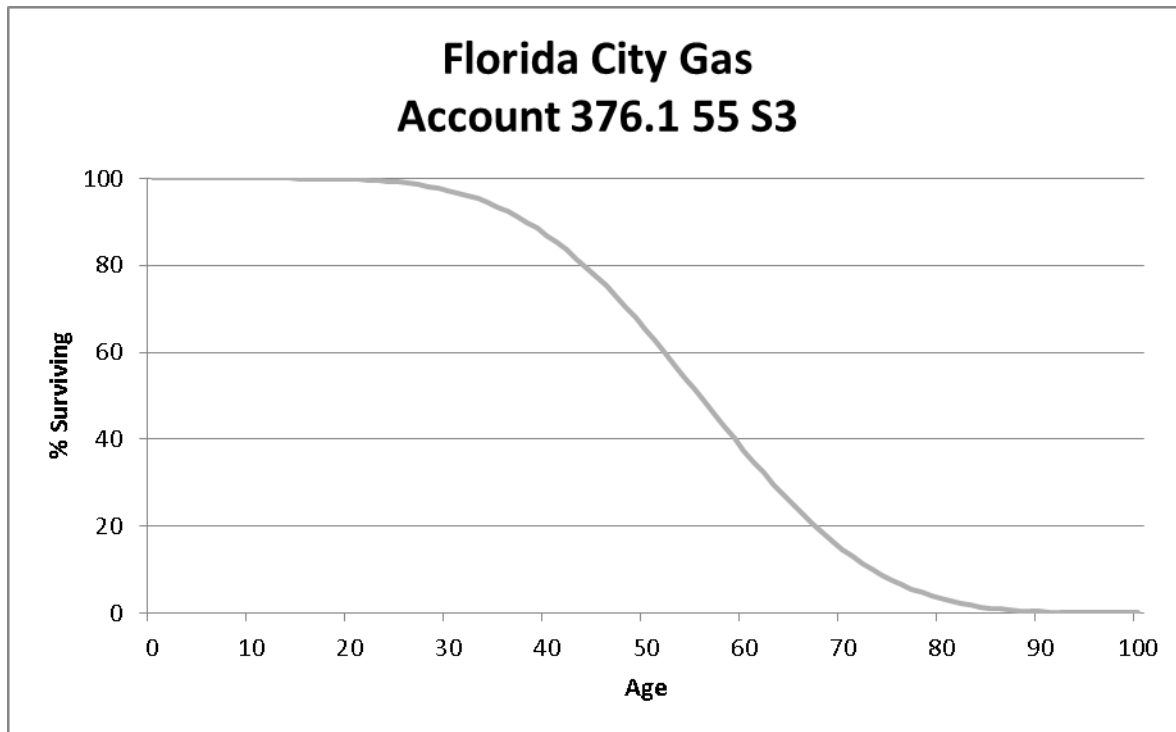
# **FERC Account 376.1 Distribution Mains- Non Plastic**

ANALYSIS RESULTS			
Depreciable Property			
Account 376.1			
Distribution Mains Non Plastic			
Item	FPSC Approved	7/31/2018	Change
Investment	\$93,645,336	109,201,912	\$15,556,576
Iowa Curve	S3	S3	
Average Service Life	42	55	13
Theoretical Reserve	\$58,060,108	\$62,417,727	\$4,357,619
Book Reserve	\$58,376,553	70,680,741	12,304,188
Reserve Variance	\$316,445	\$8,263,014	\$7,946,569
Reserve Ratio	62.34%	64.72%	2.39%
Gross Salvage	0%	0%	0%
Removal Cost	25%	50%	25%
Net Salvage	-25%	-50%	-25%
Avg Whole Life Rate	3.0%	2.7%	-0.3%
AWL Expense (7/31/2018)	\$2,787,064	\$2,948,452	\$161,388
Average Remaining Life	18.7	34.0	15.3
ARL Rate	3.0%	2.5%	-0.5%
ARL Expense (7/31/2018)	\$2,809,360	\$2,730,048	(\$79,312)

## **Life (55 S3)**

This grouping contains facilities, such as non-plastic (steel) distribution mains and associated equipment. The balance at July 31, 2018 is approximately \$109.0 million in this account. The approved life and curve is 42 S3. The prior study indications of significant changes continue. Plant investment increased by \$15.4 million or 16%. With a small experience band of 2005-2016, there is insufficient data for actuarial analysis. Company personnel report that a Safe Program is in place where the Company removes/replaces mains from the back of houses and put in front of houses. The Company will retire/replace services at the same time. The Safe Program began in 2015 and the Company's goal is to remove 25 miles per year of rear easement mains (mostly steel). Company personnel expect steel main to last longer than 40 years. Company personnel feel that the system is well maintained and mains have a better coating which will increase the life as a consequence. The design life is at least 50 years for steel and plastic mains. Company personnel indicated a life of 55 years is reasonable for this account. Based on the

information provided by Company personnel, the type of assets in this account, and judgment, this Study recommends increasing the life to 55 years and retaining the S3 dispersion. A graph of the proposed curve is shown below.



### Net Salvage (-50%)

This grouping contains any salvage and removal cost of non-plastic distribution mains and associated equipment. The current authorized net salvage for this account is negative 25 percent. The prior study noted that the five year average was a negative 123 percent and the last 11 years were a negative 138 percent. However, to promote a smoother rate transition selections were moderated. In this study, the most recent experience with five-year and 10-year bands are negative 337 and negative 248 percent net salvage, respectively. Analysis indicates cost of removal does exceed salvage and is expected to continue. Similar to the prior study, the recommendation is to move toward the direction of this trend in removal cost, but again moderate the change. This Study recommends moving from a negative 25 percent to a negative 50 percent net salvage. The Company's next depreciation study will examine future trends in this account.

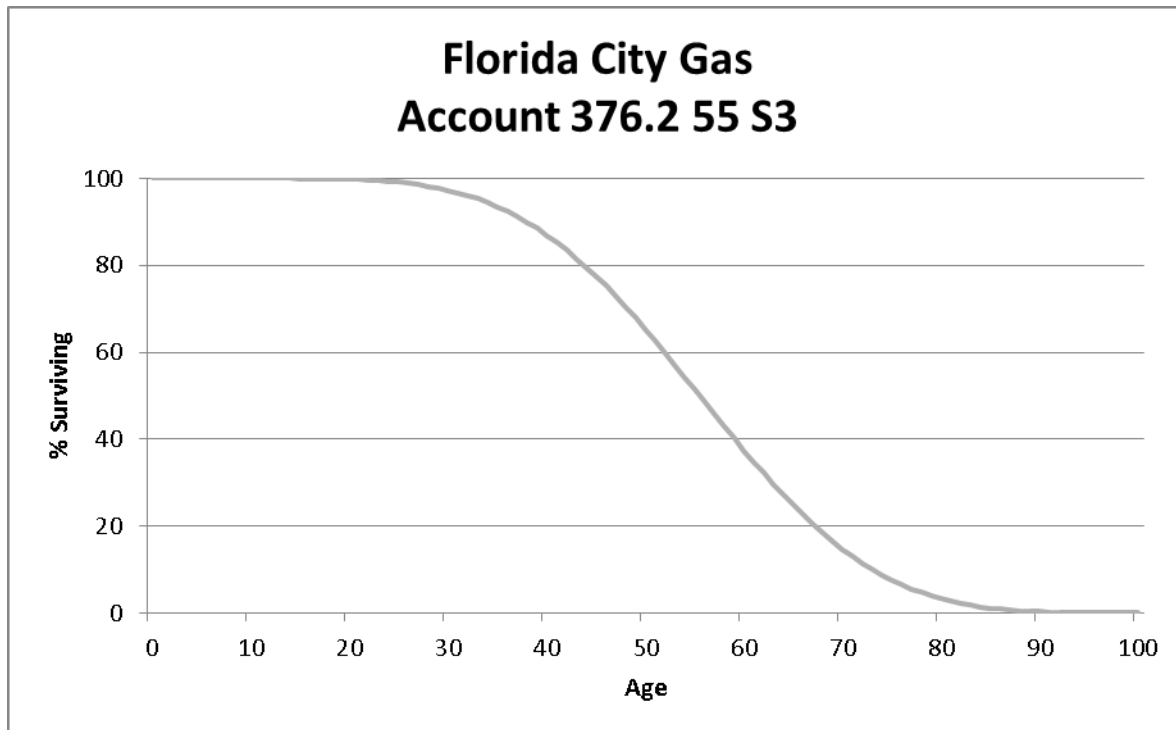
## **FERC Account 376.2 Distribution Mains- Plastic**

ANALYSIS RESULTS			
Depreciable Property			
Account 376.2			
Distribution Mains Plastic			
Item	FPSC Approved	7/31/2018	Change
Investment	\$76,531,571	150,016,423	73,484,852
Iowa Curve	S3	S3	
Average Service Life	40	55	15
Theoretical Reserve	\$29,847,313	36,533,288	6,685,975
Book Reserve	\$28,006,786	40,242,440	12,235,654
Reserve Variance	(\$1,840,527)	\$3,709,152	\$5,549,679
Reserve Ratio	36.60%	26.83%	-9.77%
Gross Salvage	0%	0%	0%
Removal Cost	20%	40%	20%
Net Salvage	-20%	-40%	-20%
Avg Whole Life Rate	3.0%	2.5%	-0.5%
AWL Expense (7/31/2018)	\$2,295,947	\$3,750,411	\$1,454,463
Average Remaining Life	27.1	45.4	18.3
ARL Rate	3.1%	2.5%	-0.6%
ARL Expense (7/31/2018)	\$2,372,479	\$3,750,411	\$1,377,932

### **Life (55 S3)**

This grouping contains plastic distribution mains and associated equipment. The projected balance at July 31, 2018 is approximately \$161.5 million in this account. The existing approved life is 40 years with an S3 dispersion curve. With a small experience band of 2005-2016, there is insufficient data for actuarial analysis. Company personnel report that Distribution Integrity Management Programs (DIMP) is reviewing replacement of early vintage plastic pipe, which incorporate 10% to 15% of the assets in those account. Company personnel feel that resins and installation practices (e.g. backfill) in the early years of plastic installation would produce a shorter life for earlier vintages. Company personnel see no indications of substandard installation practices and have identified no issues with the newer resins. Company personnel recommend moving to a longer life. They estimate that older vintage pipe which is 15% of the asset base would have a 35 year life and pipe of newer vintages which is 85% of the assets would have a 60 year life. This produces a composite estimate of 55-56 years. Based on the type of assets, the

recommendation of Account 3761, and Company input, this Study recommends moving to a life of 55 years with the S3 dispersion curve. A graph of the proposed curve is shown below.



### Net Salvage (-40%)

This grouping contains any salvage and removal cost related to plastic distribution mains and associated equipment. The current authorized net salvage for this account is negative 20 percent. The most recent experience with five-year and 10-year bands are negative 141 and negative 83 percent net salvage, respectively. To move in the direction of this trend but moderate the change for a smooth rate transition, the Study recommends a change to negative 40 percent net salvage. The Company's next depreciation study will further examine future trends in this account.

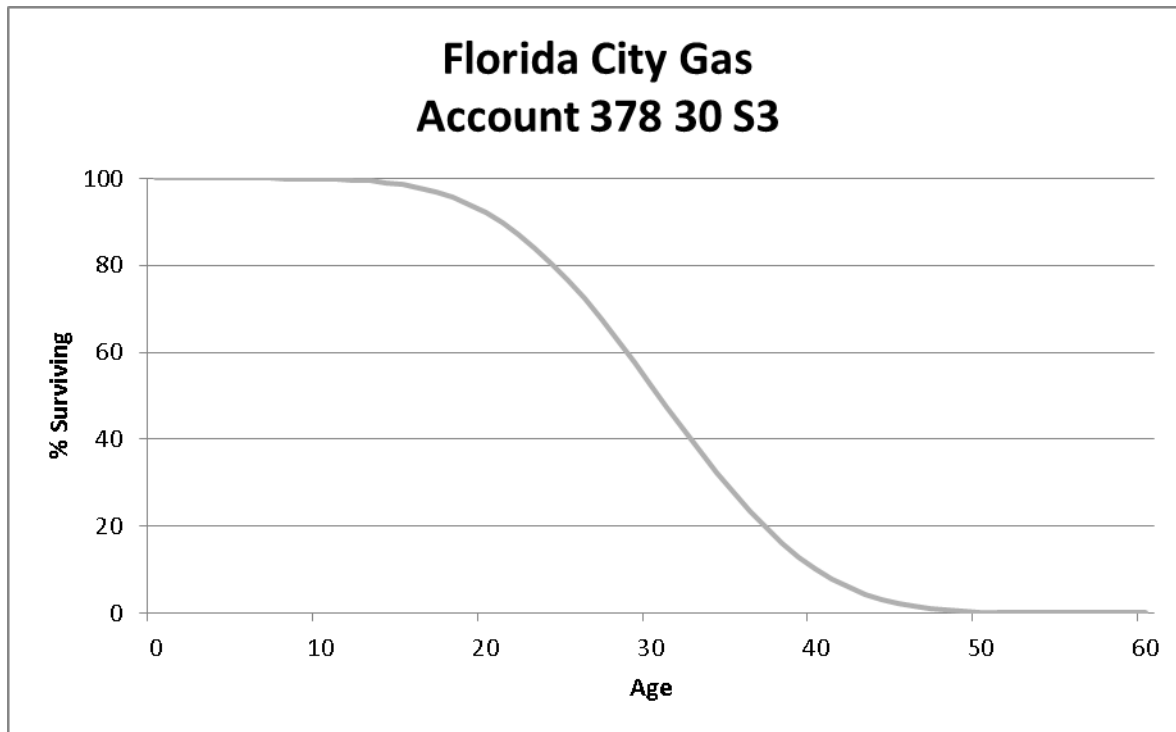
# **FERC Account 378 M& R Equipment- General**

ANALYSIS RESULTS			
Depreciable Property			
Account 378			
M & R Equipment- General			
Item	FPSC Approved	7/31/2018	Change
Investment	\$158,524	3,009,723	2,851,199
Iowa Curve	S3	S3	
Average Service Life	30	30	0
Theoretical Reserve	\$12,048	\$179,100	167,052
Book Reserve	\$30,320	146,541	116,221
Reserve Variance	\$18,272	(\$32,558)	(\$50,830)
Reserve Ratio	19.13%	4.87%	-14.26%
Gross Salvage	0%	0%	0%
Removal Cost	0%	5%	5%
Net Salvage	0%	-5%	-5%
Avg Whole Life Rate	3.3%	3.5%	0.2%
AWL Expense (7/31/2018)	\$5,284	\$105,340	\$100,056
Average Remaining Life	27.5	28.3	0.8
ARL Rate	3.3%	3.5%	0.2%
ARL Expense (7/31/2018)	\$5,231	\$105,340	\$100,109

## **Life (30 S3)**

This account contains M&R station piping, regulators, controls, odorizers and other equipment used in distribution measuring and regulating stations. The projected balance at July 31, 2018 is approximately \$1.2 million in this account. The approved life is 30 years with an S3 dispersion pattern. There have been no retirements recorded from 2004-2016. Company personnel report that the life of assets in some areas such as Brevard County is much shorter due to corrosion. Assets closer to the coast would have more corrosion problems than city gates. Company personnel anticipate a shorter life for equipment in this account in the 20-30 year range. Several assets at NASA were replaced at 25 years, and some assets have or will be relocated due to road widening or further development. There appears to be more physical retirements over the last 10 years than is reflected in the Company's Continuing Property Record. Operations stated the company is replacing district regulator stations every year. Company personnel recommend retaining the current

30 year life. Based on Company input, the type and mix of assets in this account, and judgment, this Study recommends retaining the existing 30-year life with the S3 dispersion. A graph of the proposed curve is shown below.



### Net Salvage (-5%)

This account contains any salvage and removal cost related to M&R station piping, regulators, controls, odorizers and other equipment used in distribution measuring and regulating stations. The current authorized net salvage for this account is 0 percent. There are no retirements during the period 2004-2016, thus insufficient Company data exists. A small amount of removal cost is usually produced when assets in this account are retired. To model this in the future, the Study recommends moving to negative 5 percent net salvage. The Company's next depreciation study will further examine future trends in this account.

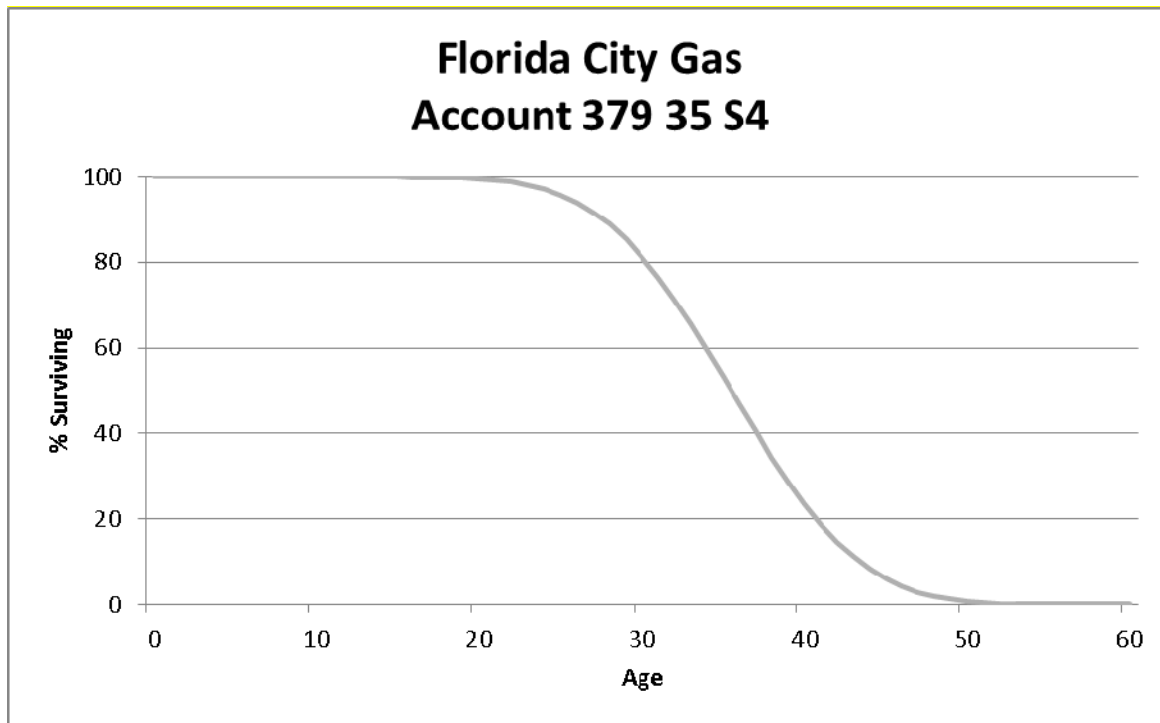
**FERC Account 379 M & R Equipment – City Gate**

ANALYSIS RESULTS			
Depreciable Property			
Account 379			
M & R Equipment- City Gate			
Item	FPSC Approved	7/31/2018	Change
Investment	\$6,326,025	10,001,911	3,675,886
Iowa Curve	S4	S4	
Average Service Life	30	35	5
Theoretical Reserve	\$3,549,532	\$4,070,101	520,569
Book Reserve	\$3,549,532	4,685,120	1,135,588
Reserve Variance	\$0	\$615,018	\$615,018
Reserve Ratio	56.11%	46.84%	-9.27%
Gross Salvage	0%	0%	0%
Removal Cost	0%	5%	5%
Net Salvage	0%	-5%	-5%
Avg Whole Life Rate	3.3%	3.0%	-0.3%
AWL Expense (7/31/2018)	\$210,867	\$300,057	\$89,190
Average Remaining Life	13.2	21.4	8.2
ARL Rate	3.3%	2.7%	-0.6%
ARL Expense (7/31/2018)	\$208,759	\$270,052	\$61,293

**Life (35 S4)**

This account consists of M&R station piping, regulators, controls, odorizers and other equipment used in city gate distribution measuring and regulating stations. The projected at July 31, 2018 is approximately \$10.0 million in this account. The approved life is 30 years with the S4 dispersion curve. There are too few retirements to make actuarial analysis effective. As mentioned in Account 378, there appears to be more recent physical retirements than is reflected in the Company's Continuing Property Record. Company personnel report that the NW Hialeah station has been completely rebuilt over the last few years, and Port St. Lucie was replaced in 2015 (29 years old at retirement). Some stations may have been renewed and rebuilt (under capital). A very small proportion of the account (only \$300K) is over 30 years old. Some modernization is planned but not necessarily full replacement soon. Company personnel feel that 35 years is a reasonable estimate for this account. Based on the analysis, Company input, the type of assets in this account, and

judgment, this Study recommends retention of the 35 year life with a S4 dispersion. A graph of the proposed curve is shown below.



### Net Salvage (-5%)

This account consists of any salvage and removal cost related to M&R station piping, regulators, controls, odorizers and other equipment used in city gate distribution measuring and regulating stations. The current authorized net salvage for this account is 0 percent. The current authorized net salvage for this account is 0 percent. There are is only one year showing retirement during the period 2005-2016, thus insufficient Company data exists. A small amount of removal cost is usually produced when assets in this account are retired. To model this in the future, the Study recommends moving to negative 5 percent net salvage. The Company's next depreciation study will further examine future trends in this account.



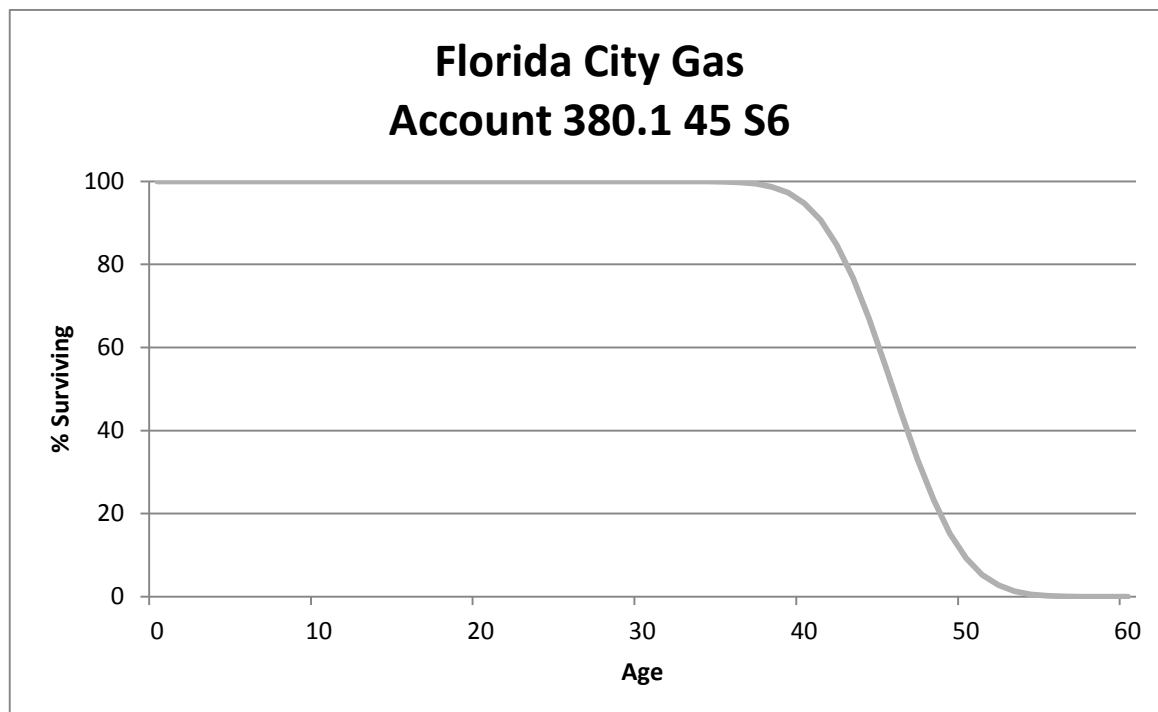
## **FERC Account 380.1 Services- Non Plastic**

ANALYSIS RESULTS			
Depreciable Property			
Account 380.1			
Services - Non Plastic			
Item	FPSC Approved	7/31/2018	Change
Investment	\$14,834,212	14,597,872	(236,341)
Iowa Curve	S6	S6	
Average Service Life	35	45	10
Theoretical Reserve	\$21,708,386	\$18,378,355	(3,330,031)
Book Reserve	\$20,314,340	22,559,287	2,244,947
Reserve Variance	(\$1,394,046)	\$4,180,933	\$5,574,979
Reserve Ratio	136.94%	154.54%	17.60%
Gross Salvage	0%	0%	0%
Removal Cost	80%	100%	20%
Net Salvage	-80%	-100%	-20%
Avg Whole Life Rate	5.1%	4.4%	-0.7%
AWL Expense (7/31/2018)	\$762,902	\$642,306	(\$120,596)
Average Remaining Life	5.6	16.7	11.1
ARL Rate	6.5%	2.7%	-3.8%
ARL Expense (7/31/2018)	\$964,224	\$394,143	(\$570,081)

### **Life (45 S6)**

This account consists of non-plastic distribution services which run from the distribution main to the customer. The projected balance at July 31, 2018 is approximately \$14.6 million in this account. The approved life is 35 years with an S6 dispersion pattern. As is the case in many of the Company's long-lived accounts, there is insufficient data for actuarial analysis. Company personnel report that prior to 2013, Florida required services to be removed (both steel and plastic) if the service was inactive for 5 years. Since 2013, the requirement was moved from 5 years to 10 years inactive but the company had to catch up on all earlier removal obligations. The 5 year rule still applies to galvanized or bare services. This higher level of retirement is not expected in the future. Also, the retirement of many services without replacement will drive up the removal cost temporarily. Last three years have been a "catch-up" period on service line retirements. Company personnel expect that to continue this year but this is not representative of the future. Company

Company personnel expect a lower, but not significantly different life for portions of services than mains. Some riser replacements have occurred due to corrosion but those are less now that service lines are wrapped. Other factors influencing the life of this account are the Company's policy to replace steel services with plastic if a main changes from steel to plastic as well as the Safe Program having retired some services prematurely (both steel and plastic). Based on input from Company personnel, the type of assets in this account, and judgment, this Study recommends increasing to a 45-year life and retaining the S6 dispersion. A graph of the proposed curve is shown below.



### **Net Salvage (-100%)**

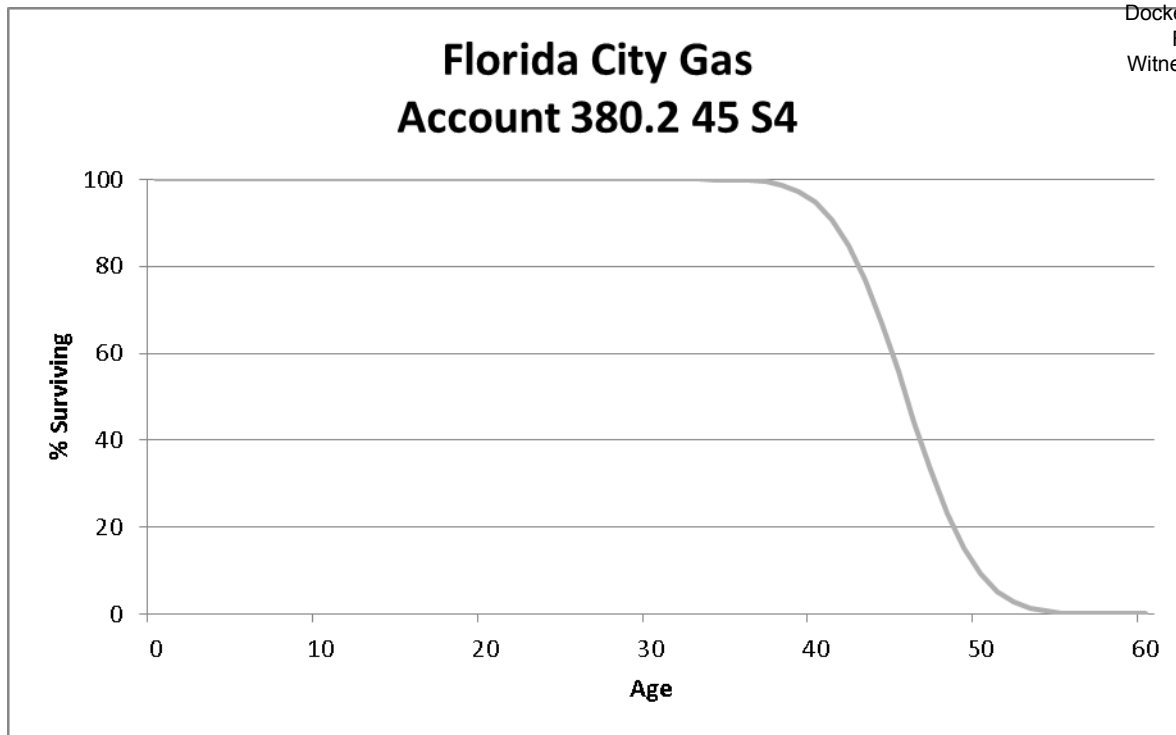
This account consists of any salvage and removal cost non-plastic distribution services which run from the distribution main to the customer. The current authorized net salvage for this account is negative 80 percent. In the most recent bands, the five-year and 10-year averages are negative 328 and negative 264 percent net salvage, respectively. To move conservatively in the direction of this trend and to promote a smooth rate transition, this Study recommends moving to negative 100 percent net salvage for this account. FCG's next depreciation study will examine future trends in this account.

## **FERC Account 380.2 Services Plastic**

ANALYSIS RESULTS			
Depreciable Property			
Account 380.2 Services Plastic			
Item	FPSC Approved	7/31/2018	Change
Investment	\$44,052,779	61,702,824	17,650,045
Iowa Curve	S4	S4	
Average Service Life	34	45	11
Theoretical Reserve	\$20,440,489	\$24,098,203	3,657,714
Book Reserve	\$17,674,278	21,210,271	3,535,993
Reserve Variance	(\$2,766,211)	(\$2,887,932)	(\$121,721)
Reserve Ratio	40.12%	34.37%	-5.75%
Gross Salvage	0%	0%	0%
Removal Cost	30%	45%	15%
Net Salvage	-30%	-45%	-15%
Avg Whole Life Rate	3.8%	3.2%	-0.6%
AWL Expense (7/31/2018)	\$1,684,371	\$1,974,490	\$290,119
Average Remaining Life	21.7	32.9	11.2
ARL Rate	4.1%	3.4%	-0.7%
ARL Expense (7/31/2018)	\$1,806,164	\$2,097,896	\$291,732

### **Life (45 S4)**

This account consists of plastic distribution services which run from the distribution main to the customer. The projected balance at July 31, 2018 there is approximately \$62.1 million in this account. The currently approved life estimate is 34 years with the S4 dispersion curve. The short experience band available shows slightly longer lives than are current used. Company personnel report that most new services are plastic. They anticipate a similar life between steel and plastic services. Company personnel feel that a 45 year life for this accout.is reasonable. Based on the existing life, input from Company personnel, the type of assets, and judgment, this Study recommends increasing from 34 to 45 years and retaining the S4 dispersion. A graph of the proposed curve is shown below.



#### **Net Salvage (-45%)**

This account consists of any salvage and removal cost related to plastic distribution services which run from the distribution main to the customer. The current authorized net salvage for this account is negative 30 percent. In the most recent bands, the five-year and 10-year averages are negative 643 and negative 541 percent net salvage, respectively. Based on trends in the wider bands, this Study proposes moving toward the indications of higher negative salvage, with negative 45 percent net salvage for this account as the recommendation. The Company's next depreciation study will examine future trends in this account.

## **FERC Account 381.00 Meters**

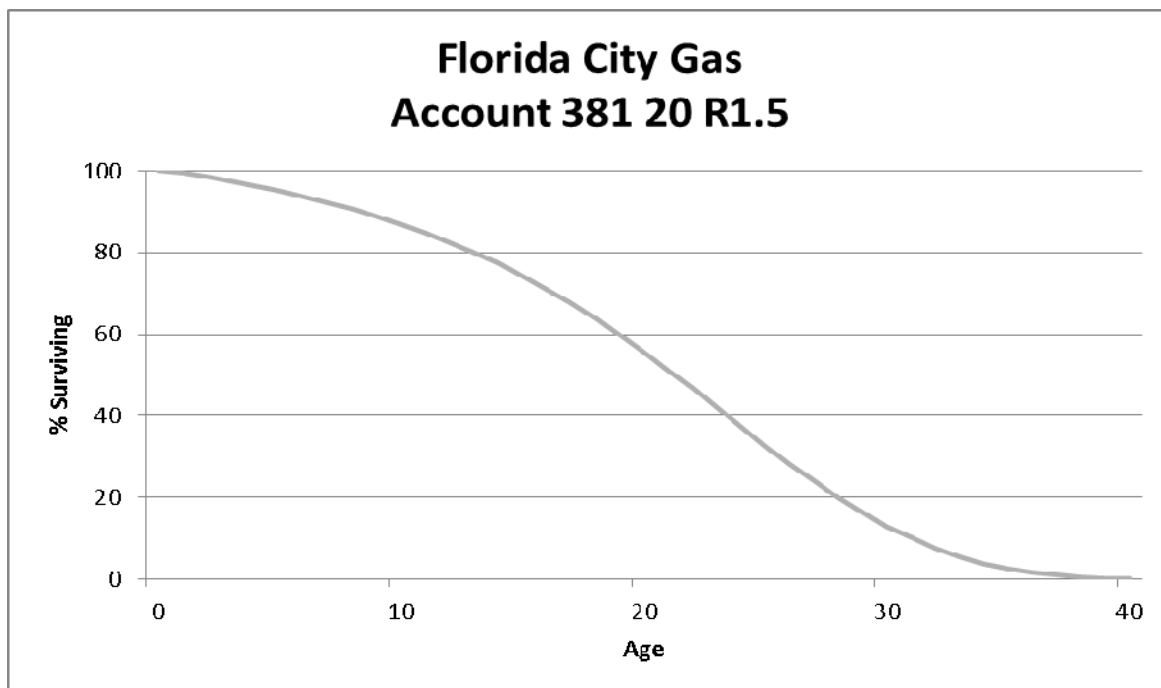
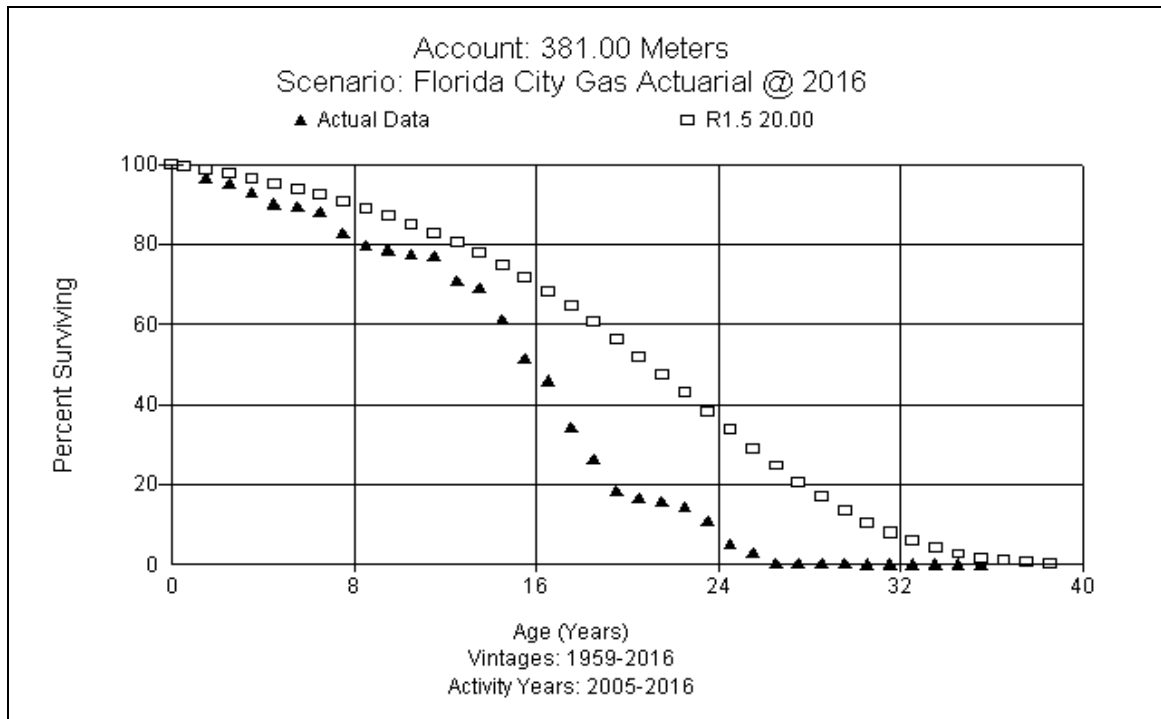
ANALYSIS RESULTS			
Depreciable Property			
Account 381 Meters			
Item	FPSC Approved	7/31/2018	Change
Investment*	\$14,176,957	\$17,980,578	3,803,621
Iowa Curve	S3	R1.5	
Average Service Life	25	20	-5
Theoretical Reserve*	\$3,991,353	\$5,243,700	1,252,347
Book Reserve*	\$1,757,349	\$3,206,589	\$1,449,240
Reserve Variance	(\$2,234,004)	(\$2,037,111)	\$196,893
Reserve Ratio	12.40%	17.83%	5.44%
Gross Salvage	0%	0%	0%
Removal Cost	3%	5%	2%
Net Salvage	-3%	-5%	-2%
Avg Whole Life Rate	4.1%	5.3%	1.1%
AWL Expense (7/31/2018)	\$584,091	\$943,980	\$359,890
Average Remaining Life*	18.5	14.4	-4.1
ARL Rate	4.9%	6.1%	1.2%
ARL Expense (7/31/2018)	\$694,671	\$1,096,815	\$402,144

\* Accounts 381 and 381.1 combined in last depreciation study

### **Life (20 R1.5)**

This account consists of electromechanical distribution meters and ERTS equipment. The projected balance of 381.00 and 381.10 at July 31, 2018 is approximately \$18.1 million and \$1.5 million, respectively for a combined total of \$19.6 million in this account. The current approved life for this account is 25 years with an S3 dispersion pattern. Discussions with Company personnel indicated they will pull a meter if it is inactive for 2 years and FCG retires all meters that are pulled. Some earlier ITRON meters have been having issues and failing earlier than in the past so FCG has moved back to American meters with ERTs installed. The Company does not see a meter older than 20 years in the field. The Company expects the average life for a meter is in the range of 15 – 20 years. The limited analysis available also reflects that the life of meters is shortening. Based on the existing life, input from Company personnel, the type of assets, indications from the

analysis, and judgment, this Study recommends decreasing from 25 to 20 years and changing from the S3 to the R1.5 dispersion. A graph of the observed life table and the proposed curve is shown below.



### **Net Salvage (-5%)**

This account consists of any salvage and removal cost related to electromechanical distribution meters and ERTS equipment. The current authorized net salvage for this account is negative 3 percent. In the most recent bands, the five-year and 10-year averages are negative 34.71 and negative 4.95 percent net salvage, respectively. The moving averages are erratic but the indications, especially when considering the overall most recent 10 year average of negative 5 percent; support a more negative net salvage factor. Factoring in the swings between the 5 and 10 year indications, this Study proposes moving toward the indications of higher negative salvage, but moderating it with a negative 5 percent net salvage for this account as the recommendation. The Company's next depreciation study will examine future trends in this account.

## **FERC Account 381.1 Meters- ERTS**

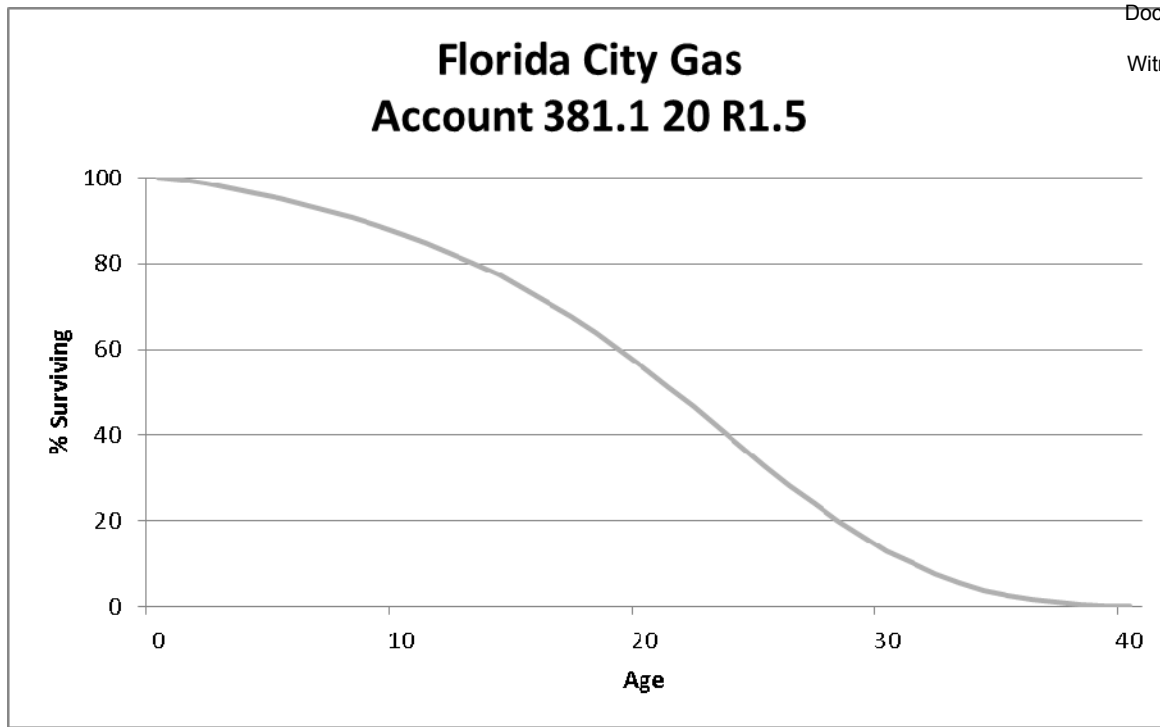
ANALYSIS RESULTS			
Depreciable Property			
Account 381.1 ERTS			
Item	FPSC Approved	7/31/2018	Change
Investment*	\$310,608	\$1,563,534	\$1,252,926
Iowa Curve	S3	R1.5	
Average Service Life	25	20	5
Theoretical Reserve*	\$3,991,353	\$550,842	\$3,278,755
Book Reserve*	\$1,757,349	279,923.61	\$7,061,370
Reserve Variance	(\$2,234,004)	(\$270,918)	\$1,963,086
Reserve Ratio	565.78%	17.90%	-547.87%
Gross Salvage	0%	0%	0%
Removal Cost	3%	5%	2%
Net Salvage	-3%	-5%	-2%
Avg Whole Life Rate	4.1%	5.3%	1.1%
AWL Expense (7/31/2018)	\$12,797	\$82,086	\$14,158
Average Remaining Life*	18.5	13.3	-5.2
ARL Rate	4.9%	6.1%	1.2%
ARL Expense (7/31/2018)	\$15,220	\$95,376	\$80,156

\* Accounts 381 and 381.1 combined in last depreciation study

### **Life (20 R1.5)**

This account consists of ERTS equipment. The projected balance at July 31, 2018 is approximately \$1.6 million in this account. The current approved life for this account is 25 years with an S3 dispersion pattern. Consistent with the prior study and the purchase of meters with ERTs attached, Accounts 381.00 and 381.10 were combined for analysis and rate calculation purposes. Discussions with Company personnel indicated the life of ERTs is appropriately linked to meters and as discussed above, a 15-20 year life is a reasonable expectation along with manufacturer recommendations. See Account 381.00 for more detailed discussion on these accounts. A graph of the proposed curve is shown below.





#### Net Salvage (-5%)

This account consists of any salvage and removal cost related to ERTS equipment. The current authorized net salvage for this account is negative 3 percent. This account was combined with Account 381.00. Net salvage percentages for prior periods show a consistent negative trend. Based on trends in the 10-year band, this Study proposes moving toward the indications of higher negative salvage, with a negative 5 percent net salvage for this account as the recommendation. See Account 381.00 above for a more detailed discussion of the combined analysis that was performed. The Company's next depreciation study will examine future trends in this account.

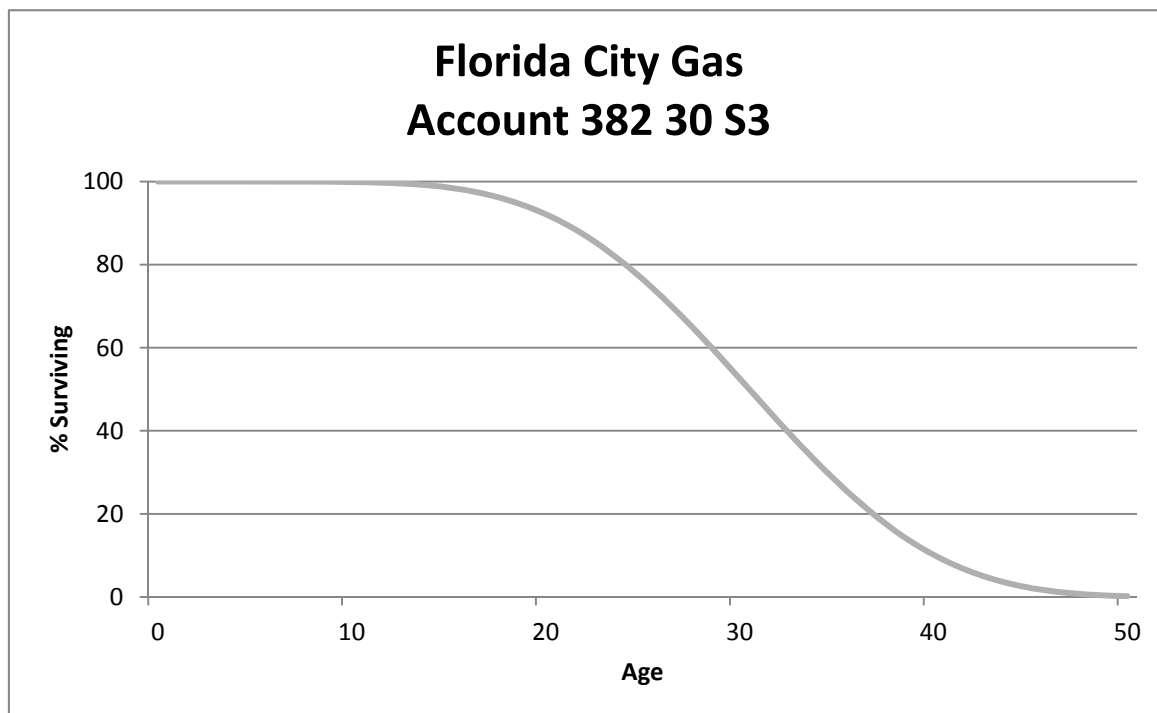
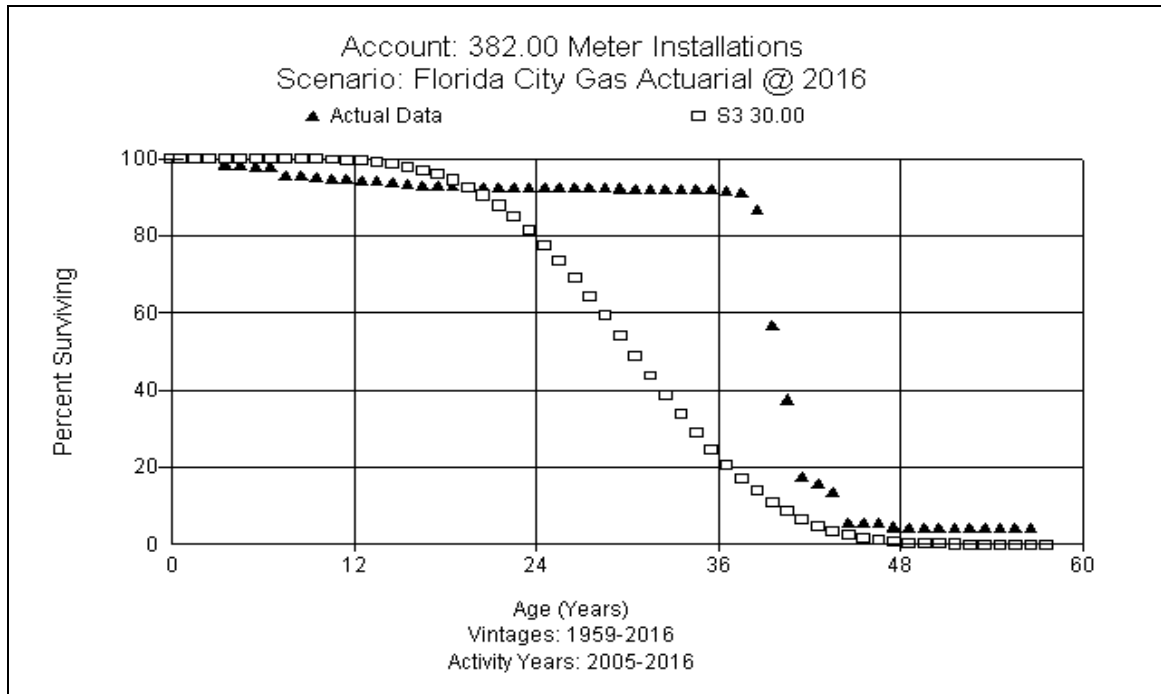
## **FERC Account 382 Meter Installations**

ANALYSIS RESULTS			
Depreciable Property			
Account 382			
Meter Installation			
Item	FPSC Approved	7/31/2018	Change
Investment	\$6,256,932	7,163,196.41	\$906,264
Iowa Curve	S3	S3	
Average Service Life	34	30	-4
Theoretical Reserve	\$2,959,529	\$3,638,568	\$748,511
Book Reserve	\$1,940,778	\$3,023,561	\$1,201,212
Reserve Variance	(\$1,018,751)	(\$615,007)	\$403,744
Reserve Ratio	31.02%	42.21%	11.19%
Gross Salvage	0%	0%	0%
Removal Cost	25%	20%	-5%
Net Salvage	-25%	-20%	5%
Avg Whole Life Rate	3.7%	4.0%	0.3%
AWL Expense (7/31/2018)	\$230,034	\$286,528	\$56,494
Average Remaining Life	21.3	17.3	-4.0
ARL Rate	4.5%	4.5%	0.0%
ARL Expense (7/31/2018)	\$281,562	\$322,344	\$40,782

### **Life (30 S3)**

This account includes installation costs related to meters. The projected balance at July 31, 2018 is approximately \$7.1 million. The current approved life for these accounts is 34 years with the S3 dispersion curve. Discussions with Company personnel indicate FCG has been using pre-manufactured meter bars for at least the last 10 years. There are some areas (Brevard) that are more corrosive and will have to replace the entire set when pulling a meter, but generally they will not. The existing 34 year life is too long for these assets. Currently the meter set assemblies (MSA) can have as low as a 10 year life, but generally are expected to last longer than 10 years. Company personnel believe a more reasonable life expectation would be in the range of 20-30 years. Although there is limited data available, the actuarial analysis supports the company position of a decreasing life in more recent years. Considering the asset, discussions and input from Company personnel, the indications in the analysis, and judgment, the study recommends moving toward the

expectations and the underlying meter life. This study recommends moving from 34 S3 to 30 S3 at this time. A graph of the observed life table and the proposed curve is shown below.



### **Net Salvage (-20%)**

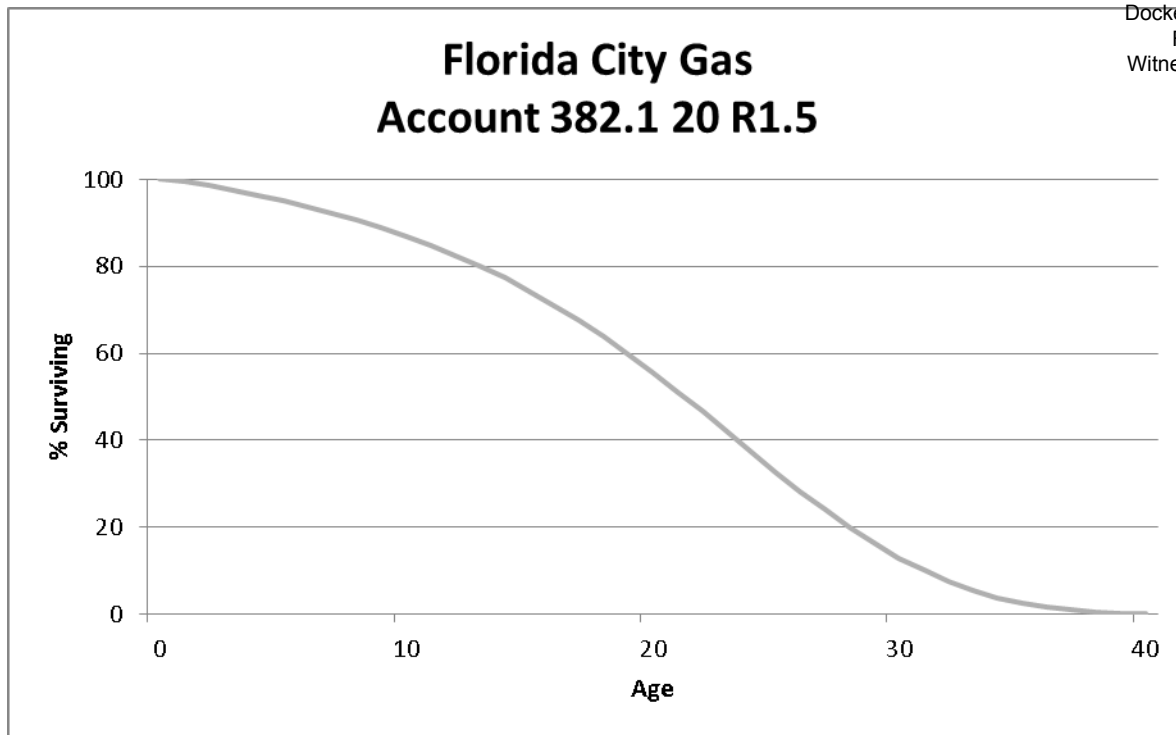
These accounts consist of any salvage and removal cost for installation costs related to meters. The current authorized net salvage for these accounts is negative 25 percent. In the most recent bands, the five-year and 10-year averages are negative 25.88 and negative 22.35 percent net salvage, respectively. Net salvage percentages for prior periods show a consistent negative trend but are erratic due to intermittent retirement activity. This Study proposes moving toward the indications with a less negative net salvage of negative 20 percent net salvage. The Company's next depreciation study will further examine future trends in this account.

## **FERC Account 382.1 ERTS Installations**

ANALYSIS RESULTS			
Depreciable Property			
Account 382.1 ERTS Installation			
Item	FPSC Approved	7/31/2018	Change
Investment	\$6,722,529	4,694,672.47	(\$2,027,856)
Iowa Curve	S3	R1.5	
Average Service Life	15	20	5
Theoretical Reserve	\$1,985,163	\$3,638,568	(\$22,861)
Book Reserve	\$1,985,163	2,821,080.02	\$443,843
Reserve Variance	\$0	(\$817,488)	(\$817,488)
Reserve Ratio	29.53%	60.09%	30.56%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	6.7%	5.0%	-1.7%
AWL Expense (7/31/2018)	\$448,169	\$234,734	(\$213,435)
Average Remaining Life	10.5	13.0	2.5
ARL Rate	6.7%	3.1%	-3.6%
ARL Expense (7/31/2018)	\$450,409	\$145,535	(\$304,875)

### **Life (20 R1.5)**

This account includes installation costs related to ERTS equipment. The projected balance at July 31, 2018 is approximately \$4.7 million. The current approved life for these accounts is 15 years with the S3 dispersion curve. Discussions with Company personnel indicated these assets should be linked to ERTs in Account 381.10 (381 Combined). There are no retirements recorded so no analysis was performed. Based on the link to Account 381.10, the type of assets in the account, and judgment, the Study recommendation is to move to a 20 year life but use the R1.5 dispersion curve. A graph of the proposed curve is shown below.



#### Net Salvage (0%)

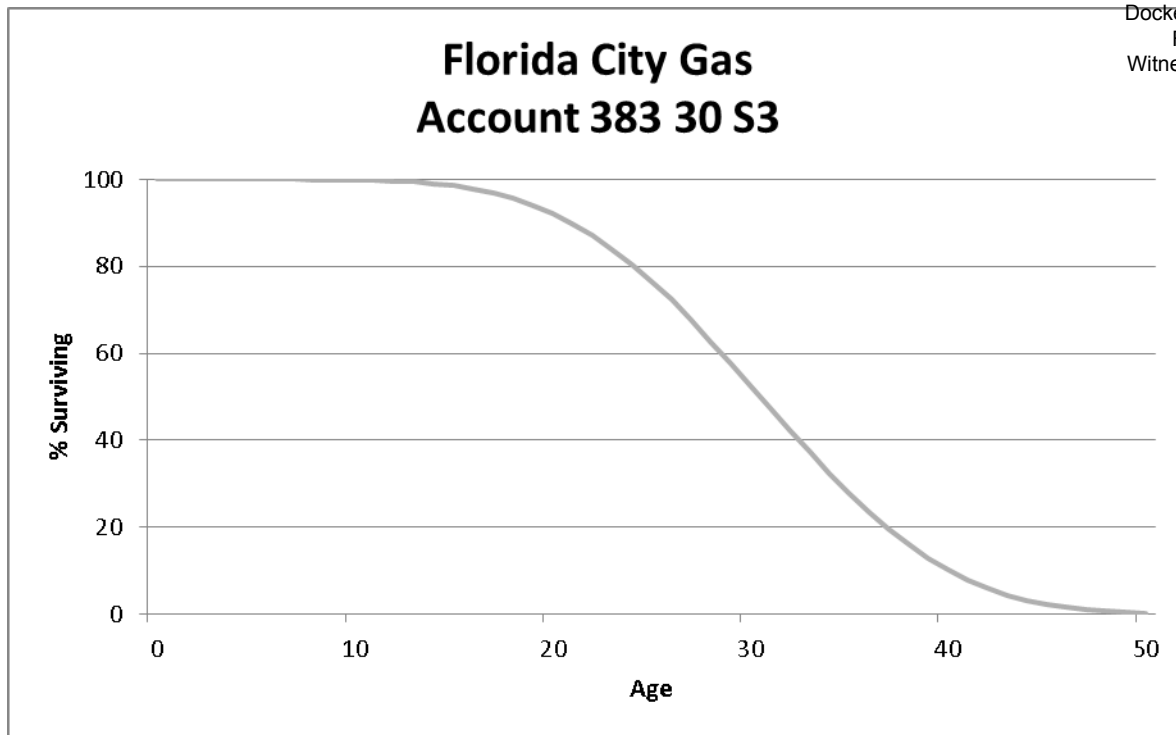
These accounts consist of any salvage and removal cost for installation costs related to ERTS equipment. The current authorized net salvage for these accounts is 0 percent. There is no retirement data available for this account. Based on judgment, the Study recommends retention of 0 percent net salvage. The Company's next depreciation study will further examine future trends in this account as the recommendation.

## **FERC Account 383 House Regulators**

ANALYSIS RESULTS			
Depreciable Property			
Account 383			
House Regulators			
Item	FPSC Approved	7/31/2018	Change
Investment	\$3,940,190	5,883,812.60	\$1,943,623
Iowa Curve	S3	S3	
Average Service Life	25	30	5
Theoretical Reserve	\$1,948,030	\$2,106,345	\$280,873
Book Reserve	\$1,558,856	2,643,920.86	\$1,274,056
Reserve Variance	(\$389,174)	\$537,576	\$926,750
Reserve Ratio	39.56%	44.94%	5.37%
Gross Salvage	0%	0%	0%
Removal Cost	3%	5%	2%
Net Salvage	-3%	-5%	-2%
Avg Whole Life Rate	4.1%	3.5%	-0.6%
AWL Expense (7/31/2018)	\$162,336	\$205,933	\$43,598
Average Remaining Life	12.9	19.8	6.9
ARL Rate	4.9%	3.0%	-1.9%
ARL Expense (7/31/2018)	\$193,069	\$176,514	(\$16,555)

### **Life (30 S3)**

This account includes all distribution house regulators. The projected balance at July 31, 2018 is approximately \$5.9 million. The current approved life is 25 years with an S3 dispersion curve. Discussions with Company personnel indicated when a loop is replaced they will also generally replace the regulator. The expectation is that the regulator would have the same life as the meter loop. Based on the analysis, the type of assets, Company input, and judgment, the Study recommendation is to increase the approved life to 30 years but retain the S3 dispersion curve. A graph of the proposed curve is shown below.



#### Net Salvage (-5%)

This account consists of any salvage and removal cost for house regulators. The current authorized net salvage for this account is negative 3 percent. In the most recent bands, the five and 10-year averages are negative 36.7 and negative 7.54 percent, respectively. The analysis indicates net salvage is more negative when compared to the existing. Based on the analysis and judgment this study proposes a negative 5 percent net salvage for this account. Trends in net salvage for this account will be monitored in the Company's next depreciation study.

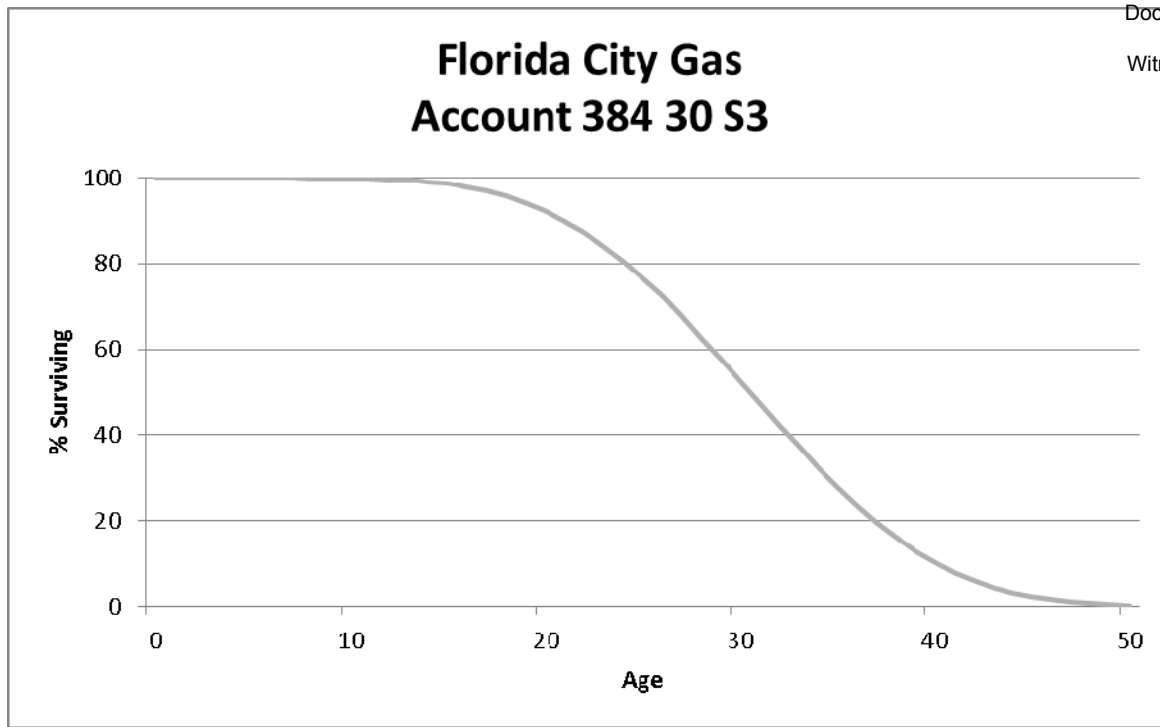


## **FERC Account 384 House Regulator Installations**

ANALYSIS RESULTS			
Depreciable Property			
Account 384			
House Regulator Installations			
Item	FPSC Approved	7/31/2018	Change
Investment	\$1,627,102	2,308,976.45	\$681,875
Iowa Curve	S3	S3	
Average Service Life	34	30	-4
Theoretical Reserve	\$909,875	\$1,094,548	\$201,252
Book Reserve	\$857,263	1,151,144.71	\$318,011
Reserve Variance	(\$52,612)	\$56,597	\$109,209
Reserve Ratio	52.69%	49.86%	-2.83%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	2.9%	3.3%	0.4%
AWL Expense (7/31/2018)	\$47,856	\$76,966	\$29,110
Average Remaining Life	15.1	15.8	0.7
ARL Rate	3.1%	3.2%	0.1%
ARL Expense (7/31/2018)	\$50,440	\$73,887	\$23,447

### **Life (30 S3)**

This account includes installations costs for house regulators. The projected balance at July 31, 2018 is approximately \$2.3 million in this account. The current approved life is 34 years with the S3 dispersion curve. There is insufficient data to perform actuarial analysis. Company personnel believe that the life of this account should match the loop and meter set. Based on Company input, type of assets, and judgment, this Study recommends moving the life to 30 years while retaining the S3 dispersion, consistent with the recommendation for Account 383. A graph of the proposed curve is shown below.



#### Net Salvage (0%)

This account consists of any salvage and removal cost for includes installations costs for house regulators. The current authorized net salvage for this account is zero percent. No retirements have been recorded in the account since 2010. Even prior to 2010 there was minimal net salvage received during the period 2004-2016. In the most recent bands, the 10-year averages is 0 percent net salvage. This Study recommends retention of zero percent net salvage for this account. The Company's next depreciation study will examine future trends in this account.

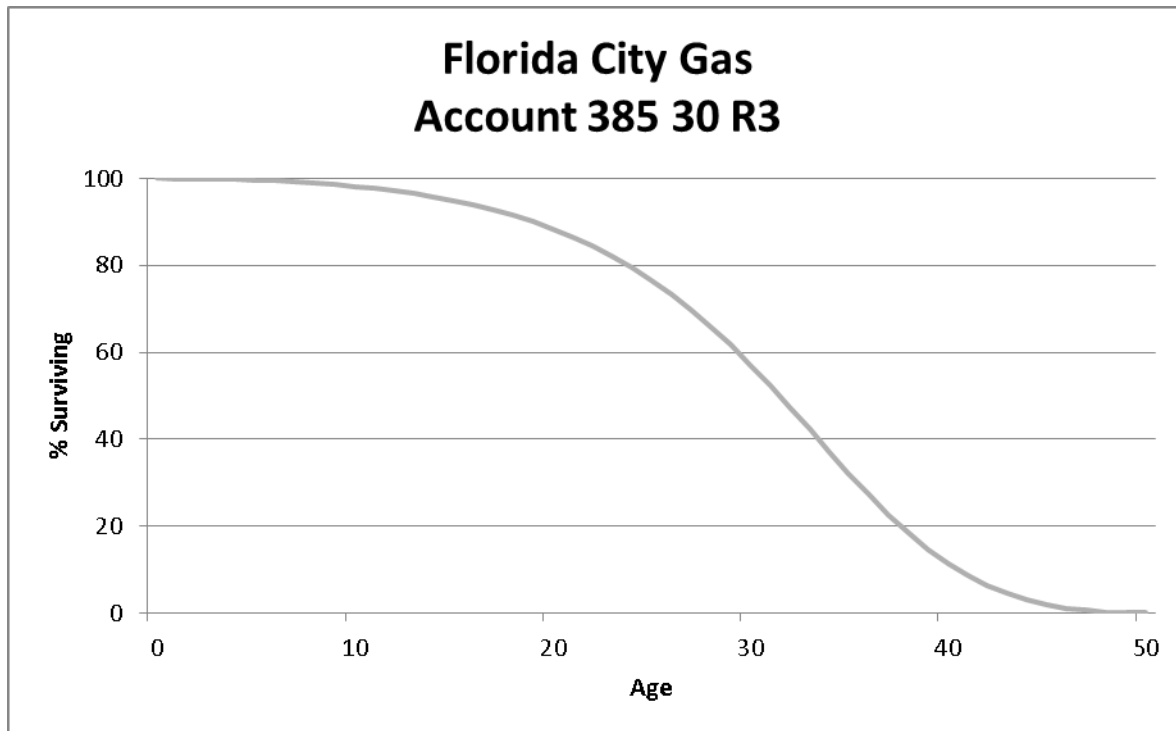
## **FERC Account 385 Industrial M&R Station Equipment**

ANALYSIS RESULTS			
Depreciable Property			
Account 385			
Industrial M& R Station Equipment			
Item	FPSC Approved	7/31/2018	Change
Investment	\$3,047,920	3,045,477.79	(\$2,443)
Iowa Curve	R3	R3	
Average Service Life	30	30	0
Theoretical Reserve	\$1,690,986	\$1,964,561	\$305,574
Book Reserve	\$1,831,827	2,149,454.97	\$362,066
Reserve Variance	\$140,841	\$184,894	\$44,053
Reserve Ratio	60.10%	70.58%	10.48%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	3.3%	3.3%	0.0%
AWL Expense (7/31/2018)	\$101,597	\$101,516	(\$81)
Average Remaining Life	11.7	10.6	-1.1
ARL Rate	3.3%	2.8%	-0.5%
ARL Expense (7/31/2018)	\$100,581	\$85,273	(\$15,308)

### **Life (30 R3)**

This account includes all measuring and regulating equipment at industrial stations. The projected balance at July 31, 2018 is approximately \$3.0 million in this account. The current approved life for this account is 30 years with the R3 dispersion curve. There is limited retirement activity in this account, so no actuarial analysis could be performed. Discussions with Company personnel indicated there are only 110 industrial customers, so there are not a lot of transactions. Company personnel indicated that industrial customers come and go more often than other customer group. Company personnel report that the characteristics of these assets are in line with district regulator stations in Account 378 noting they are painted more often, are a little less exposed to the elements, and that rotary meters are typically tested in the field. Company personnel believe that assets in this account will have a life between 20-30 years. For now, they recommend keeping the life the same as Account 378. Based on the recommendations of Company personnel, type of

assets in this account, and judgment, the current Study recommendation is to retain the life of 30 years with an R3 dispersion curve. A graph of the proposed curve is shown below.



### Net Salvage (0%)

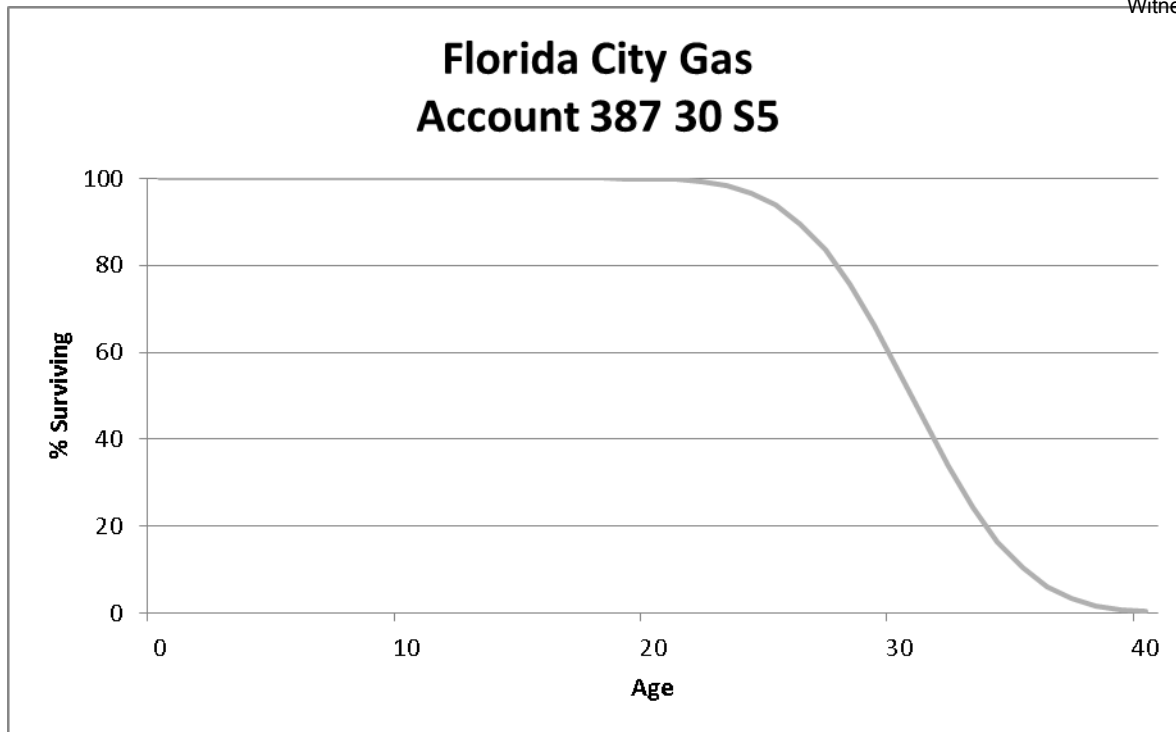
This account consists of any salvage and removal cost associated with at industrial stations. The current authorized net salvage for this account is zero percent. There is no retirement activity from 2004-2016, so historic net salvage analysis was not possible. Based on judgment, this Study recommends retaining 0 percent net salvage for this account. The Company's next depreciation study will examine future trends in this account.

## **FERC Account 387 Other Equipment**

ANALYSIS RESULTS			
Depreciable Property			
Account 387			
Other Equipment			
Item	FPSC Approved	7/31/2018	Change
Investment	\$703,879	836,930.34	\$133,052
Iowa Curve	S5	S5	
Average Service Life	30	30	0
Theoretical Reserve	\$288,097	\$278,843	\$75,978
Book Reserve	\$294,298	332,634.71	\$7,016,599
Reserve Variance	\$6,201	\$53,791	\$47,590
Reserve Ratio	41.81%	39.74%	-2.07%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	3.3%	3.3%	0.0%
AWL Expense (7/31/2018)	\$23,463	\$27,898	\$4,435
Average Remaining Life	17.9	20.0	2.1
ARL Rate	3.3%	3.0%	-0.3%
ARL Expense (7/31/2018)	\$23,228	\$25,108	\$1,880

### **Life (30 S5)**

This account includes other equipment not included in other distribution accounts. The projected balance at July 31, 2018 is approximately \$837 thousand in this account. The current approved life for this account is 30 years with the S5 dispersion curve. The sparse retirements in this account do not have enough data to perform actuarial analysis. Company personnel recommend retaining the current 30 year life. Based on the input from Company personnel, type of assets in this account, and judgment, the current Study recommendation is to retain the 30 year life with a S5 dispersion curve. A graph of the proposed curve is shown below.



#### **Net Salvage (0%)**

This account consists of any salvage and removal cost associated with other equipment not included in other distribution accounts. The current authorized net salvage for this account is zero percent. There is no retirement activity from 2004-2016, so historic net salvage analysis was not possible. Typically these assets generate no net salvage. Based on judgment, this Study recommends retaining 0 percent net salvage for this account. The Company's next depreciation study will examine future trends in this account.

## **C. General Plant**

### **GAS General Plant Depreciated FERC Accounts 390 - 398**

#### **Adoption of Vintage Group Amortization**

This study recommends the adoption of vintage group amortization for certain General plant accounts. FERC adopted Accounting Release 15 in 1997 using the following criteria:

1. The individual classes of assets for which vintage year accounting is followed are high volume, low value items;
2. There is no change in existing retirement unit designations, for purposes of determining when expenditures are capital or expense;
3. The cost of the vintage groups is amortized to depreciation expense over their useful lives and there is no change in depreciation rates resulting from the adoption of the vintage year accounting;
4. Interim retirements are not recognized;
5. Salvage and removal cost relative to items in the vintage categories are included in the accumulated depreciation account and assigned to the oldest vintage first; and
6. Properties are retired from the affected accounts that, at the date of the adoption of vintage year accounting, meet or exceed the average service life of properties in that account.

A vintage year method of accounting for the general plant accounts that meets all of the foregoing requirements may be implemented without obtaining specific authorization from the Commission to do so.

It will no longer be necessary to track of the location and retirement of those assets. Assets older than the average service life are retired and then the remaining plant in service for each account will be amortized using the amortization rates shown in Appendix A and B. Annually, assets which reach the average service life of each account will be retired when the assets reach their average service life. In addition, an additional accrual is necessary for each plant account to make up the difference between the book depreciation reserve and the theoretical depreciation reserve. In the case of FCG, the general plant true-up amount of \$1.4 million is recommended to be amortized over 5 years or approximately

\$284 thousand annually for 5 years. This treatment is recommended for accounts 391, 393-395, and 397-398. Appendix A-2 provides the detailed calculations related to General Plant Vintage Group Amortization.

### **FERC Account 390.0, Structures & Improvements**

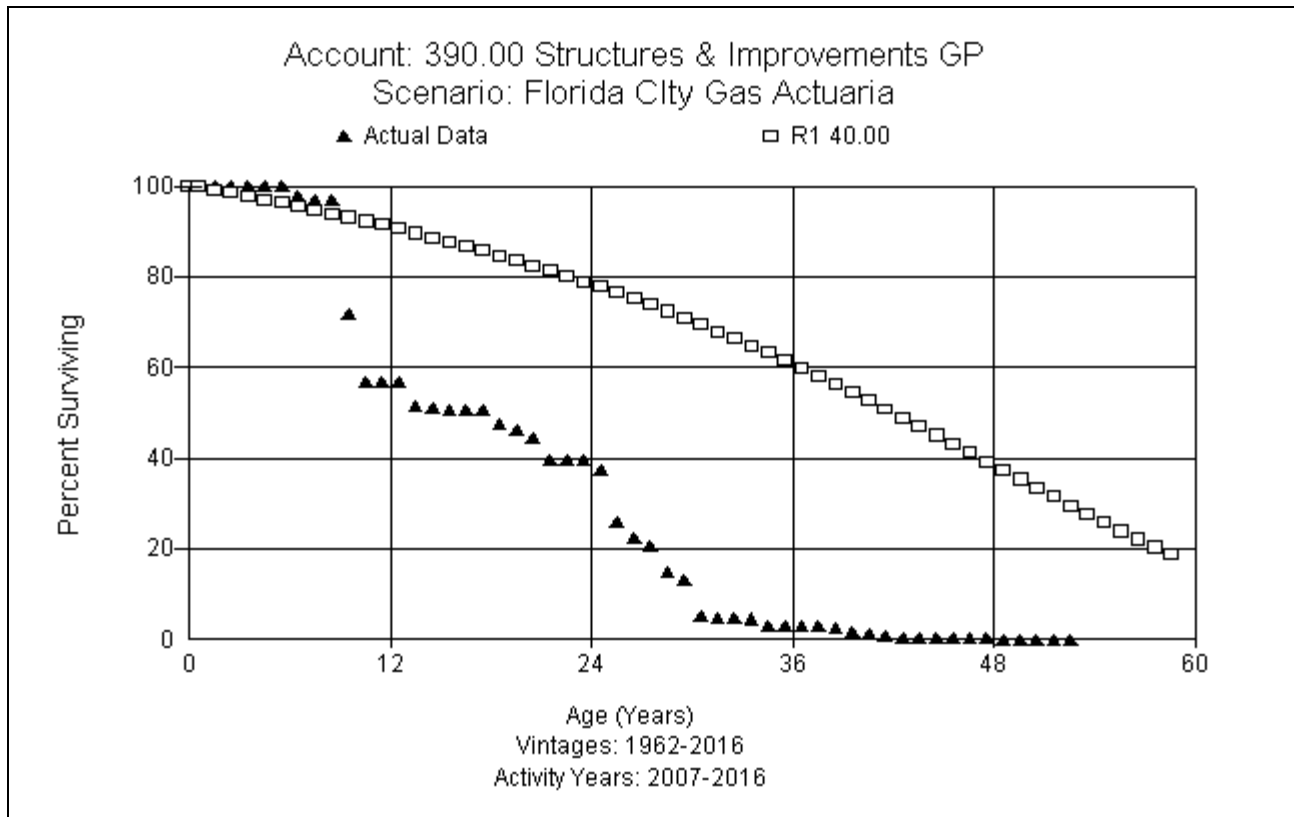
ANALYSIS RESULTS			
Depreciable Property			
Account 390			
Structures and Improvements			
Item	FPSC Approved	7/31/2018	Change
Investment	\$4,454,307	8,410,477.58	\$3,956,170
Iowa Curve	R1	R1	
Average Service Life	40	40	0
Theoretical Reserve	\$668,146	\$523,820	\$194,584
Book Reserve	\$568,460	578,148.47	(\$149,088)
Reserve Variance	(\$99,686)	\$54,329	\$154,015
Reserve Ratio	12.76%	6.87%	-5.89%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	2.5%	2.5%	0.0%
AWL Expense (7/31/2018)	\$111,358	\$210,262	\$98,904
Average Remaining Life	34.0	36.6	2.6
ARL Rate	2.6%	2.6%	0.0%
ARL Expense (7/31/2018)	\$115,812	\$218,672	\$102,860

### **Life (40 R1)**

This account consists of general structures and improvements for buildings, including roofing, plumbing, air conditioning systems, electrical and yard improvements. The projected balance at July 31, 2018 is approximately \$7.83 million in this account. The current approved life is 40 R1. In 2016, the Company sold the Hialeah service center. That transaction was removed from the life and net salvage analysis for this account. Actuarial analysis shows a shorter life than is currently approved. Company personnel recommend holding the life of this account at its current 40 years. Based on the analysis indications, discussions with Company, type and mix of assets, and judgment, this Study



recommends retaining the 40-year life with the R1 dispersion. A graph of the observed life table versus the proposed curve is shown below.



### Net Salvage (0%)

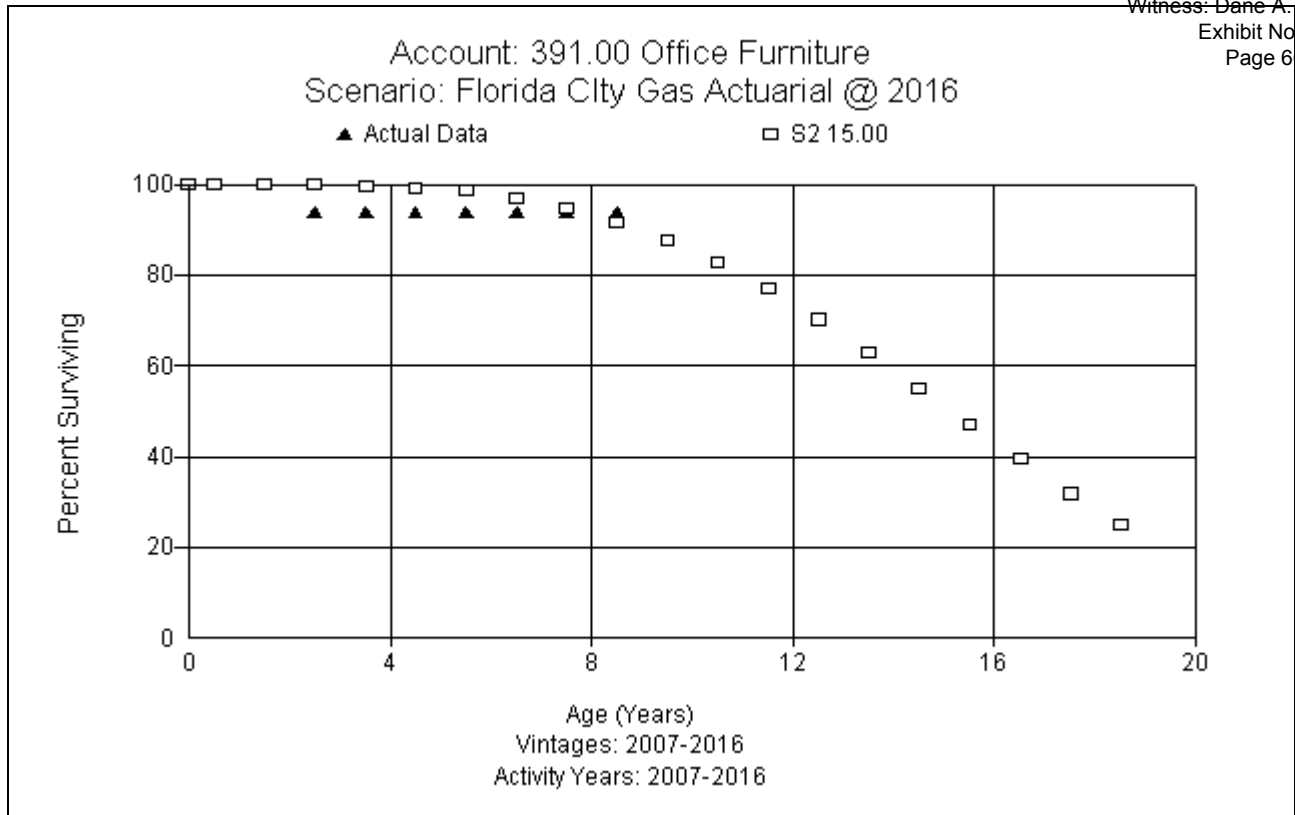
This account consists of any salvage and removal cost associated with buildings, yard improvements and partitions used for utility service. The current authorized net salvage is zero percent. With the removal of sales from the analysis, there is little salvage or cost of removal activity. Typically cost of removal exceeds any salvage. However, with no historical experience to support the expectations, based on judgment this Study recommends retention of 0 percent net salvage for this account.

## **FERC Account 391.00 Office Furniture**

ANALYSIS RESULTS			
Depreciable Property			
Account 391.00 Office Furniture			
Item	FPSC Approved	7/31/2018	Change
Investment	\$376,613	635,483.69	\$258,871
Iowa Curve	S2	SQ	
Average Service Life	19	15	-4
Theoretical Reserve	\$266,831	\$54,722	(\$266,831)
Book Reserve	\$216,993	132,036.29	(\$340,729)
Reserve Variance	(\$49,838)	\$77,314	\$127,152
Reserve Ratio	57.62%	0.00%	-57.62%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	5.3%	6.7%	1.4%
AWL Expense (7/31/2018)	\$19,822	\$42,366	\$22,544
Average Remaining Life	NA	NA	NA
ARL Rate	7.7%	6.7%	-1.0%
ARL Expense (7/31/2018)	\$28,999	\$42,366	\$13,366

### **Life (15 SQ)**

This account consists of office furniture used in Company buildings. The projected balance at July 31, 2018 is approximately \$593 thousand million in this account. This Study proposes adoption of general plant amortization for this account. The current approved life is 19 S2. Actuarial analysis shows a shorter life, between 12 and 15 years. Company personnel recommend adoption of a lower life than the currently approved life, recommending 15 years. Based on the analysis indications, discussions with Company, type and mix of assets, and judgment, this Study recommends decreasing to a 15-year life and adoption of general plant amortization. A graph of the observed life table versus the proposed curve is shown below.



### Net Salvage (0%)

This account consists of any salvage and removal cost associated with office furniture used in Company buildings. The current authorized net salvage is zero percent. In the most recent bands, the five-year and 10-year averages show 0 percent net salvage for both. Typically these assets produce no net salvage. Based on history and judgment, this Study recommends retention of 0 percent net salvage for this account.

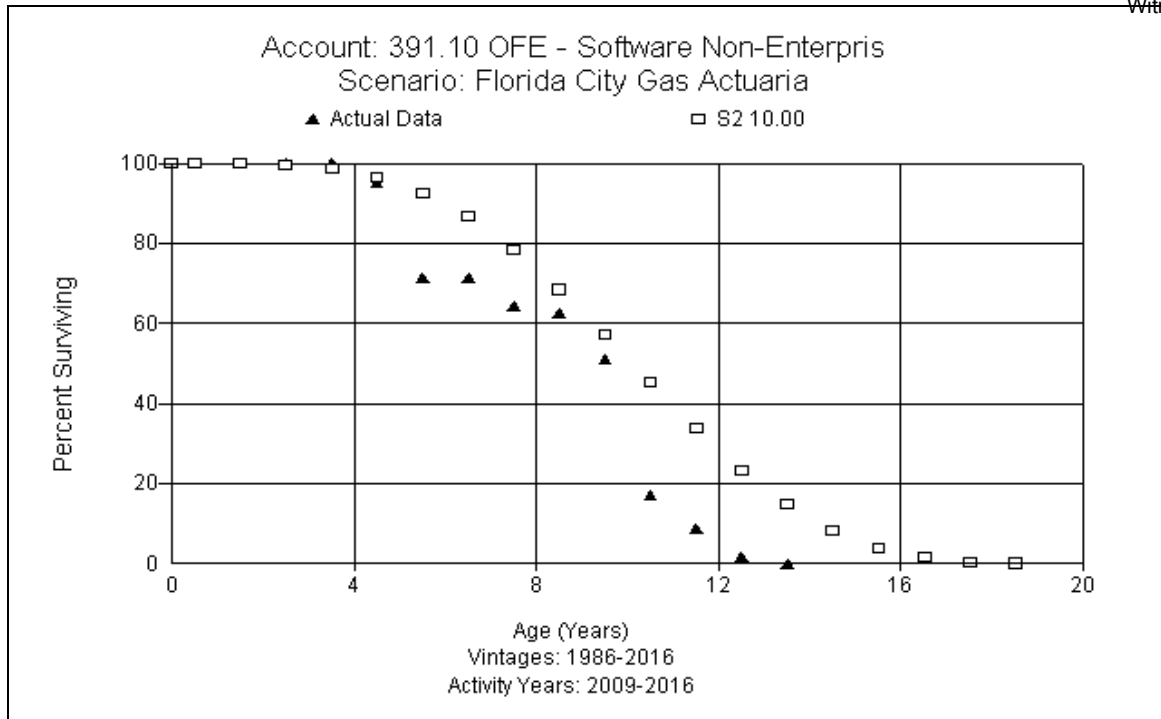
## **FERC Account 391.10 Software Non-Enterprise**

ANALYSIS RESULTS			
Depreciable Property			
Account 391.1			
Software Non-Enterprise			
Item	FPSC Approved	7/31/2018	Change
Investment	\$1,475,772	656,313.79	(\$819,459)
Iowa Curve	S2	SQ	
Average Service Life	19	15	-4
Theoretical Reserve*	\$266,831	\$518,840	(\$266,831)
Book Reserve	\$216,993	136,049.74	(\$340,729)
Reserve Variance	(\$49,838)	(\$382,790)	(\$332,952)
Reserve Ratio	14.70%	20.73%	6.03%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	5.3%	6.7%	1.4%
AWL Expense (7/31/2018)	\$77,672	\$43,754	(\$33,918)
Average Remaining Life	NA	NA	NA
ARL Rate	7.7%	6.7%	-1.0%
ARL Expense (7/31/2018)	\$113,634	\$43,754	(\$69,880)

\* Account combinations are different from the last case. No theoretical reserve detail that is comparable is available.

### **Life (10 SQ)**

This account consists of non-enterprise software. This Study proposes the adoption of general plant amortization for this account. The projected balance at July 31, 2018 is approximately \$606 thousand in this account, with \$215 thousand remaining in plant after the retirement of assets whose age is greater than the average service life. The current approved life is 12 years with a S2 dispersion. In past depreciation studies, Accounts 391.10, 391.12 and 391.50 were combined in one group. In this study, the accounts are segregated consistent with the Company books and records. Based on the analysis indications, discussions with Company, type and mix of assets, and judgment, this Study recommends decreasing slightly to a 10-year life and adoption of general plant amortization. A graph of the observed life table versus the proposed curve is shown below.



### Net Salvage (0%)

This account consists of any salvage and removal cost associated with non-enterprise software. The current authorized net salvage is zero percent. In past depreciation studies, Accounts 391.10, 391.12 and 391.50 were combined in one group. In this study, the accounts are proposed to be separate consistent with the Company books and records. In the most recent bands, the five-year and 10-year averages show 0 percent net salvage, respectively.

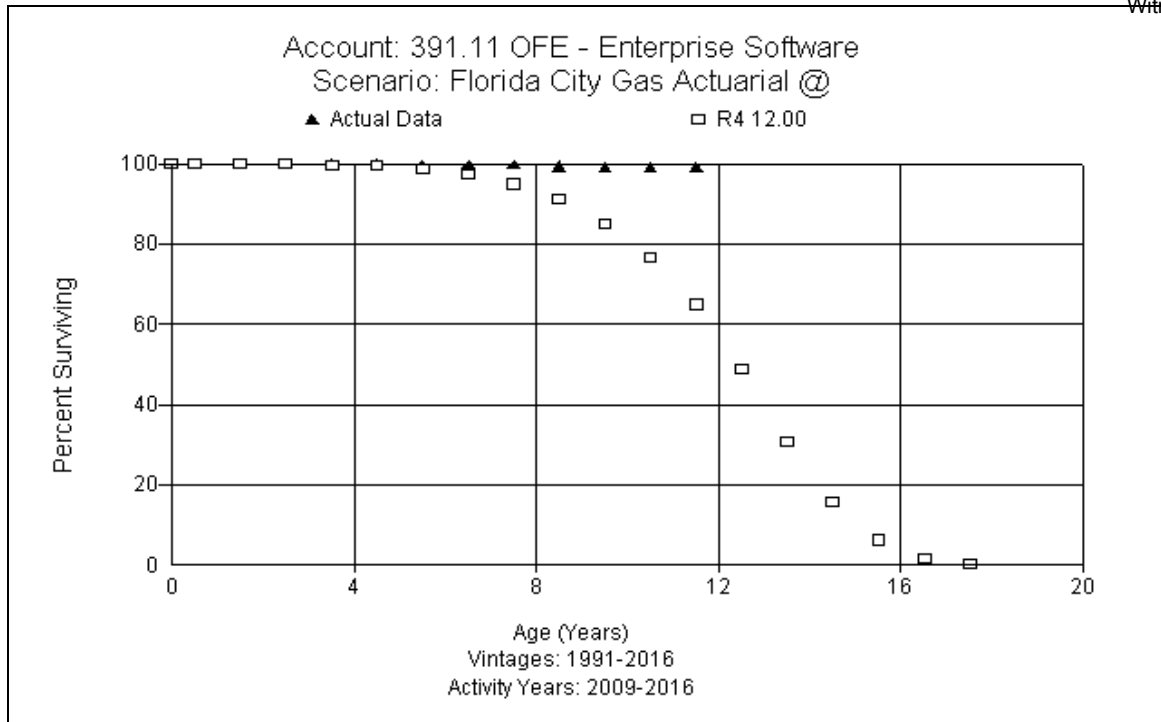
## **FERC Account 391.11 Computer Software**

ANALYSIS RESULTS			
Depreciable Property			
Account 391.11 Computer Software			
Item	FPSC Approved	7/31/2018	Change
Investment	\$10,569,073	12,908,974.23	\$2,339,901
Iowa Curve	S2	SQ	
Average Service Life	12	10	0
Theoretical Reserve*	\$1,231,807	\$4,058,339	\$37,410
Book Reserve	\$1,231,807	3,681,459.04	(\$491,026)
Reserve Variance	\$0	(\$376,880)	(\$376,880)
Reserve Ratio	11.65%	28.52%	16.86%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	8.3%	10.0%	1.7%
AWL Expense (7/31/2018)	\$880,756	\$1,290,897	\$410,141
Average Remaining Life	NA	NA	NA
ARL Rate	8.3%	12.5%	4.2%
ARL Expense (7/31/2018)	\$877,233	\$1,613,622	\$736,389

\* Account combinations are different from the last case. No theoretical reserve detail that is comparable is available.

### **Life (12 SQ)**

This account consists of computer software. This Study proposes adoption of general plant amortization for this account. The projected balance at July 31, 2018 is approximately \$11.0 million in this account, with \$9.6 million remaining in plant after the retirement of assets whose age is greater than the average service life. The current approved life is 11 R4. After discussions with Company personnel, a 12 year life is recommended for this account. Based on input from Company personnel, type and mix of assets, and judgment, this Study recommends moving to general plant amortization and adopting a 12 year life. A graph of the observed life table versus the proposed curve is shown below.



### Net Salvage (0%)

This account consists of any salvage and removal cost associated with computer software. The current authorized net salvage is zero percent. This account was segregated as 391.2 in past depreciation studies. In the most recent bands, the five-year and 10-year averages show negative 0.14 and negative 0.04 percent net salvage, respectively. Based on history and judgment, this Study conservatively recommends retention of 0 percent net salvage for this account.

## **FERC Account 391.12 Computer Hardware**

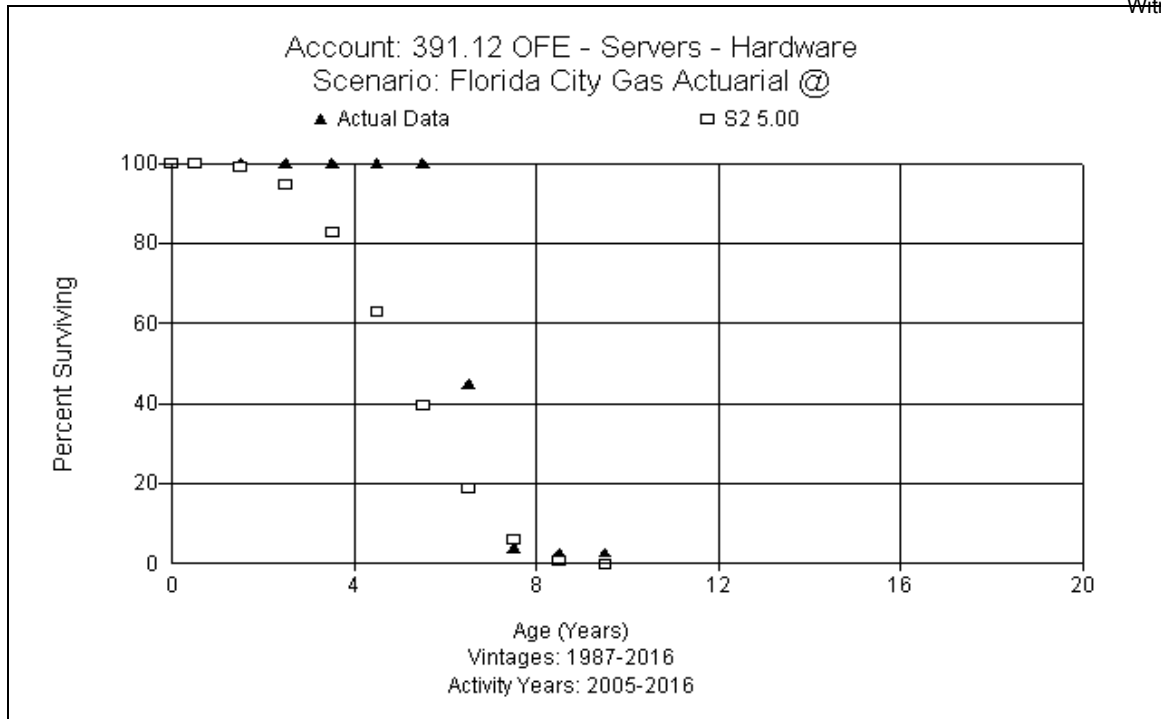
ANALYSIS RESULTS			
Depreciable Property			
Account 391.12 Computer Hardware			
Item	FPSC Approved	7/31/2018	Change
Investment	\$502,231	660,986.99	\$158,756
Iowa Curve	R4	SQ	
Average Service Life	11	5	0
Theoretical Reserve*	\$5,200,582	\$499,950	\$4,674,024
Book Reserve	\$5,200,582	129,437.68	\$4,264,877
Reserve Variance	\$0	(\$370,512)	(\$370,512)
Reserve Ratio	1035.50%	19.58%	-1015.91%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	9.1%	20.0%	10.9%
AWL Expense (7/31/2018)	\$45,657	\$132,197	\$86,540
Average Remaining Life	NA	NA	NA
ARL Rate	9.1%	7.4%	-1.7%
ARL Expense (7/31/2018)	\$45,703	\$48,913	\$3,210

\* Account combinations are different from the last case. No theoretical reserve detail that is comparable is available.

### **Life (5 SQ)**

This account consists of computer hardware. This Study proposes adoption of general plant amortization for this account. The projected balance at July 31, 2018 is approximately \$626 thousand in this account. The current approved life is 12 S2. In past depreciation studies, Accounts 391.10, 391.12 and 391.50 were combined in one group. In this study, the accounts are proposed to be segregated consistent with the Company books and records. In segregating this account with laptops and other computer hardware, a shorter life is recommended. After discussions with Company, type and mix of assets, and judgment, this Study recommends a 5-year life and the adoption of general plant amortization. A graph of the observed life table versus the proposed curve is shown below.





### Net Salvage (0%)

This account consists of any salvage and removal cost associated computer hardware. The current authorized net salvage is zero percent. In past depreciation studies, Accounts 391.10, 391.12 and 391.50 were combined in one group. In this study, the accounts are proposed to be separate consistent with the Company books and records. In the most recent bands, the five-year and 10-year averages show 0 percent net salvage, respectively. Based on history and judgment, this Study conservatively recommends retention of 0 percent net salvage for this account.

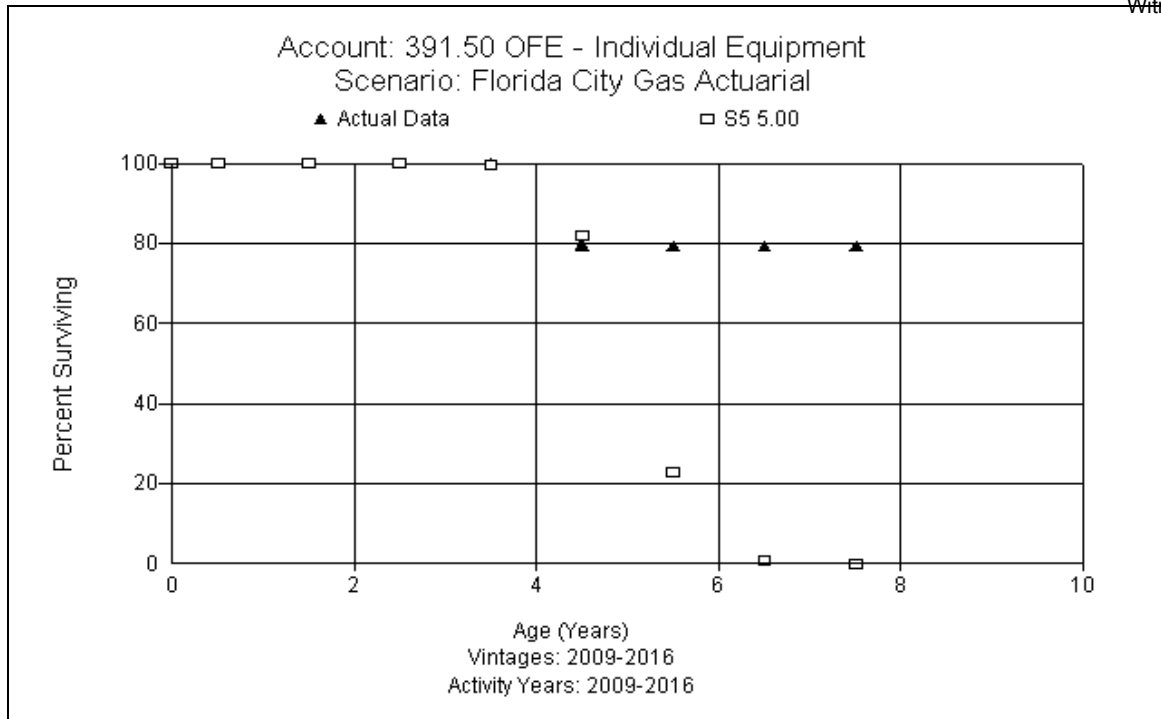
## **FERC Account 391.50 Individual Equipment**

ANALYSIS RESULTS			
Depreciable Property			
Account 391.50 Individual Equipment			
Item	FPSC Approved	7/31/2018	Change
Investment	\$16,052	329,067.80	\$313,016
Iowa Curve	R4	SQ	
Average Service Life	11	5	-6
Theoretical Reserve*	\$5,200,582	\$194,322	\$4,674,024
Book Reserve	\$91,726	207,543.62	\$4,264,877
Reserve Variance	(\$5,108,856)	\$13,222	\$5,122,078
Reserve Ratio	571.42%	63.07%	-508.35%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	9.1%	20.0%	10.9%
AWL Expense (7/31/2018)	\$1,459	\$65,814	\$64,354
Average Remaining Life	NA	NA	NA
ARL Rate	9.1%	7.4%	-1.7%
ARL Expense (7/31/2018)	\$1,461	\$24,351	\$22,890

\* Account combinations are different from the last case. No theoretical reserve detail that is comparable is available.

### **Life (5 SQ)**

This account consists of laptops and other related equipment. This Study proposes adoption of general plant amortization for this account. The projected balance at July 31, 2018 is approximately \$329 thousand in this account with approximately \$182 thousand in plant after the retirement of plant whose age is greater than the average service life. The current approved life is 12 S2. In past depreciation studies, Accounts 391.10, 391.12 and 391.50 were combined in one group. In this study, the accounts are proposed to be segregated consistent with the Company books and records. In segregating this account with laptops and other computer hardware, a shorter life is recommended. After discussions with Company, type and mix of assets, and judgment, this Study recommends a 5-year life and the adoption of general plant amortization. A graph of the observed life table versus the proposed curve is shown below.



### Net Salvage (0%)

This account consists of any salvage and removal cost associated with laptops and other related equipment. The current authorized net salvage is zero percent. In past depreciation studies, Accounts 391.10, 391.12 and 391.50 were combined in one group. In this study, the accounts are proposed to be separate consistent with the Company books and records. In the most recent bands, the five-year and 10-year averages show 0 percent net salvage, respectively. Based on history and judgment, this Study conservatively recommends retention of 0 percent net salvage for this account.

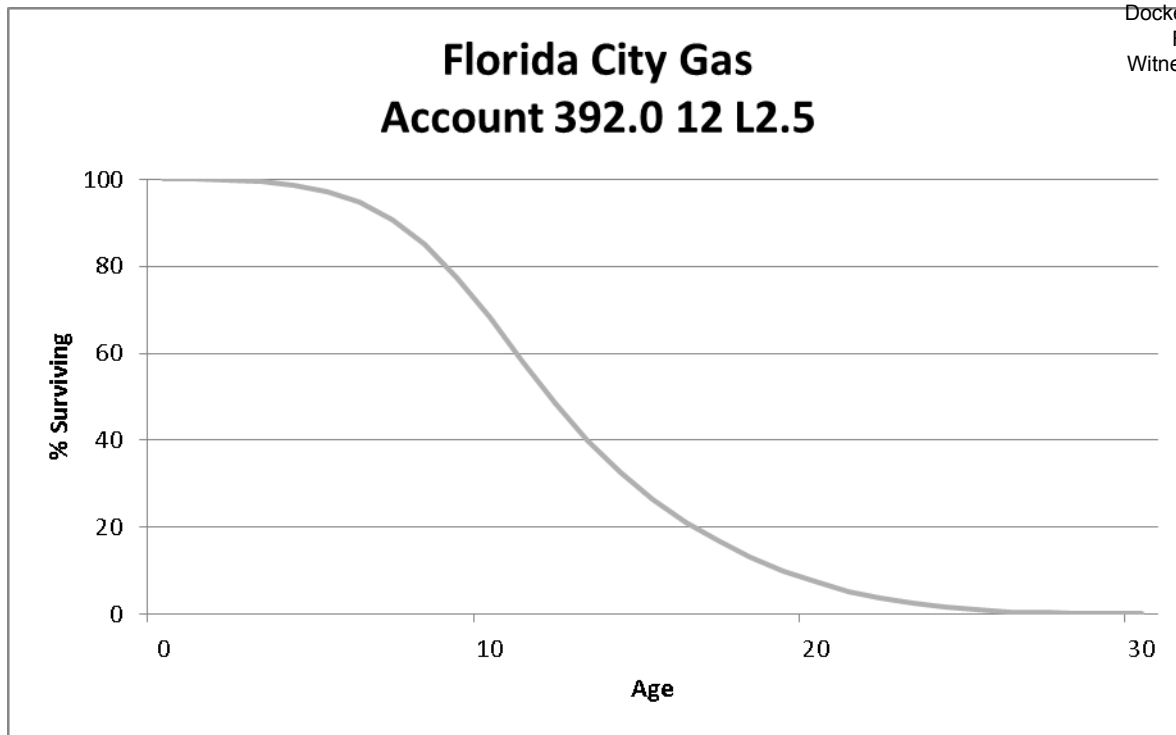
## **FERC Account 392.0 Transportation Equipment**

ANALYSIS RESULTS			
Depreciable Property			
Account 392			
Transportation Equipment			
Item	FPSC Approved	7/31/2018	Change
Investment*	\$447,319	1,224,132.85	\$776,814
Iowa Curve	L3	L2.5	
Average Service Life	12	12	-3
Theoretical Reserve *	\$677,464	\$11,711	\$470,653
Book Reserve	\$201,448	18,870.45	\$1,004,681
Reserve Variance	(\$476,016)	\$7,159	\$483,175
Reserve Ratio	45.03%	1.54%	-43.49%
Gross Salvage	12%	12%	0%
Removal Cost	0%	0%	0%
Net Salvage	12%	12%	0%
Avg Whole Life Rate*	7.3%	7.3%	0.0%
AWL Expense (7/31/2018)	\$32,803	\$89,770	\$56,966
Average Remaining Life*	5.9	10.3	4.4
ARL Rate	11.5%	8.4%	-3.1%
ARL Expense (2019)	\$51,442	\$102,827	\$51,385

\* Reserve combined for all 392 accounts in prior case. Not possible to separate book reserve and theoretical reserve into sub accounts.

### **Life (12 L2.5)**

This account consists of automobiles, trucks and other transportation equipment. The projected plant balance at July 31, 2018 is approximately \$431 thousand for this account. The currently approved life is 12 years with an L3 dispersion. In the last depreciation study, all equipment in this account was combined in one account, so there is limited history to analyze for this account. Since the assets will be segregated going forward, actuarial analysis does not yield meaningful results. This study recommends retaining the 12 year life and using the L2.5 dispersion. No graph is provided.



### **Net Salvage (12%)**

This account consists of any salvage and removal cost associated with automobile, trucks, and any other transportation equipment used for general utility service. The current authorized net salvage for this account is positive 12 percent. Historic analysis combined all sub-accounts into one large group. In the most recent bands, the five-year and 10-year averages show positive 13 and positive 9 percent net salvage, respectively. Company experts think that the historic analysis would be representative of the future. Based on history and judgment, this Study recommends retention of positive 12 percent net salvage for this account.

## **FERC Account 392.1 Transportation Equipment Autos and Light Trucks**

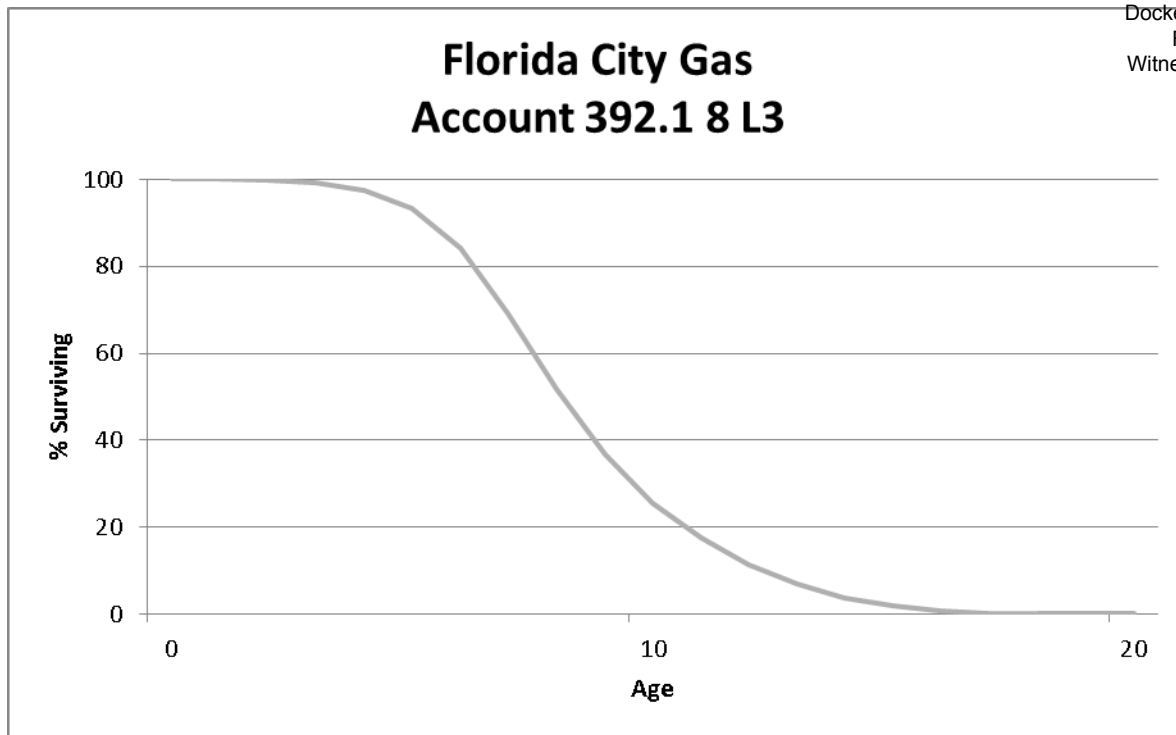
ANALYSIS RESULTS			
Depreciable Property			
Account 392.10			
Transportation Equipment- Autos and Light Trucks			
Item	FPSC Approved	7/31/2018	Change
Investment* **	\$753,921	128,094.98	(\$625,826)
Iowa Curve	L3	L3	
Average Service Life	12	8	-3
Theoretical Reserve *	\$677,464	\$11,711	\$470,653
Book Reserve	\$218,498	149,006.82	\$1,004,681
Reserve Variance	(\$458,966)	\$137,296	\$596,262
Reserve Ratio	28.98%	116.33%	87.34%
Gross Salvage	12%	12%	0%
Removal Cost	0%	0%	0%
Net Salvage	12%	12%	0%
Avg Whole Life Rate*	7.3%	11.0%	3.7%
AWL Expense (7/31/2018)	\$55,288	\$14,090	(\$41,197)
Average Remaining Life*	5.9	7.2	1.3
ARL Rate	0.0%	0.0%	0.0%
ARL Expense (7/31/2018)	\$0	\$0	\$0

\* Reserve combined for all 392 accounts in prior case. Not possible to separate book reserve and theoretical reserve into sub accounts.

\*\* Account is fully accrued. When plant is added the whole life rate will be used.

### **Life (8 L3)**

This account consists of autos and light trucks. The projected plant balance at July 31, 2018 is approximately \$941 thousand for this account. The currently approved life is 12 years with an L3 dispersion. In the last depreciation study, all equipment in this account was combined in one account, so there is limited history to analyze for this account. Since the assets will be segregated going forward, actuarial analysis does not yield meaningful results. Company personnel report that passenger cars have a 5-7 year life. Based on input from Company personnel, this study recommends moving to a positive 8 year life and retaining the L3 dispersion. A graph of the proposed curve is shown below.



### Net Salvage (12%)

This account consists of any salvage and removal cost associated with autos and light trucks. The current authorized net salvage for this account is positive 12 percent. Historic analysis combined all sub-accounts into one large group. In the most recent bands, the five-year and 10-year averages show positive 13 and positive 9 percent net salvage, respectively. Company experts think that the historic analysis would be representative of the future. Based on history and judgment, this Study recommends retention of positive 12 percent net salvage for this account.

## **FERC Account 392.2 Transportation Equipment Service Trucks**

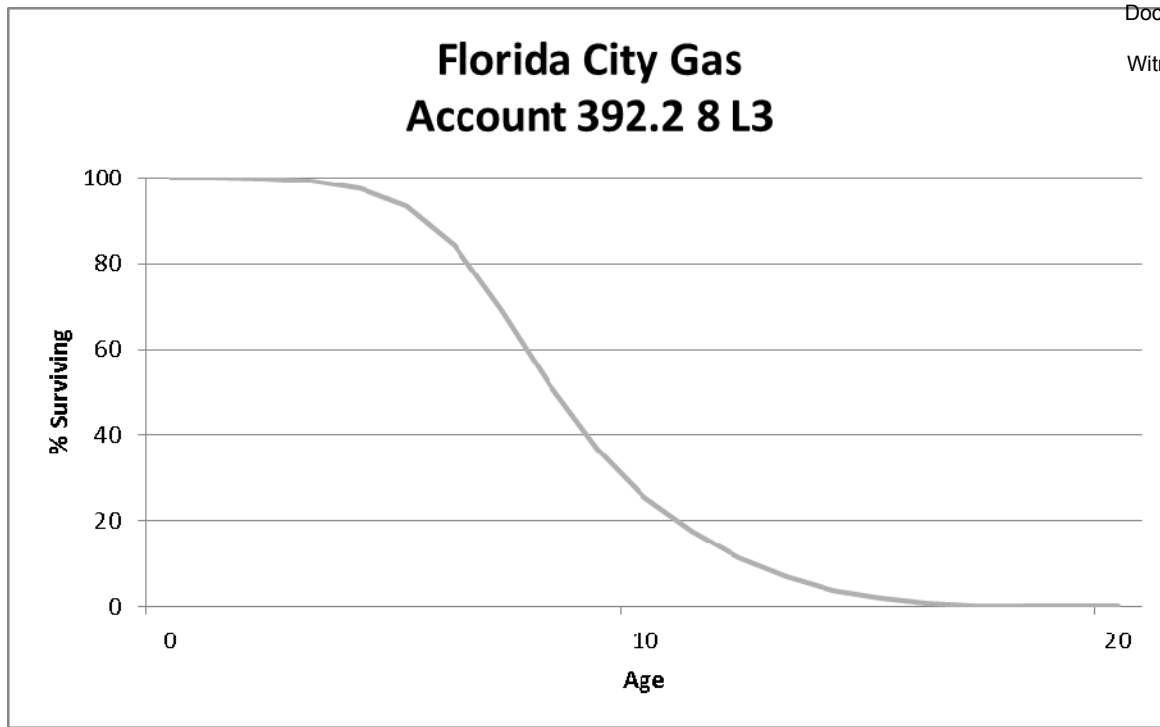
ANALYSIS RESULTS			
Depreciable Property			
Account 392.20			
Transportation Equipment- Service Trucks			
Item	FPSC Approved	7/31/2018	Change
Investment*	\$0	3,231,811.69	\$3,231,812
Iowa Curve	L3	L3	
Average Service Life	12	8	-4
Theoretical Reserve *	\$677,464	\$828,397	\$470,653
Book Reserve	\$0	629,929.61	\$1,004,681
Reserve Variance	(\$677,464)	(\$198,468)	\$478,996
Reserve Ratio	0.00%	19.49%	19.49%
Gross Salvage	12%	12%	0%
Removal Cost	0%	0%	0%
Net Salvage	12%	12%	0%
Avg Whole Life Rate*	7.3%	11.0%	3.7%
AWL Expense (7/31/2018)	\$0	\$355,499	\$355,499
Average Remaining Life*	5.9	5.7	-0.2
ARL Rate	11.5%	12.1%	0.6%
ARL Expense (7/31/2018)	\$0	\$391,049	\$391,049

\* Reserve combined for all 392 accounts in prior case. Not possible to separate book reserve and theoretical reserve into sub accounts.

### **Life (8 L3)**

This account consists of service trucks. The projected plant balance at July 31, 2018 is approximately \$3.2 million for this account. The currently approved life is 12 years with an L3 dispersion. In the last depreciation study, all equipment in this account was combined in one account, so there is limited history to analyze for this account. Since the assets will be segregated going forward, actuarial analysis does not yield meaningful results. Company personnel report that service trucks have light trucks have a 7-9 year life. Based on input from Company personnel, this study recommends moving to a positive 8 year life with a L3 dispersion. A graph of the proposed curve is shown below.





#### Net Salvage (12%)

This account consists of any salvage and removal cost associated with service trucks. The current authorized net salvage for this account is positive 12 percent. Historic analysis combined all sub-accounts into one large group. In the most recent bands, the five-year and 10-year averages show positive 13 and positive 9 percent net salvage, respectively. Company experts think that the historic analysis would be representative of the future. Based on history and judgment, this Study recommends retention of positive 12 percent net salvage for this account.

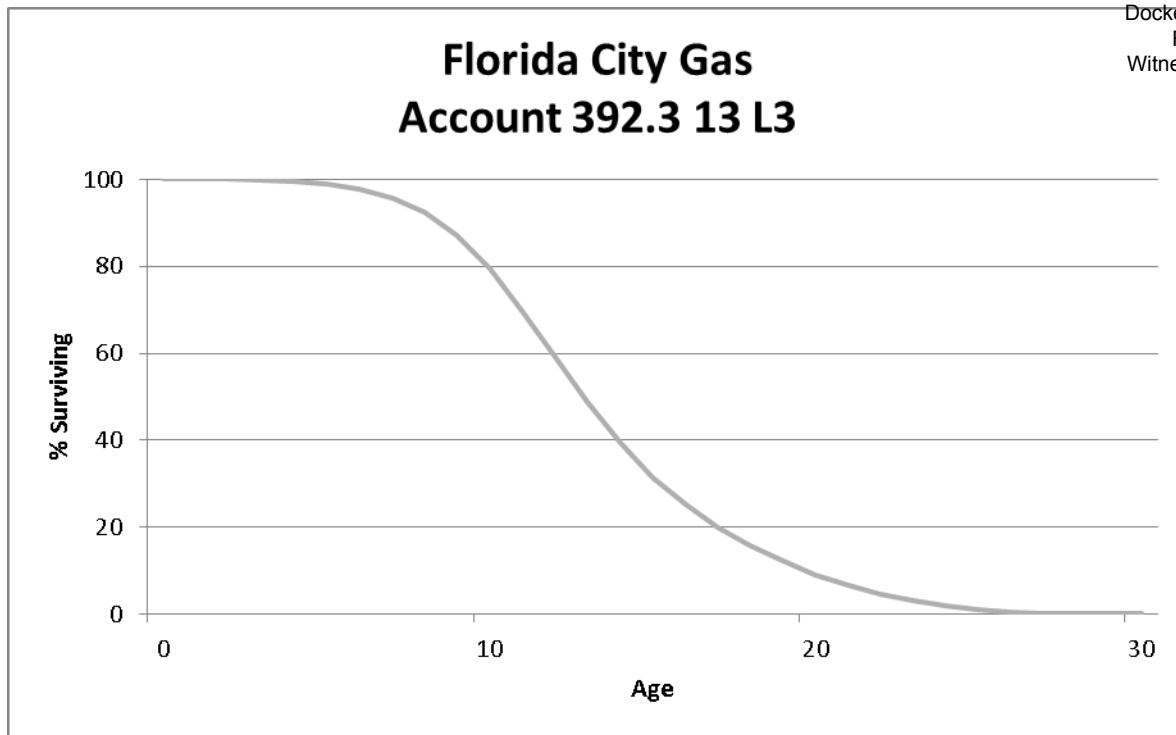
## **FERC Account 392.3 Transportation Equipment Heavy Trucks**

ANALYSIS RESULTS			
Depreciable Property			
Account 392.3			
Transportation Equipment- Heavy Trucks			
Item	FPSC Approved	7/31/2018	Change
Investment*	\$310,282	374,203.71	\$63,922
Iowa Curve	L3	L3	
Average Service Life	12	13	-3
Theoretical Reserve *	\$677,464	\$158,096	\$470,653
Book Reserve	\$72,843	204,896.63	\$1,004,681
Reserve Variance	(\$604,621)	\$46,801	\$651,422
Reserve Ratio	23.48%	54.76%	31.28%
Gross Salvage	12%	12%	0%
Removal Cost	0%	0%	0%
Net Salvage	12%	12%	0%
Avg Whole Life Rate*	7.3%	6.8%	-0.6%
AWL Expense (7/31/2018)	\$22,754	\$25,331	\$2,577
Average Remaining Life	5.9	6.8	0.9
ARL Rate	11.5%	4.9%	-6.6%
ARL Expense (7/31/2018)	\$35,682	\$18,336	(\$17,346)

\* Reserve combined for all 392 accounts in prior case. Not possible to separate book reserve and theoretical reserve into sub accounts.

### **Life (13 L3)**

This account consists of heavy trucks. The projected plant balance at July 31, 2018 is approximately \$636 thousand million for this account. The currently approved life is 12 years with a L3 dispersion. In the last depreciation study, all equipment in this account was combined in one account, so there is limited history to analyze for this account. Since the assets will be segregated going forward, actuarial analysis does not yield meaningful results. Company personnel report that service trucks have light trucks have a 10-12 year life. Based on input from Company personnel, this study recommends moving to a positive 13 year life and retaining the L3 dispersion. A graph of the proposed curve is shown below.



### **Net Salvage (12%)**

This account consists of any salvage and removal cost associated with heavy trucks. The current authorized net salvage for this account is positive 12 percent. Historic analysis combined all sub-accounts into one large group. In the most recent bands, the five-year and 10-year averages show positive 13 and positive 9 percent net salvage, respectively. Company experts think that the historic analysis would be representative of the future. Based on history and judgment, this Study recommends retention of positive 12 percent net salvage for this account.

## **FERC Account 393 Stores Equipment**

ANALYSIS RESULTS			
Depreciable Property			
Account 393			
Stores Equipment			
Item	FPSC Approved	7/31/2018	Change
Investment	\$2,922	-	(\$2,922)
Iowa Curve	R2	SQ	
Average Service Life	25	25	0
Theoretical Reserve	\$1,407	\$0	\$639
Book Reserve	\$980	(1,301.47)	\$906
Reserve Variance	(\$427)	(\$1,301)	(\$874)
Reserve Ratio	33.53%	0.00%	-33.53%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	4.0%	4.0%	0.0%
AWL Expense (7/31/2018)	\$117	\$0	(\$117)
Average Remaining Life	NA	NA	NA
ARL Rate	6.2%	4.0%	-2.2%
ARL Expense (7/31/2018)	\$181	\$0	(\$181)

### **Life (25 SQ)**

This account consists of stores equipment such as forklifts and shelving. This Study proposes adoption of general plant amortization for this account. There is no projected plant balance at July 31, 2018 in this account. The currently approved dispersion curve for this account is 25 R2. There is insufficient retirement history to perform actuarial analysis for this account. Company personnel feel that the current 25-year life is still appropriate for this account. Based on input from Company personnel this study recommends retention of the 25 year life while moving to general plant amortization for this account. No graph is shown.

### **Net Salvage (0%)**

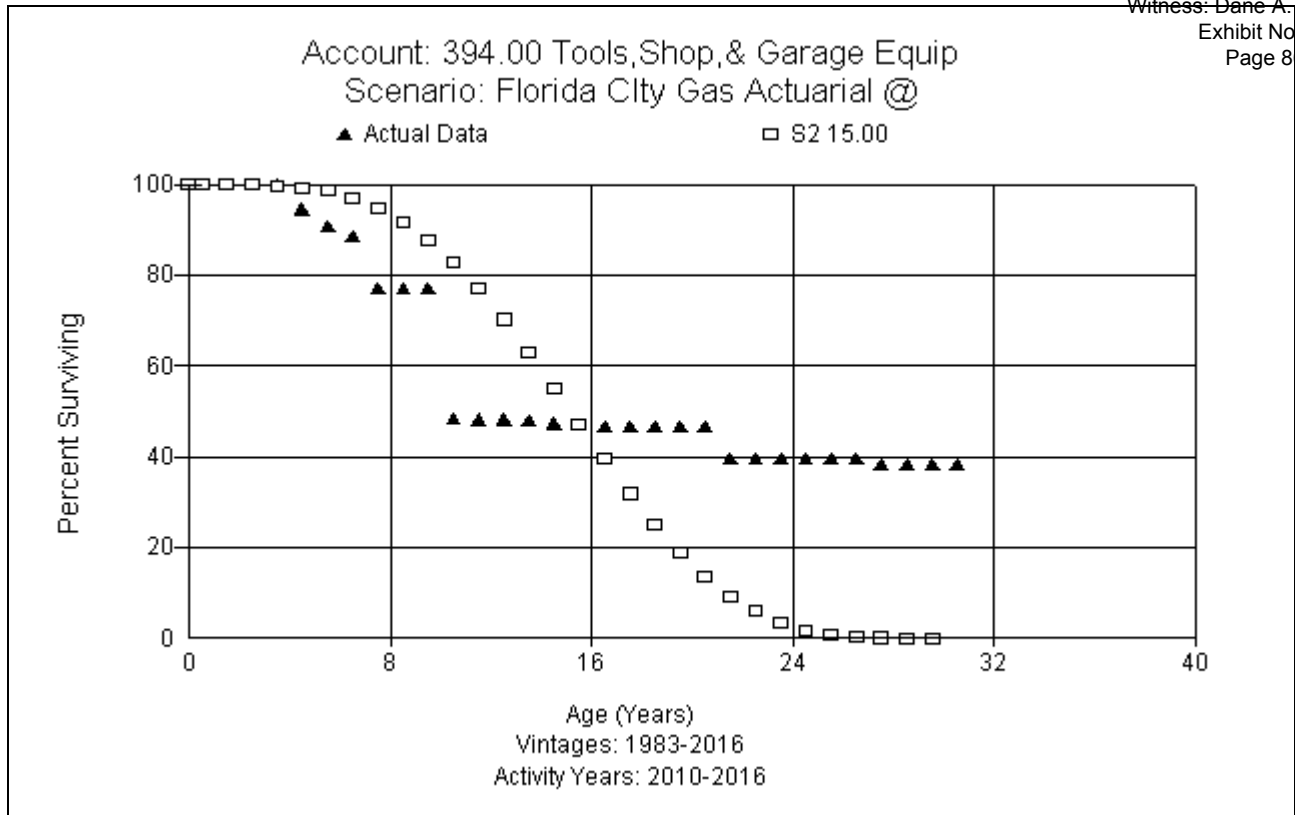
This account consists of any salvage and removal cost associated with stores equipment such as forklifts and shelving. The current authorized net salvage for this account is zero percent. In the most recent bands, the 10-year averages shows 0 percent net salvage. Based on the more recent history, and judgment, this Study recommends retention of 0 percent net salvage for this account.

## **FERC Account 394 Tools, Shop and Garage Equipment**

ANALYSIS RESULTS			
Depreciable Property			
Account 394			
Tools Shop and Garage Equipment			
Item	FPSC Approved	7/31/2018	Change
Investment	\$1,643,946	644,251.65	(\$999,694)
Iowa Curve	S2	SQ	
Average Service Life	15	15	0
Theoretical Reserve	\$1,071,195	\$1,066,614	(\$4,581)
Book Reserve	\$1,032,567	(43,717.26)	\$119,199
Reserve Variance	(\$38,628)	(\$1,110,331)	(\$1,071,703)
Reserve Ratio	62.81%	-6.79%	-69.60%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	6.7%	6.7%	0.0%
AWL Expense (7/31/2018)	\$109,596	\$42,950	(\$66,646)
Average Remaining Life	NA	NA	NA
ARL Rate	7.2%	6.7%	-0.5%
ARL Expense (7/31/2018)	\$118,364	\$43,165	(\$75,199)

### **Life (15 SQ)**

This account consists of various tools and shop equipment used for general utility service. This Study is proposing the adoption of general plant amortization for this account. The projected plant balance at July 31, 2018 is approximately \$532 million. The currently approved dispersion curve for this account is 15 S2. Discussions with Company personnel indicate that there have been clean up efforts to retire equipment in this account. Some actuarial results do show a slight decrease in life, but Company experts do not recommend changing the life for this account. The actuarial analysis indicated life range from 12-15 years. Based on input from Company personnel, judgment, and Company history, this study recommends retention of the 15 year life while adopting general plant amortization. A graph of the actual data versus the proposed curve is shown below.



### Net Salvage (0%)

This account consists of any salvage and removal cost associated with various tools and shop equipment used for general utility service. The current authorized net salvage for this account is zero percent. In the most recent bands, the five-year and 10-year averages show positive 0.99 and positive 0.98 percent net salvage, respectively. Based on history, Company input, and judgment, this Study recommends retention of 0 percent net salvage for this account.

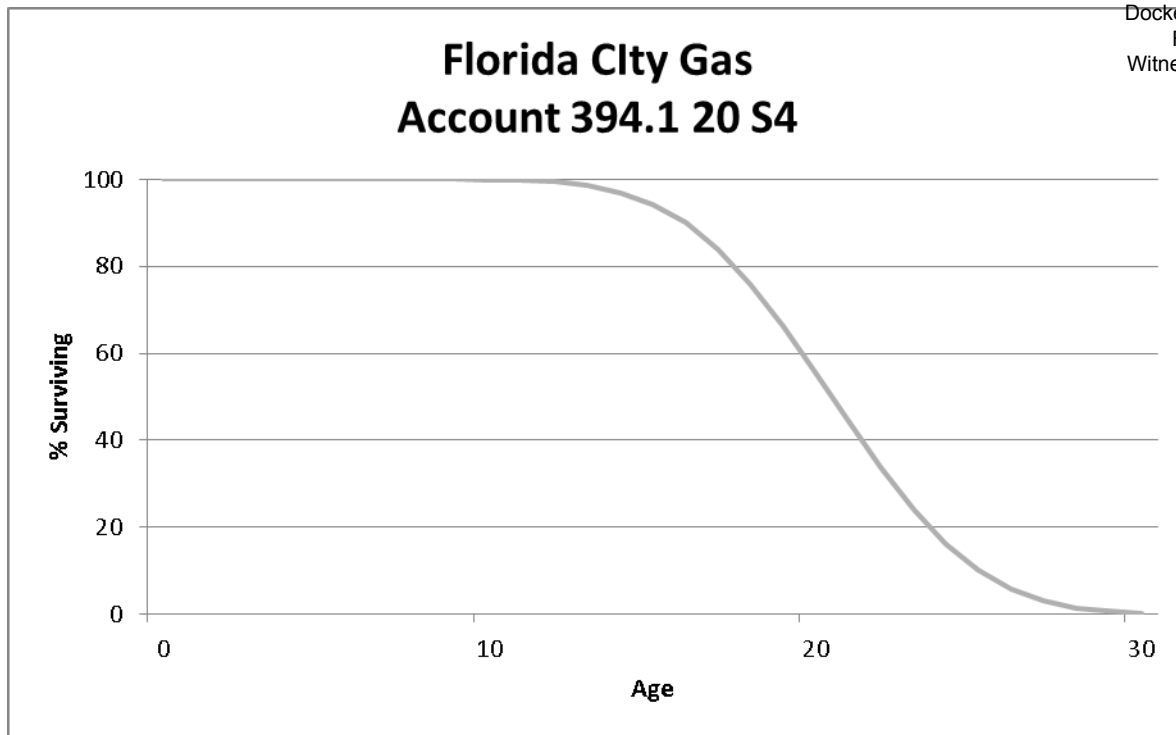
## **FERC Account 394.1 Natural Gas Vehicle Equipment**

ANALYSIS RESULTS			
Depreciable Property			
Account 394.1			
Natural Gas Vehicle Equipment			
Item	FPSC Approved	7/31/2018	Change
Investment		3,661,962.71	\$3,661,963
Iowa Curve		S4	
Average Service Life		20	0
Theoretical Reserve	\$0	\$221,244	\$0
Book Reserve	\$0	401,397.66	\$0
Reserve Variance	\$0	\$180,154	\$180,154
Reserve Ratio	NA	NA	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	NA	5.0%	NA
AWL Expense (7/31/2018)	NA	\$183,098	NA
Average Remaining Life	NA	18.8	NA
ARL Rate	0.0%	4.7%	4.7%
ARL Expense (7/31/2018)	\$0	\$172,112	NA

### **Life (20 S4)**

This account consists of various tools and shop equipment used for natural gas charging stations. The projected plant balance at July 31, 2018 is approximately \$0 million. There is no currently approved dispersion curve for this account. Since there has been no retirement history on which to base the results for this account, the approved life from a subsidiary company Elizabethown Gas is used as a proxy until historical data is available. Based on judgment and results from another company, this study recommends a 20 year life with the S4 dispersion. A graph of the actual data versus the proposed curve is shown below.





### **Net Salvage (0%)**

This account consists of any salvage and removal cost associated with natural gas charging stations. There is no currently approved net salvage parameter for this account. Since there has been no history on which to base the results for this account, the approved net salvage parameter from a subsidiary company Elizabethown Gas is used as a proxy until historical data is available. Based on judgment and results from another company, this study recommends 0 percent net salvage for this account.

## **FERC Account 395 Laboratory Equipment**

ANALYSIS RESULTS			
Depreciable Property			
Account 395			
Laboratory Equipment			
Item	FPSC Approved	7/31/2018	Change
Investment	\$4,034	-	(\$4,034)
Iowa Curve	S4	SQ	
Average Service Life	25	20	-5
Theoretical Reserve	\$4,034	\$0	(\$403)
Book Reserve	\$4,034	(0.03)	\$0
Reserve Variance	\$0	(\$0)	(\$0)
Reserve Ratio	100.00%	0.00%	-100.00%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	4.0%	5.0%	1.0%
AWL Expense (7/31/2018)	\$161	\$0	(\$161)
Average Remaining Life	NA	NA	NA
ARL Rate	4.0%	5.0%	1.0%
ARL Expense (7/31/2018)	\$161	\$0	(\$161)

### **Life (20 SQ)**

This account consists of laboratory equipment used in general utility service. This Study proposes the adoption of general plant amortization for this account. There is no projected plant balance at July 31, 2018 in this account. The currently approved dispersion curve for this account is 25 S4. Company experts feel that the 25 year life is too long for this type of equipment, recommending a shorter period such as 15 to 20 years. Based on input from Company personnel, this study recommends moving to a 20 year life and adoption of general plant amortization. No graph is shown.

### **Net Salvage (0%)**

This account consists of any salvage and removal cost associated with laboratory equipment used in general utility service. The current authorized net salvage for this account is zero percent. There has been limited net salvage activity recorded in this account from 2004-2016. Normally such assets produce no net salvage. Based on judgment, this Study recommends retention of 0 percent net salvage for this account.

## **FERC Account 396.0 Power Operated Equipment**

ANALYSIS RESULTS			
Depreciable Property			
Account 396			
Power Operated Equipment			
Item	FPSC Approved	7/31/2018	Change
Investment	\$48,854	\$210,084	\$161,230
Iowa Curve	S3	SQ	
Average Service Life	15	15	0
Theoretical Reserve	\$12,521	\$58,879	\$48,984
Book Reserve	\$3,728	48,343.57	\$51,881
Reserve Variance	(\$8,793)	(\$10,536)	(\$1,743)
Reserve Ratio	7.63%	23.01%	15.38%
Gross Salvage	0%	10%	10%
Removal Cost	0%	0%	0%
Net Salvage	0%	10%	10%
Avg Whole Life Rate	6.7%	6.0%	-0.7%
AWL Expense (7/31/2018)	\$3,257	\$12,605	\$9,348
Average Remaining Life	11.1	10.3	-0.8
ARL Rate	8.3%	6.5%	-1.8%
ARL Expense (7/31/2018)	\$4,055	\$13,655	\$9,601

### **Life (15 SQ)**

This account consists of power-operated equipment such as bulldozers, forklifts, pile drivers, and tractors. The projected plant balance at July 31, 2018 is approximately \$210 thousand. The currently approved dispersion curve for this account is 15 S3. Discussions with Company personnel indicate the existing life of 15 years is appropriate for the assets. Assets in this account vary from forklifts with a 20 year or longer life to backhoes with a 12-13 year life (depending on usage). Based on the mix of assets in the account, Company personnel recommend retention of the current life. There was no retirement activity during the period of the experience band so it was not possible to perform actuarial analysis. This study recommends retention of the 15 year life while moving to an SQ dispersion. No curve is shown.

### **Net Salvage (10%)**

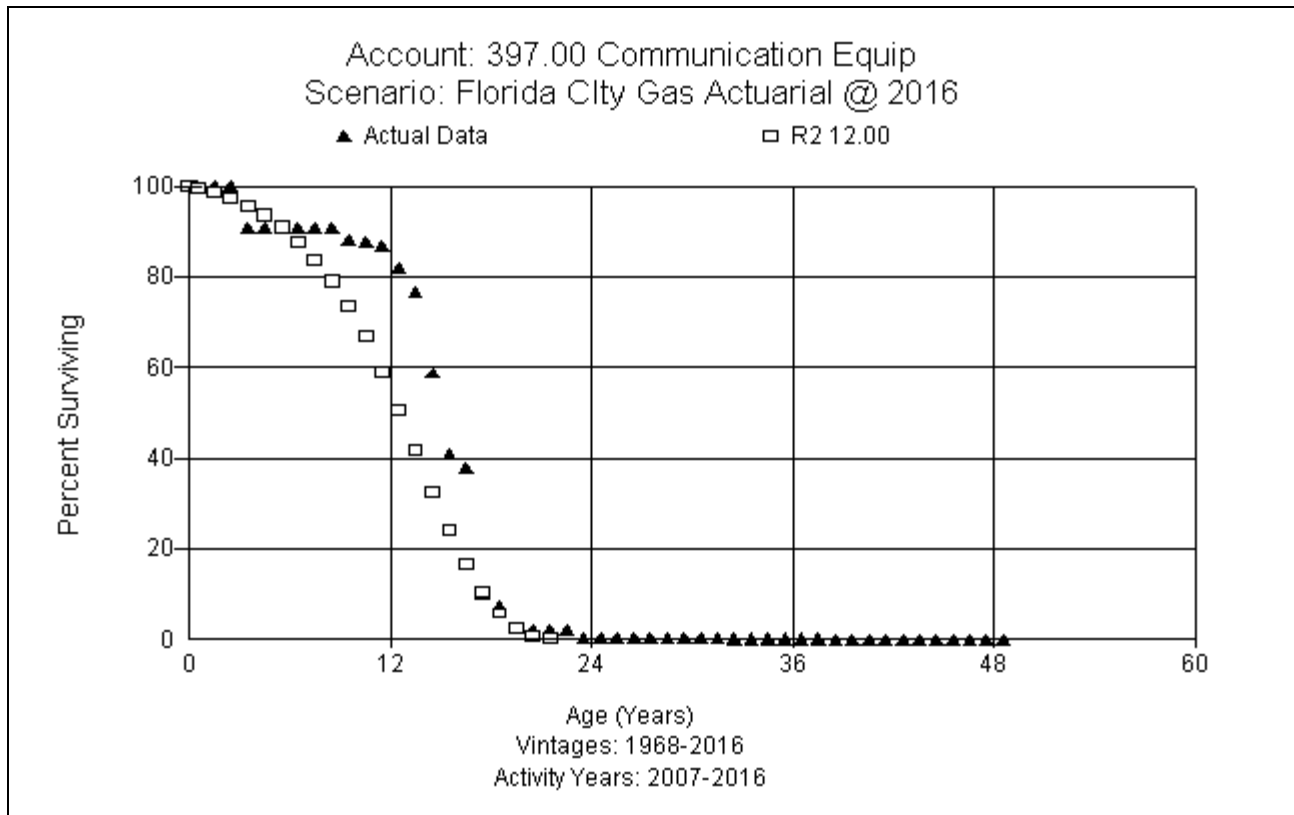
This account consists of any salvage and removal cost associated with bulldozers, forklifts, trenchers, and other power operated equipment that cannot be licensed on roadways. The current authorized net salvage for this account is zero percent. There has been no activity recorded in this account from 2004-2016. Normally such assets produce some gross salvage with minimal if any removal cost. Based on judgment, this Study recommends moving to 10 percent net salvage for this account.

## **FERC Account 397.0 Communication Equipment**

ANALYSIS RESULTS			
Depreciable Property			
Account 397			
Communication Equipment			
Item	FPSC Approved	7/31/2018	Change
Investment	\$1,008,819	609,131.06	(\$399,688)
Iowa Curve	R2	SQ	
Average Service Life	12	12	0
Theoretical Reserve	\$1,008,819	\$55,235	(\$983,027)
Book Reserve	\$1,008,819	\$125,650	(\$1,218,604)
Reserve Variance	\$0	\$70,415	\$70,415
Reserve Ratio	100.00%	20.63%	-79.37%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	8.3%	8.3%	0.0%
AWL Expense (7/31/2018)	\$84,035	\$50,761	(\$33,274)
Average Remaining Life	NA	NA	NA
ARL Rate	8.3%	8.3%	0.0%
ARL Expense (7/31/2018)	\$83,732	\$50,558	(\$33,174)

### **Life (12 SQ)**

This account consists of miscellaneous communication equipment used in general utility service. This Study proposes the adoption of general plant amortization for this account. The projected plant balance at July 31, 2018 is approximately \$637 thousand. The currently approved dispersion curve for this account is 12 R2. Discussions with Company personnel indicate that most of investment is the phone system in the new building. It is VOIP and will have a shorter life than in the past for the analog systems. They recommend retention of the current 12 year life. Actuarial analysis also shows a life of 12 years is reasonable. Based on input from Company personnel and the life analysis results this study recommends retention of the 12 year life while moving to a general plant amortization. A graph of the actual data versus the proposed curve is shown below.



### Net Salvage (0%)

This account consists of any salvage and removal cost associated with miscellaneous communication equipment used in general utility service. The current authorized net salvage for this account is zero percent. In the most recent bands, the five-year and 10-year averages show negative 0.03 and negative 0.02 percent net salvage, respectively. Based on Company history and judgment, this Study recommends retaining zero percent net salvage for this account.

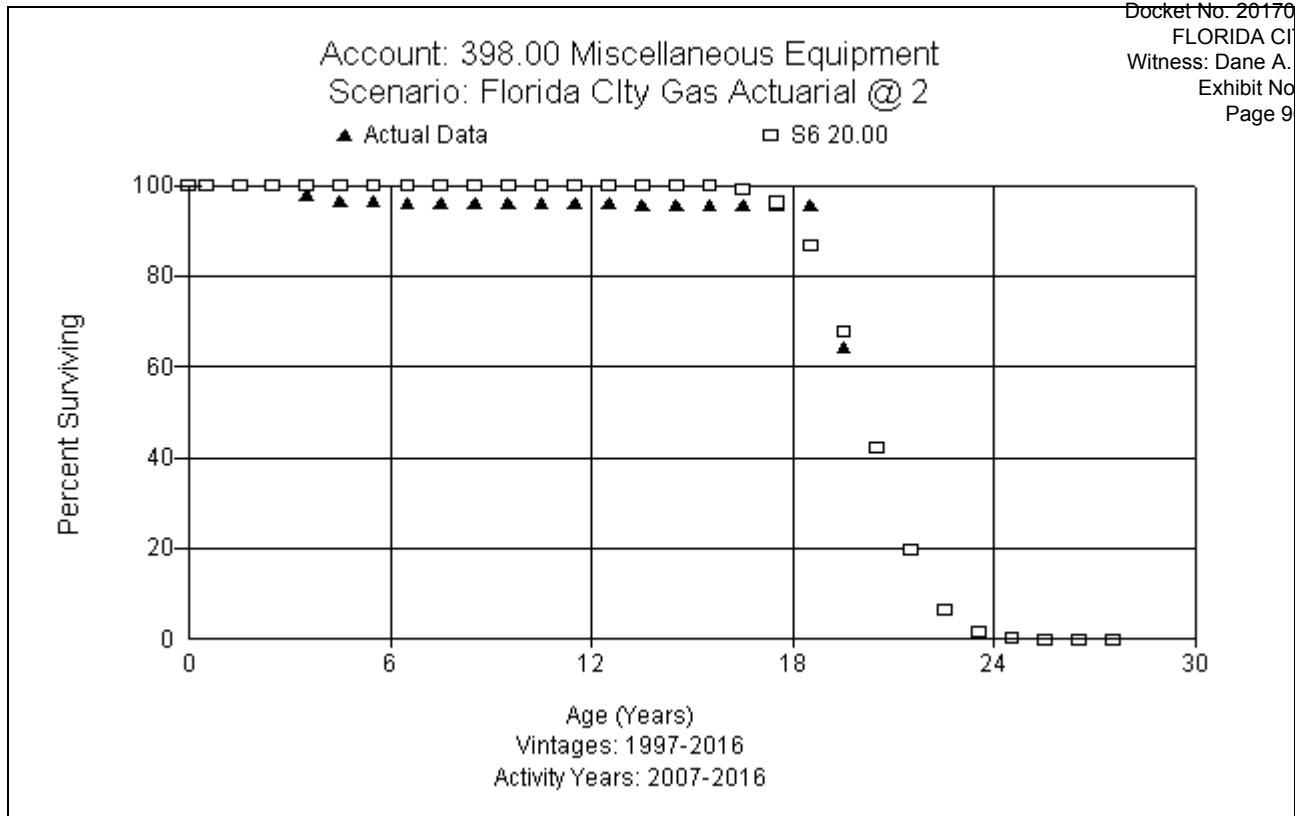
## **FERC Account 398.0 Miscellaneous Equipment**

ANALYSIS RESULTS			
Depreciable Property			
Account 398			
Miscellaneous Equipment			
Item	FPSC Approved	7/31/2018	Change
Investment	\$884,116	\$248,144	(\$635,972)
Iowa Curve	S3	SQ	
Average Service Life	15	20	5
Theoretical Reserve	\$428,000	\$46,460	(\$381,540)
Book Reserve	\$370,853	(\$223,416)	(\$594,269)
Reserve Variance	(\$57,147)	(\$269,876)	(\$212,729)
Reserve Ratio	41.95%	-90.03%	-131.98%
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	6.7%	5.0%	-1.7%
AWL Expense (7/31/2018)	\$58,941	\$12,407	(\$46,534)
Average Remaining Life	NA	NA	NA
ARL Rate	7.5%	5.0%	-2.5%
ARL Expense (7/31/2018)	\$66,309	\$12,407	(\$53,901)

### **Life (20 SQ)**

This account consists of miscellaneous equipment used in general utility service. This Study proposes the adoption of general plant amortization for this account. The projected plant balance at July 31, 2018 is approximately \$79 thousand. The currently approved dispersion curve for this account is 15 S3. Actuarial analysis shows a longer life for this account than the currently approved. For various bands, the 20 year life is a good fit for this account. Based on judgment and life analysis results, this study recommends moving to a 20 year life. A graph of the actual data versus the proposed curve is shown below.





### Net Salvage (0%)

This account consists of any salvage and removal cost associated with miscellaneous equipment used in general utility service. The current authorized net salvage for this account is zero percent. In the most recent bands, the five-year and 10-year averages show negative 0.31 and negative 0.30 percent net salvage, respectively. Based on Company history and judgment, this Study recommends retaining zero percent net salvage for this account.

## **APPENDIX A - Depreciation Rate Calculations**

**APPENDIX A – Depreciation Rate Calculations Storage, Distribution, and General  
Depreciable Plant**

**SOUTHERN GAS COMPANY - FLORIDA CITY GAS  
COMPUTATION OF DEPRECIATION ACCRUAL RATES  
DEPRECIATION STUDY AS OF JULY 31, 2018**

Account Description	Forecast Plant In Service 07/31/2018	Forecast Book Depreciation 07/31/2018	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Annual Accrual Amount	Annual Accrual Rate
<b>STORAGE PLANT</b>								
364.00 LNG Plant	\$ -	\$ -	0%	\$ -	\$ -	50.0	\$ -	2.0%
<b>DISTRIBUTION PLANT</b>								
375.00 Structures & Improvements	-	(80,099)	0%	-	80,099	-	-	3.1%
376.10 Mains, Steel	109,201,912	70,680,741	-50%	(54,600,956)	93,122,127	34.0	2,735,504	2.5%
376.20 Mains, Plastic	150,016,423	40,242,440	-40%	(60,006,569)	169,780,552	45.4	3,736,959	2.5%
378.00 M&R Station Equipment - General	3,009,723	146,541	-5%	(150,486)	3,013,668	28.3	106,491	3.5%
379.00 M&R Station Equipment - City Gate	10,001,911	4,685,120	-5%	(500,096)	5,816,886	21.4	271,366	2.7%
380.10 Services, Steel	14,597,872	22,559,287	-100%	(14,597,872)	6,636,456	16.7	398,035	2.7%
380.20 Services, Plastic	61,702,824	21,210,271	-45%	(27,766,271)	68,258,824	32.9	2,076,036	3.4%
381.00 Meters	19,544,112	3,486,513	-5%	(977,206)	17,034,805	14.4	1,186,874	6.1%
382.00 Meter Installations	7,163,196	3,023,561	-20%	(1,432,639)	5,572,275	17.3	322,075	4.5%
382.10 Meter Install - ERTs	4,694,672	2,821,080	0%	-	1,873,592	13.0	144,267	3.1%
383.00 House Regulators	5,883,813	2,643,921	-5%	(294,191)	3,534,082	19.8	178,744	3.0%
384.00 House Regulator Installations	2,308,976	1,151,145	0%	-	1,157,832	15.8	73,379	3.2%
385.00 Industrial M&R Station Equipment	3,045,478	2,149,455	0%	-	896,023	10.6	84,151	2.8%
387.00 Other Equipment	836,930	332,635	0%	-	504,296	20.0	25,209	3.0%
<b>Total Distribution</b>	<b>392,007,843</b>	<b>175,052,610</b>		<b>(160,326,285)</b>	<b>377,281,517</b>		<b>11,339,091</b>	<b>2.9%</b>
<b>GENERAL PLANT</b>								
390.00 Structures & Improvements	8,410,478	578,148	0%	-	7,832,329	37.5	208,814	2.5%
392.00 Transportation Equipment	1,224,133	18,870	12%	146,896	1,058,366	10.3	102,383	8.4%
392.10 Trans Equip - Autos & Lt Trucks	128,095	149,007	12%	15,371	(36,283)	7.2	- *	11.0%
392.20 Trans Equip - Service Trucks	3,231,812	629,930	12%	387,817	2,214,065	5.7	390,504	12.1%
392.30 Trans Equip - Heavy Trucks	374,204	204,897	12%	44,904	124,403	6.8	18,406	4.9%
394.10 Natural Gas Vehicle Equipment	3,661,963	401,398	0%	-	3,260,565	18.8	173,511	4.7%
396.00 Power Operated Equipment	210,084	48,344	10%	21,008	140,732	10.3	13,625	6.5%
<b>Total General</b>	<b>17,240,768</b>	<b>2,030,593</b>		<b>615,998</b>	<b>14,594,177</b>		<b>907,242</b>	<b>5.3%</b>
<b>TOTAL DEPRECIABLE PLANT</b>	<b>409,248,610</b>	<b>177,083,203</b>		<b>(159,710,287)</b>	<b>391,875,694</b>		<b>12,246,334</b>	<b>3.0%</b>
<b>Amortized Plant</b>	<b>16,103,870</b>	<b>3,555,259</b>					<b>1,414,287</b>	
<b>Amortization Reserve True Up</b>							<b>284,454</b>	
<b>Total Depreciated and Amortized Plant</b>	<b>\$ 425,352,480</b>	<b>\$ 180,638,462</b>		<b>\$ (159,710,287)</b>	<b>\$ 391,875,694</b>		<b>\$ 13,945,074</b>	<b>3.3%</b>

\* Fully accrued. When a depreciable base exist, the proposed rate should be 11%

**SOUTHERN GAS COMPANY - FLORIDA CITY GAS**  
**COMPUTATION OF DEPRECIATION ACCRUALS AND RATE - GENERAL PLANT AMORTIZED ACCOUNTS**  
**FORECAST AT JULY 31, 2018**

<b>GENERAL PLANT - AMORTIZED</b>		<b>Plant</b>	<b>Book</b>	<b>Theoretical</b>	<b>Reserve</b>	<b>Reserve</b>	<b>Amortize</b>	<b>Assets to Retire</b>
<b>Account</b>	<b>Description</b>	<b>Balance</b>	<b>Reserve</b>	<b>Reserve</b>	<b>(Deficit)/Surplus</b>	<b>Recovery</b>	<b>Reserve</b>	<b>Greater Than</b>
		<b>07/31/2018</b>	<b>07/31/2018</b>	<b>07/31/2018</b>		<b>Period (Yrs)</b>	<b>Deficit/(Surplus)</b>	<b>ASL</b>
391.00	Office Furniture	635,483.69	132,036.29	54,722.21	77,314.08	5	(15,462.82)	-
391.10	Software Non-Enterprise	656,313.79	136,049.74	518,839.66	(382,789.92)	5	76,557.98	441,095.35
391.11	Computer Software	12,908,974.23	3,681,459.04	4,058,339.15	(376,880.11)	5	75,376.02	-
391.12	Computer Hardware	660,986.99	129,437.68	499,950.05	(370,512.37)	5	74,102.47	-
391.50	Individual Equipment	329,067.80	207,543.62	194,321.96	13,221.66	5	(2,644.33)	147,388.02
393.00	Stores Equipment	-	(1,301.47)	-	(1,301.47)	5	260.29	-
394.00	Tools, Shop, & Garage Equipment	644,251.65	(43,717.26)	138,141.57	(181,858.83)	5	36,371.77	-
395.00	Laboratory Equipment	-	(0.03)	-	(0.03)	5	-	-
397.00	Communication Equipment	609,131.06	125,650.38	55,235.43	70,414.95	5	(14,082.99)	-
398.00	Miscellaneous Equipment	248,144.09	(223,415.51)	46,460.48	(269,875.99)	5	53,975.20	-
Total General Amortized		16,692,353.30	4,143,742.48	5,566,010.51	(1,422,268.03)		284,453.60	588,483.37

**After Retirements of Assets With Age > Average Service Life**

<b>Account</b>	<b>Description</b>	<b>Plant</b>	<b>Book</b>	<b>Proposed</b>	<b>Annual</b>	<b>Annual</b>
		<b>Balance</b>	<b>Reserve</b>	<b>Life</b>	<b>Amortization</b>	<b>Amortization</b>
		<b>07/31/2018</b>	<b>07/31/2018</b>			<b>%</b>
391.00	Office Furniture	635,483.69	132,036.29	15	42,365.58	6.7%
391.10	Software Non-Enterprise	215,218.44	(305,045.61)	10	21,521.84	10.0%
391.11	Computer Software	12,908,974.23	3,681,459.04	12	1,075,747.85	8.3%
391.12	Computer Hardware	660,986.99	129,437.68	5	132,197.40	20.0%
391.50	Individual Equipment	181,679.78	60,155.60	5	36,335.96	20.0%
393.00	Stores Equipment	-	(1,301.47)	25	-	4.0%
394.00	Tools, Shop, and Garage Equipment	644,251.65	(43,717.26)	15	42,950.11	6.7%
395.00	Laboratory Equipment	-	(0.03)	20	-	5.0%
397.00	Communication Equipment	609,131.06	125,650.38	12	50,760.92	8.3%
398.00	Miscellaneous Equipment	248,144.09	(223,415.51)	20	12,407.20	5.0%
Total General Amortized After Ret		16,103,869.93	3,555,259.11		1,414,286.87	
Assets to Retire		588,483.37	588,483.37			

## **APPENDIX B - Depreciation Expense Comparison**

**SOUTHERN GAS COMPANY - FLORIDA CITY GAS  
COMPARISON OF DEPRECIATION ACCRUAL RATES  
DEPRECIATION STUDY AS OF JULY 31, 2018**

Account	Description	Plant	Existing Accrual		Proposed Accrual		Difference
		In Service 07/31/2018	Rate	Amount	Rate	Amount	
STORAGE PLANT							
364.00	LNG Plant	-	New	-	2.0%	-	-
DISTRIBUTION PLANT							
375.00	Structures & Improvements	-	2.8%	-	3.1%	-	-
376.10	Mains, Steel	109,201,912	3.0%	3,276,057	2.5%	2,730,048	(546,010)
376.20	Mains, Plastic	150,016,423	3.1%	4,650,509	2.5%	3,750,411	(900,099)
378.00	M&R Station Equipment - General	3,009,723	3.3%	99,321	3.5%	105,340	6,019
379.00	M&R Station Equipment - City Gate	10,001,911	3.3%	330,063	2.7%	270,052	(60,011)
380.10	Services, Steel	14,597,872	6.5%	948,862	2.7%	394,143	(554,719)
380.20	Services, Plastic	61,702,824	4.1%	2,529,816	3.4%	2,097,896	(431,920)
381.00	Meters	17,980,578	4.9%	881,048	6.1%	1,096,815	215,767
381.10	Meters - ERTs	1,563,534	4.9%	76,613	6.1%	95,376	18,762
382.00	Meter Installations	7,163,196	4.5%	322,344	4.5%	322,344	-
382.10	Meter Install - ERTs	4,694,672	6.7%	314,543	3.1%	145,535	(169,008)
383.00	House Regulators	5,883,813	4.9%	288,307	3.0%	176,514	(111,792)
384.00	House Regulator Installations	2,308,976	3.1%	71,578	3.2%	73,887	2,309
385.00	Industrial M&R Station Equipment	3,045,478	3.3%	100,501	2.8%	85,273	(15,227)
387.00	Other Equipment	836,930	3.3%	27,619	3.0%	25,108	(2,511)
	Total Distribution	392,007,843	3.6%	13,917,181	2.9%	11,368,741	(2,548,440)
GENERAL PLANT							
390.00	Structures & Improvements	8,410,478	2.6%	218,672	2.5%	210,262	(8,410)
391.00	Office Furniture	635,484	7.7%	48,932	6.7%	42,577	(6,355)
391.10	Software Non-Enterprise	215,218 *	8.3%	17,863	10.0%	21,522	3,659
391.11	Computer Software	12,908,974	9.1%	1,174,717	8.3%	1,071,445	(103,272)
391.12	Computer Hardware	660,987	8.3%	54,862	20.0%	132,197	77,335
391.50	Individual Equipment	181,680 *	8.3%	15,079	20.0%	36,336	21,257
392.00	Transportation Equipment	1,224,133	11.5%	140,775	8.4%	102,827	(37,948)
392.10	Transp Equip - Autos & Lt Trucks	128,095 **	11.5%	-	11.0%	-	-
392.20	Transp Equip - Service Trucks	3,231,812	11.5%	371,658	12.1%	391,049	19,391

**SOUTHERN GAS COMPANY - FLORIDA CITY GAS  
COMPARISON OF DEPRECIATION ACCRUAL RATES  
DEPRECIATION STUDY AS OF JULY 31, 2018**

Account	Description	Plant In Service 07/31/2018	Existing Accrual		Proposed Accrual		Difference
			Rate	Amount	Rate	Amount	
392.30	Transp Equip - Heavy Trucks	374,204	11.5%	43,033	4.9%	18,336	(24,697)
393.00	Stores Equipment	-	6.2%	-	4.0%	-	-
394.00	Tools, Shop,& Garage Equipment	644,252	7.2%	46,386	6.7%	43,165	(3,221)
394.10	Natural Gas Vehicle Equipment	3,661,963	5.0%	183,098	4.7%	172,112	(10,986)
395.00	Laboratory Equipment	-	4.0%	-	5.0%	-	-
396.00	Power Operated Equipment	210,084	8.3%	17,437	6.5%	13,655	(3,782)
397.00	Communication Equipment	609,131	8.3%	50,558	8.3%	50,558	-
398.00	Miscellaneous Equipment	248,144	7.5%	18,611	5.0%	12,407	(6,204)
<b>General Plant Amortization True Up</b>						284,454	284,454
<b>Total General</b>		<u>33,344,637</u>	<u>7.2%</u>	<u>2,401,683</u>	<u>7.8%</u>	<u>2,602,903</u>	<u>201,220</u>
<b>TOTAL DEPRECIATED PLANT</b>		<u>\$ 425,352,480</u>	<u>3.8%</u>	<u>\$ 16,318,864</u>	<u>3.3%</u>	<u>\$ 13,971,644</u>	<u>\$ (2,347,219)</u>

\*Note - After AR15 retirements of assets > ASL 588,483

\*\* When a depreciation base exists in Account 392.10 the rate (11%) should be applied.



**APPENDIX C - Depreciation Parameter Comparison for Storage, Distribution, and  
General Plant**

**SOUTHERN GAS COMPANY - FLORIDA CITY GAS  
COMPARISON OF DEPRECIATION PARAMETERS  
DEPRECIATION STUDY AS OF JULY 31, 2018**

**Appendix C**

Account	Description	Existing		Proposed		
		Curve	ASL	Net Salvage	Curve	ASL
<b>STORAGE PLANT</b>						
364.00	LNG Plant			S4	50	0%
<b>DISTRIBUTION PLANT</b>						
375.00	Structures & Improvements	R3	40			0%
376.10	Mains, Steel	S3	42			-25%
376.20	Mains, Plastic	S3	40			-20%
378.00	M&R Station Equipment - General	S3	30			0%
379.00	M&R Station Equipment - City Gate	S4	30			0%
380.10	Services, Steel	S6	35			-80%
380.20	Services, Plastic	S4	34			-30%
381.00	Meters	S3	25			-3%
381.10	Meters - ERTs	S3	25			-3%
382.00	Meter Installations	S3	34			-25%
382.10	Meter Install - ERTs	S3	15			0%
383.00	House Regulators	S3	25			-3%
384.00	House Regulator Installations	S3	34			0%
385.00	Industrial M&R Station Equipment	R3	30			0%
387.00	Other Equipment	S5	30			0%
<b>GENERAL PLANT</b>						
390.00	Structures & Improvements	R1	40			0%
391.00	Office Furniture	S2	19			0%
391.10	Software Non-Enterprise	S2	12			0%
391.11	Computer Software	R4	11			0%
391.12	Computer Hardware	S2	12			0%
391.50	Individual Equipment	S2	12			0%
392.00	Transportation Equipment	L3	12			12%
392.10	Trans Equip - Autos & Lt Trucks	L3	12			12%
392.20	Trans Equip - Service Trucks	L3	12			12%
392.30	Trans Equip - Heavy Trucks	L3	12			12%
393.00	Stores Equipment	R2	25			0%
394.00	Tools,Shop,& Garage Equipment	S2	15			0%
394.10	Natural Gas Vehicle Equipment					0%
395.00	Laboratory Equipment	S4	25			0%
396.00	Power Operated Equipment	S3	15			0%
397.00	Communication Equipment	R2	12			0%
398.00	Miscellaneous Equipment	S3	15			0%

## **APPENDIX D – Aged Plant by Account**

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 367 - TRANSMISSION MAINS-STEEL  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
2012	0.00	0.00	0.00	0.00	0.00	0.00	4.5	0.00
2013	0.00	0.00	0.00	0.00	0.00	0.00	3.5	0.00
2014	0.00	361,889.89	0.00	776,101.10	1,137,990.99	1,137,990.99	2.5	2,844,977.48
2015	1,137,990.99	577,255.65	0.00	2,311,541.10	4,026,787.74	2,888,796.75	1.5	4,333,195.13
2016	4,026,787.74	1,766,059.58	0.00	0.00	5,792,847.32	1,766,059.58	0.5	883,029.79
		<b>2,705,205.12</b>	<b>0.00</b>	<b>3,087,642.20</b>		<b>5,792,847.32</b>	<b>12.5</b>	<b>8,061,202.40</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 369 - M & R EQUIPMENT TRANSMISSION  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE		SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
2014	0.00	0.00	0.00	0.00	0.00		0.00	2.5	0.00
2015	0.00	303,137.05	0.00	(170,236.80)	132,900.25		132,900.25	1.5	199,350.38
2016	132,900.25	0.00	0.00	0.00	132,900.25		0.00	0.5	0.00
		<b>303,137.05</b>	<b>0.00</b>	<b>(170,236.80)</b>			<b>132,900.25</b>	<b>4.5</b>	<b>199,350.38</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 375 - STRUCTURES AND IMPROVEMENTS  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00
1965	0.00	3,196.42	3,196.42	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00
1968	0.00	0.00	0.00	0.00	0.00	0.00	48.5	0.00
1969	0.00	128.71	128.71	0.00	0.00	0.00	47.5	0.00
1970	0.00	496.35	496.35	0.00	0.00	0.00	46.5	0.00
1971	0.00	0.00	0.00	0.00	0.00	0.00	45.5	0.00
1972	0.00	0.00	0.00	0.00	0.00	0.00	44.5	0.00
1973	0.00	0.00	0.00	0.00	0.00	0.00	43.5	0.00
1974	0.00	12,632.83	12,632.83	0.00	0.00	0.00	42.5	0.00
1975	0.00	809.81	34.61	0.00	775.20	775.20	41.5	32,170.80
1976	775.20	0.00	0.00	0.00	775.20	0.00	40.5	0.00
1977	775.20	120,202.27	120,202.27	0.00	775.20	0.00	39.5	0.00
1978	775.20	5,733.70	5,733.70	0.00	775.20	0.00	38.5	0.00
1979	775.20	655.20	655.20	0.00	775.20	0.00	37.5	0.00
1980	775.20	8,758.01	8,758.01	0.00	775.20	0.00	36.5	0.00
1981	775.20	0.00	0.00	0.00	775.20	0.00	35.5	0.00
1982	775.20	11,906.94	11,906.94	0.00	775.20	0.00	34.5	0.00
1983	775.20	2,502.73	2,502.73	0.00	775.20	0.00	33.5	0.00
1984	775.20	0.00	0.00	0.00	775.20	0.00	32.5	0.00
1985	775.20	2,525.00	2,525.00	0.00	775.20	0.00	31.5	0.00
1986	775.20	(161,157.90)	(161,157.90)	0.00	775.20	0.00	30.5	0.00
1987	775.20	1,792.21	1,792.21	0.00	775.20	0.00	29.5	0.00
1988	775.20	93.93	93.93	0.00	775.20	0.00	28.5	0.00
1989	775.20	14,599.00	4,725.00	0.00	10,649.20	9,874.00	27.5	271,535.00
1990	10,649.20	7,263.62	7,263.62	0.00	10,649.20	0.00	26.5	0.00
1991	10,649.20	10,017.55	10,017.55	0.00	10,649.20	0.00	25.5	0.00
1992	10,649.20	7,762.38	7,762.38	0.00	10,649.20	0.00	24.5	0.00
1993	10,649.20	588,742.45	588,742.45	0.00	10,649.20	0.00	23.5	0.00
1994	10,649.20	7,987.50	7,987.50	0.00	10,649.20	0.00	22.5	0.00
1995	10,649.20	0.00	0.00	0.00	10,649.20	0.00	21.5	0.00
1996	10,649.20	(283,631.00)	(283,631.00)	0.00	10,649.20	0.00	20.5	0.00
1997	10,649.20	2,061.00	0.00	0.00	12,710.20	2,061.00	19.5	40,189.50
1998	12,710.20	104,923.63	104,527.93	0.00	13,105.90	395.70	18.5	7,320.45
1999	13,105.90	80,725.30	80,725.30	0.00	13,105.90	0.00	17.5	0.00
2000	13,105.90	(1,595.53)	(1,595.53)	0.00	13,105.90	0.00	16.5	0.00
2001	13,105.90	6,727.42	10,487.62	0.00	9,345.70	(3,760.20)	15.5	(58,283.10)
2002	9,345.70	390.67	26.47	0.00	9,709.90	364.20	14.5	5,280.90
2003	9,709.90	0.00	0.00	0.00	9,709.90	0.00	13.5	0.00
2004	9,709.90	0.00	0.00	0.00	9,709.90	0.00	12.5	0.00
2005	9,709.90	181,426.04	0.00	0.00	191,135.94	181,426.04	11.5	2,086,399.46
2006	191,135.94	0.00	0.00	0.00	191,135.94	0.00	10.5	0.00
2007	191,135.94	0.00	0.00	0.00	191,135.94	0.00	9.5	0.00
2008	191,135.94	11,597.92	0.00	0.00	202,733.86	11,597.92	8.5	98,582.32
2009	202,733.86	22,479.45	19,808.60	0.00	205,404.71	2,670.85	7.5	20,031.38
2010	205,404.71	18,821.77	18,821.77	0.00	205,404.71	0.00	6.5	0.00
2011	205,404.71	0.00	0.00	0.00	205,404.71	0.00	5.5	0.00
2012	205,404.71	0.00	0.00	0.00	205,404.71	0.00	4.5	0.00
2013	205,404.71	0.00	0.00	0.00	205,404.71	0.00	3.5	0.00
2014	205,404.71	935.48	497.98	0.00	205,842.21	437.50	2.5	1,093.75
2015	205,842.21	6,769.40	79.15	0.00	212,532.46	6,690.25	1.5	10,035.38
2016	212,532.46	2,450.24	0.00	0.00	214,982.70	2,450.24	0.5	1,225.12
		<b>800,730.50</b>	<b>585,747.80</b>	<b>0.00</b>		<b>214,982.70</b>	<b>11.7</b>	<b>2,515,580.96</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 376.1 - MAINS OTHER THAN PLASTIC  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1963	0.00	2,481,677.24	487,612.59	(568.66)	1,993,495.99	1,993,495.99	53.5	106,652,035.47
1964	1,993,495.99	391,536.19	8,404.32	(154.85)	2,376,473.01	382,977.02	52.5	20,106,293.55
1965	2,376,473.01	2,016,560.59	221,630.34	(695.14)	4,170,708.12	1,794,235.11	51.5	92,403,108.17
1966	4,170,708.12	912,706.54	7,558.22	(365.83)	5,075,490.61	904,782.49	50.5	45,691,515.75
1967	5,075,490.61	763,218.52	809.65	(308.13)	5,837,591.35	762,100.74	49.5	37,723,986.63
1968	5,837,591.35	631,846.72	630.56	(255.12)	6,468,552.39	630,961.04	48.5	30,601,610.44
1969	6,468,552.39	958,934.13	0.00	(387.57)	7,427,098.95	958,546.56	47.5	45,530,961.60
1970	7,427,098.95	1,135,815.77	18,287.09	(447.19)	8,544,180.44	1,117,081.49	46.5	51,944,289.29
1971	8,544,180.44	850,318.12	0.00	(343.68)	9,394,154.88	849,974.44	45.5	38,673,837.02
1972	9,394,154.88	1,329,951.37	655.39	(537.49)	10,722,913.37	1,328,758.49	44.5	59,129,752.81
1973	10,722,913.37	1,198,752.03	0.00	(484.48)	11,921,180.92	1,198,267.55	43.5	52,124,638.43
1974	11,921,180.92	2,046,952.55	0.00	(827.32)	13,967,306.15	2,046,125.23	42.5	86,960,322.28
1975	13,967,306.15	1,302,172.18	590.93	(526.06)	15,268,361.34	1,301,055.19	41.5	53,993,790.39
1976	15,268,361.34	945,058.87	0.00	(381.97)	16,213,038.24	944,676.90	40.5	38,259,414.45
1977	16,213,038.24	1,292,260.50	29,690.36	(510.29)	17,475,098.09	1,262,059.85	39.5	49,851,364.08
1978	17,475,098.09	1,254,887.63	0.00	(507.20)	18,729,478.52	1,254,380.43	38.5	48,293,646.56
1979	18,729,478.52	1,264,467.72	817.41	(510.72)	19,992,618.11	1,263,139.59	37.5	47,367,734.63
1980	19,992,618.11	1,272,274.94	0.00	(514.20)	21,264,378.85	1,271,760.74	36.5	46,419,267.01
1981	21,264,378.85	2,361,380.45	0.00	(954.38)	23,624,804.92	2,360,426.07	35.5	83,795,125.49
1982	23,624,804.92	2,478,537.87	0.00	(1,001.74)	26,102,341.05	2,477,536.13	34.5	85,474,996.49
1983	26,102,341.05	2,356,639.29	0.00	(952.47)	28,458,027.87	2,355,686.82	33.5	78,915,508.47
1984	28,458,027.87	1,521,127.28	0.00	(614.79)	29,978,540.36	1,520,512.49	32.5	49,416,655.93
1985	29,978,540.36	1,074,809.88	12,810.50	(429.21)	31,040,110.53	1,061,570.17	31.5	33,439,460.36
1986	31,040,110.53	986,062.01	0.00	(398.54)	32,025,774.00	985,663.47	30.5	30,062,735.84
1987	32,025,774.00	1,491,581.95	9,022.79	(602.84)	33,507,730.32	1,481,956.32	29.5	43,717,711.44
1988	33,507,730.32	378,984.91	0.00	(153.19)	33,886,562.04	378,831.72	28.5	10,796,704.02
1989	33,886,562.04	363,160.38	0.00	(146.78)	34,249,575.64	363,013.60	27.5	9,982,874.00
1990	34,249,575.64	392,430.18	0.00	(158.61)	34,641,847.21	392,271.57	26.5	10,395,196.61
1991	34,641,847.21	331,062.80	0.00	(133.82)	34,972,776.19	330,928.98	25.5	8,438,688.99
1992	34,972,776.19	2,434,072.05	0.00	(983.77)	37,405,864.47	2,433,088.28	24.5	59,610,662.86
1993	37,405,864.47	1,330,556.31	3.68	(537.76)	38,735,879.34	1,330,014.87	23.5	31,255,349.45
1994	38,735,879.34	5,847,776.61	4,464.12	(2,361.67)	44,576,830.16	5,840,950.82	22.5	131,421,393.45
1995	44,576,830.16	2,084,032.89	40,868.80	(825.79)	46,619,168.46	2,042,338.30	21.5	43,910,273.45
1996	46,619,168.46	3,820,734.48	0.00	(1,544.22)	50,438,358.72	3,819,190.26	20.5	78,293,400.33
1997	50,438,358.72	594,774.40	13,721.56	(227.39)	51,019,184.17	580,825.45	19.5	11,326,096.28
1998	51,019,184.17	965,550.94	197.15	(390.15)	51,984,147.81	964,963.64	18.5	17,851,827.34
1999	51,984,147.81	3,272,105.43	0.00	(1,322.50)	55,254,930.74	3,270,782.93	17.5	57,238,701.28
2000	55,254,930.74	962,919.85	21,471.04	(380.48)	56,195,999.07	941,068.33	16.5	15,527,627.45
2001	56,195,999.07	18,053,851.31	5,860.51	(7,277.79)	74,236,712.08	18,040,713.01	15.5	279,631,051.66
2002	74,236,712.08	1,012,069.01	0.00	(409.04)	75,248,372.05	1,011,659.97	14.5	14,669,069.57
2003	75,248,372.05	1,365,911.72	1,435.46	(551.48)	76,612,296.83	1,363,924.78	13.5	18,412,884.53
2004	76,612,296.83	97,711.89	0.00	(39.50)	76,709,969.22	97,672.39	12.5	1,220,904.88
2005	76,709,969.22	1,072,609.56	3.25	(2,580.88)	77,779,994.65	1,070,025.43	11.5	12,305,292.45
2006	77,779,994.65	872,777.27	0.00	(352.67)	78,652,419.25	872,424.60	10.5	9,160,458.30
2007	78,652,419.25	152,075.46	(56,690.88)	(84.30)	78,861,101.29	208,682.04	9.5	1,982,479.38
2008	78,861,101.29	1,098,918.71	2,023.80	(437.54)	79,957,558.66	1,096,457.37	8.5	9,319,887.65
2009	79,957,558.66	2,618,153.89	(6,054.74)	(1,060.55)	82,580,706.74	2,623,148.08	7.5	19,673,610.60
2010	82,580,706.74	1,829,423.76	0.00	(739.44)	84,409,391.06	1,828,684.32	6.5	11,886,448.08
2011	84,409,391.06	1,655,636.89	34,835.82	964.97	86,031,157.10	1,621,766.04	5.5	8,919,713.22
2012	86,031,157.10	6,299,275.92	0.00	(406.72)	92,330,026.30	6,298,869.20	4.5	28,344,911.40
2013	92,330,026.30	1,482,169.16	0.00	(98.81)	93,812,096.65	1,482,070.35	3.5	5,187,246.23
2014	93,812,096.65	1,867,948.59	0.00	(102,405.13)	95,577,640.11	1,765,543.46	2.5	4,413,858.65
2015	95,577,640.11	1,558,279.42	(4,047.49)	0.00	97,139,967.02	1,562,326.91	1.5	2,343,490.37
2016	97,139,967.02	3,355,551.94	0.00	139,080.06	100,634,599.02	3,494,632.00	0.5	1,747,316.00
		<b>101,490,056.07</b>	<b>856,612.23</b>	<b>1,155.18</b>		<b>100,634,599.02</b>	<b>22.6</b>	<b>2,271,817,281.06</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 376.2 - MAINS - PLASTIC  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00
1968	0.00	0.00	0.00	0.00	0.00	0.00	48.5	0.00
1969	0.00	0.00	0.00	0.00	0.00	0.00	47.5	0.00
1970	0.00	0.00	0.00	0.00	0.00	0.00	46.5	0.00
1971	0.00	0.00	0.00	0.00	0.00	0.00	45.5	0.00
1972	0.00	0.00	0.00	0.00	0.00	0.00	44.5	0.00
1973	0.00	0.00	0.00	0.00	0.00	0.00	43.5	0.00
1974	0.00	0.00	0.00	0.00	0.00	0.00	42.5	0.00
1975	0.00	0.00	0.00	0.00	0.00	0.00	41.5	0.00
1976	0.00	0.00	0.00	0.00	0.00	0.00	40.5	0.00
1977	0.00	68,474.15	68,574.81	100.66	(0.00)	(0.00)	39.5	0.00
1978	(0.00)	269,825.18	88,398.62	83.81	181,510.37	181,510.37	38.5	6,988,149.25
1979	181,510.37	129,012.61	54.65	0.00	310,468.33	128,957.96	37.5	4,835,923.50
1980	310,468.33	986.87	0.42	0.00	311,454.78	986.45	36.5	36,005.43
1981	311,454.78	0.00	0.00	0.00	311,454.78	0.00	35.5	0.00
1982	311,454.78	3,459.39	719.27	0.47	314,195.37	2,740.59	34.5	94,550.36
1983	314,195.37	7,959.62	7,735.20	(224.42)	314,195.37	0.00	33.5	0.00
1984	314,195.37	13,248.88	13,286.13	37.25	314,195.37	0.00	32.5	0.00
1985	314,195.37	51,243.98	7,299.68	(229.74)	357,909.93	43,714.56	31.5	1,377,008.64
1986	357,909.93	68,225.08	46,875.78	86.58	379,345.81	21,435.88	30.5	653,794.34
1987	379,345.81	1,858,349.13	85,303.03	(634.46)	2,151,757.45	1,772,411.64	29.5	52,286,143.38
1988	2,151,757.45	1,804,219.05	13,521.70	(722.69)	3,941,732.11	1,789,974.66	28.5	51,014,277.81
1989	3,941,732.11	2,096,649.65	1,619.96	(887.46)	6,035,874.34	2,094,142.23	27.5	57,588,911.33
1990	6,035,874.34	2,690,158.06	0.00	(1,139.56)	8,724,892.84	2,689,018.50	26.5	71,258,990.25
1991	8,724,892.84	2,400,629.32	2,433.20	(1,015.87)	11,122,073.09	2,397,180.25	25.5	61,128,096.38
1992	11,122,073.09	2,261,928.78	4,344.50	(954.82)	13,378,702.55	2,256,629.46	24.5	55,287,421.77
1993	13,378,702.55	2,865,227.30	76,591.47	(1,094.82)	16,166,243.56	2,787,541.01	23.5	65,507,213.74
1994	16,166,243.56	4,390,856.98	28,241.58	(1,824.32)	20,527,034.64	4,360,791.08	22.5	98,117,799.30
1995	20,527,034.64	3,037,250.28	3,532.90	(1,285.09)	23,559,466.93	3,032,432.29	21.5	65,197,294.24
1996	23,559,466.93	3,379,919.77	16,771.64	(1,398.17)	26,921,216.89	3,361,749.96	20.5	68,915,874.18
1997	26,921,216.89	1,438,474.55	5,404.61	(607.05)	28,353,679.78	1,432,462.89	19.5	27,933,026.36
1998	28,353,679.78	3,754,544.05	283,896.50	(1,470.17)	31,822,857.16	3,469,177.38	18.5	64,179,781.53
1999	31,822,857.16	2,192,819.15	10,737.42	(924.34)	34,004,014.55	2,181,157.39	17.5	38,170,254.33
2000	34,004,014.55	2,506,509.31	5,017.95	(1,045.89)	36,504,460.02	2,500,445.47	16.5	41,257,350.26
2001	36,504,460.02	2,449,289.20	0.00	(1,037.51)	38,952,711.71	2,448,251.69	15.5	37,947,901.20
2002	38,952,711.71	3,951,102.62	634.50	(1,673.41)	42,901,506.42	3,948,794.71	14.5	57,257,523.30
2003	42,901,506.42	2,673,431.99	10,061.64	(1,128.19)	45,563,748.58	2,662,242.16	13.5	35,940,269.16
2004	45,563,748.58	938,364.39	526.40	(397.27)	46,501,189.30	937,440.72	12.5	11,718,009.00
2005	46,501,189.30	663,120.77	28,161.66	(268.98)	47,135,879.43	634,690.13	11.5	7,298,936.50
2006	47,135,879.43	4,389,633.45	64,833.37	(1,831.95)	51,458,847.56	4,322,968.13	10.5	45,391,165.37
2007	51,458,847.56	4,335,321.43	170,670.90	(1,812.04)	55,621,686.05	4,162,838.49	9.5	39,546,965.66
2008	55,621,686.05	5,865,024.42	6,069.55	(2,994.78)	61,477,646.14	5,855,960.09	8.5	49,775,660.77
2009	61,477,646.14	3,855,037.84	0.00	(2,974.14)	65,329,709.84	3,852,063.70	7.5	28,890,477.75
2010	65,329,709.84	3,066,501.59	0.00	(1,299.00)	68,394,912.43	3,065,202.59	6.5	19,923,816.84
2011	68,394,912.43	3,558,407.95	0.00	(8,895.69)	71,944,424.69	3,549,512.26	5.5	19,522,317.43
2012	71,944,424.69	2,921,997.65	13,427.30	4,526.66	74,857,521.70	2,913,097.01	4.5	13,108,936.55
2013	74,857,521.70	1,765,224.93	0.00	0.00	76,622,746.63	1,765,224.93	3.5	6,178,287.26
2014	76,622,746.63	9,247,046.16	0.00	0.00	85,869,792.79	9,247,046.16	2.5	23,117,615.40
2015	85,869,792.79	9,494,873.39	0.00	0.00	95,364,666.18	9,494,873.39	1.5	14,242,310.09
2016	95,364,666.18	12,564,885.70	0.00	0.00	107,929,551.88	12,564,885.70	0.5	6,282,442.85
		<b>109,029,234.62</b>	<b>1,064,746.34</b>	<b>(34,936.40)</b>		<b>107,929,551.88</b>	<b>11.6</b>	<b>1,247,970,501.51</b>



**CITY GAS COMPANY OF FLORIDA**  
**ANALYSIS OF HISTORICAL PLANT ACCOUNTING**  
**ACCOUNT NUMBER 378.00-M&R STATION EQUIPMENT - GENERAL**  
**@ 12/31/16**

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
2009	0.00	0.00	0.00	0.00	0.00	0.00	7.5	0.00
2010	0.00	0.00	0.00	0.00	0.00	0.00	6.5	0.00
2011	0.00	158,524.06	0.00	0.00	158,524.06	158,524.06	5.5	871,882.33
2012	158,524.06	0.00	0.00	0.00	158,524.06	0.00	4.5	0.00
2013	158,524.06	0.00	0.00	0.00	158,524.06	0.00	3.5	0.00
2014	158,524.06	422,677.75	0.00	0.00	581,201.81	422,677.75	2.5	1,056,694.38
2015	581,201.81	43,858.94	0.00	0.00	625,060.75	43,858.94	1.5	65,788.41
2016	625,060.75	45,105.71	0.00	0.00	670,166.46	45,105.71	0.5	22,552.86
		<b>670,166.46</b>	<b>0.00</b>	<b>0.00</b>		<b>670,166.46</b>	<b>3.0</b>	<b>2,016,917.98</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 379 - M & R CITY GATE  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	22,175.58	532.52	0.00	21,643.06	21,643.06	57.5	1,244,475.95
1960	21,643.06	83.41	0.00	0.00	21,726.47	83.41	56.5	4,712.67
1961	21,726.47	1,850.76	0.00	0.00	23,577.23	1,850.76	55.5	102,717.18
1962	23,577.23	3,719.55	0.00	0.00	27,296.78	3,719.55	54.5	202,715.48
1963	27,296.78	461.00	0.00	0.00	27,757.78	461.00	53.5	24,663.50
1964	27,757.78	0.00	0.00	0.00	27,757.78	0.00	52.5	0.00
1965	27,757.78	6,397.77	0.00	0.00	34,155.55	6,397.77	51.5	329,485.16
1966	34,155.55	6,925.94	0.00	0.00	41,081.49	6,925.94	50.5	349,759.97
1967	41,081.49	1,554.14	0.00	0.00	42,635.63	1,554.14	49.5	76,929.93
1968	42,635.63	288.47	0.00	0.00	42,924.10	288.47	48.5	13,990.80
1969	42,924.10	40,329.98	0.00	0.00	83,254.08	40,329.98	47.5	1,915,674.05
1970	83,254.08	18,338.55	0.00	0.00	101,592.63	18,338.55	46.5	852,742.58
1971	101,592.63	20,907.23	0.00	0.00	122,499.86	20,907.23	45.5	951,278.97
1972	122,499.86	20,513.30	0.00	0.00	143,013.16	20,513.30	44.5	912,841.85
1973	143,013.16	10,717.75	0.00	0.00	153,730.91	10,717.75	43.5	466,222.13
1974	153,730.91	31,069.98	0.00	0.00	184,800.89	31,069.98	42.5	1,320,474.15
1975	184,800.89	3,587.28	0.00	0.00	188,388.17	3,587.28	41.5	148,872.12
1976	188,388.17	124,704.08	0.00	0.00	313,092.25	124,704.08	40.5	5,050,515.24
1977	313,092.25	493.86	0.00	0.00	313,586.11	493.86	39.5	19,507.47
1978	313,586.11	0.00	0.00	0.00	313,586.11	0.00	38.5	0.00
1979	313,586.11	0.00	0.00	0.00	313,586.11	0.00	37.5	0.00
1980	313,586.11	1,838.38	0.00	0.00	315,424.49	1,838.38	36.5	67,100.87
1981	315,424.49	16,937.05	0.00	0.00	332,361.54	16,937.05	35.5	601,265.28
1982	332,361.54	450.45	0.00	0.00	332,811.99	450.45	34.5	15,540.53
1983	332,811.99	0.00	0.00	0.00	332,811.99	0.00	33.5	0.00
1984	332,811.99	0.00	0.00	0.00	332,811.99	0.00	32.5	0.00
1985	332,811.99	0.00	0.00	0.00	332,811.99	0.00	31.5	0.00
1986	332,811.99	0.00	0.00	0.00	332,811.99	0.00	30.5	0.00
1987	332,811.99	1,362.88	0.00	0.00	334,174.87	1,362.88	29.5	40,204.96
1988	334,174.87	0.00	0.00	0.00	334,174.87	0.00	28.5	0.00
1989	334,174.87	19.82	0.00	0.00	334,194.69	19.82	27.5	545.05
1990	334,194.69	156,650.01	0.00	0.00	490,844.70	156,650.01	26.5	4,151,225.27
1991	490,844.70	219,364.82	0.00	0.00	710,209.52	219,364.82	25.5	5,593,802.91
1992	710,209.52	79,979.37	0.00	0.00	790,188.89	79,979.37	24.5	1,959,494.57
1993	790,188.89	429,035.32	0.00	0.00	1,219,224.21	429,035.32	23.5	10,082,330.02
1994	1,219,224.21	738,108.23	0.00	0.00	1,957,332.44	738,108.23	22.5	16,607,435.18
1995	1,957,332.44	197,137.21	0.00	0.00	2,154,469.65	197,137.21	21.5	4,238,450.02
1996	2,154,469.65	63,153.35	0.00	0.00	2,217,623.00	63,153.35	20.5	1,294,643.68
1997	2,217,623.00	1,293,601.39	0.00	0.00	3,511,224.39	1,293,601.39	19.5	25,225,227.11
1998	3,511,224.39	597,244.84	0.00	0.00	4,108,469.23	597,244.84	18.5	11,049,029.54
1999	4,108,469.23	339,988.95	0.00	0.00	4,448,458.18	339,988.95	17.5	5,949,806.63
2000	4,448,458.18	311,467.03	0.00	0.00	4,759,925.21	311,467.03	16.5	5,139,206.00
2001	4,759,925.21	86,538.42	0.00	0.00	4,846,463.63	86,538.42	15.5	1,341,345.51
2002	4,846,463.63	253,415.58	0.00	0.00	5,099,879.21	253,415.58	14.5	3,674,525.91
2003	5,099,879.21	319,796.76	0.00	0.00	5,419,675.97	319,796.76	13.5	4,317,256.26
2004	5,419,675.97	631,760.25	0.00	0.00	6,051,436.22	631,760.25	12.5	7,897,003.13
2005	6,051,436.22	(4,599.69)	0.00	0.00	6,046,836.53	(4,599.69)	11.5	(52,896.44)
2006	6,046,836.53	0.00	0.00	0.00	6,046,836.53	0.00	10.5	0.00
2007	6,046,836.53	0.00	0.00	0.00	6,046,836.53	0.00	9.5	0.00
2008	6,046,836.53	33,571.28	0.00	0.00	6,080,407.81	33,571.28	8.5	285,355.88
2009	6,080,407.81	238,263.03	0.00	0.00	6,318,670.84	238,263.03	7.5	1,786,972.73
2010	6,318,670.84	2,653.24	0.00	0.00	6,321,324.08	2,653.24	6.5	17,246.06
2011	6,321,324.08	12,000.86	0.00	0.00	6,333,324.94	12,000.86	5.5	66,004.73
2012	6,333,324.94	1,366.02	0.00	0.00	6,334,690.96	1,366.02	4.5	6,147.09
2013	6,334,690.96	(1,568.74)	0.00	0.00	6,333,122.22	(1,568.74)	3.5	(5,490.59)
2014	6,333,122.22	422,415.36	0.00	0.00	6,755,537.58	422,415.36	2.5	1,056,038.40
2015	6,755,537.58	211,606.67	0.00	(4,834.03)	6,962,310.22	206,772.64	1.5	310,158.96
2016	6,962,310.22	11,216.36	0.00	0.00	6,973,526.58	11,216.36	0.5	5,608.18
		<b>6,978,893.13</b>	<b>532.52</b>	<b>(4,834.03)</b>		<b>6,973,526.58</b>	<b>18.2</b>	<b>126,708,162.63</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 380.1 - SERVICES OTHER THAN PLASTIC  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1963	0.00	16,333.17	3,488.23	0.00	12,844.94	12,844.94	53.5	687,204.29
1964	12,844.94	6,695.60	3,777.06	0.00	15,763.48	2,918.54	52.5	153,223.35
1965	15,763.48	27,550.42	3,936.52	0.00	39,377.38	23,613.90	51.5	1,216,115.85
1966	39,377.38	163,803.81	18,388.95	0.00	184,792.24	145,414.86	50.5	7,343,450.43
1967	184,792.24	165,500.97	11,648.97	0.00	338,644.24	153,852.00	49.5	7,615,674.00
1968	338,644.24	137,133.17	5,423.87	0.00	470,353.54	131,709.30	48.5	6,387,901.05
1969	470,353.54	287,314.08	24,104.10	0.00	733,563.52	263,209.98	47.5	12,502,474.05
1970	733,563.52	115,513.63	58,180.37	0.00	790,896.78	57,333.26	46.5	2,665,996.59
1971	790,896.78	372,647.67	31,816.84	0.00	1,131,727.61	340,830.83	45.5	15,507,802.77
1972	1,131,727.61	567,734.70	61,047.36	0.00	1,638,414.95	506,687.34	44.5	22,547,586.63
1973	1,638,414.95	466,414.29	42,510.94	0.00	2,062,318.30	423,903.35	43.5	18,439,795.73
1974	2,062,318.30	643,469.23	49,977.73	0.00	2,655,809.80	593,491.50	42.5	25,223,388.75
1975	2,655,809.80	560,342.45	33,602.49	0.00	3,182,549.76	526,739.96	41.5	21,859,708.34
1976	3,182,549.76	728,938.64	149,630.53	0.00	3,761,857.87	579,308.11	40.5	23,461,978.46
1977	3,761,857.87	462,371.11	43,400.02	0.00	4,180,828.96	418,971.09	39.5	16,549,358.06
1978	4,180,828.96	463,846.62	33,117.26	0.00	4,611,558.32	430,729.36	38.5	16,583,080.36
1979	4,611,558.32	464,874.28	25,607.03	0.00	5,050,825.57	439,267.25	37.5	16,472,521.88
1980	5,050,825.57	557,826.52	29,770.22	0.00	5,578,881.87	528,056.30	36.5	19,274,054.95
1981	5,578,881.87	700,987.81	33,785.55	0.00	6,246,084.13	667,202.26	35.5	23,685,680.23
1982	6,246,084.13	886,646.13	37,116.76	0.00	7,095,613.50	849,529.37	34.5	29,308,763.27
1983	7,095,613.50	676,028.50	36,037.22	0.00	7,735,604.78	639,991.28	33.5	21,439,707.88
1984	7,735,604.78	648,980.05	21,318.32	0.00	8,363,266.51	627,661.73	32.5	20,399,006.23
1985	8,363,266.51	668,450.40	128,946.09	0.00	8,902,770.82	539,504.31	31.5	16,994,385.77
1986	8,902,770.82	871,506.75	111,457.50	0.00	9,662,820.07	760,049.25	30.5	23,181,502.13
1987	9,662,820.07	85,302.32	14,429.08	0.00	9,733,693.31	70,873.24	29.5	2,090,760.58
1988	9,733,693.31	51,904.22	695.10	0.00	9,784,902.43	51,209.12	28.5	1,459,459.92
1989	9,784,902.43	3,792.67	1,884.62	0.00	9,786,810.48	1,908.05	27.5	52,471.38
1990	9,786,810.48	22,222.96	63.00	0.00	9,808,970.44	22,159.96	26.5	587,238.94
1991	9,808,970.44	7,902.26	2,951.36	0.00	9,813,921.34	4,950.90	25.5	126,247.95
1992	9,813,921.34	793,939.79	7,290.47	0.00	10,600,570.66	786,649.32	24.5	19,272,908.34
1993	10,600,570.66	6,882.27	1,530.40	0.00	10,605,922.53	5,351.87	23.5	125,768.95
1994	10,605,922.53	34,283.62	7,305.72	0.00	10,632,900.43	26,977.90	22.5	607,002.75
1995	10,632,900.43	31,102.98	587.01	0.00	10,663,416.40	30,515.97	21.5	656,093.36
1996	10,663,416.40	1,577,743.95	3,910.62	0.00	12,237,249.73	1,573,833.33	20.5	32,263,583.27
1997	12,237,249.73	132,995.88	94,622.83	0.00	12,275,622.78	38,373.05	19.5	748,274.48
1998	12,275,622.78	308,242.95	261,486.51	0.00	12,322,379.22	46,756.44	18.5	864,994.14
1999	12,322,379.22	93,251.33	22,463.46	0.00	12,393,167.09	70,787.87	17.5	1,238,787.73
2000	12,393,167.09	(44,343.37)	6,914.33	0.00	12,341,909.39	(51,257.70)	16.5	(845,752.05)
2001	12,341,909.39	125,256.43	6,167.50	0.00	12,460,998.32	119,088.93	15.5	1,845,878.42
2002	12,460,998.32	154,777.59	25,677.33	0.00	12,590,098.58	129,100.26	14.5	1,871,953.77
2003	12,590,098.58	63,358.47	13,348.37	0.00	12,640,108.68	50,010.10	13.5	675,136.35
2004	12,640,108.68	2,252.71	0.00	0.00	12,642,361.39	2,252.71	12.5	28,158.88
2005	12,642,361.39	707,159.04	(142.41)	0.00	13,349,662.84	707,301.45	11.5	8,133,966.68
2006	13,349,662.84	17,262.22	1,360.42	0.00	13,365,564.64	15,901.80	10.5	166,968.90
2007	13,365,564.64	21,792.21	8,492.83	0.00	13,378,864.02	13,299.38	9.5	126,344.11
2008	13,378,864.02	107,118.23	1,554.89	0.00	13,484,427.36	105,563.34	8.5	897,288.39
2009	13,484,427.36	535,089.69	49,835.38	0.00	13,969,681.67	485,254.31	7.5	3,639,407.33
2010	13,969,681.67	83,167.31	328.49	0.00	14,052,520.49	82,838.82	6.5	538,452.33
2011	14,052,520.49	112,640.38	0.00	0.00	14,165,160.87	112,640.38	5.5	619,522.09
2012	14,165,160.87	116,799.44	0.00	0.00	14,281,960.31	116,799.44	4.5	525,597.48
2013	14,281,960.31	127,582.25	0.00	0.00	14,409,542.56	127,582.25	3.5	446,537.88
2014	14,409,542.56	130,141.17	0.00	0.00	14,539,683.73	130,141.17	2.5	325,352.93
2015	14,539,683.73	85,967.03	0.00	0.00	14,625,650.76	85,967.03	1.5	128,950.55
2016	14,625,650.76	137,618.38	0.00	0.00	14,763,269.14	137,618.38	0.5	68,809.19
		<b>16,294,116.38</b>	<b>1,530,847.24</b>	<b>0.00</b>		<b>14,763,269.14</b>	<b>30.4</b>	<b>448,786,526.07</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 380.2 - SERVICES - PLASTIC  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1961	0.00	75.36	75.36	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1963	0.00	33.48	38.60	0.00	(5.12)	(5.12)	53.5	(273.92)
1964	(5.12)	0.00	0.00	0.00	(5.12)	0.00	52.5	0.00
1965	(5.12)	(124.06)	(124.06)	0.00	(5.12)	0.00	51.5	0.00
1966	(5.12)	195.97	198.41	0.00	(7.56)	(2.44)	50.5	(123.22)
1967	(7.56)	1.50	1.50	0.00	(7.56)	0.00	49.5	0.00
1968	(7.56)	0.00	0.00	0.00	(7.56)	0.00	48.5	0.00
1969	(7.56)	0.00	0.00	0.00	(7.56)	0.00	47.5	0.00
1970	(7.56)	0.00	0.00	0.00	(7.56)	0.00	46.5	0.00
1971	(7.56)	0.00	0.00	0.00	(7.56)	0.00	45.5	0.00
1972	(7.56)	0.00	0.00	0.00	(7.56)	0.00	44.5	0.00
1973	(7.56)	0.00	0.00	0.00	(7.56)	0.00	43.5	0.00
1974	(7.56)	0.00	0.00	0.00	(7.56)	0.00	42.5	0.00
1975	(7.56)	0.00	0.00	0.00	(7.56)	0.00	41.5	0.00
1976	(7.56)	0.00	0.00	0.00	(7.56)	0.00	40.5	0.00
1977	(7.56)	0.00	0.00	0.00	(7.56)	0.00	39.5	0.00
1978	(7.56)	0.00	0.00	0.00	(7.56)	0.00	38.5	0.00
1979	(7.56)	246,093.49	191,726.77	0.00	54,359.16	54,366.72	37.5	2,038,752.00
1980	54,359.16	0.00	0.00	0.00	54,359.16	0.00	36.5	0.00
1981	54,359.16	1,258.92	1,169.96	0.00	54,448.12	88.96	35.5	3,158.08
1982	54,448.12	0.00	0.00	0.00	54,448.12	0.00	34.5	0.00
1983	54,448.12	45,895.05	19,211.65	0.00	81,131.52	26,683.40	33.5	893,893.90
1984	81,131.52	142,246.51	31,463.01	0.00	191,915.02	110,783.50	32.5	3,600,463.75
1985	191,915.02	191,958.06	38,679.34	0.00	345,193.74	153,278.72	31.5	4,828,279.68
1986	345,193.74	40,320.01	17,281.81	0.00	368,231.94	23,038.20	30.5	702,665.10
1987	368,231.94	902,094.25	124,354.28	0.00	1,145,971.91	777,739.97	29.5	22,943,329.12
1988	1,145,971.91	1,320,586.22	203,294.79	0.00	2,263,263.34	1,117,291.43	28.5	31,842,805.76
1989	2,263,263.34	1,053,945.81	119,408.43	0.00	3,197,800.72	934,537.38	27.5	25,699,777.95
1990	3,197,800.72	1,162,427.10	94,143.79	0.00	4,266,084.03	1,068,283.31	26.5	28,309,507.72
1991	4,266,084.03	1,202,163.17	90,088.13	0.00	5,378,159.07	1,112,075.04	25.5	28,357,913.52
1992	5,378,159.07	1,331,655.30	71,740.18	0.00	6,638,074.19	1,259,915.12	24.5	30,867,920.44
1993	6,638,074.19	1,800,026.30	148,547.09	0.00	8,289,553.40	1,651,479.21	23.5	38,809,761.44
1994	8,289,553.40	2,180,058.63	113,706.22	0.00	10,355,905.81	2,066,352.41	22.5	46,492,929.23
1995	10,355,905.81	1,845,477.79	69,503.90	0.00	12,131,879.70	1,775,973.89	21.5	38,183,438.64
1996	12,131,879.70	1,031,169.18	38,506.53	0.00	13,124,542.35	992,662.65	20.5	20,349,584.33
1997	13,124,542.35	928,946.54	67,437.98	0.00	13,986,050.91	861,508.56	19.5	16,799,416.92
1998	13,986,050.91	2,163,444.16	62,060.59	0.00	16,087,434.48	2,101,383.57	18.5	38,875,596.05
1999	16,087,434.48	1,185,287.21	12,052.90	0.00	17,260,668.79	1,173,234.31	17.5	20,531,600.43
2000	17,260,668.79	2,980,808.80	25,601.64	0.00	20,215,875.95	2,955,207.16	16.5	48,760,918.14
2001	20,215,875.95	1,373,642.00	14,472.81	0.00	21,575,045.14	1,359,169.19	15.5	21,067,122.45
2002	21,575,045.14	1,736,845.81	23,062.84	0.00	23,288,828.11	1,713,782.97	14.5	24,849,853.07
2003	23,288,828.11	2,065,645.37	20,119.36	0.00	25,334,354.12	2,045,526.01	13.5	27,614,601.14
2004	25,334,354.12	630,470.38	5,853.68	0.00	25,958,970.82	624,616.70	12.5	7,807,708.75
2005	25,958,970.82	401,027.97	36,016.26	0.00	26,323,982.53	365,011.71	11.5	4,197,634.67
2006	26,323,982.53	1,502,988.00	90,443.96	0.00	27,736,526.57	1,412,544.04	10.5	14,831,712.42
2007	27,736,526.57	1,987,819.01	43,580.76	0.00	29,680,764.82	1,944,238.25	9.5	18,470,263.38
2008	29,680,764.82	2,614,357.53	18,661.49	0.00	32,276,460.86	2,595,696.04	8.5	22,063,416.34
2009	32,276,460.86	2,519,281.70	0.00	0.00	34,795,742.56	2,519,281.70	7.5	18,894,612.75
2010	34,795,742.56	1,918,952.58	28,567.61	0.00	36,686,127.53	1,890,384.97	6.5	12,287,502.31
2011	36,686,127.53	813,747.16	7,840.50	0.00	37,492,034.19	805,906.66	5.5	4,432,486.63
2012	37,492,034.19	3,588,791.94	14,943.45	0.00	41,065,882.68	3,573,848.49	4.5	16,082,318.21
2013	41,065,882.68	1,195,588.74	17,883.38	0.00	42,243,588.04	1,177,705.36	3.5	4,121,968.76
2014	42,243,588.04	3,952,112.72	2,117.18	0.00	46,193,583.58	3,949,995.54	2.5	9,874,988.85
2015	46,193,583.58	2,553,645.19	17,701.87	(1,842.41)	48,731,369.31	2,534,100.91	1.5	3,801,151.37
2016	48,731,369.31	8,121,012.94	0.00	0.00	56,852,382.25	8,121,012.94	0.5	4,060,506.47
		<b>58,731,973.79</b>	<b>1,881,433.95</b>	<b>(1,842.41)</b>		<b>56,848,697.43</b>	<b>11.7</b>	<b>663,349,162.63</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 381.0 - METERS  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	3,349.45	3,236.72	401.21	513.94	513.94	57.5	29,551.55
1960	513.94	0.00	0.00	0.00	513.94	0.00	56.5	0.00
1961	513.94	0.00	0.00	0.00	513.94	0.00	55.5	0.00
1962	513.94	0.00	0.00	0.00	513.94	0.00	54.5	0.00
1963	513.94	0.00	0.00	0.00	513.94	0.00	53.5	0.00
1964	513.94	0.00	0.00	0.00	513.94	0.00	52.5	0.00
1965	513.94	0.00	0.00	0.00	513.94	0.00	51.5	0.00
1966	513.94	0.00	0.00	0.00	513.94	0.00	50.5	0.00
1967	513.94	0.00	0.00	0.00	513.94	0.00	49.5	0.00
1968	513.94	0.00	0.00	0.00	513.94	0.00	48.5	0.00
1969	513.94	0.00	0.00	0.00	513.94	0.00	47.5	0.00
1970	513.94	0.00	0.00	0.00	513.94	0.00	46.5	0.00
1971	513.94	0.00	0.00	0.00	513.94	0.00	45.5	0.00
1972	513.94	0.00	0.00	0.00	513.94	0.00	44.5	0.00
1973	513.94	0.00	0.00	0.00	513.94	0.00	43.5	0.00
1974	513.94	0.00	0.00	0.00	513.94	0.00	42.5	0.00
1975	513.94	1,454.23	1,454.23	0.00	513.94	0.00	41.5	0.00
1976	513.94	2,921.30	2,921.30	0.00	513.94	0.00	40.5	0.00
1977	513.94	14,358.66	14,358.66	0.00	513.94	0.00	39.5	0.00
1978	513.94	5,082.78	5,082.78	0.00	513.94	(0.00)	38.5	0.00
1979	513.94	5,372.25	5,372.25	0.00	513.94	0.00	37.5	0.00
1980	513.94	198,892.46	198,892.46	0.00	513.94	(0.00)	36.5	0.00
1981	513.94	93,653.33	91,029.52	1,135.02	4,272.77	3,758.83	35.5	133,438.47
1982	4,272.77	294,547.68	294,547.68	0.00	4,272.77	0.00	34.5	0.00
1983	4,272.77	101,637.57	101,637.57	0.00	4,272.77	0.00	33.5	0.00
1984	4,272.77	118,619.89	118,619.89	0.00	4,272.77	0.00	32.5	0.00
1985	4,272.77	258,824.23	258,824.23	0.00	4,272.77	0.00	31.5	0.00
1986	4,272.77	43,791.96	42,439.66	584.99	6,210.06	1,937.29	30.5	59,087.35
1987	6,210.06	44,143.22	39,292.00	2,098.57	13,159.85	6,949.79	29.5	205,018.81
1988	13,159.85	71,716.64	71,716.64	0.00	13,159.85	0.00	28.5	0.00
1989	13,159.85	81,118.53	81,306.30	(81.23)	12,890.85	(269.00)	27.5	(7,397.50)
1990	12,890.85	172,177.16	170,387.29	777.15	15,457.87	2,567.02	26.5	68,026.03
1991	15,457.87	593,515.27	581,986.52	5,608.83	32,595.45	17,137.58	25.5	437,008.29
1992	32,595.45	352,384.69	232,673.48	51,785.41	204,092.07	171,496.62	24.5	4,201,667.19
1993	204,092.07	305,147.88	252,797.01	25,868.11	282,311.05	78,218.98	23.5	1,838,146.03
1994	282,311.05	469,252.27	390,506.32	36,391.45	397,448.45	115,137.40	22.5	2,590,591.50
1995	397,448.45	556,147.62	539,682.11	4,797.50	418,711.46	21,263.01	21.5	457,154.71
1996	418,711.46	381,892.87	374,083.44	3,378.26	429,899.15	11,187.69	20.5	229,347.64
1997	429,899.15	916,865.75	663,958.79	116,824.41	799,630.52	369,731.37	19.5	7,209,761.72
1998	799,630.52	48,260.00	45,192.87	2,751.75	805,449.40	5,818.88	18.5	107,649.28
1999	805,449.40	524,090.05	311,921.50	103,495.19	1,121,113.14	315,663.74	17.5	5,524,115.45
2000	1,121,113.14	748,503.42	331,231.09	323,792.22	1,862,177.69	741,064.55	16.5	12,227,565.08
2001	1,862,177.69	589,318.00	222,538.80	206,050.05	2,435,006.94	572,829.25	15.5	8,878,853.38
2002	2,435,006.94	550,460.57	984.18	0.00	2,984,483.33	549,476.39	14.5	7,967,407.66
2003	2,984,483.33	508,544.37	25,959.11	0.00	3,467,068.59	482,585.26	13.5	6,514,901.01
2004	3,467,068.59	339,281.92	80,257.05	0.00	3,726,093.46	259,024.87	12.5	3,237,810.88
2005	3,726,093.46	5,263.06	5,263.06	0.00	3,726,093.46	0.00	11.5	0.00
2006	3,726,093.46	90,497.57	76,399.64	0.00	3,740,191.39	14,097.93	10.5	148,028.27
2007	3,740,191.39	1,216,088.43	183,389.20	0.00	4,772,890.62	1,032,699.23	9.5	9,810,642.69
2008	4,772,890.62	1,312,903.46	627,723.98	0.00	5,458,070.10	685,179.48	8.5	5,824,025.58
2009	5,458,070.10	1,568,287.81	898,805.48	1,494,106.78	7,621,659.21	2,163,589.11	7.5	16,226,918.33
2010	7,621,659.21	3,297,426.58	319,998.88	0.00	10,599,086.91	2,977,427.70	6.5	19,353,280.05
2011	10,599,086.91	873,824.61	128,731.03	0.00	11,344,180.49	745,093.58	5.5	4,098,014.69
2012	11,344,180.49	2,055,696.68	46,914.55	0.00	13,352,962.62	2,008,782.13	4.5	9,039,519.59
2013	13,352,962.62	756,312.01	43,738.29	0.00	14,065,536.34	712,573.72	3.5	2,494,008.02
2014	14,065,536.34	2,119,452.42	50,899.18	0.00	16,134,089.58	2,068,553.24	2.5	5,171,383.10
2015	16,134,089.58	1,203,796.86	0.00	(9,551.63)	17,328,334.81	1,194,245.23	1.5	1,791,367.85
2016	17,328,334.81	1,422,478.17	0.00	0.00	18,750,812.98	1,422,478.17	0.5	711,239.09
		<b>24,317,353.68</b>	<b>7,936,754.74</b>	<b>2,370,214.04</b>		<b>18,750,812.98</b>	<b>7.3</b>	<b>136,578,131.79</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 382 - METER INSTALLATIONS  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	50,361.73	50,361.73	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00
1967	0.00	177.52	177.52	0.00	0.00	0.00	49.5	0.00
1968	0.00	0.00	0.00	0.00	0.00	0.00	48.5	0.00
1969	0.00	984.62	984.62	0.00	0.00	0.00	47.5	0.00
1970	0.00	544.17	544.17	0.00	0.00	0.00	46.5	0.00
1971	0.00	0.00	0.00	0.00	0.00	0.00	45.5	0.00
1972	0.00	2,395.33	2,395.33	0.00	0.00	0.00	44.5	0.00
1973	0.00	602.31	602.31	0.00	0.00	0.00	43.5	0.00
1974	0.00	591.21	591.21	0.00	0.00	0.00	42.5	0.00
1975	0.00	6,111.02	6,111.02	0.00	0.00	0.00	41.5	0.00
1976	0.00	5,744.11	5,732.44	0.00	11.67	11.67	40.5	472.63
1977	11.67	34,000.70	17,777.50	0.00	16,234.87	16,223.20	39.5	640,816.40
1978	16,234.87	8,024.00	2,990.75	0.00	21,268.12	5,033.25	38.5	193,780.13
1979	21,268.12	10,990.70	323.14	0.00	31,935.68	10,667.56	37.5	400,033.50
1980	31,935.68	242,999.65	1,382.03	0.00	273,553.30	241,617.62	36.5	8,819,043.13
1981	273,553.30	87,973.96	1,020.42	0.00	360,506.84	86,953.54	35.5	3,086,850.67
1982	360,506.84	186,383.19	768.55	0.00	546,121.48	185,614.64	34.5	6,403,705.08
1983	546,121.48	55,001.85	211.47	0.00	600,911.86	54,790.38	33.5	1,835,477.73
1984	600,911.86	65,516.17	420.41	0.00	666,007.62	65,095.76	32.5	2,115,612.20
1985	666,007.62	153,190.31	206.31	0.00	818,991.62	152,984.00	31.5	4,818,996.00
1986	818,991.62	20,442.19	53.63	0.00	839,380.18	20,388.56	30.5	621,851.08
1987	839,380.18	35,603.94	0.00	0.00	874,984.12	35,603.94	29.5	1,050,316.23
1988	874,984.12	47,059.48	252.46	0.00	921,791.14	46,807.02	28.5	1,334,000.07
1989	921,791.14	53,508.03	28.57	0.00	975,270.60	53,479.46	27.5	1,470,685.15
1990	975,270.60	88,346.47	739.37	0.00	1,062,877.70	87,607.10	26.5	2,321,588.15
1991	1,062,877.70	293,262.36	9,289.06	0.00	1,346,851.00	283,973.30	25.5	7,241,319.15
1992	1,346,851.00	104,997.82	185.65	0.00	1,451,663.17	104,812.17	24.5	2,567,898.17
1993	1,451,663.17	106,601.28	1,935.99	0.00	1,556,328.46	104,665.29	23.5	2,459,634.32
1994	1,556,328.46	191,847.93	2,250.48	0.00	1,745,925.91	189,597.45	22.5	4,265,942.63
1995	1,745,925.91	230,023.95	4,436.47	0.00	1,971,513.39	225,587.48	21.5	4,850,130.82
1996	1,971,513.39	147,271.94	9,434.57	0.00	2,109,350.76	137,837.37	20.5	2,825,666.09
1997	2,109,350.76	106,419.13	321.67	0.00	2,215,448.22	106,097.46	19.5	2,068,900.47
1998	2,215,448.22	18,882.54	18,882.54	0.00	2,215,448.22	0.00	18.5	0.00
1999	2,215,448.22	0.00	0.00	0.00	2,215,448.22	0.00	17.5	0.00
2000	2,215,448.22	168,724.22	21,296.62	0.00	2,362,875.82	147,427.60	16.5	2,432,555.40
2001	2,362,875.82	98,344.62	1,092.62	0.00	2,460,127.82	97,252.00	15.5	1,507,406.00
2002	2,460,127.82	112,221.00	17,942.95	0.00	2,554,405.87	94,278.05	14.5	1,367,031.73
2003	2,554,405.87	163,199.17	105.35	0.00	2,717,499.69	163,093.82	13.5	2,201,766.57
2004	2,717,499.69	35,859.35	2,000.08	0.00	2,751,358.96	33,859.27	12.5	423,240.88
2005	2,751,358.96	173,312.79	0.00	0.00	2,924,671.75	173,312.79	11.5	1,993,097.09
2006	2,924,671.75	24,546.72	7,401.45	0.00	2,941,817.02	17,145.27	10.5	180,025.34
2007	2,941,817.02	70,918.92	5,013.97	0.00	3,007,721.97	65,904.95	9.5	626,097.03
2008	3,007,721.97	30,419.46	947.13	0.00	3,037,194.30	29,472.33	8.5	250,514.81
2009	3,037,194.30	2,628,721.04	57,013.89	0.00	5,608,901.45	2,571,707.15	7.5	19,287,803.63
2010	5,608,901.45	161,597.13	0.00	0.00	5,770,498.58	161,597.13	6.5	1,050,381.35
2011	5,770,498.58	7,961.25	0.00	0.00	5,778,459.83	7,961.25	5.5	43,786.88
2012	5,778,459.83	16,588.65	0.00	0.00	5,795,048.48	16,588.65	4.5	74,648.93
2013	5,795,048.48	305,302.10	36,915.31	0.00	6,063,435.27	268,386.79	3.5	939,353.77
2014	6,063,435.27	353,400.49	519.45	0.00	6,416,316.31	352,881.04	2.5	882,202.60
2015	6,416,316.31	396,652.18	0.00	0.00	6,812,968.49	396,652.18	1.5	594,978.27
2016	6,812,968.49	290,745.40	0.00	0.00	7,103,713.89	290,745.40	0.5	145,372.70
		<b>7,394,374.10</b>	<b>290,660.21</b>	<b>0.00</b>		<b>7,103,713.89</b>	<b>13.4</b>	<b>95,392,982.78</b>

**CITY GAS COMPANY OF FLORIDA**  
**ANALYSIS OF HISTORICAL PLANT ACCOUNTING**  
**ACCOUNT NUMBER 382.1 ERTs - METER INSTALLATIONS**  
**@ 12/31/16**

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE		SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
2008	0.00	19,509.11	0.00	0.00	19,509.11		19,509.11	8.5	165,827.44
2009	19,509.11	6,703,019.41	0.00	(2,027,862.03)	4,694,666.49		4,675,157.38	7.5	35,063,680.35
2010	4,694,666.49	0.00	0.00	0.00	4,694,666.49		0.00	6.5	0.00
2011	4,694,666.49	0.00	0.00	0.00	4,694,666.49		0.00	5.5	0.00
2012	4,694,666.49	0.00	0.00	0.00	4,694,666.49		0.00	4.5	0.00
2013	4,694,666.49	0.00	0.00	0.00	4,694,666.49		0.00	3.5	0.00
2014	4,694,666.49	0.00	0.00	0.00	4,694,666.49		0.00	2.5	0.00
2015	4,694,666.49	11.06	0.00	0.00	4,694,677.55		11.06	1.5	16.59
2016	4,694,677.55	0.00	0.00	0.00	4,694,677.55		0.00	0.5	0.00
		<b>6,722,539.58</b>	<b>0.00</b>	<b>(2,027,862.03)</b>			<b>4,694,677.55</b>	<b>27.50</b>	<b>35,229,524.38</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 383 - REGULATORS  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	52,918.89	24,454.54	0.00	28,464.35	28,464.35	57.5	1,636,700.13
1960	28,464.35	0.00	0.00	0.00	28,464.35	0.00	56.5	0.00
1961	28,464.35	0.00	0.00	0.00	28,464.35	0.00	55.5	0.00
1962	28,464.35	0.00	0.00	0.00	28,464.35	0.00	54.5	0.00
1963	28,464.35	12.51	12.51	0.00	28,464.35	0.00	53.5	0.00
1964	28,464.35	426.49	270.04	0.00	28,620.80	156.45	52.5	8,213.63
1965	28,620.80	131.62	0.00	0.00	28,752.42	131.62	51.5	6,778.43
1966	28,752.42	4.86	0.00	0.00	28,757.28	4.86	50.5	245.43
1967	28,757.28	1,299.24	26.71	0.00	30,029.81	1,272.53	49.5	62,990.24
1968	30,029.81	216.28	63.93	0.00	30,182.16	152.35	48.5	7,388.98
1969	30,182.16	2,803.33	404.20	0.00	32,581.29	2,399.13	47.5	113,958.68
1970	32,581.29	436.84	187.26	0.00	32,830.87	249.58	46.5	11,605.47
1971	32,830.87	123.38	11.75	0.00	32,942.50	111.63	45.5	5,079.17
1972	32,942.50	4,924.67	2,397.65	0.00	35,469.52	2,527.02	44.5	112,452.39
1973	35,469.52	647.45	45.42	0.00	36,071.55	602.03	43.5	26,188.31
1974	36,071.55	624.91	287.82	0.00	36,408.64	337.09	42.5	14,326.33
1975	36,408.64	7,141.50	1,314.47	0.00	42,235.67	5,827.03	41.5	241,821.75
1976	42,235.67	5,011.82	1,876.86	0.00	45,370.63	3,134.96	40.5	126,965.88
1977	45,370.63	17,811.69	6,985.85	0.00	56,196.47	10,825.84	39.5	427,620.68
1978	56,196.47	5,129.51	2,638.77	0.00	58,687.21	2,490.74	38.5	95,893.49
1979	58,687.21	4,001.29	434.25	0.00	62,254.25	3,567.04	37.5	133,764.00
1980	62,254.25	111,108.05	3,889.17	0.00	169,473.13	107,218.88	36.5	3,913,489.12
1981	169,473.13	49,242.10	2,586.46	0.00	216,128.77	46,655.64	35.5	1,656,275.22
1982	216,128.77	106,691.22	3,032.00	0.00	319,787.99	103,659.22	34.5	3,576,243.09
1983	319,787.99	35,837.48	6,524.37	0.00	349,101.10	29,313.11	33.5	981,989.19
1984	349,101.10	43,723.35	4,280.99	0.00	388,543.46	39,442.36	32.5	1,281,876.70
1985	388,543.46	84,979.95	1,374.35	0.00	472,149.06	83,605.60	31.5	2,633,576.40
1986	472,149.06	19,565.79	523.40	0.00	491,191.45	19,042.39	30.5	580,792.90
1987	491,191.45	19,897.33	2,878.81	0.00	508,209.97	17,018.52	29.5	502,046.34
1988	508,209.97	29,242.03	284.36	0.00	537,167.64	28,957.67	28.5	825,293.60
1989	537,167.64	23,410.63	2,427.50	0.00	558,150.77	20,983.13	27.5	577,036.08
1990	558,150.77	52,558.66	7,086.31	0.00	603,623.12	45,472.35	26.5	1,205,017.28
1991	603,623.12	187,315.58	881.84	0.00	790,056.86	186,433.74	25.5	4,754,060.37
1992	790,056.86	87,439.04	9,891.53	0.00	867,604.37	77,547.51	24.5	1,899,914.00
1993	867,604.37	91,393.11	7,545.29	0.00	951,452.19	83,847.82	23.5	1,970,423.77
1994	951,452.19	171,626.62	46,736.08	0.00	1,076,342.73	124,890.54	22.5	2,810,037.15
1995	1,076,342.73	177,685.87	6,130.44	0.00	1,247,898.16	171,555.43	21.5	3,688,441.75
1996	1,247,898.16	119,293.89	3,914.07	0.00	1,363,277.98	115,379.82	20.5	2,365,286.31
1997	1,363,277.98	127,226.63	59,905.64	0.00	1,430,598.97	67,320.99	19.5	1,312,759.31
1998	1,430,598.97	(9,201.24)	0.00	0.00	1,421,397.73	(9,201.24)	18.5	(170,222.94)
1999	1,421,397.73	0.00	0.00	0.00	1,421,397.73	0.00	17.5	0.00
2000	1,421,397.73	9,993.71	9,993.71	0.00	1,421,397.73	0.00	16.5	0.00
2001	1,421,397.73	138,118.06	42,115.77	0.00	1,517,400.02	96,002.29	15.5	1,488,035.50
2002	1,517,400.02	76,978.26	76,978.26	0.00	1,517,400.02	0.00	14.5	0.00
2003	1,517,400.02	478,203.26	101,759.20	0.00	1,893,844.08	376,444.06	13.5	5,081,994.81
2004	1,893,844.08	87,331.52	6,236.62	0.00	1,974,938.98	81,094.90	12.5	1,013,686.25
2005	1,974,938.98	(25,821.00)	0.00	0.00	1,949,117.98	(25,821.00)	11.5	(296,941.50)
2006	1,949,117.98	24,600.92	7,090.50	0.00	1,966,628.40	17,510.42	10.5	183,859.41
2007	1,966,628.40	94,360.83	26,144.76	0.00	2,034,844.47	68,216.07	9.5	648,052.67
2008	2,034,844.47	232,623.64	56.02	0.00	2,267,412.09	232,567.62	8.5	1,976,824.77
2009	2,267,412.09	458,714.45	43,967.41	0.00	2,682,159.13	414,747.04	7.5	3,110,602.80
2010	2,682,159.13	321,177.49	47,697.52	0.00	2,955,639.10	273,479.97	6.5	1,777,619.81
2011	2,955,639.10	140,161.78	59.16	0.00	3,095,741.72	140,102.62	5.5	770,564.41
2012	3,095,741.72	467,110.50	138.26	0.00	3,562,713.96	466,972.24	4.5	2,101,375.08
2013	3,562,713.96	237,235.55	0.00	0.00	3,799,949.51	237,235.55	3.5	830,324.43
2014	3,799,949.51	554,033.16	0.00	0.00	4,353,982.67	554,033.16	2.5	1,385,082.90
2015	4,353,982.67	365,446.25	0.00	(4,095.97)	4,723,524.89	361,350.28	1.5	542,025.42
2016	4,723,524.89	714,389.00	0.00	0.00	5,437,913.89	714,389.00	0.5	357,194.50
		<b>6,007,359.75</b>	<b>573,541.83</b>	<b>(4,095.97)</b>		<b>5,429,721.95</b>	<b>11.1</b>	<b>60,366,629.89</b>



CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 384 - REGULATOR INSTALLATIONS  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	26,035.27	276.32	0.00	25,758.95	25,758.95	57.5	1,481,139.63
1960	25,758.95	39.93	0.00	0.00	25,798.88	39.93	56.5	2,256.05
1961	25,798.88	37.40	0.00	0.00	25,836.28	37.40	55.5	2,075.70
1962	25,836.28	78.22	0.00	0.00	25,914.50	78.22	54.5	4,262.99
1963	25,914.50	135.54	0.00	0.00	26,050.04	135.54	53.5	7,251.39
1964	26,050.04	456.40	0.00	0.00	26,506.44	456.40	52.5	23,961.00
1965	26,506.44	261.89	0.00	0.00	26,768.33	261.89	51.5	13,487.34
1966	26,768.33	124.40	0.00	0.00	26,892.73	124.40	50.5	6,282.20
1967	26,892.73	3,764.32	0.00	0.00	30,657.05	3,764.32	49.5	186,333.84
1968	30,657.05	289.20	0.00	0.00	30,946.25	289.20	48.5	14,026.20
1969	30,946.25	3,960.17	2,717.27	0.00	32,189.15	1,242.90	47.5	59,037.75
1970	32,189.15	1,404.51	0.00	0.00	33,593.66	1,404.51	46.5	65,309.72
1971	33,593.66	790.87	53.48	0.00	34,331.05	737.39	45.5	33,551.25
1972	34,331.05	3,833.42	0.00	0.00	38,164.47	3,833.42	44.5	170,587.19
1973	38,164.47	1,570.30	0.00	0.00	39,734.77	1,570.30	43.5	68,308.05
1974	39,734.77	1,573.05	234.33	0.00	41,073.49	1,338.72	42.5	56,895.60
1975	41,073.49	4,861.68	0.00	0.00	45,935.17	4,861.68	41.5	201,759.72
1976	45,935.17	5,226.15	93.39	0.00	51,067.93	5,132.76	40.5	207,876.78
1977	51,067.93	18,376.01	256.75	0.00	69,187.19	18,119.26	39.5	715,710.77
1978	69,187.19	6,445.19	0.00	0.00	75,632.38	6,445.19	38.5	248,139.82
1979	75,632.38	6,709.14	0.00	0.00	82,341.52	6,709.14	37.5	251,592.75
1980	82,341.52	103,370.16	105.48	0.00	185,606.20	103,264.68	36.5	3,769,160.82
1981	185,606.20	39,355.67	362.52	0.00	224,599.35	38,993.15	35.5	1,384,256.83
1982	224,599.35	84,950.82	597.98	0.00	308,952.19	84,352.84	34.5	2,910,172.98
1983	308,952.19	25,972.81	0.00	0.00	334,925.00	25,972.81	33.5	870,089.14
1984	334,925.00	30,627.14	0.00	0.00	365,552.14	30,627.14	32.5	995,382.05
1985	365,552.14	67,968.62	327.62	0.00	433,193.14	67,641.00	31.5	2,130,691.50
1986	433,193.14	11,183.92	0.00	0.00	444,377.06	11,183.92	30.5	341,109.56
1987	444,377.06	17,092.48	43.52	0.00	461,426.02	17,048.96	29.5	502,944.32
1988	461,426.02	22,388.41	15.58	0.00	483,798.85	22,372.83	28.5	637,625.66
1989	483,798.85	25,195.20	9.36	0.00	508,984.69	25,185.84	27.5	692,610.60
1990	508,984.69	39,334.69	61.54	0.00	548,257.84	39,273.15	26.5	1,040,738.48
1991	548,257.84	127,074.35	500.68	0.00	674,831.51	126,573.67	25.5	3,227,628.59
1992	674,831.51	47,279.16	157.37	0.00	721,953.30	47,121.79	24.5	1,154,483.86
1993	721,953.30	25,567.89	2,934.07	0.00	744,587.12	22,633.82	23.5	531,894.77
1994	744,587.12	82,903.40	1,381.45	0.00	826,109.07	81,521.95	22.5	1,834,243.88
1995	826,109.07	100,536.11	101.30	0.00	926,543.88	100,434.81	21.5	2,159,348.42
1996	926,543.88	62,461.91	124.36	0.00	988,881.43	62,337.55	20.5	1,277,919.78
1997	988,881.43	42,618.99	389.61	0.00	1,031,110.81	42,229.38	19.5	823,472.91
1998	1,031,110.81	0.00	0.00	0.00	1,031,110.81	0.00	18.5	0.00
1999	1,031,110.81	0.00	0.00	0.00	1,031,110.81	0.00	17.5	0.00
2000	1,031,110.81	65,852.95	0.00	0.00	1,096,963.76	65,852.95	16.5	1,086,573.68
2001	1,096,963.76	42,966.51	137.33	0.00	1,139,792.94	42,829.18	15.5	663,852.29
2002	1,139,792.94	52,265.76	0.00	0.00	1,192,058.70	52,265.76	14.5	757,853.52
2003	1,192,058.70	61,039.57	0.00	0.00	1,253,098.27	61,039.57	13.5	824,034.20
2004	1,253,098.27	25,319.58	0.00	0.00	1,278,417.85	25,319.58	12.5	316,494.75
2005	1,278,417.85	0.00	0.00	0.00	1,278,417.85	0.00	11.5	0.00
2006	1,278,417.85	2,824.12	372.52	0.00	1,280,869.45	2,451.60	10.5	25,741.80
2007	1,280,869.45	2,504.58	0.00	0.00	1,283,374.03	2,504.58	9.5	23,793.51
2008	1,283,374.03	45,896.57	0.00	0.00	1,329,270.60	45,896.57	8.5	390,120.85
2009	1,329,270.60	18,726.42	0.00	0.00	1,347,997.02	18,726.42	7.5	140,448.15
2010	1,347,997.02	89,950.64	0.00	0.00	1,437,947.66	89,950.64	6.5	584,679.16
2011	1,437,947.66	11,060.60	0.00	0.00	1,449,008.26	11,060.60	5.5	60,833.30
2012	1,449,008.26	15,553.97	0.00	0.00	1,464,562.23	15,553.97	4.5	69,992.87
2013	1,464,562.23	161,994.94	0.00	0.00	1,626,557.17	161,994.94	3.5	566,982.29
2014	1,626,557.17	243,127.13	0.00	0.00	1,869,684.30	243,127.13	2.5	607,817.83
2015	1,869,684.30	188,015.65	0.00	0.00	2,057,699.95	188,015.65	1.5	282,023.48
2016	2,057,699.95	138,910.31	0.00	0.00	2,196,610.26	138,910.31	0.5	69,455.16
		<b>2,207,864.09</b>	<b>11,253.83</b>	<b>0.00</b>		<b>2,196,610.26</b>	<b>16.2</b>	<b>35,615,020.26</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 385 - INDUSTRIAL M & R STATION EQUIPMENT  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00
1968	0.00	0.00	0.00	0.00	0.00	0.00	48.5	0.00
1969	0.00	0.00	0.00	0.00	0.00	0.00	47.5	0.00
1970	0.00	7,298.09	0.00	0.00	7,298.09	7,298.09	46.5	339,361.19
1971	7,298.09	0.00	0.00	0.00	7,298.09	0.00	45.5	0.00
1972	7,298.09	0.00	0.00	0.00	7,298.09	0.00	44.5	0.00
1973	7,298.09	0.00	0.00	0.00	7,298.09	0.00	43.5	0.00
1974	7,298.09	0.00	0.00	0.00	7,298.09	0.00	42.5	0.00
1975	7,298.09	0.00	0.00	0.00	7,298.09	0.00	41.5	0.00
1976	7,298.09	0.00	0.00	0.00	7,298.09	0.00	40.5	0.00
1977	7,298.09	0.00	0.00	0.00	7,298.09	0.00	39.5	0.00
1978	7,298.09	1,736.94	0.00	0.00	9,035.03	1,736.94	38.5	66,872.19
1979	9,035.03	6,396.04	0.00	0.00	15,431.07	6,396.04	37.5	239,851.50
1980	15,431.07	2,462.85	0.00	0.00	17,893.92	2,462.85	36.5	89,894.03
1981	17,893.92	17,743.89	0.00	0.00	35,637.81	17,743.89	35.5	629,908.10
1982	35,637.81	2,750.96	0.00	0.00	38,388.77	2,750.96	34.5	94,908.12
1983	38,388.77	40,723.12	0.00	0.00	79,111.89	40,723.12	33.5	1,364,224.52
1984	79,111.89	29,726.28	0.00	0.00	108,838.17	29,726.28	32.5	966,104.10
1985	108,838.17	44,756.86	0.00	0.00	153,595.03	44,756.86	31.5	1,409,841.09
1986	153,595.03	56,417.25	0.00	0.00	210,012.28	56,417.25	30.5	1,720,726.13
1987	210,012.28	101,519.59	0.00	0.00	311,531.87	101,519.59	29.5	2,994,827.91
1988	311,531.87	118,832.17	0.00	0.00	430,364.04	118,832.17	28.5	3,386,716.85
1989	430,364.04	63,310.17	0.00	0.00	493,674.21	63,310.17	27.5	1,741,029.68
1990	493,674.21	221,470.56	0.00	0.00	715,144.77	221,470.56	26.5	5,868,969.84
1991	715,144.77	141,149.81	0.00	0.00	856,294.58	141,149.81	25.5	3,599,320.16
1992	856,294.58	243,086.96	0.00	0.00	1,099,381.54	243,086.96	24.5	5,955,630.52
1993	1,099,381.54	145,276.51	0.00	0.00	1,244,658.05	145,276.51	23.5	3,413,997.99
1994	1,244,658.05	174,897.84	0.00	0.00	1,419,555.89	174,897.84	22.5	3,935,201.40
1995	1,419,555.89	102,033.85	0.00	0.00	1,521,589.74	102,033.85	21.5	2,193,727.78
1996	1,521,589.74	16,595.05	0.00	0.00	1,538,184.79	16,595.05	20.5	340,198.53
1997	1,538,184.79	636,468.88	0.00	0.00	2,174,653.67	636,468.88	19.5	12,411,143.16
1998	2,174,653.67	27,218.11	0.00	0.00	2,201,871.78	27,218.11	18.5	503,535.04
1999	2,201,871.78	227,477.96	0.00	0.00	2,429,349.74	227,477.96	17.5	3,980,864.30
2000	2,429,349.74	278,001.30	0.00	0.00	2,707,351.04	278,001.30	16.5	4,587,021.45
2001	2,707,351.04	17,944.72	0.00	0.00	2,725,295.76	17,944.72	15.5	278,143.16
2002	2,725,295.76	9,625.50	0.00	0.00	2,734,921.26	9,625.50	14.5	139,569.75
2003	2,734,921.26	33,393.88	0.00	0.00	2,768,315.14	33,393.88	13.5	450,817.38
2004	2,768,315.14	16,915.58	0.00	0.00	2,785,230.72	16,915.58	12.5	211,444.75
2005	2,785,230.72	0.00	0.00	0.00	2,785,230.72	0.00	11.5	0.00
2006	2,785,230.72	0.00	0.00	0.00	2,785,230.72	0.00	10.5	0.00
2007	2,785,230.72	0.00	0.00	0.00	2,785,230.72	0.00	9.5	0.00
2008	2,785,230.72	135,675.56	0.00	0.00	2,920,906.28	135,675.56	8.5	1,153,242.26
2009	2,920,906.28	113,035.13	0.00	0.00	3,033,941.41	113,035.13	7.5	847,763.48
2010	3,033,941.41	8,071.78	0.00	0.00	3,042,013.19	8,071.78	6.5	52,466.57
2011	3,042,013.19	5,631.13	0.00	0.00	3,047,644.32	5,631.13	5.5	30,971.22
2012	3,047,644.32	276.17	0.00	0.00	3,047,920.49	276.17	4.5	1,242.77
2013	3,047,920.49	0.00	0.00	0.00	3,047,920.49	0.00	3.5	0.00
2014	3,047,920.49	0.00	0.00	0.00	3,047,920.49	0.00	2.5	0.00
2015	3,047,920.49	0.00	0.00	0.00	3,047,920.49	0.00	1.5	0.00
2016	3,047,920.49	0.00	0.00	0.00	3,047,920.49	0.00	0.5	0.00
		<b>3,047,920.49</b>	<b>0.00</b>	<b>0.00</b>		<b>3,047,920.49</b>	<b>21.3</b>	<b>64,999,536.92</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 387 - OTHER EQUIPMENT  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00
1962	0.00	2,094.59	0.00	0.00	2,094.59	2,094.59	51.5	107,871.39
1963	2,094.59	0.00	0.00	0.00	2,094.59	0.00	50.5	0.00
1964	2,094.59	0.00	0.00	0.00	2,094.59	0.00	49.5	0.00
1965	2,094.59	0.00	0.00	0.00	2,094.59	0.00	48.5	0.00
1966	2,094.59	3,364.34	0.00	0.00	5,458.93	3,364.34	47.5	159,806.15
1967	5,458.93	2,368.52	0.00	0.00	7,827.45	2,368.52	46.5	110,136.18
1968	7,827.45	7,441.62	0.00	0.00	15,269.07	7,441.62	45.5	338,593.71
1969	15,269.07	5,383.84	0.00	0.00	20,652.91	5,383.84	44.5	239,580.88
1970	20,652.91	1,756.94	0.00	0.00	22,409.85	1,756.94	43.5	76,426.89
1971	22,409.85	4,043.91	0.00	0.00	26,453.76	4,043.91	42.5	171,866.18
1972	26,453.76	1,661.55	0.00	0.00	28,115.31	1,661.55	41.5	68,954.33
1973	28,115.31	2,199.70	0.00	0.00	30,315.01	2,199.70	40.5	89,087.85
1974	30,315.01	541.21	0.00	0.00	30,856.22	541.21	39.5	21,377.80
1975	30,856.22	1,050.17	0.00	0.00	31,906.39	1,050.17	38.5	40,431.55
1976	31,906.39	5,218.04	0.00	0.00	37,124.43	5,218.04	37.5	195,676.50
1977	37,124.43	3,160.82	0.00	0.00	40,285.25	3,160.82	36.5	115,369.93
1978	40,285.25	46,197.53	0.00	0.00	86,482.78	46,197.53	35.5	1,640,012.32
1979	86,482.78	4,908.96	0.00	0.00	91,391.74	4,908.96	34.5	169,359.12
1980	91,391.74	1,490.56	0.00	0.00	92,882.30	1,490.56	33.5	49,933.76
1981	92,882.30	4,511.30	0.00	0.00	97,393.60	4,511.30	32.5	146,617.25
1982	97,393.60	11,641.73	0.00	0.00	109,035.33	11,641.73	31.5	366,714.50
1983	109,035.33	769.23	0.00	0.00	109,804.56	769.23	30.5	23,461.52
1984	109,804.56	24,884.08	0.00	0.00	134,688.64	24,884.08	29.5	734,080.36
1985	134,688.64	0.00	0.00	0.00	134,688.64	0.00	28.5	0.00
1986	134,688.64	3,519.83	0.00	0.00	138,208.47	3,519.83	27.5	96,795.33
1987	138,208.47	0.00	0.00	0.00	138,208.47	0.00	26.5	0.00
1988	138,208.47	0.00	0.00	0.00	138,208.47	0.00	25.5	0.00
1989	138,208.47	1,010.71	0.00	0.00	139,219.18	1,010.71	24.5	24,762.40
1990	139,219.18	7,253.17	0.00	0.00	146,472.35	7,253.17	23.5	170,449.50
1991	146,472.35	3,382.38	0.00	0.00	149,854.73	3,382.38	22.5	76,103.55
1992	149,854.73	0.00	0.00	0.00	149,854.73	0.00	21.5	0.00
1993	149,854.73	0.00	0.00	0.00	149,854.73	0.00	20.5	0.00
1994	149,854.73	2,131.96	0.00	0.00	151,986.69	2,131.96	19.5	41,573.22
1995	151,986.69	0.00	0.00	0.00	151,986.69	0.00	18.5	0.00
1996	151,986.69	0.00	0.00	0.00	151,986.69	0.00	17.5	0.00
1997	151,986.69	0.00	0.00	0.00	151,986.69	0.00	16.5	0.00
1998	151,986.69	0.00	0.00	0.00	151,986.69	0.00	15.5	0.00
1999	151,986.69	0.00	0.00	0.00	151,986.69	0.00	14.5	0.00
2000	151,986.69	0.00	0.00	0.00	151,986.69	0.00	13.5	0.00
2001	151,986.69	0.00	0.00	0.00	151,986.69	0.00	12.5	0.00
2002	151,986.69	2,784.26	0.00	0.00	154,770.95	2,784.26	11.5	32,018.99
2003	154,770.95	3,397.59	0.00	0.00	158,168.54	3,397.59	10.5	35,674.70
2004	158,168.54	20,343.95	0.00	0.00	178,512.49	20,343.95	9.5	193,267.53
2005	178,512.49	58,163.83	0.00	0.00	236,676.32	58,163.83	8.5	494,392.56
2006	236,676.32	3,670.48	0.00	0.00	240,346.80	3,670.48	7.5	27,528.60
2007	240,346.80	63,664.60	0.00	0.00	304,011.40	63,664.60	6.5	413,819.90
2008	304,011.40	216,074.74	0.00	0.00	520,086.14	216,074.74	5.5	1,188,411.07
2009	520,086.14	183,451.66	0.00	0.00	703,537.80	183,451.66	4.5	825,532.47
2010	703,537.80	0.00	0.00	0.00	703,537.80	0.00	3.5	0.00
2011	703,537.80	340.71	0.00	0.00	703,878.51	340.71	2.5	851.78
2012	703,878.51	0.00	0.00	0.00	703,878.51	0.00	1.5	0.00
2013	703,878.51	0.00	0.00	0.00	703,878.51	0.00	0.5	0.00
2014	703,878.51	12,576.18	0.00	0.00	716,454.69	12,576.18	0.5	6,288.09
2015	716,454.69	47,637.36	0.00	0.00	764,092.05	47,637.36	0.5	23,818.68
2016	764,092.05	141,036.49	0.00	0.00	905,128.54	141,036.49	0.5	70,518.25
		<b>905,128.54</b>	<b>0.00</b>	<b>0.00</b>		<b>905,128.54</b>	<b>9.5</b>	<b>8,587,164.79</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 390 - STRUCTURES AND IMPROVEMENTS  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE	2017 Pro Forma		SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
									ADJUSTMENTS & TRANSFERS	ADJUSTMENTS & TRANSFERS			
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00			0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00			0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00			0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00			0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00			0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00			0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00			0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00			0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00			0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00			0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00			0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00			0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00			0.00	55.5	0.00
1962	0.00	265,844.66	265,844.66	0.00	(0.00)	(0.00)	54.5	0.00		(0.00)	0.00	54.5	0.00
1963	(0.00)	3,446.20	3,446.20	0.00	(0.00)	0.00	53.5	0.00		0.00	0.00	53.5	0.00
1964	(0.00)	49,638.17	49,638.17	0.00	(0.00)	0.00	52.5	0.00		0.00	0.00	52.5	0.00
1965	(0.00)	67,446.68	67,446.68	0.00	(0.00)	(0.00)	51.5	0.00		(0.00)	0.00	51.5	0.00
1966	(0.00)	5,221.47	5,221.47	0.00	(0.00)	0.00	50.5	0.00		0.00	0.00	50.5	0.00
1967	(0.00)	25,140.71	25,140.71	0.00	(0.00)	(0.00)	49.5	0.00		(0.00)	0.00	49.5	0.00
1968	(0.00)	3,269.36	3,269.36	0.00	(0.00)	0.00	48.5	0.00		0.00	0.00	48.5	0.00
1969	(0.00)	11,182.22	11,182.22	0.00	(0.00)	0.00	47.5	0.00		0.00	0.00	47.5	0.00
1970	(0.00)	16,028.60	16,028.60	0.00	(0.00)	0.00	46.5	0.00		0.00	0.00	46.5	0.00
1971	(0.00)	20,970.34	20,970.34	0.00	(0.00)	0.00	45.5	0.00		0.00	0.00	45.5	0.00
1972	(0.00)	665.30	665.30	0.00	(0.00)	(0.00)	44.5	0.00		(0.00)	0.00	44.5	0.00
1973	(0.00)	649.40	649.40	0.00	(0.00)	0.00	43.5	0.00		0.00	0.00	43.5	0.00
1974	(0.00)	892.50	892.50	0.00	(0.00)	0.00	42.5	0.00		0.00	0.00	42.5	0.00
1975	(0.00)	0.00	0.00	0.00	(0.00)	0.00	41.5	0.00		0.00	0.00	41.5	0.00
1976	(0.00)	1,977.99	1,977.99	0.00	(0.00)	(0.00)	40.5	0.00		(0.00)	0.00	40.5	0.00
1977	(0.00)	0.00	0.00	0.00	(0.00)	0.00	39.5	0.00		0.00	0.00	39.5	0.00
1978	(0.00)	0.00	0.00	0.00	(0.00)	0.00	38.5	0.00		0.00	0.00	38.5	0.00
1979	(0.00)	1,787.00	1,787.00	0.00	(0.00)	0.00	37.5	0.00		0.00	0.00	37.5	0.00
1980	(0.00)	10,475.78	10,475.78	0.00	(0.00)	0.00	36.5	0.00		0.00	0.00	36.5	0.00
1981	(0.00)	5,378.56	5,378.56	0.00	(0.00)	0.00	35.5	0.00		0.00	0.00	35.5	0.00
1982	(0.00)	7,693.56	7,693.56	0.00	(0.00)	0.00	34.5	0.00		0.00	0.00	34.5	0.00
1983	(0.00)	4,281.05	4,281.05	0.00	(0.00)	0.00	33.5	0.00		0.00	0.00	33.5	0.00
1984	(0.00)	2,492.50	2,492.50	0.00	(0.00)	0.00	32.5	0.00		0.00	0.00	32.5	0.00
1985	(0.00)	6,718.27	6,718.27	0.00	(0.00)	0.00	31.5	0.00		0.00	0.00	31.5	0.00
1986	(0.00)	5,877.50	5,877.50	0.00	(0.00)	0.00	30.5	0.00		0.00	0.00	30.5	0.00
1987	(0.00)	(363,214.96)	(363,214.96)	0.00	(0.00)	0.00	29.5	0.00		0.00	0.00	29.5	0.00
1988	(0.00)	598.50	598.50	0.00	(0.00)	0.00	28.5	0.00		0.00	0.00	28.5	0.00
1989	(0.00)	548,260.87	548,260.87	0.00	(0.00)	0.00	27.5	0.00		0.00	0.00	27.5	0.00
1990	(0.00)	42,357.02	42,357.02	0.00	(0.00)	0.00	26.5	0.00		0.00	0.00	26.5	0.00
1991	(0.00)	23,068.91	23,068.91	0.00	(0.00)	0.00	25.5	0.00		0.00	0.00	25.5	0.00
1992	(0.00)	94,367.36	94,367.36	0.00	(0.00)	0.00	24.5	0.00		0.00	0.00	24.5	0.00
1993	(0.00)	671,224.19	671,224.19	0.00	0.00	0.00	23.5	0.00		0.00	0.00	23.5	0.00
1994	0.00	44,007.63	44,007.63	0.00	0.00	0.00	22.5	0.00		0.00	0.00	22.5	0.00
1995	0.00	32,102.07	32,102.07	0.00	0.00	0.00	21.5	0.00		0.00	0.00	21.5	0.00
1996	0.00	2,463.71	2,463.71	0.00	0.00	0.00	20.5	0.00		0.00	0.00	20.5	0.00
1997	0.00	183,542.38	183,542.38	0.00	0.00	0.00	19.5	0.00		0.00	0.00	19.5	0.00
1998	0.00	239,421.94	239,421.94	0.00	0.00	0.00	18.5	0.00		0.00	0.00	18.5	0.00
1999	0.00	20,857.05	20,857.05	0.00	0.00	0.00	17.5	0.00		0.00	0.00	17.5	0.00
2000	0.00	64,453.80	61,453.80	0.00	3,000.00	3,000.00	16.5	49,500.00		3,000.00	16.5	49,500.00	
2001	3,000.00	117,754.07	115,612.32	0.00	5,141.75	2,141.75	15.5	33,197.13		2,141.75	15.5	33,197.13	
2002	5,141.75	2,860.95	2,860.95	0.00	5,141.75	0.00	14.5	0.00		0.00	14.5	0.00	
2003	5,141.75	15,675.18	15,675.18	0.00	5,141.75	0.00	13.5	0.00		0.00	13.5	0.00	
2004	5,141.75	332,648.91	326,358.51	0.00	11,432.15	6,290.40	12.5	78,630.00		6,290.40	12.5	78,630.00	
2005	11,432.15	1,081.76	315.88	0.00	12,198.03	765.88	11.5	8,807.62		765.88	11.5	8,807.62	
2006	12,198.03	0.00	0.00	0.00	12,198.03	0.00	10.5	0.00		0.00	10.5	0.00	
2007	12,198.03	125,711.20	80,217.36	0.00	57,691.87	45,493.84	9.5	432,191.48		45,493.84	9.5	432,191.48	
2008	57,691.87	0.00	0.00	0.00	57,691.87	0.00	8.5	0.00		0.00	8.5	0.00	
2009	57,691.87	0.00	0.00	0.00	57,691.87	0.00	7.5	0.00		0.00	7.5	0.00	
2010	57,691.87	2,495,628.03	68,470.30	(46.40)	2,484,803.20	2,427,111.33	6.5	15,776,223.65		2,427,111.33	6.5	15,776,223.65	
2011	2,484,803.20	0.00	0.00	0.00	2,484,803.20	0.00	5.5	0.00		0.00	5.5	0.00	
2012	2,484,803.20	512,526.60	182,513.28	0.00	2,814,816.52	330,013.32	4.5	1,485,059.94		330,013.32	4.5	1,485,059.94	
2013	2,814,816.52	3,517,175.17	0.00	0.00	6,331,991.69	3,517,175.17	3.5	12,310,113.10	(1,843,963.65)	1,673,211.52	3.5	5,856,240.32	
2014	6,331,991.69	0.00	0.00	0.00	6,331,991.69	0.00	2.5	0.00		0.00	2.5	0.00	
2015	6,331,991.69	0.00	0.00	0.00	6,331,991.69	0.00	1.5	0.00		0.00	1.5	0.00	
2016	6,331,991.69	4,787,493.10	0.00	0.00	11,119,484.79	4,787,493.10	0.5	2,393,746.55	(608,646.92)	4,178,846.18	0.5	2,089,423.09	
		14,029,143.26	2,909,612.07	(46.40)		11,119,484.79	2.9	32,567,469.47	(2,452,610.57)	8,666,874.22	3.0	25,809,273.23	

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 391.1 - OFFICE FURNITURE  
© 12/31/16

2017 Pro Forma												
YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE	ADJUSTMENTS & TRANSFERS	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00	0.00	0.00	49.5	0.00
1968	0.00	0.00	0.00	0.00	0.00	0.00	48.5	0.00	0.00	0.00	48.5	0.00
1969	0.00	0.00	0.00	0.00	0.00	0.00	47.5	0.00	0.00	0.00	47.5	0.00
1970	0.00	0.00	0.00	0.00	0.00	0.00	46.5	0.00	0.00	0.00	46.5	0.00
1971	0.00	0.00	0.00	0.00	0.00	0.00	45.5	0.00	0.00	0.00	45.5	0.00
1972	0.00	0.00	0.00	0.00	0.00	0.00	44.5	0.00	0.00	0.00	44.5	0.00
1973	0.00	0.00	0.00	0.00	0.00	0.00	43.5	0.00	0.00	0.00	43.5	0.00
1974	0.00	0.00	0.00	0.00	0.00	0.00	42.5	0.00	0.00	0.00	42.5	0.00
1975	0.00	0.00	0.00	0.00	0.00	0.00	41.5	0.00	0.00	0.00	41.5	0.00
1976	0.00	0.00	0.00	0.00	0.00	0.00	40.5	0.00	0.00	0.00	40.5	0.00
1977	0.00	0.00	0.00	0.00	0.00	0.00	39.5	0.00	0.00	0.00	39.5	0.00
1978	0.00	0.00	0.00	0.00	0.00	0.00	38.5	0.00	0.00	0.00	38.5	0.00
1979	0.00	0.00	0.00	0.00	0.00	0.00	37.5	0.00	0.00	0.00	37.5	0.00
1980	0.00	0.00	0.00	0.00	0.00	0.00	36.5	0.00	0.00	0.00	36.5	0.00
1981	0.00	0.00	0.00	0.00	0.00	0.00	35.5	0.00	0.00	0.00	35.5	0.00
1982	0.00	0.00	0.00	0.00	0.00	0.00	34.5	0.00	0.00	0.00	34.5	0.00
1983	0.00	0.00	0.00	0.00	0.00	0.00	33.5	0.00	0.00	0.00	33.5	0.00
1984	0.00	0.00	0.00	0.00	0.00	0.00	32.5	0.00	0.00	0.00	32.5	0.00
1985	0.00	13,867.97	13,867.97	0.00	0.00	0.00	31.5	0.00	0.00	0.00	31.5	0.00
1986	0.00	114,036.52	114,036.52	0.00	0.00	0.00	30.5	0.00	0.00	0.00	30.5	0.00
1987	0.00	12,679.16	12,679.16	0.00	0.00	0.00	29.5	0.00	0.00	0.00	29.5	0.00
1988	0.00	1,367.40	1,367.40	0.00	0.00	0.00	28.5	0.00	0.00	0.00	28.5	0.00
1989	0.00	361,311.17	361,311.17	0.00	(0.00)	(0.00)	27.5	0.00	0.00	(0.00)	27.5	0.00
1990	(0.00)	210,150.54	210,150.54	0.00	(0.00)	0.00	26.5	0.00	0.00	0.00	26.5	0.00
1991	(0.00)	27,263.68	17,635.00	(9,628.68)	(0.00)	0.00	25.5	0.00	0.00	0.00	25.5	0.00
1992	(0.00)	44,307.45	44,307.45	0.00	(0.00)	0.00	24.5	0.00	0.00	0.00	24.5	0.00
1993	(0.00)	22,174.89	22,174.89	0.00	(0.00)	0.00	23.5	0.00	0.00	0.00	23.5	0.00
1994	(0.00)	(67,267.21)	(67,267.21)	0.00	(0.00)	(0.00)	22.5	0.00	0.00	(0.00)	22.5	0.00
1995	(0.00)	(21,343.82)	(21,343.82)	0.00	(0.00)	0.00	21.5	0.00	0.00	0.00	21.5	0.00
1996	(0.00)	102,238.48	101,211.95	(1,026.53)	(0.00)	0.00	20.5	0.00	0.00	0.00	20.5	0.00
1997	(0.00)	88,612.67	88,612.67	0.00	(0.00)	0.00	19.5	0.00	0.00	0.00	19.5	0.00
1998	(0.00)	18,876.58	18,876.58	0.00	(0.00)	0.00	18.5	0.00	0.00	0.00	18.5	0.00
1999	(0.00)	38,744.51	31,534.39	(7,210.12)	(0.00)	0.00	17.5	0.00	0.00	0.00	17.5	0.00
2000	(0.00)	86,946.87	87,969.21	0.00	(1,022.34)	(1,022.34)	16.5	(16,868.61)	0.00	(1,022.34)	16.5	(16,868.61)
2001	(1,022.34)	55,890.25	154,192.31	99,039.93	(284.47)	737.87	15.5	11,436.98	0.00	737.87	15.5	11,436.98
2002	(284.47)	1,494.97	49.15	(1,445.82)	(284.47)	0.00	14.5	0.00	0.00	0.00	14.5	0.00
2003	(284.47)	21,103.77	15,650.09	(5,453.68)	(284.47)	0.00	13.5	0.00	0.00	0.00	13.5	0.00
2004	(284.47)	96,679.06	87,866.79	(8,024.14)	503.66	788.13	12.5	9,851.62	0.00	788.13	12.5	9,851.62
2005	503.66	10,028.98	10,028.98	0.00	503.66	0.00	11.5	0.00	0.00	0.00	11.5	0.00
2006	503.66	0.00	0.00	0.00	503.66	0.00	10.5	0.00	0.00	0.00	10.5	0.00
2007	503.66	0.00	0.00	0.00	503.66	0.00	9.5	0.00	0.00	0.00	9.5	0.00
2008	503.66	17,410.72	14,938.22	(2,472.50)	503.66	0.00	8.5	0.00	0.00	0.00	8.5	0.00
2009	503.66	39,686.21	0.00	(39,686.21)	503.66	0.00	7.5	0.00	0.00	0.00	7.5	0.00
2010	503.66	1,799.69	474.97	(1,324.72)	503.66	0.00	6.5	0.00	0.00	0.00	6.5	0.00
2011	503.66	0.00	0.00	0.00	503.66	0.00	5.5	0.00	0.00	0.00	5.5	0.00
2012	503.66	0.00	0.00	0.00	503.66	0.00	4.5	0.00	0.00	0.00	4.5	0.00
2013	503.66	0.00	0.00	0.00	503.66	0.00	3.5	0.00	0.00	0.00	3.5	0.00
2014	503.66	0.00	0.00	0.00	503.66	0.00	2.5	0.00	0.00	0.00	2.5	0.00
2015	503.66	0.00	0.00	0.00	503.66	0.00	1.5	0.00	0.00	0.00	1.5	0.00
2016	503.66	0.00	0.00	0.00	503.66	0.00	0.5	0.00	443,941.43	443,941.43	0.5	221,970.72
		1,298,060.51	1,320,324.38	22,767.53		503.66	8.8	4,419.99	443,941.43	444,445.09	0.5	226,390.71

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 391.2 - OFFICE MACHINES AND EQUIPMENT  
@ 12/31/16

2017 Pro Forma												
YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE	ADJUSTMENTS & TRANSFERS	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00	0.00	0.00	49.5	0.00
1968	0.00	0.00	0.00	0.00	0.00	0.00	48.5	0.00	0.00	0.00	48.5	0.00
1969	0.00	0.00	0.00	0.00	0.00	0.00	47.5	0.00	0.00	0.00	47.5	0.00
1970	0.00	0.00	0.00	0.00	0.00	0.00	46.5	0.00	0.00	0.00	46.5	0.00
1971	0.00	0.00	0.00	0.00	0.00	0.00	45.5	0.00	0.00	0.00	45.5	0.00
1972	0.00	0.00	0.00	0.00	0.00	0.00	44.5	0.00	0.00	0.00	44.5	0.00
1973	0.00	0.00	0.00	0.00	0.00	0.00	43.5	0.00	0.00	0.00	43.5	0.00
1974	0.00	0.00	0.00	0.00	0.00	0.00	42.5	0.00	0.00	0.00	42.5	0.00
1975	0.00	0.00	0.00	0.00	0.00	0.00	41.5	0.00	0.00	0.00	41.5	0.00
1976	0.00	0.00	0.00	0.00	0.00	0.00	40.5	0.00	0.00	0.00	40.5	0.00
1977	0.00	0.00	0.00	0.00	0.00	0.00	39.5	0.00	0.00	0.00	39.5	0.00
1978	0.00	0.00	0.00	0.00	0.00	0.00	38.5	0.00	0.00	0.00	38.5	0.00
1979	0.00	0.00	0.00	0.00	0.00	0.00	37.5	0.00	0.00	0.00	37.5	0.00
1980	0.00	0.00	0.00	0.00	0.00	0.00	36.5	0.00	0.00	0.00	36.5	0.00
1981	0.00	0.00	0.00	0.00	0.00	0.00	35.5	0.00	0.00	0.00	35.5	0.00
1982	0.00	0.00	0.00	0.00	0.00	0.00	34.5	0.00	0.00	0.00	34.5	0.00
1983	0.00	0.00	0.00	0.00	0.00	0.00	33.5	0.00	0.00	0.00	33.5	0.00
1984	0.00	0.00	0.00	0.00	0.00	0.00	32.5	0.00	0.00	0.00	32.5	0.00
1985	0.00	0.00	0.00	0.00	0.00	0.00	31.5	0.00	0.00	0.00	31.5	0.00
1986	0.00	31,270.78	31,270.78	0.00	0.00	0.00	30.5	0.00	0.00	0.00	30.5	0.00
1987	0.00	4,223.50	4,223.50	0.00	0.00	0.00	29.5	0.00	0.00	0.00	29.5	0.00
1988	0.00	39,979.69	39,979.69	0.00	0.00	0.00	28.5	0.00	0.00	0.00	28.5	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00	27.5	0.00	0.00	0.00	27.5	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00	26.5	0.00	0.00	0.00	26.5	0.00
1991	0.00	10,194.02	10,194.02	0.00	0.00	0.00	25.5	0.00	0.00	0.00	25.5	0.00
1992	0.00	42,803.82	42,803.82	0.00	0.00	0.00	24.5	0.00	0.00	0.00	24.5	0.00
1993	0.00	943.72	943.72	0.00	0.00	0.00	23.5	0.00	0.00	0.00	23.5	0.00
1994	0.00	(99,251.55)	(99,251.55)	0.00	0.00	0.00	22.5	0.00	0.00	0.00	22.5	0.00
1995	0.00	(70,494.28)	(70,494.28)	0.00	0.00	0.00	21.5	0.00	0.00	0.00	21.5	0.00
1996	0.00	36,900.87	36,900.87	0.00	0.00	0.00	20.5	0.00	0.00	0.00	20.5	0.00
1997	0.00	13,510.73	13,510.73	0.00	0.00	0.00	19.5	0.00	0.00	0.00	19.5	0.00
1998	0.00	666,467.52	666,467.52	0.00	0.00	0.00	18.5	0.00	0.00	0.00	18.5	0.00
1999	0.00	334,460.75	334,460.75	671.32	671.32	671.32	17.5	11,748.10	0.00	671.32	17.5	11,748.10
2000	671.32	42,745.57	42,745.57	0.00	671.32	0.00	16.5	0.00	0.00	0.00	16.5	0.00
2001	671.32	15,923.54	15,923.54	(98,520.68)	(97,849.36)	(98,520.68)	15.5	(1,527,070.54)	0.00	(98,520.68)	15.5	(1,527,070.54)
2002	(97,849.36)	559.10	559.10	0.00	(97,849.36)	0.00	14.5	0.00	0.00	0.00	14.5	0.00
2003	(97,849.36)	854,709.98	666,437.52	(188,272.46)	(97,849.36)	0.00	13.5	0.00	0.00	0.00	13.5	0.00
2004	(97,849.36)	63,788.83	60,284.96	(3,503.87)	(97,849.36)	0.00	12.5	0.00	0.00	0.00	12.5	0.00
2005	(97,849.36)	0.00	0.00	0.00	(97,849.36)	0.00	11.5	0.00	0.00	0.00	11.5	0.00
2006	(97,849.36)	341,089.69	28,725.29	(312,364.40)	(97,849.36)	0.00	10.5	0.00	0.00	0.00	10.5	0.00
2007	(97,849.36)	1,385,509.25	24,518.04	(217,967.30)	1,045,174.55	1,143,023.91	9.5	10,858,727.15	0.00	1,143,023.91	9.5	10,858,727.15
2008	1,045,174.55	92,250.21	0.00	(2,621.38)	1,134,803.38	89,628.83	8.5	761,845.06	0.00	89,628.83	8.5	761,845.06
2009	1,134,803.38	12,376.76	0.00	25,501.23	1,172,681.37	37,877.99	7.5	284,084.93	0.00	37,877.99	7.5	284,084.93
2010	1,172,681.37	45,073.74	0.00	(44,219.46)	1,173,535.65	854.28	6.5	5,552.82	0.00	854.28	6.5	5,552.82
2011	1,173,535.65	277,090.83	0.00	(15,340.23)	1,435,286.25	261,750.60	5.5	1,439,628.30	0.00	261,750.60	5.5	1,439,628.30
2012	1,435,286.25	26,407.01	0.00	0.00	1,461,693.26	26,407.01	4.5	118,831.55	0.00	26,407.01	4.5	118,831.55
2013	1,461,693.26	53,222.19	0.00	0.00	1,514,915.45	53,222.19	3.5	186,277.67	0.00	53,222.19	3.5	186,277.67
2014	1,514,915.45	545,492.55	0.00	0.00	2,060,408.00	545,492.55	2.5	1,363,731.38	0.00	545,492.55	2.5	1,363,731.38
2015	2,060,408.00	35,764.25	0.00	0.00	2,096,172.25	35,764.25	1.5	53,646.38	0.00	35,764.25	1.5	53,646.38
2016	2,096,172.25	160,980.89	0.00	0.00	2,257,153.14	160,980.89	0.5	80,490.45	86,327.74	247,308.63	0.5	123,654.32
		4,963,993.96	1,850,203.59	(856,637.23)		2,257,153.14	6.0	13,637,493.25	86,327.74	2,343,480.88	5.8	13,680,657.12

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 391.3 - COMPUTERS  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00
1968	0.00	0.00	0.00	0.00	0.00	0.00	48.5	0.00
1969	0.00	0.00	0.00	0.00	0.00	0.00	47.5	0.00
1970	0.00	0.00	0.00	0.00	0.00	0.00	46.5	0.00
1971	0.00	0.00	0.00	0.00	0.00	0.00	45.5	0.00
1972	0.00	0.00	0.00	0.00	0.00	0.00	44.5	0.00
1973	0.00	0.00	0.00	0.00	0.00	0.00	43.5	0.00
1974	0.00	0.00	0.00	0.00	0.00	0.00	42.5	0.00
1975	0.00	0.00	0.00	0.00	0.00	0.00	41.5	0.00
1976	0.00	0.00	0.00	0.00	0.00	0.00	40.5	0.00
1977	0.00	0.00	0.00	0.00	0.00	0.00	39.5	0.00
1978	0.00	0.00	0.00	0.00	0.00	0.00	38.5	0.00
1979	0.00	0.00	0.00	0.00	0.00	0.00	37.5	0.00
1980	0.00	0.00	0.00	0.00	0.00	0.00	36.5	0.00
1981	0.00	0.00	0.00	0.00	0.00	0.00	35.5	0.00
1982	0.00	0.00	0.00	0.00	0.00	0.00	34.5	0.00
1983	0.00	0.00	0.00	0.00	0.00	0.00	33.5	0.00
1984	0.00	0.00	0.00	0.00	0.00	0.00	32.5	0.00
1985	0.00	0.00	0.00	0.00	0.00	0.00	31.5	0.00
1986	0.00	0.00	0.00	0.00	0.00	0.00	30.5	0.00
1987	0.00	0.00	0.00	0.00	0.00	0.00	29.5	0.00
1988	0.00	0.00	0.00	0.00	0.00	0.00	28.5	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00	27.5	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00	26.5	0.00
1991	0.00	0.00	0.00	9,628.68	9,628.68	9,628.68	25.5	245,531.34
1992	9,628.68	0.00	0.00	0.00	9,628.68	0.00	24.5	0.00
1993	9,628.68	0.00	0.00	0.00	9,628.68	0.00	23.5	0.00
1994	9,628.68	0.00	0.00	0.00	9,628.68	0.00	22.5	0.00
1995	9,628.68	0.00	0.00	0.00	9,628.68	0.00	21.5	0.00
1996	9,628.68	0.00	0.00	0.00	9,628.68	0.00	20.5	0.00
1997	9,628.68	0.00	0.00	0.00	9,628.68	0.00	19.5	0.00
1998	9,628.68	0.00	0.00	0.00	9,628.68	0.00	18.5	0.00
1999	9,628.68	0.00	0.00	0.00	9,628.68	0.00	17.5	0.00
2000	9,628.68	1,650.66	1,650.66	0.00	9,628.68	0.00	16.5	0.00
2001	9,628.68	0.00	0.00	0.00	9,628.68	0.00	15.5	0.00
2002	9,628.68	0.00	0.00	0.00	9,628.68	0.00	14.5	0.00
2003	9,628.68	0.00	0.00	0.00	9,628.68	0.00	13.5	0.00
2004	9,628.68	0.00	0.00	0.00	9,628.68	0.00	12.5	0.00
2005	9,628.68	3,037.50	0.00	0.00	12,666.18	3,037.50	11.5	34,931.25
2006	12,666.18	909,376.48	0.00	1,194,412.13	2,116,454.79	2,103,788.61	10.5	22,089,780.41
2007	2,116,454.79	4,639,924.97	35,662.56	209,362.52	6,930,079.72	4,813,624.93	9.5	45,729,436.84
2008	6,930,079.72	602,245.87	0.00	84,906.90	7,617,232.49	687,152.77	8.5	5,840,798.55
2009	7,617,232.49	804,349.35	0.00	28,716.26	8,450,298.10	833,065.61	7.5	6,247,992.08
2010	8,450,298.10	334,197.68	1,714.07	106,093.70	8,888,875.41	438,577.31	6.5	2,850,752.52
2011	8,888,875.41	859,300.08	8,806.35	79,809.19	9,819,178.33	930,302.92	5.5	5,116,666.06
2012	9,819,178.33	47,374.70	0.00	0.00	9,866,553.03	47,374.70	4.5	213,186.15
2013	9,866,553.03	322,181.85	0.00	36,610.07	10,225,344.95	358,791.92	3.5	1,255,771.72
2014	10,225,344.95	260,565.66	0.00	0.00	10,485,910.61	260,565.66	2.5	651,414.15
2015	10,485,910.61	662,217.00	0.00	0.00	11,148,127.61	662,217.00	1.5	993,325.50
2016	11,148,127.61	415,117.90	0.00	0.00	11,563,245.51	415,117.90	0.5	207,558.95
		<b>9,861,539.70</b>	<b>47,833.64</b>	<b>1,749,539.45</b>		<b>11,563,245.51</b>	<b>7.9</b>	<b>91,477,145.52</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 392 - TRANSPORTATION  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE	2016 Topside Retirement	Adjusted Surviving Balance	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00	0.00	0.00	49.5	0.00
1968	0.00	0.00	0.00	0.00	0.00	0.00	48.5	0.00	0.00	0.00	48.5	0.00
1969	0.00	0.00	0.00	0.00	0.00	0.00	47.5	0.00	0.00	0.00	47.5	0.00
1970	0.00	0.00	0.00	0.00	0.00	0.00	46.5	0.00	0.00	0.00	46.5	0.00
1971	0.00	0.00	0.00	0.00	0.00	0.00	45.5	0.00	0.00	0.00	45.5	0.00
1972	0.00	0.00	0.00	0.00	0.00	0.00	44.5	0.00	0.00	0.00	44.5	0.00
1973	0.00	0.00	0.00	0.00	0.00	0.00	43.5	0.00	0.00	0.00	43.5	0.00
1974	0.00	0.00	0.00	0.00	0.00	0.00	42.5	0.00	0.00	0.00	42.5	0.00
1975	0.00	0.00	0.00	0.00	0.00	0.00	41.5	0.00	0.00	0.00	41.5	0.00
1976	0.00	0.00	0.00	0.00	0.00	0.00	40.5	0.00	0.00	0.00	40.5	0.00
1977	0.00	0.00	0.00	0.00	0.00	0.00	39.5	0.00	0.00	0.00	39.5	0.00
1978	0.00	0.00	0.00	0.00	0.00	0.00	38.5	0.00	0.00	0.00	38.5	0.00
1979	0.00	0.00	0.00	0.00	0.00	0.00	37.5	0.00	0.00	0.00	37.5	0.00
1980	0.00	0.00	0.00	0.00	0.00	0.00	36.5	0.00	0.00	0.00	36.5	0.00
1981	0.00	0.00	0.00	0.00	0.00	0.00	35.5	0.00	0.00	0.00	35.5	0.00
1982	0.00	0.00	0.00	0.00	0.00	0.00	34.5	0.00	0.00	0.00	34.5	0.00
1983	0.00	0.00	0.00	0.00	0.00	0.00	33.5	0.00	0.00	0.00	33.5	0.00
1984	0.00	0.00	0.00	0.00	0.00	0.00	32.5	0.00	0.00	0.00	32.5	0.00
1985	0.00	12,225.02	12,225.02	0.00	0.00	0.00	31.5	0.00	0.00	0.00	31.5	0.00
1986	0.00	0.00	0.00	0.00	0.00	0.00	30.5	0.00	0.00	0.00	30.5	0.00
1987	0.00	0.00	0.00	0.00	0.00	0.00	29.5	0.00	0.00	0.00	29.5	0.00
1988	0.00	0.00	0.00	0.00	0.00	0.00	28.5	0.00	0.00	0.00	28.5	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00	27.5	0.00	0.00	0.00	27.5	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00	26.5	0.00	0.00	0.00	26.5	0.00
1991	0.00	0.00	0.00	0.00	0.00	0.00	25.5	0.00	0.00	0.00	25.5	0.00
1992	0.00	6,272.12	6,272.12	0.00	0.00	0.00	24.5	0.00	0.00	0.00	24.5	0.00
1993	0.00	0.00	0.00	0.00	0.00	0.00	23.5	0.00	0.00	0.00	23.5	0.00
1994	0.00	143,708.50	143,708.50	0.00	0.00	0.00	22.5	0.00	0.00	0.00	22.5	0.00
1995	0.00	0.00	0.00	0.00	0.00	0.00	21.5	0.00	0.00	0.00	21.5	0.00
1996	0.00	206,995.45	206,995.45	0.00	0.00	0.00	20.5	0.00	0.00	0.00	20.5	0.00
1997	0.00	204,633.84	204,633.84	0.00	0.00	0.00	19.5	0.00	0.00	0.00	19.5	0.00
1998	0.00	522,743.19	522,743.19	0.00	0.00	0.00	18.5	0.00	0.00	0.00	18.5	0.00
1999	0.00	478,924.75	478,924.75	0.00	0.00	0.00	17.5	0.00	0.00	0.00	17.5	0.00
2000	0.00	600,662.87	600,662.87	0.00	0.00	0.00	16.5	0.00	0.00	0.00	16.5	0.00
2001	0.00	26,795.20	26,795.20	0.00	0.00	0.00	15.5	0.00	0.00	0.00	15.5	0.00
2002	0.00	5,598.39	5,598.39	0.00	0.00	0.00	14.5	0.00	0.00	0.00	14.5	0.00
2003	0.00	710,313.74	710,313.74	0.00	0.00	0.00	13.5	0.00	0.00	0.00	13.5	0.00
2004	0.00	705,481.23	705,801.79	0.00	(320.56)	(320.56)	12.5	(4,007.00)	(2.44)	(318.12)	12.5	(3,976.49)
2005	(320.56)	57,955.62	57,955.62	0.00	(320.56)	0.00	11.5	0.00	0.00	0.00	11.5	0.00
2006	(320.56)	51,728.00	24,713.89	0.00	26,693.55	27,014.11	10.5	283,648.16	205.66	26,808.45	10.5	281,488.71
2007	26,693.55	164,441.25	115,570.38	0.00	75,564.42	48,870.87	9.5	464,273.27	372.06	48,498.81	9.5	460,738.70
2008	75,564.42	28,952.69	0.00	0.00	104,517.11	28,952.69	8.5	246,097.87	220.42	28,732.27	8.5	244,224.30
2009	104,517.11	412,172.35	100,464.27	0.00	416,225.19	311,708.08	7.5	2,337,810.60	2,373.07	309,335.01	7.5	2,320,012.60
2010	416,225.19	225,199.54	0.00	0.00	641,424.73	225,199.54	6.5	1,463,797.01	1,714.47	223,485.07	6.5	1,452,652.97
2011	641,424.73	113,687.80	52,901.96	0.00	702,210.57	60,785.84	5.5	334,322.12	462.77	60,323.07	5.5	331,776.89
2012	702,210.57	127,224.65	30,947.31	0.00	798,487.91	96,277.34	4.5	433,248.03	732.97	95,544.37	4.5	429,949.67
2013	798,487.91	32,695.38	0.00	39,802.38	870,985.67	72,497.76	3.5	253,742.16	551.93	71,945.83	3.5	251,810.39
2014	870,985.67	786,466.74	0.00	0.00	1,657,452.41	786,466.74	2.5	1,966,166.85	5,987.46	780,479.28	2.5	1,951,198.21
2015	1,657,452.41	752,192.69	0.00	38,649.43	2,448,294.53	790,842.12	1.5	1,186,263.18	6,020.77	784,821.35	1.5	1,177,232.03
2016	2,448,294.53	572,810.99	0.00	0.00	3,021,105.52	572,810.99	0.5	286,405.50	4,360.87	568,450.12	0.5	284,225.06
		6,949,882.00	4,007,228.29	78,451.81		3,021,105.52	3.1	9,251,767.75	23,000.00	2,998,105.52	3.1	9,181,333.04

				23,000.00	Vehicle Decal Removal	23,000.00	
					Topside Adj	2,998,105.52	



CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 393 - STORES EQUIPMENT  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00
1968	0.00	0.00	0.00	0.00	0.00	0.00	48.5	0.00
1969	0.00	0.00	0.00	0.00	0.00	0.00	47.5	0.00
1970	0.00	0.00	0.00	0.00	0.00	0.00	46.5	0.00
1971	0.00	0.00	0.00	0.00	0.00	0.00	45.5	0.00
1972	0.00	0.00	0.00	0.00	0.00	0.00	44.5	0.00
1973	0.00	6,099.60	6,099.60	0.00	0.00	0.00	43.5	0.00
1974	0.00	0.00	0.00	0.00	0.00	0.00	42.5	0.00
1975	0.00	0.00	0.00	0.00	0.00	0.00	41.5	0.00
1976	0.00	0.00	0.00	0.00	0.00	0.00	40.5	0.00
1977	0.00	0.00	0.00	0.00	0.00	0.00	39.5	0.00
1978	0.00	0.00	0.00	0.00	0.00	0.00	38.5	0.00
1979	0.00	0.00	0.00	0.00	0.00	0.00	37.5	0.00
1980	0.00	0.00	0.00	0.00	0.00	0.00	36.5	0.00
1981	0.00	0.00	0.00	0.00	0.00	0.00	35.5	0.00
1982	0.00	0.00	0.00	0.00	0.00	0.00	34.5	0.00
1983	0.00	0.00	0.00	0.00	0.00	0.00	33.5	0.00
1984	0.00	0.00	0.00	0.00	0.00	0.00	32.5	0.00
1985	0.00	0.00	0.00	0.00	0.00	0.00	31.5	0.00
1986	0.00	0.00	0.00	0.00	0.00	0.00	30.5	0.00
1987	0.00	0.00	0.00	0.00	0.00	0.00	29.5	0.00
1988	0.00	0.00	0.00	0.00	0.00	0.00	28.5	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00	27.5	0.00
1990	0.00	0.00	0.00	0.00	0.00	0.00	26.5	0.00
1991	0.00	0.00	0.00	0.00	0.00	0.00	25.5	0.00
1992	0.00	4,500.00	4,500.00	0.00	0.00	0.00	24.5	0.00
1993	0.00	0.00	0.00	0.00	0.00	0.00	23.5	0.00
1994	0.00	0.00	0.00	0.00	0.00	0.00	22.5	0.00
1995	0.00	0.00	0.00	0.00	0.00	0.00	21.5	0.00
1996	0.00	0.00	0.00	0.00	0.00	0.00	20.5	0.00
1997	0.00	0.00	0.00	0.00	0.00	0.00	19.5	0.00
1998	0.00	0.00	0.00	0.00	0.00	0.00	18.5	0.00
1999	0.00	0.00	0.00	0.00	0.00	0.00	17.5	0.00
2000	0.00	0.00	0.00	0.00	0.00	0.00	16.5	0.00
2001	0.00	2,922.42	0.00	0.00	2,922.42	2,922.42	15.5	45,297.51
2002	2,922.42	0.00	0.00	0.00	2,922.42	0.00	14.5	0.00
2003	2,922.42	0.00	0.00	0.00	2,922.42	0.00	13.5	0.00
2004	2,922.42	0.00	0.00	0.00	2,922.42	0.00	12.5	0.00
2005	2,922.42	0.00	0.00	0.00	2,922.42	0.00	11.5	0.00
2006	2,922.42	0.00	0.00	0.00	2,922.42	0.00	10.5	0.00
2007	2,922.42	0.00	0.00	0.00	2,922.42	0.00	9.5	0.00
2008	2,922.42	0.00	0.00	0.00	2,922.42	0.00	8.5	0.00
2009	2,922.42	0.00	0.00	0.00	2,922.42	0.00	7.5	0.00
2010	2,922.42	0.00	0.00	0.00	2,922.42	0.00	6.5	0.00
2011	2,922.42	0.00	0.00	0.00	2,922.42	0.00	5.5	0.00
2012	2,922.42	0.00	0.00	0.00	2,922.42	0.00	4.5	0.00
2013	2,922.42	0.00	0.00	0.00	2,922.42	0.00	3.5	0.00
2014	2,922.42	0.00	0.00	0.00	2,922.42	0.00	2.5	0.00
2015	2,922.42	0.00	0.00	0.00	2,922.42	0.00	1.5	0.00
2016	2,922.42	0.00	0.00	0.00	2,922.42	0.00	0.5	0.00
		<b>13,522.02</b>	<b>10,599.60</b>	<b>0.00</b>		<b>2,922.42</b>	<b>15.5</b>	<b>45,297.51</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 394 - SMALL TOOLS  
@ 12/31/16

2017 Pro Forma												
YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE	ADJUSTMENTS & TRANSFERS	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00	0.00	0.00	49.5	0.00
1968	0.00	0.00	0.00	0.00	0.00	0.00	48.5	0.00	0.00	0.00	48.5	0.00
1969	0.00	0.00	0.00	0.00	0.00	0.00	47.5	0.00	0.00	0.00	47.5	0.00
1970	0.00	0.00	0.00	0.00	0.00	0.00	46.5	0.00	0.00	0.00	46.5	0.00
1971	0.00	0.00	0.00	0.00	0.00	0.00	45.5	0.00	0.00	0.00	45.5	0.00
1972	0.00	0.00	0.00	0.00	0.00	0.00	44.5	0.00	0.00	0.00	44.5	0.00
1973	0.00	0.00	0.00	0.00	0.00	0.00	43.5	0.00	0.00	0.00	43.5	0.00
1974	0.00	0.00	0.00	0.00	0.00	0.00	42.5	0.00	0.00	0.00	42.5	0.00
1975	0.00	0.00	0.00	0.00	0.00	0.00	41.5	0.00	0.00	0.00	41.5	0.00
1976	0.00	0.00	0.00	0.00	0.00	0.00	40.5	0.00	0.00	0.00	40.5	0.00
1977	0.00	0.00	0.00	0.00	0.00	0.00	39.5	0.00	0.00	0.00	39.5	0.00
1978	0.00	0.00	0.00	0.00	0.00	0.00	38.5	0.00	0.00	0.00	38.5	0.00
1979	0.00	0.00	0.00	0.00	0.00	0.00	37.5	0.00	0.00	0.00	37.5	0.00
1980	0.00	0.00	0.00	0.00	0.00	0.00	36.5	0.00	0.00	0.00	36.5	0.00
1981	0.00	0.00	0.00	0.00	0.00	0.00	35.5	0.00	0.00	0.00	35.5	0.00
1982	0.00	0.00	0.00	0.00	0.00	0.00	34.5	0.00	0.00	0.00	34.5	0.00
1983	0.00	1,447.32	1,447.32	0.00	0.00	0.00	33.5	0.00	0.00	0.00	33.5	0.00
1984	0.00	0.00	0.00	0.00	0.00	0.00	32.5	0.00	0.00	0.00	32.5	0.00
1985	0.00	0.00	0.00	0.00	0.00	0.00	31.5	0.00	0.00	0.00	31.5	0.00
1986	0.00	21,123.54	0.00	0.00	21,123.54	21,123.54	30.5	644,267.97	0.00	21,123.54	30.5	644,267.97
1987	21,123.54	21,956.41	0.00	0.00	43,079.95	21,956.41	29.5	647,714.10	0.00	21,956.41	29.5	647,714.10
1988	43,079.95	0.00	0.00	0.00	43,079.95	0.00	28.5	0.00	0.00	0.00	28.5	0.00
1989	43,079.95	1,476.24	0.00	0.00	44,556.19	1,476.24	27.5	40,596.60	0.00	1,476.24	27.5	40,596.60
1990	44,556.19	12,564.64	0.00	0.00	57,120.83	12,564.64	26.5	332,962.96	0.00	12,564.64	26.5	332,962.96
1991	57,120.83	22,889.22	0.00	0.00	80,010.05	22,889.22	25.5	583,675.11	0.00	22,889.22	25.5	583,675.11
1992	80,010.05	28,190.36	0.00	0.00	108,200.41	28,190.36	24.5	690,663.82	0.00	28,190.36	24.5	690,663.82
1993	108,200.41	23,438.82	0.00	0.00	131,639.23	23,438.82	23.5	550,812.27	0.00	23,438.82	23.5	550,812.27
1994	131,639.23	45,357.71	23,096.34	0.00	153,900.60	22,261.37	22.5	500,880.83	0.00	22,261.37	22.5	500,880.83
1995	153,900.60	23,340.66	0.00	0.00	177,241.26	23,340.66	21.5	501,824.19	0.00	23,340.66	21.5	501,824.19
1996	177,241.26	14,996.25	0.00	0.00	192,237.51	14,996.25	20.5	307,423.13	0.00	14,996.25	20.5	307,423.13
1997	192,237.51	11,340.32	0.00	0.00	203,577.83	11,340.32	19.5	221,136.24	0.00	11,340.32	19.5	221,136.24
1998	203,577.83	75,281.09	5,650.00	0.00	273,208.92	69,631.09	18.5	1,288,175.17	0.00	69,631.09	18.5	1,288,175.17
1999	273,208.92	173,935.94	4,874.68	0.00	442,270.18	169,061.26	17.5	2,958,572.05	0.00	169,061.26	17.5	2,958,572.05
2000	442,270.18	149,310.16	9,105.12	0.00	582,475.22	140,205.04	16.5	2,313,383.16	0.00	140,205.04	16.5	2,313,383.16
2001	582,475.22	(1,236.17)	2,420.59	0.00	578,818.46	(3,656.76)	15.5	(56,679.78)	0.00	(3,656.76)	15.5	(56,679.78)
2002	578,818.46	5,988.76	0.00	0.00	584,807.22	5,988.76	14.5	86,837.02	0.00	5,988.76	14.5	86,837.02
2003	584,807.22	8,520.41	0.00	0.00	593,327.63	8,520.41	13.5	115,025.54	0.00	8,520.41	13.5	115,025.54
2004	593,327.63	166,796.85	5,847.24	0.00	754,277.24	160,949.61	12.5	2,011,870.13	0.00	160,949.61	12.5	2,011,870.13
2005	754,277.24	3,168.50	0.00	0.00	757,445.74	3,168.50	11.5	36,437.75	0.00	3,168.50	11.5	36,437.75
2006	757,445.74	268,963.88	214,366.10	0.00	812,043.52	54,597.78	10.5	573,276.69	0.00	54,597.78	10.5	573,276.69
2007	812,043.52	0.00	0.00	0.00	812,043.52	0.00	9.5	0.00	0.00	0.00	9.5	0.00
2008	812,043.52	129,372.93	0.00	0.00	941,416.45	129,372.93	8.5	1,099,669.91	0.00	129,372.93	8.5	1,099,669.91
2009	941,416.45	90,063.74	85,273.97	0.00	946,206.22	4,789.77	7.5	35,923.28	0.00	4,789.77	7.5	35,923.28
2010	946,206.22	150,174.15	22,441.86	0.00	1,073,938.51	127,732.29	6.5	830,259.89	0.00	127,732.29	6.5	830,259.89
2011	1,073,938.51	56,754.01	26,771.21	0.00	1,103,921.31	29,982.80	5.5	164,905.40	0.00	29,982.80	5.5	164,905.40
2012	1,103,921.31	55,729.48	40,856.51	0.00	1,118,794.28	14,872.97	4.5	66,928.37	0.00	14,872.97	4.5	66,928.37
2013	1,118,794.28	132,181.33	0.00	0.00	1,250,975.61	132,181.33	3.5	462,634.66	0.00	132,181.33	3.5	462,634.66
2014	1,250,975.61	180,982.35	0.00	0.00	1,431,957.96	180,982.35	2.5	452,455.88	0.00	180,982.35	2.5	452,455.88
2015	1,431,957.96	31,577.61	0.00	0.00	1,463,535.57	31,577.61	1.5	47,366.42	0.00	31,577.61	1.5	47,366.42
2016	1,463,535.57	22,336.11	0.00	0.00	1,485,871.68	22,336.11	0.5	11,168.06	45,204.72	67,540.83	0.5	33,770.42
		1,928,022.62	442,150.94	0.00		1,485,871.68	11.8	17,520,166.82	45,204.72	1,531,076.40	11.5	17,542,769.18

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 395 - LABORATORY EQUIPMENT  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00
1968	0.00	0.00	0.00	0.00	0.00	0.00	48.5	0.00
1969	0.00	0.00	0.00	0.00	0.00	0.00	47.5	0.00
1970	0.00	0.00	0.00	0.00	0.00	0.00	46.5	0.00
1971	0.00	0.00	0.00	0.00	0.00	0.00	45.5	0.00
1972	0.00	0.00	0.00	0.00	0.00	0.00	44.5	0.00
1973	0.00	0.00	0.00	0.00	0.00	0.00	43.5	0.00
1974	0.00	0.00	0.00	0.00	0.00	0.00	42.5	0.00
1975	0.00	0.00	0.00	0.00	0.00	0.00	41.5	0.00
1976	0.00	0.00	0.00	0.00	0.00	0.00	40.5	0.00
1977	0.00	0.00	0.00	0.00	0.00	0.00	39.5	0.00
1978	0.00	0.00	0.00	0.00	0.00	0.00	38.5	0.00
1979	0.00	0.00	0.00	0.00	0.00	0.00	37.5	0.00
1980	0.00	0.00	0.00	0.00	0.00	0.00	36.5	0.00
1981	0.00	0.00	0.00	0.00	0.00	0.00	35.5	0.00
1982	0.00	0.00	0.00	0.00	0.00	0.00	34.5	0.00
1983	0.00	0.00	0.00	0.00	0.00	0.00	33.5	0.00
1984	0.00	0.00	0.00	0.00	0.00	0.00	32.5	0.00
1985	0.00	0.00	0.00	0.00	0.00	0.00	31.5	0.00
1986	0.00	1,659.91	0.00	0.00	1,659.91	1,659.91	30.5	50,627.26
1987	1,659.91	0.00	0.00	0.00	1,659.91	0.00	29.5	0.00
1988	1,659.91	0.00	0.00	0.00	1,659.91	0.00	28.5	0.00
1989	1,659.91	0.00	0.00	0.00	1,659.91	0.00	27.5	0.00
1990	1,659.91	2,374.50	0.00	0.00	4,034.41	2,374.50	26.5	62,924.25
1991	4,034.41	0.00	0.00	0.00	4,034.41	0.00	25.5	0.00
1992	4,034.41	0.00	0.00	0.00	4,034.41	0.00	24.5	0.00
1993	4,034.41	0.00	0.00	0.00	4,034.41	0.00	23.5	0.00
1994	4,034.41	0.00	0.00	0.00	4,034.41	0.00	22.5	0.00
1995	4,034.41	0.00	0.00	0.00	4,034.41	0.00	21.5	0.00
1996	4,034.41	0.00	0.00	0.00	4,034.41	0.00	20.5	0.00
1997	4,034.41	0.00	0.00	0.00	4,034.41	0.00	19.5	0.00
1998	4,034.41	0.00	0.00	0.00	4,034.41	0.00	18.5	0.00
1999	4,034.41	0.00	0.00	0.00	4,034.41	0.00	17.5	0.00
2000	4,034.41	0.00	0.00	0.00	4,034.41	0.00	16.5	0.00
2001	4,034.41	0.00	0.00	0.00	4,034.41	0.00	15.5	0.00
2002	4,034.41	0.00	0.00	0.00	4,034.41	0.00	14.5	0.00
2003	4,034.41	0.00	0.00	0.00	4,034.41	0.00	13.5	0.00
2004	4,034.41	0.00	0.00	0.00	4,034.41	0.00	12.5	0.00
2005	4,034.41	0.00	0.00	0.00	4,034.41	0.00	11.5	0.00
2006	4,034.41	0.00	0.00	0.00	4,034.41	0.00	10.5	0.00
2007	4,034.41	0.00	0.00	0.00	4,034.41	0.00	9.5	0.00
2008	4,034.41	0.00	0.00	0.00	4,034.41	0.00	8.5	0.00
2009	4,034.41	0.00	0.00	0.00	4,034.41	0.00	7.5	0.00
2010	4,034.41	0.00	0.00	0.00	4,034.41	0.00	6.5	0.00
2011	4,034.41	0.00	0.00	0.00	4,034.41	0.00	5.5	0.00
2012	4,034.41	0.00	0.00	0.00	4,034.41	0.00	4.5	0.00
2013	4,034.41	0.00	0.00	0.00	4,034.41	0.00	3.5	0.00
2014	4,034.41	0.00	0.00	0.00	4,034.41	0.00	2.5	0.00
2015	4,034.41	0.00	0.00	0.00	4,034.41	0.00	1.5	0.00
2016	4,034.41	0.00	0.00	0.00	4,034.41	0.00	0.5	0.00
		<b>4,034.41</b>	<b>0.00</b>	<b>0.00</b>		<b>4,034.41</b>	<b>28.1</b>	<b>113,551.51</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 396 - POWER OPERATED EQUIPMENT  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE		SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
2007	0.00	0.00	0.00	16,124.24	16,124.24		16,124.24	8.5	137,056.04
2009	16,124.24	21,947.88	0.00	0.00	38,072.12		21,947.88	7.5	164,609.10
2010	38,072.12	26,906.50	0.00	0.00	64,978.62		26,906.50	6.5	174,892.25
2011	64,978.62	0.00	0.00	0.00	64,978.62		0.00	5.5	0.00
2012	64,978.62	0.00	0.00	0.00	64,978.62		0.00	4.5	0.00
2013	64,978.62	0.00	0.00	0.00	64,978.62		0.00	3.5	0.00
2014	64,978.62	82,474.49	0.00	0.00	147,453.11		82,474.49	2.5	206,186.23
2015	147,453.11	0.00	0.00	0.00	147,453.11		0.00	1.5	0.00
2016	147,453.11	0.00	0.00	0.00	147,453.11		0.00	0.5	0.00
		<b>131,328.87</b>	<b>0.00</b>	<b>16,124.24</b>			<b>147,453.11</b>	<b>4.6</b>	<b>682,743.62</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 397 - COMMUNICATION EQUIPMENT  
@ 12/31/16

YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00
1968	0.00	869.27	0.00	0.00	869.27	869.27	48.5	42,159.60
1969	869.27	3,693.14	3,125.42	0.00	1,436.99	567.72	47.5	26,966.70
1970	1,436.99	0.00	0.00	0.00	1,436.99	0.00	46.5	0.00
1971	1,436.99	47.43	47.43	0.00	1,436.99	0.00	45.5	0.00
1972	1,436.99	3,892.35	3,892.35	0.00	1,436.99	0.00	44.5	0.00
1973	1,436.99	2,452.31	2,452.31	0.00	1,436.99	0.00	43.5	0.00
1974	1,436.99	460.04	460.04	0.00	1,436.99	0.00	42.5	0.00
1975	1,436.99	0.00	0.00	0.00	1,436.99	0.00	41.5	0.00
1976	1,436.99	194.93	194.93	0.00	1,436.99	0.00	40.5	0.00
1977	1,436.99	1,231.88	1,231.88	0.00	1,436.99	0.00	39.5	0.00
1978	1,436.99	0.00	0.00	0.00	1,436.99	0.00	38.5	0.00
1979	1,436.99	0.00	0.00	0.00	1,436.99	0.00	37.5	0.00
1980	1,436.99	0.00	0.00	0.00	1,436.99	0.00	36.5	0.00
1981	1,436.99	4,374.48	4,374.48	0.00	1,436.99	0.00	35.5	0.00
1982	1,436.99	13,576.54	13,576.54	0.00	1,436.99	0.00	34.5	0.00
1983	1,436.99	15,271.91	15,271.91	0.00	1,436.99	0.00	33.5	0.00
1984	1,436.99	2,709.00	2,709.00	0.00	1,436.99	0.00	32.5	0.00
1985	1,436.99	311.85	311.85	0.00	1,436.99	0.00	31.5	0.00
1986	1,436.99	4,410.00	4,410.00	0.00	1,436.99	0.00	30.5	0.00
1987	1,436.99	70,425.18	70,425.18	0.00	1,436.99	0.00	29.5	0.00
1988	1,436.99	24,366.81	24,366.81	0.00	1,436.99	0.00	28.5	0.00
1989	1,436.99	3,278.58	3,278.58	0.00	1,436.99	0.00	27.5	0.00
1990	1,436.99	25,736.67	25,736.67	0.00	1,436.99	0.00	26.5	0.00
1991	1,436.99	28,585.01	28,585.01	0.00	1,436.99	0.00	25.5	0.00
1992	1,436.99	16,970.26	16,970.26	0.00	1,436.99	0.00	24.5	0.00
1993	1,436.99	26,221.73	26,221.73	0.00	1,436.99	0.00	23.5	0.00
1994	1,436.99	66,980.73	66,980.73	0.00	1,436.99	0.00	22.5	0.00
1995	1,436.99	41,341.89	41,341.89	0.00	1,436.99	(0.00)	21.5	0.00
1996	1,436.99	58,272.58	58,272.58	0.00	1,436.99	0.00	20.5	0.00
1997	1,436.99	32,034.00	32,034.00	0.00	1,436.99	0.00	19.5	0.00
1998	1,436.99	453,495.02	453,495.02	0.00	1,436.99	0.00	18.5	0.00
1999	1,436.99	32,186.88	32,186.88	0.00	1,436.99	0.00	17.5	0.00
2000	1,436.99	237,602.39	237,602.39	0.00	1,436.99	0.00	16.5	0.00
2001	1,436.99	108,204.27	108,204.27	0.00	1,436.99	0.00	15.5	0.00
2002	1,436.99	16,486.39	16,486.39	0.00	1,436.99	0.00	14.5	0.00
2003	1,436.99	29,583.35	29,583.35	0.00	1,436.99	0.00	13.5	0.00
2004	1,436.99	8,471.80	8,471.80	0.00	1,436.99	0.00	12.5	0.00
2005	1,436.99	22,255.00	0.00	0.00	23,691.99	22,255.00	11.5	255,932.50
2006	23,691.99	0.00	0.00	0.00	23,691.99	0.00	10.5	0.00
2007	23,691.99	0.00	0.00	0.00	23,691.99	0.00	9.5	0.00
2008	23,691.99	340.35	0.00	0.00	24,032.34	340.35	8.5	2,892.98
2009	24,032.34	59,359.73	0.00	0.00	83,392.07	59,359.73	7.5	445,197.98
2010	83,392.07	0.00	0.00	0.00	83,392.07	0.00	6.5	0.00
2011	83,392.07	0.00	0.00	0.00	83,392.07	0.00	5.5	0.00
2012	83,392.07	0.00	0.00	0.00	83,392.07	0.00	4.5	0.00
2013	83,392.07	0.00	0.00	0.00	83,392.07	0.00	3.5	0.00
2014	83,392.07	19,731.39	0.00	0.00	103,123.46	19,731.39	2.5	49,328.48
2015	103,123.46	35,886.55	0.00	0.00	139,010.01	35,886.55	1.5	53,829.83
2016	139,010.01	252,635.60	0.00	0.00	391,645.61	252,635.60	0.5	126,317.80
		<b>1,723,947.29</b>	<b>1,332,301.68</b>	<b>0.00</b>		<b>391,645.61</b>	<b>2.6</b>	<b>1,002,625.87</b>

CITY GAS COMPANY OF FLORIDA  
ANALYSIS OF HISTORICAL PLANT ACCOUNTING  
ACCOUNT NUMBER 398 - MISCELLANEOUS EQUIPMENT  
@ 12/31/16

2017 Pro Forma												
YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE	ADJUSTMENTS & TRANSFERS	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
1949	0.00	0.00	0.00	0.00	0.00	0.00	67.5	0.00	0.00	0.00	67.5	0.00
1950	0.00	0.00	0.00	0.00	0.00	0.00	66.5	0.00	0.00	0.00	66.5	0.00
1951	0.00	0.00	0.00	0.00	0.00	0.00	65.5	0.00	0.00	0.00	65.5	0.00
1952	0.00	0.00	0.00	0.00	0.00	0.00	64.5	0.00	0.00	0.00	64.5	0.00
1953	0.00	0.00	0.00	0.00	0.00	0.00	63.5	0.00	0.00	0.00	63.5	0.00
1954	0.00	0.00	0.00	0.00	0.00	0.00	62.5	0.00	0.00	0.00	62.5	0.00
1955	0.00	0.00	0.00	0.00	0.00	0.00	61.5	0.00	0.00	0.00	61.5	0.00
1956	0.00	0.00	0.00	0.00	0.00	0.00	60.5	0.00	0.00	0.00	60.5	0.00
1957	0.00	0.00	0.00	0.00	0.00	0.00	59.5	0.00	0.00	0.00	59.5	0.00
1958	0.00	0.00	0.00	0.00	0.00	0.00	58.5	0.00	0.00	0.00	58.5	0.00
1959	0.00	0.00	0.00	0.00	0.00	0.00	57.5	0.00	0.00	0.00	57.5	0.00
1960	0.00	0.00	0.00	0.00	0.00	0.00	56.5	0.00	0.00	0.00	56.5	0.00
1961	0.00	0.00	0.00	0.00	0.00	0.00	55.5	0.00	0.00	0.00	55.5	0.00
1962	0.00	0.00	0.00	0.00	0.00	0.00	54.5	0.00	0.00	0.00	54.5	0.00
1963	0.00	0.00	0.00	0.00	0.00	0.00	53.5	0.00	0.00	0.00	53.5	0.00
1964	0.00	0.00	0.00	0.00	0.00	0.00	52.5	0.00	0.00	0.00	52.5	0.00
1965	0.00	0.00	0.00	0.00	0.00	0.00	51.5	0.00	0.00	0.00	51.5	0.00
1966	0.00	0.00	0.00	0.00	0.00	0.00	50.5	0.00	0.00	0.00	50.5	0.00
1967	0.00	0.00	0.00	0.00	0.00	0.00	49.5	0.00	0.00	0.00	49.5	0.00
1968	0.00	1,327.49	1,327.49	0.00	0.00	0.00	48.5	0.00	0.00	0.00	48.5	0.00
1969	0.00	0.00	0.00	0.00	0.00	0.00	47.5	0.00	0.00	0.00	47.5	0.00
1970	0.00	0.00	0.00	0.00	0.00	0.00	46.5	0.00	0.00	0.00	46.5	0.00
1971	0.00	0.00	0.00	0.00	0.00	0.00	45.5	0.00	0.00	0.00	45.5	0.00
1972	0.00	0.00	0.00	0.00	0.00	0.00	44.5	0.00	0.00	0.00	44.5	0.00
1973	0.00	0.00	0.00	0.00	0.00	0.00	43.5	0.00	0.00	0.00	43.5	0.00
1974	0.00	0.00	0.00	0.00	0.00	0.00	42.5	0.00	0.00	0.00	42.5	0.00
1975	0.00	0.00	0.00	0.00	0.00	0.00	41.5	0.00	0.00	0.00	41.5	0.00
1976	0.00	0.00	0.00	0.00	0.00	0.00	40.5	0.00	0.00	0.00	40.5	0.00
1977	0.00	0.00	0.00	0.00	0.00	0.00	39.5	0.00	0.00	0.00	39.5	0.00
1978	0.00	0.00	0.00	0.00	0.00	0.00	38.5	0.00	0.00	0.00	38.5	0.00
1979	0.00	0.00	0.00	0.00	0.00	0.00	37.5	0.00	0.00	0.00	37.5	0.00
1980	0.00	0.00	0.00	0.00	0.00	0.00	36.5	0.00	0.00	0.00	36.5	0.00
1981	0.00	0.00	0.00	0.00	0.00	0.00	35.5	0.00	0.00	0.00	35.5	0.00
1982	0.00	366.08	366.08	0.00	0.00	0.00	34.5	0.00	0.00	0.00	34.5	0.00
1983	0.00	0.00	0.00	0.00	0.00	0.00	33.5	0.00	0.00	0.00	33.5	0.00
1984	0.00	0.00	0.00	0.00	0.00	0.00	32.5	0.00	0.00	0.00	32.5	0.00
1985	0.00	0.00	0.00	0.00	0.00	0.00	31.5	0.00	0.00	0.00	31.5	0.00
1986	0.00	956.28	956.28	0.00	0.00	0.00	30.5	0.00	0.00	0.00	30.5	0.00
1987	0.00	0.00	0.00	0.00	0.00	0.00	29.5	0.00	0.00	0.00	29.5	0.00
1988	0.00	0.00	0.00	0.00	0.00	0.00	28.5	0.00	0.00	0.00	28.5	0.00
1989	0.00	0.00	0.00	0.00	0.00	0.00	27.5	0.00	0.00	0.00	27.5	0.00
1990	0.00	3,042.20	3,042.20	0.00	0.00	0.00	26.5	0.00	0.00	0.00	26.5	0.00
1991	0.00	0.00	0.00	0.00	0.00	0.00	25.5	0.00	0.00	0.00	25.5	0.00
1992	0.00	2,017.00	2,017.00	0.00	0.00	0.00	24.5	0.00	0.00	0.00	24.5	0.00
1993	0.00	1,355.00	1,355.00	0.00	0.00	0.00	23.5	0.00	0.00	0.00	23.5	0.00
1994	0.00	9,158.86	9,158.86	0.00	0.00	0.00	22.5	0.00	0.00	0.00	22.5	0.00
1995	0.00	6,449.50	3,645.80	0.00	2,803.70	2,803.70	21.5	60,279.55	0.00	2,803.70	21.5	60,279.55
1996	2,803.70	8,693.94	8,186.39	0.00	3,311.25	507.55	20.5	10,404.78	0.00	507.55	20.5	10,404.78
1997	3,311.25	2,090.30	1,467.02	0.00	3,934.53	623.28	19.5	12,153.96	0.00	623.28	19.5	12,153.96
1998	3,934.53	2,773.93	2,773.93	0.00	3,934.53	0.00	18.5	0.00	0.00	0.00	18.5	0.00
1999	3,934.53	10,656.36	10,656.36	0.00	3,934.53	0.00	17.5	0.00	0.00	0.00	17.5	0.00
2000	3,934.53	58,946.84	58,946.84	0.00	3,934.53	0.00	16.5	0.00	0.00	0.00	16.5	0.00
2001	3,934.53	88,642.38	86,999.38	0.00	5,577.53	1,643.00	15.5	25,466.50	0.00	1,643.00	15.5	25,466.50
2002	5,577.53	104.08	104.08	0.00	5,577.53	0.00	14.5	0.00	0.00	0.00	14.5	0.00
2003	5,577.53	46,361.36	44,089.60	0.00	7,849.29	2,271.76	13.5	30,668.76	0.00	2,271.76	13.5	30,668.76
2004	7,849.29	53,686.82	18,288.87	0.00	43,247.24	35,397.95	12.5	442,474.38	0.00	35,397.95	12.5	442,474.38
2005	43,247.24	69,097.42	69,097.42	0.00	43,247.24	0.00	11.5	0.00	0.00	0.00	11.5	0.00
2006	43,247.24	14,553.00	0.00	0.00	57,800.24	14,553.00	10.5	152,806.50	0.00	14,553.00	10.5	152,806.50
2007	57,800.24	96,084.43	96,084.43	0.00	57,800.24	0.00	9.5	0.00	0.00	0.00	9.5	0.00
2008	57,800.24	249,448.12	247,881.66	0.00	59,366.70	1,566.46	8.5	13,314.91	0.00	1,566.46	8.5	13,314.91
2009	59,366.70	0.00	0.00	0.00	59,366.70	0.00	7.5	0.00	0.00	0.00	7.5	0.00
2010	59,366.70	21,367.79	20,256.28	0.00	60,478.21	1,111.51	6.5	7,224.82	0.00	1,111.51	6.5	7,224.82
2011	60,478.21	64,986.14	49,967.95	(11,255.45)	64,240.95	3,762.74	5.5	20,695.07	0.00	3,762.74	5.5	20,695.07
2012	64,240.95	49,420.24	15,445.74	0.00	98,215.45	33,974.50	4.5	152,885.25	0.00	33,974.50	4.5	152,885.25
2013	98,215.45	10,555.42	0.00	0.00	108,770.87	10,555.42	3.5	36,943.97	0.00	10,555.42	3.5	36,943.97
2014	108,770.87	0.00	0.00	0.00	108,770.87	0.00	2.5	0.00	0.00	0.00	2.5	0.00
2015	108,770.87	0.00	0.00	0.00	108,770.87	0.00	1.5	0.00	0.00	0.00	1.5	0.00
2016	108,770.87	0.00	0.00	0.00	108,770.87	0.00	0.5	0.00	33,173.03	33,173.03	0.5	16,586.52
		872,140.98	752,114.66	(11,255.45)		108,770.87	8.9	965,318.45	33,173.03	141,943.90	6.9	981,904.97

## **APPENDIX E - Net Salvage Analysis**

CITY GAS COMPANY OF FLORIDA  
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL  
AS ADJUSTED 2004-2016

		Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
<b>Account 303</b>															
<b>Intangible Plant</b>															
	2004	0	0	0	0	NA									
	2005	0	0	0	0	NA	NA								
	2006	0	0	0	0	NA	NA	NA							
	2007	0	0	0	0	NA	NA	NA	NA						
	2008	0	0	0	0	NA	NA	NA	NA	NA					
	2009	0	0	0	0	NA	NA	NA	NA	NA	NA				
	2010	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
	2011	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
	2012	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	2013	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	2014	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	2015	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	2016	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Account 367</b>															
<b>Transmission Mains</b>															
	2004	0	0	0	0	NA									
	2005	0	0	0	0	NA	NA								
	2006	0	0	0	0	NA	NA	NA							
	2007	0	0	0	0	NA	NA	NA	NA						
	2008	0	0	0	0	NA	NA	NA	NA	NA					
	2009	0	0	0	0	NA	NA	NA	NA	NA	NA				
	2010	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
	2011	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
	2012	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	2013	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	2014	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	2015	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	2016	0	0	4,940	(4,940)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Account 375</b>															
<b>Structures &amp; Improvements</b>															
	2004	0	0	0	0	NA									
	2005	0	0	0	0	NA	NA								
	2006	0	0	0	0	NA	NA	NA							
	2007	0	0	0	0	NA	NA	NA	NA						
	2008	0	0	0	0	NA	NA	NA	NA	NA					
	2009	5,067	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
	2010	177,684	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
	2011	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	2012	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	2013	0	0	0	0	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2014	0	0	0	0	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2015	0	0	0	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%
	2016	0	65,146	0	65,146	NA	NA	NA	NA	NA	NA	36.66%	35.65%	35.65%	35.65%
<b>Account 376.1</b>															
<b>Mains - Other than Plastic</b>															
	2004	26,454	0	76,167	(76,167)	-287.92%									
	2005	40,928	0	94,500	(94,500)	-230.89%	-253.28%								
	2006	5,112	0	1,299	(1,299)	-25.41%	-208.08%	-237.21%							
	2007	623	0	13	(13)	-2.09%	-22.88%	-205.33%	-235.21%						
	2008	2,494	0	154	(154)	-6.17%	-5.36%	-17.82%	-195.22%	-227.66%					
	2009	218,494	0	122,501	(122,501)	-56.07%	-55.50%	-55.35%	-54.68%	-81.62%	-100.18%				
	2010	0	0	7,135	(7,135)	NA	-59.33%	-58.73%	-58.57%	-57.82%	-84.29%	-102.61%			
	2011	10	0	185,087	(185,087)	-1850870.00%	-1922220.00%	-144.04%	-142.48%	-142.08%	-139.45%	-153.44%	-165.53%		
	2012	(0)	0	76,473	(76,473)	76472999.75%	-2642020.20%	-2714090.91%	-179.03%	-177.08%	-176.59%	-173.18%	-182.01%	-165.64%	
	2013	122,453	0	307,247	(307,247)	-250.91%	-313.36%	-464.47%	-470.30%	-204.85%	-203.40%	-203.04%	-200.44%	-179.41%	-208.99%
	2014	387,084	0	872,367	(872,367)	-225.37%	-231.51%	-246.52%	-282.83%	-284.23%	-215.76%	-215.04%	-214.86%	-213.37%	-214.46%
	2015	78,556	0	723,088	(723,088)	-920.48%	-342.64%	-323.54%	-336.54%	-368.01%	-369.22%	-284.39%	-283.53%	-283.32%	-281.70%
	2016	155,495	0	99,636	(99,636)	-64.08%	-351.52%	-272.90%	-269.28%	-279.57%	-304.45%	-305.41%	-248.78%	-248.14%	-248.00%



CITY GAS COMPANY OF FLORIDA  
RETIREMENTS, GROSS SALVAGE, AND COST OF REMOVAL  
AS ADJUSTED 2004-2016

		Retirements	Gross Salvage	Cost of Removal	Net Salvage	Net Salv. %	2- yr Net Salv. %	3- yr Net Salv. %	4- yr Net Salv. %	5- yr Net Salv. %	6- yr Net Salv. %	7- yr Net Salv. %	8- yr Net Salv. %	9- yr Net Salv. %	10- yr Net Salv. %
<b>Account 376.2</b>															
<b>Mains - Plastic</b>															
	2004	5,306	0	6,158	(6,158)	-116.06%									
	2005	4,549	0	22,401	(22,401)	-492.44%	-289.79%								
	2006	569	0	0	0	0.00%	-437.69%	-273.97%							
	2007	18,000	0	3,163	(3,163)	-17.57%	-17.03%	-110.58%	-111.60%						
	2008	15,393	0	846	(846)	-5.50%	-12.01%	-11.80%	-68.58%	-74.33%					
	2009	240,406	0	82,367	(82,367)	-34.26%	-32.53%	-31.55%	-31.48%	-39.00%	-40.44%				
	2010	101,881	0	38,724	(38,724)	-38.01%	-35.38%	-34.09%	-33.30%	-33.25%	-38.73%	-39.80%			
	2011	178,432	0	20,292	(20,292)	-11.37%	-21.05%	-27.15%	-26.53%	-26.24%	-26.21%	-30.00%	-30.81%		
	2012	160,381	0	49,856	(49,856)	-31.09%	-20.70%	-24.70%	-28.08%	-27.58%	-27.33%	-27.31%	-30.25%	-30.02%	
	2013	20,424	0	18,771	(18,771)	-91.91%	-37.96%	-24.75%	-27.68%	-29.94%	-29.41%	-29.12%	-29.10%	-28.92%	-32.55%
	2014	245,078	0	401,505	(401,505)	-163.83%	-158.29%	-110.39%	-81.15%	-74.93%	-64.60%	-63.66%	-62.81%	-62.77%	-64.76%
	2015	149,715	0	313,201	(313,201)	-209.20%	-181.03%	-176.65%	-136.09%	-106.58%	-98.42%	-84.35%	-83.26%	-81.93%	-82.17%
	2016	23,082	0	31,803	(31,803)	-137.78%	-199.66%	-178.64%	-174.60%	-136.16%	-107.50%	-99.45%	-85.45%	-84.29%	-83.32%
<b>Account 378</b>															
<b>M&amp;R Station Equip - Gen</b>															
	2004	0	0	0	0	NA									
	2005	0	0	0	0	NA	NA								
	2006	0	0	0	0	NA	NA	NA							
	2007	0	0	0	0	NA	NA	NA	NA						
	2008	0	0	0	0	NA	NA	NA	NA	NA					
	2009	0	0	0	0	NA	NA	NA	NA	NA	NA				
	2010	0	0	0	0	NA	NA	NA	NA	NA	NA	NA			
	2011	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA		
	2012	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	
	2013	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	2014	0	0	5,518	(5,518)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	2015	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	2016	0	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Account 379</b>															
<b>Meas. &amp; Reg. Sta. Equip</b>															
	2004	0	0	0	0	NA									
	2005	0	0	0	0	NA	NA								
	2006	0	0	0	0	NA	NA	NA							
	2007	0	0	0	0	NA	NA	NA	NA						
	2008	0	0	0	0	NA	NA	NA	NA	NA					
	2009	0	0	0	0	NA	NA	NA	NA	NA	NA				
	2010	533	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
	2011	0	0	0	0	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	2012	0	0	0	0	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
	2013	0	0	0	0	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2014	0	0	0	0	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	2015	0	0	0	0	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%
	2016	0	0	0	0	NA	NA	NA	NA	NA	NA	0.00%	0.00%	0.00%	0.00%
<b>Account 380.1</b>															
<b>Services - Other than Plastic</b>															
	2004	83,845	0	121,357	(121,357)	-144.74%									
	2005	73,240	0	322,357	(322,357)	-440.14%	-282.47%								
	2006	66,937	0	322,165	(322,165)	-481.30%	-459.79%	-341.88%							
	2007	120,203	0	92,233	(92,233)	-76.73%	-221.44%	-282.95%	-249.29%						
	2008	150,609	0	32,190	(32,190)	-21.37%	-45.94%	-132.22%	-187.10%	-179.92%					
	2009	1,784	0	199,385	(199,385)	-11176.29%	-151.96%	-118.79%	-190.25%	-234.59%	-219.42%				
	2010	144,869	0	194,380	(194,380)	-134.18%	-268.50%	-143.29%	-124.13%	-173.48%	-208.50%	-200.17%			
	2011	110,594	0	308,448	(308,448)	-278.90%	-196.83%	-272.97%	-180.06%	-156.54%	-193.08%	-220.16%	-211.75%		
	2012	393,335	0	262,809	(262,809)	-66.82%	-113.36%	-118.01%	-148.33%	-124.47%	-118.24%	-142.83%	-163.34%	-151.38%	
	2013	64,094	0	210,100	(210,100)	-327.80%	-103.38%	-137.56%	-136.87%	-164.43%	-139.53%	-131.87%	-154.09%	-144.07%	-170.77%
	2014	250,216	0	1,011,257	(1,011,257)	-404.15%	-388.58%	-209.73%	-219.08%	-206.31%	-226.59%	-198.89%	-187.00%	-177.39%	-214.80%
	2015	91,057	0	665,105	(665,105)	-730.43%	-491.21%	-465.37%	-269.10%	-270.29%	-251.58%	-270.04%	-239.00%	-217.35%	-236.64%
	2016	83,159	0	740,845	(740,845)	-890.88%	-807.01%	-569.52%	-537.80%	-327.73%	-322.29%	-298.33%	-315.36%	-278.54%	-263.61%











## **APPENDIX F- Total Company Reserve and RL versus WL Rates**

**SOUTHERN GAS COMPANY - FLORIDA CITY GAS  
SUMMARY OF PLANT RESERVE AND WL VERSUS RL ACCRUAL RATES  
DEPRECIATION STUDY AS OF JULY 31, 2018**

Account	Description	Plant In Service 07/31/2018	Book Depreciation 07/31/2018	Theoretical Reserve	RL Accrual Rate	WL Accrual Rate
<b>STORAGE PLANT</b>						
364.00	LNG Plant	\$ -	\$ -	\$ -	2.0%	2.0%
<b>DISTRIBUTION PLANT</b>						
375.00	Structures & Improvements	0	(80,099)	0	3.1%	3.1%
376.10	Mains, Steel	109,201,912	70,680,741	62,417,727	2.5%	2.7%
376.20	Mains, Plastic	150,016,423	40,242,440	36,533,288	2.5%	2.5%
378.00	M&R Station Equipment - General	3,009,723	146,541	179,100	3.5%	3.5%
379.00	M&R Station Equipment - City Gate	10,001,911	4,685,120	4,070,101	2.7%	3.0%
380.10	Services, Steel	14,597,872	22,559,287	18,378,355	2.7%	4.4%
380.20	Services, Plastic	61,702,824	21,210,271	24,098,203	3.4%	3.2%
381.00	Meters	19,544,112	3,486,513	5,794,542	6.1%	5.3%
382.00	Meter Installations	7,163,196	3,023,561	3,638,568	4.5%	4.0%
382.10	Meter Install - ERTs	4,694,672	2,821,080	1,646,202	3.1%	5.0%
383.00	House Regulators	5,883,813	2,643,921	2,106,345	3.0%	3.5%
384.00	House Regulator Installations	2,308,976	1,151,145	1,094,548	3.2%	3.3%
385.00	Industrial M&R Station Equipment	3,045,478	2,149,455	1,964,561	2.8%	3.3%
387.00	Other Equipment	836,930	332,635	278,843	3.0%	3.3%
	<b>Total Distribution</b>	<b>392,007,843</b>	<b>175,052,610</b>	<b>162,200,383</b>		
<b>GENERAL PLANT</b>						
390.00	Structures & Improvements	8,410,478	578,148	523,820	2.5%	2.5%
391.00	Office Furniture	635,484	132,036	54,722	6.7%	6.7%
391.10	Software Non-Enterprise	215,218	(305,046)	77,744	10.0%	10.0%
391.11	Computer Software	12,908,974	3,681,459	4,058,339	8.3%	8.3%
391.12	Computer Hardware	660,987	129,438	499,950	20.0%	20.0%
391.50	Individual Equipment	181,680	60,156	46,934	20.0%	20.0%
392.00	Transportation Equipment	1,224,133	18,870	149,254	8.4%	7.3%
392.10	Trans Equip - Autos & Lt Trucks	128,095	149,007	11,711	11.0%	11.0%
392.20	Trans Equip - Service Trucks	3,231,812	629,930	828,397	12.1%	11.0%
392.30	Trans Equip - Heavy Trucks	374,204	204,897	158,096	4.9%	6.8%
393.00	Stores Equipment	0	(1,301)	0	4.0%	4.0%
394.00	Tools, Shop, & Garage Equipment	644,252	(43,717)	138,142	6.7%	6.7%
394.10	Natural Gas Vehicle Equipment	3,661,963	401,398	221,244	4.7%	5.0%
395.00	Laboratory Equipment	0	(0)	0	5.0%	5.0%
396.00	Power Operated Equipment	210,084	48,344	58,879	6.5%	6.0%
397.00	Communication Equipment	609,131	125,650	55,235	8.3%	8.3%
398.00	Miscellaneous Equipment	248,144	(223,416)	46,460	5.0%	5.0%
	<b>Total General</b>	<b>33,344,637</b>	<b>5,585,852</b>	<b>6,928,928</b>		
	<b>TOTAL DEPRECIABLE PLANT</b>	<b>\$ 425,352,480</b>	<b>\$ 180,638,462</b>	<b>\$ 169,129,311</b>		

Amortized Accts Reflect retirement of assets greater than ASL



## **APPENDIX G- Summary of Plant-in-Service and Accumulated Depreciation**

**APPENDIX G-1 Summary of Plant-in-Service 2014 – 2018**

## July 31, 2018 Forecast

Functional Class		Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
FERC Plant Account	FERC Form Ref.						
374.10 Land - DP	374	732,174.17	0.00	0.00			732,174.17
374.30 Right of Way - DP	374	11,131.67	0.00	0.00			11,131.67
375.00 Structures & Improvements DP	375	0.00	0.00	0.00			0.00
376.10 Mains - Steel	376.1	109,247,421.88	0.00	(45,509.76)			109,201,912.11
376.20 Mains - Plastic	376.2	128,529,169.20	21,544,805.23	(60,940.11)			150,013,034.32
376.30 Mains - Cast Iron	376.2	1,754.63	0.00	0.00			1,754.63
376.97 Mains - Unreconciled Balance	376.2	1,633.90					1,633.90
378 M&R Station Equipment	378	1,873,056.45	1,136,666.69	0.00			3,009,723.14
379.00 M&R Station Equip - City Gat	379	10,001,910.51	0.00	0.00			10,001,910.51
380.10 Services - Steel	380.1	14,669,114.93	0.00	(71,243.38)			14,597,871.55
380.20 Services - Plastic	380.2	60,840,878.17	1,027,416.69	(165,470.71)			61,702,824.15
381.00 Meters	381	17,858,023.82	446,293.75	(323,739.66)			17,980,577.91
381.10 Meters - ERTs	381	1,563,534.26	0.00	0.00			1,563,534.26
382.00 Meter Installations	382	7,193,870.05	0.00	(30,673.64)			7,163,196.42
382.10 Meter Install - ERTs	382	4,694,672.47	0.00	0.00			4,694,672.47
383.00 House Regulators	383	5,889,245.72	0.00	(5,433.12)			5,883,812.59
384.00 House Reg Installations	384	2,308,976.45	0.00	0.00			2,308,976.45
385.00 Industrial M&R Station Equip	385	3,045,477.79	0.00	0.00			3,045,477.79
387.00 Other Equipment - DP	387	836,930.34	0.00	0.00			836,930.34
<b>Distribution Plant</b>		<b>369,298,976.40</b>	<b>24,155,182.36</b>	<b>(703,010.38)</b>	<b>0.00</b>	<b>0.00</b>	<b>392,751,148.38</b>
389.00 Land & Land Rights - GP	389	2,410,431.74	0.00	0.00			2,410,431.74
390.00 Structures & Improvements GP	390	8,410,477.58	0.00	0.00			8,410,477.58
391.00 Office Furniture	391.1	693,653.31	0.00	(58,169.62)			635,483.69
391.10 OFE - Software Non-Enterprise	391.2	727,402.90	0.00	(71,089.11)			656,313.79
391.11 OFE - Computer Software	391.3	12,872,094.25	43,615.00	(6,735.02)			12,908,974.23
391.12 OFE - Computer Hardware	391.2	710,099.69	0.00	(49,112.70)			660,986.99
391.50 Individual Equipment	391.2	329,067.80	0.00	0.00			329,067.80
392.00 Trans Equip	392	526,732.85	697,400.00	0.00			1,224,132.85
392.10 Trans Eq - Autos & Lt Trcks	392	135,006.13	48,000.00	(54,911.15)			128,094.98
392.20 Trans Equip - Service Trucks	392	3,113,728.57	142,000.00	(23,916.88)			3,231,811.69
392.30 Trans Equip - Heavy Trucks	392	310,203.71	64,000.00	0.00			374,203.71
393.00 Stores Equipment	393	0.00	0.00	0.00			0.00
394.00 Tools,Shop,& Garage Equip	394	498,318.34	145,933.31	0.00			644,251.65
394.10 - Natural Gas Vehicle Equipment	394.1	3,661,962.71	0.00	0.00			3,661,962.71
395.00 Laboratory Equipment	395	0.00	0.00	0.00			0.00
396.00 Power Operated Equip	396	147,453.00	62,631.00	0.00			210,084.00
397.00 Communication Equip	397	259,131.06	350,000.00	0.00			609,131.06
398.00 Miscellaneous Equipment	398	198,144.09	50,000.00	0.00			248,144.09
399 Miscellaneousou Intangible Property	#N/A	0.00					0.00
<b>General Plant</b>		<b>35,003,907.72</b>	<b>1,603,579.31</b>	<b>(263,934.48)</b>	<b>0.00</b>	<b>0.00</b>	<b>36,343,552.55</b>

302.00 Fran & Cons - Depr	302	320,147.28	0.00	0.00			
303.00 Misc Intg Plt - Depreciable	303	220.22	0.00	0.00			
<b>Intangible Plant</b>		<b>320,367.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>320,367.50</b>
364 - LNG PLANT	364	0	0.00	0.00			0.00
<b>Storage Plant</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
365 Rights-Of-Way	365	0.00	0.00	0.00			0.00
367 Transmission-Main	367	0.68	0.00	0.00			0.68
369 Measuring & Regulating Equip	369	0.00	0.00	0.00			0.00
<b>Transmission Plant</b>		<b>0.68</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.68</b>
<b>Grand Total</b>		<b>404,623,252.30</b>	<b>25,758,761.67</b>	<b>(966,944.86)</b>	<b>0.00</b>	<b>0.00</b>	<b>429,415,069.11</b>

December 2017 Forecast

Functional Class FERC Plant Account	FERC Form Ref.	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
374.10 Land - DP	374	488,068.30	932.87	0.00	243,173.00		732,174.17
374.30 Right of Way - DP	374	11,131.67	0.00	0.00			11,131.67
375.00 Structures & Improvements DP	375	214,981.30	6,987.18	(221,969.88)		1.40	0.00
376.10 Mains - Steel	376.1	100,440,440.98	3,107,604.69	(93,471.79)	5,792,848.00		109,247,421.88
376.20 Mains - Plastic	376.2	107,926,163.40	20,796,650.30	(193,644.50)			128,529,169.20
376.30 Mains - Cast Iron	376.2	1,754.63	0.00	0.00			1,754.63
376.97 Mains - Unreconciled Balance	376.2	1,633.90					1,633.90
378 M&R Station Equipment	378	670,166.00	1,069,990.45	0.00	132,900.00		1,873,056.45
379.00 M&R Station Equip - City Gat	379	6,973,527.00	3,039,390.37	(11,006.86)			10,001,910.51
380.10 Services - Steel	380.1	14,763,269.00	6,336.57	(100,490.64)			14,669,114.93
380.20 Services - Plastic	380.2	56,848,698.00	4,276,311.96	(284,131.79)			60,840,878.17
381.00 Meters	381	17,107,093.13	1,374,556.19	(623,625.50)			17,858,023.82
381.10 Meters - ERTs	381	1,643,719.86	2,945.52	(91,575.29)	8,444.17		1,563,534.26
382.00 Meter Installations	382	7,103,718.50	161,039.20	(70,887.65)			7,193,870.05
382.10 Meter Install - ERTs	382	4,694,672.47	0.00	0.00			4,694,672.47
383.00 House Regulators	383	5,429,722.68	461,495.74	(1,972.70)			5,889,245.72
384.00 House Reg Installations	384	2,196,610.00	112,366.45	0.00			2,308,976.45
385.00 Industrial M&R Station Equip	385	3,047,922.00	0.00	(2,444.21)			3,045,477.79
387.00 Other Equipment - DP	387	905,129.51	11,044.75	(79,243.92)			836,930.34
<b>Distribution Plant</b>		<b>330,468,422.33</b>	<b>34,427,652.24</b>	<b>(1,774,464.74)</b>	<b>6,177,365.17</b>	<b>1.40</b>	<b>369,298,976.40</b>
389.00 Land & Land Rights - GP	389	463,609.90	102,858.19	0.00	1,843,963.65		2,410,431.74
390.00 Structures & Improvements GP	390	11,119,485.63	(74,607.47)	(346,495.50)	(2,287,905.08)		8,410,477.58
391.00 Office Furniture	391.1	504.00	0.00	249,207.88	443,941.43		693,653.31
391.10 OFE - Software Non-Enterprise	391.2	1,394,810.76	49,822.53	(717,230.39)			727,402.90
391.11 OFE - Computer Software	391.3	11,563,245.51	7,594,638.99	(6,285,790.25)			12,872,094.25
391.12 OFE - Computer Hardware	391.2	714,955.06	37,241.23	(42,096.60)			710,099.69
391.50 Individual Equipment	391.2	147,388.02	86,327.74	95,352.04			329,067.80
392.00 Trans Equip	392	283,544.08	275,000.00	(31,811.23)			526,732.85
392.10 Trans Eq - Autos & Lt Trcks	392	429,575.42	332,420.39	(47,066.70)	(579,922.98)		135,006.13
392.20 Trans Equip - Service Trucks	392	1,974,782.79	579,522.98	(20,500.18)	579,922.98		3,113,728.57
392.30 Trans Equip - Heavy Trucks	392	310,203.71	0.00	0.00			310,203.71
393.00 Stores Equipment	393	2,922.42	0.00	(2,922.42)			0.00
394.00 Tools,Shop,& Garage Equip	394	1,485,872.48	90,639.66	(1,123,398.52)	45,204.72		498,318.34
394.10 - Natural Gas Vehicle Equipment	394.1		3,661,962.71	0.00			3,661,962.71
395.00 Laboratory Equipment	395	4,034.41	0.00	(4,034.41)			0.00
396.00 Power Operated Equip	396	147,453.00	0.00	0.00			147,453.00
397.00 Communication Equip	397	391,644.39	33,100.23	(908.07)	(164,705.49)		259,131.06
398.00 Miscellaneous Equipment	398	108,771.30	114,000.00	(57,800.24)	33,173.03		198,144.09
399 Miscellanesou Intangible Property	#N/A	0.00					0.00
<b>General Plant</b>		<b>30,542,802.88</b>	<b>12,882,927.18</b>	<b>(8,335,494.60)</b>	<b>(86,327.74)</b>	<b>0.00</b>	<b>35,003,907.72</b>

302.00 Fran & Cons - Depr	302	325,163.76	0.00	(5,016.48)			320,147.28
303.00 Misc Intg Plt - Depreciable	303	246.57	0.00	(26.35)			220.22
Intangible Plant		325,410.33	0.00	(5,042.83)	0.00	0.00	320,367.50
365 Rights-Of-Way	365	243,173.00	0.00	0.00	(243,173.00)		0.00
367 Transmission-Main	367	5,792,848.00	0.68	0.00	(5,792,848.00)		0.68
369 Measuring & Regulating Equip	369	132,900.00	0.00	0.00	(132,900.00)		0.00
Transmission Plant		6,168,921.00	0.68	0.00	(6,168,921.00)	0.00	0.68
Grand Total		367,505,556.54	47,310,580.10	(10,115,002.17)	(77,883.57)	1.40	404,623,252.30

Actual December 2016

Functional Class FERC Plant Account	FERC Form Ref.	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
374.10 Land - DP	374	433,588.21	54,480.09				488,068.30
374.30 Right of Way - DP	374	11,131.67					11,131.67
375.00 Structures & Improvements DP	375	608,838.30	9,140.00	(402,997.00)			214,981.30
376.10 Mains - Steel	376.1	96,411,522.98	4,184,413.00	(155,495.00)	0.00		100,440,440.98
376.20 Mains - Plastic	376.2	91,450,902.40	16,498,343.00	(23,082.00)			107,926,163.40
376.30 Mains - Cast Iron	376.2	1,754.63					1,754.63
376.97 Mains - Unreconciled Balance	376.2	1,633.90					1,633.90
378 M&R Station Equipment	378	581,564.00	88,602.00		0.00		670,166.00
379.00 M&R Station Equip - City Gat	379	6,844,055.00	129,472.00				6,973,527.00
380.10 Services - Steel	380.1	14,708,810.00	137,618.00	(83,159.00)			14,763,269.00
380.20 Services - Plastic	380.2	48,873,802.00	8,176,196.00	(201,300.00)			56,848,698.00
381.00 Meters	381	16,178,706.58	1,419,538.96	(491,152.41)			17,107,093.13
381.10 Meters - ERTs	381	1,740,900.07	7,362.06	(113,482.27)	8,940.00		1,643,719.86
382.00 Meter Installations	382	7,005,804.17	290,745.40	(192,831.07)			7,103,718.50
382.10 Meter Install - ERTs	382	4,694,672.47					4,694,672.47
383.00 House Regulators	383	4,725,827.68	708,376.00	(4,481.00)			5,429,722.68
384.00 House Reg Installations	384	2,057,700.00	138,910.00				2,196,610.00
385.00 Industrial M&R Station Equip	385	3,047,922.00					3,047,922.00
387.00 Other Equipment - DP	387	764,092.51	141,037.00				905,129.51
<b>Distribution Plant</b>		<b>300,143,228.57</b>	<b>31,984,233.51</b>	<b>(1,667,979.75)</b>	<b>8,940.00</b>	<b>0.00</b>	<b>330,468,422.33</b>
389.00 Land & Land Rights - GP	389	629,625.90	33,984.00	(200,000.00)			463,609.90
390.00 Structures & Improvements GP	390	8,017,402.63	4,787,493.00	(1,685,410.00)			11,119,485.63
391.00 Office Furniture	391.1	399,381.00		(398,877.00)			504.00
391.10 OFE - Software Non-Enterprise	391.2	1,476,566.01				(81,755.25)	1,394,810.76
391.11 OFE - Computer Software	391.3	10,870,240.47	620,056.14	(8,806.35)		81,755.25	11,563,245.51
391.12 OFE - Computer Hardware	391.2	1,086,846.06		(371,891.00)			714,955.06
391.50 Individual Equipment	391.2	147,388.02					147,388.02
392.00 Trans Equip	392	820,222.39	397,666.99	(102,928.67)	(831,416.63)		283,544.08
392.10 Trans Eq - Autos & Lt Trcks	392	1,196,933.93	3,315.27	(173,772.77)	(573,901.01)	(23,000.00)	429,575.42
392.20 Trans Equip - Service Trucks	392	0	572,810.99	(164,001.47)	1,565,973.27		1,974,782.79
392.30 Trans Equip - Heavy Trucks	392	396,360.59	915.25	(22,999.52)	(82,203.61)	18,131.00	310,203.71
393.00 Stores Equipment	393	2,922.42					2,922.42
394.00 Tools,Shop,& Garage Equip	394	1,830,921.48	44,660.00	(389,709.00)			1,485,872.48
395.00 Laboratory Equipment	395	4,034.41					4,034.41
396.00 Power Operated Equip	396	131,329.00				16,124.00	147,453.00
397.00 Communication Equip	397	177,378.39	288,522.00	(74,256.00)			391,644.39
398.00 Miscellaneous Equipment	398	854,108.30		(734,082.00)		(11,255.00)	108,771.30
399 Miscellaneous Intangible Property		0.00					0.00
<b>General Plant</b>		<b>28,041,661.00</b>	<b>6,749,423.64</b>	<b>(4,326,733.78)</b>	<b>78,452.02</b>	<b>0.00</b>	<b>30,542,802.88</b>

302.00 Fran & Cons - Depr	302	325,163.76						
303.00 Misc Intg Plt - Depreciable	303	25,521.57		(25,275.00)				
<b>Intangible Plant</b>		<b>350,685.33</b>	<b>0.00</b>	<b>(25,275.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>325,410.33</b>	
365 Rights-Of-Way	365	176,450.00	66,723.00				243,173.00	
367 Transmission-Main	367	3,449,624.00	2,343,224.00				5,792,848.00	
369 Measuring & Regulating Equip	369	104,145.00	28,755.00				132,900.00	
<b>Transmission Plant</b>		<b>3,730,219.00</b>	<b>2,438,702.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,168,921.00</b>	
<b>Grand Total</b>		<b>332,265,793.90</b>	<b>41,172,359.15</b>	<b>(6,019,988.53)</b>	<b>87,392.02</b>	<b>0.00</b>	<b>367,505,556.54</b>	



Actual December 2015

Functional Class FERC Plant Account	FERC Form Ref.	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
374.10 Land - DP	374	342,445.21	91,143.00				433,588.21
374.30 Right of Way - DP	374	11,131.67					11,131.67
375.00 Structures & Improvements DP	375	608,759.30	79.00				608,838.30
376.10 Mains - Steel	376.1	96,839,209.98	(18,607.00)	(78,556.00)		(330,524.00)	96,411,522.98
376.20 Mains - Plastic	376.2	87,170,841.40	4,614,969.00	(149,715.00)		(185,193.00)	91,450,902.40
376.30 Mains - Cast Iron	376.2	1,754.63					1,754.63
376.97 Mains - Unreconciled Balance	376.2	1,633.90					1,633.90
378 M&R Station Equipment	378	573,927.00	7,637.00				581,564.00
379.00 M&R Station Equip - City Gat	379	6,755,538.00	88,517.00				6,844,055.00
380.10 Services - Steel	380.1	14,713,900.00	85,967.00	(91,057.00)			14,708,810.00
380.20 Services - Plastic	380.2	46,600,084.00	2,504,218.00	(230,500.00)			48,873,802.00
381.00 Meters	381	15,620,088.56	1,180,626.41	(622,008.39)			16,178,706.58
381.10 Meters - ERTs	381	2,415,970.46	10,180.61	(142,555.75)	(542,695.25)		1,740,900.07
382.00 Meter Installations	382	6,609,151.99	396,652.18				7,005,804.17
382.10 Meter Install - ERTs	382	4,694,661.41	11.06				4,694,672.47
383.00 House Regulators	383	4,375,751.68	367,488.00	(17,412.00)			4,725,827.68
384.00 House Reg Installations	384	1,869,684.00	188,016.00				2,057,700.00
385.00 Industrial M&R Station Equip	385	3,047,922.00					3,047,922.00
387.00 Other Equipment - DP	387	716,454.51	47,638.00				764,092.51
<b>Distribution Plant</b>		<b>292,968,909.70</b>	<b>9,564,535.26</b>	<b>(1,331,804.14)</b>	<b>(542,695.25)</b>	<b>(515,717.00)</b>	<b>300,143,228.57</b>
389.00 Land & Land Rights - GP	389	768,685.90	37,390.00			(176,450.00)	629,625.90
390.00 Structures & Improvements GP	390	8,017,402.63					8,017,402.63
391.00 Office Furniture	391.1	399,381.00					399,381.00
391.10 OFE - Software Non-Enterprise	391.2	1,477,464.96	231,945.69	(37,376.63)		(195,468.00)	1,476,566.01
391.11 OFE - Computer Software	391.3	10,479,808.37	390,432.10				10,870,240.47
391.12 OFE - Computer Hardware	391.2	466,869.06	424,509.00			195,468.00	1,086,846.06
391.50 Individual Equipment	391.2	162,729.02		(15,341.00)			147,388.02
392.00 Trans Equip	392	818,384.79	99,313.28	(97,475.68)			820,222.39
392.10 Trans Eq - Autos & Lt Trcks	392	677,093.68	580,225.78	(60,385.53)			1,196,933.93
392.30 Trans Equip - Heavy Trucks	392	310,203.23	86,157.36				396,360.59
393.00 Stores Equipment	393	2,922.42					2,922.42
394.00 Tools, Shop, & Garage Equip	394	1,796,315.48	57,702.00	(23,096.00)			1,830,921.48
395.00 Laboratory Equipment	395	4,034.41					4,034.41
396.00 Power Operated Equip	396	131,329.00					131,329.00
397.00 Communication Equip	397	1,028,550.39		(851,172.00)			177,378.39
398.00 Miscellaneous Equipment	398	854,108.30					854,108.30
399 Miscellaneous Intangible Property	0	0.00					0.00
<b>General Plant</b>		<b>27,395,282.63</b>	<b>1,907,675.21</b>	<b>(1,084,846.84)</b>	<b>0.00</b>	<b>(176,450.00)</b>	<b>28,041,661.00</b>
302.00 Fran & Cons - Depr	302	325,163.76					325,163.76
303.00 Misc Intg Plt - Depreciable	303	25,521.57					25,521.57

<b>Intangible Plant</b>		<b>350,685.33</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>350,685.33</b>
365 Rights-Of-Way	365	0.00				176,450.00	176,450.00
367 Transmission-Main	367	0.00	3,449,624.00				3,449,624.00
369 Measuring & Regulating Equip		0.00	104,145.00				104,145.00
<b>Transmission Plant</b>		<b>0.00</b>	<b>3,553,769.00</b>	<b>0.00</b>	<b>0.00</b>	<b>176,450.00</b>	<b>3,730,219.00</b>
<b>Grand Total</b>		<b>320,714,877.66</b>	<b>15,025,979.47</b>	<b>(2,416,650.98)</b>	<b>(542,695.25)</b>	<b>(515,717.00)</b>	<b>332,265,793.90</b>

Actual December 2014

Functional Class FERC Plant Account	FERC Form Ref.	Beginning Balance	Additions	Retirements	Transfers	Adjustments	Ending Balance
374.10 Land - DP	374	342,445.21					342,445.21
374.30 Right of Way - DP	374	11,131.67					11,131.67
375.00 Structures & Improvements DP	375	607,824.30	935.00				608,759.30
376.10 Mains - Steel	376.1	87,184,851.98	3,496,146.00	1,676,388.00	4,685,577.00	(203,753.00)	96,839,209.98
376.20 Mains - Plastic	376.2	76,616,909.40	10,595,750.00	(245,078.00)		203,260.00	87,170,841.40
376.30 Mains - Cast Iron	376.2	1,754.63					1,754.63
376.97 Mains - Unreconciled Balance	376.2	1,633.90					1,633.90
378 M&R Station Equipment	378	158,524.00	415,403.00				573,927.00
379.00 M&R Station Equip - City Gat	379	6,326,025.00	429,513.00				6,755,538.00
380.10 Services - Steel	380.1	14,834,212.00	129,904.00	(250,216.00)			14,713,900.00
380.20 Services - Plastic	380.2	44,052,779.00	3,095,410.00	(548,105.00)			46,600,084.00
381.00 Meters	381	14,176,956.54	1,735,429.11	(292,297.09)			15,620,088.56
381.10 Meters - ERTs	381	310,607.98	99,837.51	(22,337.03)	2,027,862.00		2,415,970.46
382.00 Meter Installations	382	6,256,936.10	352,306.20	(90.31)			6,609,151.99
382.10 Meter Install - ERTs	382	6,722,523.41			(2,027,862.00)		4,694,661.41
383.00 House Regulators	383	3,940,190.68	451,034.00	(15,473.00)			4,375,751.68
384.00 House Reg Installations	384	1,627,102.00	242,582.00				1,869,684.00
385.00 Industrial M&R Station Equip	385	3,047,922.00					3,047,922.00
387.00 Other Equipment - DP	387	703,878.51	12,576.00				716,454.51
<b>Distribution Plant</b>		<b>266,924,208.31</b>	<b>21,056,825.82</b>	<b>302,791.57</b>	<b>4,685,577.00</b>	<b>(493.00)</b>	<b>292,968,909.70</b>
389.00 Land & Land Rights - GP	389	385,499.90	383,186.00				768,685.90
390.00 Structures & Improvements GP	390	4,454,307.63	3,563,141.00			(46.00)	8,017,402.63
391.00 Office Furniture	391.1	376,613.00			22,768.00		399,381.00
391.10 OFE - Software Non-Enterprise	391.2	1,475,772.37			1,692.58		1,477,464.96
391.11 OFE - Computer Software	391.3	10,569,073.14	336,164.00	(351,609.19)	(73,819.58)		10,479,808.37
391.12 OFE - Computer Hardware	391.2	502,230.69	(35,922.78)		561.15		466,869.06
391.50 Individual Equipment	391.2	16,052.20	183,278.78	(85,400.81)	48,798.85		162,729.02
392.00 Trans Equip	392	447,319.29	371,065.50				818,384.79
392.10 Trans Eq - Autos & Lt Tracks	#N/A	753,921.45		(76,827.77)			677,093.68
392.30 Trans Equip - Heavy Trucks	392	310,281.59	(78.36)				310,203.23
393.00 Stores Equipment	393	2,922.42					2,922.42
394.00 Tools,Shop,& Garage Equip	394	1,643,946.48	174,530.00	(22,161.00)			1,796,315.48
395.00 Laboratory Equipment	395	4,034.41					4,034.41
396.00 Power Operated Equip	396	48,855.00	82,474.00				131,329.00
397.00 Communication Equip	397	1,008,819.39	19,731.00				1,028,550.39
398.00 Miscellaneous Equipment	398	884,115.30	(30,007.00)				854,108.30
399 Miscellaneous Intangible Property	0	0.00					0.00
<b>General Plant</b>		<b>22,883,764.26</b>	<b>5,047,562.14</b>	<b>(535,998.77)</b>	<b>1.00</b>	<b>(46.00)</b>	<b>27,395,282.63</b>
302.00 Fran & Cons - Depr	302	325,163.76					325,163.76
303.00 Misc Intg Plt - Depreciable	303	25,521.57					25,521.57

		<b>Intangible Plant</b>	<u>350,685.33</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>350,685.33</u>
367 Transmission-Main	367		4,685,577.00			(4,685,577.00)		0.00
		<b>Transmission Plant</b>	<u>4,685,577.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,685,577.00)</u>	<u>0.00</u>	<u>0.00</u>
		<b>Grand Total</b>	<u>294,844,234.90</u>	<u>26,104,387.96</u>	<u>(233,207.20)</u>	<u>1.00</u>	<u>(539.00)</u>	<u>320,714,877.66</u>

## **APPENDIX G-2 Summary of Depreciation Reserve 2014 – 2018**

Functional Class		Beginning Balance	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers	Adjustments	Gain/Loss	Ending Balance
FERC Plant Account	FERC Form Ref.									
<b>July 31, 2018 Forecast</b>										
<b>Distribution Plant</b>										
053 G374.10 Land - DP	374	12,198.65	0.00	0.00	0.00		0.00			12,198.65
053 G375.00-Structures & Improvem	375	(80,098.95)	0.00	0.00	0.00					(80,098.95)
053 G376.10-Mains, Steel	376.1	68,811,452.05	1,914,798.74	(45,509.76)	0.00		0.00			70,680,741.03
053 G376.20-Mains, Plastic	376.2	38,652,159.93	2,514,017.97	(60,940.11)	(853,658.75)					40,251,579.03
053 G376.30-Mains, Cast Iron	376.2	52.61	30.69	0.00	0.00					83.31
053 G376.99-Mains, CIAC	376.2	(5,824.79)	(3,397.79)	0.00	0.00					(9,222.58)
053 G378.00-M & R Station Equipment	378	100,287.18	46,254.26	0.00	0.00		0.00			146,541.44
053 G379.00-M&R Station Equip - Cit	379	4,492,582.84	192,536.77	0.00	0.00					4,685,119.61
053 G380.10-Services, Steel	380.1	22,075,677.20	554,853.29	(71,243.38)	0.00					22,559,287.11
053 G380.20-Services, Plastic	380.2	20,041,660.10	1,464,666.76	(165,470.71)	(130,585.00)					21,210,271.14
053 G381.00-Meters	381	3,018,135.28	512,193.38	(323,739.66)	0.00					3,206,589.00
053 G381.10-Meters - ERTs	381	235,232.62	44,690.99	0.00	0.00					279,923.61
053 G382.00-Meter Installations	382	2,865,798.33	188,436.38	(30,673.64)	0.00					3,023,561.07
053 G382.10-Meter Install - ERTs	382	2,637,596.38	183,483.65	0.00	0.00					2,821,080.02
053 G383.00-House Regulators	383	2,481,097.38	168,256.60	(5,433.12)	0.00					2,643,920.86
053 G384.00-House Reg Installations	384	1,109,390.72	41,754.00	0.00	0.00					1,151,144.71
053 G385.00-Industrial M&R Station	385	2,090,829.56	58,625.42	0.00	0.00					2,149,454.97
053 G387.00-Other Equipment	387	316,523.82	16,110.89	0.00	0.00					332,634.71
<b>Total Distribution</b>		<b>168,854,750.91</b>	<b>7,897,312.00</b>	<b>(703,010.38)</b>	<b>(984,243.75)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>175,064,808.78</b>
<b>General Plant</b>										
053 G365.00-Land & Land Rights-TP	365	0.00	0.00	0.00	0.00		0.00			0.00
053 G389.00-Land & Land Rights	389	607.93	0.00	0.00	0.00					607.93
053 G390.00-Structures & Impr	390	450,589.57	127,558.90	0.00	0.00					578,148.47
053 G391.00-Office Furniture and Eq	391.1	160,355.72	29,850.19	(58,169.62)	0.00					132,036.29
053 G391.10-OFE - Comp Equip and So	391.2	170,848.69	33,497.47	(71,089.11)	0.00					133,257.05
053 G391.10-OFE -Comp Equip 2014	391.3	2,792.69								2,792.69
053 G391.10-OFE -Comp Equip 2016	391.3	2,489.00								2,489.00
053 G391.11-OFE - Computer Software	391.3	2,847,887.53	684,272.53	(6,735.02)	0.00					3,525,425.04
053 G391.11-OFE - Computer SW 2014	391.3	55,388.00								55,388.00
053 G391.11-OFE - Computer SW 2015	391.3	89,020.00								89,020.00
053 G391.11-OFE - Computer SW 2016	391.3	9,137.00								9,137.00
053 G391.11-OFE - Computer SW 2017	391.3	0.00								0.00
053 G391.12-OFE - Compr HW	391.2	59,318.66	33,191.72	(49,112.70)	0.00					43,397.68
053 G391.12-OFE - Compr HW 2014	391.2	78,494.00								78,494.00
053 G391.12-OFE - Compr HW 2015	391.2	3,238.00								3,238.00
053 G391.12-OFE - Compr HW 2016	391.2	4,308.00								4,308.00
053 G391.50-OFE - Individual Equipm	391.2	191,611.29	15,932.33	0.00	0.00					207,543.62
053 G392.00-Trans Equip	392	(41,290.89)	51,555.84	0.00	0.00					10,264.95
053 G392.00-Trans Equip 2014	392	8,605.50								8,605.50
053 G392.00-Trans Equip 2015	392	2,099.89								2,099.89
053 G392.10-Trans Equip - Auto	392	90,651.24	50,650.93	(54,911.15)	0.00					86,391.02

Functional Class		Beginning Balance	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers	Adjustments	Gain/Loss	Ending Balance
<b>FERC Plant Account</b>	<b>FERC Form Ref.</b>									
053 G392.10-Trans Equip - Auto 2014	392	56,397.60								56,397.60
053 G392.10-Trans Equip - Auto 2015	392	4,118.31								4,118.31
053 G392.20-Trans Eq - Svc Trk 2016	392	35,681.00								35,681.00
053 G392.20-Trans Eq - Svc Truck	392	246,312.16	178,019.33	(23,916.88)	0.00					400,414.61
053 G392.20-Trans Eq-Svc Trk 2014	392	97,128.00								97,128.00
053 G392.20-Trans Eq-Svc Trk 2015	392	96,706.00								96,706.00
053 G392.30-Trans Equip-Hvy Tr 2015	392	(0.15)								(0.15)
053 G392.30-Trans Equip-Hvy Trucks	392	181,643.56	23,253.22	0.00	0.00					204,896.78
053 G393.00-Stores Equipment	393	(1,301.47)	0.00	0.00	0.00					(1,301.47)
053 G394.00-Tools,Shop,& Garage Equ	394	(98,477.99)	25,570.74	0.00	0.00					(72,907.26)
053 G394.00-Tools,Shp,& GarEq 2014	394	26,314.00								26,314.00
053 G394.00-Tools,Shp,& GarEq 2015	394	2,139.00								2,139.00
053 G394.00-Tools,Shp,& GarEq 2016	394	737.00								737.00
053 G394.10 - Natural Gas Vehicle Equipment	394	294,590.41	106,807.25	0.00	0.00					401,397.66
053 G395.00-Laboratory Equipment	395	(0.03)								(0.03)
053 G396.00-Power Operated Equip 2014	396	26,213.83	9,954.97	0.00	0.00					36,168.80
053 G396.00-Power Operated Equip	396	12,174.77								12,174.77
053 G397.00-Comm Equip 2014	397	3,754.00	18,598.40	0.00						22,352.40
053 G397.00-Comm Equip 2015	397	2,606.00								2,606.00
053 G397.00-Comm Equip 2016	397	2,476.00								2,476.00
053 G397.00-Communication Equip	397	98,215.98			0.00					98,215.98
053 G398.00-Misc Equipment 2015	398	0.00								0.00
053 G398.00-Misc Equipment 2016	398	5.00								5.00
053 G398.00-Miscellaneous Equipment	398	(232,870.54)	9,450.04	0.00	0.00					(223,420.51)
053 G398.00-Miscellaneous Intangible Property	398									
<b>Total General Plant</b>		<b>5,040,714.25</b>	<b>1,398,163.86</b>	<b>(263,934.48)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,174,943.63</b>
<b>Intangible Plant</b>										
053 G302.00-Fran & Cons - Depr (Lif	302	176,578.54	0.00	0.00	0.00					176,578.54
053 G303.00-Misc.- Depreciable	303	(2,977.58)	0.00	0.00	0.00					(2,977.58)
053 G39.00-Misc.- Ingtangible Proeprty		0.00								0.00
<b>Total Intangible Plant</b>		<b>173,600.96</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>173,600.96</b>
<b>Transmission Plant</b>										
053 G367.00-Transmision-Main	367	(0.15)	0.00	0.00	0.00		0.00			(0.15)
053 G369.00-Measuring & Regulating Equip	369	0.00	0.00	0.00	0.00		0.00			0.00
<b>Total Transmission Plant</b>		<b>(0.15)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.15)</b>
<b>Grand Total</b>		<b>174,069,065.97</b>	<b>9,295,475.85</b>	<b>(966,944.86)</b>	<b>(984,243.75)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>181,413,353.22</b>

Functional Class		Beginning Balance	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers	Adjustments	Gain/Loss	Ending Balance
FERC Plant Account	FERC Form Ref.									
December 2017 Forecast										
Distribution Plant										
053 G374.10 Land - DP	374	0.00					12,198.65			12,198.65
053 G375.00-Structures & Improvemen	375	138,372.65	3,499.68	(221,969.88)	0.00				(1.40)	(80,098.95)
053 G376.10-Mains, Steel	376.1	65,468,798.98	3,169,398.80	(93,471.79)	(38,158.74)		304,884.80			68,811,452.05
053 G376.20-Mains, Plastic	376.2	35,937,077.93	3,607,259.02	(193,644.50)	(803,287.09)		104,754.57			38,652,159.93
053 G376.30-Mains, Cast Iron	376.2		52.61	0.00	0.00					52.61
053 G376.99-Mains, CIAC	376.2		(5,824.79)	0.00	0.00					(5,824.79)
053 G378.00-M & R Station Equipment	378	57,694.00	34,325.30	0.00	0.00		8,267.88			100,287.18
053 G379.00-M&R Station Equip - Cit	379	4,217,462.00	286,127.70	(11,006.86)	0.00					4,492,582.84
053 G380.10-Services, Steel	380.1	21,265,097.00	956,898.78	(100,490.64)	(45,827.94)					22,075,677.20
053 G380.20-Services, Plastic	380.2	18,238,475.00	2,438,753.48	(284,131.79)	(351,436.60)					20,041,660.10
053 G381.00-Meters	381	2,776,362.86	865,397.93	(623,625.50)	0.00					3,018,135.28
053 G381.10-Meters - ERTs	381	244,811.12	77,879.74	(91,575.29)	0.00		4,117.05			235,232.62
053 G382.00-Meter Installations	382	2,613,165.77	323,520.21	(70,887.65)	0.00					2,865,798.33
053 G382.10-Meter Install - ERTs	382	2,323,052.98	314,543.40	0.00	0.00					2,637,596.38
053 G383.00-House Regulators	383	2,202,425.03	280,645.05	(1,972.70)	0.00					2,481,097.38
053 G384.00-House Reg Installations	384	1,039,082.92	70,307.80	0.00	0.00					1,109,390.72
053 G385.00-Industrial M&R Station	385	1,992,729.36	100,544.41	(2,444.21)	0.00					2,090,829.56
053 G387.00-Other Equipment	387	366,739.92	28,867.16	(79,243.92)	0.00		160.66			316,523.82
Total Distribution		158,881,347.52	12,552,196.29	(1,774,464.74)	(1,238,710.37)	0.00	434,383.61	0.00	(1.40)	168,854,750.91
General Plant										
053 G365.00-Land & Land Rights-TP	365	9,159.00	3,039.65	0.00	0.00		(12,198.65)			0.00
053 G389.00-Land & Land Rights	389	0.00	(150,618.98)	0.00	0.00		151,226.91			607.93
053 G390.00-Structures & Impr	390	705,773.08	245,923.49	(346,495.50)	0.00		(154,611.50)			450,589.57
053 G391.00-Office Furniture and Eq	391.1	(123,235.00)	30,998.25	249,207.88	0.00		3,384.59			160,355.72
053 G391.10-OFE - Comp Equip and So	391.2	796,496.00	91,583.08	(717,230.39)	0.00					170,848.69
053 G391.10-OFE -Comp Equip 2014	391.2	2,792.69								2,792.69
053 G391.10-OFE -Comp Equip 2016	391.2	2,489.00								2,489.00
053 G391.11-OFE - Computer Software	391.3	7,954,212.37	1,179,465.41	(6,285,790.25)	0.00					2,847,887.53
053 G391.11-OFE - Computer SW 2014	391.3	55,388.00								55,388.00
053 G391.11-OFE - Computer SW 2015	391.3	89,020.00								89,020.00
053 G391.11-OFE - Computer SW 2016	391.3	9,137.00								9,137.00
053 G391.11-OFE - Computer SW 2017										0.00
053 G391.12-OFE - Compr HW	391.2	40,710.06	60,705.20	(42,096.60)	0.00					59,318.66
053 G391.12-OFE - Compr HW 2014	391.2	78,494.00								78,494.00
053 G391.12-OFE - Compr HW 2015	391.2	3,238.00								3,238.00
053 G391.12-OFE - Compr HW 2016	391.2	4,308.00								4,308.00
053 G391.50-OFE - Individual Equipmn	391.2	75,920.54	20,338.71	95,352.04	0.00					191,611.29
053 G392.00-Trans Equip	392	(61,784.57)	41,774.91	(31,811.23)	0.00	10,530.00				(41,290.89)
053 G392.00-Trans Equip 2014	392	8,605.50								8,605.50
053 G392.00-Trans Equip 2015	392	2,099.89								2,099.89



Functional Class		Beginning Balance	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers	Adjustments	Gain/Loss	Ending Balance
<b>FERC Plant Account</b>	<b>FERC Form Ref.</b>									
053 G392.10-Trans Equip - Auto	392	62,439.14	75,278.79	(47,066.70)	0.00					90,651.24
053 G392.10-Trans Equip - Auto 2014	392	56,397.60								56,397.60
053 G392.10-Trans Equip - Auto 2015	392	4,118.31								4,118.31
053 G392.20-Trans Eq - Svc Trk 2016	392	35,681.00								35,681.00
053 G392.20-Trans Eq - Svc Truck	392	(8,792.00)	275,604.34	(20,500.18)	0.00					246,312.16
053 G392.20-Trans Eq-Svc Trk 2014	392	97,128.00								97,128.00
053 G392.20-Trans Eq-Svc Trk 2015	392	96,706.00								96,706.00
053 G392.30-Trans Equip-Hvy Tr 2015	392	(0.15)								(0.15)
053 G392.30-Trans Equip-Hvy Trucks	392	125,394.78	33,248.79	0.00	0.00			23,000.00		181,643.56
053 G393.00-Stores Equipment	393	1,522.80	98.15	(2,922.42)	0.00					(1,301.47)
053 G394.00-Tools, Shop, & Garage Equ	394	951,232.87	73,687.66	(1,123,398.52)	0.00					(98,477.99)
053 G394.00-Tools, Shp, & GarEq 2014	394	26,314.00								26,314.00
053 G394.00-Tools, Shp, & GarEq 2015	394	2,139.00								2,139.00
053 G394.00-Tools, Shp, & GarEq 2016	394	737.00								737.00
053 G394.10 - Natural Gas Vehicle Equipment	394	0.00	53,403.62	0.00	0.00			241,186.79		294,590.41
053 G395.00-Laboratory Equipment	395	4,034.38		(4,034.41)						(0.03)
053 G396.00-Power Operated Equip 2014	396	13,975.22	12,238.61	0.00	0.00					26,213.83
053 G396.00-Power Operated Equip	396	12,174.77								12,174.77
053 G397.00-Comm Equip 2014	397	3,754.00								3,754.00
053 G397.00-Comm Equip 2015	397	2,606.00								2,606.00
053 G397.00-Comm Equip 2016	397	2,476.00								2,476.00
053 G397.00-Communication Equip	397	83,157.11	21,013.03	(908.07)	0.00		(5,046.09)			98,215.98
053 G398.00-Misc Equipment 2015	398	0.00								0.00
053 G398.00-Misc Equipment 2016	398	5.00								5.00
053 G398.00-Miscellaneous Equipment	398	(186,180.59)	10,093.97	(57,800.24)	0.00		1,016.32			(232,870.54)
053 G398.00-Miscellaneous Intangible Property	398									
<b>Total General Plant</b>		<b>11,039,843.80</b>	<b>2,077,876.68</b>	<b>(8,335,494.60)</b>	<b>0.00</b>	<b>10,530.00</b>	<b>(16,228.42)</b>	<b>264,186.79</b>	<b>0.00</b>	<b>5,040,714.25</b>
<b>Intangible Plant</b>										
053 G302.00-Fran & Cons - Depr (Lif	302	181,595.02		(5,016.48)						176,578.54
053 G303.00-Misc.- Depreciable	303	(2,951.23)		(26.35)						(2,977.58)
053 G39.00-Misc.- Ingtangible Proeprty		0.00								0.00
<b>Total Intangible Plant</b>		<b>178,643.79</b>	<b>0.00</b>	<b>(5,042.83)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>173,600.96</b>
<b>Transmission Plant</b>										
053 G367.00-Transmision-Main	367	212,470.00	92,414.65	0.00	0.00		(304,884.80)			(0.15)
053 G369.00-Measuring & Regulating Equip	369	6,075.00	2,192.88	0.00	0.00		(8,267.88)			0.00
<b>Total Transmission Plant</b>		<b>218,545.00</b>	<b>94,607.53</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(313,152.68)</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.15)</b>
<b>Grand Total</b>		<b>170,318,380.11</b>	<b>14,724,680.50</b>	<b>(10,115,002.17)</b>	<b>(1,238,710.37)</b>	<b>10,530.00</b>	<b>105,002.51</b>	<b>264,186.79</b>	<b>(1.40)</b>	<b>174,069,065.97</b>

Functional Class		Beginning Balance	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers	Adjustments	Gain/Loss	Ending Balance
FERC Plant Account	FERC Form Ref.									
<b>Actual December 2016</b>										
<b>Distribution Plant</b>										
053 G374.10 Land - DP	374						0.00			0.00
053 G375.00-Structures & Improvemen	375	200,257.65	11,992.00	(402,997.00)		394,266.00		(65,146.00)		138,372.65
053 G376.10-Mains, Steel	376.1	62,759,095.98	2,964,834.00	(155,495.00)	(99,636.00)		0.00			65,468,798.98
053 G376.20-Mains, Plastic	376.2	32,887,867.93	3,104,095.00	(23,082.00)	(31,803.00)					35,937,077.93
053 G378.00-M & R Station Equipment	378	36,478.00	21,216.00				0.00			57,694.00
053 G379.00-M&R Station Equip - Cit	379	3,988,375.00	229,087.00							4,217,462.00
053 G380.10-Services, Steel	380.1	21,131,355.00	957,746.00	(83,159.00)	(740,845.00)					21,265,097.00
053 G380.20-Services, Plastic	380.2	16,459,157.00	2,169,141.00	(201,300.00)	(188,523.00)					18,238,475.00
053 G381.00-Meters	381	2,450,269.57	819,221.70	(491,152.41)	(1,976.00)					2,776,362.86
053 G381.10-Meters - ERTs	381	274,613.08	83,352.82	(113,482.27)			327.49			244,811.12
053 G382.00-Meter Installations	382	2,485,411.02	320,585.82	(192,831.07)						2,613,165.77
053 G382.10-Meter Install - ERTs	382	2,008,509.58	314,543.40							2,323,052.98
053 G383.00-House Regulators	383	1,952,993.12	254,083.79	(4,481.45)	(170.43)					2,202,425.03
053 G384.00-House Reg Installations	384	972,779.00	66,303.92							1,039,082.92
053 G385.00-Industrial M&R Station	385	1,892,148.00	100,581.36							1,992,729.36
053 G387.00-Other Equipment	387	341,293.59	25,446.33							366,739.92
<b>Total Distribution</b>		<b>149,840,603.52</b>	<b>11,442,230.14</b>	<b>(1,667,980.20)</b>	<b>(1,062,953.43)</b>	<b>394,266.00</b>	<b>327.49</b>	<b>(65,146.00)</b>	<b>0.00</b>	<b>158,881,347.52</b>
<b>General Plant</b>										
053 G365.00-Land & Land Rights-TP	365	2,423.00	6,736.00							9,159.00
053 G389.00-Land & Land Rights	389	0.00				1,012,620.00		(1,012,620.00)		0.00
053 G390.00-Structures & Impr	390	935,436.08	193,635.00	(1,685,410.00)		1,504,038.00		(241,926.00)		705,773.08
053 G391.00-Office Furniture and Eq	391.1	258,634.00	17,952.00	(398,877.00)	(944.00)					(123,235.00)
053 G391.10-OFE - Comp Equip and So	391.2	1,018,948.00	121,720.00	(343,102.00)	(1,070.00)					796,496.00
053 G391.10-OFE -Comp Equip 2014	391.2	284.00	2,509.00	(0.31)						2,792.69
053 G391.11-OFE - Computer SW 2016	391.2		2,489.00							2,489.00
053 G391.11-OFE - Computer Software	391.3	7,031,944.37	931,074.00	(8,806.00)						7,954,212.37
053 G391.11-OFE - Computer SW 2014	391.3	31,676.00	23,712.00							55,388.00
053 G391.11-OFE - Computer SW 2015	391.3	28,768.00	60,252.00							89,020.00
053 G391.11-OFE - Computer SW 2016	391.3		9,137.00							9,137.00
053 G391.12-OFE - Compr HW	391.2	33,626.06	7,084.00							40,710.06
053 G391.12-OFE - Compr HW 2014	391.2	37,069.00	41,425.00							78,494.00
053 G391.12-OFE - Compr HW 2015	391.2	270.00	2,968.00							3,238.00
053 G391.12-OFE - Compr HW 2016	391.2		4,308.00							4,308.00
053 G391.50-OFE - Individual Equipm	391.2	91,273.54	13,527.00	(28,789.00)	(91.00)					75,920.54
053 G392.00-Trans Equip	392	80,001.43	32,428.00	(173,950.00)		7,026.00		(7,290.00)		(61,784.57)
053 G392.00-Trans Equip 2014	392	44,450.50	34,461.00			3,921.00	(74,227.00)			8,605.50
053 G392.00-Trans Equip 2015	392	2,952.89	15,383.00				(16,236.00)			2,099.89
053 G392.10-Trans Equip - Auto	392	236,263.14	28,168.00	(102,751.00)		8,469.00	(107,710.00)			62,439.14
053 G392.10-Trans Equip - Auto 2014	392	9,909.60	27,886.00				18,602.00			56,397.60
053 G392.10-Trans Equip - Auto 2015	392	5,588.31	5,699.00				(7,169.00)			4,118.31
053 G392.20-Trans Eq - Svc Trk 2016	392		35,681.00							35,681.00

Functional Class		Beginning Balance	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers	Adjustments	Gain/Loss	Ending Balance
<b>FERC Plant Account</b>	<b>FERC Form Ref.</b>									
053 G392.20-Trans Eq - Svc Truck	392		19,829.00	(164,001.00)		33,880.00	101,500.00			(8,792.00)
053 G392.20-Trans Eq-Svc Trk 2014	392		28,073.00				69,055.00			97,128.00
053 G392.20-Trans Eq-Svc Trk 2015	392		50,272.00				46,434.00			96,706.00
053 G392.30-Trans Equip-Hvy Tr 2015	392	2,889.85	7,488.00				(10,378.00)			(0.15)
053 G392.30-Trans Equip-Hvy Trucks	392	108,516.42	35,673.36	(23,000.00)		4,205.00				125,394.78
053 G393.00-Stores Equipment	393	1,341.80	181.00							1,522.80
053 G394.00-Tools,Shop,& Garage Equ	394	1,231,001.52	109,941.00	(389,709.65)						951,232.87
053 G394.00-Tools,Shp,& GarEq 2014	394	13,284.00	13,030.00							26,314.00
053 G394.00-Tools,Shp, & GarEq 2015	394	459.00	1,680.00							2,139.00
053 G394.00-Tools,Shp, & GarEq 2016	394		737.00							737.00
053 G395.00-Laboratory Equipment	395	4,034.38								4,034.38
053 G396.00-Power Operated Equip 2014	396	7,130.22	6,845.00							13,975.22
053 G396.00-Power Operated Equip	396	12,408.36	4,334.00					(4,567.59)		12,174.77
053 G397.00-Comm Equip 2014	397	2,116.00	1,638.00							3,754.00
053 G397.00-Comm Equip 2015	397		2,606.00							2,606.00
053 G397.00-Comm Equip 2016	397		2,476.00							2,476.00
053 G397.00-Communication Equip	397	157,647.05		(74,255.79)	(234.15)					83,157.11
053 G398.00-Misc Equipment 2015	398	53.00						(53.00)		0.00
053 G398.00-Misc Equipment 2016	398		5.00							5.00
053 G398.00-Miscellaneous Equipment	398	499,482.93	38,787.00	(734,081.57)	(2,279.65)			11,910.70		(186,180.59)
053 G398.00-Miscellaneous Intangible Property										
<b>Total General Plant</b>		<b>11,889,882.45</b>	<b>1,941,829.36</b>	<b>(4,126,733.32)</b>	<b>(4,618.80)</b>	<b>2,574,159.00</b>	<b>19,871.00</b>	<b>(1,254,545.89)</b>	<b>0.00</b>	<b>11,039,843.80</b>
<b>Intangible Plant</b>										
053 G302.00-Fran & Cons - Depr (Lif	302	181,595.02								181,595.02
053 G303.00-Misc.- Depreciable	303	22,323.77		(25,275.00)						(2,951.23)
053 G39.00-Misc.- Ingtangible Proeprty		0.00								0.00
<b>Total Intangible Plant</b>		<b>203,918.79</b>	<b>0.00</b>	<b>(25,275.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>178,643.79</b>
<b>Transmission Plant</b>										
053 G367.00-Transmision-Main	367	72,333.00	145,077.00		(4,940.00)					212,470.00
053 G369.00-Measuring & Regulating Equip	369	1,808.00	4,267.00							6,075.00
<b>Total Transmission Plant</b>		<b>74,141.00</b>	<b>149,344.00</b>	<b>0.00</b>	<b>(4,940.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>218,545.00</b>
<b>Grand Total</b>		<b>162,008,545.76</b>	<b>13,533,403.50</b>	<b>(5,819,988.52)</b>	<b>(1,072,512.23)</b>	<b>2,968,425.00</b>	<b>20,198.49</b>	<b>(1,319,691.89)</b>	<b>0.00</b>	<b>170,318,380.11</b>

Functional Class FERC Plant Account	Beginning Balance	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers	Adjustments	Gain/Loss	Ending Balance
FERC Form Ref.									
<b>Actual December 2015</b>									
<b>Distribution Plant</b>									
053 G375.00-Structures & Improvemen	183,210.65	17,047.00							200,257.65
053 G376.10-Mains, Steel	60,662,187.98	2,898,552.00	(78,556.00)	(723,088.00)					62,759,095.98
053 G376.20-Mains, Plastic	30,594,244.93	2,756,539.00	(149,715.00)	(313,201.00)					32,887,867.93
053 G378.00-M & R Station Equipment	17,289.00	19,189.00							36,478.00
053 G379.00-M&R Station Equip - Cit	3,763,497.00	224,878.00							3,988,375.00
053 G380.10-Services, Steel	20,930,964.00	956,553.00	(91,057.00)	(665,105.00)					21,131,355.00
053 G380.20-Services, Plastic	20,180,200.00	1,959,863.00	(230,500.00)	(5,450,406.00)					16,459,157.00
053 G381.00-Meters	2,402,887.77	781,790.75	(622,008.39)	(112,400.56)					2,450,269.57
053 G381.10-Meters - ERTs	322,020.44	111,543.03	(142,555.75)			(16,394.64)			274,613.08
053 G382.00-Meter Installations	2,181,646.49	303,764.53							2,485,411.02
053 G382.10-Meter Install - ERTs	1,693,966.51	314,543.07							2,008,509.58
053 G383.00-House Regulators	1,762,238.12	224,622.00	(17,412.00)	(16,455.00)					1,952,993.12
053 G384.00-House Reg Installations	912,073.00	60,706.00							972,779.00
053 G385.00-Industrial M&R Station	1,791,567.00	100,581.00							1,892,148.00
053 G387.00-Other Equipment	316,274.59	25,019.00							341,293.59
<b>Total Distribution</b>	<b>147,714,267.48</b>	<b>10,755,190.38</b>	<b>(1,331,804.14)</b>	<b>(7,280,655.56)</b>	<b>0.00</b>	<b>(16,394.64)</b>	<b>0.00</b>	<b>0.00</b>	<b>149,840,603.52</b>
<b>General Plant</b>									
053 G365.00-Land & Land Rights-TP		2,423.00							2,423.00
053 G389.00-Land & Land Rights	(184.00)	184.00							0.00
053 G390.00-Structures & Impr	726,984.08	208,452.00							935,436.08
053 G391.00-Office Furniture and Eq	227,882.00	30,752.00							258,634.00
053 G391.10-OFE - Comp Equip and So	884,050.00	134,898.00							1,018,948.00
053 G391.10-OFE -Comp Equip 2014	11.00	273.00							284.00
053 G391.11-OFE - Computer Software	6,135,316.00	934,005.00	(37,376.63)						7,031,944.37
053 G391.11-OFE - Computer SW 2014	8,232.00	23,444.00							31,676.00
053 G391.11-OFE - Computer SW 2015		28,768.00							28,768.00
053 G391.12-OFE - Compr HW	25,187.06	8,439.00							33,626.06
053 G391.12-OFE - Compr HW 2014	417.00	36,652.00							37,069.00
053 G391.12-OFE - Compr HW 2015		270.00							270.00
053 G391.50-OFE - Individual Equipm	91,725.77	14,888.00	(15,340.23)						91,273.54
053 G392.00-Trans Equip	107,944.66	50,952.45	(97,475.68)		18,580.00				80,001.43
053 G392.00-Trans Equip 2014	1,778.02	42,672.48							44,450.50
053 G392.10-Trans Equip - Auto 2015		2,952.89							2,952.89
053 G392.10-Trans Equip - Auto	218,497.94	64,200.73	(60,385.53)		13,950.00				236,263.14
053 G392.10-Trans Equip - Auto 2014		9,909.60							9,909.60
053 G392.10-Trans Equip - Auto 2015		5,588.31							5,588.31
053 G392.30-Trans Equip-Hvy Tr 2015		2,889.85							2,889.85
053 G392.30-Trans Equip-Hvy Trucks	72,843.06	35,673.36							108,516.42
053 G393.00-Stores Equipment	1,160.80	181.00							1,341.80
053 G394.00-Tools,Shop,& Garage Equ	1,131,320.52	118,452.00	(23,096.00)		4,325.00				1,231,001.52
053 G394.00-Tools,Shp,& GarEq 2014	399.00	12,885.00							13,284.00

Functional Class	Beginning Balance	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers	Adjustments	Gain/Loss	Ending Balance
<b>FERC Plant Account</b>									
053 G394.00-Tools, Shp. & GarEq 2015		459.00							459.00
053 G395.00-Laboratory Equipment	4,034.38								4,034.38
053 G396.00-Power Oper Equip 2014	285.22	6,845.00							7,130.22
053 G396.00-Power Operated Equip	8,353.36	4,055.00							12,408.36
053 G397.00-Comm Equip 2014	478.00	1,638.00							2,116.00
053 G397.00-Communication Equip	1,008,819.05		(851,172.00)						157,647.05
053 G398.00-Misc Equipment 2015		53.00							53.00
053 G398.00-Miscellaneous Equipment	435,424.93	64,058.00							499,482.93
053 G398.00-Miscellaneous Intangible Property									
<b>Total General Plant</b>	<b>11,090,959.85</b>	<b>1,846,913.67</b>	<b>(1,084,846.07)</b>	<b>0.00</b>	<b>36,855.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11,889,882.45</b>
<b>Intangible Plant</b>									
053 G302.00-Fran & Cons - Depr (Lif	181,595.02								181,595.02
053 G303.00-Misc.- Depreciable	22,323.77								22,323.77
053 G39.00-Misc.- Ingtangible Proeprty	0.00								0.00
<b>Total Intangible Plant</b>	<b>203,918.79</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>203,918.79</b>
<b>Transmission Plant</b>									
053 G367.00-Transmission-Main	0.00	72,333.00							72,333.00
053 G369.00-Measuring & Regulating Equip	0.00	1,808.00							1,808.00
<b>Total Transmission Plant</b>	<b>0.00</b>	<b>74,141.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>74,141.00</b>
<b>Grand Total</b>	<b>159,009,146.12</b>	<b>12,676,245.05</b>	<b>(2,416,650.21)</b>	<b>(7,280,655.56)</b>	<b>36,855.00</b>	<b>(16,394.64)</b>	<b>0.00</b>	<b>0.00</b>	<b>162,008,545.76</b>

Functional Class	Beginning Balance	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers	Adjustments	Gain/Loss	Ending Balance
FERC Plant Account	FERC Form Ref.								
<b>Actual December 2014</b>									
<b>Distribution Plant</b>									
053 G375.00-Structures & Improvemen	166,185.65	17,025.00							183,210.65
053 G376.10-Mains, Steel	57,158,840.98	2,840,416.00	1,676,388.00	(872,367.00)		(141,090.00)			60,662,187.98
053 G376.20-Mains, Plastic	28,695,333.93	2,532,245.00	(245,078.00)	(401,505.00)		13,249.00			30,594,244.93
053 G378.00-M & R Station Equipment	30,319.00	10,760.00		(5,518.00)		(18,272.00)			17,289.00
053 G379.00-M&R Station Equip - Cit	3,550,678.00	213,966.00				(1,147.00)			3,763,497.00
053 G380.10-Services, Steel	21,232,048.00	960,389.00	(250,216.00)	(1,011,257.00)					20,930,964.00
053 G380.20-Services, Plastic	20,399,574.00	1,856,892.00	(548,105.00)	(1,528,161.00)					20,180,200.00
053 G381.00-Meters	556,633.34	731,970.88	(292,297.09)	(101,242.36)		1,507,823.00			2,402,887.77
053 G381.10-Meters - ERTs	(410,689.19)	30,424.06	(22,337.03)			724,622.60			322,020.44
053 G382.00-Meter Installations	1,940,777.02	290,908.49	(90.31)	(49,948.71)					2,181,646.49
053 G382.10-Meter Install - ERTs	2,488,463.02	433,426.09				(1,227,922.60)			1,693,966.51
053 G383.00-House Regulators	1,572,126.12	207,053.00	(15,473.00)	(1,468.00)					1,762,238.12
053 G384.00-House Reg Installations	857,262.00	54,811.00							912,073.00
053 G385.00-Industrial M&R Station	1,831,827.00	100,581.00				(140,841.00)			1,791,567.00
053 G387.00-Other Equipment	299,815.59	23,418.00		(758.00)		(6,201.00)			316,274.59
<b>Total Distribution</b>	<b>140,369,194.46</b>	<b>10,304,285.52</b>	<b>302,791.57</b>	<b>(3,972,225.07)</b>	<b>0.00</b>	<b>710,221.00</b>	<b>0.00</b>	<b>0.00</b>	<b>147,714,267.48</b>
<b>General Plant</b>									
053 G389.00-Land & Land Rights	(184.00)	0.00							(184.00)
053 G390.00-Structures & Impr	568,460.08	158,524.00							726,984.08
053 G391.00-Office Furniture and Eq	246,110.00	30,533.00				(48,761.00)			227,882.00
053 G391.10-OFE - Comp Equip and So	1,332,394.00	165,091.00	(144,366.00)			(469,069.00)			884,050.00
053 G391.10-OFE -Comp Equip 2014		11.00				0.00			11.00
053 G391.11-OFE - Computer Software	5,660,120.00	934,733.00				(459,537.00)			6,135,316.00
053 G391.11-OFE - Computer SW 2014		8,232.00				0.00			8,232.00
053 G391.12-OFE - Compr HW	71,795.06	10,581.00	(57,189.00)						25,187.06
053 G391.12-OFE - Compr HW 2014		417.00	0.00						417.00
053 G391.50-OFE - Individual Equipm	33,757.77	10,850.00	(235,455.00)			282,573.00			91,725.77
053 G392.00-Trans Equip	41,379.20	66,565.46							107,944.66
053 G392.00-Trans Equip 2014		1,778.02							1,778.02
053 G392.10-Trans Equip - Auto	(204,050.06)	73,747.77	(76,827.77)			425,628.00			218,497.94
053 G392.30-Trans Equip-Hvy Trucks	37,169.32	35,673.74							72,843.06
053 G393.00-Stores Equipment	979.80	181.00							1,160.80
053 G394.00-Tools,Shop,& Garage Equ	1,033,323.52	120,158.00	(22,161.00)						1,131,320.52
053 G394.00-Tools,Shp,& GarEq 2014		399.00							399.00
053 G395.00-Laboratory Equipment	4,034.38								4,034.38
053 G396.00-Power Oper Equip 2014		285.22							285.22
053 G396.00-Power Operated Equip	3,728.00	4,625.36							8,353.36
053 G397.00-Comm Equip 2014		478.00							478.00
053 G397.00-Communication Equip	1,261,270.05					(252,451.00)			1,008,819.05
053 G398.00-Miscellaneous Equipment	370,853.93	64,571.00							435,424.93
053 G398.00-Miscellaneous Intangible Property									
<b>Total General Plant</b>	<b>10,461,141.05</b>	<b>1,687,434.57</b>	<b>(535,998.77)</b>	<b>0.00</b>	<b>0.00</b>	<b>(521,617.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>11,090,959.85</b>

Functional Class	Beginning Balance	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers	Adjustments	Gain/Loss	Ending Balance
FERC Plant Account	FERC Form Ref.								
<b>Intangible Plant</b>									
053 G302.00-Fran & Cons - Depr (Lif		181,595.02							181,595.02
053 G303.00-Misc.- Depreciable		22,323.77							22,323.77
053 G39.00-Misc.- Ingtangible Proeprty		0.00							0.00
<b>Total Intangible Plant</b>		<b>203,918.79</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>203,918.79</b>
<b>Transmission Plant</b>									
053 G367.00-Transmission-Main		176,890.00	11,714.00			(188,604.00)			0.00
053 G369.00-Measuring & Regulating Equip		0.00							0.00
<b>Total Transmission Plant</b>		<b>176,890.00</b>	<b>11,714.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(188,604.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>		<b>151,211,144.30</b>	<b>12,003,434.09</b>	<b>(233,207.20)</b>	<b>(3,972,225.07)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>159,009,146.12</b>

## **APPENDIX H – Florida Public Service Commission Summaries**



FLORIDA CITY GAS  
2018 DEPRECIATION STUDY  
DATA ENTRY SHEET

ACCOUNT	07/31/2018 INVESTMENT	07/31/2018 RESERVE	CURRENT				COMPANY PROPOSAL				STAFF RECOMMENDED			
			AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	NET SALVAGE	CURVE	AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	NET SALVAGE	CURVE	AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	NET SALVAGE	CURVE
<b>STORAGE PLANT</b>														
364.0 LNG Plant	0	0					50.0	50.0	0%	S4				
<b>TOTAL STORAGE</b>	<b>0</b>	<b>0</b>												
<b>DISTRIBUTION PLANT</b>														
374.10 Land	732,174	0	NA	NA	NA	NA	NA	NA	NA	NA				
374.20 Land Rights	0	0	NA	NA	NA	NA	NA	NA	NA	NA				
374.30 Rights of Way	11,132	12,199	NA	NA	NA	NA	NA	NA	NA	NA				
375.00 Structures & Improvements	0	(80,099)	40.0	27.0	0.0%	R3	32.0	0.0	0.0%	R5				
376.10 Mains - Other Than Plastic	109,201,912	70,680,741	42.0	21.0	-25.0%	S3	55.0	34.0	-50.0%	S3				
376.20 Mains - Plastic	150,016,423	40,242,440	40.0	27.0	-20.0%	S3	55.0	45.4	-40.0%	S3				
378.00 M&R Station Equip - General (new)	3,009,723	146,541	30.0	28.0	0.0%	S3	30.0	28.3	-5.0%	S3				
379.00 M&R Equipment - City Gate	10,001,911	4,685,120	30.0	13.3	0.0%	S4	35.0	21.4	-5.0%	S4				
380.10 Services - Other Than Plastic	14,597,872	22,559,287	35.0	6.6	-80.0%	S6	45.0	16.7	-100.0%	S6				
380.20 Services - Plastic	61,702,824	21,210,271	34.0	22.0	-30.0%	S4	45.0	32.9	-45.0%	S4				
381.00 Meters	17,980,578	3,206,589	25.0	18.5	-3.0%	S3	20.0	14.4	-5.0%	R1.5				
381.10 ERTS	1,563,534	279,924	25.0	18.5	-3.0%	S3	20.0	14.4	-5.0%	R1.5				
382.00 Meter Installations	7,163,196	3,023,561	34.0	21.0	-25.0%	S3	30.0	17.3	-20.0%	R1.5				
382.10 ERT Installations	4,694,672	2,821,080	15.0	10.5	0.0%	S3	20.0	13.0	0.0%	S3				
383.00 House Regulators	5,883,813	2,643,921	25.0	13.1	-3.0%	S3	30.0	19.8	-5.0%	R1.5				
384.00 Regulator Installations	2,308,976	1,151,145	34.0	15.2	0.0%	S3	30.0	15.8	0.0%	S3				
385.00 Industrial M&R Station Equipment	3,045,478	2,149,455	30.0	13.5	0.0%	R3	30.0	10.6	0.0%	S3				
387.00 Other Equipment	836,930	332,635	30.0	17.9	0.0%	S5	30.0	20.0	0.0%	R3				
<b>TOTAL DISTRIBUTION</b>	<b>392,751,148</b>	<b>175,064,809</b>												
<b>GENERAL PLANT</b>														
389.00 Land	2,410,432	608	NA	NA	NA	NA	NA	NA	NA	NA				
390.00 Structures & Improvements	8,410,478	578,148	40.0	34.0	0.0%	R1	40.0	37.5	0.0%	R1				
391.00 Office Furniture	635,484	132,036.29	19.0	5.5	0.0%	S2	15.0		0.0%	SQ				
391.10 Software Non-Enterprise	215,218	(305,045.61)	12.0		0.0%	S2	10.0		0.0%	SQ				
391.11 Computer Software	12,908,974	3,681,459.04	11.0		0.0%	R4	12.0		0.0%	SQ				
391.12 Computer Hardware	660,987	129,437.68	12.0		0.0%	S2	5.0		0.0%	SQ				
391.50 Individual Equipment	181,680	60,155.60	12.0		0.0%	S2	5.0		0.0%	SQ				
392.00 Transportation Equipment	1,224,133	18,870	12.0	5.9	12.0%	L3	12.0	10.3	12.0%	L2.5				
392.10 Trans Equip - Autos & Lt Trucks	128,095	149,007	12.0	5.9	12.0%	L3	8.0	7.2	12.0%	L3				
392.20 Trans Equip - Service Trucks	3,231,812	629,930	12.0	5.9	12.0%	L3	8.0	5.7	12.0%	L3				
392.30 Trans Equip - Heavy Trucks	374,204	204,897	12.0	5.9	12.0%	L3	13.0	6.8	12.0%	L3				
393.00 Stores Equipment	0	(1,301)	25.0	10.8	0.0%	R2	25.0		0.0%	SQ				
394.00 Tools, Shop, Garage Equipment	644,252	(43,717)	15.0	5.2	0.0%	S2	15.0		0.0%	SQ				
394.10 Natural Gas Vehicle Equipment	3,661,963	401,398	0.0	5.2	0.0%	0	20.0	18.8	0.0%	S4				
395.00 Laboratory Equipment	0	(0)	25.0		0.0%	S4	20.0		0.0%	SQ				
396.00 Power Operated Equip (new)	210,084	48,344	15.0	11.1	0.0%	S3	15.0	10.3	10.0%	SQ				
397.00 Communication Equipment	609,131	125,650	12.0		0.0%	R2	12.0		0.0%	SQ				
398.00 Miscellaneous Equipment	248,144	(223,416)	15.0	7.7	0.0%	S3	20.0		0.0%	SQ				
<b>TOTAL GENERAL PLANT</b>	<b>35,755,069</b>	<b>5,586,460</b>												
<b>GRAND TOTAL</b>	<b>428,506,218</b>	<b>180,651,269</b>												

General Plant balances reflect adoption of general plant amortization where assets greater than average service life are retired.

FLORIDA CITY GAS  
2018 DEPRECIATION STUDY  
COMPARISON OF RATES AND COMPONENTS

ACCOUNT	CURRENT			COMPANY PROPOSAL				STAFF RECOMMENDED			
	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	07/31/2018 ESTIMATED RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	07/31/2018 ESTIMATED RESERVE (%)	REMAINING LIFE RATE (%)
<b>STORAGE PLANT</b>											
364.00 LNG Plant	NA	0.0	NA	50.0	0.0%	0.00	2.0				
<b>DISTRIBUTION PLANT</b>											
374.10 Land	NA	NA	0.0	NA	NA	0.0	0.00				
374.20 Land Rights	NA	NA	0.0	NA	NA	0.0	0.00				
374.30 Rights of Way	NA	NA	0.0	NA	NA	0.0	0.00				
375.00 Structures & Improvements	27.0	0.0%	0.0	0.0	0.0%	0.0	3.1%				
376.10 Mains - Other Than Plastic	21.0	-25.0%	3.0%	34.0	-50.0%	64.7	2.5%				
376.20 Mains - Plastic	27.0	-20.0%	3.1%	45.4	-40.0%	26.8	2.5%				
378.00 M&R Station Equip - General (new)	28.0	0.0%	3.3%	28.3	-5.0%	4.9	3.5%				
379.00 M&R Equipment - City Gate	13.3	0.0%	3.3%	21.4	-5.0%	46.8	2.7%				
380.10 Services - Other Than Plastic	6.6	-80.0%	6.5%	16.7	-100.0%	154.5	2.7%				
380.20 Services - Plastic	22.0	-30.0%	4.1%	32.9	-45.0%	34.4	3.4%				
381.00 Meters	18.5	-3.0%	4.9%	14.4	-5.0%	17.8	6.1%				
381.10 ERTS	18.5	-3.0%	4.9%	14.4	-5.0%	17.9	6.1%				
382.00 Meter Installations	21.0	-25.0%	4.5%	17.3	-20.0%	42.2	4.5%				
382.10 ERT Installations	10.5	0.0%	6.7%	13.0	0.0%	60.1	3.1%				
383.00 House Regulators	13.1	-3.0%	4.9%	19.8	-5.0%	44.9	3.0%				
384.00 Regulator Installations	15.2	0.0%	3.1%	15.8	0.0%	49.9	3.2%				
385.00 Industrial M&R Station Equipment	13.5	0.0%	3.3%	10.6	0.0%	70.6	2.8%				
387.00 Other Equipment	17.9	0.0%	3.3%	20.0	0.0%	39.7	3.0%				
<b>GENERAL PLANT</b>											
389.00 Land	NA	NA	0.0	NA	NA	0.0	0.0				
390.00 Structures & Improvements	34.0	0.0	0.0	37.5	0.0%	6.9	2.5%				
391.00 Office Furniture	5.5	0.0	7.7%		0.0%	20.8	6.7%				
391.10 Software Non-Enterprise		0.0	8.3%		0.0%	-141.7	10.0%				
391.11 Computer Software		0.0	9.1%		0.0%	28.5	8.3%				
391.12 Computer Hardware		0.0	8.3%		0.0%	19.6	20.0%				
391.50 Individual Equipment		0.0	8.3%		0.0%	33.1	20.0%				
392.00 Transportation Equipment	5.9	0.1	11.5%	10.3	12.0%	1.5	8.4%				
392.10 Transportation Equip - Autos & Lt Trucks *	5.9	0.1	11.5%	7.2	12.0%	116.3	11.0%				
392.20 Trans Equip - Service Trucks	5.9	0.1	11.5%	5.7	12.0%	19.5	12.1%				
392.30 Trans Equip - Heavy Trucks	5.9	0.1	11.5%	6.8	12.0%	54.8	4.9%				
393.00 Stores Equipment	10.8	0.0	6.2%		0.0%		4.0%				
394.00 Tools, Shop, Garage Equipment	5.2	0.0	7.2%		0.0%	-6.8	6.7%				
394.10 Natural Gas Vehicle Equipment	NA	NA	5.0%	18.8	0.0%	11.0	4.7%				
395.00 Laboratory Equipment		0.0	4.0%		0.0%		5.0%				
396.00 Power Operated Equip (new)	11.1	0.0	8.3%	10.3	10.0%	23.0	6.5%				
397.00 Communication Equipment		0.0	8.3%		0.0%	20.6	8.3%				
398.00 Miscellaneous Equipment	7.7	0.0	7.5%		0.0%	-90.0	5.0%				

\* Fully accrued. When plant is added the whole life rate is recommended.

Attachment C

FLORIDA CITY GAS  
2018 DEPRECIATION STUDY  
COMPARISON OF EXPENSES

ACCOUNT	07/31/2018 ESTIMATED INVESTMENT	07/31/2018 ESTIMATED RESERVE	CURRENT		COMPANY PROPOSAL			STAFF RECOMMENDED		
			RATE	EXPENSES	RATE	EXPENSES	CHANGE IN EXPENSES	RATE	EXPENSES	CHANGE IN EXPENSES
	(\$)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)	(\$)	(\$)
<b>STORAGE PLANT</b>										
364.00 LNG Plant	0	0		0	2.00	0	0			
<b>DISTRIBUTION PLANT</b>										
374.10 Land	732,174	0	0.0	0	0.0	0	0			
374.20 Land Rights	0	0	0.0	0	0.0	0	0			
374.30 Rights of Way	11,132	12,199	0.0	0	0.0	0	0			
375.00 Structures & Improvements	0	(80,099)	2.8	0	3.1	0	0			
376.10 Mains - Other Than Plastic	109,201,912	70,680,741	3.0	3,276,057	2.5	2,730,048	(546,010)			
376.20 Mains - Plastic	150,016,423	40,242,440	3.1	4,650,509	2.5	3,750,411	(900,099)			
378.00 M&R Station Equip - General (new)	3,009,723	146,541	3.3	99,321	3.5	105,340	6,019			
379.00 M&R Equipment - City Gate	10,001,911	4,685,120	3.3	330,063	2.7	270,052	(60,011)			
380.10 Services - Other Than Plastic	14,597,872	22,559,287	6.5	948,862	2.7	394,143	(554,719)			
380.20 Services - Plastic	61,702,824	21,210,271	4.1	2,529,816	3.4	2,097,896	(431,920)			
381.00 Meters	17,980,578	3,206,589	4.9	881,048	6.1	1,096,815	215,767			
381.10 ERTS	1,563,534	279,924	4.9	76,613	6.1	95,376	18,762			
382.00 Meter Installations	7,163,196	3,023,561	4.5	322,344	4.5	322,344	0			
382.10 ERT Installations	4,694,672	2,821,080	6.7	314,543	3.1	145,535	(169,008)			
383.00 House Regulators	5,883,813	2,643,921	4.9	288,307	3.0	176,514	(111,792)			
384.00 Regulator Installations	2,308,976	1,151,145	3.1	71,578	3.2	73,887	2,309			
385.00 Industrial M&R Station Equipment	3,045,478	2,149,455	3.3	100,501	2.8	85,273	(15,227)			
387.00 Other Equipment	836,930	332,635	3.3	27,619	3.0	25,108	(2,511)			
<b>TOTAL DISTRIBUTION</b>	<b>392,751,148</b>	<b>175,064,809</b>		<b>13,917,181</b>		<b>11,368,741</b>	<b>(2,548,440)</b>			
<b>GENERAL PLANT</b>										
389.00 Land	2,410,432	608	0.0	0	0.0	0	0			
390.00 Structures & Improvements	8,410,478	578,148	2.6	218,672	2.5	210,262	(8,410)			
391.00 Office Furniture	635,484	132,036	7.7	48,932	6.7	42,577	(6,355)			
391.10 Software Non-Enterprise	215,218	(305,046)	8.3	17,863	10.0	21,522	3,659			
391.11 Computer Software	12,908,974	3,681,459	9.1	1,174,717	8.3	1,071,445	(103,272)			
391.12 Computer Hardware	660,987	129,438	8.3	54,862	20.0	132,197	77,335			
391.50 Individual Equipment	181,680	60,156	8.3	15,079	20.0	36,336	21,257			
392.00 Transportation Equipment	1,224,133	18,870	11.5	140,775	8.4	102,827	(37,948)			
392.10 Transportation Equip - Autos & Lt Trucks*	128,095	149,007	11.5	0	0.0	0	0			
392.20 Trans Equip - Service Trucks	3,231,812	629,930	11.5	371,658	12.1	391,049	19,391			
392.30 Trans Equip - Heavy Trucks	374,204	204,897	11.5	43,033	4.9	18,336	(24,697)			
393.00 Stores Equipment	0	(1,301)	6.2	0	4.0	0	0			
394.00 Tools, Shop, Garage Equipment	644,252	(43,717)	7.2	46,386	6.7	43,165	(3,221)			
394.10 Natural Gas Vehicle Equipment	3,661,963	401,398	5.0	183,098	4.7	172,112	(10,986)			
395.00 Laboratory Equipment	0	(0)	4.0	0	5.0	0	0			
396.00 Power Operated Equip (new)	210,084	48,344	8.3	17,437	6.5	13,655	(3,782)			
397.00 Communication Equipment	609,131	125,650	8.3	50,558	8.3	50,558	(0)			
398.00 Miscellaneous Equipment	248,144	(223,416)	7.5	18,611	5.0	12,407	(6,204)			
General Plant Reserve True Up						284,454	284,454			
<b>TOTAL GENERAL</b>	<b>35,755,069</b>	<b>5,586,460</b>		<b>2,401,681</b>		<b>2,602,903</b>	<b>201,222</b>			
<b>GRAND TOTAL</b>	<b>428,506,218</b>	<b>180,651,269</b>		<b>16,318,862</b>		<b>13,971,644</b>	<b>(2,347,217)</b>			

General Plant balances reflect adoption of general plant amortization where assets greater than average service life are retired.

\* Fully accrued. When plant is added the whole life rate of 11% is recommended.

Attachment D

FLORIDA CITY GAS  
2018 DEPRECIATION STUDY  
DATA ENTRY SHEET

THEORETICAL RESERVE CALCULATIONS - USING PROPOSED RATES

ACCOUNT		07/31/2018 INVESTMENT	07/31/2018 RESERVE	THEORETICAL RESERVE RATIO	THEORETICAL RESERVE AMOUNT	IMBALANCE	WLR (%)	ARL (YEARS)	NET SALV (%)
<b>STORAGE PLANT</b>									
364.00	LNG Plant	0	0	0.00%	0	0	2.0	50.0	0.00%
	<b>TOTAL STORAGE</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>			
<b>DISTRIBUTION PLANT</b>									
374.10	Land	732,174	0	0.0%	0	0	NA	NA	NA
374.20	Land Rights	0	0	0.0%	0	0	NA	NA	NA
374.30	Rights of Way	11,132	12,199	0.0%	0	0	NA	NA	NA
375.00	Structures & Improvements	0	(80,099)	NA	0	(80,099)	3.1	0.0	0%
376.10	Mains - Other Than Plastic	109,201,912	70,680,741	57.2%	62,417,727	8,263,014	2.5	34.0	-50%
376.20	Mains - Plastic	150,016,423	40,242,440	24.4%	36,533,288	3,709,152	2.5	45.4	-40%
378.00	M&R Station Equip - General (new)	3,009,723	146,541	6.0%	179,100	(32,558)	3.5	28.3	-5%
379.00	M&R Equipment - City Gate	10,001,911	4,685,120	40.7%	4,070,101	615,018	2.7	21.4	-5%
380.10	Services - Other Than Plastic	14,597,872	22,559,287	125.9%	18,378,355	4,180,933	2.7	16.7	-100%
380.20	Services - Plastic	61,702,824	21,210,271	39.1%	24,098,203	(2,887,932)	3.4	32.9	-45%
381.00	Meters	17,980,578	3,206,589	29.2%	5,243,700	(2,037,111)	6.1	14.4	-5%
381.10	ERTS	1,563,534	279,924	35.2%	550,842	(270,918)	6.1	13.3	-5%
382.00	Meter Installations	7,163,196	3,023,561	50.8%	3,638,568	(615,007)	4.5	17.3	-20%
382.10	ERT Installations	4,694,672	2,821,080	35.1%	1,646,202	1,174,878	3.1	13.0	0%
383.00	House Regulators	5,883,813	2,643,921	35.8%	2,106,345	537,576	3.0	19.8	-5%
384.00	Regulator Installations	2,308,976	1,151,145	47.4%	1,094,548	56,597	3.2	15.8	0%
385.00	Industrial M&R Station Equipment	3,045,478	2,149,455	64.5%	1,964,561	184,894	2.8	10.6	0%
387.00	Other Equipment	836,930	332,635	33.3%	278,843	53,791	3.0	20.0	0%
	<b>TOTAL DISTRIBUTION</b>	<b>392,751,148</b>	<b>175,064,809</b>	<b>41.3%</b>	<b>162,200,383</b>	<b>12,852,226.71</b>			
<b>GENERAL PLANT</b>									
389.00	Land	2,410,432	608	0.0%	0	0	NA	NA	NA
390.00	Structures & Improvements	8,410,478	578,148	6.2%	523,820	54,329	2.5	37.5	0%
391.00	Office Furniture	635,484	132,036	8.6%	54,722	77,314	6.7		0%
391.10	Software Non-Enterprise	215,218	(305,046)	36.1%	77,744	(382,790)	10.0		0%
391.11	Computer Software	12,908,974	3,681,459	31.4%	4,058,339	(376,880)	8.3		0%
391.12	Computer Hardware	660,987	129,438	75.6%	499,950	(370,512)	20.0		0%
391.50	Individual Equipment	181,680	60,156	25.8%	46,934	13,222	20.0		0%
392.00	Transportation Equipment	1,224,133	18,870	12.2%	149,254	(130,383)	8.4	10.3	12%
392.10	Trans Equip - Autos & Lt Trucks	128,095	149,007	9.1%	11,711	137,296	11.0	7.2	12%
392.20	Trans Equip - Service Trucks	3,231,812	629,930	25.6%	828,397	(198,468)	12.1	5.7	12%
392.30	Trans Equip - Heavy Trucks	374,204	204,897	42.2%	158,096	46,801	4.9	6.8	12%
393.00	Stores Equipment	0	(1,301)	NA	0	(1,301)	4.0		0%
394.00	Tools, Shop, Garage Equipment	644,252	(43,717)	21.4%	138,142	(181,859)	6.7		0%
394.10	Natural Gas Vehicle Equipment	3,661,963	401,398	6.0%	221,244	180,154	4.7	18.8	0%
395.00	Laboratory Equipment	0	(0)	NA	0	(0)	5.0		0%
396.00	Power Operated Equip (new)	210,084	48,344	28.0%	58,879	(10,536)	6.5	10.3	10%
397.00	Communication Equipment	609,131	125,650	9.1%	55,235	70,415	8.3		0%
398.00	Miscellaneous Equipment	248,144	(223,416)	18.7%	46,460	(269,876)	5.0		0%
	<b>TOTAL GENERAL</b>	<b>35,755,069</b>	<b>5,586,460</b>	<b>19.4%</b>	<b>6,928,928</b>	<b>(1,343,076)</b>			
	<b>TOTAL COMPANY</b>	<b>428,506,218</b>	<b>180,651,269</b>	<b>39.5%</b>	<b>169,129,311</b>	<b>11,509,151</b>			

General Plant balances reflect adoption of general plant amortization where assets greater than average service life are retired.

\* Fully accrued. When plant is added the whole life rate of 11% is recommended.

## Schedule 1

### Comparison of Annual Depreciation Accrual Expense

Description	Forecast Plant in Service 07/31/2018	Approved	Proposed	Difference
		Annual Accrual Expense	Annual Accrual Expense	
Storage Plant	\$ -	\$ -	\$ -	\$ -
Distribution Plant	392,007,843	13,917,181	11,368,741	\$ (2,548,440)
General Plant with Amortization True Up	33,344,637	2,401,683	2,602,903	\$ 201,220
<b>Total FCG</b>	<b>\$ 425,352,480</b>	<b>\$ 16,318,864</b>	<b>\$ 13,971,644</b>	<b>\$ (2,347,219)</b>

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 24  
PARTY: FLORIDA CITY GAS– (DIRECT)  
DESCRIPTION: Dane A. Watson DAW-3

Witness: Dane A. Watson

**Schedule 2****Comparison of Net Salvage**

<b>Account</b>	<b>Existing</b>	<b>Proposed</b>	<b>Change in Net Salvage</b>
364.00	N/A	0%	N/A
374.20	-25%	0%	25%
374.30	N/A	0%	N/A
375.00	0%	0%	0%
376.10	-25%	-50%	-25%
376.20	-20%	-40%	-20%
378.00	0%	-5%	-5%
379.00	0%	-4%	-4%
380.10	-80%	-100%	-20%
380.20	-30%	-45%	-15%
381.00	-3%	-5%	-2%
381.10	-3%	-5%	-2%
382.00	-25%	-20%	5%
382.10	0%	0%	0%
383.00	-3%	-5%	-2%
384.00	0%	0%	0%
385.00	0%	0%	0%
387.00	0%	0%	0%
390.00	0%	0%	0%
391.00	0%	0%	0%
391.10	0%	0%	0%
391.11	0%	0%	0%
391.12	0%	0%	0%
391.50	0%	0%	0%
392.00	12%	12%	0%
392.10	12%	12%	0%
392.20	12%	12%	0%
392.30	12%	12%	0%
393.00	0%	0%	0%
394.00	0%	0%	0%
395.00	0%	0%	0%
396.00	0%	10%	10%
397.00	0%	0%	0%
398.00	0%	0%	0%

**Schedule 3**

Witness: Dane A. Watson

### Comparison of Life Parameter

Account	Existing		Proposed		Change in ASL
	Curve	ASL	Curve	ASL	
364.00	N/A		S6	45	N/A
374.20	S3	42	S3	65	23
374.30	N/A		S3	65	N/A
375.00	R3	40	R5	32	-8
376.10	S3	42	S3	55	13
376.20	S3	40	S3	55	15
378.00	S3	30	S3	30	0
379.00	S4	30	S4	35	5
380.10	S6	35	S6	45	10
380.20	S4	34	S4	45	11
381.00	S3	25	R1.5	20	-5
381.10	S3	25	R1.5	20	-5
382.00	S3	34	S3	30	-4
382.10	S3	15	R2.5	20	5
383.00	S3	25	S3	30	5
384.00	S3	34	S3	30	-4
385.00	R3	30	R3	30	0
387.00	S5	30	S5	30	0
390.00	R1	40	R1	40	0
391.00	S2	19	SQ	15	-4
391.10	S2	12	SQ	10	-2
391.11	R4	11	SQ	12	1
391.12	S2	12	SQ	5	-7
391.50	S2	12	SQ	5	-7
392.00	L3	12	L2.5	12	0
392.10	L3	12	L3	6	-6
392.20	L3	12	L4	7	-5
392.30	L3	12	L3	10	-2
393.00	R2	25	SQ	25	0
394.00	S2	15	SQ	15	0
395.00	S4	25	SQ	20	-5
396.00	S3	15	SQ	15	0
397.00	R2	12	SQ	12	0
398.00	S3	15	SQ	20	5

Witness: Dane A. Watson

**LIST OF SCHEDULES AND APPENDICES**

Exhibit JVW-1 Schedule-1	Summary of Discounted Cash Flow Analysis for Natural Gas Utilities
Exhibit JVW-1 Schedule-2	Comparison of the DCF Expected Return on an Investment in Natural Gas Utilities to the Interest Rate on Moody's A-Rated Utility Bonds
Exhibit JVW-1 Schedule-3	Comparative Returns on S&P 500 Stock Index and Moody's A-Rated Bonds 1937—2017
Exhibit JVW-1 Schedule-4	Comparative Returns on S&P Utility Stock Index and Moody's A-Rated Bonds 1937—2017
Exhibit JVW-1 Schedule-5	Using the Arithmetic Mean to Estimate the Cost of Equity Capital
Exhibit JVW-1 Schedule-6	Calculation of Capital Asset Pricing Model Cost of Equity Using an Historical Risk Premium
Exhibit JVW-1 Schedule-7	Comparison of Risk Premiums on S&P500 and S&P Utilities 1937 – 2017
Exhibit JVW-1 Schedule-8	Calculation of Capital Asset Pricing Model Cost of Equity Using an Historical Risk Premium and a 0.90 Utility Beta
Exhibit JVW-1 Schedule-9	Calculation of Capital Asset Pricing Model Cost of Equity Using DCF Estimate of the Expected Rate of Return on the Market Portfolio
Exhibit JVW-1 Schedule-10	Average Market Value Capital Structure Value Line Natural Gas Utilities 2007 - 2016
Exhibit JVW-1 Schedule-11	Calculation of Cost of Equity Required for the Company to Have the Same Weighted Average Cost of Capital as Comparable Natural Gas Utilities
Exhibit JVW-2 Appendix 1	Qualifications of James H. Vander Weide
Exhibit JVW-2 Appendix 2	Derivation of the Quarterly DCF Model
Exhibit JVW-2 Appendix 3	Adjusting for Flotation Costs in Determining a Public Utility's Allowed Rate of Return on Equity
Exhibit JVW-2 Appendix 4	Ex Ante Risk Premium Method
Exhibit JVW-2 Appendix 5	Ex Post Risk Premium Method



**EXHIBIT JVW-1 SCHEDULE 1  
SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS  
FOR NATURAL GAS UTILITIES**

	COMPANY	MOST RECENT QUARTERLY DIVIDEND (d <sub>0</sub> )	STOCK PRICE (P <sub>0</sub> )	FORECAST OF FUTURE EARNINGS GROWTH	MARKET CAP \$ (MIL)	DCF MODEL RESULT
1	Atmos Energy	0.450	81.735	7.00%	8,960	9.5%
2	Chesapeake Utilities	0.325	73.432	7.05%	1,220	9.0%
3	New Jersey Resources	0.255	40.975	6.00%	3,669	8.9%
4	NiSource Inc.	0.175	24.968	7.90%	8,458	11.1%
5	Northwest Nat. Gas	0.470	60.208	4.50%	1,787	8.0%
6	ONE Gas Inc.	0.420	69.658	5.50%	3,774	8.0%
7	South Jersey Inds.	0.273	36.202	6.00%	2,931	9.5%
8	Spire Inc.	0.525	68.877	4.47%	3,496	7.9%
9	UGI Corp.	0.250	49.514	7.95%	8,795	10.2%
10	Average					9.1%
11	Market-weighted Average					9.6%
12	Average Line 10, 11					9.4%

Notes:

$d_0$	=	Most recent quarterly dividend
$d_1, d_2, d_3, d_4$	=	Next four quarterly dividends, calculated by multiplying the last four quarterly dividends by the factor $(1 + g)$
$P_0$	=	Average of the monthly high and low stock prices during the three months ending June 2017 per Thomson Reuters
FC	=	Flotation cost allowance (five percent) as a percent of stock price
$g$	=	I/B/E/S forecast of future earnings growth June 2017 from Thomson Reuters
$k$	=	Cost of equity using the quarterly version of the DCF model

$$k = \frac{d_1(1+k)^{.75} + d_2(1+k)^{.50} + d_3(1+k)^{.25} + d_4}{P_0(1-FC)} + g$$

In my analysis, I also eliminate outlier results, including results that are less than one hundred basis points above forecasted bond yields for the companies' ratings. The forecasted A-rated utility bond yield at the time of Dr. Vander Weide's studies is 5.8 percent, the forecasted BBB+-rated utility bond yield is 6.0 percent, and the forecasted yield on BBB-rated utility bonds is 6.2 percent.

**EXHIBIT JVW-1 SCHEDULE 2**  
**COMPARISON OF DCF EXPECTED RETURN ON AN INVESTMENT IN NATURAL GAS**  
**UTILITY STOCKS TO THE INTEREST RATE ON MOODY'S A-RATED UTILITY BONDS**

In this analysis, I compute a natural gas utility equity risk premium by comparing the DCF estimated cost of equity for an electric utility proxy group to the interest rate on A-rated utility bonds. For each month in my June 1998 through June 2017 study period:

DCF = Average DCF-estimated cost of equity on a portfolio of proxy companies;  
Bond Yield = Yield to maturity on an investment in A-rated utility bonds; and  
Risk Premium = DCF – Bond yield.

A more detailed description of my *ex ante* risk premium method is contained in Appendix 4.

LINE	DATE	DCF	BOND YIELD	RISK PREMIUM
1	Jun-98	0.1154	0.0703	0.0451
2	Jul-98	0.1186	0.0703	0.0483
3	Aug-98	0.1234	0.0700	0.0534
4	Sep-98	0.1273	0.0693	0.0580
5	Oct-98	0.1260	0.0696	0.0564
6	Nov-98	0.1211	0.0703	0.0508
7	Dec-98	0.1185	0.0691	0.0494
8	Jan-99	0.1195	0.0697	0.0498
9	Feb-99	0.1243	0.0709	0.0534
10	Mar-99	0.1257	0.0726	0.0531
11	Apr-99	0.1260	0.0722	0.0538
12	May-99	0.1221	0.0747	0.0474
13	Jun-99	0.1208	0.0774	0.0434
14	Jul-99	0.1222	0.0771	0.0451
15	Aug-99	0.1220	0.0791	0.0429
16	Sep-99	0.1226	0.0793	0.0433
17	Oct-99	0.1233	0.0806	0.0427
18	Nov-99	0.1240	0.0794	0.0446
19	Dec-99	0.1280	0.0814	0.0466
20	Jan-00	0.1301	0.0835	0.0466
21	Feb-00	0.1344	0.0825	0.0519
22	Mar-00	0.1344	0.0828	0.0516
23	Apr-00	0.1316	0.0829	0.0487
24	May-00	0.1292	0.0870	0.0422
25	Jun-00	0.1295	0.0836	0.0459
26	Jul-00	0.1317	0.0825	0.0492
27	Aug-00	0.1290	0.0813	0.0477
28	Sep-00	0.1257	0.0823	0.0434
29	Oct-00	0.1260	0.0814	0.0446
30	Nov-00	0.1251	0.0811	0.0440
31	Dec-00	0.1239	0.0784	0.0455
32	Jan-01	0.1261	0.0780	0.0481
33	Feb-01	0.1261	0.0774	0.0487
34	Mar-01	0.1275	0.0768	0.0507
35	Apr-01	0.1227	0.0794	0.0433
36	May-01	0.1302	0.0799	0.0503

LINE	DATE	DCF	BOND YIELD	RISK PREMIUM
37	Jun-01	0.1304	0.0785	0.0519
38	Jul-01	0.1338	0.0778	0.0560
39	Aug-01	0.1327	0.0759	0.0568
40	Sep-01	0.1268	0.0775	0.0493
41	Oct-01	0.1268	0.0763	0.0505
42	Nov-01	0.1268	0.0757	0.0511
43	Dec-01	0.1254	0.0783	0.0471
44	Jan-02	0.1236	0.0766	0.0470
45	Feb-02	0.1241	0.0754	0.0487
46	Mar-02	0.1189	0.0776	0.0413
47	Apr-02	0.1159	0.0757	0.0402
48	May-02	0.1162	0.0752	0.0410
49	Jun-02	0.1170	0.0741	0.0429
50	Jul-02	0.1242	0.0731	0.0511
51	Aug-02	0.1234	0.0717	0.0517
52	Sep-02	0.1260	0.0708	0.0552
53	Oct-02	0.1250	0.0723	0.0527
54	Nov-02	0.1221	0.0714	0.0507
55	Dec-02	0.1216	0.0707	0.0509
56	Jan-03	0.1219	0.0706	0.0513
57	Feb-03	0.1232	0.0693	0.0539
58	Mar-03	0.1195	0.0679	0.0516
59	Apr-03	0.1162	0.0664	0.0498
60	May-03	0.1126	0.0636	0.0490
61	Jun-03	0.1114	0.0621	0.0493
62	Jul-03	0.1127	0.0657	0.0470
63	Aug-03	0.1139	0.0678	0.0461
64	Sep-03	0.1127	0.0656	0.0471
65	Oct-03	0.1123	0.0643	0.0480
66	Nov-03	0.1089	0.0637	0.0452
67	Dec-03	0.1071	0.0627	0.0444
68	Jan-04	0.1059	0.0615	0.0444
69	Feb-04	0.1039	0.0615	0.0424
70	Mar-04	0.1037	0.0597	0.0440
71	Apr-04	0.1041	0.0635	0.0406
72	May-04	0.1045	0.0662	0.0383
73	Jun-04	0.1036	0.0646	0.0390
74	Jul-04	0.1011	0.0627	0.0384
75	Aug-04	0.1008	0.0614	0.0394
76	Sep-04	0.0976	0.0598	0.0378
77	Oct-04	0.0974	0.0594	0.0380
78	Nov-04	0.0962	0.0597	0.0365
79	Dec-04	0.0970	0.0592	0.0378
80	Jan-05	0.0990	0.0578	0.0412
81	Feb-05	0.0979	0.0561	0.0418
82	Mar-05	0.0979	0.0583	0.0396
83	Apr-05	0.0988	0.0564	0.0424
84	May-05	0.0981	0.0553	0.0427
85	Jun-05	0.0976	0.0540	0.0436

LINE	DATE	DCF	BOND YIELD	RISK PREMIUM
86	Jul-05	0.0966	0.0551	0.0415
87	Aug-05	0.0969	0.0550	0.0419
88	Sep-05	0.0980	0.0552	0.0428
89	Oct-05	0.0990	0.0579	0.0411
90	Nov-05	0.1049	0.0588	0.0461
91	Dec-05	0.1045	0.0580	0.0465
92	Jan-06	0.0982	0.0575	0.0407
93	Feb-06	0.1124	0.0582	0.0542
94	Mar-06	0.1127	0.0598	0.0529
95	Apr-06	0.1100	0.0629	0.0471
96	May-06	0.1056	0.0642	0.0414
97	Jun-06	0.1049	0.0640	0.0409
98	Jul-06	0.1087	0.0637	0.0450
99	Aug-06	0.1041	0.0620	0.0421
100	Sep-06	0.1053	0.0600	0.0453
101	Oct-06	0.1030	0.0598	0.0432
102	Nov-06	0.1033	0.0580	0.0453
103	Dec-06	0.1035	0.0581	0.0454
104	Jan-07	0.1013	0.0596	0.0417
105	Feb-07	0.1018	0.0590	0.0428
106	Mar-07	0.1018	0.0585	0.0433
107	Apr-07	0.1007	0.0597	0.0410
108	May-07	0.0967	0.0599	0.0368
109	Jun-07	0.0970	0.0630	0.0340
110	Jul-07	0.1006	0.0625	0.0381
111	Aug-07	0.1021	0.0624	0.0397
112	Sep-07	0.1014	0.0618	0.0396
113	Oct-07	0.1080	0.0611	0.0469
114	Nov-07	0.1083	0.0597	0.0486
115	Dec-07	0.1084	0.0616	0.0468
116	Jan-08	0.1113	0.0602	0.0511
117	Feb-08	0.1139	0.0621	0.0518
118	Mar-08	0.1147	0.0621	0.0526
119	Apr-08	0.1167	0.0629	0.0538
120	May-08	0.1069	0.0627	0.0442
121	Jun-08	0.1062	0.0638	0.0424
122	Jul-08	0.1086	0.0640	0.0446
123	Aug-08	0.1123	0.0637	0.0486
124	Sep-08	0.1130	0.0649	0.0481
125	Oct-08	0.1213	0.0756	0.0457
126	Nov-08	0.1221	0.0760	0.0461
127	Dec-08	0.1162	0.0654	0.0508
128	Jan-09	0.1131	0.0639	0.0492
129	Feb-09	0.1155	0.0630	0.0524
130	Mar-09	0.1198	0.0642	0.0556
131	Apr-09	0.1146	0.0648	0.0498
132	May-09	0.1225	0.0649	0.0576
133	Jun-09	0.1208	0.0620	0.0588
134	Jul-09	0.1145	0.0597	0.0548

LINE	DATE	DCF	BOND YIELD	RISK PREMIUM
135	Aug-09	0.1109	0.0571	0.0538
136	Sep-09	0.1109	0.0553	0.0556
137	Oct-09	0.1146	0.0555	0.0592
138	Nov-09	0.1148	0.0564	0.0584
139	Dec-09	0.1123	0.0579	0.0544
140	Jan-10	0.1198	0.0577	0.0621
141	Feb-10	0.1167	0.0587	0.0580
142	Mar-10	0.1074	0.0584	0.0490
143	Apr-10	0.0934	0.0582	0.0352
144	May-10	0.0970	0.0552	0.0418
145	Jun-10	0.0953	0.0546	0.0407
146	Jul-10	0.1050	0.0526	0.0524
147	Aug-10	0.1038	0.0501	0.0537
148	Sep-10	0.1034	0.0501	0.0533
149	Oct-10	0.1050	0.0510	0.0540
150	Nov-10	0.1041	0.0536	0.0505
151	Dec-10	0.1029	0.0557	0.0472
152	Jan-11	0.1019	0.0557	0.0462
153	Feb-11	0.1004	0.0568	0.0436
154	Mar-11	0.1014	0.0556	0.0458
155	Apr-11	0.1031	0.0555	0.0476
156	May-11	0.1018	0.0532	0.0486
157	Jun-11	0.1020	0.0526	0.0494
158	Jul-11	0.1035	0.0527	0.0508
159	Aug-11	0.1179	0.0469	0.0710
160	Sep-11	0.1155	0.0448	0.0707
161	Oct-11	0.1150	0.0452	0.0698
162	Nov-11	0.1120	0.0425	0.0695
163	Dec-11	0.1092	0.0435	0.0657
164	Jan-12	0.1078	0.0434	0.0644
165	Feb-12	0.1081	0.0436	0.0645
166	Mar-12	0.1081	0.0448	0.0633
167	Apr-12	0.1133	0.0440	0.0693
168	May-12	0.1203	0.0420	0.0783
169	Jun-12	0.1013	0.0408	0.0605
170	Jul-12	0.0978	0.0393	0.0585
171	Aug-12	0.1025	0.0400	0.0625
172	Sep-12	0.1040	0.0402	0.0638
173	Oct-12	0.1011	0.0391	0.0620
174	Nov-12	0.1032	0.0384	0.0648
175	Dec-12	0.1023	0.0400	0.0623
176	Jan-13	0.1013	0.0415	0.0598
177	Feb-13	0.0982	0.0418	0.0564
178	Mar-13	0.1018	0.0420	0.0598
179	Apr-13	0.1001	0.0400	0.0601
180	May-13	0.1000	0.0417	0.0583
181	Jun-13	0.1000	0.0453	0.0547
182	Jul-13	0.0983	0.0468	0.0515
183	Aug-13	0.0982	0.0473	0.0509

LINE	DATE	DCF	BOND YIELD	RISK PREMIUM
184	Sep-13	0.0991	0.0480	0.0511
185	Oct-13	0.0998	0.0470	0.0528
186	Nov-13	0.0964	0.0477	0.0487
187	Dec-13	0.0966	0.0481	0.0485
188	Jan-14	0.0948	0.0463	0.0485
189	Feb-14	0.1019	0.0453	0.0566
190	Mar-14	0.1027	0.0451	0.0576
191	Apr-14	0.1081	0.0441	0.0640
192	May-14	0.1069	0.0426	0.0643
193	Jun-14	0.1059	0.0429	0.0630
194	Jul-14	0.1075	0.0423	0.0652
195	Aug-14	0.1069	0.0413	0.0656
196	Sep-14	0.1058	0.0424	0.0634
197	Oct-14	0.1131	0.0406	0.0725
198	Nov-14	0.1113	0.0409	0.0704
199	Dec-14	0.1105	0.0395	0.0710
200	Jan-15	0.1043	0.0358	0.0685
201	Feb-15	0.1043	0.0367	0.0676
202	Mar-15	0.1062	0.0374	0.0688
203	Apr-15	0.1072	0.0375	0.0697
204	May-15	0.1067	0.0417	0.0650
205	Jun-15	0.1020	0.0439	0.0581
206	Jul-15	0.0974	0.0440	0.0534
207	Aug-15	0.0949	0.0425	0.0524
208	Sep-15	0.0975	0.0439	0.0536
209	Oct-15	0.0961	0.0429	0.0532
210	Nov-15	0.1007	0.0440	0.0567
211	Dec-15	0.1027	0.0435	0.0592
212	Jan-16	0.1017	0.0427	0.0590
213	Feb-16	0.1002	0.0411	0.0591
214	Mar-16	0.0973	0.0416	0.0557
215	Apr-16	0.0974	0.0400	0.0574
216	May-16	0.0944	0.0393	0.0551
217	Jun-16	0.0963	0.0378	0.0585
218	Jul-16	0.0952	0.0357	0.0595
219	Aug-16	0.0971	0.0359	0.0612
220	Sep-16	0.0978	0.0366	0.0612
221	Oct-16	0.0990	0.0377	0.0613
222	Nov-16	0.1041	0.0408	0.0633
223	Dec-16	0.1032	0.0427	0.0605
224	Jan-17	0.1021	0.0414	0.0607
225	Feb-17	0.0991	0.0418	0.0573
226	Mar-17	0.0983	0.0423	0.0560
227	Apr-17	0.0975	0.0412	0.0563
228	May-17	0.0984	0.0412	0.0572
229	Jun-17	0.0968	0.0394	0.0574

Notes: Utility bond yield information from *Mergent Bond Record* (formerly Moody's). See Appendix 4 for a description of my ex ante risk premium approach. DCF results are calculated using a quarterly DCF model as follows:

$d_0$	=	Latest quarterly dividend
$P_0$	=	Average of the monthly high and low stock prices for each month per Thomson Reuters
FC	=	Flotation cost allowance (five percent) as a percentage of stock price
$g$	=	I/B/E/S forecast of future earnings growth for each month
$k$	=	Cost of equity using the quarterly version of the DCF model

$$k = \left[ \frac{d_0(1+g)^{\frac{1}{4}}}{P_0(1-FC)} + (1+g)^{\frac{1}{4}} \right]^4 - 1$$



**EXHIBIT JVW-1 SCHEDULE 3  
COMPARATIVE RETURNS ON S&P 500 STOCK INDEX  
AND MOODY'S A-RATED UTILITY BONDS 1937 – 2017**

LINE	YEAR	S&P 500 STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
1	2017	2,275.12	0.0209		\$96.13		
2	2016	1,918.60	0.0222	20.80%	\$95.48	4.87%	15.93%
3	2015	2,028.18	0.0208	-3.32%	\$107.65	-7.59%	4.26%
4	2014	1,822.36	0.0210	13.39%	\$89.89	24.20%	-10.81%
5	2013	1,481.11	0.0220	25.24%	\$97.45	-3.65%	28.89%
6	2012	1,300.58	0.0214	16.02%	\$94.36	7.52%	8.50%
7	2011	1,282.62	0.0185	3.25%	\$77.36	27.14%	-23.89%
8	2010	1,123.58	0.0203	16.18%	\$75.02	8.44%	7.74%
9	2009	865.58	0.0310	32.91%	\$68.43	15.48%	17.43%
10	2008	1,378.76	0.0206	-35.16%	\$72.25	0.24%	-35.40%
11	2007	1,424.16	0.0181	-1.38%	\$72.91	4.59%	-5.97%
12	2006	1,278.72	0.0183	13.20%	\$75.25	2.20%	11.01%
13	2005	1,181.41	0.0177	10.01%	\$74.91	5.80%	4.21%
14	2004	1,132.52	0.0162	5.94%	\$70.87	11.34%	-5.40%
15	2003	895.84	0.0180	28.22%	\$62.26	20.27%	7.95%
16	2002	1,140.21	0.0138	-20.05%	\$57.44	15.35%	-35.40%
17	2001	1,335.63	0.0116	-13.47%	\$56.40	8.93%	-22.40%
18	2000	1,425.59	0.0118	-5.13%	\$52.60	14.82%	-19.95%
19	1999	1,248.77	0.0130	15.46%	\$63.03	-10.20%	25.66%
20	1998	963.35	0.0162	31.25%	\$62.43	7.38%	23.87%
21	1997	766.22	0.0195	27.68%	\$56.62	17.32%	10.36%
22	1996	614.42	0.0231	27.02%	\$60.91	-0.48%	27.49%
23	1995	465.25	0.0287	34.93%	\$50.22	29.26%	5.68%
24	1994	472.99	0.0269	1.05%	\$60.01	-9.65%	10.71%
25	1993	435.23	0.0288	11.56%	\$53.13	20.48%	-8.93%
26	1992	416.08	0.0290	7.50%	\$49.56	15.27%	-7.77%
27	1991	325.49	0.0382	31.65%	\$44.84	19.44%	12.21%
28	1990	339.97	0.0341	-0.85%	\$45.60	7.11%	-7.96%
29	1989	285.41	0.0364	22.76%	\$43.06	15.18%	7.58%
30	1988	250.48	0.0366	17.61%	\$40.10	17.36%	0.25%
31	1987	264.51	0.0317	-2.13%	\$48.92	-9.84%	7.71%
32	1986	208.19	0.0390	30.95%	\$39.98	32.36%	-1.41%
33	1985	171.61	0.0451	25.83%	\$32.57	35.05%	-9.22%
34	1984	166.39	0.0427	7.41%	\$31.49	16.12%	-8.72%
35	1983	144.27	0.0479	20.12%	\$29.41	20.65%	-0.53%
36	1982	117.28	0.0595	28.96%	\$24.48	36.48%	-7.51%
37	1981	132.97	0.0480	-7.00%	\$29.37	-3.01%	-3.99%
38	1980	110.87	0.0541	25.34%	\$34.69	-3.81%	29.16%

LINE	YEAR	S&P 500 STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
39	1979	99.71	0.0533	16.52%	\$43.91	-11.89%	28.41%
40	1978	90.25	0.0532	15.80%	\$49.09	-2.40%	18.20%
41	1977	103.80	0.0399	-9.06%	\$50.95	4.20%	-13.27%
42	1976	96.86	0.0380	10.96%	\$43.91	25.13%	-14.17%
43	1975	72.56	0.0507	38.56%	\$41.76	14.75%	23.81%
44	1974	96.11	0.0364	-20.86%	\$52.54	-12.91%	-7.96%
45	1973	118.40	0.0269	-16.14%	\$58.51	-3.37%	-12.77%
46	1972	103.30	0.0296	17.58%	\$56.47	10.69%	6.89%
47	1971	93.49	0.0332	13.81%	\$53.93	12.13%	1.69%
48	1970	90.31	0.0356	7.08%	\$50.46	14.81%	-7.73%
49	1969	102.00	0.0306	-8.40%	\$62.43	-12.76%	4.36%
50	1968	95.04	0.0313	10.45%	\$66.97	-0.81%	11.26%
51	1967	84.45	0.0351	16.05%	\$78.69	-9.81%	25.86%
52	1966	93.32	0.0302	-6.48%	\$86.57	-4.48%	-2.00%
53	1965	86.12	0.0299	11.35%	\$91.40	-0.91%	12.26%
54	1964	76.45	0.0305	15.70%	\$92.01	3.68%	12.02%
55	1963	65.06	0.0331	20.82%	\$93.56	2.61%	18.20%
56	1962	69.07	0.0297	-2.84%	\$89.60	8.89%	-11.73%
57	1961	59.72	0.0328	18.94%	\$89.74	4.29%	14.64%
58	1960	58.03	0.0327	6.18%	\$84.36	11.13%	-4.95%
59	1959	55.62	0.0324	7.57%	\$91.55	-3.49%	11.06%
60	1958	41.12	0.0448	39.74%	\$101.22	-5.60%	45.35%
61	1957	45.43	0.0431	-5.18%	\$100.70	4.49%	-9.67%
62	1956	44.15	0.0424	7.14%	\$113.00	-7.35%	14.49%
63	1955	35.60	0.0438	28.40%	\$116.77	0.20%	28.20%
64	1954	25.46	0.0569	45.52%	\$112.79	7.07%	38.45%
65	1953	26.18	0.0545	2.70%	\$114.24	2.24%	0.46%
66	1952	24.19	0.0582	14.05%	\$113.41	4.26%	9.79%
67	1951	21.21	0.0634	20.39%	\$123.44	-4.89%	25.28%
68	1950	16.88	0.0665	32.30%	\$125.08	1.89%	30.41%
69	1949	15.36	0.0620	16.10%	\$119.82	7.72%	8.37%
70	1948	14.83	0.0571	9.28%	\$118.50	4.49%	4.79%
71	1947	15.21	0.0449	1.99%	\$126.02	-2.79%	4.79%
72	1946	18.02	0.0356	-12.03%	\$126.74	2.59%	-14.63%
73	1945	13.49	0.0460	38.18%	\$119.82	9.11%	29.07%
74	1944	11.85	0.0495	18.79%	\$119.82	3.34%	15.45%
75	1943	10.09	0.0554	22.98%	\$118.50	4.49%	18.49%
76	1942	8.93	0.0788	20.87%	\$117.63	4.14%	16.73%
77	1941	10.55	0.0638	-8.98%	\$116.34	4.55%	-13.52%
78	1940	12.30	0.0458	-9.65%	\$112.39	7.08%	-16.73%
79	1939	12.50	0.0349	1.89%	\$105.75	10.05%	-8.16%
80	1938	11.31	0.0784	18.36%	\$99.83	9.94%	8.42%

LINE	YEAR	S&P 500 STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
81	1937	17.59	0.0434	-31.36%	\$103.18	0.63%	-31.99%
82	Average			11.2%		6.6%	4.62%

Note: See Appendix 5 for an explanation of how stock and bond returns are derived and the source of the data presented.

**EXHIBIT JWW-1 SCHEDULE 4  
COMPARATIVE RETURNS ON S&P UTILITY STOCK INDEX  
AND MOODY'S A-RATED UTILITY BONDS 1937 – 2017**

LINE	YEAR	S&P UTILITY STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
1	2017				\$96.13		
2	2016			17.44%	\$95.48	4.87%	12.57%
3	2015			-3.90%	\$107.65	-7.59%	3.69%
4	2014			28.91%	\$89.89	24.20%	4.71%
5	2013			13.01%	\$97.45	-3.65%	16.66%
6	2012			2.09%	\$94.36	7.52%	-5.43%
7	2011			19.99%	\$77.36	27.14%	-7.15%
8	2010			7.04%	\$75.02	8.44%	-1.40%
9	2009			10.71%	\$68.43	15.48%	-4.77%
10	2008			-25.90%	\$72.25	0.24%	-26.14%
11	2007			16.56%	\$72.91	4.59%	11.96%
12	2006			20.76%	\$75.25	2.20%	18.56%
13	2005			16.05%	\$74.91	5.80%	10.25%
14	2004			22.84%	\$70.87	11.34%	11.50%
15	2003			23.48%	\$62.26	20.27%	3.21%
16	2002			-14.73%	\$57.44	15.35%	-30.08%
17	2001	307.70	0.0287	-17.90%	\$56.40	8.93%	-26.83%
18	2000	239.17	0.0413	32.78%	\$52.60	14.82%	17.96%
19	1999	253.52	0.0394	-1.72%	\$63.03	-10.20%	8.48%
20	1998	228.61	0.0457	15.47%	\$62.43	7.38%	8.09%
21	1997	201.14	0.0492	18.58%	\$56.62	17.32%	1.26%
22	1996	202.57	0.0454	3.83%	\$60.91	-0.48%	4.31%
23	1995	153.87	0.0584	37.49%	\$50.22	29.26%	8.23%
24	1994	168.70	0.0496	-3.83%	\$60.01	-9.65%	5.82%
25	1993	159.79	0.0537	10.95%	\$53.13	20.48%	-9.54%
26	1992	149.70	0.0572	12.46%	\$49.56	15.27%	-2.81%
27	1991	138.38	0.0607	14.25%	\$44.84	19.44%	-5.19%
28	1990	146.04	0.0558	0.33%	\$45.60	7.11%	-6.78%
29	1989	114.37	0.0699	34.68%	\$43.06	15.18%	19.51%
30	1988	106.13	0.0704	14.80%	\$40.10	17.36%	-2.55%
31	1987	120.09	0.0588	-5.74%	\$48.92	-9.84%	4.10%
32	1986	92.06	0.0742	37.87%	\$39.98	32.36%	5.51%
33	1985	75.83	0.0860	30.00%	\$32.57	35.05%	-5.04%
34	1984	68.50	0.0925	19.95%	\$31.49	16.12%	3.83%
35	1983	61.89	0.0948	20.16%	\$29.41	20.65%	-0.49%
36	1982	51.81	0.1074	30.20%	\$24.48	36.48%	-6.28%
37	1981	52.01	0.0978	9.40%	\$29.37	-3.01%	12.41%
38	1980	50.26	0.0953	13.01%	\$34.69	-3.81%	16.83%

LINE	YEAR	S&P UTILITY STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
39	1979	50.33	0.0893	8.79%	\$43.91	-11.89%	20.68%
40	1978	52.40	0.0791	3.96%	\$49.09	-2.40%	6.36%
41	1977	54.01	0.0714	4.16%	\$50.95	4.20%	-0.04%
42	1976	46.99	0.0776	22.70%	\$43.91	25.13%	-2.43%
43	1975	38.19	0.0920	32.24%	\$41.76	14.75%	17.49%
44	1974	48.60	0.0713	-14.29%	\$52.54	-12.91%	-1.38%
45	1973	60.01	0.0556	-13.45%	\$58.51	-3.37%	-10.08%
46	1972	60.19	0.0542	5.12%	\$56.47	10.69%	-5.57%
47	1971	63.43	0.0504	-0.07%	\$53.93	12.13%	-12.19%
48	1970	55.72	0.0561	19.45%	\$50.46	14.81%	4.64%
49	1969	68.65	0.0445	-14.38%	\$62.43	-12.76%	-1.62%
50	1968	68.02	0.0435	5.28%	\$66.97	-0.81%	6.08%
51	1967	70.63	0.0392	0.22%	\$78.69	-9.81%	10.03%
52	1966	74.50	0.0347	-1.72%	\$86.57	-4.48%	2.76%
53	1965	75.87	0.0315	1.34%	\$91.40	-0.91%	2.25%
54	1964	67.26	0.0331	16.11%	\$92.01	3.68%	12.43%
55	1963	63.35	0.0330	9.47%	\$93.56	2.61%	6.86%
56	1962	62.69	0.0320	4.25%	\$89.60	8.89%	-4.64%
57	1961	52.73	0.0358	22.47%	\$89.74	4.29%	18.18%
58	1960	44.50	0.0403	22.52%	\$84.36	11.13%	11.39%
59	1959	43.96	0.0377	5.00%	\$91.55	-3.49%	8.49%
60	1958	33.30	0.0487	36.88%	\$101.22	-5.60%	42.48%
61	1957	32.32	0.0487	7.90%	\$100.70	4.49%	3.41%
62	1956	31.55	0.0472	7.16%	\$113.00	-7.35%	14.51%
63	1955	29.89	0.0461	10.16%	\$116.77	0.20%	9.97%
64	1954	25.51	0.0520	22.37%	\$112.79	7.07%	15.30%
65	1953	24.41	0.0511	9.62%	\$114.24	2.24%	7.38%
66	1952	22.22	0.0550	15.36%	\$113.41	4.26%	11.10%
67	1951	20.01	0.0606	17.10%	\$123.44	-4.89%	21.99%
68	1950	20.20	0.0554	4.60%	\$125.08	1.89%	2.71%
69	1949	16.54	0.0570	27.83%	\$119.82	7.72%	20.10%
70	1948	16.53	0.0535	5.41%	\$118.50	4.49%	0.92%
71	1947	19.21	0.0354	-10.41%	\$126.02	-2.79%	-7.62%
72	1946	21.34	0.0298	-7.00%	\$126.74	2.59%	-9.59%
73	1945	13.91	0.0448	57.89%	\$119.82	9.11%	48.79%
74	1944	12.10	0.0569	20.65%	\$119.82	3.34%	17.31%
75	1943	9.22	0.0621	37.45%	\$118.50	4.49%	32.96%
76	1942	8.54	0.0940	17.36%	\$117.63	4.14%	13.22%
77	1941	13.25	0.0717	-28.38%	\$116.34	4.55%	-32.92%
78	1940	16.97	0.0540	-16.52%	\$112.39	7.08%	-23.60%
79	1939	16.05	0.0553	11.26%	\$105.75	10.05%	1.21%

LINE	YEAR	S&P UTILITY STOCK PRICE	STOCK DIVIDEND YIELD	STOCK RETURN	A-RATED BOND PRICE	BOND RETURN	RISK PREMIUM
80	1938	14.30	0.0730	19.54%	\$99.83	9.94%	9.59%
81	1937	24.34	0.0432	-36.93%	\$103.18	0.63%	-37.55%
82	Average			10.6%		6.6%	4.0%

Note: See Appendix 5 for an explanation of how stock and bond returns are derived and the source of the data presented. Standard & Poor's discontinued its S&P Utilities Index in December 2001 and replaced its utilities stock index with separate indices for electric and natural gas utilities. In this study, the stock returns beginning in 2002 are based on the total returns for the EEI Index of U.S. shareholder-owned electric utilities, as reported by EEI on its website. <http://www.eei.org/whatwedo/DataAnalysis/IndusFinanAnalysis/Pages/QtrlyFinancialUpdates.aspx>

**EXHIBIT JVW-1 SCHEDULE 5  
USING THE ARITHMETIC MEAN TO ESTIMATE  
THE COST OF EQUITY CAPITAL**

Consider an investment that in a given year generates a return of 30 percent with probability equal to 0.5 and a return of -10 percent with a probability equal to 0.5. For each one dollar invested, the possible outcomes of this investment at the end of year one are:

END OF YEAR 1	WEALTH AFTER ONE YEAR	PROBABILITY
	\$1.30	0.5
	\$0.90	0.5

At the end of year two, the possible outcomes are:

END OF YEAR 2	WEALTH AFTER TWO YEARS		VALUE	PROBABILITY	WEALTH X PROBABILITY
	(1.30) (1.30)	=	\$ 1.69	0.25	\$ 0.4225
	(1.30) (.9)	=	\$ 1.17	0.25	\$ 0.2925
	(.9) (1.30)	=	\$ 1.17	0.25	\$ 0.2925
	(.9) (.9)	=	\$ 0.81	0.25	\$ 0.2025
	Expected Wealth	=			\$ 1.21

The expected value of this investment at the end of year two is \$1.21. In a competitive capital market, the cost of equity is equal to the expected rate of return on an investment. In the above example, the cost of equity is that rate of return which will make the initial investment of one dollar grow to the expected value of \$1.21 at the end of two years. Thus, the cost of equity is the solution to the equation:

$$1(1+k)^2 = 1.21 \text{ or}$$

$$k = (1.21/1)^{.5} - 1 = 10\%.$$

The arithmetic mean of this investment is:

$$(30\%) (.5) + (-10\%) (.5) = 10\%.$$

Thus, the arithmetic mean is equal to the cost of equity capital.

The geometric mean of this investment is:

$$[(1.3) (.9)]^{.5} - 1 = .082 = 8.2\%.$$

Thus, the geometric mean is not equal to the cost of equity capital.

The lesson is obvious: for an investment with an uncertain outcome, the arithmetic mean is the best measure of the cost of equity capital because the arithmetic mean is the only return which will make the initial investment grow to the expected value of the investment at the end of the investment horizon.

**EXHIBIT JVW-1 SCHEDULE-6  
CALCULATION OF CAPITAL ASSET PRICING MODEL COST OF EQUITY  
USING AN HISTORICAL 6.9 PERCENT RISK PREMIUM**

LINE	COMPANY	VALUE LINE BETA	RISK- FREE RATE	MARKET RISK PREMIUM	BETA X RISK PREMIUM	CAPM RESULT
1	Atmos Energy	0.70	4.2%	6.9%	4.86%	9.2%
2	Chesapeake Utilities	0.70	4.2%	6.9%	4.86%	9.2%
3	NiSource Inc.	0.65	4.2%	6.9%	4.51%	8.9%
4	New Jersey Resources	0.80	4.2%	6.9%	5.55%	9.9%
5	Northwest Nat. Gas	0.65	4.2%	6.9%	4.51%	8.9%
6	ONE Gas Inc.	0.70	4.2%	6.9%	4.86%	9.2%
7	South Jersey Inds.	0.80	4.2%	6.9%	5.55%	9.9%
8	Spire Inc.	0.70	4.2%	6.9%	4.86%	9.2%
9	UGI Corp.	0.90	4.2%	6.9%	6.25%	10.6%
10	Southwest Gas	0.75	4.2%	6.9%	5.21%	9.6%
11	Historical CAPM Model Result					9.5%

Historical Ibbotson® S&P® risk premium including years 1926 through year end 2016 from 2017 Valuation - Handbook. Value Line beta for comparable companies from Value Line Investment Analyzer. Flotation cost allowance of 14 basis points. Treasury bond yield forecast from data in Value Line Selection & Opinion, June 2, 2017, and Energy Information Administration, 2017, determined as follows. Value Line forecasts a yield on 10-year Treasury notes equal to 4.0 percent. The spread between the average June 2017 yield on 10-year Treasury notes (2.19 percent) and 20-year Treasury bonds (2.54 percent) is 35 basis points. Adding 35 basis points to Value Line's 4.0 percent forecasted yield on 10-year Treasury notes produces a forecasted yield of 4.35 percent for 20-year Treasury bonds (see Value Line Investment Survey, Selection & Opinion, June 2, 2016). EIA forecasts a yield of 3.75 percent on 10-year Treasury notes. Adding the 34 basis point spread between 10-year Treasury notes and 20-year Treasury bonds to the EIA forecast of 3.75 percent for 10-year Treasury notes produces an EIA forecast for 20-year Treasury bonds equal to 4.10 percent. The average of the forecasts is 4.2 percent (4.35 percent using Value Line data and 4.1 percent using EIA data).



**EXHIBIT JVW-1 SCHEDULE-7  
COMPARISON OF RISK PREMIUMS ON  
S&P500 AND S&P UTILITIES 1937 – 2017**

YEAR	S&P UTILITIES STOCK RETURN	SP500 STOCK RETURN	10-YR. TREASURY BOND YIELD	UTILITIES RISK PREMIUM	MARKET RISK PREMIUM
2016	0.1744	0.2080	0.0184	0.1560	0.1896
2015	-0.0390	-0.0332	0.0214	-0.0604	-0.0546
2014	0.2891	0.1339	0.0254	0.2637	0.1085
2013	0.1301	0.2524	0.0235	0.1066	0.2289
2012	0.0209	0.1602	0.0180	0.0029	0.1422
2011	0.1999	0.0325	0.0278	0.1721	0.0047
2010	0.0704	0.1618	0.0322	0.0382	0.1296
2009	0.1071	0.3291	0.0326	0.0745	0.2965
2008	-0.2590	-0.3516	0.0367	-0.2957	-0.3883
2007	0.1656	-0.0138	0.0463	0.1193	-0.0601
2006	0.2076	0.1320	0.0479	0.1597	0.0841
2005	0.1605	0.1001	0.0429	0.1176	0.0572
2004	0.2284	0.0594	0.0427	0.1857	0.0167
2003	0.2348	0.2822	0.0401	0.1947	0.2421
2002	-0.1473	-0.2005	0.0461	-0.1934	-0.2466
2001	-0.1790	-0.1347	0.0502	-0.2292	-0.1849
2000	0.3278	-0.0513	0.0603	0.2675	-0.1116
1999	-0.0172	0.1546	0.0564	-0.0736	0.0982
1998	0.1547	0.3125	0.0526	0.1021	0.2599
1997	0.1858	0.2768	0.0635	0.1223	0.2133
1996	0.0383	0.2702	0.0644	-0.0261	0.2058
1995	0.3749	0.3493	0.0658	0.3091	0.2835
1994	-0.0383	0.0105	0.0708	-0.1091	-0.0603
1993	0.1095	0.1156	0.0587	0.0508	0.0569
1992	0.1246	0.0750	0.0701	0.0545	0.0049
1991	0.1425	0.3165	0.0786	0.0639	0.2379
1990	0.0033	-0.0085	0.0855	-0.0822	-0.0940
1989	0.3468	0.2276	0.0850	0.2618	0.1426
1988	0.1480	0.1761	0.0884	0.0596	0.0877
1987	-0.0574	-0.0213	0.0838	-0.1412	-0.1051
1986	0.3787	0.3095	0.0768	0.3019	0.2327
1985	0.3000	0.2583	0.1062	0.1938	0.1521
1984	0.1995	0.0741	0.1244	0.0751	-0.0503
1983	0.2016	0.2012	0.1110	0.0906	0.0902
1982	0.3020	0.2896	0.1300	0.1720	0.1596

YEAR	S&P UTILITIES STOCK RETURN	SP500 STOCK RETURN	10-YR. TREASURY BOND YIELD	UTILITIES RISK PREMIUM	MARKET RISK PREMIUM
1981	0.0940	-0.0700	0.1391	-0.0451	-0.2091
1980	0.1301	0.2534	0.1146	0.0155	0.1388
1979	0.0879	0.1652	0.0944	-0.0065	0.0708
1978	0.0396	0.1580	0.0841	-0.0445	0.0739
1977	0.0416	-0.0906	0.0742	-0.0326	-0.1648
1976	0.2270	0.1096	0.0761	0.1509	0.0335
1975	0.3224	0.3856	0.0799	0.2425	0.3057
1974	-0.1429	-0.2086	0.0756	-0.2185	-0.2842
1973	-0.1345	-0.1614	0.0684	-0.2029	-0.2298
1972	0.0512	0.1758	0.0621	-0.0109	0.1137
1971	-0.0007	0.1381	0.0616	-0.0623	0.0765
1970	0.1945	0.0708	0.0735	0.1210	-0.0027
1969	-0.1438	-0.0840	0.0667	-0.2105	-0.1507
1968	0.0528	0.1045	0.0565	-0.0037	0.0480
1967	0.0022	0.1605	0.0507	-0.0485	0.1098
1966	-0.0172	-0.0648	0.0492	-0.0664	-0.1140
1965	0.0134	0.1135	0.0428	-0.0294	0.0707
1964	0.1611	0.1570	0.0419	0.1192	0.1151
1963	0.0947	0.2082	0.0400	0.0547	0.1682
1962	0.0425	-0.0284	0.0395	0.0030	-0.0679
1961	0.2247	0.1894	0.0388	0.1859	0.1506
1960	0.2252	0.0618	0.0412	0.1840	0.0206
1959	0.0500	0.0757	0.0433	0.0067	0.0324
1958	0.3688	0.3974	0.0332	0.3356	0.3642
1957	0.0790	-0.0518	0.0365	0.0425	-0.0883
1956	0.0716	0.0714	0.0318	0.0398	0.0396
1955	0.1016	0.2840	0.0282	0.0734	0.2558
1954	0.2237	0.4552	0.0240	0.1997	0.4312
1953	0.0962	0.0270	0.0281	0.0681	-0.0011
1952	0.1536	0.1405	0.0248	0.1288	0.1157
1951	0.1710	0.2039	0.0241	0.1469	0.1798
1950	0.0460	0.3230	0.0205	0.0255	0.3025
1949	0.2783	0.1610	0.0193	0.2590	0.1417
1948	0.0541	0.0928	0.0215	0.0326	0.0713
1947	-0.1041	0.0199	0.0185	-0.1226	0.0014
1946	-0.0700	-0.1203	0.0174	-0.0874	-0.1377
1945	0.5789	0.3818	0.0173	0.5616	0.3645
1944	0.2065	0.1879	0.0209	0.1856	0.1670
1943	0.3745	0.2298	0.0207	0.3538	0.2091
1942	0.1736	0.2087	0.0211	0.1525	0.1876
1941	-0.2838	-0.0898	0.0199	-0.3037	-0.1097

YEAR	S&P UTILITIES STOCK RETURN	SP500 STOCK RETURN	10-YR. TREASURY BOND YIELD	UTILITIES RISK PREMIUM	MARKET RISK PREMIUM
1940	-0.1652	-0.0965	0.0220	-0.1872	-0.1185
1939	0.1126	0.0189	0.0235	0.0891	-0.0046
1938	0.1954	0.1836	0.0255	0.1699	0.1581
1937	-0.3693	-0.3136	0.0269	-0.3962	-0.3405
Risk Premium 1937 to 2017				0.0547	0.0608
RP Utilities/RP SP500				0.90	

**EXHIBIT JVW-1 SCHEDULE-8  
CALCULATION OF CAPITAL ASSET PRICING MODEL COST OF EQUITY  
USING AN HISTORICAL 6.9 PERCENT RISK PREMIUM AND A 0.90 UTILITY BETA**

		BETA	RISK-FREE RATE	MARKET RISK PREMIUM	BETA X MRP	MODEL RESULT
1	Historical Utility Beta	0.90	4.2%	6.9%	6.2%	10.6%

Historical Ibbotson® SBBI® risk premium including years 1926 through year end 2016 from 2017 Valuation Handbook. Historical utility beta per Schedule 7. Flotation cost allowance of 14 basis points. Treasury bond yield forecast from data in Value Line Selection & Opinion, June 2, 2017, and Energy Information Administration, 2017, determined as follows. Value Line forecasts a yield on 10-year Treasury notes equal to 4.0 percent. The spread between the average June 2017 yield on 10-year Treasury notes (2.19 percent) and 20-year Treasury bonds (2.54 percent) is 35 basis points. Adding 35 basis points to Value Line's 4.0 percent forecasted yield on 10-year Treasury notes produces a forecasted yield of 4.35 percent for 20-year Treasury bonds (see Value Line Investment Survey, Selection & Opinion, June 2, 2016). EIA forecasts a yield of 3.75 percent on 10-year Treasury notes. Adding the 34 basis point spread between 10-year Treasury notes and 20-year Treasury bonds to the EIA forecast of 3.75 percent for 10-year Treasury notes produces an EIA forecast for 20-year Treasury bonds equal to 4.10 percent. The average of the forecasts is 4.2 percent (4.35 percent using Value Line data and 4.1 percent using EIA data).

**EXHIBIT JVW-1 SCHEDULE 9  
CALCULATION OF CAPITAL ASSET PRICING MODEL COST OF EQUITY  
USING DCF ESTIMATE OF THE EXPECTED RATE OF RETURN  
ON THE MARKET PORTFOLIO**

LINE	COMPANY	VALUE LINE BETA	RISK- FREE RATE	DCF S&P 500	MARKET RISK PREMIUM	BETA X RISK PREMIUM	CAPM COST OF EQUITY
1	Atmos Energy	0.70	4.2%	11.9%	7.7%	5.38%	9.7%
2	Chesapeake Utilities	0.70	4.2%	11.9%	7.7%	5.38%	9.7%
3	NiSource Inc.	0.65	4.2%	11.9%	7.7%	4.99%	9.4%
4	New Jersey Resources	0.80	4.2%	11.9%	7.7%	6.15%	10.5%
5	Northwest Nat. Gas	0.65	4.2%	11.9%	7.7%	4.99%	9.4%
6	ONE Gas Inc.	0.70	4.2%	11.9%	7.7%	5.38%	9.7%
7	South Jersey Inds.	0.80	4.2%	11.9%	7.7%	6.15%	10.5%
8	Spire Inc.	0.70	4.2%	11.9%	7.7%	5.38%	9.7%
9	UGI Corp.	0.90	4.2%	11.9%	7.7%	6.91%	11.3%
10	Southwest Gas	0.75	4.2%	11.9%	7.7%	5.76%	10.1%
11	DCF CAPM Result						10.0%
	Beta Equal to 0.90						
1	DCF CAPM Result	0.90	4.2%	11.9%	7.7%	6.91%	11.3%

Historical Ibbotson® S&P® risk premium including years 1926 through year end 2016 from 2017 Valuation Handbook. Beta per Value Line for proxy utilities and per Schedule 7. Treasury bond yield forecast from data in Value Line Selection & Opinion, June 2, 2017, and Energy Information Administration, 2017, determined as follows. Value Line forecasts a yield on 10-year Treasury notes equal to 4.0 percent. The spread between the average June 2017 yield on 10-year Treasury notes (2.19 percent) and 20-year Treasury bonds (2.54 percent) is 35 basis points. Adding 35 basis points to Value Line's 4.0 percent forecasted yield on 10-year Treasury notes produces a forecasted yield of 4.35 percent for 20-year Treasury bonds (see Value Line Investment Survey, Selection & Opinion, June 2, 2016). EIA forecasts a yield of 3.75 percent on 10-year Treasury notes. Adding the 34 basis point spread between 10-year Treasury notes and 20-year Treasury bonds to the EIA forecast of 3.75 percent for 10-year Treasury notes produces an EIA forecast for 20-year Treasury bonds equal to 4.10 percent. The average of the forecasts is 4.2 percent (4.35 percent using Value Line data and 4.1 percent using EIA data).

**EXHIBIT JVW-1 SCHEDULE 9 (CONTINUED)**  
**SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS**  
**FOR S&P 500 COMPANIES**

	COMPANY	STOCK PRICE (P <sub>0</sub> )	D <sub>0</sub>	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT	MARKET CAP \$ (MILS)
1	3M	200.33	4.70	9.33%	11.9%	126,191
2	ABBOTT LABORATORIES	45.10	1.06	11.22%	13.9%	83,501
3	ACCENTURE CLASS A	121.29	2.42	9.42%	11.6%	78,503
4	ADV.AUTO PARTS	137.38	0.24	11.63%	11.8%	9,685
5	AETNA	140.78	2.00	12.02%	13.6%	49,523
6	AFLAC	75.26	1.72	7.97%	10.5%	30,875
7	AGILENT TECHS.	57.17	0.53	9.87%	10.9%	19,026
8	ALLERGAN	236.08	2.80	12.38%	13.7%	78,848
9	ALLIANCE DATA SYSTEMS	248.89	2.08	12.29%	13.2%	13,921
10	ALTRIA GROUP	73.45	2.44	7.87%	11.5%	147,597
11	AMERICAN WATER WORKS	78.92	1.66	7.70%	10.0%	14,622
12	AMERISOURCEBERGEN	88.40	1.46	8.84%	10.6%	20,619
13	ANTHEM	180.98	2.60	11.78%	13.4%	50,016
14	APPLE	147.44	2.52	11.07%	13.0%	752,305
15	AT&T	39.23	1.96	7.25%	12.7%	238,788
16	AUTOMATIC DATA PROC.	101.39	2.28	11.39%	13.9%	45,712
17	AVERY DENNISON	83.71	1.80	11.11%	13.5%	7,576
18	BALL	39.38	0.20	11.16%	11.7%	14,450
19	BANK OF AMERICA	23.29	0.30	11.71%	13.2%	234,268
20	BECTON DICKINSON	185.85	2.92	9.90%	11.6%	43,373
21	BRISTOL MYERS SQUIBB	54.74	1.56	9.19%	12.3%	89,423
22	C R BARD	299.32	1.04	11.46%	11.8%	22,734
23	CAPITAL ONE FINL.	81.07	1.60	8.32%	10.5%	39,289
24	CENTERPOINT EN.	28.03	1.07	5.89%	10.0%	12,330
25	CHURCH & DWIGHT CO.	51.05	0.76	8.24%	9.9%	13,348
26	CIGNA	160.06	0.04	13.60%	13.6%	42,826
27	CITIGROUP	61.35	0.64	9.46%	10.6%	176,484
28	CLOROX	134.60	3.36	6.93%	9.6%	18,052
29	CMS ENERGY	46.17	1.33	7.52%	10.7%	13,484
30	COLGATE-PALM.	73.98	1.60	8.57%	10.9%	67,439
31	COMCAST 'A'	39.61	0.63	11.95%	13.7%	196,157
32	CORNING	28.74	0.62	9.36%	11.7%	27,046
33	COSTCO WHOLESALE	172.65	2.00	9.97%	11.2%	78,973
34	CUMMINS	154.99	4.10	10.48%	13.4%	27,162
35	CVS HEALTH	79.34	2.00	7.89%	10.6%	81,595
36	D R HORTON	33.43	0.40	11.14%	12.5%	12,702
37	DISCOVER FINANCIAL SVS.	62.13	1.20	8.43%	10.5%	23,085

	COMPANY	STOCK PRICE (P <sub>0</sub> )	D <sub>0</sub>	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT	MARKET CAP \$ (MILS)
38	DOW CHEMICAL	62.61	1.84	6.96%	10.1%	78,311
39	DR PEPPER SNAPPLE GROUP	93.62	2.32	8.73%	11.4%	17,238
40	E I DU PONT DE NEMOURS	79.84	1.52	8.06%	10.1%	71,244
41	EATON	76.35	2.40	10.36%	13.9%	34,057
42	ECOLAB	129.62	1.48	11.91%	13.2%	38,823
43	EMERSON ELECTRIC	59.26	1.92	7.00%	10.5%	38,836
44	EQUIFAX	137.17	1.56	11.00%	12.3%	17,024
45	ESTEE LAUDER COS.'A'	90.95	1.36	9.66%	11.3%	21,839
46	FEDEX	196.05	2.00	11.78%	12.9%	56,269
47	FIDELITY NAT.INFO.SVS.	83.64	1.16	12.48%	14.0%	28,440
48	FOOT LOCKER	64.91	1.24	7.58%	9.7%	6,937
49	GAP	23.93	0.92	7.33%	11.5%	9,138
50	GENERAL MILLS	57.77	1.96	6.21%	9.9%	33,951
51	GOLDMAN SACHS GP.	220.69	3.00	12.24%	13.8%	87,870
52	HARLEY-DAVIDSON	56.08	1.46	9.23%	12.1%	9,608
53	HARTFORD FINL.SVS.GP.	49.31	0.92	9.97%	12.0%	19,055
54	HERSHEY	110.18	2.47	8.22%	10.7%	17,481
55	HONEYWELL INTL.	131.31	2.66	7.42%	9.6%	102,512
56	HUMANA	225.03	1.60	12.98%	13.8%	33,540
57	HUNT JB TRANSPORT SVS.	88.93	0.92	12.15%	13.3%	9,930
58	HUNTINGTON BCSH.	12.95	0.32	10.56%	13.3%	14,448
59	ILLINOIS TOOL WORKS	139.96	2.60	9.11%	11.2%	51,199
60	INGERSOLL-RAND	87.98	1.60	10.64%	12.7%	23,006
61	INTEL	35.80	1.09	8.36%	11.7%	166,275
62	JP MORGAN CHASE & CO.	86.25	2.00	7.98%	10.5%	307,566
63	JUNIPER NETWORKS	29.31	0.40	12.12%	13.7%	11,027
64	KANSAS CITY SOUTHERN	93.69	1.32	11.90%	13.5%	10,806
65	KEYCORP	18.11	0.38	10.32%	12.7%	20,475
66	KOHL'S	38.59	2.20	5.04%	11.2%	6,356
67	KRAFT HEINZ	90.38	2.40	9.25%	12.2%	111,596
68	L BRANDS	50.39	2.40	8.00%	13.2%	14,936
69	M&T BANK	157.55	3.00	8.15%	10.2%	24,851
70	MARSH & MCLENNAN	75.75	1.50	10.23%	12.4%	41,278
71	MCCORMICK & COMPANY NV.	100.67	1.88	8.46%	10.5%	11,966
72	MCDONALDS	144.32	3.76	9.05%	11.9%	123,214
73	MEDTRONIC	84.12	1.84	7.38%	9.7%	119,996
74	MICROSOFT	68.81	1.56	9.35%	11.9%	539,664
75	MONDELEZ INTERNATIONAL CLA	44.84	0.76	10.11%	12.0%	69,613
76	MOODY'S	116.94	1.52	10.31%	11.8%	23,129
77	NEWELL BRANDS	50.14	0.92	10.45%	12.5%	26,372
78	NEXTERA ENERGY	136.51	3.93	6.70%	9.8%	66,418

	COMPANY	STOCK PRICE (P <sub>0</sub> )	D <sub>0</sub>	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT	MARKET CAP \$ (MILS)
79	NIELSEN	39.38	1.36	8.42%	12.2%	13,738
80	NIKE 'B'	54.66	0.72	11.23%	12.7%	70,104
81	NISOURCE	24.97	0.70	7.49%	10.5%	8,458
82	NVIDIA	127.51	0.56	12.19%	12.7%	90,660
83	OMNICOM GROUP	83.25	2.20	7.85%	10.7%	19,285
84	ORACLE	45.63	0.76	8.57%	10.4%	183,293
85	PATTERSON COMPANIES	44.84	1.04	7.51%	10.0%	4,549
86	PAYCHEX	58.65	1.84	8.22%	11.7%	21,817
87	PERKINELMER	61.77	0.28	9.87%	10.4%	7,027
88	PFIZER	33.35	1.28	5.64%	9.8%	195,388
89	PNC FINL.SVS.GP.	120.64	3.00	10.01%	12.8%	59,505
90	PPG INDUSTRIES	108.70	1.60	9.72%	11.3%	28,520
91	PRAXAIR	128.24	3.15	8.39%	11.1%	38,483
92	QUEST DIAGNOSTICS	105.88	1.80	8.17%	10.0%	14,740
93	RAYTHEON 'B'	158.38	3.19	9.02%	11.2%	47,329
94	REPUBLIC SVS.'A'	63.18	1.28	10.68%	12.9%	22,008
95	REYNOLDS AMERICAN	65.28	2.04	9.97%	13.4%	93,721
96	ROBERT HALF INTL.	46.94	0.96	8.20%	10.4%	6,116
97	ROCKWELL AUTOMATION	157.84	3.04	8.87%	11.0%	20,820
98	ROCKWELL COLLINS	104.42	1.32	10.60%	12.0%	17,390
99	ROSS STORES	62.32	0.64	10.27%	11.4%	23,705
100	S&P GLOBAL	139.15	1.64	12.35%	13.7%	38,268
101	SCRIPPS NETWORKS INTACT. 'A'	71.57	1.20	11.13%	13.0%	6,489
102	SEMPRA EN.	113.15	3.29	9.90%	13.1%	28,841
103	SHERWIN-WILLIAMS	334.15	3.40	10.96%	12.1%	32,735
104	SOUTHWEST AIRLINES	58.08	0.50	12.11%	13.1%	36,346
105	STRYKER	137.58	1.70	9.70%	11.1%	52,787
106	SYNCHRONY FINANCIAL	29.07	0.52	8.82%	10.8%	23,901
107	SYSCO	53.13	1.32	11.00%	13.8%	29,720
108	T ROWE PRICE GROUP	71.15	2.28	9.36%	12.9%	17,673
109	TEXAS INSTRUMENTS	80.49	2.00	10.13%	12.9%	79,786
110	THERMO FISHER SCIENTIFIC	168.26	0.60	10.65%	11.0%	68,123
111	TIFFANY & CO	91.05	2.00	9.01%	11.4%	11,346
112	TIME WARNER	99.07	1.61	11.11%	12.9%	76,871
113	TJX	75.58	1.25	10.76%	12.6%	46,663
114	TOTAL SYSTEM SERVICES	57.57	0.40	11.61%	12.4%	10,928
115	TWENTY-FIRST CENTURY FOX CL.A	29.30	0.36	11.74%	13.1%	29,192
116	TWENTY-FIRST CENTURY FOX CL.B	29.30	0.36	11.74%	13.1%	29,192
117	UNITED PARCEL SER.'B'	106.68	3.32	8.35%	11.8%	75,944
118	V F	55.01	1.68	8.32%	11.7%	22,466



	COMPANY	STOCK PRICE (P <sub>0</sub> )	D <sub>0</sub>	FORECAST OF FUTURE EARNINGS GROWTH	MODEL RESULT	MARKET CAP \$ (MILS)
119	WALT DISNEY	110.13	1.56	9.41%	11.0%	165,846
120	WASTE MANAGEMENT	72.83	1.70	10.41%	13.0%	32,726
121	WELLS FARGO & CO	53.59	1.52	8.23%	11.3%	269,355
122	WILLIS TOWERS WATSON	138.85	2.12	10.71%	12.4%	20,065
123	XILINX	63.59	1.40	8.54%	10.9%	16,090
124	ZIMMER BIOMET HDG.	121.47	0.96	9.72%	10.6%	25,375
125	ZOETIS	58.71	0.42	12.88%	13.7%	30,621
126	Average				11.9%	

Notes: In applying the DCF model to the S&P 500, I included in the DCF analysis only those companies in the S&P 500 group which pay a dividend, have a positive growth rate, and have at least three analysts' long-term growth estimates. I also eliminated those 25 percent of companies with the highest and lowest DCF results, a decision which had no impact on my CAPM estimate of the cost of equity.

D<sub>0</sub> = Current dividend per Thomson Reuters  
P<sub>0</sub> = Average of the monthly high and low stock prices during the three months ending June 2017 per Thomson Reuters  
g = I/B/E/S forecast of future earnings growth June 2017  
k = Cost of equity using the quarterly version of the DCF model shown below:

$$k = \left[ \frac{d_0(1+g)^{\frac{1}{4}}}{P_0} + (1+g)^{\frac{1}{4}} \right]^4 - 1$$

**EXHIBIT JVW-1 SCHEDULE 10  
AVERAGE MARKET VALUE CAPITAL STRUCTURE  
VALUE LINE NATURAL GAS UTILITIES 2007 - 2016**

	YEAR	SHORT- TERM DEBT	LONG- TERM DEBT	MARKET EQUITY	TOTAL CAPITA L	PERCEN T SHORT- TERM DEBT	PERCEN T LONG- TERM DEBT	PERCEN T MARKET EQUITY
1	2007	2,619	10,678	19,061	32,357	8%	33%	59%
2	2008	5,645	16,547	19,613	41,804	14%	40%	47%
3	2009	4,673	16,684	25,547	46,904	10%	36%	54%
4	2010	5,649	15,464	29,165	50,277	11%	31%	58%
5	2011	4,209	16,035	27,553	47,797	9%	34%	58%
6	2012	5,946	20,440	37,625	64,011	9%	32%	59%
7	2013	5,854	22,999	40,254	69,107	8%	33%	58%
8	2014	6,664	24,858	47,554	79,077	8%	31%	60%
9	2015	5,650	23,532	51,433	80,616	7%	29%	64%
10	2016	4,621	19,329	45,928	69,878	7%	28%	66%
11	Average					9%	33%	58%

Notes:

Data from The Value Line Investment Analyzer; data for each year as reported by Value Line at May of following year.

**EXHIBIT JVW-1 SCHEDULE 11**  
**ILLUSTRATION OF CALCULATION OF COST OF EQUITY**  
**REQUIRED FOR THE COMPANY TO HAVE THE SAME WEIGHTED AVERAGE COST OF**  
**CAPITAL AS COMPARABLE NATURAL GAS UTILITIES**

10-YR. WEIGHTED AVERAGE COST OF CAPITAL - VALUE LINE NATURAL GAS UTILITIES			
Capital Source	% of Total	After-tax Cost Rate	Weighted Cost
Short-term Debt	9%	1.37%	0.12%
Long-term Debt	33%	2.84%	0.94%
Common Equity	58%	10.3%	5.97%
Total	100%		7.04%
<b>Weighted Cost of Debt - Company</b>			
Capital Source	% of Total	After-tax Cost Rate	Weighted Cost
Short-term Debt	6.42%	1.37%	0.09%
Long-term Debt	46.68%	2.84%	1.33%
Total Wtd. Cost of Short-term and Long-term Debt	53.10%		1.42%
<b>Cost of Equity Required to Achieve Equivalent WACC</b>			
(1) Ave. WACC Proxy Companies	7.04%		
(2) Wtd. Cost of Short-term, Long-term Debt	1.42%		
(1) Less (2)	5.62%		
Cost of Equity (5.62% ÷ 46.9% = 12.0%)	12.0%		
<b>Capital Source FCG</b>			
Capital Source	% of Total	After-tax Cost Rate	Weighted Cost
Short-term Debt	6.42%	1.17%	0.09%
Long-term Debt	46.68%	2.90%	1.33%
Common Equity	46.90%	11.98%	5.62%
Total	100.00%		7.04%
<b>Notes:</b>			
	Before-tax Cost	After-tax Cost	Source
Tax rate	39%		
Short-term Debt	2.24%	1.37%	Company
Long-term debt cost rate	4.66%	2.84%	Company
Cost of equity	10.3%		Cost of equity proxy group
Adjusted cost of equity:	12.0%		

**LIST OF SCHEDULES AND APPENDICES**

Exhibit JVW-1 Schedule-1	Summary of Discounted Cash Flow Analysis for Natural Gas Utilities
Exhibit JVW-1 Schedule-2	Comparison of the DCF Expected Return on an Investment in Natural Gas Utilities to the Interest Rate on Moody's A-Rated Utility Bonds
Exhibit JVW-1 Schedule-3	Comparative Returns on S&P 500 Stock Index and Moody's A-Rated Bonds 1937—2017
Exhibit JVW-1 Schedule-4	Comparative Returns on S&P Utility Stock Index and Moody's A-Rated Bonds 1937—2017
Exhibit JVW-1 Schedule-5	Using the Arithmetic Mean to Estimate the Cost of Equity Capital
Exhibit JVW-1 Schedule-6	Calculation of Capital Asset Pricing Model Cost of Equity Using an Historical Risk Premium
Exhibit JVW-1 Schedule-7	Comparison of Risk Premiums on S&P500 and S&P Utilities 1937 – 2017
Exhibit JVW-1 Schedule-8	Calculation of Capital Asset Pricing Model Cost of Equity Using an Historical Risk Premium and a 0.90 Utility Beta
Exhibit JVW-1 Schedule-9	Calculation of Capital Asset Pricing Model Cost of Equity Using DCF Estimate of the Expected Rate of Return on the Market Portfolio
Exhibit JVW-1 Schedule-10	Average Market Value Capital Structure Value Line Natural Gas Utilities 2007 - 2016
Exhibit JVW-1 Schedule-11	Calculation of Cost of Equity Required for the Company to Have the Same Weighted Average Cost of Capital as Comparable Natural Gas Utilities
Exhibit JVW-2 Appendix 1	Qualifications of James H. Vander Weide
Exhibit JVW-2 Appendix 2	Derivation of the Quarterly DCF Model
Exhibit JVW-2 Appendix 3	Adjusting for Flotation Costs in Determining a Public Utility's Allowed Rate of Return on Equity
Exhibit JVW-2 Appendix 4	Ex Ante Risk Premium Method
Exhibit JVW-2 Appendix 5	Ex Post Risk Premium Method

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 26  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: James Vander Weide JVW-2

Florida Public Service Commission  
Docket No.  
FLORIDA CITY GAS  
Witness: James H. Vander Weide, Ph.D.  
Exhibit No. \_\_\_\_\_(JVW-2)  
Appendix 1  
Page 1 of 7

#### **APPENDIX 1**

QUALIFICATIONS OF JAMES H. VANDER WEIDE, PH.D.  
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DURHAM, NC 27705  
TEL. 919.383.6659

**JIM.VANDERWEIDE@DUKE.EDU**

James H. Vander Weide is President of Financial Strategy Associates, a consulting firm that provides financial and economic consulting services, including cost of capital and valuation studies, to corporate clients. Dr. Vander Weide holds a Ph.D. in Finance from Northwestern University and a Bachelor of Arts in Economics from Cornell University. After receiving his Ph.D. in Finance, Dr. Vander Weide joined the faculty at Duke University, the Fuqua School of Business, and was named Assistant Professor, Associate Professor, Professor, and then Research Professor of Finance and Economics.

As a Professor at Duke University and the Fuqua School of Business, Dr. Vander Weide has published research in the areas of finance and economics and taught courses in corporate finance, investment management, management of financial institutions, statistics, economics, operations research, and the theory of public utility pricing. Dr. Vander Weide has been active in executive education at Duke and Duke Corporate Education, leading executive development seminars on topics including financial analysis, cost of capital, creating shareholder value, mergers and acquisitions, capital budgeting, measuring corporate performance, and valuation. In addition, Dr. Vander Weide designed and served as Program Director for several executive education programs, including the Advanced Management Program, Competitive Strategies in Telecommunications, and the Duke Program for Manager Development for managers from the former Soviet Union. He is now retired from his teaching responsibilities at Duke.

As an expert financial economist and industry expert, Dr. Vander Weide has participated in approximately five hundred regulatory and legal proceedings, appearing in U.S. courts and federal and state or provincial proceedings in the United States and Canada. He has testified as an expert witness on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, valuation, and other financial and economic issues. His clients include investor-owned electric, gas, and water utilities, natural gas pipelines, oil pipelines, telecommunications companies, and insurance companies.

#### **Publications**

Dr. Vander Weide has written research papers on such topics as portfolio management, capital budgeting, investments, the effect of regulation on the performance of public utilities, and cash management. His articles have been published in *American Economic Review*, *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Management Science*, *Financial*

*Management, Journal of Portfolio Management, International Journal of Industrial Organization, Journal of Bank Research, Journal of Accounting Research, Journal of Cash Management, Atlantic Economic Journal, Journal of Economics and Business, and Computers and Operations Research.* He has written a book entitled *Managing Corporate Liquidity: An Introduction to Working Capital Management* published by John Wiley and Sons, Inc.; and he has written a chapter titled "Financial Management in the Short Run" for *The Handbook of Modern Finance*, and a chapter titled "Principles for Lifetime Portfolio Selection: Lessons from Portfolio Theory" for *The Handbook of Portfolio Construction: Contemporary Applications of Markowitz Techniques*. *The Handbook of Portfolio Construction* is a peer-reviewed collection of research papers by notable scholars on portfolio optimization, published in 2010 in honor of Nobel Prize winner Harry Markowitz.

#### Professional Consulting Experience

Dr. Vander Weide has provided financial and economic consulting services to firms in the electric, gas, insurance, oil and gas pipeline, telecommunications, and water industries for more than thirty years. He has testified on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, valuation, and other financial and economic issues in more than five hundred cases before the Federal Energy Regulatory Commission, the National Energy Board (Canada), the Federal Communications Commission, the Canadian Radio-Television and Telecommunications Commission, the National Telecommunications and Information Administration, the United States Tax Court, the public service commissions of forty-five states and the District of Columbia, four Canadian provinces, the insurance commissions of five states, the Iowa State Board of Tax Review, and the North Carolina Property Tax Commission. In addition, he has testified as an expert witness in proceedings before numerous federal district courts, including the U.S. District Court for the District of Nebraska; the U.S. District Court for the District of New Hampshire; the U.S. District Court for the District of Northern Illinois; the U.S. District Court for the Eastern District of North Carolina; the Montana Second Judicial District Court, Silver Bow County; the U.S. District Court for the Northern District of California; the Superior Court, North Carolina; the U.S. Bankruptcy Court for the Southern District of West Virginia; the U. S. District Court for the Eastern District of Michigan; and the Supreme Court of the State of New York. Dr. Vander Weide testified in thirty states on issues relating to the pricing of unbundled network elements and universal service cost studies and consulted with Bell Canada, Deutsche Telekom, and Telefónica on similar issues. Dr. Vander Weide has provided consulting and expert witness testimony to the following companies:

<b>ELECTRIC, GAS, PIPELINE, WATER COMPANIES</b>	
Alcoa Power Generating, Inc.	MidAmerican Energy and subsidiaries
Alliant Energy and subsidiaries	National Fuel Gas
AltaLink, L.P.	Nevada Power Company
Ameren	Newfoundland Power Inc.
American Water Works and subsidiaries	NICOR
Atmos Energy and subsidiaries	North Carolina Natural Gas
BP p.l.c.	North Shore Gas
Buckeye Partners, L.P.	Northern Natural Gas Company
Central Illinois Public Service	NOVA Gas Transmission Ltd.
Citizens Utilities	PacifiCorp
Consolidated Edison and subsidiaries	Peoples Energy and its subsidiaries
Consolidated Natural Gas and subsidiaries	PG&E
Dominion Resources and subsidiaries	Plains All American Pipeline, L.P.
Duke Energy and subsidiaries	Progress Energy and subsidiaries
Empire District Electric and subsidiaries	PSE&G
EPCOR Distribution & Transmission Inc.	Public Service Company of North Carolina
EPCOR Energy Alberta Inc.	Sempra Energy/San Diego Gas and Electric
FortisAlberta Inc.	South Carolina Electric and Gas
FortisBC Utilities	Southern Company and subsidiaries
Hope Natural Gas	Spectra Energy
Iberdrola Renewables	Tennessee-American Water Company
Interstate Power Company	The Peoples Gas, Light and Coke Co.
Iowa Southern	Trans Québec & Maritimes Pipeline Inc.
Iowa-American Water Company	TransCanada
Iowa-Illinois Gas and Electric	Union Gas
Kentucky Power Company	United Cities Gas Company
Kentucky-American Water Company	Virginia-American Water Company
Kinder Morgan Energy Partners	West Virginia-American Water Company
Maritimes & Northeast Pipeline	Westcoast Energy Inc.
	Wisconsin Energy Corporation
	Xcel Energy

<b>TELECOMMUNICATIONS COMPANIES</b>	
ALLTEL and subsidiaries	Phillips County Cooperative Tel. Co.
Ameritech (now AT&T new)	Pine Drive Cooperative Telephone Co.
AT&T (old)	Roseville Telephone Company (SureWest)
Bell Canada/Nortel	SBC Communications (now AT&T new)
BellSouth and subsidiaries	Sherburne Telephone Company
Centel and subsidiaries	Siemens
Cincinnati Bell (Broadwing)	Southern New England Telephone
Cisco Systems	Sprint/United and subsidiaries

TELECOMMUNICATIONS COMPANIES	
Citizens Telephone Company	Telefónica
Concord Telephone Company	Tellabs, Inc.
Contel and subsidiaries	The Stentor Companies
Deutsche Telekom	U S West (Qwest)
GTE and subsidiaries (now Verizon)	Union Telephone Company
Heins Telephone Company	United States Telephone Association
JDS Uniphase	Valor Telecommunications (Windstream)
Lucent Technologies	Verizon (Bell Atlantic) and subsidiaries
Minnesota Independent Equal Access Corp.	Woodbury Telephone Company
NYNEX and subsidiaries (Verizon)	
Pacific Telesis and subsidiaries	

INSURANCE COMPANIES
Allstate
North Carolina Rate Bureau
United Services Automobile Association (USAA)
The Travelers Indemnity Company
Gulf Insurance Company

#### Other Professional Experience

Dr. Vander Weide has conducted in-house seminars and training sessions on topics such as creating shareholder value, financial analysis, competitive strategy, cost of capital, real options, financial strategy, managing growth, mergers and acquisitions, valuation, measuring corporate performance, capital budgeting, cash management, and financial planning. Among the firms for whom he has designed and taught tailored programs and training sessions are ABB Asea Brown Boveri, Accenture, Allstate, Ameritech, AT&T, Bell Atlantic/Verizon, BellSouth, Progress Energy/Carolina Power & Light, Contel, Fisons, GlaxoSmithKline, GTE, Lafarge, MidAmerican Energy, New Century Energies, Norfolk Southern, Pacific Bell Telephone, The Rank Group, Siemens, Southern New England Telephone, TRW, and Wolseley Plc. Dr. Vander Weide has also hosted a nationally prominent conference/workshop on estimating the cost of capital. In 1989, at the request of Mr. Fuqua, Dr. Vander Weide designed the Duke Program for Manager Development for managers from the former Soviet Union, the first in the United States designed exclusively for managers from Russia and the former Soviet republics.

Early in his career, Dr. Vander Weide helped found University Analytics, Inc., one of the fastest growing small firms in the country at that time. As an officer at University Analytics, he



Florida Public Service Commission  
Docket No.  
FLORIDA CITY GAS  
Witness: James H. Vander Weide, Ph.D.  
Exhibit No. \_\_\_\_\_(JWW-2)  
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designed cash management models, databases, and software used by most major U.S. banks in consulting with their corporate clients. Having sold his interest in University Analytics, Dr. Vander Weide now concentrates on strategic and financial consulting, academic research, and executive education.

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**JAMES H. VANDER WEIDE**

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## APPENDIX 2

### DERIVATION OF THE QUARTERLY DCF MODEL

The simple DCF Model assumes that a firm pays dividends only at the end of each year. Since firms in fact pay dividends quarterly and investors appreciate the time value of money, the annual version of the DCF Model generally underestimates the value investors are willing to place on the firm's expected future dividend stream. In these workpapers, we review two alternative formulations of the DCF Model that allow for the quarterly payment of dividends.

When dividends are assumed to be paid annually, the DCF Model suggests that the current price of the firm's stock is given by the expression:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n} \quad (1)$$

where

$P_0$	=	current price per share of the firm's stock,
$D_1, D_2, \dots, D_n$	=	expected annual dividends per share on the firm's stock,
$P_n$	=	price per share of stock at the time investors expect to sell the stock, and
$k$	=	return investors expect to earn on alternative investments of the same risk, i.e., the investors' required rate of return.

Unfortunately, expression (1) is rather difficult to analyze, especially for the purpose of estimating  $k$ . Thus, most analysts make a number of simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate  $g$  into the indefinite future. Second, they assume that the stock price at time  $n$  is simply the present value of all dividends expected in periods

subsequent to n. Third, they assume that the investors' required rate of return, k, exceeds the expected dividend growth rate g. Under the above simplifying assumptions, a firm's stock price may be written as the following sum:

$$P_0 = \frac{D_0(1+g)}{(1+k)} + \frac{D_0(1+g)^2}{(1+k)^2} + \frac{D_0(1+g)^3}{(1+k)^3} + \dots, \quad (2)$$

where the three dots indicate that the sum continues indefinitely.

As we shall demonstrate shortly, this sum may be simplified to:

$$P_0 = \frac{D_0(1+g)}{(k-g)}$$

First, however, we need to review the very useful concept of a geometric progression.

#### Geometric Progression

Consider the sequence of numbers 3, 6, 12, 24,..., where each number after the first is obtained by multiplying the preceding number by the factor 2. Obviously, this sequence of numbers may also be expressed as the sequence  $3, 3 \times 2, 3 \times 2^2, 3 \times 2^3$ , etc. This sequence is an example of a geometric progression.

Definition: A geometric progression is a sequence in which each term after the first is obtained by multiplying some fixed number, called the common ratio, by the preceding term.

A general notation for geometric progressions is: a, the first term, r, the common ratio, and n, the number of terms. Using this notation, any geometric progression may be represented by the sequence:

$$a, ar, ar^2, ar^3, \dots, ar^{n-1}.$$

In studying the DCF Model, we will find it useful to have an expression for the sum of n terms of a geometric progression. Call this sum  $S_n$ . Then

$$S_n = a + ar + \dots + ar^{n-1}. \quad (3)$$

However, this expression can be simplified by multiplying both sides of equation (3) by r and then subtracting the new equation from the old. Thus,

$$rS_n = ar + ar^2 + ar^3 + \dots + ar^n$$

and

$$S_n - rS_n = a - ar^n,$$

or

$$(1 - r) S_n = a (1 - r^n).$$

Solving for  $S_n$ , we obtain:

$$S_n = \frac{a(1 - r^n)}{(1 - r)} \quad (4)$$

as a simple expression for the sum of n terms of a geometric progression. Furthermore, if  $|r| < 1$ , then  $S_n$  is finite, and as n approaches infinity,  $S_n$  approaches  $a \div (1-r)$ . Thus, for a geometric progression with an infinite number of terms and  $|r| < 1$ , equation (4) becomes:

$$S = \frac{a}{1 - r} \quad (5)$$

Application to DCF Model

Comparing equation (2) with equation (3), we see that the firm's stock price (under the DCF assumption) is the sum of an infinite geometric progression with the first term

$$a = \frac{D_0(1+g)}{(1+k)}$$

and common factor

$$r = \frac{(1+g)}{(1+k)}$$

Applying equation (5) for the sum of such a geometric progression, we obtain

$$S = a \cdot \frac{1}{(1-r)} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1}{1-\frac{1+g}{1+k}} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1+k}{k-g} = \frac{D_0(1+g)}{k-g}$$

as we suggested earlier.

Quarterly DCF Model

The Annual DCF Model assumes that dividends grow at an annual rate of g% per year (see Figure 1).

Figure 1

Annual DCF Model

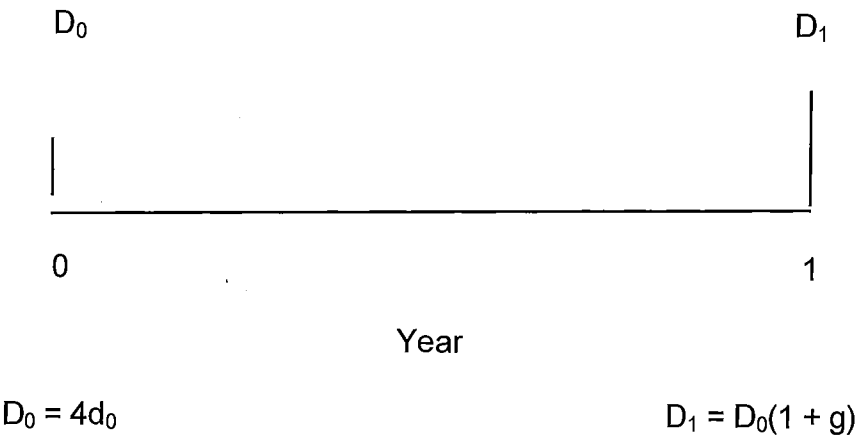
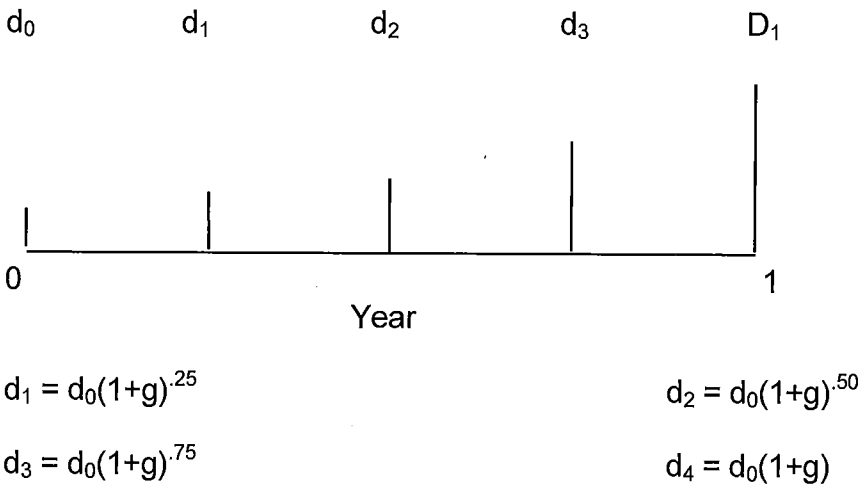


Figure 2

Quarterly DCF Model (Constant Growth Version)





In the Quarterly DCF Model, it is natural to assume that quarterly dividend payments differ from the preceding quarterly dividend by the factor  $(1 + g)^{.25}$ , where  $g$  is expressed in terms of percent per year and the decimal .25 indicates that the growth has only occurred for one quarter of the year. (See Figure 2.) Using this assumption, along with the assumption of constant growth and  $k > g$ , we obtain a new expression for the firm's stock price, which takes account of the quarterly payment of dividends. This expression is:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}}} + \frac{d_0(1+g)^{\frac{2}{4}}}{(1+k)^{\frac{2}{4}}} + \frac{d_0(1+g)^{\frac{3}{4}}}{(1+k)^{\frac{3}{4}}} + \dots \quad (6)$$

where  $d_0$  is the last quarterly dividend payment, rather than the last annual dividend payment. (We use a lower case  $d$  to remind the reader that this is not the annual dividend.)

Although equation (6) looks formidable at first glance, it too can be greatly simplified using the formula [equation (4)] for the sum of an infinite geometric progression. As the reader can easily verify, equation (6) can be simplified to:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}} - (1+g)^{\frac{1}{4}}} \quad (7)$$

Solving equation (7) for  $k$ , we obtain a DCF formula for estimating the cost of equity under the quarterly dividend assumption:

$$k = \left[ \frac{d_0(1+g)^{\frac{1}{4}}}{P_0} + (1+g)^{\frac{1}{4}} \right]^4 - 1 \quad (8)$$

An Alternative Quarterly DCF Model

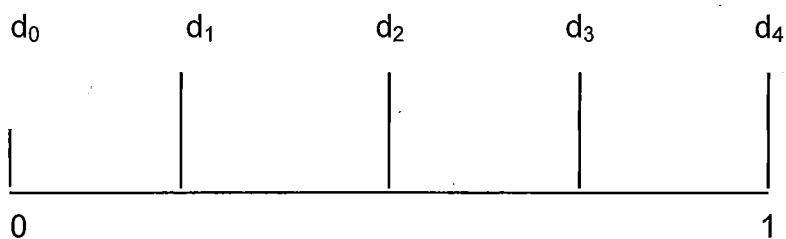
Although the constant growth Quarterly DCF Model [equation (8)] allows for the quarterly timing of dividend payments, it does require the assumption that the firm increases its dividend payments each quarter. Since this assumption is difficult for some analysts to accept, we now discuss a second Quarterly DCF Model that allows for constant quarterly dividend payments within each dividend year.

Assume then that the firm pays dividends quarterly and that each dividend payment is constant for four consecutive quarters. There are four cases to consider, with each case distinguished by varying assumptions about where we are evaluating the firm in relation to the time of its next dividend increase. (See Figure 3.)

**Figure 3**

**Quarterly DCF Model (Constant Dividend Version)**

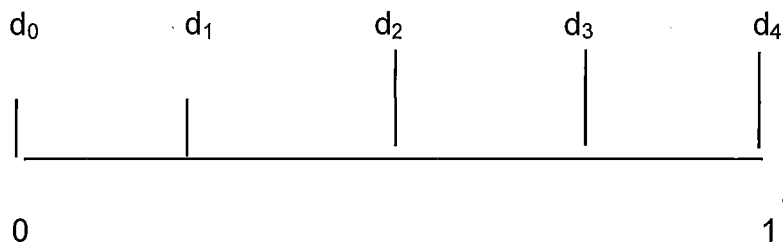
**Case 1**



Year

$$d_1 = d_2 = d_3 = d_4 = d_0(1+g)$$

**Case 2**



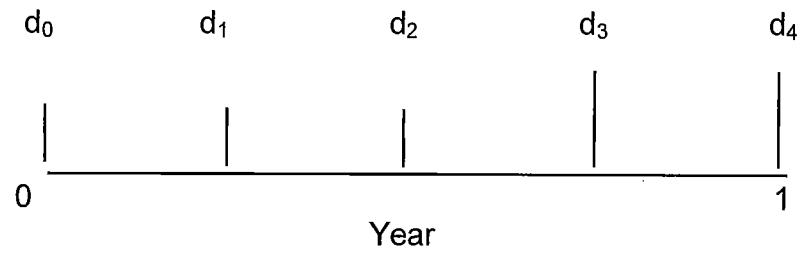
Year

$$d_1 = d_0$$

$$d_2 = d_3 = d_4 = d_0(1+g)$$

**Figure 3 (continued)**

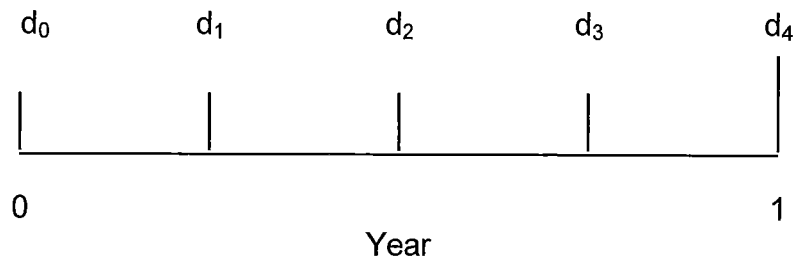
**Case 3**



$$d_1 = d_2 = d_0$$

$$d_3 = d_4 = d_0(1+g)$$

**Case 4**



$$d_1 = d_2 = d_3 = d_0$$

$$d_4 = d_0(1+g)$$

If we assume that the investor invests the quarterly dividend in an alternative investment of the same risk, then the amount accumulated by the end of the year will in all cases be given by:

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4$$

where  $d_1$ ,  $d_2$ ,  $d_3$  and  $d_4$  are the four quarterly dividends. Under these new assumptions, the firm's stock price may be expressed by an Annual DCF Model of the form (2), with the exception that:

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4 \quad (9)$$

is used in place of  $D_0(1+g)$ . But, we already know that the Annual DCF Model may be reduced to:

$$P_0 = \frac{D_0(1+g)}{k-g}$$

Thus, under the assumptions of the second Quarterly DCF Model, the firm's cost of equity is given by:

$$k = \frac{D_1^*}{P_0} + g \quad (10)$$

with  $D_1^*$  given by (9).

Although equation (10) looks like the Annual DCF Model, there are at least two very important practical differences. First, since  $D_1^*$  is always greater than  $D_0(1+g)$ , the estimates of the cost of equity are always larger (and more accurate) in the Quarterly Model (10) than in the Annual Model. Second, since  $D_1^*$  depends on  $k$  through equation (9), the unknown "k" appears on both sides of (10), and an iterative procedure is required to solve for  $k$ .

### APPENDIX 3

#### ADJUSTING FOR FLOTATION COSTS IN DETERMINING A PUBLIC UTILITY'S ALLOWED RATE OF RETURN ON EQUITY

##### I. Introduction

Regulation of public utilities is guided by the principle that utility revenues should be sufficient to allow recovery of all prudently incurred expenses, including the cost of capital. As set forth in the 1944 *Hope Natural Gas Case* [*Federal Power Comm'n v. Hope Natural Gas Co.* 320 U. S. 591 (1944) at 603], the U. S. Supreme Court states:

From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock....By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks.

Since the flotation costs arising from the issuance of debt and equity securities are an integral component of capital costs, this standard requires that the company's revenues be sufficient to fully recover flotation costs.

Despite the widespread agreement that flotation costs should be recovered in the regulatory process, several issues still need to be resolved. These include:

1. How is the term "flotation costs" defined? Does it include only the out-of-pocket costs associated with issuing securities (e. g., legal fees, printing costs, selling and underwriting expenses), or does it also include the reduction in a security's price that frequently accompanies flotation?
2. What should be the time pattern of cost recovery? Should a company be allowed to recover flotation costs immediately, or should flotation costs be recovered over the life of the issue?
3. For the purposes of regulatory accounting, should flotation costs be included as an expense? As an addition to rate base? Or as an additional element of a firm's allowed rate of return?
4. Do existing regulatory methods for flotation cost recovery allow a firm **full** recovery of flotation costs?

In this paper, I review the literature pertaining to the above issues and discuss my own views regarding how this literature applies to the cost of equity for a regulated firm.

## **II. Definition of Flotation Cost**

The value of a firm is related to the future stream of net cash flows (revenues minus expenses measured on a cash basis) that can be derived from its assets. In the process of acquiring assets, a firm incurs certain expenses which reduce its value. Some of these expenses or costs are directly associated with revenue production in one period (e. g., wages, cost of goods sold), others are more properly associated with revenue production in many periods (e. g., the acquisition cost of plant and equipment). In either case, the word "cost" refers to any item that reduces the value of a firm.

If this concept is applied to the act of issuing new securities to finance asset purchases, many items are properly included in issuance or flotation costs. These include: (1) compensation received by investment bankers for underwriting services, (2) legal fees, (3) accounting fees, (4) engineering fees, (5) trustee's fees, (6) listing fees, (7) printing and engraving expenses, (8) SEC registration fees, (9) Federal Revenue Stamps, (10) state taxes, (11) warrants granted to underwriters as extra compensation, (12) postage expenses, (13) employees' time, (14) market pressure, and (15) the offer discount. The finance literature generally divides these flotation cost items into three categories, namely, underwriting expenses, issuer expenses, and price effects.

## **III. Magnitude of Flotation Costs**

The finance literature contains several studies of the magnitude of the flotation costs associated with new debt and equity issues. These studies differ primarily with regard to the time period studied, the sample of companies included, and the source of data. The flotation cost studies generally agree, however, that for large issues, underwriting expenses represent approximately one and one-half percent of the proceeds of debt issues and three to five percent of the proceeds of seasoned equity issues. They also agree that issuer expenses represent approximately 0.5 percent of both debt and equity issues, and that the difference between the offering price and the last reported sales price is at least two to three percent of the proceeds from the stock issue. (Underwriters set the public offering price at a value less than the most recent market price in order to reduce the risk that they would have to sell the equity at a loss.) Thus, total flotation

costs represent approximately two percent<sup>1</sup> of the proceeds from debt issues, and five and one-half to eight and one-half percent of the proceeds of equity issues.

Lee *et. al.* [14] is an excellent example of the type of flotation cost studies found in the finance literature. The Lee study is a comprehensive study of the underwriting and issuer costs associated with debt and equity issues for both utilities and non-utilities. The results of the Lee *et. al.* study are reproduced in Tables 1 and 2. Table 1 demonstrates that the total underwriting and issuer expenses for the 1,092 debt issues in their study averaged 2.24 percent of the proceeds of the issues, while the total underwriting and issuer costs for the 1,593 seasoned equity issues in their study averaged 7.11 percent of the proceeds of the new issue. Table 1 also demonstrates that the total underwriting and issuer costs of seasoned equity offerings, as a percent of proceeds, decline with the size of the issue. For issues above \$60 million, total underwriting and issuer costs amount to from three to five percent of the amount of the proceeds.

Table 2 reports the total underwriting and issuer expenses for 135 utility debt issues and 136 seasoned utility equity issues. Total underwriting and issuer expenses for utility bond offerings averaged 1.47 percent of the amount of the proceeds and for seasoned utility equity offerings averaged 4.92 percent of the amount of the proceeds. Again, there are some economies of scale associated with larger equity offerings. Total underwriting and issuer expenses for equity offerings in excess of 40 million dollars generally range from three to four percent of the proceeds.

The results of the Lee study for large equity issues are consistent with results of earlier studies by Bhagat and Frost [4], Mikkelson and Partch [17], and Smith [24]. Bhagat and Frost found that total underwriting and issuer expenses average approximately four and one-half percent of the amount of proceeds from negotiated utility offerings during the period 1973 to 1980, and approximately three and one-half percent of the amount of the proceeds from competitive utility offerings over the same period. Mikkelson and Partch found that total underwriting and issuer expenses average five and one-half percent of the proceeds from seasoned equity offerings over the 1972 to 1982 period. Smith found that total underwriting and issuer expenses for larger equity issues generally amount to four to five percent of the proceeds of the new issue.

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[1] The two percent flotation cost on debt only recognizes the cost of newly-issued debt. When interest rates decline, many companies exercise the call provisions on higher cost debt and reissue debt at lower rates. This process involves reacquisition costs that are not included in the academic studies. If reacquisition costs were included in the academic studies, debt flotation costs could increase significantly.



The finance literature also contains numerous studies of the decline in price associated with sales of large blocks of stock to the public. These articles relate to the price impact of: (1) initial public offerings; (2) the sale of large blocks of stock from one investor to another; and (3) the issuance of seasoned equity issues to the general public. All of these studies generally support the notion that the announcement of the sale of large blocks of stock produces a decline in a company's share price. The decline in share price for initial public offerings is significantly larger than the decline in share price for seasoned equity offerings; and the decline in share price for public utilities is less than the decline in share price for non-public utilities. A comprehensive study of the magnitude of the decline in share price associated specifically with the sale of new equity by public utilities is reported in Pettway [19], who found the market pressure effect for a sample of 368 public utility equity sales to be in the range of two to three percent. This decline in price is a real cost to the utility, because the proceeds to the utility depend on the stock price on the day of issue.

In addition to the price decline associated with the announcement of a new equity issue, the finance literature recognizes that there is also a price decline associated with the actual issuance of equity securities. In particular, underwriters typically sell seasoned new equity securities to investors at a price lower than the closing market price on the day preceding the issue. The Rules of Fair Practice of the National Association of Securities Dealers require that underwriters not sell shares at a price above the offer price. Because the offer price represents a binding constraint to the underwriter, the underwriter tends to set the offer price slightly below the last reported market price to compensate for the risk that the price received by the underwriter may go down, but cannot increase.

In summary, the finance literature provides strong support for the conclusion that total underwriting and issuer expenses for public utility debt offerings represent approximately two percent of the amount of the proceeds, while total underwriting and issuer expenses for public utility equity offerings represent at least four to five percent of the amount of the proceeds. In addition, the finance literature supports the conclusion that the cost associated with the decline in stock price at the announcement date represents approximately two to three percent as a result of a large public utility equity issue.

#### **IV. Time Pattern Of Flotation Cost Recovery**

Although flotation costs are incurred only at the time a firm issues new securities, there is no reason why an issuing firm ought to recognize the expense only in the current period. In fact, if assets purchased with the proceeds of a security issue produce revenues over many years, a sound argument can be made in favor of recognizing flotation expenses over a reasonably lengthy period of time. Such recognition is certainly consistent with the generally accepted accounting

principle that the time pattern of expenses match the time pattern of revenues, and it is also consistent with the normal treatment of debt flotation expenses in both regulated and unregulated industries.

In the context of a regulated firm, it should be noted that there are many possible time patterns for the recovery of flotation expenses. However, if it is felt that flotation expenses are most appropriately recovered over a period of years, then it should be recognized that investors must also be compensated for the passage of time. That is to say, the value of an investor's capital will be reduced if the expenses are merely distributed over time, without any allowance for the time value of money.

## **V. Accounting For Flotation Cost In A Regulatory Setting**

In a regulatory setting, a firm's revenue requirements are determined by the equation:

$$\text{Revenue Requirement} = \text{Total Expenses} + \text{Allowed Rate of Return} \times \text{Rate Base}$$

Thus, there are three ways in which an issuing firm can account for and recover its flotation expenses: (1) treat flotation expenses as a current expense and recover them immediately; (2) include flotation expenses in rate base and recover them over time; and (3) adjust the allowed rate of return upward and again recover flotation expenses over time. Before considering methods currently being used to recover flotation expenses in a regulatory setting, I shall briefly consider the advantages and disadvantages of these three basic recovery methods.

**Expenses.** Treating flotation costs as a current expense has several advantages. Because it allows for recovery at the time the expense occurs, it is not necessary to compute amortized balances over time and to debate which interest rate should be applied to these balances. A firm's stockholders are treated fairly, and so are the firm's customers, because they pay neither more nor less than the actual flotation expense. Since flotation costs are relatively small compared to the total revenue requirement, treatment as a current expense does not cause unusual rate hikes in the year of flotation, as would the introduction of a large generating plant in a state that does not allow Construction Work in Progress in rate base.

On the other hand, there are two major disadvantages of treating flotation costs as a current expense. First, since the asset purchased with the acquired funds will likely generate revenues for many years into the future, it seems unfair that current ratepayers should bear the full cost of issuing new securities, when future ratepayers share in the benefits. Second, this method requires an estimate of the underpricing effect on each security issue. Given the difficulties involved in measuring the extent of underpricing, it may be more accurate to estimate the

average underpricing allowance for many securities than to estimate the exact figure for one security.

**Rate Base.** In an article in *Public Utilities Fortnightly*, Bierman and Hass [5] recommend that flotation costs be treated as an intangible asset that is included in a firm's rate base along with the assets acquired with the stock proceeds. This approach has many advantages. For ratepayers, it provides a better match between benefits and expenses: the future ratepayers who benefit from the financing costs contribute the revenues to recover these costs. For investors, if the allowed rate of return is equal to the investors' required rate of return, it is also theoretically fair since they are compensated for the opportunity cost of their investment (including both the time value of money and the investment risk).

Despite the compelling advantages of this method of cost recovery, there are several disadvantages that probably explain why it has not been used in practice. First, a firm will only recover the proper amount for flotation expenses if the rate base is multiplied by the appropriate cost of capital. To the extent that a commission under or over estimates the cost of capital, a firm will under or over recover its flotation expenses. Second, it may be both legally and psychologically difficult for commissioners to include an intangible asset in a firm's rate base. According to established legal doctrine, assets are to be included in rate base only if they are "used and useful" in the public service. It is unclear whether intangible assets such as flotation expenses meet this criterion.

**Rate of Return.** The prevailing practice among state regulators is to treat flotation expenses as an additional element of a firm's cost of capital or allowed rate of return. This method is similar to the second method above (treatment in rate base) in that some part of the initial flotation cost is amortized over time. However, it has a disadvantage not shared by the rate base method. If flotation cost is included in rate base, it is fairly easy to keep track of the flotation cost on each new equity issue and see how it is recovered over time. Using the rate of return method, it is not possible to track the flotation cost for specific issues because the flotation cost for a specific issue is never recorded. Thus, it is not clear to participants whether a current allowance is meant to recover (1) flotation costs actually incurred in a test period, (2) expected future flotation costs, or (3) past flotation costs. This confusion never arises in the treatment of debt flotation costs. Because the exact costs are recorded and explicitly amortized over time, participants recognize that current allowances for debt flotation costs are meant to recover some fraction of the flotation costs on all past debt issues.

## **VI. Existing Regulatory Methods**

Although most state commissions prefer to let a regulated firm recover flotation expenses through an adjustment to the allowed rate of return, there is considerable controversy about the magnitude of the required adjustment. The

following are some of the most frequently asked questions: (1) Should an adjustment to the allowed return be made every year, or should the adjustment be made only in those years in which new equity is raised? (2) Should an adjusted rate of return be applied to the entire rate base, or should it be applied only to that portion of the rate base financed with paid-in capital (as opposed to retained earnings)? (3) What is the appropriate formula for adjusting the rate of return?

This section reviews several methods of allowing for flotation cost recovery. Since the regulatory methods of allowing for recovery of debt flotation costs is well known and widely accepted, I will begin my discussion of flotation cost recovery procedures by describing the widely accepted procedure of allowing for debt flotation cost recovery.

### **Debt Flotation Costs**

Regulators uniformly recognize that companies incur flotation costs when they issue debt securities. They typically allow recovery of debt flotation costs by making an adjustment to both the cost of debt and the rate base (see Brigham [6]). Assume that: (1) a regulated company issues \$100 million in bonds that mature in 10 years; (2) the interest rate on these bonds is seven percent; and (3) flotation costs represent four percent of the amount of the proceeds. Then the cost of debt for regulatory purposes will generally be calculated as follows:

$$\begin{aligned}\text{Cost of Debt} &= \frac{\text{Interest expense} + \text{Amortization of flotation costs}}{\text{Principal value} - \text{Unamortized flotation costs}} \\ &= \frac{\$7,000,000 + \$400,000}{\$100,000,000 - \$4,000,000} \\ &= 7.71\%\end{aligned}$$

Thus, current regulatory practice requires that the cost of debt be adjusted upward by approximately 71 basis points, in this example, to allow for the recovery of debt flotation costs. This example does not include losses on reacquisition of debt. The flotation cost allowance would increase if losses on reacquisition of debt were included.

The logic behind the traditional method of allowing for recovery of debt flotation costs is simple. Although the company has issued \$100 million in bonds, it can only invest \$96 million in rate base because flotation costs have reduced the amount of funds received by \$4 million. If the company is not allowed to earn a 71 basis point higher rate of return on the \$96 million invested in rate base, it will not generate sufficient cash flow to pay the seven percent interest on the \$100 million in bonds it has issued. Thus, proper regulatory treatment is to increase the required rate of return on debt by 71 basis points.

## Equity Flotation Costs

The finance literature discusses several methods of recovering equity flotation costs. Since each method stems from a specific model, (i. e., set of assumptions) of a firm and its cash flows, I will highlight the assumptions that distinguish one method from another.

**Arzac and Marcus.** Arzac and Marcus [2] study the proper flotation cost adjustment formula for a firm that makes continuous use of retained earnings and external equity financing and maintains a constant capital structure (debt/equity ratio). They assume at the outset that underwriting expenses and underpricing apply only to new equity obtained from external sources. They also assume that a firm has previously recovered all underwriting expenses, issuer expenses, and underpricing associated with previous issues of new equity.

To discuss and compare various equity flotation cost adjustment formulas, Arzac and Marcus make use of the following notation:

k	=	an investors' required return on equity
r	=	a utility's allowed return on equity base
S	=	value of equity in the absence of flotation costs
S <sub>f</sub>	=	value of equity net of flotation costs
K <sub>t</sub>	=	equity base at time t
E <sub>t</sub>	=	total earnings in year t
D <sub>t</sub>	=	total cash dividends at time t
b	=	$(E_t - D_t) \div E_t$ = retention rate, expressed as a fraction of earnings
h	=	new equity issues, expressed as a fraction of earnings
m	=	equity investment rate, expressed as a fraction of earnings,
		$m = b + h < 1$
f	=	flotation costs, expressed as a fraction of the value of an issue.

Because of flotation costs, Arzac and Marcus assume that a firm must issue a greater amount of external equity each year than it actually needs. In terms of the above notation, a firm issues  $hE_t \div (1-f)$  to obtain  $hE_t$  in external equity funding. Thus, each year a firm loses:

### Equation 1

$$L = \frac{hE_t}{1-f} - hE_t = \frac{f}{1-f} \times hE_t$$

due to flotation expenses. The present value,  $V$ , of all future flotation expenses is:

### Equation 2

$$V = \sum_{t=1}^{\infty} \frac{fhE_t}{(1-f)(1+k)^t} = \frac{fh}{1-f} \times \frac{rK_0}{k-mr}$$

To avoid diluting the value of the initial stockholder's equity, a regulatory authority needs to find the value of  $r$ , a firm's allowed return on equity base, that equates the value of equity net of flotation costs to the initial equity base ( $S_f = K_0$ ). Since the value of equity net of flotation costs equals the value of equity in the absence of flotation costs minus the present value of flotation costs, a regulatory authority needs to find that value of  $r$  that solves the following equation:

$$S_f = S - L.$$

This value is:

### Equation 3

$$r = \frac{k}{1 - \frac{fh}{1-f}}$$

To illustrate the Arzac-Marcus approach to adjusting the allowed return on equity for the effect of flotation costs, suppose that the cost of equity in the absence of flotation costs is 12 percent. Furthermore, assume that a firm obtains external equity financing each year equal to 10 percent of its earnings and that flotation expenses equal 5 percent of the value of each issue. Then, according to Arzac and Marcus, the allowed return on equity should be:

$$r = \frac{.12}{1 - \frac{(.05)(.1)}{.95}} = .1206 = 12.06\%$$

**Summary.** With respect to the three questions raised at the beginning of this section, it is evident that Arzac and Marcus believe the flotation cost adjustment should be applied each year, since continuous external equity financing is a fundamental assumption of their model. They also believe that the adjusted rate of return should be applied to the entire equity-financed portion of the rate base

because their model is based on the assumption that the flotation cost adjustment mechanism will be applied to the entire equity financed portion of the rate base. Finally, Arzac and Marcus recommend a flotation cost adjustment formula, Equation (3), that implicitly excludes recovery of financing costs associated with financing in previous periods and includes only an allowance for the fraction of equity financing obtained from external sources.

**Patterson.** The Arzac-Marcus flotation cost adjustment formula is significantly different from the conventional approach (found in many introductory textbooks) which recommends the adjustment equation:

**Equation 4**

$$r = \frac{D_t}{P_{t-1}(1-f)} + g$$

where  $P_{t-1}$  is the stock price in the previous period and  $g$  is the expected dividend growth rate. Patterson [18] compares the Arzac-Marcus adjustment formula to the conventional approach and reaches the conclusion that the Arzac-Marcus formula effectively expenses issuance costs as they are incurred, while the conventional approach effectively amortizes them over an assumed infinite life of the equity issue. Thus, the conventional formula is similar to the formula for the recovery of debt flotation costs: it is not meant to compensate investors for the flotation costs of future issues, but instead is meant to compensate investors for the flotation costs of previous issues. Patterson argues that the conventional approach is more appropriate for rate making purposes because the plant purchased with external equity funds will yield benefits over many future periods.

**Illustration.** To illustrate the Patterson approach to flotation cost recovery, assume that a newly organized utility sells an initial issue of stock for \$100 per share, and that the utility plans to finance all new investments with retained earnings. Assume also that: (1) the initial dividend per share is six dollars; (2) the expected long-run dividend growth rate is six percent; (3) the flotation cost is five percent of the amount of the proceeds; and (4) the payout ratio is 51.28 percent. Then, the investor's required rate of return on equity is [ $k = (D/P) + g = 6$  percent + 6 percent = 12 percent]; and the flotation-cost-adjusted cost of equity is [6 percent  $(1/.95) + 6$  percent = 12.316 percent].

The effects of the Patterson adjustment formula on the utility's rate base, dividends, earnings, and stock price are shown in Table 3. We see that the Patterson formula allows earnings and dividends to grow at the expected six percent rate. We also see that the present value of expected future dividends, \$100, is just sufficient to induce investors to part with their money. If the present value of expected future dividends were less than \$100, investors would not have been willing to invest \$100 in the firm. Furthermore, the present value of future

dividends will only equal \$100 if the firm is allowed to earn the 12.316 percent flotation-cost-adjusted cost of equity on its entire rate base.

**Summary.** Patterson's opinions on the three issues raised in this section are in stark contrast to those of Arzac and Marcus. He believes that: (1) a flotation cost adjustment should be applied in every year, regardless of whether a firm issues any new equity in each year; (2) a flotation cost adjustment should be applied to the entire equity-financed portion of the rate base, including that portion financed by retained earnings; and (3) the rate of return adjustment formula should allow a firm to recover an appropriate fraction of all previous flotation expenses.

## **VII. Conclusion**

Having reviewed the literature and analyzed flotation cost issues, I conclude that:

**Definition of Flotation Cost:** A regulated firm should be allowed to recover both the total underwriting and issuance expenses associated with issuing securities and the cost of market pressure.

**Time Pattern of Flotation Cost Recovery.** Shareholders are indifferent between the alternatives of immediate recovery of flotation costs and recovery over time, as long as they are fairly compensated for the opportunity cost of their money. This opportunity cost must include both the time value of money and a risk premium for equity investments of this nature.

**Regulatory Recovery of Flotation Costs.** The Patterson approach to recovering flotation costs is the only rate-of-return-adjustment approach that meets the *Hope* case criterion that a regulated company's revenues must be sufficient to allow the company an opportunity to recover all prudently incurred expenses, including the cost of capital. The Patterson approach is also the only rate-of-return-adjustment approach that provides an incentive for investors to invest in the regulated company.

**Implementation of a Flotation Cost Adjustment.** As noted earlier, prevailing regulatory practice seems to be to allow the recovery of flotation costs through an adjustment to the required rate of return. My review of the literature on this subject indicates that there are at least two recommended methods of making this adjustment: the Patterson approach and the Arzac-Marcus approach. The Patterson approach assumes that a firm's flotation expenses on new equity issues are treated in the same manner as flotation expenses on new bond issues, i. e., they are amortized over future time periods. If this assumption is true (and I believe it is), then the flotation cost adjustment should be applied to a firm's entire equity base, including retained earnings. In practical terms, the Patterson approach produces an increase in a firm's cost of equity of approximately twenty to thirty basis points. The Arzac-Marcus approach assumes that flotation costs on new equity issues are recovered entirely in the year in



which the securities are sold. Under the Arzac-Marcus assumption, a firm should not be allowed any adjustments for flotation costs associated with previous flotations. Instead, a firm should be allowed only an adjustment on future security sales as they occur. Under reasonable assumptions about the rate of new equity sales, this method produces an increase in the cost of equity of approximately six basis points. Since the Arzac-Marcus approach does not allow the company to recover the entire amount of its flotation cost, I recommend that this approach be rejected and the Patterson approach be accepted.

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**Table 1**  
**Direct Costs as a Percentage of Gross Proceeds**  
**for Equity (IPOs and SEOs) and Straight and Convertible Bonds**  
**Offered by Domestic Operating Companies 1990—1994<sup>2</sup>**

**Equities**

Line No.	Proceeds (\$ in millions)	IPOs				SEOs			
		No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs	No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs
1	2-9.99	337	9.05%	7.91%	16.96%	167	7.72%	5.56%	13.28%
2	10-19.99	389	7.24%	4.39%	11.63%	310	6.23%	2.49%	8.72%
3	20-39.99	533	7.01%	2.69%	9.70%	425	5.60%	1.33%	6.93%
4	40-59.99	215	6.96%	1.76%	8.72%	261	5.05%	0.82%	5.87%
5	60-79.99	79	6.74%	1.46%	8.20%	143	4.57%	0.61%	5.18%
6	80-99.99	51	6.47%	1.44%	7.91%	71	4.25%	0.48%	4.73%
7	100-199.99	106	6.03%	1.03%	7.06%	152	3.85%	0.37%	4.22%
8	200-499.99	47	5.67%	0.86%	6.53%	55	3.26%	0.21%	3.47%
9	500 and up	10	5.21%	0.51%	5.72%	9	3.03%	0.12%	3.15%
10	<b>Total/Average</b>	<b>1,767</b>	<b>7.31%</b>	<b>3.69%</b>	<b>11.00%</b>	<b>1,593</b>	<b>5.44%</b>	<b>1.67%</b>	<b>7.11%</b>

**Bonds**

Line No.	Proceeds (\$ in millions)	Convertible Bonds				Straight Bonds			
		No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs	No. of Issues	Gross Spreads	Other Direct Expenses	Total Direct Costs
1	2-9.99	4	6.07%	2.68%	8.75%	32	2.07%	2.32%	4.39%
2	10-19.99	14	5.48%	3.18%	8.66%	78	1.36%	1.40%	2.76%
3	20-39.99	18	4.16%	1.95%	6.11%	89	1.54%	0.88%	2.42%
4	40-59.99	28	3.26%	1.04%	4.30%	90	0.72%	0.60%	1.32%
5	60-79.99	47	2.64%	0.59%	3.23%	92	1.76%	0.58%	2.34%
6	80-99.99	13	2.43%	0.61%	3.04%	112	1.55%	0.61%	2.16%
7	100-199.99	57	2.34%	0.42%	2.76%	409	1.77%	0.54%	2.31%
8	200-499.99	27	1.99%	0.19%	2.18%	170	1.79%	0.40%	2.19%
9	500 and up	3	2.00%	0.09%	2.09%	20	1.39%	0.25%	1.64%
10	<b>Total/Average</b>	<b>211</b>	<b>2.92%</b>	<b>0.87%</b>	<b>3.79%</b>	<b>1,092</b>	<b>1.62%</b>	<b>0.62%</b>	<b>2.24%</b>

[2] Inmoo Lee, Scott Lochhead, Jay Ritter, and Quanshui Zhao, "The Costs of Raising Capital," *Journal of Financial Research* Vol 19 No 1 (Spring 1996) pp. 59-74.

Notes:

Closed-end funds and unit offerings are excluded from the sample. Rights offerings for SEOs are also excluded. Bond offerings do not include securities backed by mortgages and issues by Federal agencies. Only firm commitment offerings and non-shelf-registered offerings are included.

Gross Spreads as a percentage of total proceeds, including management fee, underwriting fee, and selling concession.

Other Direct Expenses as a percentage of total proceeds, including management fee, underwriting fee, and selling concession.

Total Direct Costs as a percentage of total proceeds (total direct costs are the sum of gross spreads and other direct expenses).

Table 2  
Direct Costs of Raising Capital 1990—1994  
Utility versus Non-Utility Companies<sup>3</sup>

**Equities**

Line No.	Non-Utilities	IPOs			SEOs		
	Proceeds (\$ in millions)	No. of Issues	Gross Spreads	Total Direct Costs	No. Of Issues	Gross Spreads	Total Direct Costs
1	2-9.99	332	9.04%	16.97%	154	7.91%	13.76%
2	10-19.99	388	7.24%	11.64%	278	6.42%	9.01%
3	20-39.99	528	7.01%	9.70%	399	5.70%	7.07%
4	40-59.99	214	6.96%	8.71%	240	5.17%	6.02%
5	60-79.99	78	6.74%	8.21%	131	4.68%	5.31%
6	80-99.99	47	6.46%	7.88%	60	4.35%	4.84%
7	100-199.99	101	6.01%	7.01%	137	3.97%	4.36%
8	200-499.99	44	5.65%	6.49%	50	3.27%	3.48%
9	500 and up	10	5.21%	5.72%	8	3.12%	3.25%
10	<b>Total/Average</b>	1,742	7.31%	11.01%	1,457	5.57%	7.32%
11	<b>Utilities Only</b>						
12	2-9.99	5	9.40%	16.54%	13	5.41%	7.68%
13	10-19.99	1	7.00%	8.77%	32	4.59%	6.21%
14	20-39.99	5	7.00%	9.86%	26	4.17%	4.96%
15	40-59.99	1	6.98%	11.55%	21	3.69%	4.12%
16	60-79.99	1	6.50%	7.55%	12	3.39%	3.72%
17	80-99.99	4	6.57%	8.24%	11	3.68%	4.11%
18	100-199.99	5	6.45%	7.96%	15	2.83%	2.98%
19	200-499.99	3	5.88%	7.00%	5	3.19%	3.48%
20	500 and up	0			1	2.25%	2.31%
21	<b>Total/Average</b>	25	7.15%	10.14%	136	4.01%	4.92%

[3] Lee et al, op. cit.

Table 2 (continued)  
Direct Costs of Raising Capital 1990—1994  
Utility versus Non-Utility Companies<sup>4</sup>

<b>Bonds</b>							
	<b>Non- Utilities</b>	<b>Convertible Bonds</b>			<b>Straight Bonds</b>		
Line No.	Proceeds (\$ in millions)	No. of Issues	Gross Spreads	Total Direct Costs	No. of Issues	Gross Spreads	Total Direct Costs
1	2-9.99	4	6.07%	8.75%	29	2.07%	4.53%
2	10-19.99	12	5.54%	8.65%	47	1.70%	3.28%
3	20-39.99	16	4.20%	6.23%	63	1.59%	2.52%
4	40-59.99	28	3.26%	4.30%	76	0.73%	1.37%
5	60-79.99	47	2.64%	3.23%	84	1.84%	2.44%
6	80-99.99	12	2.54%	3.19%	104	1.61%	2.25%
7	100-199.99	55	2.34%	2.77%	381	1.83%	2.38%
8	200-499.99	26	1.97%	2.16%	154	1.87%	2.27%
9	500 and up	3	2.00%	2.09%	19	1.28%	1.53%
10	<b>Total/Average</b>	203	2.90%	3.75%	957	1.70%	2.34%
11	<b>Utilities Only</b>						
12	2-9.99	0			3	2.00%	3.28%
13	10-19.99	2	5.13%	8.72%	31	0.86%	1.35%
14	20-39.99	2	3.88%	5.18%	26	1.40%	2.06%
15	40-59.99	0			14	0.63%	1.10%
16	60-79.99	0			8	0.87%	1.13%
17	80-99.99	1	1.13%	1.34%	8	0.71%	0.98%
18	100-199.99	2	2.50%	2.74%	28	1.06%	1.42%
19	200-499.99	1	2.50%	2.65%	16	1.00%	1.40%
20	500 and up	0			1	3.50%	na <sup>5</sup>
21	<b>Total/Average</b>	8	3.33%	4.66%	135	1.04%	1.47%

Notes:

Total proceeds raised in the United States, excluding proceeds from the exercise of over allotment options.  
Gross spreads as a percentage of total proceeds (including management fee, underwriting fee, and selling concession).

Other direct expenses as a percentage of total proceeds (including registration fee and printing, legal, and auditing costs).

[4] Lee *et al*, *op. cit.*

[5] Not available because of missing data on other direct expenses.

**Table 3**  
Illustration of Patterson Approach to Flotation Cost Recovery

LINE NO.	TIME PERIOD	RATE BASE	EARNINGS @ 12.32%	EARNINGS @ 12.00%	DIVIDENDS	AMORTIZATION INITIAL FC
1	0	95.00				
2	1	100.70	11.70	11.40	6.00	0.3000
3	2	106.74	12.40	12.08	6.36	0.3180
4	3	113.15	13.15	12.81	6.74	0.3371
5	4	119.94	13.93	13.58	7.15	0.3573
6	5	127.13	14.77	14.39	7.57	0.3787
7	6	134.76	15.66	15.26	8.03	0.4015
8	7	142.84	16.60	16.17	8.51	0.4256
9	8	151.42	17.59	17.14	9.02	0.4511
10	9	160.50	18.65	18.17	9.56	0.4782
11	10	170.13	19.77	19.26	10.14	0.5068
12	11	180.34	20.95	20.42	10.75	0.5373
13	12	191.16	22.21	21.64	11.39	0.5695
14	13	202.63	23.54	22.94	12.07	0.6037
15	14	214.79	24.96	24.32	12.80	0.6399
16	15	227.67	26.45	25.77	13.57	0.6783
17	16	241.33	28.04	27.32	14.38	0.7190
18	17	255.81	29.72	28.96	15.24	0.7621
19	18	271.16	31.51	30.70	16.16	0.8078
20	19	287.43	33.40	32.54	17.13	0.8563
21	20	304.68	35.40	34.49	18.15	0.9077
22	21	322.96	37.52	36.56	19.24	0.9621
23	22	342.34	39.77	38.76	20.40	1.0199
24	23	362.88	42.16	41.08	21.62	1.0811
25	24	384.65	44.69	43.55	22.92	1.1459
26	25	407.73	47.37	46.16	24.29	1.2147
27	26	432.19	50.21	48.93	25.75	1.2876
28	27	458.12	53.23	51.86	27.30	1.3648
29	28	485.61	56.42	54.97	28.93	1.4467
30	29	514.75	59.81	58.27	30.67	1.5335
31	30	545.63	63.40	61.77	32.51	1.6255
32	Present Value@12%		195.00	190.00	100.00	5.00



#### **APPENDIX 4**

#### **EX ANTE RISK PREMIUM APPROACH**

My ex ante risk premium method is based on studies of the DCF expected return on proxy companies compared to the interest rate on Moody's A-rated utility bonds. Specifically, for each month in my study period, I calculate the risk premium using the equation,

$$RP_{\text{PROXY}} = DCF_{\text{PROXY}} - I_A$$

where:

- $RP_{\text{PROXY}}$  = the required risk premium on an equity investment in the proxy group of companies,
- $DCF_{\text{PROXY}}$  = average DCF estimated cost of equity on a portfolio of proxy companies; and
- $I_A$  = the yield to maturity on an investment in A-rated utility bonds.

For my ex ante risk premium analysis, I begin with my comparable group of natural gas companies. Previous studies have shown that the ex ante risk premium tends to vary inversely with the level of interest rates, that is, the risk premium tends to increase when interest rates decline, and decrease when interest rates go up. To test whether my studies also indicate that the ex ante risk premium varies inversely with the level of interest rates, I perform a regression analysis of the relationship between the ex ante risk premium and the yield to maturity on A-rated utility bonds, using the equation,

$$RP_{\text{PROXY}} = a + (b \times I_A) + e$$

where:

$RP_{\text{PROXY}}$  = risk premium on proxy company group;

$I_A$  = yield to maturity on A-rated utility bonds;

$e$  = a random residual; and

$a, b$  = coefficients estimated by the regression procedure.

Regression analysis assumes that the statistical residuals from the regression equation are random. My examination of the residuals reveals that there is a significant probability that the residuals are serially correlated (non-zero serial correlation indicates that the residual in one time period tends to be correlated with the residual in the previous time period). Therefore, I make adjustments to my data to correct for the possibility of serial correlation in the residuals.

The common procedure for dealing with serial correlation in the residuals is to estimate the regression coefficients in two steps. First, a multiple regression analysis is used to estimate the serial correlation coefficient,  $r$ . Second, the estimated serial correlation coefficient is used to transform the original variables into new variables whose serial correlation is approximately zero. The regression coefficients are then re-estimated using the transformed variables as inputs in the regression equation. Based on my knowledge of the statistical relationship between the yield to maturity on A-rated utility bonds and the required risk premium, my estimate of the ex ante risk premium on an investment in my proxy

natural gas company group as compared to an investment in A-rated utility bonds is given by the equation:

$$RP_{\text{PROXY}} = \begin{matrix} 8.52 \\ (15.50) \end{matrix} \begin{matrix} -0.580 \times I_A \\ (-6.38) \end{matrix} \quad [6]$$

Using a 5.8 percent forecasted yield to maturity on A-rated utility bonds at June 2017,<sup>7</sup> the regression equation produces an ex ante risk premium based on the natural gas proxy group equal to 5.2 percent (8.52 – .580 x 5.8= 5.2).

To estimate the cost of equity using the ex ante risk premium method, one may add the estimated risk premium over the yield on A-rated utility bonds to the forecasted yield to maturity on A-rated utility bonds. As described above, my analyses produce an estimated risk premium over the yield on A-rated utility bonds equal to 5.2 percent. Adding an estimated risk premium of 5.2 percent to the 5.8 percent forecasted yield to maturity on A-rated utility bonds produces a cost of equity estimate of 11.0 percent using the ex ante risk premium method.

[6] The t-statistics are shown in parentheses.

[7] As described in my testimony, I obtain the expected yield to maturity on A-rated utility bonds, 5.8 percent, by averaging forecast data from Value Line and the U.S. Energy Information Administration (EIA). Value Line Selection & Opinion (June 2, 2017) projects a Aaa-rated Corporate bond yield equal to 5.5 percent. The June 2017 average spread between A-rated utility bonds and Aaa-rated Corporate bonds is 26 basis points (A-rated utility, 3.94 percent, less Aaa-rated Corporate, 3.68 percent, equals 26 basis points). Adding 26 basis points to the 5.5 percent Value Line Aaa Corporate bond forecast equals a forecast yield of 5.76 percent for the A-rated utility bonds. The EIA forecasts a AA-rated utility bond yield equal to 5.71 percent. The average spread between AA-rated utility and A-rated utility bonds at June 2, 2017 is 12 basis points (3.82 percent less 3.94 percent). Adding 12 basis points to EIA's 5.71 percent AA-utility bond yield forecast equals a forecast yield for A-rated utility bonds equal to 5.83 percent. The average of the forecasts (5.76 percent using Value Line data and 5.83 percent using EIA data) is 5.8 percent.

**APPENDIX 5  
EX POST RISK PREMIUM APPROACH**

**Source**

Stock price and yield information is obtained from Standard & Poor's Security Price publication. Standard & Poor's derives the stock dividend yield by dividing the aggregate cash dividends (based on the latest known annual rate) by the aggregate market value of the stocks in the group. The bond price information is obtained by calculating the present value of a bond due in thirty years with a \$4.00 coupon and a yield to maturity of a particular year's indicated Moody's A-rated utility bond yield. The values shown in the schedules are the January values of the respective indices.

**Calculation of Stock and Bond Returns**

Sample calculation of "Stock Return" column:

$$\text{Stock Return (2016)} = \left[ \frac{\text{Stock Price (2017)} - \text{Stock Price (2016)} + \text{Dividend (2016)}}{\text{Stock Price (2016)}} \right]$$

where Dividend (2016) = Stock Price (2016) x Stock Div. Yield (2016)

Sample calculation of "Bond Return" column:

$$\text{Bond Return (2016)} = \left[ \frac{\text{Bond Price (2017)} - \text{Bond Price (2016)} + \text{Interest (2016)}}{\text{Bond Price (2016)}} \right]$$

where Interest = \$4.00.

# Sabal Trail and Florida Southeast Connection Pipelines

Florida Public Service commission  
Docket No. 20170179-GU  
FLORIDA CITY GAS  
Witness Greg Beckier  
Exhibit No. GB-1

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 27  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Gregory Becker GB-1

Gulf of Mexico

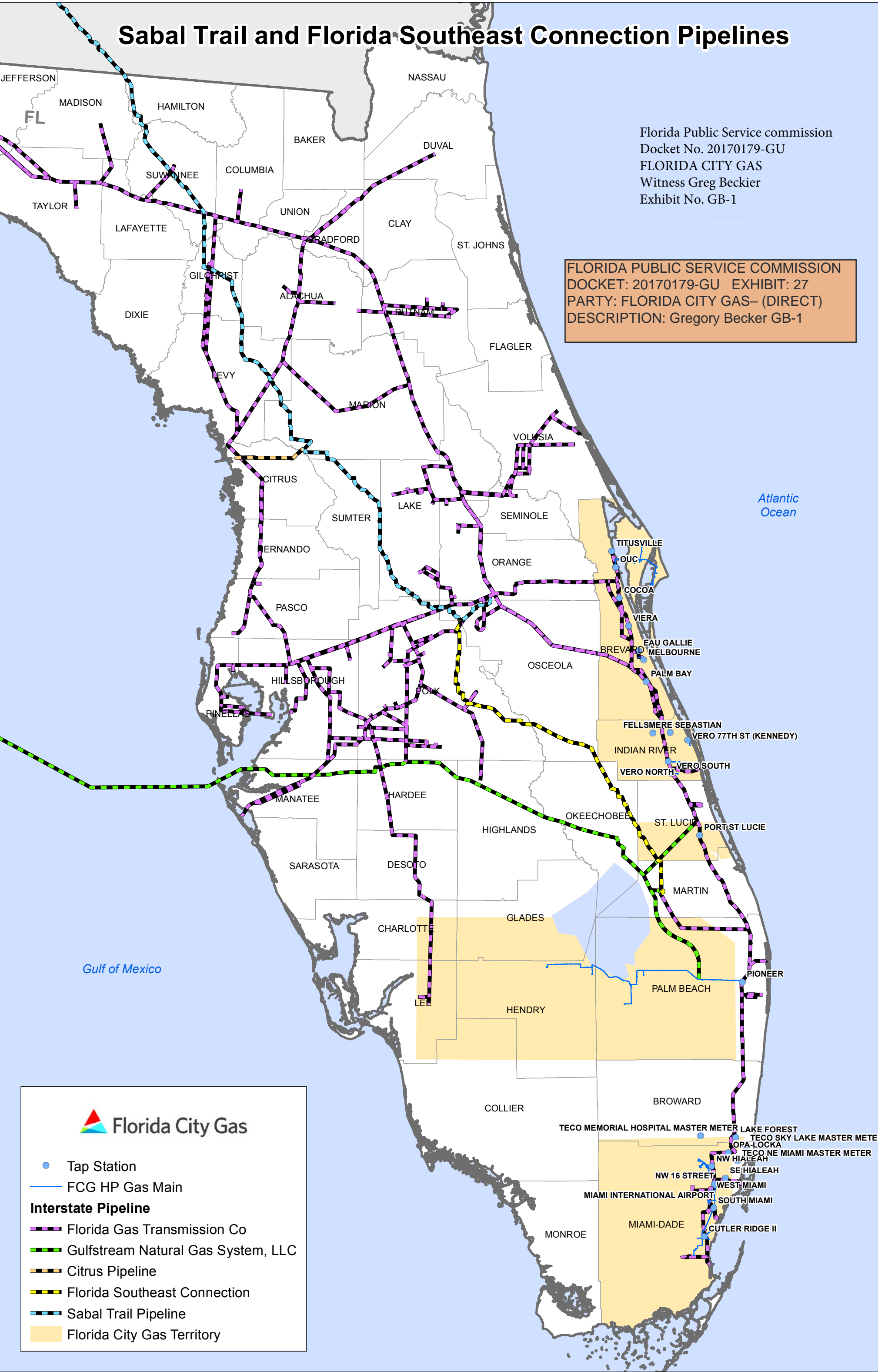
Atlantic Ocean



- Tap Station
- FCG HP Gas Main

Interstate Pipeline

- Florida Gas Transmission Co
- Gulfstream Natural Gas System, LLC
- Citrus Pipeline
- Florida Southeast Connection
- Sabal Trail Pipeline
- Florida City Gas Territory



1 **Testimony Exhibit - GB-2: Cost Comparison**

2

3

4

	Reservation Cost	Dth/d	Annual Cost
5 Gulfstream Pipeline	/2 /6 \$ 21.5837 per Dth	10,000	\$2,590,040

6

7 Sabal Trail Pipeline	\$ 61.8016 per Dth		
------------------------	--------------------	--	--

8 Florida Southeast Connection	\$ 13.6419 per Dth		
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9

/3 /6	\$ 75.4435	10,000	\$9,053,217
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10

11 Florida Gas Transmission	/4 [REDACTED] per Dth	10,000	[REDACTED]
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12

13 LNG (Annual Rev. Requirements)	/5 \$ 47.8756 per Dth	10,000	\$5,745,066
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14

15

16 **Assumptions**

17 /1 10,000 Dth/d delivery to approximate sendout of LNG facility

18 /2 Gulfstream Pipeline 6% hourly rate service reservation fee

19 /3 Sabal Trail + Southeast Connection 6% hourly rate service reservation fee

20 /4 Offered FGT expansion reservation rate

21 /5 Imputed rate based on \$5.745M annual revenue requirement

22 /6 Excludes any estimate of FCG infrastructure to deliver gas supply into its system

FCG Total System		
	Design Day Load (Dth)	Design Day Capacity (Dth)
Sales Customers	47,187	49,546
Transportation Customers		
Essential Use		
Existing Customers	22,250	19,409
New Customers	4,551	0
	26,801	19,409
Non-Essential Use	35,292	0
<b>Total System</b>	<b>109,280</b>	<b>68,955</b>

Brevard		
	Design Day Load (Dth)	Design Day Capacity (Dth)
Sales Customers	30,478	30,922
Transportation Customers		
Essential Use		
Existing Customers	6,307	0
New Customers	0	0
	6,307	0
Non-Essential Use	1,608	0
<b>Total System</b>	<b>38,393</b>	<b>30,922</b>

\* Based on contractual delivery rights, there is not enough capacity to meet Sales load + a 5% reserve margin.

	Design Day Load (Dth)	Capacity Requirements
Sales Customers	47,187	49,546
Transportation Customers		
Essential Use		
Existing Customers	22,250	22,250
New Customers	4,551	4,551
	26,801	26,801
Non-Essential Use	35,292	35,292
<b>Total System</b>	<b>109,280</b>	<b>111,639</b>

Existing Capacity	68,955
New FT	20,000
LNG	10,000
	<hr/> 98,955

Vero Beach		
	Design Day Load (Dth)	Design Day Capacity (Dth)
Sales Customers	4,725	4,961
Transportation Customers		
Essential Use		
Existing Customers	3,373	2,007
New Customers	0	0
	3,373	2,007
Non-Essential Use	23,778	0
<b>Total System</b>	<b>31,875</b>	<b>6,968</b>

Miami		
	Design Day Load (Dth)	Design Day Capacity (Dth)
Sales Customers	11,983	12,583
Transportation Customers		
Essential Use		
Existing Customers	12,570	12,570
New Customers	4,551	4,551
	17,121	17,121
Non-Essential Use	9,906	1,361
<b>Total System</b>	<b>39,011</b>	<b>31,065</b>

<b>Incremental Supply Need</b>	<b>12,684</b>
--------------------------------	---------------

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 29  
PARTY: FLORIDA CITY GAS- (DIRECT)  
DESCRIPTION: Gregory Becker GB-3

## Cost Components of the Proposed LNG Facility

Docket No. 20170179-GU  
Cost Components of Proposed  
LNG Facility  
Exhibit DED-1, Page 1 of 1

Construction Components	Cost (\$ Millions)	Percent of Total
LNG Tanks and Regasification System	\$ 8.0	13.8%
Boil-Off Gas System	1.0	1.7%
LNG Truck Unloading Station	1.8	3.1%
Site Works, Civil/Structural Works and Buildings	4.4	7.6%
Electrical, Instrumentation & Control Systems	2.3	4.0%
Balance of Plant	9.2	15.9%
Land Costs	12.5	21.6%
Engineering and other indirect costs	18.8	32.4%
<b>Total</b>	<b>\$ 58.0</b>	<b>100.0%</b>

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 30  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David E. Dismukes, DED-1



## Comparison of Forecasted Design Day Requirements

Docket No. 20170179-GU  
Comparison of Forecasted  
Design Day Requirements  
Exhibit DED-2, Page 1 of 1

	FCG Total System		Percent of Requirement
	Design Day Load ----- (Dth)	Design Day Capacity ----- (Dth)	
<b>Sales Customers</b>	<b>47,187</b>	<b>49,546</b>	<b>105%</b>
<b>Transportation Customers</b>			
Essential Use			
Existing Customers	22,250	19,409	87%
New Customers	4,551	0	0%
	26,801	19,409	72%
Non-Essential Use	35,292	0	0%
<b>Total System</b>	<b>109,280</b>	<b>68,955</b>	<b>63%</b>

	FCG System Capabilities by Region								
	Brevard			Vero Beach			Miami		
	Design Day Load ----- (Dth)	Design Day Capacity ----- (Dth)	Percent of Requirement	Design Day Load ----- (Dth)	Design Day Capacity ----- (Dth)	Percent of Requirement	Design Day Load ----- (Dth)	Design Day Capacity ----- (Dth)	Percent of Requirement
<b>Sales Customers</b>	<b>30,478</b>	<b>30,922</b>	<b>101%</b>	<b>4,725</b>	<b>4,961</b>	<b>105%</b>	<b>11,983</b>	<b>12,583</b>	<b>105%</b>
<b>Transportation Customers</b>									
Essential Use									
Existing Customers	6,307	0	0%	3,373	2,007	60%	12,570	12,570	100%
New Customers	0	0	-	0	0	-	4,551	4,551	100%
	6,307	0	0%	3,373	2,007	60%	17,121	17,121	100%
Non-Essential Use	1,608	0	0%	23,778	0	0%	9,906	1,361	14%
<b>Total System</b>	<b>38,393</b>	<b>30,922</b>	<b>81%</b>	<b>31,876</b>	<b>6,968</b>	<b>22%</b>	<b>39,010</b>	<b>31,065</b>	<b>80%</b>

Source: Direct Testimony of Gregory Becker, Exhibit GB-3.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 31  
PARTY: OFFICE OF PUBLIC COUNSEL – (DIRECT)  
DESCRIPTION: David E. Dismukes, DED-2

## Historic Capacity Releases, 2013-2017

Docket No. 20170179-GU  
Historic Capacity Releases,  
2013-2017  
Exhibit DED-3, Page 1 of 1

County	Total Capacity Released				
	2013	2014	2015	2016	2017
	----- (Dth per day) -----				
Brevard	34,200	227,432	155,614	192,600	55,500
Indian River	3,000	-	70,000	-	-
St. Lucie	220,000	342,000	282,000	130,000	182,000
Glades	-	-	-	-	-
Hendry	-	-	-	-	-
Palm Beach	346,285	374,115	382,161	149,094	215,599
Broward	63,696	105,200	110,773	36,261	101,387
Dade	143,793	160,602	228,696	25,478	310,336
<b>Total</b>	<b>810,974</b>	<b>1,209,349</b>	<b>1,229,244</b>	<b>533,433</b>	<b>864,822</b>

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 32  
PARTY: OFFICE OF PUBLIC COUNSEL – (DIRECT)  
DESCRIPTION: David E. Dismukes, DED-3

Note: Schedule does not include capacity releases made at FGT locations since discontinued by the pipeline.

Source: Energy Transfer, Florida Gas Transmission Company Index of Customers.

## Operating Capacity and Scheduled Quantity Delivery

Docket No. 20170179-GU  
Operating Capacity and  
Scheduled Quantity Delivery  
Exhibit DED-4, Page 1 of 1

	Design Capacity	Operating Capacity	Total Scheduled Quantity (Delivery)	Operationally Available Capacity	Percent of Design Capacity Operationally Available
	----- (Dth per day) -----				
Indian River	9,000	9,000	4,935	4,065	45.2%
Melbourne	3,000	3,000	533	2,467	82.2%
Eau Gallie	7,700	7,700	1,384	6,316	82.0%
Cocoa	10,600	15,330	9,412	5,919	55.8%
Vero Beach North	4,900	4,900	3,302	1,598	32.6%
Vero Beach South	4,900	4,900	875	4,025	82.1%
Port St. Lucie	2,400	2,400	1,606	794	33.1%
Lake Forest	7,400	6,550	2,616	3,934	53.2%
Opa Locka	16,100	12,000	4,383	7,617	47.3%
NW Hialeah	19,200	15,000	4,358	10,643	55.4%
SE Hialeah	15,000	13,000	4,125	8,875	59.2%
West Miami	7,300	7,300	521	6,779	92.9%
Cutler Ridge	7,800	7,500	2,310	5,191	66.5%
South Miami	7,800	7,800	1,395	6,405	82.1%

Source: Energy Transfer, Florida Gas Transmission Company Operationally Available Capacity.  
<http://fgttransfer.energytransfer.com/ipost/FGT/capacity/operationally-available>

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 33  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David E. Dismukes, DED-4

## Southeast LNG Facilities

Docket No. 20170179-GU  
Southeast LNG Facilities  
Exhibit DED-5, Page 1 of 1

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 34  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David E. Dismukes, DED-5

Facility Name	City	State	Facility Operator	Initial Year of Operation	LNG Storage Capacity (000 gallons)	LNG Liquifaction Capabilities (000 gallons per day)
Pinson LNG Facility	Birmingham	Alabama	Alabama Gas	1965	14,700	144
Coosada LNG Facility	Coosada	Alabama	Alabama Gas	1972	7,350	24
Trussville LNG	Trussville	Alabama	Pivotal LNG	1978	4,906	60
Riverdale	Riverdale	Georgia	Atlanta Gas Light (Pivotal)	1972	31,080	120
Cherokee	Ball Ground	Georgia	Atlanta Gas Light (Pivotal)	1988	25,200	120
Macon	Macon	Georgia	Atlanta Gas Light (Pivotal)	1977	18,900	120
Miami LNG	Hialeah	Florida	American LNG (Fortress Energy)	2016	270	100
Titusville LNG	Titusville	Florida	American LNG (Fortress Energy)	2017	5,000	1,000
Eagle Maxville	Jacksonville	Florida	Eagle LNG	2017	1,000	200 (87 initially)
JAX LNG	Jacksonville	Florida	JAX LNG (Pivotal)	2017	2,000	120
Eagle Jacksonville	West Jacksonville	Florida	Eagle LNG	2019	12,000	1,500

Note: Statistics converted from reported using 42 gallons in Bbl, and 12 LNG gallons per MMBtu.

Source: U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration ("PHMSA"), Form PHMSA F 7100.3-1; FE Docket No. 14-209-LNG, DOE/FE Order No. 3601; Operator Websites; and News Reports.

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**DAVID J. GARRETT**

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## **EDUCATION**

University of Oklahoma <b>Master of Business Administration</b> Areas of Concentration: Finance, Energy	Norman, OK 2014
University of Oklahoma College of Law <b>Juris Doctor</b> Member, American Indian Law Review	Norman, OK 2007
University of Oklahoma <b>Bachelor of Business Administration</b> Major: Finance	Norman, OK 2003

## **PROFESSIONAL DESIGNATIONS**

Society of Depreciation Professionals  
**Certified Depreciation Professional (CDP)**

Society of Utility and Regulatory Financial Analysts  
**Certified Rate of Return Analyst (CRRA)**

The Mediation Institute  
**Certified Civil / Commercial & Employment Mediator**

## **WORK EXPERIENCE**

Resolve Utility Consulting PLLC <b><u>Managing Member</u></b> Provide expert analysis and testimony specializing in depreciation and cost of capital issues for clients in utility regulatory proceedings.	Oklahoma City, OK 2016 – Present
Oklahoma Corporation Commission <b><u>Public Utility Regulatory Analyst</u></b> <b><u>Assistant General Counsel</u></b> Represented commission staff in utility regulatory proceedings and provided legal opinions to commissioners. Provided expert analysis and testimony in depreciation, cost of capital, incentive compensation, payroll and other issues.	Oklahoma City, OK 2012 – 2016 2011 – 2012

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 35  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-1

Perebus Counsel, PLLC

**Managing Member**

Represented clients in the areas of family law, estate planning, debt negotiations, business organization, and utility regulation.

Oklahoma City, OK  
2009 – 2011

Moricoli & Schovanec, P.C.

**Associate Attorney**

Represented clients in the areas of contracts, oil and gas, business structures and estate administration.

Oklahoma City, OK  
2007 – 2009

**TEACHING EXPERIENCE**

**University of Oklahoma**

Adjunct Instructor – “Conflict Resolution”

Adjunct Instructor – “Ethics in Leadership”

Norman, OK  
2014 – Present

**Rose State College**

Adjunct Instructor – “Legal Research”

Adjunct Instructor – “Oil & Gas Law”

Midwest City, OK  
2013 – 2015

**PUBLICATIONS**

**American Indian Law Review**

“Vine of the Dead: Reviving Equal Protection Rites for Religious Drug Use”  
(31 Am. Indian L. Rev. 143)

Norman, OK  
2006

**VOLUNTEER EXPERIENCE**

**Calm Waters**

**Board Member**

Participate in management of operations, attend meetings, review performance, compensation, and financial records. Assist in fundraising events.

Oklahoma City, OK  
2015 – Present

**Group Facilitator & Fundraiser**

Facilitate group meetings designed to help children and families cope with divorce and tragic events. Assist in fundraising events.

2014 – Present

**St. Jude Children’s Research Hospital**

**Oklahoma Fundraising Committee**

Raised money for charity by organizing local fundraising events.

Oklahoma City, OK  
2008 – 2010

## **PROFESSIONAL ASSOCIATIONS**

<b>Oklahoma Bar Association</b>	2007 – Present
<b>Society of Depreciation Professionals</b> Board Member – President Participate in management of operations, attend meetings, review performance, organize presentation agenda.	2014 – Present 2017
<b>Society of Utility Regulatory Financial Analysts</b>	2014 – Present

## **SELECTED CONTINUING PROFESSIONAL EDUCATION**

Society of Depreciation Professionals <b>“Life and Net Salvage Analysis”</b> Extensive instruction on utility depreciation, including actuarial and simulation life analysis modes, gross salvage, cost of removal, life cycle analysis, and technology forecasting.	Austin, TX 2015
Society of Depreciation Professionals <b>“Introduction to Depreciation” and “Extended Training”</b> Extensive instruction on utility depreciation, including average lives and net salvage.	New Orleans, LA 2014
Society of Utility and Regulatory Financial Analysts <b>46th Financial Forum. “The Regulatory Compact: Is it Still Relevant?”</b> Forum discussions on current issues.	Indianapolis, IN 2014
New Mexico State University, Center for Public Utilities <b>Current Issues 2012, “The Santa Fe Conference”</b> Forum discussions on various current issues in utility regulation.	Santa Fe, NM 2012
Michigan State University, Institute of Public Utilities <b>“39th Eastern NARUC Utility Rate School”</b> One-week, hands-on training emphasizing the fundamentals of the utility ratemaking process.	Clearwater, FL 2011
New Mexico State University, Center for Public Utilities <b>“The Basics: Practical Regulatory Training for the Changing Electric Industries”</b> One-week, hands-on training designed to provide a solid foundation in core areas of utility ratemaking.	Albuquerque, NM 2010
The Mediation Institute <b>“Civil / Commercial &amp; Employment Mediation Training”</b> Extensive instruction and mock mediations designed to build foundations in conducting mediations in civil matters.	Oklahoma City, OK 2009

# Utility Regulatory Proceedings

Docket No. 20170179-GU  
Exhibit DJG-1  
D. Garrett CV  
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State	Regulatory Agency / Company-Applicant	Docket Number	Testimony / Analysis		
			Issues	Type	Date
WA	Washington Utilities & Transportation Commission Avista Corporation	UE-170485 UG-170486	Cost of capital and authorized rate of return	Prefiled	10/27/2017
WY	Wyoming Public Services Commission Powder River Energy Corporation	PUD 201700151	Risk and credit analysis	Prefiled Live	8/28/2017 9/29/2017
OK	Oklahoma Corporation Commission Public Service Co. of Oklahoma	PUD 201700151	Depreciation rates, terminal salvage, risk analysis	Prefiled Live	9/21/2017 11/6/2017
TX	Public Utility Commission of Texas Oncor Electric Delivery Company	PUC 46957	Depreciation rates, simulated plant record analysis	Pending	
NV	Nevada Public Utilities Commission Nevada Power Company	17-06004	Depreciation rates, net salvage	Prefiled	10/6/2017
TX	Public Utility Commission of Texas El Paso Electric Company	PUC 46831	Depreciation rates, interim retirements	Prefiled	6/23/2017
ID	Idaho Public Utilities Commission Idaho Power Company	IPC-E-16-24	Accelerated depreciation of North Valmy plant	Settled	5/31/2017
ID	Idaho Public Utilities Commission Idaho Power Company	IPC-E-16-23	Depreciation rates	Settled	5/31/2017
TX	Public Utility Commission of Texas Southwestern Electric Power Company	PUC 46449	Depreciation rates, decommissioning costs, terminal net salvage	Prefiled Live	4/25/2017 6/8/2017
MA	Massachusetts Department of Public Utilities Eversource Energy	D.P.U. 17-05	Cost of capital, capital structure, and rate of return	Prefiled	4/28/2017
TX	Railroad Commission of Texas Atmos Pipeline - Texas	GUD 10580	Depreciation rates, depreciation grouping procedure	Prefiled	3/22/2017
TX	Public Utility Commission of Texas Sharyland Utility Co.	PUC 45414	Depreciation rates, simulated and actuarial analysis	Prefiled	2/28/2017
OK	Oklahoma Corporation Commission Empire District Electric Co.	PUD 201600468	Cost of capital, depreciation rates, terminal salvage, lifespans	Prefiled Live	3/13/2017 5/11/2017



# Utility Regulatory Proceedings

Docket No. 20170179-GU  
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State	Regulatory Agency / Company-Applicant	Docket Number	Testimony / Analysis		
			Issues	Type	Date
TX	Railroad Commission of Texas CenterPoint Energy Texas Gas	GUD 10567	Depreciation rates, simulated and actuarial analysis	Prefiled	2/21/2017
AR	Arkansas Public Service Commission Oklahoma Gas & Electric Co.	160-159-GU	Cost of capital, depreciation rates, terminal salvage, lifespans	Prefiled	1/31/2017
FL	Florida Public Service Commission Peoples Gas	16-159-GU	Depreciation rates	Report	11/4/2016
AZ	Arizona Corporation Commission Arizona Public Service Co.	E-01345A-16-0036	Cost of capital, depreciation rates, terminal salvage, lifespans	Pre-filed	12/28/2016
NV	Nevada Public Utilities Commission Sierra Pacific Power Co.	16-06008	Depreciation rates, terminal salvage, lifespans, theoretical reserve	Pre-filed	9/23/2016
OK	Oklahoma Corporation Commission Oklahoma Gas & Electric Co.	PUD 201500273	Cost of capital, depreciation rates, terminal salvage, lifespans	Pre-filed Live	3/21/2016 5/3/2016
OK	Oklahoma Corporation Commission Public Service Co. of Oklahoma	PUD 201500208	Cost of capital, depreciation rates, terminal salvage, lifespans	Pre-filed Live	10/14/2015 12/8/2015
OK	Oklahoma Corporation Commission Oklahoma Natural Gas Co.	PUD 201500213	Cost of capital and depreciation rates	Pre-filed	10/19/2015
OK	Oklahoma Corporation Commission Oak Hills Water System	PUD 201500123	Cost of capital and depreciation rates	Pre-filed Live	7/8/2015 8/14/2015
OK	Oklahoma Corporation Commission CenterPoint Energy Oklahoma Gas	PUD 201400227	Fuel prudence review and fuel adjustment clause	Pre-filed Live	11/3/2014 2/10/2015
OK	Oklahoma Corporation Commission Public Service Co. of Oklahoma	PUD 201400233	Certificate of authority to issue new debt securities	Pre-filed Live	9/12/2014 9/25/2014
OK	Oklahoma Corporation Commission Empire District Electric Co.	PUD 201400226	Fuel prudence review and fuel adjustment clause	Pre-filed Live	12/9/2014 1/22/2015
OK	Oklahoma Corporation Commission Fort Cobb Fuel Authority	PUD 201400219	Fuel prudence review and fuel adjustment clause	Pre-filed Live	1/29/2015
OK	Oklahoma Corporation Commission Fort Cobb Fuel Authority	PUD 201400140	Outside services, legislative advocacy, payroll expense, and insurance expense	Pre-filed	12/16/2014

# Utility Regulatory Proceedings

Docket No. 20170179-GU  
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D. Garrett CV  
Page 6 of 6

State	Regulatory Agency / Company-Applicant	Docket Number	Testimony / Analysis		
			Issues	Type	Date
OK	Oklahoma Corporation Commission Public Service Co. of Oklahoma	PUD 201300201	Authorization of standby and supplemental tariff	Pre-filed Live	12/9/2013 12/19/2013
OK	Oklahoma Corporation Commission Fort Cobb Fuel Authority	PUD 201300134	Fuel prudence review and fuel adjustment clause	Pre-filed Live	10/23/2013 1/30/2014
OK	Oklahoma Corporation Commission Empire District Electric Co.	PUD 201300131	Fuel prudence review and fuel adjustment clause	Pre-filed Live	11/21/2013 12/19/2013
OK	Oklahoma Corporation Commission CenterPoint Energy Oklahoma Gas	PUD 201300127	Fuel prudence review and fuel adjustment clause	Pre-filed Live	10/21/2013 1/23/2014
OK	Oklahoma Corporation Commission Oklahoma Gas & Electric Co.	PUD 201200185	Gas transportation contract extension	Pre-filed Live	9/20/2012 10/9/2012
OK	Oklahoma Corporation Commission Empire District Electric Co.	PUD 201200170	Fuel prudence review and fuel adjustment clause	Pre-filed Live	10/31/2012 12/13/2012
OK	Oklahoma Corporation Commission Oklahoma Gas & Electric Co.	PUD 201200169	Fuel prudence review and fuel adjustment clause	Pre-filed Live	12/19/2012 4/4/2013

## CAPM Comparison

Docket No. 20170179-GU

Exhibit DJG-2

CAPM Comparison

Page 1 of 1

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### Mr. Garrett's CAPM Inputs and Result

---

**Risk-Free Rate**

+

**Beta**

x

**ERP**

=

**7.0%**

2.77%

0.75

5.7%

Used current yields on 30-year T bonds - an undisputed reasonable proxy for the risk-free rate in the CAPM, even though they are higher than shorter-term treasury securities.

Used betas published by Value Line - a respected third party analyst firm, even though evidence indicates these betas may be too high for utilities and other low-beta firms.

Used the highest ERP from following sources: ERP published by third-party analyst, ERP reported in expert surveys, and ERP estimated by respected unbiased expert.

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### Dr. Vander Weide's CAPM Inputs and Result

---

**Risk-Free Rate**

+

**Beta**

x

**ERP**

=

**11.3%**

4.20%

0.90

7.7%

Used forecasted yield considering treasury and non-treasury securities. Not an accepted proxy for risk-free rate in finance community.

Calculated his own betas which are considerably higher than those published by Value Line - an unbiased third party.

Conducted a DCF analysis on 100 non-comparable firms using long-term growth rates more than three times U.S. GDP for some companies.

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PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-2

## Proxy Group Summary

Docket No. 20170179-GU

Exhibit DJG-3

Proxy Group Summary

Page 1 of 1

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		[1]	[2]	[3]	[5]
Company	Ticker	Market Cap. (\$ millions)	Market Category	Value Line Safety Rank	Financial Strength
Atmos Energy	ATO	9,500	Mid Cap	1	A+
Chesapeake Utilities	CPK	1,300	Small Cap	2	B++
New Jersey Resources	NJR	3,800	Mid Cap	1	A+
NiSource Inc.	NI	9,100	Mid Cap	3	B+
Northwest Nat. Gas	NWN	1,900	Small Cap	1	A
ONE Gas Inc.	OGS	4,000	Mid Cap	2	B++
South Jersey Inds.	SJI	2,600	Mid Cap	2	A
Southwest Gas	SWX	3,900	Mid Cap	3	B++
Spire Inc.	SR	3,800	Mid Cap	2	B++
UGI Corp.	UGI	8,300	Mid Cap	2	B++

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[1], [3], [5] Value Line Investment Survey

[2] Large Cap > \$10 billion; Mid Cap > \$2 billion; Small Cap > \$200 million

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PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-3

## Stock and Index Prices

Ticker	^GSPC	ATO	CPK	NJR	NI	NWN	OGS	SJI	SWX	SR	UGI
30-day Average	2644	88.98	81.01	41.99	26.49	64.71	76.12	32.25	82.18	77.67	47.74
Standard Deviation	35.3	2.41	2.67	2.02	0.86	3.59	2.01	0.88	1.87	2.36	0.84
11/16/17	2586	89.46	81.52	44.71	27.32	67.25	77.53	32.49	82.85	78.20	47.82
11/17/17	2579	88.84	81.22	44.46	27.08	66.70	77.12	32.38	82.69	78.00	47.72
11/20/17	2582	88.62	81.47	44.01	27.09	66.15	76.95	32.12	82.13	77.65	47.45
11/21/17	2599	88.93	83.32	43.51	27.22	67.05	77.24	32.36	82.29	78.35	47.31
11/22/17	2597	88.61	82.37	43.31	27.04	66.75	76.74	32.51	82.26	77.60	47.48
11/24/17	2602	88.72	82.02	42.27	27.04	66.65	76.79	32.54	81.70	77.75	47.20
11/27/17	2601	89.50	82.82	42.92	27.10	66.95	77.30	32.53	82.96	78.20	47.64
11/28/17	2627	90.27	84.51	43.56	27.20	67.80	78.11	33.16	84.12	79.49	47.68
11/29/17	2626	90.51	85.01	44.01	27.17	68.55	78.17	33.32	84.96	80.43	47.74
11/30/17	2648	92.29	85.21	44.31	27.53	69.15	79.25	33.58	85.94	81.68	48.76
12/01/17	2642	92.24	84.41	44.06	27.33	68.40	78.78	33.54	86.23	81.18	48.37
12/04/17	2639	91.70	83.51	44.01	27.03	68.75	78.08	33.40	85.66	81.18	48.73
12/05/17	2630	91.45	83.07	43.02	26.80	68.05	77.40	33.01	83.40	79.79	48.56
12/06/17	2629	91.43	82.27	43.12	27.00	67.75	77.35	32.97	82.74	79.79	49.01
12/07/17	2637	91.56	82.02	43.27	27.03	67.55	77.45	33.11	82.67	79.99	49.38
12/08/17	2652	91.80	82.12	43.31	27.14	67.20	77.50	32.99	82.81	80.20	49.34
12/11/17	2660	91.91	82.37	42.92	27.18	65.35	76.79	32.99	82.95	79.50	49.14
12/12/17	2664	89.28	79.88	41.82	26.39	64.00	75.44	32.14	80.48	77.15	48.07
12/13/17	2663	89.96	80.88	41.48	26.43	64.50	76.48	32.17	80.53	77.55	47.85
12/14/17	2652	89.42	79.95	40.45	26.48	64.05	75.77	31.35	79.40	76.55	47.31
12/15/17	2676	89.37	81.65	40.95	26.51	65.05	76.38	32.34	80.11	77.05	47.93
12/18/17	2690	88.71	80.05	40.30	25.98	62.50	75.75	32.07	79.67	76.55	47.22
12/19/17	2681	87.19	77.80	39.25	25.30	60.55	74.23	31.03	82.46	75.05	46.79
12/20/17	2679	86.55	76.60	39.45	24.96	59.80	73.79	31.13	81.74	74.90	46.90
12/21/17	2685	84.86	75.35	38.80	24.66	58.80	72.57	30.81	80.82	73.70	46.78
12/22/17	2683	85.09	76.80	38.75	25.28	58.95	72.59	31.00	80.23	73.95	47.02
12/26/17	2681	84.60	76.90	38.65	25.06	58.60	72.38	30.78	80.00	73.75	46.48
12/27/17	2683	84.99	77.95	39.25	25.24	58.90	73.11	31.14	80.36	74.50	46.58
12/28/17	2688	85.59	78.80	39.70	25.56	59.95	73.40	31.25	80.90	75.35	47.04
12/29/17	2674	85.89	78.55	40.20	25.67	59.65	73.26	31.23	80.48	75.15	46.95

## Dividend Yields

Docket No. 20170179-GU

Exhibit DJG-5

Dividend Yields

Page 1 of 1

		[1]	[2]	[3]
Company	Ticker	Dividend	Stock Price	Dividend Yield
Atmos Energy	ATO	0.485	88.98	0.55%
Chesapeake Utilities	CPK	0.325	81.01	0.40%
New Jersey Resources	NJR	0.273	41.99	0.65%
NiSource Inc.	NI	0.175	26.49	0.66%
Northwest Nat. Gas	NWN	0.472	64.71	0.73%
ONE Gas Inc.	OGS	0.420	76.12	0.55%
South Jersey Inds.	SJI	0.280	32.25	0.87%
Southwest Gas	SWX	0.495	82.18	0.60%
Spire Inc.	SR	0.563	77.67	0.72%
UGI Corp.	UGI	0.250	47.74	0.52%
Average		\$0.37	\$61.92	0.63%

[1] Fourth quarter 2017 dividends per share. Nasdaq.com

[2] Average stock price from Exhibit DJG-4

[3] = [1] / [2]

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DESCRIPTION: David J. Garrett DJG-5

## Terminal Growth Rate

Docket No. 20170179-GU

Exhibit DJG-6

Terminal Growth Rate

Page 1 of 1

Growth Determinant	Rate	
Nominal GDP	4.10%	[1]
Inflation	2.00%	[2]
Risk Free Rate	2.77%	[3]
<b>Highest</b>	<b>4.10%</b>	

[1], [2] CBO Long-Term Budget Outlook 2016 - 2046

[3] From Exhibit DJG-8

\*Highest growth rate used in DCF calculation

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## Final DCF Result

Docket No. 20170179-GU

Exhibit DJG-7

Final DCF Result

Page 1 of 1

[1]	[2]	[3]	[4]
Dividend ( $d_0$ )	Stock Price ( $P_0$ )	Growth Rate ( $g$ )	DCF Result
\$0.37	\$61.92	4.10%	6.6%

[1] Average proxy dividend from dividend exhibit

[2] Average proxy stock price from dividend exhibit

[3] Highest growth rate from growth determinant exhibit

[4] Quarterly DCF Approximation =  $[d_0(1 + g)^{0.25}/P_0 + (1 + g)^{0.25}]^4 - 1$

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## Risk-Free Rate

Docket No. 20170179-GU

Exhibit DJG-8

Risk-Free Rate

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Date	Rate
11/16/17	2.81%
11/17/17	2.78%
11/20/17	2.78%
11/21/17	2.76%
11/22/17	2.75%
11/24/17	2.76%
11/27/17	2.76%
11/28/17	2.77%
11/29/17	2.81%
11/30/17	2.83%
12/01/17	2.76%
12/04/17	2.77%
12/05/17	2.73%
12/06/17	2.71%
12/07/17	2.76%
12/08/17	2.77%
12/11/17	2.77%
12/12/17	2.79%
12/13/17	2.74%
12/14/17	2.71%
12/15/17	2.68%
12/18/17	2.74%
12/19/17	2.82%
12/20/17	2.88%
12/21/17	2.84%
12/22/17	2.83%
12/26/17	2.82%
12/27/17	2.75%
12/28/17	2.75%
12/29/17	2.74%
<b>Average</b>	<b>2.77%</b>

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\*Daily Treasury Yield Curve Rates on 30-year T-bonds, <http://www.treasury.gov/resources-center/data-chart-center/interest-rates/>.

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## Beta Results

Docket No. 20170179-GU

Exhibit DJG-9

Beta Results

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Company	Ticker	Beta
Atmos Energy	ATO	0.70
Chesapeake Utilities	CPK	0.70
New Jersey Resources	NJR	0.80
NiSource Inc.	NI	0.60
Northwest Nat. Gas	NWN	0.70
ONE Gas Inc.	OGS	0.70
South Jersey Inds.	SJI	0.85
Southwest Gas	SWX	0.80
Spire Inc.	SR	0.70
UGI Corp.	UGI	0.90
Average		0.75

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\*Betas from Value Line Investment Survey

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# Implied Equity Risk Premium

Docket No. 20170179-GU  
Exhibit DJG-10  
Implied Equity Risk Premium  
Page 1 of 1

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Year	Index Value	Operating Earnings	Dividends	Buybacks	Earnings Yield	Dividend Yield	Buyback Yield	Gross Cash Yield
2011	11,385	877	240	405	7.70%	2.11%	3.56%	5.67%
2012	12,742	870	281	399	6.83%	2.20%	3.13%	5.33%
2013	16,495	956	312	476	5.80%	1.89%	2.88%	4.77%
2014	18,245	1,004	350	553	5.50%	1.92%	3.03%	4.95%
2015	17,900	885	382	572	4.95%	2.14%	3.20%	5.33%
2016	19,268	920	397	536	4.77%	2.06%	2.78%	4.85%
Cash Yield	5.15%	[9]						
Growth Rate	0.96%	[10]						
Risk-free Rate	2.77%	[11]						
Current Index Value	2,644	[12]						
	[13]	[14]	[15]	[16]	[17]			
Year	1	2	3	4	5			
Expected Dividends	138	139	140	142	143			
Expected Terminal Value					3008			
Present Value	128	120	112	105	2179			
Intrinsic Index Value	2644	[18]						
Required Return on Market	7.66%	[19]						
Implied Equity Risk Premium	4.88%	[20]						

[1-4] S&P Quarterly Press Releases, data found at <https://us.spindices.com/indices/equity/sp-500> (additional info tab) (all dollar figures are in \$ billions)

[1] Market value of S&P 500

[5] = [2] / [1]

[6] = [3] / [1]

[7] = [4] / [1]

[8] = [6] + [7]

[9] = Average of [8]

[10] = Compound annual growth rate of [2] = (end value / beginning value)<sup>4/4</sup>-1

[11] Risk-free rate from DJG risk-free rate exhibit

[12] 30-day average of closing index prices from Exhibit DJG-4

[13-16] Expected dividends = [9]\*[12]\*(1+[10])<sup>t</sup> ; Present value = expected dividend / (1+[11]+[19])<sup>t</sup>

[17] Expected terminal value = expected dividend \* (1+[11]) / [19] ; Present value = (expected dividend + expected terminal value) / (1+[11]+[19])<sup>t</sup>

[18] = Sum([13-17]) present values.

[19] = [20] + [11]

[20] Internal rate of return calculation setting [18] equal to [12] and solving for the discount rate

FLORIDA PUBLIC SERVICE COMMISSION  
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PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-10

## Equity Risk Premium Results

Docket No. 20170179-GU  
Exhibit DJG-11  
Equity Risk Premium Results  
Page 1 of 1

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IESE Business School Survey	5.7%	[1]
Graham & Harvey Survey	4.0%	[2]
Duff & Phelps Report	5.0%	[3]
Damodaran	5.4%	[4]
Garrett	<u>4.9%</u>	[5]
<b>Highest</b>	<b>5.7%</b>	

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[1] IESE Business School Survey

[2] Graham and Harvey Survey

[3] Duff & Phelps Client Alert 2016

[4] Average ERP est., <http://pages.stern.nyu.edu/~adamodar/>  
(avg. 4.75%, 5.08%, 6.27%)

[5] From Exhibit DJG-10

\*Highest ERP used in CAPM calculation

FLORIDA PUBLIC SERVICE COMMISSION  
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PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-11

# CAPM Final Results

Docket No. 20170179-GU

Exhibit DJG-12

CAPM Final Results

Page 1 of 1

		[1]	[2]	[3]	[4]
Company	Ticker	Risk-Free Rate	Value Line Beta	Risk Premium	CAPM Results
Atmos Energy	ATO	2.77%	0.700	5.70%	6.8%
Chesapeake Utilities	CPK	2.77%	0.700	5.70%	6.8%
New Jersey Resources	NJR	2.77%	0.800	5.70%	7.3%
NiSource Inc.	NI	2.77%	0.600	5.70%	6.2%
Northwest Nat. Gas	NWN	2.77%	0.700	5.70%	6.8%
ONE Gas Inc.	OGS	2.77%	0.700	5.70%	6.8%
South Jersey Inds.	SJI	2.77%	0.850	5.70%	7.6%
Southwest Gas	SWX	2.77%	0.800	5.70%	7.3%
Spire Inc.	SR	2.77%	0.700	5.70%	6.8%
UGI Corp.	UGI	2.77%	0.900	5.70%	7.9%
<b>Average</b>			0.745		<b>7.0%</b>

[1] From Exhibit DJG-8

[2] From Exhibit DJG-9

[3] From Exhibit DJG-11

[6] = [1] + [2] \* [3]

FLORIDA PUBLIC SERVICE COMMISSION  
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PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-12

## Cost of Equity Summary

Docket No. 20170179-GU

Exhibit DJG-13

Cost of Equity Summary

Page 1 of 1

<b>Model</b>	<b>Cost of Equity</b>
Discounted Cash Flow Model	6.6%
Capital Asset Pricing Model	7.0%
<b>Average</b>	<b>6.8%</b>

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 47  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-13

## Market Cost of Equity

Docket No. 20170179-GU

Exhibit DJG-14

Market Cost of Equity

Page 1 of 1

Source	Estimate	
IESE Survey	8.5%	[1]
Graham Harvey Survey	6.8%	[2]
Damodaran	8.1%	[3]
Garrett	7.7%	[4]
<b>Average</b>	7.8%	

[1] Average reported ERP + risk-free rate

[2] Average reported ERP + risk-free rate

[3] Average reported ERP + risk-free rate

[4] From Exhibit DJG-10

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 48  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-14

# Market Cost of Equity vs. Awarded Returns

Docket No. 20170179-GU

Exhibit DJG-15

Market COE vs. AROE

Page 1 of 1

	[1]		[2]		[3]		[4]	[5]	[6]	[7]
	Electric Utilities		Gas Utilities		Total Utilities		S&P 500	T-Bond	Risk	Market
Year	ROE	#	ROE	#	ROE	#	Returns	Rate	Premium	COE
1990	12.70%	44	12.67%	31	12.69%	75	-3.06%	8.08%	5.00%	13.08%
1991	12.55%	45	12.46%	35	12.51%	80	30.23%	7.09%	5.14%	12.23%
1992	12.09%	48	12.01%	29	12.06%	77	7.49%	6.77%	5.03%	11.80%
1993	11.41%	32	11.35%	45	11.37%	77	9.97%	5.77%	4.90%	10.67%
1994	11.34%	31	11.35%	28	11.34%	59	1.33%	7.81%	4.97%	12.78%
1995	11.55%	33	11.43%	16	11.51%	49	37.20%	5.71%	5.08%	10.79%
1996	11.39%	22	11.19%	20	11.29%	42	22.68%	6.30%	5.30%	11.60%
1997	11.40%	11	11.29%	13	11.34%	24	33.10%	5.81%	5.53%	11.34%
1998	11.66%	10	11.51%	10	11.59%	20	28.34%	4.65%	5.63%	10.28%
1999	10.77%	20	10.66%	9	10.74%	29	20.89%	6.44%	5.96%	12.40%
2000	11.43%	12	11.39%	12	11.41%	24	-9.03%	5.11%	5.51%	10.62%
2001	11.09%	18	10.95%	7	11.05%	25	-11.85%	5.05%	5.17%	10.22%
2002	11.16%	22	11.03%	21	11.10%	43	-21.97%	3.82%	4.53%	8.35%
2003	10.97%	22	10.99%	25	10.98%	47	28.36%	4.25%	4.82%	9.07%
2004	10.75%	19	10.59%	20	10.67%	39	10.74%	4.22%	4.84%	9.06%
2005	10.54%	29	10.46%	26	10.50%	55	4.83%	4.39%	4.80%	9.19%
2006	10.32%	26	10.40%	15	10.35%	41	15.61%	4.70%	4.91%	9.61%
2007	10.30%	38	10.22%	35	10.26%	73	5.48%	4.02%	4.79%	8.81%
2008	10.41%	37	10.39%	32	10.40%	69	-36.55%	2.21%	3.88%	6.09%
2009	10.52%	40	10.22%	30	10.39%	70	25.94%	3.84%	4.29%	8.13%
2010	10.37%	61	10.15%	39	10.28%	100	14.82%	3.29%	4.31%	7.60%
2011	10.29%	42	9.92%	16	10.19%	58	2.10%	1.88%	4.10%	5.98%
2012	10.17%	58	9.94%	35	10.08%	93	15.89%	1.76%	4.20%	5.96%
2013	10.03%	49	9.68%	21	9.93%	70	32.15%	3.04%	4.62%	7.65%
2014	9.91%	38	9.78%	26	9.86%	64	13.52%	2.17%	4.60%	6.77%
2015	9.85%	30	9.60%	16	9.76%	46	1.38%	2.27%	4.54%	6.81%
2016	9.91%	48	9.45%	16	9.80%	64	11.77%	2.45%	4.62%	7.07%
2017 *	9.74%	34	9.75%	16	9.74%	50	21.64%	2.41%	4.77%	7.18%

[1], [2], [3] Average annual authorized ROE for electric, gas, and total utilities and number of cases - RRA Regulatory Focus Report

[4], [5], [6] Annual S&P 500 return, 10-year T-bond Rate, and equity risk premium published by NYU Stern School of Business

[7] = [5] + [6] ; Market cost of equity represents the required return for investing in all stocks in the market for a given year

\*Data through third quarter of 2017

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 49  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-15



# Optimal Capital Structure

Docket No. 20170179-GU

Exhibit DJG-16

Optimal Capital Structure

Page 1 of 1

Inputs			[14]	[15]	[16]	[17]
			Ratings Table			
			Coverage Ratio	Bond Rating	Spread	Interest Rate
EBIT	4,629	[1]	8.5 - 10.00	Aaa/AAA	0.60%	3.37%
Interest Expense	1,317	[2]	6.5 - 8.49	Aa2/AA	0.80%	3.57%
Book Debt	42,629	[3]	5.5 - 6.49	A1/A+	1.00%	3.77%
Book Equity	26,612	[4]	4.25 - 5.49	A2/A	1.10%	3.87%
Debt / Capital	61.57%	[5]	3.0 - 4.24	A3/A-	1.25%	4.02%
Debt / Equity	160%	[6]	2.5 - 2.99	Baa2/BBB	1.60%	4.37%
Debt Cost	4.89%	[7]	2.25 - 2.49	Ba1/BB+	2.50%	5.27%
Tax Rate	35%	[8]	2.0 - 2.24	Ba2/BB	3.00%	5.77%
Unlevered Beta	0.36	[9]	1.75 - 1.99	B1/B+	3.75%	6.52%
Risk-free Rate	2.77%	[10]	1.5 - 1.74	B2/B	4.50%	7.27%
Equity Risk Premium	5.70%	[11]	1.25 - 1.49	B3/B-	5.50%	8.27%
Coverage Ratio	3.51	[12]	0.8 - 1.24	Caa/CCC	6.50%	9.27%
Bond Rating	Baa2	[13]				

[18]	[19]	[20]	[21]	[22]	[23]	[24]	[25]	[26]	[27]	[28]	[29]
Optimal Capital Structure Calculation											
Debt Ratio	D/E Ratio	Levered Beta	True Cost of Equity	Awarded ROE	Debt Level	Interest Expense	Coverage Ratio	Pre-tax Debt Cost	After-tax Debt Cost	Optimal WACC	WACC at 11.25% ROE
0%	0%	0.365	4.85%	11.25%	0	0	∞	3.37%	2.19%	4.85%	11.25%
20%	25%	0.424	5.19%	11.25%	13,848	677	6.84	3.57%	2.32%	4.62%	9.46%
30%	43%	0.467	5.43%	11.25%	20,772	1,016	4.56	3.87%	2.52%	4.56%	8.63%
50%	100%	0.602	6.20%	11.25%	34,621	1,693	2.73	4.37%	2.84%	4.52%	7.05%
60%	150%	0.721	6.88%	11.25%	41,545	2,032	2.28	5.27%	3.43%	4.81%	6.56%
70%	233%	0.919	8.01%	11.25%	48,469	2,370	1.95	6.52%	4.24%	5.37%	6.34%

[1], [2] 2016 Annual Statement (mil's)

[3], [4] 2016 Annual Statement (mil's)

[5] = [3] / ([3] + [4])

[6] = [3] / [4]

[7] Company Schedule

[8] Estimated corporate tax rate

[9] Average beta / (1+(1 - [8])\*[6])

[10] From Exhibit DJG-8

[11] From Exhibit DJG-11

[12] = [1] / [2]

[13] Company bond rating

[14] Ranges of coverage ratios

[15] Moody's / S&P bond ratings

[16] NYU spread over risk-free rate

[17] = [16] + [10] = est. debt cost

[18] = debt / total capital

[19] = [18] / (1 - [18])

[20] = [9] \* (1 + (1 - [8]) \* [6])

[21] = [10] + [20] \* [11]

[22] Recommended awarded ROE

[23] = [18] \* ([3] + [4]); (000's)

[24] = [22] \* [7]; (000's)

[25] = [1] / [23]

[26] Debt cost given coverage ratio per Ratings Table

[27] = [25] \* (1 - [8])

[28] = ([18] \* [26]) + ((1 - [18]) \* [21])

[29] = ([18] \* [26]) + ((1 - [18]) \* [22])

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 50  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-16

# Competitive Industry Debt Ratios

Docket No. 20170179-GU

Exhibit DJG-17

Competitive Industry Ratios

Page 1 of 1

Industry	Number of Firms	Debt Ratio
Advertising	41	87%
Hospitals/Healthcare Facilities	38	84%
Broadcasting	30	83%
Restaurant/Dining	86	82%
Tobacco	22	80%
Coal & Related Energy	38	79%
Brokerage & Investment Banking	45	76%
Retail (Building Supply)	6	75%
Retail (Automotive)	25	73%
Auto & Truck	15	73%
Trucking	30	73%
Packaging & Container	26	66%
Bank (Money Center)	10	66%
Beverage (Soft)	36	66%
Office Equipment & Services	24	65%
Telecom. Services	67	64%
Retail (Distributors)	88	62%
Power	68	62%
Hotel/Gaming	69	61%
Telecom (Wireless)	17	61%
R.E.I.T.	238	60%
Food Wholesalers	16	60%
Retail (Grocery and Food)	14	59%
Real Estate (Operations & Services)	54	59%
Transportation	17	59%
Chemical (Basic)	45	58%
Construction Supplies	51	58%
Environmental & Waste Services	89	57%
Farming/Agriculture	37	56%
Business & Consumer Services	165	56%
Air Transport	18	56%
Green & Renewable Energy	25	55%
Computer Services	117	54%
Oil/Gas Distribution	78	54%
Utility (Water)	22	54%
Cable TV	14	53%
Steel	38	53%
Rubber& Tires	4	52%
Drugs (Biotechnology)	426	52%
Chemical (Specialty)	100	52%
Recreation	66	51%
Software (System & Application)	236	51%
Metals & Mining	97	51%
Beverage (Alcoholic)	25	51%
Information Services	64	51%
Household Products	129	51%
Chemical (Diversified)	8	50%
Aerospace/Defense	96	50%
Building Materials	41	50%
Oil/Gas (Production and Exploration)	330	50%
Investments & Asset Management	156	49%
Auto Parts	63	48%
<b>Total / Average</b>	<b>3660</b>	<b>61%</b>

FLORIDA PUBLIC  
SERVICE COMMISSION  
DOCKET: 20170179-GU  
EXHIBIT: 51  
PARTY: OFFICE OF  
PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J.  
Garrett DJG-17

## Proxy Group Debt Ratios

Docket No. 20170179-GU

Exhibit DJG-18

Proxy Group Debt Ratios

Page 1 of 1

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Company	Ticker	Debt Ratio
Atmos Energy	ATO	36%
Chesapeake Utilities	CPK	24%
New Jersey Resources	NJR	48%
NiSource Inc.	NI	60%
Northwest Nat. Gas	NWN	44%
ONE Gas Inc.	OGS	39%
South Jersey Inds.	SJI	39%
Southwest Gas	SWX	48%
Spire Inc.	SR	51%
UGI Corp.	UGI	57%
Average		45%

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Debt ratios from Value Line Investment Survey

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 52  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-18

## Summary Depreciation Adjustment

Docket No. 20170179-GU

Exhibit DJG-19

Summary Adjustment

Page 1 of 1

Plant Function	Original Cost	Company Position		OPC Position		OPC Adjustment	
		Rate	Expense	Rate	Expense	Rate	Expense
Distributrion	\$ 392,007,843	2.90%	\$ 11,368,741	2.63%	\$ 10,322,898	-0.27%	\$ (1,045,843)
General	17,240,768	5.26%	907,242	5.26%	907,242	0.00%	-
<b>Total Plant Studied</b>	<b>\$ 409,248,610</b>	<b>3.00%</b>	<b>\$ 12,275,984</b>	<b>2.74%</b>	<b>\$ 11,230,141</b>	<b>-0.26%</b>	<b>\$ (1,045,843)</b>

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 53  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-19

# Detailed Rate Comparison

Docket No. 20170179-GU  
Exhibit DJG-20  
Detailed Rate Comparison  
Page 1 of 1

		[1]	[2]			[3]				[4]		
Account No.	Description	Original Cost	Company Proposal			OPC Proposal				Difference		
			Iowa Curve Type	AL	Rate	Annual Accrual	Iowa Curve Type	AL	Rate	Annual Accrual	Rate	Annual Accrual
Distribution Plant												
375.00	Structures & Improvements	-	R5	- 32	3.10%	-	R5	- 32	3.10%	-	0.00%	-
376.10	Distribution Mains - Steel	109,201,912	S3	- 55	2.50%	2,730,048	S3	- 55	2.50%	2,730,048	0.00%	-
376.20	Distribution Mains - Plastic	150,016,423	S3	- 55	2.50%	3,750,411	S3	- 59	2.38%	3,573,575	-0.12%	(176,835)
378.00	M&R Station Equipment - General	3,009,723	S3	- 30	3.50%	105,340	S3	- 30	3.50%	105,340	0.00%	-
379.00	M&R Station Equipment - City Gate	10,001,911	S4	- 35	2.70%	270,052	R0.5	- 39	2.06%	206,492	-0.64%	(63,559)
380.10	Services - Steel	14,597,872	S6	- 45	2.70%	394,143	S6	- 45	1.53%	222,927	-1.17%	(171,215)
380.20	Services - Plastic	61,702,824	S4	- 45	3.40%	2,097,896	R2.5	- 54	2.54%	1,570,251	-0.86%	(527,645)
381.00	Meters	19,544,112	R1.5	- 20	6.10%	1,192,191	R1.5	- 20	6.10%	1,192,191	0.00%	-
382.00	Meter Installations	7,163,196	S3	- 30	4.50%	322,344	S3	- 34	3.57%	255,844	-0.93%	(66,500)
382.10	Meter Installations - ERTs	4,694,672	R1.5	- 20	3.10%	145,535	R1.5	- 20	3.10%	145,535	0.00%	-
383.00	House Regulators	5,883,813	S3	- 30	3.00%	176,514	S3	- 30	3.00%	176,514	0.00%	-
384.00	House Regulator Installations	2,308,976	S3	- 30	3.20%	73,887	S3	- 30	3.20%	73,887	0.00%	-
385.00	Industrial M&R Station Equipment	3,045,478	R3	- 30	2.80%	85,273	R2	- 37	1.48%	45,185	-1.32%	(40,088)
387.00	Other Equipment	836,930	S5	- 30	3.00%	25,108	S5	- 30	3.00%	25,108	0.00%	-
Total Distribution Plant		392,007,843	2.90%			11,368,741	2.63%		10,322,898	-0.27%	(1,045,843)	
General Plant												
390.00	Structures & Improvements	8,410,478	R1	- 40	2.50%	208,814	R1	- 40	2.50%	208,814	0.00%	-
392.00	Transportation Equipment	1,224,133	L2.5	- 12	8.40%	102,383	L2.5	- 12	8.40%	102,383	0.00%	-
392.10	Transportation Equipment - Autos & Lt Trucks	128,095	L3	- 8	11.00%	-	L2.5	- 8	11.00%	-	0.00%	-
392.20	Transportation Equipment - Service Trucks	3,231,812	L3	- 8	12.10%	390,504	L3	- 8	12.10%	390,504	0.00%	-
392.30	Transportation Equipment - Heavy Trucks	374,204	L3	- 13	4.90%	18,406	L3	- 13	4.90%	18,406	0.00%	-
394.10	Natural Gas Vehicle Equipment	3,661,963	S4	- 20	4.70%	173,511	S4	- 20	4.70%	173,511	0.00%	-
396.00	Power Operated Equipment	210,084	SQ	- 15	6.50%	13,625	SQ	- 15	6.50%	13,625	0.00%	-
Total General Plant		17,240,768	5.26%			907,242	5.26%		907,242	0.00%	-	
TOTAL PLANT STUDIED		409,248,610	3.00%			12,275,984	2.74%		11,230,141	-0.26%	(1,045,843)	

[1] From Company depreciation study; plant balances as of the study date

[2] Company Depreciation Study

[3] Rates and Accruals from Rate Development exhibit. (Some unadjusted accounts hard coded to zero to account for rounding differences)

[4] = [3] - [2]

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 54  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-20

# Depreciation Rate Development

Docket No. 20170179-GU  
Exhibit DJG-21  
Depreciation Rate Development  
Page 1 of 1

		[1]	[2]		[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
Account No.	Description	Original Cost	Iowa Curve		Net Salvage	Depreciable Base	Book Reserve	Future Accruals	Remaining Life	Service Life		Net Salvage		Total	
			Type	AL						Accrual	Rate	Accrual	Rate	Accrual	Rate
Distribution Plant															
375.00	Structures & Improvements	-	R5	- 32	0.0%	-	(80,099)	80,099							3.10%
376.10	Distribution Mains - Steel	109,201,912	S3	- 55	-50.0%	163,802,868	70,680,741	93,122,127	34.0	1,131,577	1.04%	1,598,471	1.46%	2,730,048	2.50%
376.20	Distribution Mains - Plastic	150,016,423	S3	- 59	-40.0%	210,022,992	40,242,440	169,780,552	47.5	2,310,545	1.54%	1,263,030	0.84%	3,573,575	2.38%
378.00	M&R Station Equipment - General	3,009,723	S3	- 30	-5.0%	3,160,209	146,541	3,013,668	28.3	101,173	3.36%	4,167	0.14%	105,340	3.50%
379.00	M&R Station Equipment - City Gate	10,001,911	R0.5	- 39	-5.0%	10,502,006	4,685,120	5,816,886	28.2	188,739	1.89%	17,753	0.18%	206,492	2.06%
380.10	Services - Steel	14,597,872	S6	- 45	-80.0%	26,276,169	22,559,287	3,716,882	16.7	-477,502	-3.27%	700,429	4.80%	222,927	1.53%
380.20	Services - Plastic	61,702,824	R2.5	- 54	-45.0%	89,469,095	21,210,271	68,258,824	43.5	931,506	1.51%	638,746	1.04%	1,570,251	2.54%
381.00	Meters	19,544,112	R1.5	- 20	-5.0%	20,521,318	3,486,513	17,034,805	14.4	1,118,789	5.72%	73,402	0.38%	1,192,191	6.10%
382.00	Meter Installations	7,163,196	S3	- 34	-20.0%	8,595,836	3,023,561	5,572,275	21.8	190,066	2.65%	65,778	0.92%	255,844	3.57%
382.10	Meter Installations - ERTs	4,694,672	R1.5	- 20	0.0%	4,694,672	2,821,080	1,873,592	13.0	144,267	3.07%	1,267	0.03%	145,535	3.10%
383.00	House Regulators	5,883,813	S3	- 30	-5.0%	6,178,003	2,643,921	3,534,082	19.8	163,865	2.79%	12,649	0.21%	176,514	3.00%
384.00	House Regulator Installations	2,308,976	S3	- 30	0.0%	2,308,976	1,151,145	1,157,832	15.8	73,379	3.18%	508	0.02%	73,887	3.20%
385.00	Industrial M&R Station Equipment	3,045,478	R2	- 37	0.0%	3,045,478	2,149,455	896,023	19.8	45,185	1.48%	-	0.00%	45,185	1.48%
387.00	Other Equipment	836,930	S5	- 30	0.0%	836,930	332,635	504,296	20.0	25,209	3.01%	(101)	-0.01%	25,108	3.00%
Total Distribution Plant		392,007,843				549,414,553	175,052,610	374,361,943	36.3	5,946,799	1.52%	4,376,100	1.12%	10,322,898	2.63%
General Plant															
390.00	Structures & Improvements	8,410,478	R1	- 40	0.0%	8,410,478	578,148	7,832,329	37.5	208,814	2.48%	-	0.02%	208,814	2.50%
392.00	Transportation Equipment	1,224,133	L2.5	- 12	12.0%	1,077,237	18,870	1,058,366	10.3	116,593	9.52%	(14,210)	-1.12%	102,383	8.40%
392.10	Transportation Equipment - Autos & Lt Trucks	128,095	L3	- 8	12.0%	112,724	149,007	(36,283)	7.2	-2,917	-2.28%	2,917	13.28%	-	11.00%
392.20	Transportation Equipment - Service Trucks	3,231,812	L3	- 8	12.0%	2,843,994	629,930	2,214,065	5.7	458,905	14.20%	(68,401)	-2.10%	390,504	12.10%
392.30	Transportation Equipment - Heavy Trucks	374,204	L3	- 13	12.0%	329,299	204,897	124,403	6.8	25,050	6.69%	(6,644)	-1.79%	18,406	4.90%
394.10	Natural Gas Vehicle Equipment	3,661,963	S4	- 20	0.0%	3,661,963	401,398	3,260,565	18.8	173,511	4.74%	-	-0.04%	173,511	4.70%
396.00	Power Operated Equipment	210,084	SQ	- 15	10.0%	189,076	48,344	140,732	10.3	15,659	7.45%	(2,034)	-0.95%	13,625	6.50%
Total General Plant		17,240,768				16,624,770	2,030,593	14,594,177	16.1	995,614	5.77%	(88,372)	-0.51%	907,242	5.26%
TOTAL PLANT STUDIED		409,248,610				566,039,323	177,083,203	388,956,120	34.6	6,942,413	1.70%	4,287,728	1.05%	11,230,141	2.74%

[1] From Company depreciation study; plant balances as of the study date

[2] Selected Iowa curve type and average life through mathematical and visual curve fitting-techniques and professional judgement.

[3] For life span accounts, weighted net salvage considering interim and terminal retirements. For mass accounts, estimated net salvage through historical analysis.

[4] = [1]\*[1]-[3]

[5] From the Company's property records; any negative book reserve balances were replaced with the Company's redistributed reserve calculations

[6] = [4] - [5]

[7] Average remaining life based on Iowas Curve in Column [2]

[8] = ([1] - [5]) / [7]

[9] = [8] / [1]

[10] = [12] - [8]

[11] = [13] - [9]

[12] = [6] / [7]. Some unadjusted accruals may be hard coded to match the Company's proposed accrual.

[13] = [12] / [1]. Some unadjusted rates may be hard coded to match the Company's proposed rate.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 55  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: David J. Garrett DJG-21

# Account 382 Detailed Curve Comparison

Docket No. 20170179-GU

Exhibit DJG-22

Acct. 382 Curve Comparison

Page 1 of 2

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 56  
PARTY: OFFICE OF PUBLIC COUNSEL – (DIRECT)  
DESCRIPTION: David J. Garrett DJG-22

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	Exposures (Dollars)	Observed Life Table (OLT)	FCG S3-30	OPC S3-34	FCG SSD	OPC SSD
0.0	4,460,166	100.00%	100.00%	100.00%	0.0000	0.0000
0.5	4,205,280	100.00%	100.00%	100.00%	0.0000	0.0000
1.5	3,971,827	100.00%	100.00%	100.00%	0.0000	0.0000
2.5	3,730,545	99.98%	100.00%	100.00%	0.0000	0.0000
3.5	3,505,608	98.51%	100.00%	100.00%	0.0002	0.0002
4.5	3,657,037	98.49%	100.00%	100.00%	0.0002	0.0002
5.5	3,630,905	98.00%	99.99%	100.00%	0.0004	0.0004
6.5	3,487,693	97.99%	99.98%	100.00%	0.0004	0.0004
7.5	946,505	95.86%	99.96%	99.99%	0.0017	0.0017
8.5	1,063,029	95.73%	99.90%	99.98%	0.0017	0.0018
9.5	1,221,286	95.20%	99.81%	99.96%	0.0021	0.0023
10.5	1,388,849	94.64%	99.66%	99.92%	0.0025	0.0028
11.5	1,321,761	94.62%	99.42%	99.85%	0.0023	0.0027
12.5	1,391,307	94.50%	99.06%	99.74%	0.0021	0.0027
13.5	1,517,270	94.22%	98.54%	99.57%	0.0019	0.0029
14.5	1,504,027	93.76%	97.82%	99.33%	0.0017	0.0031
15.5	1,456,669	93.54%	96.87%	98.98%	0.0011	0.0030
16.5	1,350,898	93.19%	95.63%	98.50%	0.0006	0.0028
17.5	1,385,963	93.16%	94.06%	97.87%	0.0001	0.0022
18.5	1,401,358	92.81%	92.14%	97.05%	0.0000	0.0018
19.5	1,444,340	92.54%	89.83%	96.02%	0.0007	0.0012
20.5	1,371,532	92.51%	87.12%	94.75%	0.0029	0.0005
21.5	1,200,924	92.51%	83.99%	93.20%	0.0073	0.0000
22.5	1,197,513	92.49%	80.45%	91.37%	0.0145	0.0001
23.5	1,180,799	92.49%	76.53%	89.23%	0.0255	0.0011
24.5	1,318,933	92.49%	72.25%	86.77%	0.0410	0.0033
25.5	1,045,924	92.49%	67.65%	83.99%	0.0617	0.0072
26.5	965,938	92.45%	62.80%	80.89%	0.0879	0.0134
27.5	946,396	92.44%	57.76%	77.49%	0.1203	0.0224
28.5	905,333	92.44%	52.60%	73.80%	0.1587	0.0348
29.5	874,924	92.35%	47.40%	69.85%	0.2020	0.0506
30.5	854,744	92.31%	42.24%	65.68%	0.2507	0.0709
31.5	702,145	92.29%	37.20%	61.34%	0.3035	0.0958
32.5	639,440	92.29%	32.35%	56.86%	0.3593	0.1256
33.5	584,491	92.26%	27.75%	52.29%	0.4162	0.1597
34.5	398,652	92.14%	23.47%	47.71%	0.4715	0.1974
35.5	312,590	92.12%	19.55%	43.14%	0.5267	0.2399
36.5	69,973	91.83%	16.01%	38.66%	0.5749	0.2827
37.5	59,135	91.37%	12.88%	34.32%	0.6160	0.3255
38.5	51,119	86.76%	10.17%	30.15%	0.5866	0.3205
39.5	17,150	56.64%	7.86%	26.20%	0.2380	0.0927
40.5	11,356	37.55%	5.94%	22.51%	0.0999	0.0226
41.5	5,246	17.34%	4.37%	19.11%	0.0168	0.0003
42.5	4,703	15.55%	3.13%	16.01%	0.0154	0.0000
43.5	4,100	13.56%	2.18%	13.23%	0.0130	0.0000
44.5	1,705	5.64%	1.46%	10.77%	0.0017	0.0026
45.5	52,067	5.64%	0.94%	8.63%	0.0022	0.0009

# Account 382 Detailed Curve Comparison

Docket No. 20170179-GU  
Exhibit DJG-22  
Acct. 382 Curve Comparison  
Page 2 of 2

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	Exposures (Dollars)	Observed Life Table (OLT)	FCG S3-30	OPC S3-34	FCG SSD	OPC SSD
46.5	51,524	5.58%	0.58%	6.80%	0.0025	0.0001
47.5	40,819	4.42%	0.34%	5.25%	0.0017	0.0001
48.5	40,473	4.38%	0.19%	3.98%	0.0018	0.0000
49.5	40,295	4.36%	0.10%	2.95%	0.0018	0.0002
50.5	40,287	4.36%	0.04%	2.13%	0.0019	0.0005
51.5	40,252	4.36%	0.02%	1.50%	0.0019	0.0008
52.5	40,252	4.36%	0.01%	1.02%	0.0019	0.0011
53.5	40,252	4.36%	0.00%	0.67%	0.0019	0.0014
54.5	40,252	4.36%	0.00%	0.43%	0.0019	0.0015
55.5	40,252	4.36%	0.00%	0.26%	0.0019	0.0017
56.5	40,252	4.36%	0.00%	0.15%	0.0019	0.0018
57.5	0	0.00%	0.00%	0.08%	0.0000	0.0000
Sum of Squared Differences for Relevant OLT				[8]	5.2550	2.1119

[1] Age in years using half-year convention

[2] Dollars exposed to retirement at the beginning of each age interval

[3] Observed life table based on the Company's property records. These numbers form the original survivor curve.

[4] The Company's selected Iowa curve to be fitted to the OLT.

[5] My selected Iowa curve to be fitted to the OLT.

[6] = ([4] - [3])<sup>2</sup>. This is the squared difference between each point on the Company's curve and the observed survivor curve.

[7] = ([5] - [3])<sup>2</sup>. This is the squared difference between each point on my curve and the observed survivor curve.

[9] = Sum of squared differences excluding less than 1% of beginning exposures.

\*Below the bold horizontal line represents less than 1% of beginning exposures.



FLORIDA PUBLIC SERVICE COMMISSION  
 DOCKET: 20170179-GU EXHIBIT: 57  
 PARTY: OFFICE OF PUBLIC COUNSEL –  
 (DIRECT)  
 DESCRIPTION: David J. Garrett DJG-23

**FCG**  
**Gas Division**  
**376.20 Distribution Mains - Plastic**

**Observed Life Table**  
**Retirement Expr. 1977 TO 2016**  
**Placement Years 1977 TO 2016**

<b>Age Interval</b>	<b>\$ Surviving At Beginning of Age Interval</b>	<b>\$ Retired During The Age Interval</b>	<b>Retirement Ratio</b>	<b>% Surviving At Beginning of Age Interval</b>
0.0 - 0.5	\$108,994,709.59	\$13,427.30	0.00012	100.00
0.5 - 1.5	\$96,416,396.59	\$6,069.55	0.00006	99.99
1.5 - 2.5	\$86,915,453.65	\$110.20	0.00000	99.98
2.5 - 3.5	\$77,668,297.29	\$7,264.59	0.00009	99.98
3.5 - 4.5	\$75,895,807.77	\$102,743.14	0.00135	99.97
4.5 - 5.5	\$72,880,248.95	\$90,509.82	0.00124	99.84
5.5 - 6.5	\$69,240,226.87	\$73,324.61	0.00106	99.71
6.5 - 7.5	\$66,101,699.67	(\$6,991.39)	-0.00011	99.61
7.5 - 8.5	\$62,256,627.36	\$0.00	0.00000	99.62
8.5 - 9.5	\$56,400,667.27	\$596.34	0.00001	99.62
9.5 - 10.5	\$52,237,232.44	\$10,168.45	0.00019	99.62
10.5 - 11.5	\$47,904,095.86	\$17,272.42	0.00036	99.60
11.5 - 12.5	\$47,252,133.31	\$107,692.68	0.00228	99.56
12.5 - 13.5	\$46,206,999.91	\$5,624.22	0.00012	99.33
13.5 - 14.5	\$43,539,133.53	\$190,241.69	0.00437	99.32
14.5 - 15.5	\$39,400,097.13	\$12,523.32	0.00032	98.89
15.5 - 16.5	\$36,939,322.12	\$8,820.65	0.00024	98.86
16.5 - 17.5	\$34,430,056.00	\$1,269.23	0.00004	98.83
17.5 - 18.5	\$32,247,629.38	\$10,363.54	0.00032	98.83
18.5 - 19.5	\$28,768,088.46	\$0.00	0.00000	98.80
19.5 - 20.5	\$27,335,625.57	\$12,837.24	0.00047	98.80
20.5 - 21.5	\$23,961,038.37	\$67,770.82	0.00283	98.75
21.5 - 22.5	\$20,860,835.26	\$12,820.85	0.00061	98.47
22.5 - 23.5	\$16,487,223.33	\$0.00	0.00000	98.41
23.5 - 24.5	\$13,699,682.32	\$231.69	0.00002	98.41
24.5 - 25.5	\$11,442,821.17	\$60,683.20	0.00530	98.41
25.5 - 26.5	\$8,984,957.72	\$13,623.31	0.00152	97.89
26.5 - 27.5	\$6,282,315.91	\$24,513.67	0.00390	97.74
27.5 - 28.5	\$4,163,660.01	\$1,644.26	0.00039	97.36
28.5 - 29.5	\$2,372,041.09	\$44,645.97	0.01882	97.32
29.5 - 30.5	\$554,983.48	\$12,497.16	0.02252	95.49
30.5 - 31.5	\$521,050.44	\$6,066.27	0.01164	93.34
31.5 - 32.5	\$471,269.61	\$3,310.05	0.00702	92.25
32.5 - 33.5	\$467,959.56	\$0.00	0.00000	91.60
33.5 - 34.5	\$467,959.56	\$92,780.97	0.19827	91.60
34.5 - 35.5	\$372,438.00	\$3,209.73	0.00862	73.44
35.5 - 36.5	\$369,228.27	\$31,525.07	0.08538	72.81

***FCG***  
***Gas Division***  
***376.20 Distribution Mains - Plastic***

***Observed Life Table***  
***Retirement Expr. 1977 TO 2016***  
***Placement Years 1977 TO 2016***

<b><i>Age Interval</i></b>	<b><i>\$ Surviving At Beginning of Age Interval</i></b>	<b><i>\$ Retired During The Age Interval</i></b>	<b><i>Retirement Ratio</i></b>	<b><i>% Surviving At Beginning of Age Interval</i></b>
36.5 - 37.5	\$336,716.75	\$26,248.42	0.07795	66.59
37.5 - 38.5	\$181,510.37	\$0.00	0.00000	61.40

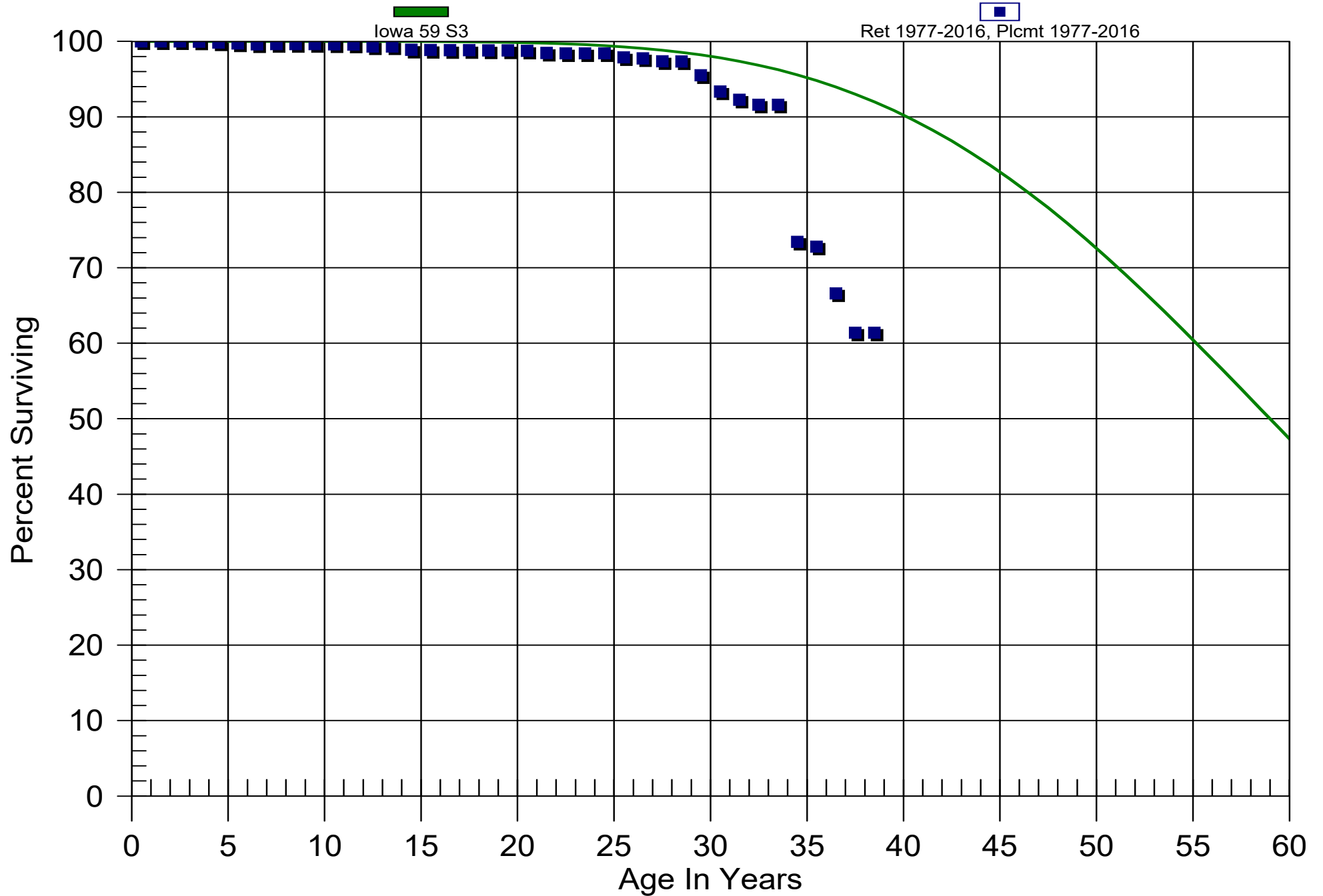
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# FCG

## Gas Division

### 376.20 Distribution Mains - Plastic

#### Original And Smooth Survivor Curves



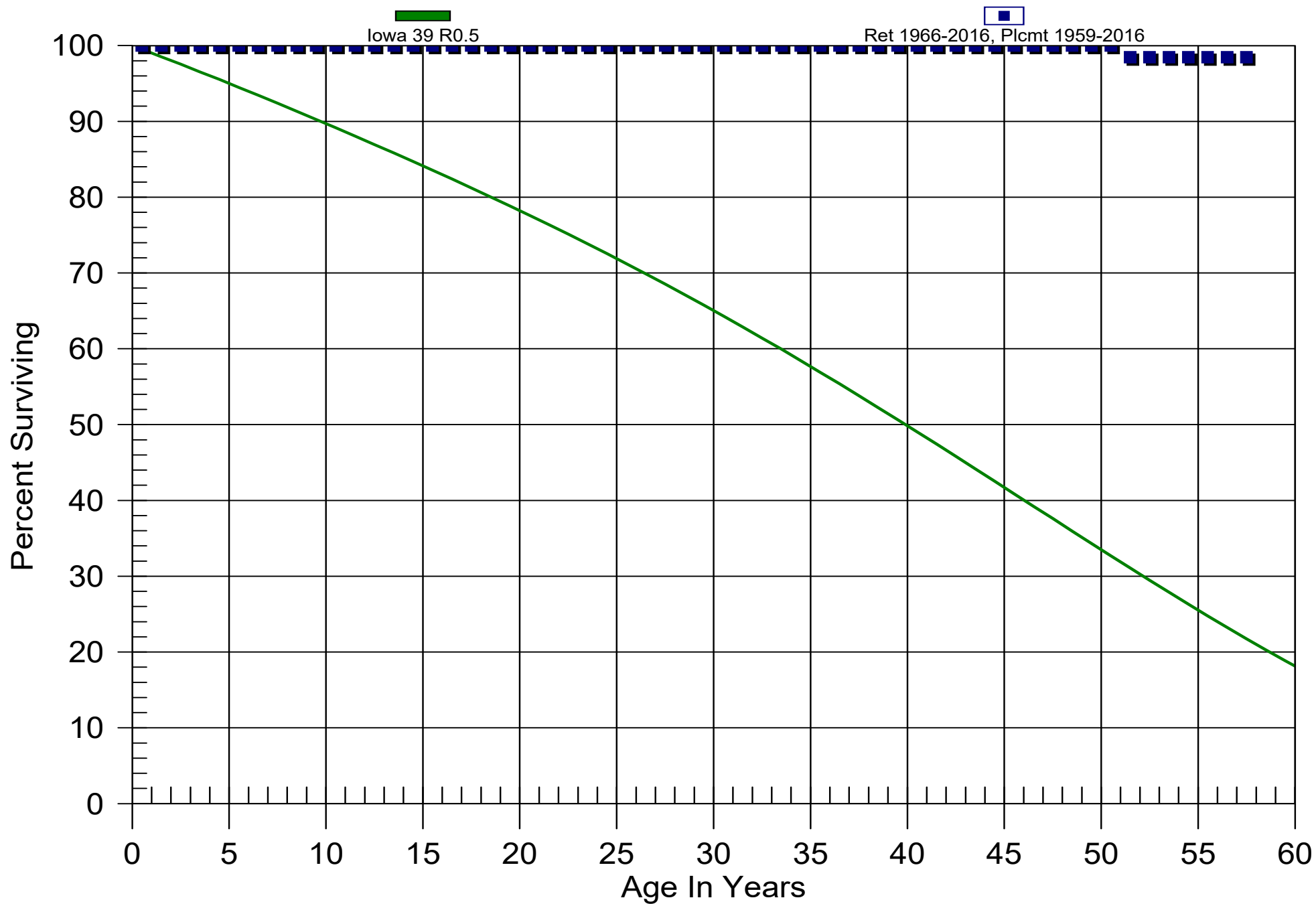
***FCG***  
***Gas Division***  
***379.00 Meas. & Reg. - City Gate***  
***Observed Life Table***  
***Retirement Expr. 1966 TO 2016***  
***Placement Years 1959 TO 2016***

<b><i>Age Interval</i></b>	<b><i>\$ Surviving At Beginning of Age Interval</i></b>	<b><i>\$ Retired During The Age Interval</i></b>	<b><i>Retirement Ratio</i></b>	<b><i>% Surviving At Beginning of Age Interval</i></b>
0.0 - 0.5	\$6,939,371.03	\$0.00	0.00000	100.00
0.5 - 1.5	\$6,934,552.44	\$0.00	0.00000	100.00
1.5 - 2.5	\$6,727,779.80	\$0.00	0.00000	100.00
2.5 - 3.5	\$6,306,028.16	\$0.00	0.00000	100.00
3.5 - 4.5	\$6,309,747.71	\$0.00	0.00000	100.00
4.5 - 5.5	\$6,311,598.47	\$0.00	0.00000	100.00
5.5 - 6.5	\$6,299,681.02	\$0.00	0.00000	100.00
6.5 - 7.5	\$6,319,203.36	\$0.00	0.00000	100.00
7.5 - 8.5	\$6,080,940.33	\$0.00	0.00000	100.00
8.5 - 9.5	\$6,047,369.05	\$0.00	0.00000	100.00
9.5 - 10.5	\$6,047,369.05	\$0.00	0.00000	100.00
10.5 - 11.5	\$6,047,369.05	\$0.00	0.00000	100.00
11.5 - 12.5	\$6,047,369.05	\$0.00	0.00000	100.00
12.5 - 13.5	\$5,420,208.49	\$0.00	0.00000	100.00
13.5 - 14.5	\$5,100,411.73	\$0.00	0.00000	100.00
14.5 - 15.5	\$4,846,996.15	\$0.00	0.00000	100.00
15.5 - 16.5	\$4,760,457.73	\$0.00	0.00000	100.00
16.5 - 17.5	\$4,448,990.70	\$0.00	0.00000	100.00
17.5 - 18.5	\$4,109,001.75	\$0.00	0.00000	100.00
18.5 - 19.5	\$3,511,756.91	\$0.00	0.00000	100.00
19.5 - 20.5	\$2,218,155.52	\$0.00	0.00000	100.00
20.5 - 21.5	\$2,155,002.17	\$0.00	0.00000	100.00
21.5 - 22.5	\$1,957,864.96	\$0.00	0.00000	100.00
22.5 - 23.5	\$1,219,756.73	\$0.00	0.00000	100.00
23.5 - 24.5	\$790,721.41	\$0.00	0.00000	100.00
24.5 - 25.5	\$710,742.04	\$0.00	0.00000	100.00
25.5 - 26.5	\$491,377.22	\$0.00	0.00000	100.00
26.5 - 27.5	\$334,727.21	\$0.00	0.00000	100.00
27.5 - 28.5	\$334,707.39	\$0.00	0.00000	100.00
28.5 - 29.5	\$334,707.39	\$0.00	0.00000	100.00
29.5 - 30.5	\$333,344.51	\$0.00	0.00000	100.00
30.5 - 31.5	\$333,344.51	\$0.00	0.00000	100.00
31.5 - 32.5	\$333,344.51	\$0.00	0.00000	100.00
32.5 - 33.5	\$333,344.51	\$0.00	0.00000	100.00
33.5 - 34.5	\$333,344.51	\$0.00	0.00000	100.00
34.5 - 35.5	\$332,894.06	\$0.00	0.00000	100.00
35.5 - 36.5	\$315,957.01	\$0.00	0.00000	100.00

***FCG***  
***Gas Division***  
***379.00 Meas. & Reg. - City Gate***  
***Observed Life Table***  
***Retirement Expr. 1966 TO 2016***  
***Placement Years 1959 TO 2016***

<b><i>Age Interval</i></b>	<b><i>\$ Surviving At Beginning of Age Interval</i></b>	<b><i>\$ Retired During The Age Interval</i></b>	<b><i>Retirement Ratio</i></b>	<b><i>% Surviving At Beginning of Age Interval</i></b>
36.5 - 37.5	\$314,118.63	\$0.00	0.00000	100.00
37.5 - 38.5	\$314,118.63	\$0.00	0.00000	100.00
38.5 - 39.5	\$314,118.63	\$0.00	0.00000	100.00
39.5 - 40.5	\$313,624.77	\$0.00	0.00000	100.00
40.5 - 41.5	\$188,920.69	\$0.00	0.00000	100.00
41.5 - 42.5	\$185,333.41	\$0.00	0.00000	100.00
42.5 - 43.5	\$154,263.43	\$0.00	0.00000	100.00
43.5 - 44.5	\$143,545.68	\$0.00	0.00000	100.00
44.5 - 45.5	\$123,032.38	\$0.00	0.00000	100.00
45.5 - 46.5	\$102,125.15	\$0.00	0.00000	100.00
46.5 - 47.5	\$83,786.60	\$0.00	0.00000	100.00
47.5 - 48.5	\$43,456.62	\$0.00	0.00000	100.00
48.5 - 49.5	\$43,168.15	\$0.00	0.00000	100.00
49.5 - 50.5	\$41,614.01	\$0.00	0.00000	100.00
50.5 - 51.5	\$34,688.07	\$532.52	0.01535	100.00
51.5 - 52.5	\$27,757.78	\$0.00	0.00000	98.46
52.5 - 53.5	\$27,757.78	\$0.00	0.00000	98.46
53.5 - 54.5	\$27,296.78	\$0.00	0.00000	98.46
54.5 - 55.5	\$23,577.23	\$0.00	0.00000	98.46
55.5 - 56.5	\$21,726.47	\$0.00	0.00000	98.46
56.5 - 57.5	\$21,643.06	\$0.00	0.00000	98.46

FCG  
Gas Division  
379.00 Meas. & Reg. - City Gate  
Original And Smooth Survivor Curves



***FCG***  
***Gas Division***  
***380.20 Services - Plastic***  
***Observed Life Table***  
***Retirement Expr. 1966 TO 2016***  
***Placement Years 1961 TO 2016***

<b><i>Age Interval</i></b>	<b><i>\$ Surviving At Beginning of Age Interval</i></b>	<b><i>\$ Retired During The Age Interval</i></b>	<b><i>Retirement Ratio</i></b>	<b><i>% Surviving At Beginning of Age Interval</i></b>
0.0 - 0.5	\$58,730,017.42	\$0.00	0.00000	100.00
0.5 - 1.5	\$50,609,004.48	\$88,382.25	0.00175	100.00
1.5 - 2.5	\$47,986,521.32	\$66,445.22	0.00138	99.83
2.5 - 3.5	\$43,970,119.16	\$29,405.20	0.00067	99.69
3.5 - 4.5	\$42,763,008.60	\$82,889.91	0.00194	99.62
4.5 - 5.5	\$39,106,345.56	\$23,992.29	0.00061	99.43
5.5 - 6.5	\$38,276,446.61	\$10,757.81	0.00028	99.37
6.5 - 7.5	\$36,375,303.83	\$20,925.10	0.00058	99.34
7.5 - 8.5	\$33,835,097.03	\$42,576.17	0.00126	99.28
8.5 - 9.5	\$31,196,824.82	\$62,277.81	0.00200	99.16
9.5 - 10.5	\$29,190,308.76	\$10,182.34	0.00035	98.96
10.5 - 11.5	\$27,767,582.38	\$24,866.21	0.00090	98.92
11.5 - 12.5	\$27,377,704.46	\$20,609.61	0.00075	98.84
12.5 - 13.5	\$26,732,478.15	\$67,221.89	0.00251	98.76
13.5 - 14.5	\$24,619,730.25	\$38,961.45	0.00158	98.51
14.5 - 15.5	\$22,866,985.83	\$33,221.22	0.00145	98.36
15.5 - 16.5	\$21,474,595.42	\$30,214.08	0.00141	98.21
16.5 - 17.5	\$18,489,174.18	\$26,733.31	0.00145	98.08
17.5 - 18.5	\$17,289,206.56	\$34,411.98	0.00199	97.93
18.5 - 19.5	\$15,153,411.01	\$56,969.24	0.00376	97.74
19.5 - 20.5	\$14,234,933.21	\$55,713.19	0.00391	97.37
20.5 - 21.5	\$13,186,557.37	\$77,475.80	0.00588	96.99
21.5 - 22.5	\$11,333,107.68	\$85,861.64	0.00758	96.42
22.5 - 23.5	\$9,180,893.63	\$117,556.55	0.01280	95.69
23.5 - 24.5	\$7,411,857.87	\$68,656.35	0.00926	94.46
24.5 - 25.5	\$6,083,286.40	\$109,077.60	0.01793	93.59
25.5 - 26.5	\$4,862,133.76	\$128,733.96	0.02648	91.91
26.5 - 27.5	\$3,665,116.49	\$154,643.63	0.04219	89.48
27.5 - 28.5	\$2,575,935.48	\$93,372.42	0.03625	85.70
28.5 - 29.5	\$1,365,271.63	\$65,815.24	0.04821	82.60
29.5 - 30.5	\$521,716.42	\$29,602.26	0.05674	78.61
30.5 - 31.5	\$469,075.96	\$11,654.50	0.02485	74.15
31.5 - 32.5	\$304,142.74	\$7,543.73	0.02480	72.31
32.5 - 33.5	\$185,815.51	\$55,454.30	0.29844	70.52
33.5 - 34.5	\$103,677.81	\$17,115.03	0.16508	49.47
34.5 - 35.5	\$86,562.78	\$24,844.08	0.28701	41.31
35.5 - 36.5	\$61,629.74	\$1,753.81	0.02846	29.45

***FCG***  
***Gas Division***  
***380.20 Services - Plastic***  
***Observed Life Table***  
***Retirement Expr. 1966 TO 2016***  
***Placement Years 1961 TO 2016***

<b><i>Age Interval</i></b>	<b><i>\$ Surviving At Beginning of Age Interval</i></b>	<b><i>\$ Retired During The Age Interval</i></b>	<b><i>Retirement Ratio</i></b>	<b><i>% Surviving At Beginning of Age Interval</i></b>
36.5 - 37.5	\$59,875.93	\$5,202.90	0.08689	28.61
37.5 - 38.5	\$313.87	\$0.00	0.00000	26.13
38.5 - 39.5	\$313.87	\$6.09	0.01940	26.13
39.5 - 40.5	\$307.78	\$70.44	0.22886	25.62
40.5 - 41.5	\$237.34	\$9.57	0.04032	19.76
41.5 - 42.5	\$227.77	\$20.79	0.09128	18.96
42.5 - 43.5	\$206.98	\$33.76	0.16311	17.23
43.5 - 44.5	\$173.22	\$1.50	0.00866	14.42
44.5 - 45.5	\$171.72	\$10.47	0.06097	14.29
45.5 - 46.5	\$161.25	\$102.67	0.63671	13.42
46.5 - 47.5	\$58.58	\$22.65	0.38665	4.88
47.5 - 48.5	\$35.93	\$0.00	0.00000	2.99
48.5 - 49.5	\$35.93	\$0.00	0.00000	2.99
49.5 - 50.5	\$35.93	\$0.00	0.00000	2.99
50.5 - 51.5	\$35.93	\$0.00	0.00000	2.99
51.5 - 52.5	\$35.93	\$23.02	0.64069	2.99

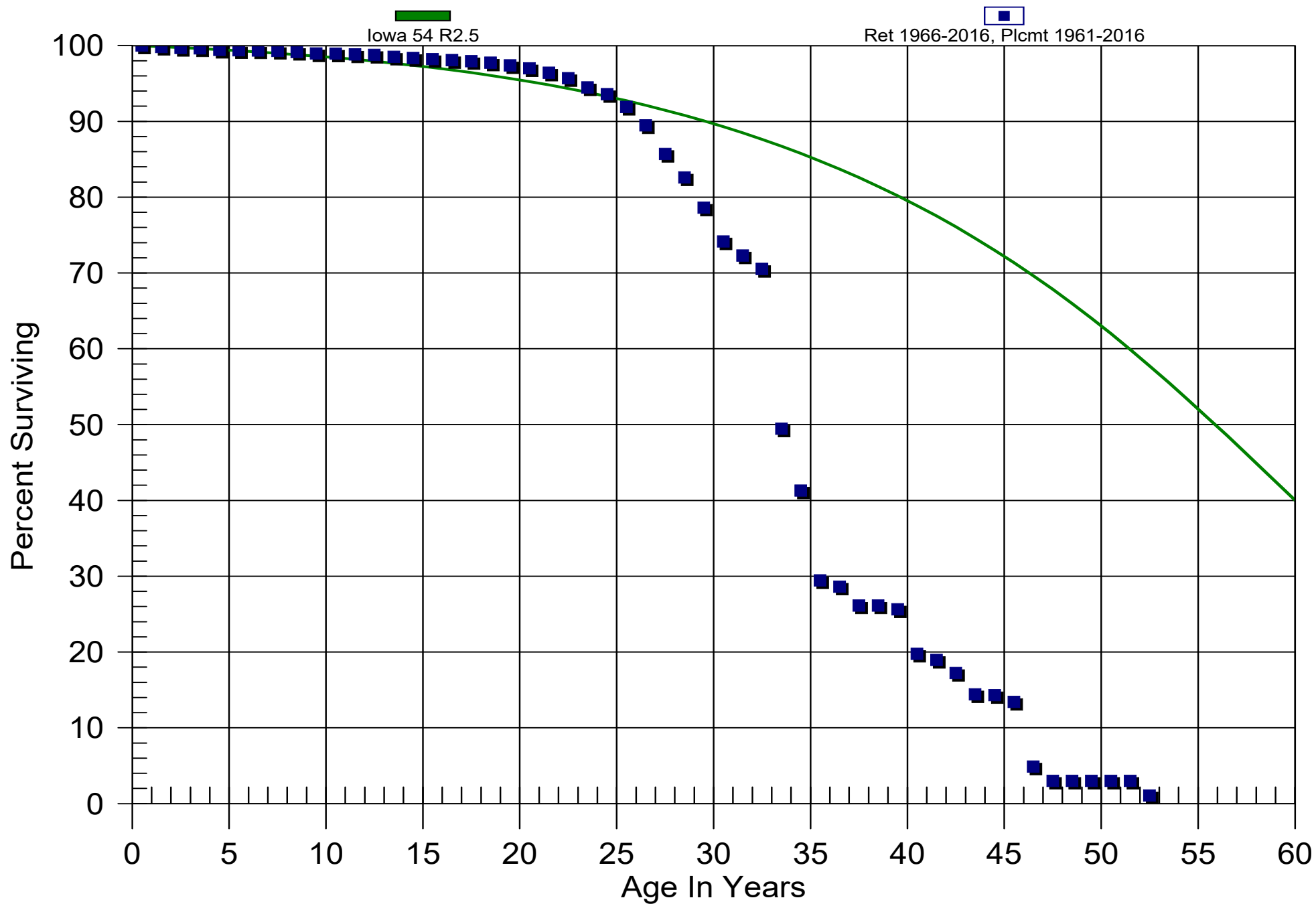


# FCG

## Gas Division

### 380.20 Services - Plastic

### Original And Smooth Survivor Curves



***FCG***  
***Gas Division***  
***382.00 Meter Installations***  
***Observed Life Table***  
***Retirement Expr. 1966 TO 2016***  
***Placement Years 1959 TO 2016***

<b><i>Age Interval</i></b>	<b><i>\$ Surviving At Beginning of Age Interval</i></b>	<b><i>\$ Retired During The Age Interval</i></b>	<b><i>Retirement Ratio</i></b>	<b><i>% Surviving At Beginning of Age Interval</i></b>
0.0 - 0.5	\$7,344,034.71	\$0.00	0.00000	100.00
0.5 - 1.5	\$7,053,289.31	\$0.00	0.00000	100.00
1.5 - 2.5	\$6,656,637.13	\$519.45	0.00008	100.00
2.5 - 3.5	\$6,303,236.64	\$54,895.03	0.00871	99.99
3.5 - 4.5	\$5,979,954.82	\$707.03	0.00012	99.12
4.5 - 5.5	\$5,962,659.14	\$251.00	0.00004	99.11
5.5 - 6.5	\$5,954,446.89	\$497.02	0.00008	99.11
6.5 - 7.5	\$5,842,714.47	\$57,119.24	0.00978	99.10
7.5 - 8.5	\$3,213,888.08	\$1,275.70	0.00040	98.13
8.5 - 9.5	\$3,183,140.05	\$5,862.52	0.00184	98.09
9.5 - 10.5	\$3,111,372.58	\$6,908.49	0.00222	97.91
10.5 - 11.5	\$3,087,318.82	\$17,919.77	0.00580	97.69
11.5 - 12.5	\$2,896,086.26	\$20,474.67	0.00707	97.12
12.5 - 13.5	\$2,841,752.32	\$4,019.62	0.00141	96.44
13.5 - 14.5	\$2,674,638.88	\$7,332.19	0.00274	96.30
14.5 - 15.5	\$2,573,028.64	\$2,568.76	0.00100	96.04
15.5 - 16.5	\$2,473,207.88	\$6,448.20	0.00261	95.94
16.5 - 17.5	\$2,319,332.08	\$915.71	0.00039	95.69
17.5 - 18.5	\$2,318,416.37	\$5,069.59	0.00219	95.65
18.5 - 19.5	\$2,313,346.78	\$4,296.64	0.00186	95.44
19.5 - 20.5	\$2,202,952.68	\$697.34	0.00032	95.27
20.5 - 21.5	\$2,064,417.97	\$21.89	0.00001	95.24
21.5 - 22.5	\$1,838,808.60	\$196.97	0.00011	95.24
22.5 - 23.5	\$1,649,014.18	\$22.34	0.00001	95.23
23.5 - 24.5	\$1,544,326.55	\$53.63	0.00003	95.22
24.5 - 25.5	\$1,439,460.75	\$26.34	0.00002	95.22
25.5 - 26.5	\$1,155,461.11	\$402.89	0.00035	95.22
26.5 - 27.5	\$1,067,451.12	\$63.63	0.00006	95.19
27.5 - 28.5	\$1,013,908.03	\$0.00	0.00000	95.18
28.5 - 29.5	\$967,101.01	\$916.54	0.00095	95.18
29.5 - 30.5	\$930,580.53	\$382.35	0.00041	95.09
30.5 - 31.5	\$909,809.62	\$217.46	0.00024	95.05
31.5 - 32.5	\$756,608.16	\$3.88	0.00001	95.03
32.5 - 33.5	\$691,508.52	\$159.02	0.00023	95.03
33.5 - 34.5	\$636,559.12	\$768.55	0.00121	95.01
34.5 - 35.5	\$450,175.93	\$93.27	0.00021	94.89
35.5 - 36.5	\$363,129.12	\$999.68	0.00275	94.87

***FCG***  
***Gas Division***  
***382.00 Meter Installations***  
***Observed Life Table***  
***Retirement Expr. 1966 TO 2016***  
***Placement Years 1959 TO 2016***

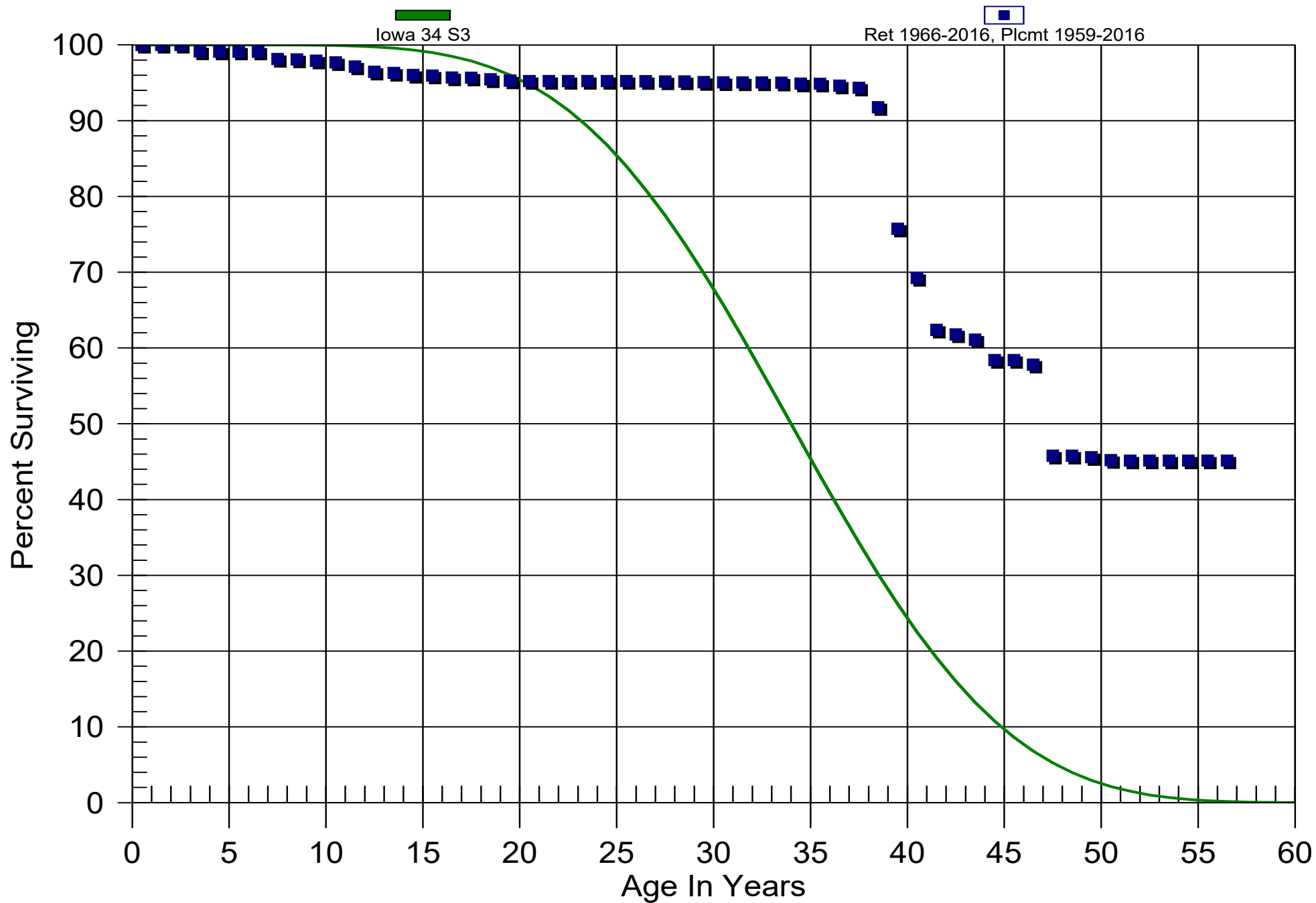
<b><i>Age Interval</i></b>	<b><i>\$ Surviving At Beginning of Age Interval</i></b>	<b><i>\$ Retired During The Age Interval</i></b>	<b><i>Retirement Ratio</i></b>	<b><i>% Surviving At Beginning of Age Interval</i></b>
36.5 - 37.5	\$120,511.82	\$347.18	0.00288	94.61
37.5 - 38.5	\$109,497.08	\$2,982.99	0.02724	94.34
38.5 - 39.5	\$101,480.84	\$17,746.19	0.17487	91.77
39.5 - 40.5	\$67,511.45	\$5,781.64	0.08564	75.72
40.5 - 41.5	\$61,718.14	\$6,110.45	0.09901	69.24
41.5 - 42.5	\$55,607.69	\$543.39	0.00977	62.38
42.5 - 43.5	\$55,064.30	\$602.31	0.01094	61.77
43.5 - 44.5	\$54,461.99	\$2,395.33	0.04398	61.10
44.5 - 45.5	\$52,066.66	\$0.00	0.00000	58.41
45.5 - 46.5	\$52,066.66	\$542.79	0.01042	58.41
46.5 - 47.5	\$51,523.87	\$10,705.18	0.20777	57.80
47.5 - 48.5	\$40,818.69	\$0.00	0.00000	45.79
48.5 - 49.5	\$40,818.69	\$177.52	0.00435	45.79
49.5 - 50.5	\$40,641.17	\$354.50	0.00872	45.59
50.5 - 51.5	\$40,286.67	\$35.05	0.00087	45.19
51.5 - 52.5	\$40,251.62	\$0.00	0.00000	45.15
52.5 - 53.5	\$40,251.62	\$0.00	0.00000	45.15
53.5 - 54.5	\$40,251.62	\$0.00	0.00000	45.15
54.5 - 55.5	\$40,251.62	\$0.00	0.00000	45.15
55.5 - 56.5	\$40,251.62	\$0.00	0.00000	45.15

# FCG

## Gas Division

### 382.00 Meter Installations

### Original And Smooth Survivor Curves



***FCG***  
***Gas Division***  
***385.00 Ind. Meas. & Reg. Sta. Equip***  
***Observed Life Table***  
***Retirement Expr. 1970 TO 2016***  
***Placement Years 1970 TO 2012***

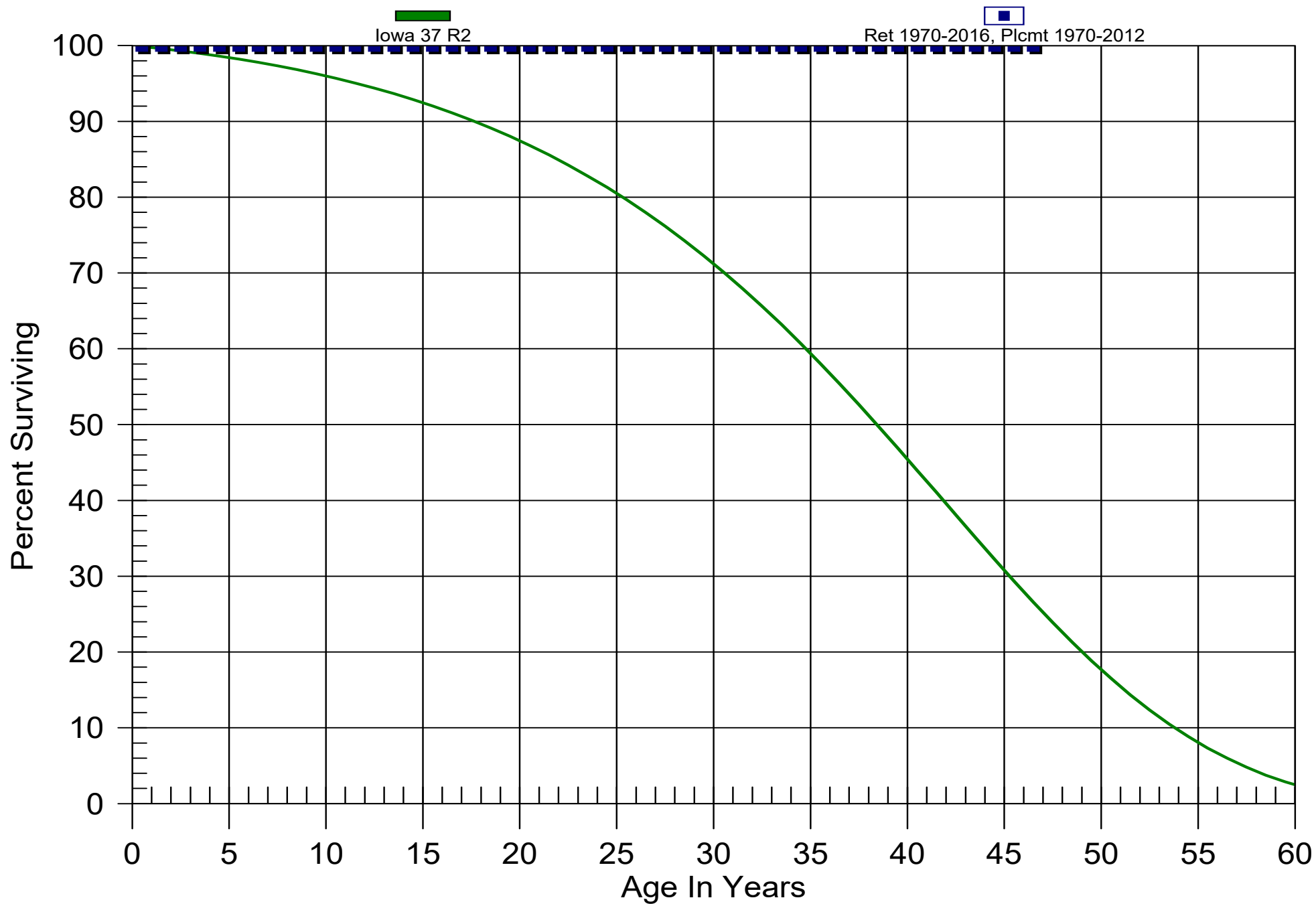
<b><i>Age Interval</i></b>	<b><i>\$ Surviving At Beginning of Age Interval</i></b>	<b><i>\$ Retired During The Age Interval</i></b>	<b><i>Retirement Ratio</i></b>	<b><i>% Surviving At Beginning of Age Interval</i></b>
0.0 - 0.5	\$3,047,920.49	\$0.00	0.00000	100.00
0.5 - 1.5	\$3,047,920.49	\$0.00	0.00000	100.00
1.5 - 2.5	\$3,047,920.49	\$0.00	0.00000	100.00
2.5 - 3.5	\$3,047,920.49	\$0.00	0.00000	100.00
3.5 - 4.5	\$3,047,920.49	\$0.00	0.00000	100.00
4.5 - 5.5	\$3,047,644.32	\$0.00	0.00000	100.00
5.5 - 6.5	\$3,042,013.19	\$0.00	0.00000	100.00
6.5 - 7.5	\$3,033,941.41	\$0.00	0.00000	100.00
7.5 - 8.5	\$2,920,906.28	\$0.00	0.00000	100.00
8.5 - 9.5	\$2,785,230.72	\$0.00	0.00000	100.00
9.5 - 10.5	\$2,785,230.72	\$0.00	0.00000	100.00
10.5 - 11.5	\$2,785,230.72	\$0.00	0.00000	100.00
11.5 - 12.5	\$2,785,230.72	\$0.00	0.00000	100.00
12.5 - 13.5	\$2,768,315.14	\$0.00	0.00000	100.00
13.5 - 14.5	\$2,734,921.26	\$0.00	0.00000	100.00
14.5 - 15.5	\$2,725,295.76	\$0.00	0.00000	100.00
15.5 - 16.5	\$2,707,351.04	\$0.00	0.00000	100.00
16.5 - 17.5	\$2,429,349.74	\$0.00	0.00000	100.00
17.5 - 18.5	\$2,201,871.78	\$0.00	0.00000	100.00
18.5 - 19.5	\$2,174,653.67	\$0.00	0.00000	100.00
19.5 - 20.5	\$1,538,184.79	\$0.00	0.00000	100.00
20.5 - 21.5	\$1,521,589.74	\$0.00	0.00000	100.00
21.5 - 22.5	\$1,419,555.89	\$0.00	0.00000	100.00
22.5 - 23.5	\$1,244,658.05	\$0.00	0.00000	100.00
23.5 - 24.5	\$1,099,381.54	\$0.00	0.00000	100.00
24.5 - 25.5	\$856,294.58	\$0.00	0.00000	100.00
25.5 - 26.5	\$715,144.77	\$0.00	0.00000	100.00
26.5 - 27.5	\$493,674.21	\$0.00	0.00000	100.00
27.5 - 28.5	\$430,364.04	\$0.00	0.00000	100.00
28.5 - 29.5	\$311,531.87	\$0.00	0.00000	100.00
29.5 - 30.5	\$210,012.28	\$0.00	0.00000	100.00
30.5 - 31.5	\$153,595.03	\$0.00	0.00000	100.00
31.5 - 32.5	\$108,838.17	\$0.00	0.00000	100.00
32.5 - 33.5	\$79,111.89	\$0.00	0.00000	100.00
33.5 - 34.5	\$38,388.77	\$0.00	0.00000	100.00
34.5 - 35.5	\$35,637.81	\$0.00	0.00000	100.00
35.5 - 36.5	\$17,893.92	\$0.00	0.00000	100.00

***FCG***  
***Gas Division***  
***385.00 Ind. Meas. & Reg. Sta. Equip***

***Observed Life Table***  
***Retirement Expr. 1970 TO 2016***  
***Placement Years 1970 TO 2012***

<b><i>Age Interval</i></b>	<b><i>\$ Surviving At Beginning of Age Interval</i></b>	<b><i>\$ Retired During The Age Interval</i></b>	<b><i>Retirement Ratio</i></b>	<b><i>% Surviving At Beginning of Age Interval</i></b>
36.5 - 37.5	\$15,431.07	\$0.00	0.00000	100.00
37.5 - 38.5	\$9,035.03	\$0.00	0.00000	100.00
38.5 - 39.5	\$7,298.09	\$0.00	0.00000	100.00
39.5 - 40.5	\$7,298.09	\$0.00	0.00000	100.00
40.5 - 41.5	\$7,298.09	\$0.00	0.00000	100.00
41.5 - 42.5	\$7,298.09	\$0.00	0.00000	100.00
42.5 - 43.5	\$7,298.09	\$0.00	0.00000	100.00
43.5 - 44.5	\$7,298.09	\$0.00	0.00000	100.00
44.5 - 45.5	\$7,298.09	\$0.00	0.00000	100.00
45.5 - 46.5	\$7,298.09	\$0.00	0.00000	100.00

FCG  
Gas Division  
385.00 Ind. Meas. & Reg. Sta. Equip  
Original And Smooth Survivor Curves



**FCG**

**Gas Division**

**376.20 Distribution Mains - Plastic**

**Original Cost Of Utility Plant In Service**

**And Development Of Composite Remaining Life as of December 31, 2016**

**Based Upon Broad Group/Remaining Life Procedure and Technique**

**Average Service Life: 59**

**Survivor Curve: S3**

<b>Year</b>	<b>Original Cost</b>	<b>Avg. Service Life</b>	<b>Avg. Annual Accrual</b>	<b>Avg. Remaining Life</b>	<b>Future Annual Accruals</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
1978	181,510.37	59.00	3,076.44	22.79	70,125.20
1979	128,957.96	59.00	2,185.72	23.53	51,431.30
1980	986.45	59.00	16.72	24.29	406.15
1982	2,740.59	59.00	46.45	25.87	1,201.60
1985	43,714.56	59.00	740.92	28.37	21,016.56
1986	21,435.88	59.00	363.32	29.23	10,619.45
1987	1,772,411.64	59.00	30,040.83	30.11	904,573.85
1988	1,789,974.66	59.00	30,338.51	31.01	940,727.93
1989	2,094,142.23	59.00	35,493.88	31.91	1,132,783.13
1990	2,689,018.50	59.00	45,576.52	32.84	1,496,635.61
1991	2,397,180.25	59.00	40,630.11	33.77	1,372,147.44
1992	2,256,629.46	59.00	38,247.90	34.71	1,327,723.00
1993	2,787,541.01	59.00	47,246.39	35.67	1,685,171.12
1994	4,360,791.08	59.00	73,911.60	36.63	2,707,351.27
1995	3,032,432.29	59.00	51,397.08	37.60	1,932,445.19
1996	3,361,749.96	59.00	56,978.73	38.57	2,197,819.91
1997	1,432,462.89	59.00	24,279.00	39.55	960,315.04
1998	3,469,177.38	59.00	58,799.53	40.54	2,383,629.81
1999	2,181,157.39	59.00	36,968.71	41.53	1,535,174.56
2000	2,500,445.47	59.00	42,380.37	42.52	1,801,931.48
2001	2,448,251.69	59.00	41,495.73	43.51	1,805,563.21
2002	3,948,794.71	59.00	66,928.62	44.51	2,978,824.53
2003	2,662,242.16	59.00	45,122.68	45.50	2,053,294.06
2004	937,440.72	59.00	15,888.80	46.50	738,874.38
2005	634,690.13	59.00	10,757.44	47.50	510,996.13
2006	4,322,968.13	59.00	73,270.54	48.50	3,553,684.74
2007	4,162,838.49	59.00	70,556.48	49.50	3,492,579.84



**FCG**  
**Gas Division**  
**376.20 Distribution Mains - Plastic**  
**Original Cost Of Utility Plant In Service**  
**And Development Of Composite Remaining Life as of December 31, 2016**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Average Service Life: 59                      Survivor Curve: S3*

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	5,855,960.09	59.00	99,253.41	50.50	5,012,323.80
2009	3,852,063.70	59.00	65,289.12	51.50	3,362,400.30
2010	3,065,202.59	59.00	51,952.51	52.50	2,727,512.63
2011	3,549,512.26	59.00	60,161.14	53.50	3,218,626.47
2012	2,913,097.01	59.00	49,374.45	54.50	2,690,912.30
2013	1,765,224.93	59.00	29,919.02	55.50	1,660,508.34
2014	9,247,046.16	59.00	156,729.36	56.50	8,855,222.75
2015	9,494,873.39	59.00	160,929.82	57.50	9,253,478.66
2016	12,564,885.70	59.00	212,963.85	58.50	12,458,403.78
<b>Total</b>	107,929,551.88	59.00	1,829,311.72	47.51	86,906,435.52

**Composite Average Remaining Life ... 47.51 Years**

**FCG**  
**Gas Division**  
**379.00 Meas. & Reg. - City Gate**  
**Original Cost Of Utility Plant In Service**  
**And Development Of Composite Remaining Life as of December 31, 2016**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Average Service Life: 39                      Survivor Curve: R0.5*

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1959	21,643.06	39.00	554.93	8.84	4,907.32
1960	83.41	39.00	2.14	9.24	19.77
1961	1,850.76	39.00	47.45	9.64	457.58
1962	3,719.55	39.00	95.37	10.05	958.13
1963	461.00	39.00	11.82	10.45	123.55
1965	6,397.77	39.00	164.04	11.28	1,849.59
1966	6,925.94	39.00	177.58	11.69	2,076.35
1967	1,554.14	39.00	39.85	12.11	482.71
1968	288.47	39.00	7.40	12.54	92.75
1969	40,329.98	39.00	1,034.07	12.97	13,411.75
1970	18,338.55	39.00	470.20	13.41	6,303.15
1971	20,907.23	39.00	536.06	13.85	7,422.09
1972	20,513.30	39.00	525.96	14.29	7,516.62
1973	10,717.75	39.00	274.80	14.74	4,051.16
1974	31,069.98	39.00	796.64	15.20	12,107.75
1975	3,587.28	39.00	91.98	15.66	1,440.45
1976	124,704.08	39.00	3,197.43	16.13	51,569.48
1977	493.86	39.00	12.66	16.60	210.23
1980	1,838.38	39.00	47.14	18.06	851.20
1981	16,937.05	39.00	434.27	18.56	8,058.19
1982	450.45	39.00	11.55	19.06	220.13
1987	1,362.88	39.00	34.94	21.66	757.01
1989	19.82	39.00	0.51	22.74	11.56
1990	156,650.01	39.00	4,016.53	23.29	93,558.03
1991	219,364.82	39.00	5,624.55	23.85	134,128.29
1992	79,979.37	39.00	2,050.68	24.41	50,047.13
1993	429,035.32	39.00	11,000.53	24.97	274,664.69

**FCG**  
**Gas Division**  
**379.00 Meas. & Reg. - City Gate**  
**Original Cost Of Utility Plant In Service**  
**And Development Of Composite Remaining Life as of December 31, 2016**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Average Service Life: 39                      Survivor Curve: R0.5*

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1994	738,108.23	39.00	18,925.20	25.54	483,262.87
1995	197,137.21	39.00	5,054.63	26.11	131,962.09
1996	63,153.35	39.00	1,619.26	26.68	43,205.50
1997	1,293,601.39	39.00	33,168.13	27.26	904,213.07
1998	597,244.84	39.00	15,313.45	27.84	426,386.00
1999	339,988.95	39.00	8,717.37	28.43	247,826.43
2000	311,467.03	39.00	7,986.06	29.02	231,733.49
2001	86,538.42	39.00	2,218.86	29.61	65,695.01
2002	253,415.58	39.00	6,497.61	30.20	196,231.23
2003	319,796.76	39.00	8,199.64	30.80	252,508.01
2004	627,160.56	39.00	16,080.49	31.39	504,794.83
2008	33,571.28	39.00	860.77	33.79	29,089.11
2009	238,263.03	39.00	6,109.10	34.40	210,148.63
2010	2,653.24	39.00	68.03	35.01	2,381.43
2011	12,000.86	39.00	307.70	35.61	10,958.85
2014	422,212.64	39.00	10,825.59	37.45	405,460.78
2015	206,772.64	39.00	5,301.68	38.07	201,840.68
2016	11,216.36	39.00	287.59	38.69	11,127.04
<b>Total</b>	6,973,526.58	39.00	178,802.25	28.17	5,036,121.69

**Composite Average Remaining Life ... 28.17 Years**

***FCG***  
***Gas Division***  
***380.20 Services - Plastic***  
***Original Cost Of Utility Plant In Service***  
***And Development Of Composite Remaining Life as of December 31, 2016***  
***Based Upon Broad Group/Remaining Life Procedure and Technique***

*Average Service Life: 54                      Survivor Curve: R2.5*

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1979	54,359.16	54.00	1,006.65	22.50	22,650.95
1981	88.96	54.00	1.65	23.90	39.37
1983	26,683.40	54.00	494.14	25.34	12,519.50
1984	110,783.50	54.00	2,051.54	26.07	53,483.98
1985	153,278.72	54.00	2,838.49	26.81	76,109.85
1986	23,038.20	54.00	426.63	27.57	11,760.58
1987	777,739.97	54.00	14,402.56	28.33	407,969.89
1988	1,117,291.43	54.00	20,690.54	29.10	602,036.83
1989	934,537.38	54.00	17,306.21	29.88	517,054.12
1990	1,068,283.31	54.00	19,782.98	30.66	606,641.21
1991	1,112,075.04	54.00	20,593.94	31.46	647,907.08
1992	1,259,915.12	54.00	23,331.72	32.27	752,807.06
1993	1,651,479.21	54.00	30,582.89	33.08	1,011,561.96
1994	2,066,352.41	54.00	38,265.71	33.90	1,297,080.13
1995	1,775,973.89	54.00	32,888.34	34.72	1,142,041.64
1996	992,662.65	54.00	18,382.61	35.56	653,691.38
1997	861,508.56	54.00	15,953.83	36.40	580,767.65
1998	2,101,383.57	54.00	38,914.43	37.25	1,449,669.01
1999	1,173,234.31	54.00	21,726.52	38.11	827,981.94
2000	2,955,207.16	54.00	54,725.95	38.97	2,132,740.70
2001	1,359,169.19	54.00	25,169.75	39.84	1,002,797.34
2002	1,713,782.97	54.00	31,736.66	40.72	1,292,242.62
2003	2,045,526.01	54.00	37,880.04	41.60	1,575,808.54
2004	624,616.70	54.00	11,566.95	42.49	491,457.75
2005	365,011.71	54.00	6,759.46	43.38	293,237.83
2006	1,412,544.04	54.00	26,158.17	44.28	1,158,309.19
2007	1,944,238.25	54.00	36,004.34	45.18	1,626,839.41

**FCG**  
**Gas Division**  
**380.20 Services - Plastic**  
**Original Cost Of Utility Plant In Service**  
**And Development Of Composite Remaining Life as of December 31, 2016**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Average Service Life: 54                      Survivor Curve: R2.5*

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2008	2,595,696.04	54.00	48,068.35	46.09	2,215,673.69
2009	2,519,281.70	54.00	46,653.27	47.01	2,193,109.94
2010	1,890,384.97	54.00	35,007.06	47.93	1,677,809.85
2011	805,906.66	54.00	14,924.17	48.85	729,063.35
2012	3,573,848.49	54.00	66,182.25	49.78	3,294,473.70
2013	1,177,705.36	54.00	21,809.32	50.71	1,105,960.07
2014	3,949,995.54	54.00	73,147.92	51.65	3,777,752.16
2015	2,534,100.91	54.00	46,927.70	52.58	2,467,679.65
2016	8,121,012.94	54.00	150,388.83	53.53	8,049,936.13
<b>Total</b>	56,848,697.43	54.00	1,052,751.57	43.47	45,758,666.06

**Composite Average Remaining Life ... 43.47 Years**

***FCG***  
***Gas Division***  
***382.00 Meter Installations***  
***Original Cost Of Utility Plant In Service***  
***And Development Of Composite Remaining Life as of December 31, 2016***  
***Based Upon Broad Group/Remaining Life Procedure and Technique***

*Average Service Life: 34                      Survivor Curve: S3*

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1976	11.67	34.00	0.34	4.63	1.59
1977	16,223.20	34.00	477.15	4.91	2,341.21
1978	5,033.25	34.00	148.04	5.20	769.62
1979	10,667.56	34.00	313.75	5.51	1,727.71
1980	241,617.62	34.00	7,106.40	5.83	41,438.59
1981	86,953.54	34.00	2,557.46	6.17	15,789.12
1982	185,614.64	34.00	5,459.26	6.54	35,680.08
1983	54,790.38	34.00	1,611.48	6.92	11,148.68
1984	65,095.76	34.00	1,914.58	7.32	14,020.26
1985	152,984.00	34.00	4,499.53	7.75	34,877.31
1986	20,388.56	34.00	599.66	8.21	4,920.29
1987	35,603.94	34.00	1,047.18	8.69	9,095.40
1988	46,807.02	34.00	1,376.68	9.19	12,657.87
1989	53,479.46	34.00	1,572.93	9.73	15,309.36
1990	87,607.10	34.00	2,576.68	10.30	26,546.41
1991	283,973.30	34.00	8,352.16	10.90	91,073.55
1992	104,812.17	34.00	3,082.71	11.54	35,570.97
1993	104,665.29	34.00	3,078.39	12.21	37,578.54
1994	189,597.45	34.00	5,576.40	12.91	71,988.66
1995	225,587.48	34.00	6,634.93	13.65	90,538.65
1996	137,837.37	34.00	4,054.04	14.42	58,440.51
1997	106,097.46	34.00	3,120.52	15.22	47,485.97
2000	147,427.60	34.00	4,336.11	17.80	77,177.11
2001	97,252.00	34.00	2,860.35	18.71	53,520.54
2002	94,278.05	34.00	2,772.89	19.64	54,471.17
2003	163,093.82	34.00	4,796.88	20.59	98,790.31
2004	33,859.27	34.00	995.86	21.56	21,470.21

**FCG**  
**Gas Division**  
**382.00 Meter Installations**  
**Original Cost Of Utility Plant In Service**  
**And Development Of Composite Remaining Life as of December 31, 2016**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Average Service Life: 34                      Survivor Curve: S3*

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2005	173,312.79	34.00	5,097.44	22.54	114,872.74
2006	17,145.27	34.00	504.27	23.52	11,860.40
2007	65,904.95	34.00	1,938.38	24.51	47,510.31
2008	29,472.33	34.00	866.83	25.50	22,108.50
2009	2,571,707.15	34.00	75,638.49	26.50	2,004,576.47
2010	161,597.13	34.00	4,752.86	27.50	130,707.22
2011	7,961.25	34.00	234.15	28.50	6,673.46
2012	16,588.65	34.00	487.90	29.50	14,393.12
2013	268,386.79	34.00	7,893.73	30.50	240,758.79
2014	352,881.04	34.00	10,378.86	31.50	326,933.93
2015	396,652.18	34.00	11,666.25	32.50	379,152.81
2016	290,745.40	34.00	8,551.34	33.50	286,469.73
<b>Total</b>	7,103,713.89	34.00	208,932.88	21.78	4,550,447.18

**Composite Average Remaining Life ... 21.78 Years**

**FCG**  
**Gas Division**  
**385.00 Ind. Meas. & Reg. Sta. Equip**  
**Original Cost Of Utility Plant In Service**  
**And Development Of Composite Remaining Life as of December 31, 2016**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Average Service Life: 37*

*Survivor Curve: R2*

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1970	7,298.09	37.00	197.24	6.41	1,264.50
1978	1,736.94	37.00	46.94	9.54	448.04
1979	6,396.04	37.00	172.86	10.00	1,729.26
1980	2,462.85	37.00	66.56	10.48	697.47
1981	17,743.89	37.00	479.56	10.97	5,260.88
1982	2,750.96	37.00	74.35	11.48	853.40
1983	40,723.12	37.00	1,100.62	12.00	13,208.32
1984	29,726.28	37.00	803.41	12.54	10,075.66
1985	44,756.86	37.00	1,209.64	13.10	15,842.67
1986	56,417.25	37.00	1,524.78	13.67	20,841.11
1987	101,519.59	37.00	2,743.75	14.25	39,109.06
1988	118,832.17	37.00	3,211.66	14.86	47,711.86
1989	63,310.17	37.00	1,711.07	15.47	26,474.25
1990	221,470.56	37.00	5,985.65	16.10	96,380.49
1991	141,149.81	37.00	3,814.83	16.75	63,888.26
1992	243,086.96	37.00	6,569.87	17.41	114,356.67
1993	145,276.51	37.00	3,926.37	18.08	70,977.05
1994	174,897.84	37.00	4,726.94	18.76	88,690.80
1995	102,033.85	37.00	2,757.65	19.46	53,667.09
1996	16,595.05	37.00	448.51	20.17	9,047.22
1997	636,468.88	37.00	17,201.75	20.89	359,401.72
1998	27,218.11	37.00	735.62	21.63	15,910.05
1999	227,477.96	37.00	6,148.01	22.37	137,556.25
2000	278,001.30	37.00	7,513.50	23.13	173,788.91
2001	17,944.72	37.00	484.99	23.90	11,590.60
2002	9,625.50	37.00	260.15	24.68	6,419.79
2003	33,393.88	37.00	902.53	25.47	22,984.38



**FCG**  
**Gas Division**  
**385.00 Ind. Meas. & Reg. Sta. Equip**  
**Original Cost Of Utility Plant In Service**  
**And Development Of Composite Remaining Life as of December 31, 2016**  
**Based Upon Broad Group/Remaining Life Procedure and Technique**

*Average Service Life: 37*

*Survivor Curve: R2*

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2004	16,915.58	37.00	457.17	26.27	12,007.75
2008	135,675.56	37.00	3,666.88	29.56	108,383.47
2009	113,035.13	37.00	3,054.98	30.40	92,881.41
2010	8,071.78	37.00	218.15	31.26	6,818.83
2011	5,631.13	37.00	152.19	32.12	4,888.36
2012	276.17	37.00	7.46	32.99	246.24
<b>Total</b>	3,047,920.49	37.00	82,375.68	19.83	1,633,401.80

**Composite Average Remaining Life ... 19.83 Years**

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**Resume' of  
 MARSHALL W. WILLIS,  
 CPA**

Professional  
 Achievements

Forty years of utility regulatory experience of electric, natural gas, water and wastewater investor-owned utilities.

Certified Public Accountant licensed in Florida since 1980

Testified as an expert on accounting, finance and regulatory policy issues before the FPSC and the Florida Division of Administrative Hearings.

2006 Elected Chairman of the NARUC Staff Subcommittee on Accounting and Finance.

2005 Recipient of the Gerald L. Gunter Distinguished Service Award.

Coauthored the 1984 and authored the 1996 NARUC Uniform System of Accounts for Water and Wastewater Utilities currently used by the majority of states that regulate investor-owned water and wastewater utilities.

Past member of the faculty and instructor at the annual NARUC Eastern Utility Rate Seminar.

Employment

September 2017 to current The Office of Public Counsel,  
 Tallahassee, Florida

Chief Legislative Analyst

- Provide financial and accounting analysis and reviews, provide testimony when needed in the area of electric, natural gas, water and wastewater regulated utilities involving filings before the Florida Public Service Commission on behalf of the Office of Public Counsel. Areas of specialties include accounting, economics and regulatory policy.

May 2014 to August 2017 Self Employed, Tallahassee, Florida  
 Utility Regulatory Consultant

- Regulatory consulting services in the area of electric, natural gas, water and wastewater regulated utilities. Areas of specialties include accounting, economics and regulatory policy.

July 2012 to April 2014 Florida Public Service Commission,  
 Tallahassee, Florida

Director, Division of Accounting and Finance

- Appointed as the Director of a new Division created by a Commission wide reorganization. Direct supervision of an Assistant Director and three Bureau Chiefs who supervised approximately 34 professionals in the Division. Duties and responsibilities included overseeing the work product and administrative functions of the Division. The Division functions include processing rate cases for electric, gas, water and

wastewater utilities, surveillance for overearnings, clause recovery proceedings, financing requests, and customer complaints. Position also required frequent briefing of Commissioners, Chief Assistants, Executive Director. Duties also requires interaction with State Legislators and Legislative staff on Commission activity and current legislation.

January 2010 to July 2012 Florida Public Service Commission,  
Tallahassee, Florida

Director, Division of Economic Regulation

- Direct supervision of an Assistant Director and three Bureau Chiefs who supervised approximately 58 professionals in the Division. Duties and responsibilities included overseeing the work product and administrative functions of the Division. The Division functions included processing rate cases for electric, gas, water and wastewater utilities, surveillance for overearnings, tariff filings, depreciation studies, clause recovery proceedings, territorial disputes, annual storm hardening review, financing requests, complaints and certification of water and wastewater utilities. Position also required frequent briefing of Commissioners, Chief Assistants, Executive Director. Duties also required interaction with State Legislators and Legislative staff on Commission activity and current legislation.

June 2006 to January 2010 Florida Public Service Commission,  
Tallahassee, Florida

Assistant Director, Division of Economic Regulation

- Direct supervision of three Bureau Chiefs who supervise approximately 53 professionals while assisting the Director in overseeing the functions of the Division. The Division functions included processing rate cases for electric, gas, water and wastewater utilities, surveillance for overearnings, tariff filings, depreciation studies, clause recovery proceedings, territorial disputes, annual storm hardening review, financing requests, complaints and certification of water and wastewater utilities. Position also required frequent briefing of Commissioners as well as their Chief Assistants.

Sept. 1980 to June 2006 Florida Public Service Commission,  
Tallahassee, Florida

Bureau Chief, Division of Economic Regulation

- Responsible for supervising approximately eighteen professionals through three supervisors. Bureau functions included processing rates cases for electric, natural gas and water and wastewater companies, overearnings surveillance activities, tariff filings, complaints and rulemaking activities. Position also required briefing of Commissioners as well as their Chief Assistants.

Sept. 1978 - Sept. 1980 Florida Public Service Commission,  
Tallahassee, Florida

Public Utilities Accounting Analyst

- Processed water and wastewater rate cases, testified as an expert in accounting and finance, performed special studies involving the water

and wastewater industry.

June 1976 - Sept. 1978 Florida Public Service Commission,  
Tallahassee, Florida

Public Utilities Auditor

- Audited water and wastewater utility companies and testified as an expert in accounting and finance.

Professional  
Certifications

Certified Public Accountant licensed in the State of Florida since 1980

Education

Bachelor of Arts in Accounting

University of West Florida, Pensacola, Florida (June 1976)

Associate in Arts in Business

Indian River Community College, Ft. Pierce, Florida (June 1974)

Professional  
memberships

NARUC Staff Subcommittee on Accounting and Finance (Past)  
NARUC Staff Subcommittee on Technology (Past)

Community  
Service

Scoutmaster (Retired), Boy Scout Troop 114  
Chartered by Christ Presbyterian Church

List of Prior Testimony of Marshall W. Willis

Docket No. 020006-WS, Water and Wastewater Industry Annual Reestablishment of Authorized Range of Return on Common Equity.

Docket No. 980483-WU, Investigation into Possible Over Collection of Allowance for Funds Prudently Invested (AFPI) in Lake County, by Lake Utility Services, Inc.

Docket No. 950387-SU, Florida Cities Water Company's Application for a Wastewater Rate Increase (DOAH Case No. 98-1347FC).

Docket No. 920782-WU, St. George Island Utility Company, LTD., Revocation by the Florida Public Service Commission of St. George Island Utility Company, LTD.

Docket No 911082-WS, Proposed revisions to Rules 25-22.0406, 25-30.020, 25-30.025, 25-30.030, 25-30.032 through 25-30.037, 25-30.060, 25-30.110, 25-30.111, 25-30.135, 25-30.255, 25-30.320, 25-30.335, 25-30.360, 25-30.430, 25-30.436, 25-30.437, 25-30.443, 25-30.455, 25-30.515, 25-30.565; adoption of Rules 25-22.0407, 25-22.0408, 25-22.0371, 25-30.038, 25-30.039, 25-30.090, 25-30.117, 25-30.432 through 25-30.435, 25-30.4385, 25-30.4415, 25-30.456, 25-30.460, 25-30.465, 25-30.470, 25-30.475; and repeal of Rule 25-30.441, F.A.C., pertaining to water and wastewater regulation.

Docket No. 900386-WU, Sunshine Utilities of Central Florida, Inc., Application for a Water Rate Increase

Docket No. 830059-WS, Spring Hill Utilities, a Division of Deltona Utilities, Inc., Application for a Water and Wastewater Rate Increase.

DOAH Case No. 82-538RP, Florida Waterworks Association, and its member companies; and Southern Gulf Utilities, Inc., Central Florida Utilities, Inc.; Meadowbrook Utility Systems Inc.; Kingsley Service Company; Ortega Utility vs. Florida Public Service Commission.

Docket No. 820073-WS, Seacoast Utilities, Inc., Application for a Water and Wastewater Rate Increase in Palm Beach County.

Docket No. 800614-WS, Amendment of Rule 25-10.07, Contents and Number of Copies of the Application and Adoption of Rule 25-10.075, Establishment of Rate Base Upon Transfer of a Water and Sewer System.

Docket No. 800363-WS, Southern States Utilities, Inc., Lake County Division, Application for a Water and Wastewater Rate Increase.

Docket No. 800362-WU, Southern States Utilities, Inc., Osceola County Division, Application for a Water Rate Increase.

Docket No. 800361-WS, Southern States Utilities, Inc., Citrus County Division, Application for a Water and Wastewater Rate Increase.

Docket No. 800075-SU, South Seas Plantation Utility Company, Application for a Wastewater Rate Increase.

Docket No. 790760-WS, Southern States Utilities, Inc., University Shores Division, Application for a Water and Wastewater Rate Increase.

Docket No. 790638-WS, Lehigh Utilities, Inc. Application for a Water and Wastewater Rate Increase.

Docket No. 790479-SU, Mariner Properties, Inc. d/b/a Sanibel Sewer System, Application for a Wastewater Rate Increase.

Docket No. 790442-SU, Mangonia Park Utility Company Application for a Wastewater Rate Increase.

Docket No. 790164-WS, Hydratech Utilities, Inc., Application for a Water and Wastewater Rate Increase.

Docket No. 780625-WU, Lands, Inc. of Rhinelander, Application for a Water Rate Increase.

Docket No. 780432-WU, Mangonia Park Utility Company Application for a Water Rate Increase.

Docket No. 770933-WS, Cooper City Utilities, Inc., Application for a Water and Wastewater Rate Increase.

## Schedule A

	Florida City Gas Average Rate Base December 31, 2018	Company as Filed	Company Tax Changes & Corrections (8-175.1 IND-G1-18)	OPC Adjustments	OPC Adjusted
	(a)	(b)	(c)	(d)	(e)
1 Gas Plant In Service		\$ 429,446,193		(5,019,813)	424,426,380
2 Common Allocated Plant		4,959,263	(187,644)		4,771,619
3 Construction Work In Progress		30,962,948		(24,538,461)	6,424,487
4 Accumulated Depreciation		(177,918,948)		1,163,792	(176,755,157)
5 Accum. Depr. - Common Alloc. Plant		(918,038)	33,360		(884,678)
6 Acquisition Adjustment		21,656,835			21,656,835
7 Accum. Amortization of Acq. Adj.		(9,865,892)			(9,865,892)
8 Working Capital Allowance		955,790	4,093,083	(3,159)	5,045,714
9 Total Rate Base		\$ 299,278,151	\$ 3,938,799	\$ (28,397,642)	\$ 274,819,309

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 60  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: Marshall W. Willis MWW-2

Florida City Gas OPC Rate Base Adjustments December 31, 2018 (a)	OPC Adjustments (b)	Adjustment Reference (c)
<hr/>		
1 Gas Plant In Service		
a) Adjustment to remove the Company's capitalized long-term incentive plan	(558,275)	OPC ROG 7
b) Adjustment to remove LNG Plant	(3,884,615)	MFR's Page 183
c) Adjustment to remove LNG land	(576,923)	MFR's Page 183
Total Adjustment	<u>(5,019,813)</u>	
2 CWIP		
a) Adjustment to remove 13 month avg. balance of the LNG Plant	(24,538,461)	OPC ROG 154
Total Adjustment	<u>(24,538,461)</u>	
3 Accumulated Depreciation		
a) Adjust for half year of Dr. Garrett's depreciation adjustment	522,922	MWW Testimony
b) Adjust for half year for a complete year of new depreciation rates	640,870	MWW Testimony
Total Adjustment	<u>1,163,792</u>	
4 Working Capital Allowance		
a) Adjustment to remove 13 month avg. balance of the pension regulatory asset	(3,159)	OPC ROG 64
Total Adjustment	<u>(3,159)</u>	



## Schedule B

Florida City Gas Income Statement December 31, 2018	Company as Filed	Company Tax Changes & Corrections (8-175.1 IND-G1-18)	OPC Adjustments	OPC Adjusted
(a)	(b)	(c)	(d)	(e)
1 Operating Revenues	\$ 53,847,331			\$ 53,847,331
2 Operating Expenses:				
3 Operation & Maintenance Expenses	\$ 22,903,906		\$ (1,402,380)	\$ 21,501,526
4 Depreciation & Amortization Expense	16,603,266	(11,548)	(27,375)	16,564,343
5 Taxes Other Than Income	2,900,349		(2,354,958)	545,391
6 Income Taxes - Current	(479,567)	190,839	1,407,802	1,119,074
7 Income Taxes - Deferred	2,628,895	(1,712,256)	-	916,639
8 Total Operating Expenses	\$ 44,556,849	\$ (1,532,965)	\$ (2,376,911)	\$ 40,646,973
9 Net Operating Income	\$ 9,290,482	\$ 1,532,965	\$ 2,376,911	\$ 13,200,358

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 61  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: Marshall W. Willis MWW-3

Florida City Gas OPC Income Statement Adjustments December 31, 2018 (a)	OPC Adjustments (b)	Adjustment Reference (c)
<b>1 Operation &amp; Maintenance Expences:</b>		
a) To remove the Company's long-term incentive plan	(324,528)	OPC ROG 7
b) To reduce storm accrual	(42,209)	MWW Testimony
c) To remove 15 proposed employees from 2018 test year	(803,543)	MWW Testimony
d) To remove three proposed LNG employees	(232,100)	Dismukes Testimony
Total Adjustment	<u>(1,402,380)</u>	
<b>2 Depreciation &amp; Amortization Expense</b>		
a) Dr. Garrett's depreciation expense reduction	(1,045,843)	Garrett Testimony
b) To adjust depreciation expense to include a full year of the company proposed depreciation rates	(1,281,740)	MWW Testimony
c) To remove amortization of the pension regulatory asset	(27,375)	OPC ROG 64
Total Adjustment	<u>(2,354,958)</u>	
<b>3 Taxes Other Than Income</b>		
a) Payroll tax and benefit loading for incentive pay adj.	(58,577)	OPC ROG 7
b) Payroll tax and benefit loading for 15 employees	(145,040)	MWW Testimony
c) Payroll tax and benefit loading for 3 LNG employees	(41,894)	Dismukes Testimony
Total Adjustment	<u>(245,511)</u>	

4 Income Taxes - Current

a) Tax effect on the Storm Reserve Removed	14,845
b) Tax effect for Pension Regulatory Asset removed	9,628
c) Tax effect for depreciation expense	818,611
d) Tax effect for 18 employees	429,980
e) Tax effect on incentive pay adj.	134,738

Total Adjustment	<u><u>1,407,802</u></u>
------------------	-------------------------

## Schedule C

Florida City Gas  
Capital Structure  
December 31, 2018

Docket No. 20170179-GU  
Capital Structure  
Exhibit MWW-4, Page 1 of 2

	Description (a)	Company Adjusted (b)	Company Tax Changes & Corrections (8- 175.1 IND-G1-18) (d)	OPC Pro Rata and Specific Adjustments (c)	OPC Adjusted (e)	Ratio (f)	Cost Rate (g)	Weighted Cost (h)
1	Common Equity	\$ 115,745,170		\$ (9,691,698)	\$ 106,053,472	38.59%	9.25%	3.57%
2	Long Term Debt	115,217,944		(9,647,552)	105,570,392	38.41%	4.66%	1.79%
3	Short Term Debt	15,814,600		(1,324,205)	14,490,395	5.27%	2.64%	0.14%
4	Customer Deposits	3,888,281			3,888,281	1.41%	2.73%	0.04%
5	Deferred Taxes	48,612,155	517,698	(3,795,386)	44,816,769	16.31%	0.00%	0.00%
6	Investment Tax Credits	-			-	0.00%		0.00%
7	Total	<u>\$ 299,278,150</u>		<u>\$ (24,458,841)</u>	<u>\$ 274,819,309</u>	<u>100.00%</u>		<u>5.54%</u>

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 62  
PARTY: OFFICE OF PUBLIC COUNSEL – (DIRECT)  
DESCRIPTION: Marshall W. Willis MWW-4

Docket No. 20170179-GU  
 Adjustments to Capital Structure  
 Exhibit MWW-4, Page 2 of 2

Florida City Gas	
OPC Capital Structure Adjustments	OPC
December 31, 2018	Adjustments
(a)	(b)
<hr/>	
1 Deferred Taxes	
a) Adjustment to remove the	172,825
proration adjustment from the	
Company's specific adjustment	
b) To add the Compsny's	(3,968,211)
adjustment to reflect The Act	
changes to deferred taxes	
Total Adjustment	<u><u>(3,795,386)</u></u>

Docket No. 20170179-GU  
Net Operating Income Multiplier  
Exhibit MWW-5, Page 1 of 1

## Schedule D

Florida City Gas Net Operating Income Multiplier	
(a)	(b)
1 Revenue Requirement	100.0000%
2 Regulatory Assessment Fee	-0.5000%
3 Bad Debt Rate	<u>-0.4000%</u>
4 Net Before Income Taxes	99.1000%
5 State Income Tax (Line 4 x 5.5%)	-5.4505%
6 Income Taxes ((Line 4 - Line 5) x 21%)	<u>-19.6664%</u>
7 Revenue Expansion Factor	<u><u>73.9831%</u></u>
8 Net Operating Income Multiplier	<u><u>1.3517%</u></u>
9 (100%/Line 7)	

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 63  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: Marshall W. Willis MWW-5

## Schedule E

Florida City Gas  
Revenue Requirement Calculator

	(a)	OPC Calculation (b)	Company Calculation (c)
1	OPC Adjusted Rate Base	\$ 274,819,309	\$ 299,278,151
2	OPC Overall Rate Of Return	5.54%	6.32%
3	OPC Required Net Operating Income	\$ 15,218,223	\$ 18,899,714
4	OPC Adjusted Net Operating Income	\$ 13,200,358	\$ 9,290,482
5	Revenue Deficiency	\$ 2,017,865	\$ 9,609,232
6	Net Operating Income Multiplier	1.3517%	1.6434%
7	OPC Operating Revenue Requirement	\$ 2,727,467	\$ 15,791,812
8	Add SAFE Program Revenue	-	3,509,729
9	Total Revenue Deficiency	\$ 2,727,467	\$ 19,301,541

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 64  
PARTY: OFFICE OF PUBLIC COUNSEL –  
(DIRECT)  
DESCRIPTION: Marshall W. Willis MWW-6

## Florida City Gas

### Rate of Return

<u>Line</u>	<u>Description</u>	<u>Amount</u> <sup>1</sup>	<u>Weight</u>	<u>Cost</u> <sup>1,2</sup>	<u>Weighted Cost</u>
<b><u>Ratemaking Capital Structure</u></b>					
1	Common Equity	\$ 115,745,170	38.7%	9.30%	3.60%
2	Long-Term Debt	\$ 115,217,944	38.5%	4.66%	1.80%
3	Short-Term Debt	\$ 15,814,600	5.3%	2.64%	0.14%
4	Customer Deposits	\$ 3,888,281	1.3%	2.73%	0.04%
5	Deferred Taxes	\$ 48,612,155	16.2%	0.00%	0.00%
6	Total Capitalization	\$ 299,278,150	100.0%		5.57%
<b><u>Investor-Supplied Capital Structure</u></b>					
7	Common Equity	\$ 115,745,170	46.9%	9.30%	4.36%
8	Long-Term Debt	\$ 115,217,944	46.7%	4.66%	2.18%
9	Short-Term Debt	\$ 15,814,600	6.4%	2.64%	0.17%
10	Total Investor Capital	\$ 246,777,714	100.0%		6.71%

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Sources:

<sup>1</sup>MFR Schedule G-3, page 2.

<sup>2</sup>Direct testimony at 2.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 65  
PARTY: FEDERAL EXECUTIVE AGENCIES  
– (DIRECT)  
DESCRIPTION: Christopher C. Walters



## Florida City Gas

### Natural Gas Utilities (Valuation Metrics)

		Price to Earnings (P/E) Ratio <sup>1</sup>												
Line	Company	12-Year												
		Average	2017 <sup>2</sup>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Atmos Energy	16.09	23.80	20.80	17.50	16.09	15.87	15.93	14.36	13.21	12.54	13.59	15.87	13.52
2	Chesapeake Utilities	17.20	28.00	21.77	19.15	17.70	15.62	14.81	14.16	12.21	14.20	14.15	16.72	17.85
3	New Jersey Resources	16.91	23.80	21.25	16.61	11.73	15.98	16.83	16.76	14.98	14.93	12.27	21.61	16.13
4	NiSource Inc.	20.33	24.90	23.18	37.34	22.74	18.89	17.87	19.36	15.33	14.34	12.07	18.82	19.16
5	Northwest Nat. Gas	20.20	28.80	26.92	23.69	20.69	19.38	21.08	19.02	16.97	15.17	18.08	16.74	15.85
6	ONE Gas Inc.	21.26	24.70	22.74	19.79	17.83	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	South Jersey Inds.	17.88	25.90	21.71	17.95	18.03	18.90	16.94	18.48	16.81	14.96	15.90	17.18	11.86
8	Southwest Gas	17.29	22.50	21.64	19.35	17.86	15.76	15.00	15.69	13.97	12.20	20.27	17.26	15.94
9	Spire Inc.	16.22	20.70	19.61	16.49	19.80	21.25	14.46	13.05	13.74	13.39	14.31	14.19	13.60
10	UGI Corp.	15.20	19.20	19.33	17.71	15.81	15.44	16.38	15.03	10.86	10.30	13.30	15.14	13.97
11	WGL Holdings Inc.	16.64	24.60	20.05	16.99	15.15	18.25	15.27	16.97	15.11	12.58	13.66	15.60	15.46
12	Average	17.41	24.26	21.73	20.23	17.58	17.53	16.46	16.29	14.32	13.46	14.76	16.91	15.33
13	Median	17.17	24.60	21.64	17.95	17.83	17.11	16.15	16.22	14.48	13.80	13.91	16.73	15.66

		Market Price to Cash Flow (MP/CF) Ratio <sup>1</sup>												
Line	Company	12-Year												
		Average	2017 <sup>2a</sup>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
14	Atmos Energy	7.97	12.39	11.36	9.30	8.79	7.72	7.02	6.87	6.15	5.76	6.48	7.44	6.36
15	Chesapeake Utilities	9.25	14.97	12.06	10.16	9.25	8.12	7.46	7.35	6.36	9.48	7.88	8.58	9.40
16	New Jersey Resources	11.85	14.76	13.94	11.71	8.95	11.29	12.29	12.71	11.32	11.34	9.15	13.76	11.01
17	NiSource Inc.	7.54	10.10	8.56	10.38	10.56	8.71	7.81	6.81	5.09	4.06	4.87	6.69	6.87
18	Northwest Nat. Gas	9.25	11.58	11.57	9.46	8.84	8.61	9.48	9.08	8.94	8.26	8.75	8.54	7.83
19	ONE Gas Inc.	10.07	11.84	11.10	9.19	8.16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
20	South Jersey Inds.	10.95	14.54	10.88	10.70	10.57	11.57	10.95	11.98	10.78	9.57	10.38	11.23	8.32
21	Southwest Gas	5.88	8.78	7.41	6.56	6.35	5.94	5.55	5.60	4.91	3.84	4.89	5.42	5.28
22	Spire Inc.	9.57	10.85	10.32	8.47	12.03	13.76	8.80	8.08	8.12	8.58	8.95	8.46	8.46
23	UGI Corp.	7.50	10.39	9.02	8.47	7.49	6.55	6.30	7.51	6.02	5.74	7.11	7.92	7.48
24	WGL Holdings Inc.	9.19	13.15	11.36	9.59	8.46	9.83	9.03	9.52	8.34	7.17	7.68	8.39	7.81
25	Average	8.89	12.12	10.69	9.45	9.04	9.21	8.47	8.55	7.60	7.38	7.62	8.64	7.88
26	Median	8.75	11.84	11.10	9.46	8.84	8.66	8.31	7.80	7.24	7.71	7.78	8.42	7.82

		Market Price to Book Value (MP/BV) Ratio <sup>1</sup>												
Line	Company	12-Year												
		Average	2017 <sup>2b</sup>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
27	Atmos Energy	1.48	2.22	2.11	1.72	1.55	1.39	1.28	1.30	1.18	1.05	1.20	1.40	1.34
28	Chesapeake Utilities	1.86	2.53	2.28	2.19	2.12	1.83	1.66	1.61	1.40	1.37	1.64	1.84	1.85
29	New Jersey Resources	2.22	2.75	2.52	2.28	2.13	2.05	2.33	2.31	2.09	2.16	1.92	2.17	2.01
30	NiSource Inc.	1.40	2.05	1.84	1.95	1.94	1.58	1.37	1.15	0.92	0.69	0.94	1.16	1.19
31	Northwest Nat. Gas	1.78	2.09	1.92	1.63	1.59	1.56	1.72	1.70	1.78	1.73	1.96	2.05	1.69
32	ONE Gas Inc.	1.47	1.88	1.67	1.26	1.07	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	South Jersey Inds.	2.12	2.19	1.79	1.77	2.07	2.27	2.21	2.59	2.38	1.95	2.08	2.21	1.93
34	Southwest Gas	1.53	2.13	1.96	1.68	1.68	1.61	1.51	1.43	1.24	0.97	1.20	1.46	1.46
35	Spire Inc.	1.55	1.72	1.64	1.44	1.33	1.34	1.51	1.46	1.39	1.68	1.71	1.66	1.71
36	UGI Corp.	1.99	2.71	2.41	2.29	1.97	1.69	1.45	1.75	1.55	1.66	2.01	2.16	2.21
37	WGL Holdings Inc.	1.82	2.73	2.45	2.15	1.69	1.71	1.66	1.63	1.50	1.45	1.59	1.64	1.59
38	Average	1.76	2.27	2.05	1.85	1.74	1.70	1.67	1.69	1.54	1.47	1.62	1.78	1.70
39	Median	1.72	2.19	1.96	1.77	1.69	1.65	1.58	1.62	1.45	1.56	1.67	1.75	1.70

Sources:

<sup>1</sup> The Value Line Investment Survey Investment Analyzer Software, downloaded on June 21, 2017.

<sup>2</sup> The Value Line Investment Survey, December 1, 2017.

Notes:

<sup>a</sup> Based on the average of the high and low price for 2017 and the projected 2017 Cash Flow per share, published in The Value Line Investment Survey, December 1, 2017.

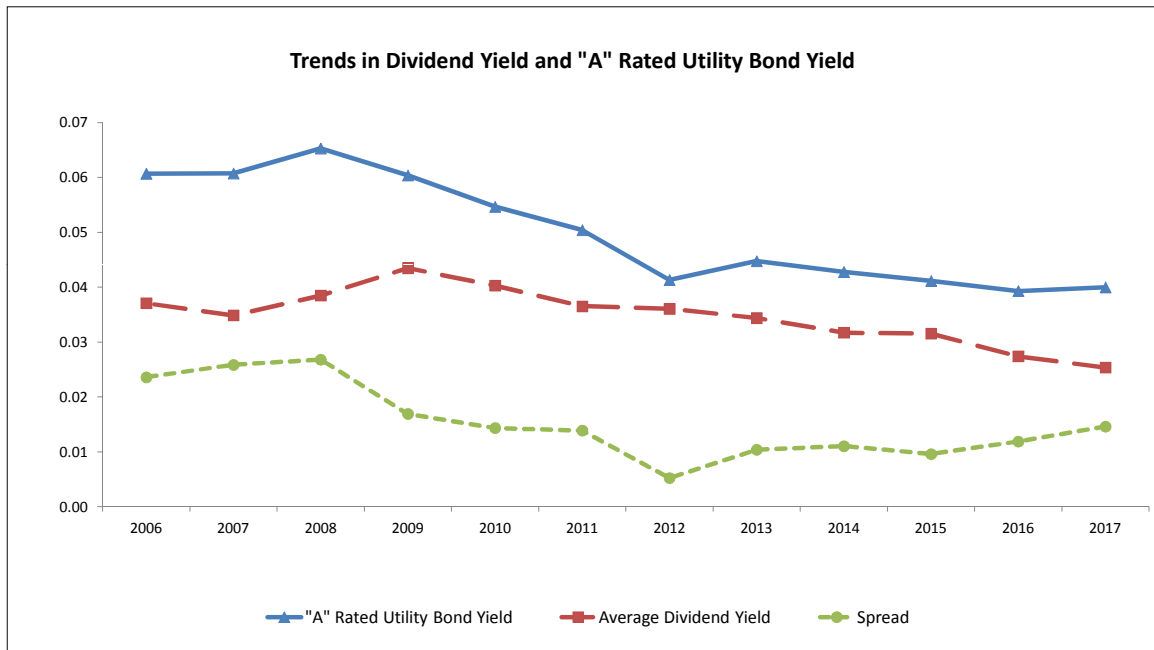
<sup>b</sup> Based on the average of the high and low price for 2017 and the projected 2017 Book Value per share, published in The Value Line Investment Survey, December 1, 2017.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 66  
PARTY: FEDERAL EXECUTIVE AGENCIES  
– (DIRECT)  
DESCRIPTION: Christopher C. Walters

## Florida City Gas

### Natural Gas Utilities (Valuation Metrics)

		Dividend Yield <sup>1</sup>												
Line	Company	12-Year												
		Average	2017 <sup>2/a</sup>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Atmos Energy	3.84%	2.20%	2.39%	2.88%	3.11%	3.53%	4.13%	4.19%	4.70%	5.34%	4.78%	4.16%	4.66%
2	Chesapeake Utilities	3.10%	1.74%	1.91%	2.18%	2.44%	2.87%	3.25%	3.36%	3.91%	4.09%	4.10%	3.62%	3.76%
3	New Jersey Resources	3.27%	2.63%	2.86%	3.14%	3.50%	3.71%	3.38%	3.33%	3.69%	3.46%	3.35%	3.02%	3.19%
4	NiSource Inc.	4.25%	2.83%	2.76%	3.53%	2.69%	3.30%	3.84%	4.53%	5.66%	7.64%	5.69%	4.29%	4.21%
5	Northwest Nat. Gas	3.65%	3.01%	3.28%	4.01%	4.14%	4.22%	3.83%	3.85%	3.63%	3.73%	3.27%	3.12%	3.73%
6	ONE Gas Inc.	2.43%	2.41%	2.32%	2.71%	2.28%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	South Jersey Inds.	3.23%	3.15%	3.64%	3.95%	3.40%	3.14%	3.22%	2.81%	3.00%	3.43%	3.08%	2.81%	3.15%
8	Southwest Gas	2.87%	2.49%	2.62%	2.87%	2.72%	2.69%	2.75%	2.78%	3.15%	4.01%	3.19%	2.56%	2.60%
9	Spire Inc.	3.92%	2.96%	3.08%	3.53%	3.78%	3.96%	4.11%	4.31%	4.70%	3.91%	3.94%	4.43%	4.34%
10	UGI Corp.	2.89%	1.98%	2.35%	2.50%	2.61%	3.01%	3.68%	3.30%	3.48%	3.23%	2.85%	2.69%	2.96%
11	WGL Holdings Inc.	3.91%	2.52%	2.94%	3.41%	4.24%	3.94%	3.89%	4.06%	4.37%	4.62%	4.22%	4.19%	4.48%
12	Average	3.48%	2.54%	2.74%	3.16%	3.17%	3.44%	3.61%	3.65%	4.03%	4.35%	3.85%	3.49%	3.71%
13	Median	3.40%	2.52%	2.76%	3.14%	3.11%	3.42%	3.75%	3.60%	3.80%	3.96%	3.65%	3.37%	3.75%
14	"A" Rated Utility Bond Yield <sup>3</sup>	5.01%	4.00%	3.93%	4.12%	4.28%	4.48%	4.13%	5.04%	5.46%	6.04%	6.53%	6.07%	6.07%
15	Spread	1.53%	1.46%	1.19%	0.96%	1.11%	1.04%	0.52%	1.39%	1.43%	1.69%	2.68%	2.59%	2.36%



**Sources:**

<sup>1</sup> The Value Line Investment Survey Investment Analyzer Software, downloaded on June 21, 2017.

<sup>2</sup> The Value Line Investment Survey, December 1, 2017.

<sup>3</sup> www.moodys.com, Bond Yields and Key Indicators, through December 27, 2017.

**Notes:**

<sup>a</sup> Based on the average of the high and low price for 2017 and the projected 2017 Dividends Declared per share, published in The Value Line Investment Survey, December 1, 2017.

# Florida City Gas

## Natural Gas Utilities (Valuation Metrics)

<u>Line</u>	<u>Company</u>	<u>Cash Flow / Capital Spending</u>		
		<u>2017</u>	<u>2018</u>	<u>3 - 5 yr</u> <u>Projection</u>
		(1)	(2)	(3)
1	Atmos Energy	0.59x	0.59x	0.59x
2	Chesapeake Utilities	0.46x	0.50x	0.64x
3	New Jersey Resources	1.19x	1.23x	1.27x
4	NiSource Inc.	0.54x	0.60x	0.62x
5	Northwest Nat. Gas	0.87x	0.80x	0.96x
6	ONE Gas Inc.	0.89x	0.93x	1.12x
7	South Jersey Inds.	0.71x	0.71x	0.63x
8	Southwest Gas	0.84x	0.89x	0.96x
9	Spire Inc.	0.92x	1.00x	1.15x
10	UGI Corp.	1.45x	1.54x	1.66x
11	WGL Holdings Inc.	0.54x	0.57x	0.56x
12	Average	0.82x	0.85x	0.92x
13	Median	0.84x	0.80x	0.96x

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Sources:

The Value Line Investment Survey Investment Analyzer Software,  
downloaded on November 7, 2017.

Notes:

Based on the projected Cash Flow per share and Capital Spending per share.

## Florida City Gas

### Consensus Analysts' Growth Rates

<u>Line</u>	<u>Company</u>	<u>Zacks</u>		<u>MI</u>		<u>Reuters</u>		<u>Average of Growth Rates</u> (7)
		<u>Estimated Growth %<sup>1</sup></u>	<u>Number of Estimates</u>	<u>Estimated Growth %<sup>2</sup></u>	<u>Number of Estimates</u>	<u>Estimated Growth %<sup>3</sup></u>	<u>Number of Estimates</u>	
		(1)	(2)	(3)	(4)	(5)	(6)	
1	Atmos Energy Corporation	7.00%	N/A	7.00%	1	6.50%	1	6.83%
2	New Jersey Resources Corporation <sup>3</sup>	6.00%	N/A	6.00%	1	N/A	N/A	6.00%
3	NiSource Inc.	5.90%	N/A	6.74%	4	7.70%	3	6.78%
4	Northwest Natural Gas Company	4.50%	N/A	4.67%	3	N/A	N/A	4.59%
5	ONE Gas, Inc.	5.80%	N/A	5.40%	1	6.00%	1	5.73%
6	Southwest Gas Holdings, Inc.	5.90%	N/A	4.00%	1	N/A	N/A	4.95%
7	Spire Inc.	5.00%	N/A	4.75%	2	4.52%	2	4.76%
8	<b>Average</b>	<b>5.73%</b>	<b>N/A</b>	<b>5.51%</b>	<b>2</b>	<b>6.18%</b>	<b>2</b>	<b>5.66%</b>

Sources:

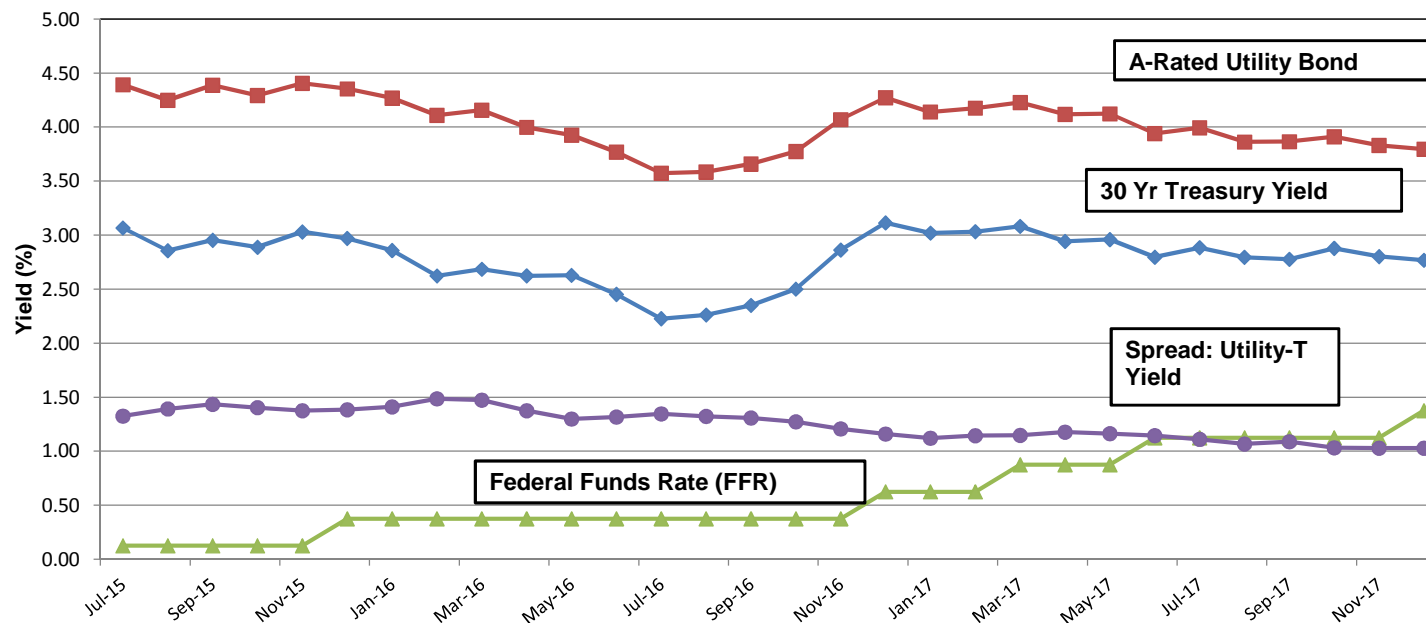
<sup>1</sup> Zacks Elite, <http://www.zackselite.com/>, downloaded on January 9, 2018.

<sup>2</sup> S&P Global Market Intelligence, <https://platform.mi.spglobal.com>, downloaded on January 9, 2018.

<sup>3</sup> Reuters, <http://www.reuters.com/>, downloaded on January 9, 2018.

## Florida City Gas

### Timeline of Federal Funds Rate Increases



#### Fed FFR Actions:

December 2015	0.25	→	0.50
December 2016	0.50	→	0.75
March 2017	0.75	→	1.00
June 2017	1.00	→	1.25
December 2017	1.25	→	1.50

#### Sources:

Federal Reserve Bank of New York, <https://apps.newyorkfed.org/markets/autorates/fed-funds-search-page>  
Board of Governors of the Federal Reserve System, <https://www.federalreserve.gov/datadownload/>  
Moody's Credit Trends, <https://credittrends.moody.com/>

# Florida City Gas

## Proxy Group

<u>Line</u>	<u>Company</u>	<u>Credit Ratings<sup>1</sup></u>		<u>Common Equity Ratios</u>	
		<u>S&amp;P</u>	<u>Moody's</u>	<u>MI<sup>1</sup></u>	<u>Value Line<sup>2</sup></u>
		(1)	(2)	(3)	(4)
1	Atmos Energy Corporation	A	A2	51.4%	61.3%
2	New Jersey Resources Corporation <sup>3</sup>	A	Aa2	48.5%	52.3%
3	NiSource Inc.	BBB+	Baa2	34.0%	40.2%
4	Northwest Natural Gas Company	A+	A3	52.4%	55.6%
5	ONE Gas, Inc.	A	A2	58.5%	61.3%
6	Southwest Gas Holdings, Inc.	BBB+	Baa1	50.7%	51.8%
7	Spire Inc.	A-	Baa2	41.7%	49.1%
8	<b>Average</b>	<b>A-</b>	<b>A3</b>	<b>48.2%</b>	<b>53.1%</b>
9	<b>Florida City Gas</b>			<b>46.9%<sup>4</sup></b>	
10	<b>Southern Company Gas</b>	<b>A-<sup>5</sup></b>			

Sources:

<sup>1</sup> S&P Global Market Intelligence, Downloaded on January 24, 2018.

<sup>2</sup> *The Value Line Investment Survey*, December 1, 2017.

<sup>3</sup> New Jersey Resources Corporation is not rated. Ratings shown are for New Jersey Natural Gas Co., a wholly owned operating subsidiary of New Jersey Resources Corp.

<sup>4</sup> Vander Weide direct at 6.

<sup>5</sup> *S&P RatingsDirect*, "Research Update: Southern Co. And Subsidiaries Outlook Still Negative Pending Vogtle Decision; Ratings Affirmed," August 4, 2017.

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## Florida City Gas

### Consensus Analysts' Growth Rates

<u>Line</u>	<u>Company</u>	<u>Zacks</u>		<u>MI</u>		<u>Reuters</u>		<u>Average of Growth Rates</u> <u>(7)</u>
		<u>Estimated Growth %<sup>1</sup></u>	<u>Number of Estimates</u>	<u>Estimated Growth %<sup>2</sup></u>	<u>Number of Estimates</u>	<u>Estimated Growth %<sup>3</sup></u>	<u>Number of Estimates</u>	
		(1)	(2)	(3)	(4)	(5)	(6)	
1	Atmos Energy Corporation	7.00%	N/A	7.00%	1	6.50%	1	6.83%
2	New Jersey Resources Corporation <sup>3</sup>	6.00%	N/A	6.00%	1	N/A	N/A	6.00%
3	NiSource Inc.	5.90%	N/A	6.74%	4	7.70%	3	6.78%
4	Northwest Natural Gas Company	4.50%	N/A	4.67%	3	N/A	N/A	4.59%
5	ONE Gas, Inc.	5.80%	N/A	5.40%	1	6.00%	1	5.73%
6	Southwest Gas Holdings, Inc.	5.90%	N/A	4.00%	1	N/A	N/A	4.95%
7	Spire Inc.	5.00%	N/A	4.75%	2	4.52%	2	4.76%
8	<b>Average</b>	<b>5.73%</b>	<b>N/A</b>	<b>5.51%</b>	<b>2</b>	<b>6.18%</b>	<b>2</b>	<b>5.66%</b>

Sources:

<sup>1</sup> Zacks Elite, <http://www.zackselite.com/>, downloaded on January 9, 2018.

<sup>2</sup> S&P Global Market Intelligence, <https://platform.mi.spglobal.com>, downloaded on January 9, 2018.

<sup>3</sup> Reuters, <http://www.reuters.com/>, downloaded on January 9, 2018.

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## Florida City Gas

### Constant Growth DCF Model (Consensus Analysts' Growth Rates)

<u>Line</u>	<u>Company</u>	<u>13-Week AVG Stock Price<sup>1</sup></u> (1)	<u>Analysts' Growth<sup>2</sup></u> (2)	<u>Annualized Dividend<sup>3</sup></u> (3)	<u>Adjusted Yield</u> (4)	<u>Constant Growth DCF</u> (5)
1	Atmos Energy Corporation	\$87.98	6.83%	\$1.94	2.36%	9.19%
2	New Jersey Resources Corporation <sup>3</sup>	\$42.74	6.00%	\$1.09	2.71%	8.71%
3	NiSource Inc.	\$26.54	6.78%	\$0.70	2.82%	9.60%
4	Northwest Natural Gas Company	\$65.01	4.59%	\$1.89	3.04%	7.63%
5	ONE Gas, Inc.	\$75.73	5.73%	\$1.68	2.35%	8.08%
6	Southwest Gas Holdings, Inc.	\$81.27	4.95%	\$1.98	2.56%	7.51%
7	Spire Inc.	\$77.47	4.76%	\$2.25	3.04%	7.80%
8	<b>Average</b>	<b>\$65.25</b>	<b>5.66%</b>	<b>\$1.65</b>	<b>2.70%</b>	<b>8.36%</b>
9	<b>Median</b>					<b>8.08%</b>

Sources:

<sup>1</sup> S&P Global Market Intelligence, Downloaded on January 9, 2017.

<sup>2</sup> Exhibit CCW-5.

<sup>3</sup> *The Value Line Investment Survey*, December 1, 2017.

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## Florida City Gas

### Payout Ratios

<u>Line</u>	<u>Company</u>	<u>Dividends Per Share</u>		<u>Earnings Per Share</u>		<u>Payout Ratio</u>	
		<u>2016</u>	<u>Projected</u>	<u>2016</u>	<u>Projected</u>	<u>2016</u>	<u>Projected</u>
		(1)	(2)	(3)	(4)	(5)	(6)
1	Atmos Energy Corporation	\$1.68	\$2.30	\$3.38	\$4.50	49.70%	51.11%
2	New Jersey Resources Corporation <sup>3</sup>	\$0.98	\$1.12	\$1.61	\$2.05	60.87%	54.63%
3	NiSource Inc.	\$0.64	\$1.20	\$1.01	\$1.50	63.37%	80.00%
4	Northwest Natural Gas Company	\$1.87	\$2.00	\$2.12	\$3.15	88.21%	63.49%
5	ONE Gas, Inc.	\$1.40	\$2.45	\$2.65	\$4.00	52.83%	61.25%
6	Southwest Gas Holdings, Inc.	\$1.80	\$2.50	\$3.18	\$4.80	56.60%	52.08%
7	Spire Inc.	\$1.96	\$2.50	\$3.24	\$4.65	60.49%	53.76%
8	<b>Average</b>	<b>\$1.48</b>	<b>\$2.01</b>	<b>\$2.46</b>	<b>\$3.52</b>	<b>61.73%</b>	<b>59.48%</b>

Source:

*The Value Line Investment Survey*, December 1, 2017.

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## Florida City Gas

### Sustainable Growth Rate

Line	Company	3 to 5 Year Projections										Sustainable
		Dividends	Earnings	Book Value	Book Value	ROE	Adjustment	Adjusted	Payout	Retention	Internal	Growth
		Per Share	Per Share	Per Share	Growth		Factor	ROE	Ratio	Rate	Growth Rate	Rate
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Atmos Energy Corporation	\$2.30	\$4.50	\$38.50	2.93%	11.69%	1.01	11.86%	51.11%	48.89%	5.80%	10.58%
2	New Jersey Resources Corporation <sup>3</sup>	\$1.12	\$2.05	\$17.85	5.62%	11.48%	1.03	11.80%	54.63%	45.37%	5.35%	5.66%
3	NiSource Inc.	\$1.20	\$1.50	\$13.60	1.54%	11.03%	1.01	11.11%	80.00%	20.00%	2.22%	4.00%
4	Northwest Natural Gas Company	\$2.00	\$3.15	\$32.25	1.65%	9.77%	1.01	9.85%	63.49%	36.51%	3.60%	4.71%
5	ONE Gas, Inc.	\$2.45	\$4.00	\$41.45	2.79%	9.65%	1.01	9.78%	61.25%	38.75%	3.79%	4.91%
6	Southwest Gas Holdings, Inc.	\$2.50	\$4.80	\$50.00	7.38%	9.60%	1.04	9.94%	52.08%	47.92%	4.76%	7.19%
7	Spire Inc.	\$2.50	\$4.65	\$48.30	4.52%	9.63%	1.02	9.84%	53.76%	46.24%	4.55%	6.39%
8	<b>Average</b>	<b>\$2.01</b>	<b>\$3.52</b>	<b>\$34.56</b>	<b>3.78%</b>	<b>10.41%</b>	<b>1.02</b>	<b>10.60%</b>	<b>59.48%</b>	<b>40.52%</b>	<b>4.30%</b>	<b>6.21%</b>
9	<b>Median</b>										<b>4.55%</b>	<b>5.66%</b>

Sources and Notes:

Cols. (1), (2) and (3): *The Value Line Investment Survey*, December 1, 2017.

Col. (4): [ Col. (3) / Page 2 Col. (2) ] ^ (1/number of years projected) - 1.

Col. (5): Col. (2) / Col. (3).

Col. (6): [ 2 \* (1 + Col. (4)) ] / (2 + Col. (4)).

Col. (7): Col. (6) \* Col. (5).

Col. (8): Col. (1) / Col. (2).

Col. (9): 1 - Col. (8).

Col. (10): Col. (9) \* Col. (7).

Col. (11): Col. (10) + Page 2 Col. (9).

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## Florida City Gas

### Sustainable Growth Rate

		13-Week Average	2016 Book Value	Market to Book	Common Shares Outstanding (in Millions) <sup>2</sup>					
Line	Company	Stock Price <sup>1</sup>	Per Share <sup>2</sup>	Ratio	2016	3-5 Years	Growth	S Factor <sup>3</sup>	V Factor <sup>4</sup>	S * V
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Atmos Energy Corporation	\$87.98	\$33.32	2.64	103.93	120.00	2.92%	7.70%	62.13%	4.79%
2	New Jersey Resources Corporation <sup>3</sup>	\$42.74	\$13.58	3.15	85.88	86.50	0.14%	0.45%	68.23%	0.31%
3	NiSource Inc.	\$26.54	\$12.60	2.11	323.16	350.00	1.61%	3.39%	52.52%	1.78%
4	Northwest Natural Gas Company	\$65.01	\$29.71	2.19	28.63	30.00	0.94%	2.06%	54.30%	1.12%
5	ONE Gas, Inc.	\$75.73	\$36.12	2.10	52.28	55.00	1.02%	2.14%	52.31%	1.12%
6	Southwest Gas Holdings, Inc.	\$81.27	\$35.03	2.32	47.48	52.00	1.84%	4.26%	56.90%	2.42%
7	Spire Inc.	\$77.47	\$38.73	2.00	45.65	50.00	1.84%	3.67%	50.01%	1.84%
8	Average	\$65.25	\$28.44	2.36	98.14	106.21	1.47%	3.38%	56.63%	1.91%

Sources and Notes:

<sup>1</sup> S&P Global Market Intelligence, Downloaded on January 9, 2017.

<sup>2</sup> *The Value Line Investment Survey*, December 1, 2017.

<sup>3</sup> Expected Growth in the Number of Shares, Column (3) \* Column (6).

<sup>4</sup> Expected Profit of Stock Investment, [ 1 - 1 / Column (3) ].

## Florida City Gas

### Constant Growth DCF Model (Sustainable Growth Rate)

<u>Line</u>	<u>Company</u>	<u>13-Week AVG Stock Price<sup>1</sup></u> (1)	<u>Sustainable Growth<sup>2</sup></u> (2)	<u>Annualized Dividend<sup>3</sup></u> (3)	<u>Adjusted Yield</u> (4)	<u>Constant Growth DCF</u> (5)
1	Atmos Energy Corporation	\$87.98	10.58%	\$1.94	2.44%	13.02%
2	New Jersey Resources Corporation <sup>3</sup>	\$42.74	5.66%	\$1.09	2.70%	8.36%
3	NiSource Inc.	\$26.54	4.00%	\$0.70	2.74%	6.75%
4	Northwest Natural Gas Company	\$65.01	4.71%	\$1.89	3.04%	7.76%
5	ONE Gas, Inc.	\$75.73	4.91%	\$1.68	2.33%	7.24%
6	Southwest Gas Holdings, Inc.	\$81.27	7.19%	\$1.98	2.61%	9.80%
7	Spire Inc.	\$77.47	6.39%	\$2.25	3.09%	9.48%
8	<b>Average</b>	<b>\$65.25</b>	<b>6.21%</b>	<b>\$1.65</b>	<b>2.71%</b>	<b>8.91%</b>
9	<b>Median</b>					<b>8.36%</b>

Sources:

<sup>1</sup> S&P Global Market Intelligence, Downloaded on January 9, 2017.

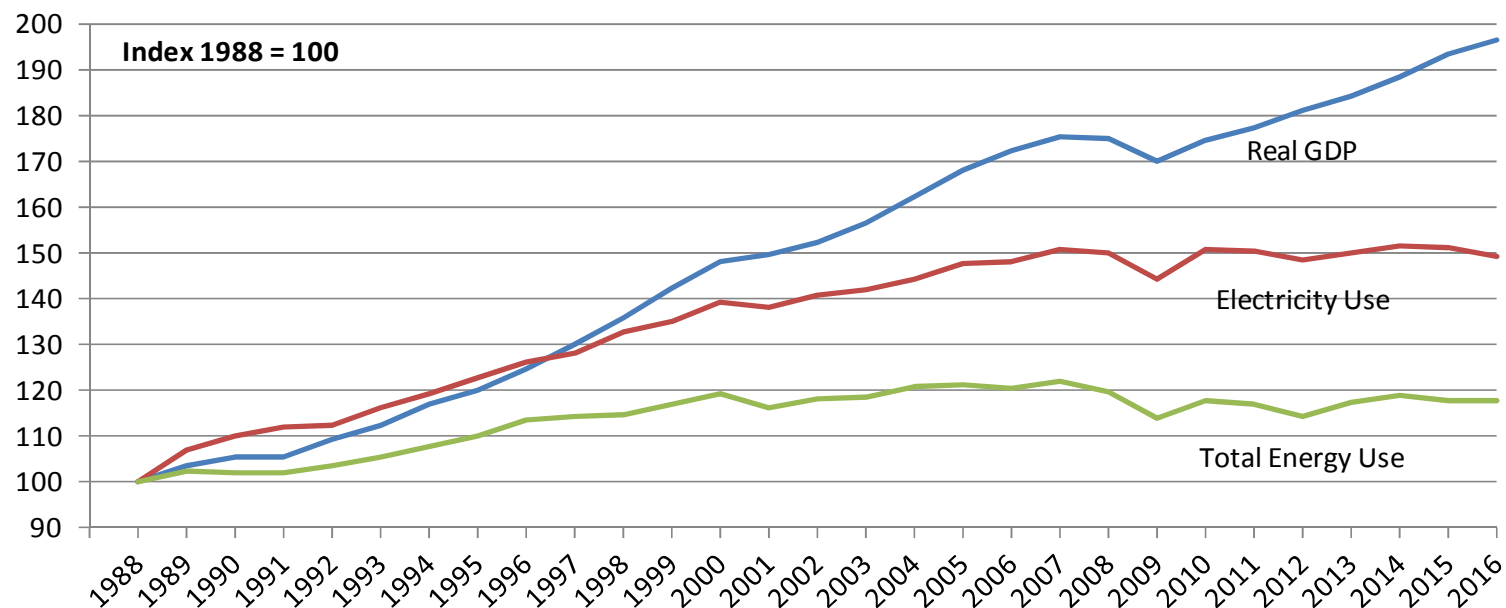
<sup>2</sup> Exhibit CCW-8, page 1.

<sup>3</sup> *The Value Line Investment Survey*, December 1, 2017.

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# Florida City Gas

## Electricity Sales Are Linked to U.S. Economic Growth



**Note:**

1988 represents the base year. Graph depicts increases or decreases from the base year.

**Sources:**

U.S. Energy Information Administration  
Federal Reserve Bank of St. Louis

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## Florida City Gas

### Multi-Stage Growth DCF Model

<u>Line</u>	<u>Company</u>	<u>13-Week AVG</u>	<u>Annualized</u>	<u>First Stage</u>	<u>Second Stage Growth</u>					<u>Third Stage</u>	<u>Multi-Stage</u>
		<u>Stock Price<sup>1</sup></u> (1)	<u>Dividend<sup>2</sup></u> (2)	<u>Growth<sup>3</sup></u> (3)	<u>Year 6</u> (4)	<u>Year 7</u> (5)	<u>Year 8</u> (6)	<u>Year 9</u> (7)	<u>Year 10</u> (8)	<u>Growth<sup>4</sup></u> (9)	<u>Growth DCF</u> (10)
1	Atmos Energy Corporation	\$87.98	\$1.94	6.83%	6.39%	5.96%	5.52%	5.08%	4.64%	4.20%	6.91%
2	New Jersey Resources Corporation <sup>3</sup>	\$42.74	\$1.09	6.00%	5.70%	5.40%	5.10%	4.80%	4.50%	4.20%	7.18%
3	NiSource Inc.	\$26.54	\$0.70	6.78%	6.35%	5.92%	5.49%	5.06%	4.63%	4.20%	7.44%
4	Northwest Natural Gas Company	\$65.01	\$1.89	4.59%	4.52%	4.46%	4.39%	4.33%	4.26%	4.20%	7.30%
5	ONE Gas, Inc.	\$75.73	\$1.68	5.73%	5.48%	5.22%	4.97%	4.71%	4.46%	4.20%	6.74%
6	Southwest Gas Holdings, Inc.	\$81.27	\$1.98	4.95%	4.83%	4.70%	4.58%	4.45%	4.33%	4.20%	6.85%
7	Spire Inc.	\$77.47	\$2.25	4.76%	4.66%	4.57%	4.48%	4.39%	4.29%	4.20%	7.33%
8	<b>Average</b>	<b>\$65.25</b>	<b>\$1.65</b>	<b>5.66%</b>	<b>5.42%</b>	<b>5.18%</b>	<b>4.93%</b>	<b>4.69%</b>	<b>4.44%</b>	<b>4.20%</b>	<b>7.11%</b>
9	<b>Median</b>										<b>7.18%</b>

Sources:

<sup>1</sup> S&P Global Market Intelligence, Downloaded on January 9, 2017.

<sup>2</sup> *The Value Line Investment Survey*, December 1, 2017.

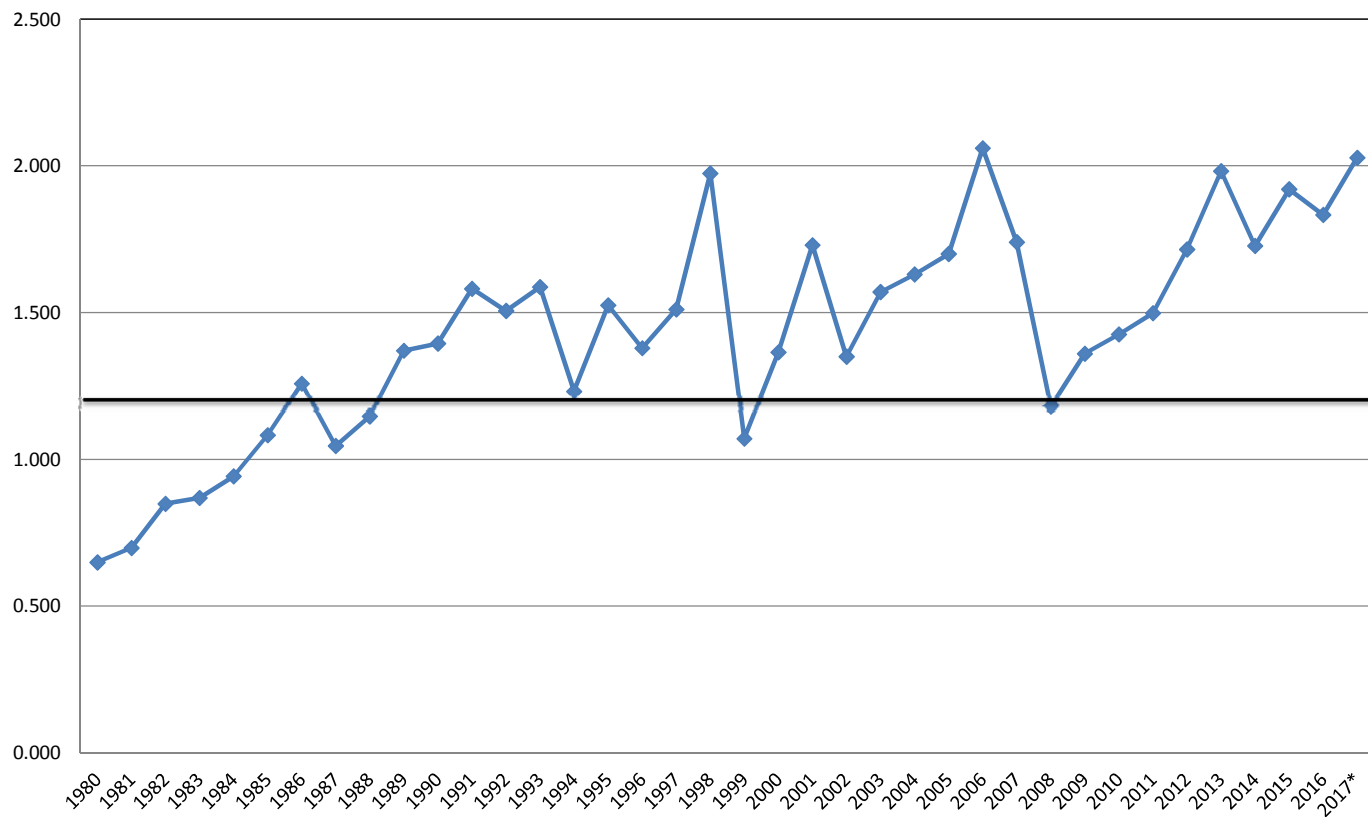
<sup>3</sup> Exhibit CCW-5.

<sup>4</sup> *Blue Chip Financial Forecasts*, December 1, 2017 at 14.

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## Florida City Gas

### Common Stock Market/Book Ratio



Source:

1980 - 2000: Mergent Public Utility Manual.

2001 - 2015: AUS Utility Reports, multiple dates.

2016 - 2017: Value Line Investment Survey, multiple dates.

\* Value Line Investment Survey Reports, October 27, November 17, December 1, and December 15, 2017.

## Florida City Gas

### Equity Risk Premium - Treasury Bond

<u>Line</u>	<u>Year</u>	<u>Authorized Gas Returns<sup>1</sup></u> (1)	<u>30 yr. Treasury Bond Yield<sup>2</sup></u> (2)	<u>Indicated Risk Premium</u> (3)	<u>Rolling 5 - Year Average</u> (4)	<u>Rolling 10 - Year Average</u> (5)
1	1986	13.46%	7.80%	5.66%		
2	1987	12.74%	8.58%	4.16%		
3	1988	12.85%	8.96%	3.89%		
4	1989	12.88%	8.45%	4.43%		
5	1990	12.67%	8.61%	4.06%	4.44%	
6	1991	12.46%	8.14%	4.32%	4.17%	
7	1992	12.01%	7.67%	4.34%	4.21%	
8	1993	11.35%	6.60%	4.75%	4.38%	
9	1994	11.35%	7.37%	3.98%	4.29%	
10	1995	11.43%	6.88%	4.55%	4.39%	4.42%
11	1996	11.19%	6.70%	4.49%	4.42%	4.30%
12	1997	11.29%	6.61%	4.68%	4.49%	4.35%
13	1998	11.51%	5.58%	5.93%	4.73%	4.55%
14	1999	10.66%	5.87%	4.79%	4.89%	4.59%
15	2000	11.39%	5.94%	5.45%	5.07%	4.73%
16	2001	10.95%	5.49%	5.46%	5.26%	4.84%
17	2002	11.03%	5.43%	5.60%	5.45%	4.97%
18	2003	10.99%	4.96%	6.03%	5.47%	5.10%
19	2004	10.59%	5.05%	5.54%	5.62%	5.25%
20	2005	10.46%	4.65%	5.81%	5.69%	5.38%
21	2006	10.40%	4.90%	5.50%	5.70%	5.48%
22	2007	10.22%	4.83%	5.39%	5.66%	5.55%
23	2008	10.39%	4.28%	6.11%	5.67%	5.57%
24	2009	10.22%	4.07%	6.15%	5.79%	5.70%
25	2010	10.15%	4.25%	5.90%	5.81%	5.75%
26	2011	9.92%	3.91%	6.01%	5.91%	5.80%
27	2012	9.94%	2.92%	7.02%	6.24%	5.95%
28	2013	9.68%	3.45%	6.23%	6.26%	5.97%
29	2014	9.78%	3.34%	6.44%	6.32%	6.06%
30	2015	9.60%	2.84%	6.76%	6.49%	6.15%
31	2016	9.54%	2.60%	6.94%	6.68%	6.29%
32	2017 <sup>3</sup>	9.75%	2.92%	6.83%	6.64%	6.44%
33	<b>Average</b>	<b>11.03%</b>	<b>5.61%</b>	<b>5.41%</b>	<b>5.36%</b>	<b>5.36%</b>
34	<b>Minimum</b>				<b>4.17%</b>	<b>4.30%</b>
35	<b>Maximum</b>				<b>6.68%</b>	<b>6.44%</b>

Sources:

<sup>1</sup> *Regulatory Research Associates, Inc.*, Regulatory Focus, Major Rate Case Decisions, Jan. 1997 p. 5, and Jan. 2011 p. 3.  
*S&P Global Market Intelligence*, RRA Regulatory Focus, Major Rate Case Decisions, January-September 2017, October 26, 2017, p. 5.

<sup>2</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>.

The yields from 2002 to 2005 represent the 20-Year Treasury yields obtained from the Federal Reserve Bank.

<sup>3</sup> Data includes January - September 2017.



## Florida City Gas

### Equity Risk Premium - Utility Bond

<u>Line</u>	<u>Year</u>	<u>Authorized Gas Returns<sup>1</sup></u> (1)	<u>Average "A" Rated Utility Bond Yield<sup>2</sup></u> (2)	<u>Indicated Risk Premium</u> (3)	<u>Rolling 5 - Year Average</u> (4)	<u>Rolling 10 - Year Average</u> (5)
1	1986	13.46%	9.58%	3.88%		
2	1987	12.74%	10.10%	2.64%		
3	1988	12.85%	10.49%	2.36%		
4	1989	12.88%	9.77%	3.11%		
5	1990	12.67%	9.86%	2.81%	2.96%	
6	1991	12.46%	9.36%	3.10%	2.80%	
7	1992	12.01%	8.69%	3.32%	2.94%	
8	1993	11.35%	7.59%	3.76%	3.22%	
9	1994	11.35%	8.31%	3.04%	3.21%	
10	1995	11.43%	7.89%	3.54%	3.35%	3.16%
11	1996	11.19%	7.75%	3.44%	3.42%	3.11%
12	1997	11.29%	7.60%	3.69%	3.49%	3.22%
13	1998	11.51%	7.04%	4.47%	3.64%	3.43%
14	1999	10.66%	7.62%	3.04%	3.64%	3.42%
15	2000	11.39%	8.24%	3.15%	3.56%	3.45%
16	2001	10.95%	7.76%	3.19%	3.51%	3.46%
17	2002	11.03%	7.37%	3.66%	3.50%	3.50%
18	2003	10.99%	6.58%	4.41%	3.49%	3.56%
19	2004	10.59%	6.16%	4.43%	3.77%	3.70%
20	2005	10.46%	5.65%	4.81%	4.10%	3.83%
21	2006	10.40%	6.07%	4.33%	4.33%	3.92%
22	2007	10.22%	6.07%	4.15%	4.43%	3.96%
23	2008	10.39%	6.53%	3.86%	4.32%	3.90%
24	2009	10.22%	6.04%	4.18%	4.27%	4.02%
25	2010	10.15%	5.47%	4.68%	4.24%	4.17%
26	2011	9.92%	5.04%	4.88%	4.35%	4.34%
27	2012	9.94%	4.13%	5.81%	4.68%	4.55%
28	2013	9.68%	4.48%	5.20%	4.95%	4.63%
29	2014	9.78%	4.28%	5.50%	5.22%	4.74%
30	2015	9.60%	4.12%	5.48%	5.38%	4.81%
31	2016	9.54%	3.93%	5.61%	5.52%	4.94%
32	2017 <sup>3</sup>	9.75%	4.05%	5.70%	5.50%	5.09%
33	<b>Average</b>	<b>11.03%</b>	<b>6.99%</b>	<b>4.04%</b>	<b>3.99%</b>	<b>3.95%</b>
34	<b>Minimum</b>				<b>2.80%</b>	<b>3.11%</b>
35	<b>Maximum</b>				<b>5.52%</b>	<b>5.09%</b>

Sources:

<sup>1</sup> *Regulatory Research Associates, Inc.*, Regulatory Focus, Major Rate Case Decisions, Jan. 1997 p. 5, and Jan. 2011 p. 3.  
*S&P Global Market Intelligence*, RRA Regulatory Focus, Major Rate Case Decisions, January-September 2017, October 26, 2017, p. 5.

<sup>2</sup> Mergent Public Utility Manual, Mergent Weekly News Reports, 2003.

The utility yields for the period 2001-2009 were obtained from the Mergent Bond Record.

The utility yields from 2010-2017 were obtained from <http://credittrends.moodys.com/>.

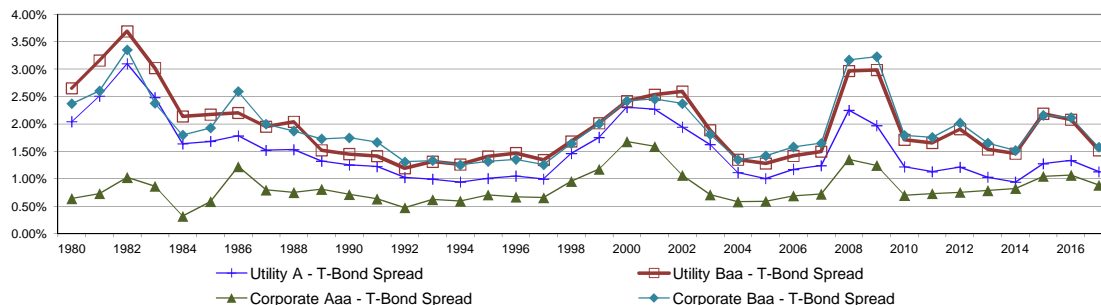
<sup>3</sup> Data includes January - September 2017.

## Florida City Gas

### Bond Yield Spreads

Line	Year	T-Bond Yield <sup>1</sup> (1)	Public Utility Bond				Corporate Bond				Utility to Corporate	
			A <sup>2</sup> (2)	Baa <sup>2</sup> (3)	A-T-Bond Spread (4)	Baa-T-Bond Spread (5)	Aaa <sup>3</sup> (6)	Baa <sup>3</sup> (7)	Aaa-T-Bond Spread (8)	Baa-T-Bond Spread (9)	Baa Spread (10)	A-Aaa Spread (11)
1	1980	11.30%	13.34%	13.95%	2.04%	2.65%	11.94%	13.67%	0.64%	2.37%	0.28%	1.40%
2	1981	13.44%	15.95%	16.60%	2.51%	3.16%	14.17%	16.04%	0.73%	2.60%	0.56%	1.78%
3	1982	12.76%	15.86%	16.45%	3.10%	3.69%	13.79%	16.11%	1.03%	3.35%	0.34%	2.07%
4	1983	11.18%	13.66%	14.20%	2.48%	3.02%	12.04%	13.55%	0.86%	2.38%	0.65%	1.62%
5	1984	12.39%	14.03%	14.53%	1.64%	2.14%	12.71%	14.19%	0.32%	1.80%	0.34%	1.32%
6	1985	10.79%	12.47%	12.96%	1.68%	2.17%	11.37%	12.72%	0.58%	1.93%	0.24%	1.10%
7	1986	7.80%	9.58%	10.00%	1.78%	2.20%	9.02%	10.39%	1.22%	2.59%	-0.39%	0.56%
8	1987	8.58%	10.10%	10.53%	1.52%	1.95%	9.38%	10.58%	0.80%	2.00%	-0.05%	0.72%
9	1988	8.96%	10.49%	11.00%	1.53%	2.04%	9.71%	10.83%	0.75%	1.87%	0.17%	0.78%
10	1989	8.45%	9.77%	9.97%	1.32%	1.52%	9.26%	10.18%	0.81%	1.73%	-0.21%	0.51%
11	1990	8.61%	9.86%	10.06%	1.25%	1.45%	9.32%	10.36%	0.71%	1.75%	-0.30%	0.54%
12	1991	8.14%	9.36%	9.55%	1.22%	1.41%	8.77%	9.80%	0.63%	1.67%	-0.25%	0.59%
13	1992	7.67%	8.69%	8.86%	1.02%	1.19%	8.14%	8.98%	0.47%	1.31%	-0.12%	0.55%
14	1993	6.60%	7.59%	7.91%	0.99%	1.31%	7.22%	7.93%	0.62%	1.33%	-0.02%	0.37%
15	1994	7.37%	8.31%	8.63%	0.94%	1.26%	7.96%	8.62%	0.59%	1.25%	0.01%	0.35%
16	1995	6.88%	7.89%	8.29%	1.01%	1.41%	7.59%	8.20%	0.71%	1.32%	0.09%	0.30%
17	1996	6.70%	7.75%	8.17%	1.05%	1.47%	7.37%	8.05%	0.67%	1.35%	0.12%	0.38%
18	1997	6.61%	7.60%	7.95%	0.99%	1.34%	7.26%	7.86%	0.66%	1.26%	0.09%	0.34%
19	1998	5.58%	7.04%	7.26%	1.46%	1.68%	6.53%	7.22%	0.95%	1.64%	0.04%	0.51%
20	1999	5.87%	7.62%	7.88%	1.75%	2.01%	7.04%	7.87%	1.18%	2.01%	0.01%	0.58%
21	2000	5.94%	8.24%	8.36%	2.30%	2.42%	7.62%	8.36%	1.68%	2.42%	-0.01%	0.62%
22	2001	5.49%	7.76%	8.03%	2.27%	2.54%	7.08%	7.95%	1.59%	2.45%	0.08%	0.68%
23	2002	5.43%	7.37%	8.02%	1.94%	2.59%	6.49%	7.80%	1.06%	2.37%	0.22%	0.88%
24	2003	4.96%	6.58%	6.84%	1.62%	1.89%	5.67%	6.77%	0.71%	1.81%	0.08%	0.91%
25	2004	5.05%	6.16%	6.40%	1.11%	1.35%	5.63%	6.39%	0.58%	1.35%	0.00%	0.53%
26	2005	4.65%	5.65%	5.93%	1.00%	1.28%	5.24%	6.06%	0.59%	1.42%	-0.14%	0.41%
27	2006	4.90%	6.07%	6.32%	1.17%	1.42%	5.59%	6.48%	0.69%	1.58%	-0.16%	0.48%
28	2007	4.83%	6.07%	6.33%	1.24%	1.50%	5.56%	6.48%	0.72%	1.65%	-0.15%	0.52%
29	2008	4.28%	6.53%	7.25%	2.25%	2.97%	5.63%	7.45%	1.35%	3.17%	-0.20%	0.90%
30	2009	4.07%	6.04%	7.06%	1.97%	2.99%	5.31%	7.30%	1.24%	3.23%	-0.24%	0.73%
31	2010	4.25%	5.47%	5.96%	1.22%	1.71%	4.95%	6.04%	0.70%	1.79%	-0.08%	0.52%
32	2011	3.91%	5.04%	5.57%	1.13%	1.66%	4.64%	5.67%	0.73%	1.76%	-0.10%	0.40%
33	2012	2.92%	4.13%	4.83%	1.21%	1.90%	3.67%	4.94%	0.75%	2.02%	-0.11%	0.46%
34	2013	3.45%	4.48%	4.98%	1.03%	1.53%	4.24%	5.10%	0.79%	1.65%	-0.12%	0.24%
35	2014	3.34%	4.28%	4.80%	0.94%	1.46%	4.16%	4.86%	0.82%	1.52%	-0.06%	0.12%
36	2015	2.84%	4.12%	5.03%	1.27%	2.19%	3.89%	5.00%	1.05%	2.16%	0.03%	0.23%
37	2016	2.60%	3.93%	4.67%	1.33%	2.08%	3.66%	4.71%	1.07%	2.12%	-0.04%	0.27%
38	2017 <sup>4</sup>	2.92%	4.05%	4.44%	1.13%	1.52%	3.80%	4.50%	0.88%	1.58%	-0.06%	0.25%
39	Average	6.62%	8.13%	8.57%	1.51%	1.95%	7.46%	8.55%	0.84%	1.93%	0.01%	0.67%

Yield Spreads  
Treasury Vs. Corporate & Treasury Vs. Utility



Sources:

<sup>1</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>.

<sup>2</sup> The utility yields for the period 1980-2000 were obtained from Mergent Public Utility Manual, Mergent Weekly News Reports, 2003.

The utility yields for the period 2001-2009 were obtained from the Mergent Bond Record.

The utility yields for the period 2010-2017 were obtained from <http://credittrends.moodys.com/>.

<sup>3</sup> The corporate yields for the period 1980-2009 were obtained from the St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>.

The corporate yields from 2010-2017 were obtained from <http://credittrends.moodys.com/>.

<sup>4</sup> Data includes January - September 2017.

## Florida City Gas

### Treasury and Utility Bond Yields

<u>Line</u>	<u>Date</u>	<u>Treasury Bond Yield<sup>1</sup></u> (1)	<u>"A" Rated Utility Bond Yield<sup>2</sup></u> (2)	<u>"Baa" Rated Utility Bond Yield<sup>2</sup></u> (3)
1	01/05/18	2.81%	3.82%	4.15%
2	12/28/17	2.75%	3.77%	4.11%
3	12/22/17	2.83%	3.85%	4.19%
4	12/15/17	2.68%	3.72%	4.06%
5	12/08/17	2.77%	3.81%	4.16%
6	12/01/17	2.76%	3.80%	4.15%
7	11/24/17	2.76%	3.81%	4.15%
8	11/17/17	2.78%	3.83%	4.17%
9	11/09/17	2.81%	3.83%	4.15%
10	11/03/17	2.82%	3.83%	4.15%
11	10/27/17	2.93%	3.94%	4.28%
12	10/20/17	2.89%	3.91%	4.26%
13	10/13/17	2.81%	3.85%	4.19%
14	<b>Average</b>	<b>2.80%</b>	<b>3.83%</b>	<b>4.17%</b>
15	<b>Spread To Treasury</b>		<b>1.03%</b>	<b>1.37%</b>

Sources:

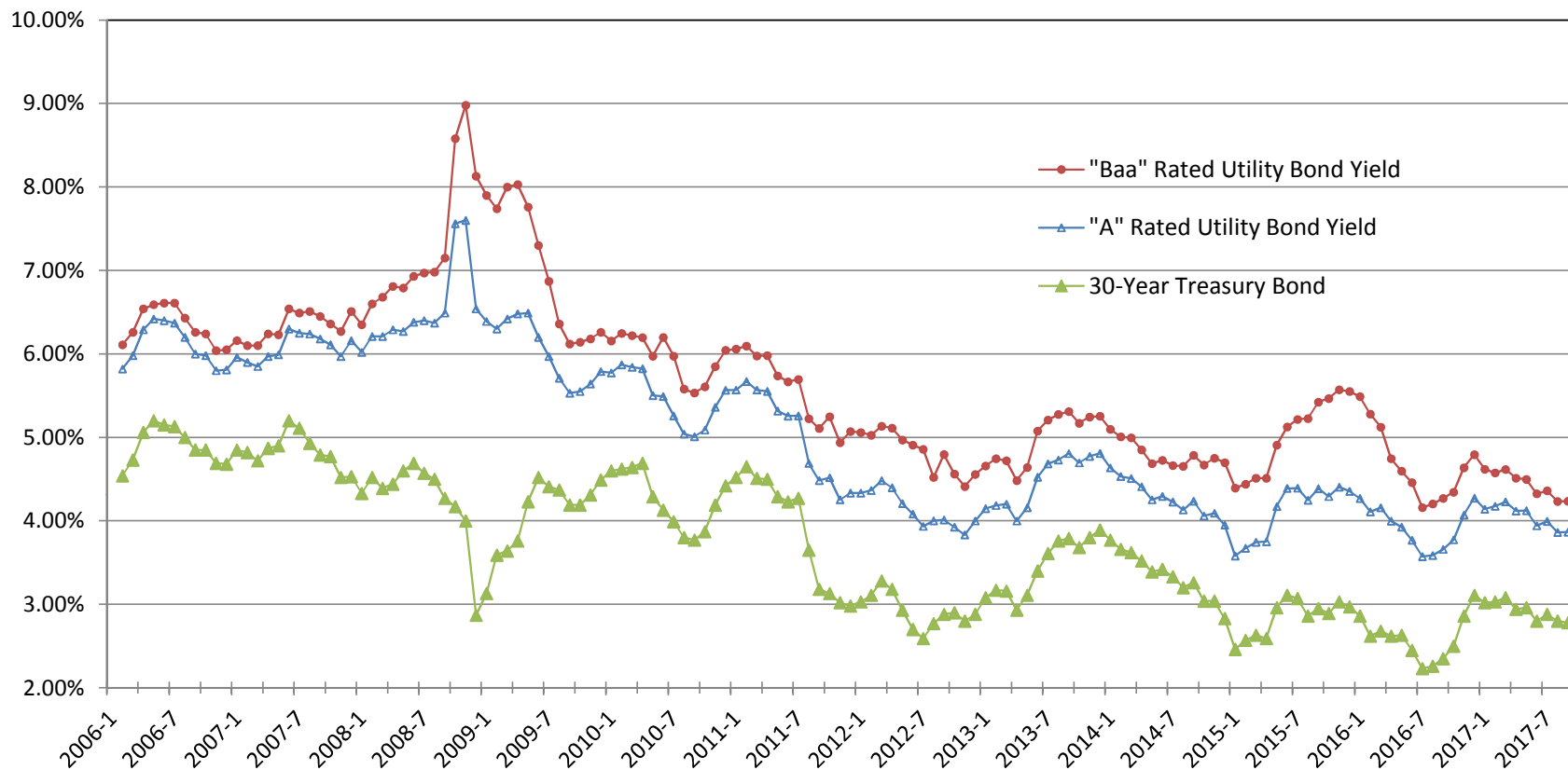
<sup>1</sup> St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org>.

<sup>2</sup> <http://credittrends.moody.com/>.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 80  
PARTY: FEDERAL EXECUTIVE AGENCIES  
– (DIRECT)  
DESCRIPTION: Christopher C. Walters

# Florida City Gas

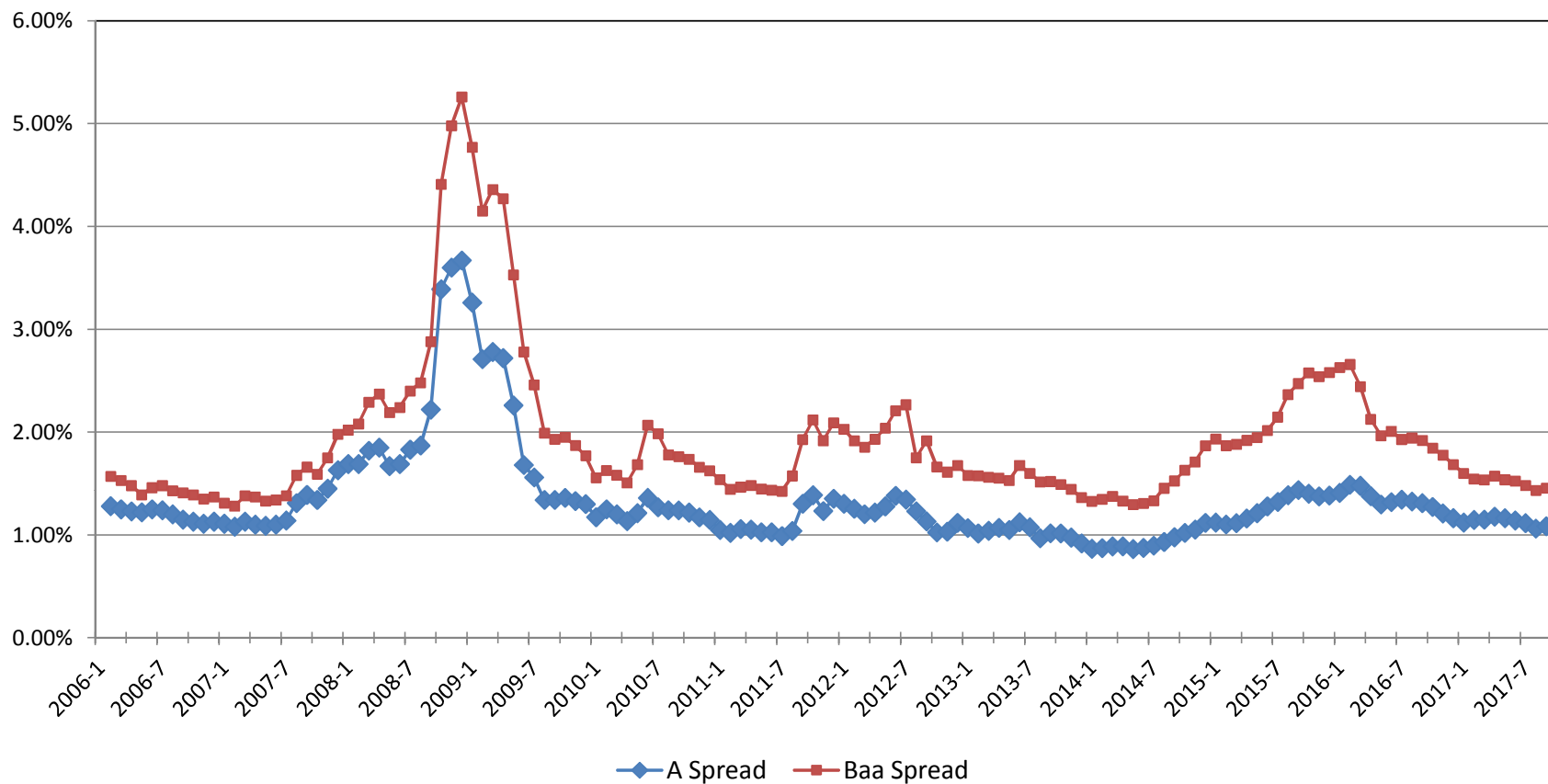
## Trends in Bond Yields



Sources:  
Mergent Bond Record.  
www.moody's.com, Bond Yields and Key Indicators.  
St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>

## Florida City Gas

### Yield Spread Between Utility Bonds and 30-Year Treasury Bonds



Sources:  
Mergent Bond Record.  
www.moodys.com, Bond Yields and Key Indicators.  
St. Louis Federal Reserve: Economic Research, <http://research.stlouisfed.org/>

# Florida City Gas

## Value Line Beta

<u>Line</u>	<u>Company</u>	<u>Beta</u>
1	Atmos Energy Corporation	0.70
2	New Jersey Resources Corporation <sup>3</sup>	0.80
3	NiSource Inc.	0.60
4	Northwest Natural Gas Company	0.70
5	ONE Gas, Inc.	0.70
6	Southwest Gas Holdings, Inc.	0.80
7	Spire Inc.	0.70
8	<b>Average</b>	<b>0.71</b>

---

Source:  
*The Value Line Investment Survey*,  
December 1, 2017.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 81  
PARTY: FEDERAL EXECUTIVE AGENCIES  
– (DIRECT)  
DESCRIPTION: Christopher C. Walters

# Florida City Gas

## CAPM Return

<u>Line</u>	<u>Description</u>	High Market Risk <u>Premium</u> (1)	Low Market Risk <u>Premium</u> (2)
1	Risk-Free Rate <sup>1</sup>	3.60%	3.60%
2	Risk Premium <sup>2</sup>	7.70%	6.00%
3	Beta <sup>3</sup>	0.71	0.71
4	<b>CAPM</b>	<b>9.10%</b>	<b>7.89%</b>

---

Sources:

<sup>1</sup> *Blue Chip Financial Forecasts*, January 1, 2018, at 2.

<sup>2</sup> *Duff & Phelps, 2017 SBBI Yearbook* at 6-17 and 6-18, and  
*Duff & Phelps, 2017 Valuation Handbook* at 3-36 and 3-48.

<sup>3</sup> Exhibit CCW-17.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 82  
PARTY: FEDERAL EXECUTIVE AGENCIES  
– (DIRECT)  
DESCRIPTION: Christopher C. Walters



FLORIDA PUBLIC SERVICE COMMISSION  
 COMPLAINTS BY CLOSE TYPE FOR SINGLE COMPANY  
 RECEIVED BETWEEN 01/01/2013 AND 12/31/2017  
 FOR FLORIDA CITY GAS

Docket No. 20170179-GU  
 Summary of Complaints  
 Exh. RLH-1, page 1 of 3

TYPE: GB-01 IMPROPER RATES APPLIED

Total Cases For PreClose Type: IMPROPER BILLS 1

Total Cases For Type GB-01 1

TYPE: GB-16 IMPROPER BILLING CALCULATION

Total Cases For PreClose Type: IMPROPER BILLS 3

Total Cases For Type GB-16 3

TYPE: GB-26 inaccurate/insufficient information on bill

Total Cases For PreClose Type: IMPROPER BILLS 1

Total Cases For Type GB-26 1

TYPE: GB-49 FAILURE TO RESPONSE TO COMMISSION IN

Total Cases For PreClose Type: IMPROPER BILLS 4

Total Cases For Type GB-49 4

TYPE: GB-51 FAILURE TO RESPOND IN 7 WKDY TO STAFF

Total Cases For PreClose Type: IMPROPER BILLS 1

Total Cases For Type GB-51 1

TYPE: GI-02 COURTESY CALL/WARM TRANSFER

Total Cases For PreClose Type: DELAY IN CONNECTION 10

Total Cases For PreClose Type: DEPOSIT 1

Total Cases For PreClose Type: IMPROPER BILLS 17

Total Cases For PreClose Type: IMPROPER DISCONNECTS 12

Total Cases For PreClose Type: PAYMENT ARRANGEMENT 164

Total Cases For PreClose Type: QUALITY OF SERVICE 44

Total Cases For PreClose Type: REPAIR 4

Total Cases For PreClose Type: SAFETY ISSUE 2

Total Cases For Type GI-02 254

FLORIDA PUBLIC SERVICE COMMISSION  
 DOCKET: 20170179-GU EXHIBIT: 83  
 PARTY: STAFF- (DIRECT)  
 DESCRIPTION: Rhonda L. Hicks RLH-1



TYPE:      GI-11      REPAIR SERVICE			Docket No. 20170179-GU Summary of Complaints Exh. RLH-1, page 2 of 3
Total Cases For PreClose Type: IMPROPER DISCONNECTS		1	
Total Cases For PreClose Type: QUALITY OF SERVICE		1	
Total Cases For Type GI-11		2	
TYPE:      GI-15      OUTAGES (ALL INDUSTRIES)			
Total Cases For PreClose Type: OUTAGES		1	
Total Cases For Type GI-15		1	
TYPE:      GI-17      SAFETY ISSUES			
Total Cases For PreClose Type: SAFETY ISSUE		4	
Total Cases For Type GI-17		4	
TYPE:      GI-25      IMPROPER BILLING (ADDED 7/03)			
Total Cases For PreClose Type: IMPROPER BILLS		20	
Total Cases For PreClose Type: IMPROPER DISCONNECTS		2	
Total Cases For Type GI-25		22	
TYPE:      GI-28      IMPROPER DISCONNECT (ADDED 7/03)			
Total Cases For PreClose Type: DELAY IN CONNECTION		2	
Total Cases For PreClose Type: IMPROPER DISCONNECTS		8	
Total Cases For Type GI-28		10	
TYPE:      GI-29      DELAY IN CONNECTION (ADDED 7/03)			
Total Cases For PreClose Type: DELAY IN CONNECTION		14	
Total Cases For PreClose Type: IMPROPER BILLS		1	
Total Cases For PreClose Type: QUALITY OF SERVICE		1	
Total Cases For Type GI-29		16	
TYPE:      GI-30      QUALITY OF SERVICE (ADDED 7/03)			
Total Cases For PreClose Type: DELAY IN CONNECTION		1	
Total Cases For PreClose Type: QUALITY OF SERVICE		11	
Total Cases For Type GI-30		12	

TYPE:	GI-32	PROCESS REVIEW CASE		Docket No. 20170179-GU
Total Cases For PreClose Type:	QUALITY OF SERVICE		1	Summary of Complaints
Total Cases For Type	GI-32		1	Exh. RLH-1, page 3 of 3
Total Complaints Late Responding:		5		
Total Complaints Infraction:		10		
Grand Total:	332			

\*\*Category  
 \*I = INFRACTION  
 \*C=NON-INFRACTION

State of Florida



**Public Service Commission**

Office of Auditing and Performance Analysis  
Bureau of Auditing  
Tallahassee District Office

**Auditor's Report**

Florida City Gas  
Rate Case Audit

**Twelve Months Ended December 31, 2016**

Docket No. 20170179-GU  
Audit Control No. 2017-310-4-1  
**January 12, 2018**

A handwritten signature in black ink, appearing to read "Gabriela Leon", written over a horizontal line.

Gabriela Leon  
Audit Manager

A handwritten signature in black ink, appearing to read "Iliana Piedra", written over a horizontal line.

Iliana Piedra  
Audit Staff

A handwritten signature in black ink, appearing to read "Yen Ngo", written over a horizontal line.

Yen Ngo  
Audit Staff

A handwritten signature in blue ink, appearing to read "Marisa N. Glover", written over a horizontal line.

Marisa N. Glover  
Reviewer

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 84  
PARTY: STAFF- (DIRECT)  
DESCRIPTION: Gabriela Leon GL-1

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## Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Division of Accounting and Finance in its audit service request dated October 20, 2017. We have applied these procedures to the revised attached schedules prepared by Florida City Gas in support of its filing for rate relief in Docket No. 20170179-GU.

This audit was performed following General Standards and Fieldwork Standards found in the AICPA Statements on Standards for Attestation Engagements. The report is intended only for internal Commission use.

## Objectives and Procedures

### **General**

#### Definitions

FCG/Utility refers to Florida City Gas.

Southern/Parent refers to The Southern Company.

FERC refers to the Federal Energy Regulatory Commission.

USOA refers to the FERC Uniform System of Accounts as adopted by Commission Rule 25-7.014 – Records and Reports in General, Florida Administrative Code(F.A.C.).

#### Background

Florida City Gas filed a petition for a permanent rate increase on October 20, 2017 with a historical test year ending December 31, 2016. On November 6, 2017, the company submitted revised schedules. We applied our procedures to these schedules. The Utility is an operating division of Pivotal Utility Holdings, Inc. Pivotal Utility Holdings, Inc. is a wholly-owned subsidiary of NUI Corporation.

The Utility's last petition for rate relief was granted by Order No. PSC-2004-0128-PAA-GU in Docket No. 20030569-GU using a projected test year of December 31, 2004.

**Objectives:** The objectives in this proceeding were to determine whether the Utility's 2016 historic year end filing in Docket No. 20170179-GU is consistent and in compliance with Section 366.06 – Rates, Procedures for Fixing and Changing, Florida Statutes (F.S.), and Commission Rule 25-7.014(3)–Records and Reports in General.

**Procedures:** We performed the following specific objectives and procedures to satisfy the overall objective identified above.

### **Rate Base**

#### Utility Plant in Service

**Objectives:** The objectives were to determine whether utility plant in service (UPIS) exists and is owned by the utility, additions are authentic and recorded at original cost, proper retirements were made when a replacement asset was put into service, UPIS is properly classified in compliance with the USOA, UPIS balances are properly stated based on Commission adjustments in the prior rate case in Order No. PSC-2004-0128-PAA-GU and to recalculate the 13-month average balance for UPIS as of December 31, 2016.

**Procedures:** We traced the UPIS amounts in the MFR's to the utility's books and records for December 31, 2004 through December 31, 2016. We reconciled the Prior order balances to the General ledger and revised MFR. We sampled UPIS additions, retirements and adjustments for selected plant accounts. We recalculated the 13-month average balance for UPIS.

### Construction Work in Progress

**Objectives:** The objectives were to determine the nature and purpose of utility projects recorded as construction work in progress (CWIP), and whether projects that are eligible to accrue allowance for funds used during construction (AFUDC) are excluded from rate base pursuant to Commission Rule 25-7.0141, F.A.C. – Allowance for Funds Used During Construction, CWIP balances are properly stated based on Commission adjustments in the prior rate case in Order No. PSC-2004-0128-PAA-GU, and to recalculate the 13-month average balance for CWIP as of December 31, 2016.

**Procedures:** We traced the CWIP amounts in the MFR's to the utility's books and records for 2004-2016. We reconciled the Prior order balances to the General ledger and revised MFR. We reviewed utility documents describing each project sampled to determine whether it was eligible to accrue AFUDC: 1. Merritt Island Pressure Improvement Pipeline, 2. City Gas Building Renovation in Brevard County, 3. East–West Transmission Relocation, West Palm Beach, 4. Northwest Miami Replacement Program, and 5. Renovation of Doral Building. We verified that projects accruing AFUDC were not included in rate base in the filing. We recalculated the 13-month average balance for CWIP.

### Accumulated Depreciation

**Objectives:** The objectives were to determine whether accruals, retirements and adjustments to accumulated depreciation (AD) are properly recorded in compliance with the USOA, to determine whether the Utility used the depreciation rates established in prior orders, and to determine whether the balances are properly stated based on Commission adjustments in the prior rate case, and to recalculate the 13-month average balance for AD as of December 31, 2016.

**Procedures:** We traced the accumulated depreciation amounts in the MFR's to the utility's books and records for 2013-2016. We reconciled the Prior order balances to the General ledger and revised MFR. We recalculated the 13-month average balance for UPIS.

### Working Capital

**Objectives:** The objectives were to determine whether the working capital (WC) account balances are properly stated based on Commission adjustments in the prior rate case in Order No. PSC-2004-0128-PAA-GU and Commission Rules, and to recalculate the 13-month average balance for WC as of December 31, 2016.

**Procedures:** We traced the 13-month average balances from the filing to the general ledger. We verified, based on a judgmental sample of selected accounts, that the WC balance is properly stated, utility in nature, non-interest bearing, does not include non-utility items, and is consistent with the order cited above. We verified, based on a judgmental sample of selected accounts, that the accumulated provision accounts year end balances comply with the Commission rules. No exceptions were noted.

## Capital Structure

**Objectives:** The objectives were to determine whether the non-utility assets supported by the Utility's capital structure were removed in the rate base/capital structure reconciliation, the cost rates used in the computation of the cost of capital are appropriate, the rate base adjustments were adjusted in the capital structure, and to reconcile the Utility book amounts to the MFRs and the general ledger.

**Procedures:** We obtained the rate base/capital structure reconciliation and determined that the non-utility adjustments removed in rate base were removed in the capital structure. Audit staff reconciled the cost of capital cost rates for the historical base year to the debt documentation. We obtained a reconciliation of the rate base adjustments in the capital structure and traced it to the MFRs and to the general ledger. No exceptions were noted.

## Net Operating Income

### Operating Revenue

**Objectives:** The objectives were to determine whether 2016 revenues are representative of the Utility's books and records and to determine that the unbilled revenue calculation is calculated correctly.

**Procedures:** We reconciled the filing of 2016 revenues to the general ledger. We verified that unbilled revenues were calculated correctly. We traced the revenue adjustments to source documents and noted that they were consistent with Order No. PSC-2004-0128-PAA-GU. No exceptions were noted.

### Operation and Maintenance Expense

**Objectives:** The objectives were to determine whether 2016 operation and maintenance (O&M) expenses are properly recorded in compliance with the USOA and that the O&M expenses are properly stated based on Commission adjustments in the prior rate case in Order No. PSC-2004-0128-PAA-GU.

**Procedures:** We traced the operating and maintenance expense balances from the filing to the general ledger. We verified, based on a judgmental sample of utility transactions for select O&M expense accounts, that 2016 O&M expense balances are adequately supported by source documentation, utility in nature, and are recorded consistent with the USOA. We traced the O&M expense adjustments to source documents and noted that they were consistent with the order cited above. We verified if the Utility recorded the sales tax collection discounts in an above the line account. We obtained a list of non-regulated services that the Utility is currently providing. Findings 1 and 2 discuss operating and maintenance expenses.



### Depreciation and Amortization

**Objectives:** The objectives were to determine whether 2016 depreciation expense is properly recorded in compliance with the USOA, Commission adjustments in the prior rate case, and to determine that depreciation expense accruals are calculated using the depreciation rates established in prior Commission orders.

**Procedures:** We recalculated one month of the depreciation expense accruals to verify that the Utility is using the correct depreciation rates established in the order cited above. We traced the depreciation expense adjustments to source documents and noted that they were consistent with the order cited above. No exceptions were noted.

### Income Taxes

**Objectives:** The objective was to reconcile the federal and state income taxes to the MFRs and the general ledger.

**Procedures:** Audit staff traced the Utility's net operating income reflected in the MFRs to the general ledger. We reviewed the Utility provided schedule that reconciles the MFR amounts for the taxable income per books, the temporary and permanent differences, and the deferred income tax balances to the tax returns. We traced selected items to the 2016 tax return. No exceptions were noted and no further work was performed.

### **Other:**

### Analytical Review

**Objectives:** The objective was to perform an analytical review of the Utility's rate case filing using prior annual reports filed with the Commission.

**Procedures:** Audit staff developed a five year, analytical review that compared the annual percentage changes from 2012 to 2016, in all O&M accounts. An analytical review for the plant in service, construction of work in progress, and accumulated depreciation from 2002 through 2016 were also generated to assess the annual changes for the purpose of sample selection of plant additions and retirements. No exceptions were noted.

### Affiliate Transactions

**Objectives:** The objectives were to review intercompany charges to and from divisions, affiliated companies, and non-regulated operations, to determine if an appropriate amount of costs were allocated pursuant to Commission Rules, and to determine the original amounts allocated, whether the methodology was reasonable, and to check for accuracy and consistent application.

**Procedures:** Audit staff reviewed the Utility's policies and procedures relating to the recording of affiliate transactions and the cost/allocation manual for employees. During the review of rate base and net operating income, we examined items that were allocated as per the Utility's policies and procedures. No exceptions were noted.

### Board of Director Meetings

**Objectives:** The objective was to review the minutes of the Board of Directors.

**Procedures:** We reviewed the NUI Corporation and Pivotal Holdings, Inc. Board of Directors meeting minutes from January 1, 2015 to December 31, 2016, for activities or issues that could affect the Utility in the current rate case proceeding. No exceptions were noted.

## Audit Findings

### **Finding 1: Net Operating Income Adjustments – Operating and Maintenance Expense**

**Audit Analysis:** The Utility provided revised source documentation for the non-regulated operation expense adjustment of \$2,406 shown on MFR Filing Schedule C-2. The Utility determined a revision for the adjustment was necessary in order to properly reflect the non-regulated operation expense adjustment. The revised amount of \$3,423 represents an additional reduction to operating and maintenance expense of \$1,017. Source documentation for the revised amount was provided to staff and included in the workpapers. The adjustment represents the portion of Doral and Brevard offices' non-regulated operations such as rent and utilities.

**Effect on the General Ledger:** None

**Effect on the Filing:** Operation and Maintenance Expenses should be reduced by \$1,017 to reflect the revision to the non-regulated operation expense adjustment.

## **Finding 2: Operating and Maintenance Expense**

**Audit Analysis:** Audit staff found the following during the audit of Operating and Maintenance Expenses:

Account 912 – Selling Expenses – The Utility recorded in January 2016, \$2000, \$1,200 and \$1,000 of expenses paid to Blackhawk Engagement Solutions. The Utility explained these charges relate to excess piping for appliance installations. These are non-regulated utility charges.

Account 921 – Office Supplies and Expenses – The Utility recorded in December 2016 \$1,129.45 of expenses paid to Ceterplate, Inc. These charges represent food and beverages during a professional football game. We removed this item as a non-utility item. The Utility recorded in November 2016, \$88,177.79 of travel expenses and \$4,160.04 of meals for Hurricane Matthew related costs. We removed these charges as non-reoccurring and request the technical staff determine if an amortized portion should be included in test year expenses.

Account 923 – Outside Services – The Utility recorded in August 2016 \$99,995.43 and in October 2016 \$55,138.84 of expenses paid to AJ Images, Inc. The Utility provided the following explanation,

“These are compliance related costs related to RP 1162, which is a requirement by the Federal Government for Pipeline Operators to implement public awareness programs. These direct communications to the public are required every other year, and in the years in which the direct communication is not required, the Company performs advertising campaigns in newspapers. Therefore, these costs are recurring, though they may be lower in the year that does not require direct communications with the public.”

Federal pipeline safety regulations (49 CFR 192.616 and 49 CFR 195.440) require pipeline operators to develop and implement public awareness programs that follow the guidance provided by the American Petroleum Institute (API) Recommended Practice (RP) 1162 – Public Awareness Programs for Pipeline Operators.

There is an additional \$35,214.01 booked to the general ledger of charges paid to AJ Images, Inc. during the test year for a total of \$190,348.28 (\$99,995.43+\$55,138.84+\$35,214.01). We are removing these charges of \$190,348.28 as non-reoccurring and request the technical staff determine if an amortized portion should be included in test year expenses.

FPSC Rule 25-7.046 (8) states “Unusual or extraordinary expenses can be amortized over a reasonable period of time as determined by the Commission”.

Account 930 – Miscellaneous General Expenses – The Utility recorded in November 2016, \$14,100 of fuel expenses for Hurricane Matthew related costs. The Utility provided the following list of total Hurricane Matthew related costs that are included in Filing Schedule C-6-Operation and Maintenance expenses. These costs total \$225,265. These costs are inclusive of the hurricane costs found by audit staff in Account 921 totaling \$92,337.83 (\$88,177.79 + \$4,160.04) and 930 totaling \$14,100. We removed these charges of \$225,265 as non-reoccurring and request the technical staff determine if an amortized portion should be included in the test year.

Florida City Gas  
Storm-relates Costs

	Hurricane Matthew
Overtime payroll	\$ 45,944
Payroll charged by affiliated utilities assisting FCG	\$ 37,020
Travel and expense through P-card	
Hotel	\$ 40,639
Meals	\$ 5,044
Other	\$ 8,433
Travel and expense from affiliated utilities assisting FCG	\$ 47,989
LNG expense	\$ 17,450
Fleet expense	\$ 14,845
Materials	\$ 6,625
Other miscellaneous	\$ 1,276
Total storm-related costs	<u>\$ 225,265</u>

Per the testimony of FCG witness, Matthew Kim, in this proceeding, the Utility does not currently have a storm damage reserve account. FCG is proposing to establish a storm damage reserve in this proceeding. FCG has included \$100,000 annually in its O&M expense projection for the 2018 projected test year to begin establishing the reserve.

**Effect on the General Ledger: None**

**Effect on the Filing:** O & M should be decreased by \$4,200 due to non-regulated charges recorded in Account 912 – Selling Expenses and by \$1,129 for non-utility charges recorded in Account 921 – Office Supplies and Expenses. O & M should also be decreased by \$190,348 for non-reoccurring charges recorded in Account 923 – Outside Services and by \$225,265 for non-reoccurring Hurricane Matthew expenses. We request technical staff determine if an amortized portion of the adjustments removed as non-recurring be included in test year expenses.

## Exhibits

### Exhibit 1: Rate Base-Revised November 6, 2017

SCHEDULE B-2		RATE BASE - 13 MONTH AVERAGE		PAGE 1 OF 1
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: PROVIDE A SCHEDULE CALCULATING A 13-MONTH AVERAGE RATE BASE AS ADJUSTED FOR THE HISTORIC BASE YEAR.		TYPE OF DATA SHOWN: HISTORIC BASE YEAR DATA: 12/31/16 WITNESS: M. J. MORLEY
COMPANY: PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS				
DOCKET NO. 20170179-GU				
LINE NO.		AVERAGE PER BOOKS	ADJUSTMENT	ADJUSTED AVERAGE
	<u>UTILITY PLANT</u>			
1	GAS PLANT IN SERVICE	\$ 349,296,103		\$ 349,296,103
2	COMMON PLANT ALLOCATED	-	5,699,518	5,699,518
3	ACQUISITION ADJUSTMENT	21,656,835		21,656,835
4	CONSTRUCTION WORK IN PROGRESS	18,865,897		18,865,897
5	TOTAL PLANT	<u>389,818,835</u>	<u>5,699,518</u>	<u>395,518,353</u>
6	<u>DEDUCTIONS</u>			
7	ACCUMULATED DEPRECIATION - UTILITY PLANT	165,526,525	-	165,526,525
8	ACCUMULATED AMORTIZATION - ACQUISITION ADJUSTMENT	8,422,103		8,422,103
9	ACCUMULATED DEPRECIATION - COMMON PLANT ALLOCATED		2,132,483	2,132,483
10	TOTAL DEDUCTIONS	<u>173,948,628</u>	<u>2,132,483</u>	<u>176,081,111</u>
11	UTILITY PLANT, NET	<u>215,870,207</u>	<u>3,567,036</u>	<u>219,437,243</u>
12	<u>ALLOWANCE FOR WORKING CAPITAL</u>			
13	BALANCE SHEET METHOD	<u>(47,135,552)</u>	<u>42,277,545</u>	<u>(4,858,007)</u>
14	TOTAL RATE BASE	<u>168,734,655</u>	<u>45,844,581</u>	<u>214,579,236</u>
15	NET OPERATING INCOME	<u>\$ 10,188,838</u>	<u>\$ (601,706)</u>	<u>\$ 9,587,132</u>
16	RATE OF RETURN	6.04%		4.47%

SUPPORTING SCHEDULES: B-1, B-3, B-13, C-1

RECAP SCHEDULES: D-1, F-1, G-1 pp.1,

SCHEDULE B-3

RATE BASE ADJUSTMENTS

PAGE 1 OF 1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: LIST AND EXPLAIN ALL PROPOSED ADJUSTMENT TO THE 13-MONTH RATE BASE  
FOR THE HISTORIC BASE YEAR. CALCULATE THE REVENUE IMPACT OF EACH ADJUSTMENT,  
ASSUMING THE REQUESTED RATE OF RETURN AND EXPANSION FACTOR REMAIN CONSTANT.

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR DATA: 12/31/16  
WITNESS: M. J. MORLEY

COMPANY PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO 20170179-GU

LINE NO.	ADJUSTMENT TITLE	REASON FOR ADJUSTMENT	ADJUSTMENT AMOUNT	NON-UTILITY AMOUNT	REGULATED AMOUNT	REVENUE REQUIREMENT
	<u>COMMON PLANT ALLOCATED</u>					
1	COMMON PLANT	TO REMOVE COMMON PLANT ALLOCATION	(112,633)	(112,633)	-	
2	AGSC ALLOCATION	TO ADD CORPORATE ALLOCATION	<u>4,447,073</u>	-	<u>4,447,073</u>	
3		TOTAL	<u>4,334,440</u>	<u>(112,633)</u>	<u>4,447,073</u>	
4	<u>CONSTRUCTION WORK IN PROGRESS</u>					
5	AGSC ALLOCATION	TO ADD CORPORATE ALLOCATION	<u>1,365,078</u>	-	<u>1,365,078</u>	
		TOTAL	<u>1,365,078</u>	-	<u>1,365,078</u>	
	<u>ACCUM. DEPR. - COMMON PLANT</u>					
6	ACCUM. DEPREC. - COMMON PLANT	TO REMOVE COMMON PLANT ALLOCATION	(52,597)	(52,597)	-	
7	AGSC ALLOCATION	TO ADD CORPORATE ACCUMULATED DEPRECIATION	<u>2,185,080</u>	-	<u>2,185,080</u>	
8		TOTAL	<u>2,132,483</u>	<u>(52,597)</u>	<u>2,185,080</u>	
	<u>ALLOWANCE FOR WORKING CAPITAL</u>					
9	(SEE SCHEDULE B-13 FOR DETAIL)		<u>42,277,545</u>	<u>(72,351)</u>	<u>42,349,896</u>	
10	TOTAL RATE BASE ADJUSTMENTS		<u>45,844,581</u>	<u>(132,387)</u>	<u>45,976,967</u>	

SUPPORTING SCHEDULES: B-5, B-6, B-11, B-13

RECAP SCHEDULES: B-2, E-6, F-3

## Exhibit 2: Capital Structure-Revised November 6, 2017

SCHEDULE D-1		COST OF CAPITAL - 13-MONTH AVERAGE										PAGE 1 OF 2			
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: PROVIDE THE COMPANY'S 13-MONTH AVERAGE RECONCILED JURISDICTIONAL CAPITAL STRUCTURE AND COST RATES FOR EACH CLASS OF CAPITAL FOR THE HISTORIC BASE YEAR OF THE CURRENT CASE AND THE HISTORIC BASE YEAR OR TEST YEAR OF THE LAST RATE CASE										TYPE OF DATA SHOWN HISTORIC BASE YEAR DATA: 12/31/16 PRIOR RATE CASE YEAR: 9/30/2012 WITNESS: M. J. MORLEY			
PINOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS DOCKET NO.: 20170179-GU															
														PRESENT RATE CASE - HISTORIC BASE YEAR ENDED 12/31/16	
														ADJUSTMENTS	
														TO CONFORM WITH RATIO OF INVESTOR SOURCES	
LINE NO	CLASS OF CAPITAL (1)	APPROVED DOLLARS (2)	RATIO (3)	COST RATE APPROVED (4)	WEIGHTED COST APPROVED (5)	AMOUNT PER BOOKS (6)	W: RATIO OF INVESTOR SOURCES (7)	SPECIFIC (8)	PRORATA (9)	NET (10)	RATIO (11)	COST RATE (12)	WEIGHTED COST (13)	INVESTOR SOURCES (14)	
1	COMMON EQUITY*	\$ 47,444,482	39.49%	11.50%	4.54%	\$ 54,435,761	\$ 5,169,325	\$ -	\$ (5,466,169)	\$ 84,139,517	39.21%	11.25%	4.41%	48.42% (2)	
2	LONG TERM DEBT*	\$ 48,159,530	40.09%	6.44%	2.58%	\$ 54,298,897	\$ (3,184,831)	\$ -	\$ (4,948,159)	\$ 76,165,906	35.50%	4.75% (1)	1.69% (2)	43.83% (2)	
3	SHORT TERM DEBT*	\$ 6,704,464	5.58%	2.84%	0.16%	\$ 16,341,327	\$ (1,985,093)	\$ -	\$ (875,766)	\$ 13,480,467	6.28%	1.89% (1)	0.12% (2)	7.76% (2)	
4	CUSTOMER DEPOSITS	\$ 5,791,765	4.82%	6.73%	0.32%	\$ 3,901,581	\$ -	\$ -	\$ -	\$ 3,901,581	1.82%	2.73%	0.05% (2)		
5	ITC - (0 COST)	\$ 768,531	0.64%	0.00%	0.00%	\$ 6	\$ -	\$ -	\$ -	\$ 6	0.00%	0.00%	0.00%		
6	DEF TAXES - (0 COST)	\$ 11,262,803	9.38%	0.00%	0.00%	\$ 36,434,305	\$ -	\$ 407,454	\$ -	\$ 36,891,759	17.19%	0.00%	0.00%		
7	OTHER (EXPLAIN)	\$ -	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%		
8	TOTAL	\$ 129,131,679	100%		7.50%	\$ 225,461,877	\$ 0	\$ 407,454	\$ 11,290,055	\$ 214,679,236	100.00%		6.27%	100.00%	
														INTEREST SYNCHRONIZATION CALCULATION	
9	RATE BASE										\$ 214,579,236				
10	x WEIGHTED AVG COST OF DEBT (SUM OF "2")										1.66%				
11	SYNCHRONIZED INTEREST										\$ 3,991,174				
12	INTEREST PER BOOKS (FROM C-22)										\$ 3,365,847				
13	INTEREST PER BOOKS OVER SYNCHRONIZED INTEREST CALCULATED										\$ (625,327)				
14	* COMMON EQUITY, LONG TERM DEBT AND SHORT TERM DEBT ARE PRESENTED IN CONFORMANCE WITH CONSOLIDATED INVESTOR SOURCES RATIOS.										STATE TAX @ 5.50% (TO C-2) \$ (34,393) \$ (34,393)				
15											FEDERAL TAX @ 34.00% (TO C-2) \$ (590,934) \$ (200,918)				
16											TOTAL INCOME TAX ADJUSTMENT \$ (235,311)				
17															
(1) Debt Cost rates based on Southern Company Gas excluding Moor Gas															
(2) Southern Company Gas Consolidated for 13 months average Ended December 2016															
SUPPORTING SCHEDULES: B-2, D-2 p.1, D-3, D-4, D-6, D-10															
RECAP SCHEDULES: A-1, A-2, C-2, C-22, F-8															



### Exhibit 3: Net Operating Income-Revised November 6, 2017

SCHEDULE C-1		NET OPERATING INCOME				PAGE 1 OF 1	
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: PROVIDE THE CALCULATION OF NET OPERATING INCOME PER BOOKS FOR THE HISTORIC BASE YEAR AND THE PRIOR YEAR.				TYPE OF DATA SHOWN:	
COMPANY: PIVOTAL UTILITY HOLDINGS, INC.						HISTORIC BASE YEAR DATA: 12/31/16	
D/B/A FLORIDA CITY GAS						HISTORIC BASE YR - 1: 12/31/15	
DOCKET NO.: 20170179 - GU						WITNESS: M. J. MORLEY	
NET OPERATING INCOME - HISTORIC BASE YEAR ENDED 12/31/16							
LINE NO	(1) PRIOR YEAR ENDED 12/31/15 TOTAL COMPANY PER BOOKS	(2) CURRENT HISTORIC BASE YEAR ENDED 12/31/16 TOTAL COMPANY PER BOOKS	(3) ADJUSTMENTS	(4) COMPANY ADJUSTED (2) - (3)	(5) REVENUE ADJUSTMENT	(6) JURISDICTIONAL AMOUNT PROPOSED RATES	
1	OPERATING REVENUES	81,998,778	82,513,170	(31,447,360)	51,065,790	n/a	
2	OPERATING EXPENSES:						
3	COST OF GAS	21,680,506	18,563,889	(18,563,889)	0		
4	OPERATION & MAINTENANCE	24,932,790	25,068,827	(5,407,398)	20,261,429		
5	DEPRECIATION & AMORTIZATION	15,584,243	16,393,866	(1,313,490)	15,080,376		
6	TAXES OTHER THAN INCOME TAXES	7,343,765	7,369,211	(4,608,574)	2,760,637		
7	INCOME TAXES:						
8	- FEDERAL	1,032,041	-		-		
9	- STATE	304,971	401,717	33,937	435,654		
10	DEFERRED INCOME TAXES						
11	- FEDERAL	1,857,005	3,869,018	(986,260)	2,882,758		
12	- STATE	179,777	57,814	-	57,814		
13	INVESTMENT TAX CREDIT - NET	(1,259)	(10)	-	(10)		
14	TOTAL OPERATING EXPENSES	72,913,839	72,324,332	(30,845,673)	41,478,659		
15	NET OPERATING INCOME	9,084,939	10,188,838	(601,706)	9,587,132		
SUPPORTING SCHEDULES: C-2, C-3, C-5, C-17, C-20, C-30							
RECAP SCHEDULES: B-2, F-4, G-2 p1							

SCHEDULE C-2		NET OPERATING INCOME ADJUSTMENTS				PAGE 1 OF 2
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: PROVIDE A SCHEDULE OF PROPOSED ADJUSTMENTS TO NO. 1 FROM SCHEDULE C-1 AND THE REVENUE REQUIREMENT EFFECT ON EACH. INDICATE WHICH ADJUSTMENTS WERE MADE IN THE COMPANY'S LAST FULL REVENUE REQUIREMENTS CASE.				TYPE OF DATA SHOWN HISTORIC BASE YEAR DATA: 12/31/2015 WITNESS: M. J. MORLEY
COMPANY: PIVOTAL UTILITY HOLDINGS, INC. DBA FLORIDA CITY GAS						
DOCKET NO.: 20170179-GU						
ADJUST NO.	ADJUSTMENT TITLE	ADJUSTMENT AMOUNT	NON-UTILITY AMOUNT	REGULATED AMOUNT	INCREASE (DECREASE) REV. REQUIREMENT	REASON FOR ADJUSTMENT
<u>OPERATING REVENUE</u>						
1	COST OF GAS	(18,556,708)	-	(18,556,708)	na	TO REMOVE GAS SALES
2	PROPANE SALES	(228)	-	(228)		TO REMOVE PROPANE SALES
3	AEP (COLLECTION FEE)	(2,344,663)	-	(2,344,663)		TO REMOVE AEP REVENUE
4	ECP REVENUES	(6,330,025)	-	(6,330,025)		TO REMOVE ECP REVENUES
5	FRANCHISE/GROSS RECEIPTS REVENUES	(4,515,755)	-	(4,515,755)		TO REMOVE TAX REVENUES
6	TOTAL REVENUE ADJUSTMENTS	(31,447,380)	-	(31,447,380)		
<u>COST OF GAS</u>						
7	COST OF GAS	(18,563,889)	-	(18,563,889)		TO REMOVE GAS COSTS
8	TOTAL COST OF GAS ADJUSTMENTS	(18,563,889)	-	(18,563,889)		
<u>OPERATIONS &amp; MAINTENANCE EXPENSE</u>						
10	ECP EXPENSES	(5,329,977)	-	(5,329,977)		TO REMOVE ECP EXPENSE
11	ELIMINATE CVC PARTICIPATION COST	(46,014)	-	(46,014)		TO REMOVE EXPENSES PREVIOUSLY DISALLOWED
12	NON-REGULATED OPERATION EXPENSE	(2,406)	-	(2,406)		TO ELIMINATE NON-REGULATED OPERATION EXPENSE
13	ELIMINATE LOBBYING COST	(29,001)	-	(29,001)		TO ELIMINATE PORTION OF LOBBYING CHARGED TO OPERATING INCOME
14	TOTAL O & M ADJUSTMENTS	(5,407,398)	-	(5,407,398)		
<u>DEPRECIATION EXPENSE AND AMORTIZATION</u>						
15	REMOVE AEP	(1,305,754)	-	(1,305,754)		TO REMOVE AEP AMORTIZATION
16	ELIMINATE DEPRECIATION ON LAND AND LAND RIGHTS	(6,736)	-	(6,736)		TO REMOVE DEPRECIATION ON NON-DEPRECIABLE LAND AND LAND RIGHTS
17	TOTAL DEPRECIATION EXPENSE ADJUSTMENTS	(1,313,490)	-	(1,313,490)		
NOTE: ALL ADJUSTMENTS ARE CONSISTENT WITH THOSE MADE IN THE COMPANY'S LAST FULL REVENUE REQUIREMENTS CASE.						
SUPPORTING SCHEDULES: C-3, C-4, C-19						RECAP SCHEDULES: C-1

# Memorandum

**Discussion Draft**

**Attorney-Client Privileged**

Date: January 10, 2018

To: Lila A. Jaber — Gunster

From: David Wathen — Willis Towers Watson  
Eric Henken — Willis Towers Watson

Subject: Competitive Review of Florida City Gas' Pay Programs

Florida City Gas is filing a request with the Florida Public Service Commission (FPSC) for a base rate adjustment. In preparation for this request, Florida City Gas asked Willis Towers Watson to review the competitiveness of its current pay programs relative to utility industry market practices.

As part of our review, Willis Towers Watson assessed the following plans, programs and processes for Florida City Gas:

- Pay philosophy
- Pay benchmark process
- Competitive market positioning of total pay (base salary and at-risk pay)
- At-risk pay programs
  - Performance Pay Program – the company's annual at-risk pay program
  - Performance Share Units and Restricted Stock Units – the company's long-term at-risk pay program

## **Summary Findings**

Based on our review, we find:

- Florida City Gas' total pay philosophy of targeting the 50<sup>th</sup> percentile of similarly sized utilities is consistent with the majority of utility peers examined and our consulting experience suggests it is the most prevalent practice among general industry companies
- Florida City Gas' pay benchmarking process is consistent with utility industry and general industry market best practices
- Florida City Gas' pay levels are competitive with market 50<sup>th</sup> percentile for base salary and target total direct compensation (Target TDC = base salary + at-risk annual and long-term pay) based on published survey compensation data
- Florida City Gas' strategy to provide at-risk pay (both annual and long-term) is consistent with the majority of publicly-traded utility peers examined. While specific design elements of at-risk pay programs may differ among utility peers, Florida City Gas' design differences are limited. Overall, we find the Company's at-risk pay program designs to be comparable to and competitive with designs of utility peers

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 85  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: James Garvie JMG-1

- Overall, our competitive review indicates Florida City Gas' pay plans, programs and processes to be comparable to and competitive with utility peer competitive practices

### **Pay Philosophy**

Florida City Gas's pay philosophy is to target base salary, annual at-risk and long-term at-risk pay at the 50<sup>th</sup> percentile of similarly sized utilities.

Willis Towers Watson reviewed current proxy disclosures for the following two market perspectives to assess how Florida City Gas' pay philosophy compares to market practice:

- Large Utility Peer Group – 15 publicly-traded, comparably-sized electric utilities with revenues in a range of approximately ½ to 2 times the revenues of Southern Company (see Exhibit 1 for the list of Large Utility Peer Companies)
- Small Utility Peer Group – Since comparably-sized subsidiary utilities like Florida City Gas do not generally publicly disclose pay program data, a peer group of 8 smaller (compared to the large peers) publicly-traded utilities were examined to assess if differences exist between large and small utility practices (see Exhibit 2 for the list of Small Utility Peer Companies)

### ***Pay Philosophy Review Findings***

Based on our review, Florida City Gas' pay philosophy aligns well with both market perspectives. Most peers (12 of the 15 Large Utility Peer Group and 7 of the 8 Small Utility Peer Group) target the market 50<sup>th</sup> percentile for some or all pay elements. For those companies that do not target the market 50<sup>th</sup> percentile:

- Large Utility Peer Group: 3 utilities did not define a targeted compensation philosophy
- Small Utility Peer Group: 1 utility did not define a targeted compensation philosophy

In addition, Florida City Gas's target pay positioning of the market 50<sup>th</sup> percentile aligns with the typical market practice found in the general industry.

### **Pay Benchmarking Process**

Willis Towers Watson reviewed the benchmarking process at Florida City Gas. The review was conducted by analyzing a sample of 29 positions from the following groups:

- Management employees
- Professional employees
- Non-exempt employees

Outlined below is the Florida City Gas benchmarking process that was reviewed to determine if it was consistent with market norms and best practices:

- Select appropriate benchmark positions
- Review and define each position's duties and responsibilities
- Determine relevant labor market for position
- Use compensation surveys reflective of relevant labor market
- Use multiple compensation survey sources, when available
- Match company positions to compensation survey benchmarks reflective of each position's duties and responsibilities
- Develop a "market rate" for each company position matched to compensation survey benchmark jobs
- Assess competitiveness of Florida City Gas' positions to the "market rate"

### ***Pay Benchmark Process Findings***

The current Florida City Gas pay benchmarking process is consistent and aligned with utility industry and general industry market best practices.

**Competitive Market Positioning**

Willis Towers Watson assessed the competitiveness of Florida City Gas' current pay levels to the Company's 50<sup>th</sup> percentile pay philosophy. To conduct this analysis, we utilized published utility and general industry compensation surveys available to Willis Towers Watson, including our proprietary 2017 Energy Services and General Industry Compensation Databases, reflecting 142 and 608 survey participants, respectively.

Our competitive benchmarking analysis finds that for the positions examined, on average, base salaries and target total direct compensation (base salary + at-risk annual and long-term pay) at Florida City Gas fall below the market 50<sup>th</sup> percentile, 8.2% and 8.6% respectively.

**Competitive Market Positioning Findings**

Overall, we have determined that Florida City Gas' pay is competitive with the market 50<sup>th</sup> percentile (falls within a +/-10% competitive range of the market) and aligns with the Company's stated pay philosophy.

**At-risk Pay Programs**

Willis Towers Watson reviewed Florida City Gas' annual at-risk and long-term at-risk pay programs which include:

- Performance Pay Program (PPP) – the company's annual at-risk program
- Performance Share Units and Restricted Stock Units – the company's long-term at-risk program

Most investor owned utilities and publicly-traded general industry companies use at-risk pay programs (both annual and long-term) to help attract, motivate and retain critically skilled employees needed to successfully run the business. These programs focus employees on both annual and long-term goals. Florida City Gas' strategy to provide at-risk pay (both annual and long-term) is consistent with the market perspectives examined.

We assessed the design of both annual at-risk and long-term at-risk pay programs against the Large Utility Peer Group, the Small Utility Peer Group as well as the following proprietary Willis Towers Watson surveys:

- Annual at-risk pay programs: industry cut of 34 utility industry participants in Willis Towers Watson's Global Executive Incentive Design Survey (GEIDS), survey covers executive plan designs and common incentive plan practices.
- Long-term at-risk pay programs: Willis Towers Watson's 2017 Long-term Incentives Policies and Practices (LTIPP) Survey Report – Energy Services data cut reflecting 109 energy industry participants, reflecting primarily utilities (survey conducted by Willis Towers Watson for over 20 years)

The findings of Willis Tower Watson's assessment of the competitiveness of both annual at-risk and long-term at-risk pay programs are presented below.

**Annual At-Risk Pay Program (Performance Pay Program)**

In general, we find Florida City Gas' Performance Pay Program is comparable to and competitive with designs of utility peers. Key design aspects are noted below:

- Eligibility – all regular, full-time and part-time Florida City Gas employees are eligible to participate in the Performance Pay Program, which aligns with market practice among utility peers
- Performance Measures – the Performance Pay Program assesses performance using a balanced scorecard approach, incorporating both financial (corporate EPS and business unit Net Income) and business unit operational metrics (safety, reliability, availability, and culture), as well as an individual performance component. The use of a balanced scorecard approach is the most prevalent practice among the utilities examined

- The use of EPS is very common among all market perspectives examined as 80% of Large Utility Peer Group and 63% of Small Utility Peer Group incorporate EPS as part of their annual at-risk pay programs. Additionally, over two-thirds of the GEIDS utility participants incorporate bottom-line financial measures like EPS as part of their annual at-risk pay program
- Similar to Florida City Gas' design, the inclusion of business unit metrics in the annual at-risk program is common among utilities (53% of the Large Utility Peer Group and 38% of the Small Utility Peer Group)
- The use of an individual performance goal is common among each market perspective: 47% of the Large Utility Peer Group, 63% of the Small Utility Peer Group, and 75% of GEIDS utility participants incorporate individual performance into their annual at-risk pay program
- Performance Weightings – To emphasize “line of sight” (i.e., ability to influence or impact the performance measure), Florida City Gas varies performance goal weights by a participant's organizational level within the company. Lower level plan participants have more emphasis on the individual component, while more senior-level participants have more emphasis on corporate and business unit goals. This tiered weighting approach is consistent with typical market practice

### **Long-Term At-Risk Pay Program**

Florida City Gas' long-term at-risk pay program, like the annual at-risk pay program, is comparable to and competitive with utility peer designs. We summarize key design aspects below:

- Prevalence – All companies in the Large Utility Peer Group and all companies but one in the Small Utility Peer Group utilize a long-term at-risk pay program
- Eligibility –Florida City Gas grants long-term at-risk awards to employees in grade 9 or higher (grade midpoint of \$160,000). This award level is aligned with the competitive market range for base salary levels at which companies have 100% long-term incentive participation as disclosed in the LTIPP Energy Services data cut, which includes almost all of the Large and Small Utility Peer Group companies in the survey
- Long-term At-Risk Awards – Florida City Gas utilizes two types of equity vehicles to make annual long-term at-risk grants: restricted stock units (RSU) and performance share units. Florida City Gas is well aligned with peers with its use of multiple vehicles. Among peers with long-term at-risk programs, 80% of the Large Utility Peer Group and 43% of the Small Utility Peer Group use more than one vehicle to make awards, similar to Florida City Gas
- Award Mix – Florida City Gas grants long-term incentive awards with a mix of 70% weighted to performance share units and 30% to restricted stock units. This mix ensures that the most significant portion of the program is tied to company performance while still focusing on retention and alignment with shareholders. Granting a mix that favors performance based awards is consistent with market best practice for both Large and Small Utility Peer Group companies
- Vesting Provisions – Florida City Gas' restricted stock units have a time-based, three-year ratable vesting requirement. Among Large Utility peers that grant restricted stock/RSUs, 55% of the companies use a similar three-year ratable vesting approach and 45% use a three-year cliff vesting schedule. For Small Utility Peers granting restricted stock/RSUs, three-year ratable vesting is most common

### *Specific to Performance Plans*

- Performance Cycles – Florida City Gas uses a three-year performance cycle for the performance share unit award component, which is the most common among both peer groups
- Performance Measures – Florida City Gas uses a combination of relative Total Shareholder Return (TSR), EPS, and Return on Equity (ROE) as the basis for determining if performance share units are earned. Additionally, in order for the EPS and ROE portions of the performance share awards to be earned, a minimum credit quality rating must be maintained. It is common for companies to use multiple performance metrics with performance awards

- Prevalence of TSR - Most peers (93% of the Large Utility Peer Group, 86% of the Small Utility Peer Group and over two-thirds of the LTIPP Energy Services peers) tie some portion of performance share awards to relative Total Shareholder Return (TSR)
  - Prevalence of EPS - Use of EPS as a measure is consistent with both the Large Utility Peer Group (27% of peers) and the Small Utility Peer Group (71% of peers). Among LTIPP energy services peers, approximately 21% use EPS
  - Prevalence of ROE - ROE as a performance measure is more common among the Small Utility Peer Group, where 29% use the metric with performance awards. Among the Large Utility Peer Group and LTIPP energy services peers, the use of ROE is less common
- 
- Performance/Payout Range – Florida City Gas provides a maximum payout opportunity of 200% of target which is the majority practice among all three market perspectives examined. Additionally, Florida City Gas' maximum relative TSR performance achievement level of 90<sup>th</sup> percentile is consistent with all three market perspectives examined
  - Peer Groups – performance share unit awards at Florida City Gas assess TSR performance against a custom peer group of utilities with similar business model and size. The use of a single peer group for assessing relative TSR performance is consistent with the typical practice of utility peers

### ***At-risk Pay Programs Findings***

Our competitive market review indicates Florida City Gas' at-risk pay programs are comparable to and competitive with plan designs of other similarly sized utilities.

### **Conclusion**

In summary, we find the form, mix and levels of total pay at Florida City Gas to align with the Company's stated pay philosophy and the market practices of utility peers. The continued use of market competitive pay programs will enable Florida City Gas to attract, retain and motivate the employees needed for continued success.

\* \* \* \*

We hope this information is helpful. Please let us know if you have any questions or require additional information.

cc: James Garvie – Southern Company Services  
Josh Burroughs – Southern Company Services

## Large Utility Peer Group

Company	Ticker	Revenue (\$000s)	Number of Employees
AES Corp.	AES	\$13,586	19,000
American Electric Power Company	AEP	\$16,380	17,634
Consolidated Edison	ED	\$12,075	14,960
Dominion Resources	D	\$11,737	16,200
DTE Energy	DTE	\$10,630	10,000
Duke Energy	DUK	\$22,381	28,798
Edison International	EIX	\$11,869	12,390
Entergy	ETR	\$10,846	13,513
Exelon	EXC	\$31,360	34,396
FirstEnergy	FE	\$14,156	15,707
NextEra Energy	NEE	\$16,155	14,700
PG&E	PCG	\$17,666	24,000
PPL Corp.	PPL	\$7,517	12,689
Public Service Enterprise Group	PEG	\$9,061	13,065
Xcel Energy	XEL	\$11,107	11,476

25th Percentile	\$10,976	12,877
Median	\$12,075	14,960
75th Percentile	\$16,268	18,317

Data source: Standard & Poor's Capital IQ. Company revenue and employee data reflect most recent fiscal year-end data.



## Small Utility Peer Group

Company	Ticker	Revenue (\$000s)	Number of Employees
Avista Corp.	AVA	\$1,442	1,982
Chesapeake Utilities Corp.	CPK	\$499	903
Gas Natural	EGAS	\$1,520	80
Northwest Natural Gas	NWN	\$676	1,123
Northwestern Corp.	NWE	\$1,257	1,552
South Jersey Industries	SJI	\$1,037	750
Spire	SR	\$1,741	3,279
Unitil Corp.	UTL	\$383	504

25th Percentile	\$632	689
Median	\$1,147	1,013
75th Percentile	\$1,462	1,660

Data source: Standard & Poor's Capital IQ. Company revenue and employee data reflect most recent fiscal year-end data.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 86  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Dane Watson DAW-4

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Florida City Gas  
Depreciation Study as of July 31, 2018  
Comparison of FCG, OPC and Other Florida Utilities

Account	Description	Existing			FCG Proposed			OPC-Garret Proposed			Peoples GAS FL			Florida Public Utilities			Chesapeake Utilites Central Florida			Sebring Gas System		
		Curve	ASL	NS	Curve	ASL	NS	Curve	ASL	NS	Curve	ASL	NS	Curve	ASL	NS	Curve	ASL	NS	Curve	ASL	NS
376.20	Mains, Plastic	S3	40	-20%	S3	55		59	S3		R3	45		S3	45		S3	45				45
379.00	M&R Equipment - City Gate	S4	30	0%	S4	35		39	R0.5		R1	31		S4	30		S4	30				32
380.10	Services, Steel	S6	35	-80%	S6	45	-100%	S6	45	-80%	R0.5	45	-100%	R2	40	-125%	R2	40	-125%			48
380.20	Services, Plastic	S4	34	-30%	S4	45		54	R2.5		R3	40		R2	45		R2	45				40
382.00	Meter Installations	S3	34	-25%	S3	30		34	S3		R4	27		S2	35		S2	35				34
385.00	Industrial M&R Equipment	R3	30	0%	R3	30		37	R2		R4	32		R3	30		R3	30				34
														Combined with Chesapeake in 2013 study			Combined with Chesapeake in 2013 study					

STATE OF ILLINOIS  
  
COUNTY OF DuPAGE

§  
§  
§

**BEFORE ME**, the undersigned authority, on this day personally appeared William I Adams, who, having been placed under oath by me, did depose as follows:

1. My name is William I. Adams. I am of legal age and a resident of the State of Illinois;
2. I am employed by Performance Pipe, a Division of Chevron Phillips Chemical Company, LP ("Performance Pipe") where I hold the position of Special Projects Manager. (Prior to July 1, 2000, I was an employee of Plexco, a Division of Chevron Chemical Company, a unit of Chevron Corporation ("Plexco"). On July 1, 2000, Chevron Chemical Company and Phillips Chemical Company were merged into Chevron Phillips Chemical Company, a new joint venture company. As of July 1, 2000, Plexco has been merged into Performance Pipe, and no longer exists as a separate company or a unit of Chevron Corporation.);
3. Performance Pipe is a manufacturer of polyethylene materials marketed under the PLEXCO trade name and has been manufacturing polyethylene gas pipe since 1969;
4. As part of my employment responsibilities, I am familiar with product material releases including the product release referenced as Exhibit JP-4,

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Page 1 of 4 in GUD 9145. I am also familiar with the testing procedures

Performance Pipe uses to market gas pipe;

5. The graphical analysis presented in PLEXCO 3408 EHMW material releases are the results of regression analysis on laboratory test results. These laboratory tests are performed under controlled conditions of temperature and pressure in accordance with ASTM and other relevant industry standards;
6. Such laboratory tests focus solely on modeling that estimates when plastic pipe may fail based on internal pressure stress alone. Such testing does not model nor address changes in stress levels that will occur in pipe due to temperature changes, nor variability in internal pressure, nor actual operating conditions. Such testing also does not model pipe stress failure that may be related to soil conditions, installation procedures, or third party intervention. In the ground, polyethylene gas pipe is subjected to the actual stresses of the application as well as system operating pressures, maintenance procedures, street widenings, soil conditions, growth, and forces of nature;
7. Performance Pipe does not make average life expectancy projections based on laboratory testing for polyethylene gas pipe.

The foregoing statements offered by me are true and correct, and the opinions  
stated herein are accurate, true and correct.

William I Adams  
William I Adams  
Special Projects Manager

**SUBSCRIBED AND SWORN TO BEFORE ME** by the said William I Adams

this 27th day of July 2000.

Shirley Ann Rice  
Notary Public, State of Illinois

State of Illinois county of Will  
Signed before me on this 27th day  
of July, 2000 by \_\_\_\_\_  
Notary Public Shirley Ann Rice



**FLORIDA PUBLIC SERVICE COMMISSION**  
**DOCKET: 20170179-GU EXHIBIT: 88**  
**PARTY: FLORIDA CITY GAS – (REBUTTAL)**  
**DESCRIPTION: Dane Watson DAW-6**

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**SOUTHERN GAS COMPANY - FLORIDA CITY GAS**  
**COMPUTATION OF DEPRECIATION ACCRUAL RATES AT JULY 31, 2018 USING OPC GARRETT PARAMETERS**

Account Description	Plant In Service 7/31/2018	Book Depreciation 7/31/2018	Net Salvage %	Net Salvage Amount	Unaccrued Balance	Remaining Life	Annual Accrual Amount	Annual Accrual Rate
<b>STORAGE PLANT</b>								
364.00 LNG Plant	-	-	0%	\$ -	\$ -	50.0	-	2.0%
<b>DISTRIBUTION PLANT</b>								
375.00 Structures & Improvements	-	(80,098.95)	0%	-	80,098.95	0.0	-	3.1%
376.10 Mains, Steel	109,201,912.12	70,680,741.03	-50%	(54,600,956.06)	93,122,127.15	34.0	2,735,504.23	2.5%
376.20 Mains, Plastic	150,016,422.85	40,242,439.76	-40%	(60,006,569.14)	169,780,552.23	49.1	3,456,821.42	2.3%
378.00 M&R Station Equipment - General	3,009,723.14	146,541.44	-5%	(150,486.16)	3,013,667.86	28.3	106,490.79	3.5%
379.00 M&R Station Equipment - City Gate	10,001,910.51	4,685,119.61	-5%	(500,095.53)	5,816,886.43	30.4	191,384.49	1.9%
380.10 Services, Steel	14,597,871.55	22,559,287.11	-80%	(11,678,297.24)	3,716,881.68	16.7	222,927.34	1.5%
380.20 Services, Plastic	61,702,824.15	21,210,271.14	-45%	(27,766,270.87)	68,258,823.88	42.8	1,595,702.81	2.6%
381.00 Meters	19,544,112.17	3,486,512.61	-5%	(977,205.61)	17,034,805.17	14.4	1,186,874.35	6.1%
382.00 Meter Installations	7,163,196.41	3,023,561.07	-20%	(1,432,639.28)	5,572,274.62	20.6	270,781.65	3.8%
382.10 Meter Install - ERTs	4,694,672.47	2,821,080.02	0%	-	1,873,592.45	13.0	144,267.46	3.1%
383.00 House Regulators	5,883,812.60	2,643,920.86	-5%	(294,190.63)	3,534,082.37	19.8	178,744.32	3.0%
384.00 House Regulator Installations	2,308,976.45	1,151,144.71	0%	-	1,157,831.74	15.8	73,378.98	3.2%
385.00 Industrial M&R Station Equipment	3,045,477.79	2,149,454.97	0%	-	896,022.82	18.5	48,528.45	1.6%
387.00 Other Equipment	836,930.34	332,634.71	0%	-	504,295.63	20.0	25,208.76	3.0%
<b>Total Distribution</b>	<b>392,007,842.55</b>	<b>175,052,610.09</b>		<b>(157,406,710.51)</b>	<b>374,361,942.97</b>		<b>10,236,615.06</b>	<b>2.6%</b>
<b>GENERAL PLANT</b>								
390.00 Structures & Improvements	8,410,477.58	578,148.47	0%	-	7,832,329.11	37.5	208,813.51	2.5%
392.00 Transportation Equipment	1,224,132.85	18,870.45	12%	146,895.94	1,058,366.46	10.3	102,382.57	8.4%
392.10 Trans Equip - Autos & Lt Trucks	128,094.98	149,006.82	12%	15,371.40	(36,283.24)	7.2	-	11.0%
392.20 Trans Equip - Service Trucks	3,231,811.69	629,929.61	12%	387,817.40	2,214,064.68	5.7	390,503.86	12.1%
392.30 Trans Equip - Heavy Trucks	374,203.71	204,896.63	12%	44,904.45	124,402.63	6.8	18,406.23	4.9%
394.10 Natural Gas Vehicle Equipment	3,661,962.71	401,397.66	0%	-	3,260,565.05	18.8	173,511.22	4.7%
396.00 Power Operated Equipment	210,084.00	48,343.57	10%	21,008.40	140,732.03	10.3	13,625.06	6.5%
<b>Total General</b>	<b>17,240,767.52</b>	<b>2,030,593.21</b>		<b>615,997.59</b>	<b>14,594,176.72</b>		<b>907,242.45</b>	<b>5.3%</b>
<b>TOTAL DEPRECIABLE PLANT</b>	<b>409,248,610.07</b>	<b>177,083,203.30</b>		<b>(156,790,712.92)</b>	<b>388,956,119.69</b>		<b>11,143,857.51</b>	<b>2.7%</b>
<b>Amortized Plant</b>	<b>16,103,869.93</b>	<b>3,555,259.11</b>					<b>1,414,286.87</b>	
<b>Amortization Reserve True Up</b>							<b>284,453.60</b>	
<b>Total Depreciated and Amortized Plant</b>	<b>\$ 425,352,480.00</b>	<b>\$ 180,638,462.41</b>		<b>\$ (156,790,712.92)</b>	<b>\$ 388,956,119.69</b>		<b>\$ 12,842,597.98</b>	<b>3.0%</b>
Forecast GL	429,415,069.13	181,413,353.22						
Difference	(4,062,589.13)	(774,890.81)						
Intangibles	320,367.50	173,600.96						
Transmission	0.68	(0.15)						
Land DP	743,305.84	12,198.65						
Land GP	2,410,431.74	607.93						
AR 15 Retirements	588,483.37	588,483.37						
Total Reconciling Items	4,062,589.13	774,890.76						
Reconciled Differences	(0.00)	(0.05)						

\* Fully accrued. When a depreciable base exists, the proposed rate should be 11%

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**SOUTHERN GAS COMPANY - FLORIDA CITY GAS  
COMPUTATION OF DEPRECIATION ACCRUALS AND RATE - GENERAL PLANT AMORTIZED ACCOUNTS  
FORECAST AT JULY 31, 2018**

<b>GENERAL PLANT - AMORTIZED</b>		<b>Plant</b>	<b>Book</b>	<b>Theoretical</b>		<b>Reserve</b>	<b>Amortize</b>	<b>Assets to Retire</b>
<b>Account</b>	<b>Description</b>	<b>Balance</b>	<b>Reserve</b>	<b>Reserve</b>	<b>Reserve</b>	<b>Recovery</b>	<b>Reserve</b>	<b>Greater Than</b>
		<b>7/31/2018</b>	<b>7/31/2018</b>	<b>7/31/2018</b>	<b>(Deficit)/Surplus</b>	<b>Period (Yrs)</b>	<b>Deficit/(Surplus)</b>	<b>ASL</b>
391.00	Office Furniture	635,483.69	132,036.29	54,722.21	77,314.08	5	(15,462.82)	-
391.10	Software Non-Enterprise	656,313.79	136,049.74	518,839.66	(382,789.92)	5	76,557.98	441,095.35
391.11	Computer Software	12,908,974.23	3,681,459.04	4,058,339.15	(376,880.11)	5	75,376.02	-
391.12	Computer Hardware	660,986.99	129,437.68	499,950.05	(370,512.37)	5	74,102.47	-
391.50	Individual Equipment	329,067.80	207,543.62	194,321.96	13,221.66	5	(2,644.33)	147,388.02
393.00	Stores Equipment	-	(1,301.47)	-	(1,301.47)	5	260.29	-
394.00	Tools, Shop, & Garage Equipment	644,251.65	(43,717.26)	138,141.57	(181,858.83)	5	36,371.77	-
395.00	Laboratory Equipment	-	(0.03)	-	(0.03)	5	-	-
397.00	Communication Equipment	609,131.06	125,650.38	55,235.43	70,414.95	5	(14,082.99)	-
398.00	Miscellaneous Equipment	248,144.09	(223,415.51)	46,460.48	(269,875.99)	5	53,975.20	-
Total General Amortized		16,692,353.30	4,143,742.48	5,566,010.51	(1,422,268.03)		284,453.60	588,483.37

**After Retirements of Assets With Age > Average Service Life**

<b>Account</b>	<b>Description</b>	<b>Plant</b>	<b>Book</b>	<b>Proposed</b>	<b>Annual</b>	<b>Annual</b>
		<b>Balance</b>	<b>Reserve</b>	<b>Life</b>	<b>Amortization</b>	<b>Amortization</b>
		<b>7/31/2018</b>	<b>7/31/2018</b>			<b>%</b>
391.00	Office Furniture	635,483.69	132,036.29	15	42,365.58	6.7%
391.10	Software Non-Enterprise	215,218.44	(305,045.61)	10	21,521.84	10.0%
391.11	Computer Software	12,908,974.23	3,681,459.04	12	1,075,747.85	8.3%
391.12	Computer Hardware	660,986.99	129,437.68	5	132,197.40	20.0%
391.50	Individual Equipment	181,679.78	60,155.60	5	36,335.96	20.0%
393.00	Stores Equipment	-	(1,301.47)	25	-	4.0%
394.00	Tools, Shop, and Garage Equipment	644,251.65	(43,717.26)	15	42,950.11	6.7%
395.00	Laboratory Equipment	-	(0.03)	20	-	5.0%
397.00	Communication Equipment	609,131.06	125,650.38	12	50,760.92	8.3%
398.00	Miscellaneous Equipment	248,144.09	(223,415.51)	20	12,407.20	5.0%
Total General Amortized After Ret		16,103,869.93	3,555,259.11		1,414,286.87	
Assets to Retire		588,483.37	588,483.37			



**SOUTHERN GAS COMPANY - FLORIDA CITY GAS  
COMPARISON OF DEPRECIATION ACCRUAL RATES USING OPC GARRETT PARAMETERS  
DEPRECIATION STUDY AT JULY 31, 2018**

Account	Description	Plant	Existing Accrual		OPC Garrett Proposed Accrual		Difference
		In Service 7/31/2018	Rate	Amount	Rate	Amount	
STORAGE PLANT							
364.00	LNG Plant	-	New	0.00	2.0%	-	-
DISTRIBUTION PLANT							
375.00	Structures & Improvements	-	2.8%	-	3.1%	-	-
376.10	Mains, Steel	109,201,912.12	3.0%	3,276,057.36	2.5%	2,730,047.80	(546,009.56)
376.20	Mains, Plastic	150,016,422.85	3.1%	4,650,509.11	2.3%	3,450,377.73	(1,200,131.38)
378.00	M&R Station Equipment - General	3,009,723.14	3.3%	99,320.86	3.5%	105,340.31	6,019.45
379.00	M&R Station Equipment - City Gate	10,001,910.51	3.3%	330,063.05	1.9%	190,036.30	(140,026.75)
380.10	Services, Steel	14,597,871.55	6.5%	948,861.65	1.5%	218,968.07	(729,893.58)
380.20	Services, Plastic	61,702,824.15	4.1%	2,529,815.79	2.6%	1,604,273.43	(925,542.36)
381.00	Meters	17,980,577.91	4.9%	881,048.32	6.1%	1,096,815.25	215,766.93
381.10	Meters - ERTs	1,563,534.26	4.9%	76,613.18	6.1%	95,375.59	18,762.41
382.00	Meter Installations	7,163,196.41	4.5%	322,343.84	3.8%	272,201.46	(50,142.37)
382.10	Meter Install - ERTs	4,694,672.47	6.7%	314,543.06	3.1%	145,534.85	(169,008.21)
383.00	House Regulators	5,883,812.60	4.9%	288,306.82	3.0%	176,514.38	(111,792.44)
384.00	House Regulator Installations	2,308,976.45	3.1%	71,578.27	3.2%	73,887.25	2,308.98
385.00	Industrial M&R Station Equipment	3,045,477.79	3.3%	100,500.77	1.6%	48,727.64	(51,773.12)
387.00	Other Equipment	836,930.34	3.3%	27,618.70	3.0%	25,107.91	(2,510.79)
	Total Distribution	392,007,842.55	3.6%	13,917,180.77	2.6%	10,233,207.97	(3,683,972.80)
GENERAL PLANT							
390.00	Structures & Improvements	8,410,477.58	2.6%	218,672.42	2.5%	210,261.94	(8,410.48)
391.00	Office Furniture	635,483.69	7.7%	48,932.24	6.7%	42,577.41	(6,354.84)
391.10	Software Non-Enterprise	215,218.44 *	8.3%	17,863.13	10.0%	21,521.84	3,658.71
391.11	Computer Software	12,908,974.23	9.1%	1,174,716.65	8.3%	1,071,444.86	(103,271.79)
391.12	Computer Hardware	660,986.99	8.3%	54,861.92	20.0%	132,197.40	77,335.48
391.50	Individual Equipment	181,679.78 *	8.3%	15,079.42	20.0%	36,335.96	21,256.53
392.00	Transportation Equipment	1,224,132.85	11.5%	140,775.28	8.4%	102,827.16	(37,948.12)
392.10	Trans Equip - Autos & Lt Trucks	128,094.98 **	11.5%	-	11.0%	-	-
392.20	Trans Equip - Service Trucks	3,231,811.69	11.5%	371,658.34	12.1%	391,049.21	19,390.87
392.30	Trans Equip - Heavy Trucks	374,203.71	11.5%	43,033.43	4.9%	18,335.98	(24,697.44)
393.00	Stores Equipment	-	6.2%	-	4.0%	-	-
394.00	Tools,Shop,& Garage Equipment	644,251.65	7.2%	46,386.12	6.7%	43,164.86	(3,221.26)
394.10	Natural Gas Vehicle Equipment	3,661,962.71	5.0%	183,098.14	4.7%	172,112.25	(10,985.89)
395.00	Laboratory Equipment	-	4.0%	-	5.0%	-	-
396.00	Power Operated Equipment	210,084.00	8.3%	17,436.97	6.5%	13,655.46	(3,781.51)
397.00	Communication Equipment	609,131.06	8.3%	50,557.88	8.3%	50,557.88	-
398.00	Miscellaneous Equipment	248,144.09	7.5%	18,610.81	5.0%	12,407.20	(6,203.60)
	General Plant Amortization True Up					284,453.60	284,453.60
	Total General	33,344,637.45	7.2%	2,401,682.75	7.8%	2,602,903.01	201,220.26
	TOTAL DEPRECIATED PLANT	\$ 425,352,480.00	3.8%	\$ 16,318,863.52	3.0%	\$ 12,836,110.98	\$ (3,482,752.54)

\*Note - After AR15 retirements of assets > ASL 588,483.37

**Highlighted Total (3,097,509.57)**

\*\* When a depreciation base exists in Account 392.1 the rate should be



# Florida City Gas

## Design Day Allocation By Class and Division

EXHIBIT DJN-15  
FLORIDA CITY GAS  
DOCKET NO. 20170179-GU  
PAGE 1 OF 1

Class Name	Rate Class	Brevard	Miami	PSL	Total	Allocator	Direct Assignment
<b>Residential</b>	GS-1	2,564	1,246	499	4,309	3.943%	5.557%
	GS-100	9,625	5,414	2,073	17,112	15.659%	22.066%
	GS-600	430	186	213	829	0.759%	1.069%
Residential No Heat sub-Total		12,620	6,845	2,785	22,251	20.361%	28.691%
<b>Commercial</b>	GS-1	2,235	3,130	421	5,787	5.295%	7.462%
	GS-6k	3,569	8,250	1,084	12,903	11.807%	16.638%
	GS-25k	2,187	4,674	434	7,295	6.676%	9.407%
	NGV	0	0	0	0	0.000%	0.000%
Commercial Sales sub-Total		7,992	16,054	1,940	25,985	23.779%	33.507%
Total before Large Customers		20,612	22,900	4,724	48,236	44.140%	62.198%
<b>Large Customers</b>	GS-120K	5,602	10,365	1,267	17,235	15.771%	19.568%
	GS-1250K	12,179	5,747	1,962	19,888	18.199%	18.234%
	KDS	0	0	23,922	23,922	21.890%	0.000%
Large Customer sub-Total		17,781	16,112	27,151	61,044	55.860%	37.802%
Total		38,393	39,011	31,875	109,280	100.000%	100.000%
<b>Direct Assignment</b>	GS-120K		2,059		2,059		
	GS-1250K		5,747		5,747		
	KDS			23,922	23,922		
Total Direct Assignment		0	7,806	23,922	31,728		
Total After Direct Assignment		38,393	31,205	7,954	77,552		

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 89  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Daniel J. Nikolich DJN-15

**Replacement Cost and Minimum Size Study**

Steel Mains					
NOMINAL DIAMETER	MATERIAL	FEET	MILES	Replacement Type	Replacement Cost Per Foot
0.5	Steel	23,821	4.51	2" ST	\$ 51.53
0.75	Steel	40,453	7.66	2" ST	\$ 51.53
1	Steel	1,991,156	377.12	2" ST	\$ 51.53
1.125	Steel	1,100	0.21	2" ST	\$ 51.53
1.25	Steel	1,824,768	345.6	2" ST	\$ 51.53
1.5	Steel	8,514	1.62	2" ST	\$ 51.53
2	Steel	3,186,242	603.45	2" ST	\$ 51.53
2.5	Steel	577	0.11	2" ST	\$ 51.53
3	Steel	362,583	68.67	4" ST	\$ 68.69
4	Steel	1,517,570	287.43	4" ST	\$ 68.69
6	Steel	1,083,640	205.24	6" ST	\$ 156.26
8	Steel	345,300	65.4	8" ST	\$ 188.63
10	Steel	5,335	1.01	10" ST	\$ 226.35
12	Steel	312,485	59.19	12" ST	\$ 271.62
16	Steel	30	0.01	16" ST	\$ 271.62
30	Steel	2	0	n/a	
	Steel	245	0.05	n/a	

Plastic Mains					
NOMINAL DIAMETER	MATERIAL	FEET	MILES	Replacement Type	Replacement Cost Per Foot
0.5	Plastic	11,000	2.08	2" PE	\$ 42.49
0.625	Plastic	5,214	0.99	2" PE	\$ 42.49
0.75	Plastic	3,012	0.57	2" PE	\$ 42.49
1	Plastic	3,436	0.65	2" PE	\$ 42.49
1.125	Plastic	78,014	14.78	2" PE	\$ 42.49
1.25	Plastic	2,204,503	417.52	2" PE	\$ 42.49
1.375	Plastic	765	0.14	2" PE	\$ 42.49
2	Plastic	4,910,083	929.94	2" PE	\$ 42.49
3	Plastic	1,462	0.28	4" PE	\$ 61.11
4	Plastic	1,055,401	199.89	4" PE	\$ 61.11
6	Plastic	433,450	82.09	6" PE	\$ 99.60
8	Plastic	20,200	3.82	8" PE	\$ 119.52
	Plastic	3	0	n/a	

Mains (Other)					
NOMINAL DIAMETER	MATERIAL	FEET	MILES	Replacement Type	Replacement Cost Per Foot
4	HDPE	4,055	0.77	4" PE	\$ 61.11

Total Replacement Cost	Minimum Size Cost	Cost to Be Allocated
\$ 1,227,496	\$ 1,012,154	\$ 215,342
\$ 2,084,543	\$ 1,718,848	\$ 365,695
\$ 102,604,269	\$ 84,604,218	\$ 18,000,050
\$ 56,683	\$ 46,739	\$ 9,944
\$ 94,030,295	\$ 77,534,392	\$ 16,495,903
\$ 438,726	\$ 361,760	\$ 76,967
\$ 164,187,050	\$ 135,383,423	\$ 28,803,628
\$ 29,733	\$ 24,517	\$ 5,216
\$ 24,905,826	\$ 15,406,152	\$ 9,499,675
\$ 104,241,883	\$ 64,481,549	\$ 39,760,334
\$ 169,329,586	\$ 46,043,864	\$ 123,285,723
\$ 65,133,939	\$ 14,671,797	\$ 50,462,142
\$ 1,207,577	\$ 226,684	\$ 980,893
\$ 84,877,176	\$ 13,277,488	\$ 71,599,688
\$ 8,149	\$ 1,275	\$ 6,874

\$ 467,390	\$ 467,390	\$ -
\$ 221,543	\$ 221,543	\$ -
\$ 127,980	\$ 127,980	\$ -
\$ 145,996	\$ 145,996	\$ -
\$ 3,314,815	\$ 3,314,815	\$ -
\$ 93,669,332	\$ 93,669,332	\$ -
\$ 32,505	\$ 32,505	\$ -
\$ 208,629,427	\$ 208,629,427	\$ -
\$ 89,348	\$ 62,120	\$ 27,228
\$ 64,499,631	\$ 44,843,988	\$ 19,655,642
\$ 43,170,227	\$ 18,417,291	\$ 24,752,937
\$ 2,414,226	\$ 858,298	\$ 1,555,928

\$ 247,817	\$ 172,297	\$ 75,520
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<b>Total</b>	<b>\$ 1,231,393,169</b>	<b>\$ 825,757,841</b>	<b>\$ 405,635,328</b>
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Per Customer	\$ 11,244	\$ 7,540	\$ 3,704
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FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 90  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Daniel J. Nikolich DJN-16

**Development of Capacity Allocators using Minimum Size and Design Day  
and Comparison to Peak and Average**

EXHIBIT DJN-16  
FLORIDA CITY GAS  
DOCKET NO. 20170179-GU  
PAGE 2 OF 2

Rate Class	Avg. Customers	Minimum Main	Design Day	Design Day Allocated Mains	Total Repl. Cost-Mains	Allocation %	Straight Peak & Average Allocation
RS-1	33,864	\$ 255,388,388	5.5566%	\$ 22,539,511	\$ 277,927,899	23%	3%
RS-100	66,473	\$ 501,311,406	22.0656%	\$ 89,505,780	\$ 590,817,186	48%	13%
RS-600	969	\$ 7,310,350	1.0690%	\$ 4,336,341	\$ 11,646,691	1%	1%
GS-1	4,993	\$ 37,652,200	7.4617%	\$ 30,267,344	\$ 67,919,544	6%	11%
GS-6k	2,378	\$ 17,935,245	16.6380%	\$ 67,489,731	\$ 85,424,977	7%	25%
GS-25k	390	\$ 2,939,977	9.4071%	\$ 38,158,491	\$ 41,098,468	3%	15%
GS-120k	97	\$ 731,538	19.5678%	\$ 79,373,979	\$ 80,105,517	7%	27%
GS-1250k	2	\$ 15,083	18.2341%	\$ 73,964,149	\$ 73,979,233	6%	4%
GS-11M	-	\$ -		\$ -	\$ -	0%	0%
GS-25M	-	\$ -		\$ -	\$ -	0%	0%
GAS LIGHTING	328	\$ 2,473,654	0.0000%	\$ -	\$ 2,473,654	0%	0%
NGV	-	\$ -		\$ -	\$ -	0%	0%
Contract Demand	-	\$ -	0.0000%	\$ -	\$ -	0%	0%
Total	109,493	\$ 825,757,841	100.0000%	\$ 405,635,328	\$ 1,231,393,169	100%	100%

	Annual Volume in Therms		Capacity Cost Allocators		
	in Therms	Percentage	Revised	P&A	
Residential	15,933,526	13%	72%	17%	
Commercial	57,895,386	47%	16%	51%	
Industrial	50,052,482	40%	13%	32%	
Total	123,881,394	100%	100%	100%	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GASCALCULATION OF PROPOSED RATES  
SCHEDULE A

WITNESS: D. NIKOLICH

SALES & TRANSPORTATION SERVICES:														TOTAL SALES & TRANSPORTATION
RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	
PROPOSED TOTAL TARGET REVENUES	\$ 16,127,161	\$ 34,590,191	\$ 618,956	\$ 3,925,955	\$ 2,574,522	\$ 864,393	\$ 2,658,480	\$ 4,341,324		\$ 15,909	\$ -	\$ 173,618	\$ 265,891	\$ 66,154,379
LESS: OTHER OPERATING REVENUE	\$ 917,943	\$ 1,866,717	\$ 29,934	\$ 185,838	\$ 108,186	\$ 29,794	\$ 11,074	\$ 12,223		\$ 348	\$ -	\$ 2,020	\$ -	\$ 3,164,078
Less: Proposed Customer Charge Revenues														
Proposed Customer charges: SALES & TRANSPORTATION	\$ 12.00	\$ 15.00	\$ 20.00	\$ 25.00	\$ 35.00	\$ 150.00	\$ 300.00	\$ 500.00	\$ 1,000.00	\$ 2,000.00	\$ 25.00	\$ 500.00	\$ 400.00	
TIMES: NUMBER OF BILLS: SALES & TRANSPORTATION	406,366	797,671	11,632	59,911	28,538	4,678	1,212	84	0	0	3,936	12	132	1,314,172
EQUALS: CUSTOMER CHARGE REVENUES	\$ 4,876,392	\$ 11,965,065	\$ 232,640	\$ 1,497,775	\$ 998,830	\$ 701,700	\$ 363,600	\$ 42,000	\$ 0	\$ 0	\$ 0	\$ 6,000	\$ 52,800	\$ 20,736,802
Less: Proposed Demand Charge Revenues														
Proposed demand charges: SALES & TRANSPORTATION	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 0	\$ 0	\$ 6.05	
TIMES: DCC: SALES & TRANSPORTATION							206,816	238,651					33,807	479,275
EQUALS: DEMAND CHARGE REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,189,194	\$ 1,372,244	\$ -	\$ -	\$ -	\$ -	\$ 204,422	\$ 2,765,860
EQUALS: PER-THERM TARGET REVENUES	\$ 10,332,826	\$ 20,758,409	\$ 356,382	\$ 2,242,342	\$ 1,467,506	\$ 132,899	\$ 1,094,612	\$ 2,914,857	\$ -	\$ -	\$ 15,561	\$ 165,598	\$ 8,669	\$ 39,487,639
DIVIDED BY: NUMBER OF THERMS	2,886,825	12,240,769	767,899	12,382,178	28,127,107	17,386,101	34,439,382	15,613,100	-	-	38,033	5,492,320	-	129,373,714
EQUALS: PER-THERM RATES (Unrounded)	\$ 3.579305	\$ 1.695842	\$ 0.464099	\$ 0.181094	\$ 0.052174	\$ 0.007644	\$ 0.031784	\$ 0.186693	\$ 0.080000	\$ 0.040000	\$ 0.409149	\$ 0.181094	\$ -	
PER-THERM RATES (Rounded)	\$ 3.57930	\$ 1.69584	\$ 0.46410	\$ 0.18109	\$ 0.05217	\$ 0.00764	\$ 0.03178	\$ 0.18669	\$ 0.08000	\$ 0.04000	\$ 0.40915	\$ 0.18109	\$ -	
PER-THERM-RATE REVENUES (Rounded Rates)	\$ 10,332,812	\$ 20,758,385	\$ 356,382	\$ 2,242,289	\$ 1,467,391	\$ 132,830	\$ 1,094,484	\$ 2,914,810	\$ -	\$ -	\$ 15,561	\$ 165,593	\$ -	\$ 39,480,536
SUMMARY: PROPOSED TARIFF RATES														
CUSTOMER CHARGES	\$ 12.00	\$ 15.00	\$ 20.00	\$ 25.00	\$ 35.00	\$ 150.00	\$ 300.00	\$ 500.00	\$ 1,000.00	\$ 2,000.00	\$ -	\$ 25.00	\$ 400.00	
DEMAND CHARGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ -	\$ -	\$ 6.05	
ENERGY CHARGES														
NON-GAS (CENTS PER THERM)	357.9305	169.5842	46.4099	18.1094	5.2174	0.7644	3.1784	18.6693	8.0000	4.0000	40.0000	18.1094	-	
PURCHASED GAS ADJUSTMENT	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	-	
TOTAL (INCLUDING PGA)	411.9305	223.5842	100.4099	72.1094	59.2174	54.7644	57.1784	72.6693	62.0000	58.0000	94.0000	72.1094	-	
SUMMARY: PRESENT TARIFF RATES														
CUSTOMER CHARGES														
RESIDENTIAL	\$ 8.00	\$ 9.86	\$ 12.50											
COMMERCIAL AND INDUSTRIAL SALES				\$ 14.07	\$ 30.00	\$ 93.21	\$ 267.33	\$ 500.00			\$ 15.00			
DEMAND CHARGES NON-GAS (CENTS PER THERM)														
RESIDENTIAL														
COMMERCIAL AND INDUSTRIAL							28.9000	28.9000						
ENERGY CHARGES NON-GAS (CENTS PER THERM)														
RESIDENTIAL	56.2130	51.3242	39.8577								56.2130			
COMMERCIAL AND INDUSTRIAL				33.4308	27.4870	27.5660	21.4152	12.2250				23.2320		
PURCHASED GAS ADJUSTMENT	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	
TOTAL (INCLUDING PGA)														
RESIDENTIAL	110.2130	105.3242	93.8577								110.2130			
COMMERCIAL AND INDUSTRIAL				87.4308	81.4870	81.5660	75.4152	66.2250	54.0000	54.0000		77.2320	56.3000	
SUMMARY: OTHER OPERATING REVENUE														
CONNECTION CHARGE	\$50.00-\$110.00	\$695,821	\$50.00-\$200.00	\$ 1,121,632										
COLLECTION IN LIEU OF DISCONNECT CHARGE	\$20.00	\$263,406	\$25.00-\$32.00	\$331,467										
RECONNECT CHARGE	\$37.00-\$80.00	\$139,591	\$40.00-\$100.00	\$150,523										
BAD CHECKS	\$25.00	\$37,766	\$25.00	\$37,775										
LATE PAYMENT CHARGES	\$5.00 OR 1.5%	\$1,107,835	\$5.00 OR 1.5%	\$1,107,835										
DAMAGE BILLING		\$192,297		\$192,297										
CHANGE OF ACCOUNT														
METER READ			\$15.00-\$22.00	\$100,786										
TEMPORARY DISCONNECT			\$35.00-\$45.00	\$103,562										
FAILED TRIP			\$20.00	\$18,220										
TOTAL		\$2,436,716		\$3,164,078										

SUPPORTING SCHEDULES: E-2, E-3 p.1-6, H-1 p.3-4

RECAP SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 91  
PARTY: FLORIDA CITY GAS - (REBUTTAL)  
DESCRIPTION: Daniel J. Nikolich DJN-17

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

PROPOSED RATE DESIGN  
SCHEDULE B

	SALES & TRANSPORTATION SERVICES:										GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M					
PRESENT RATES (projected test year)															
GAS SALES (due to growth)	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
OTHER OPERATING REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
RATE OF RETURN	-3.97%	-1.98%	8.01%	12.15%	31.62%	44.03%	24.20%	-0.96%			-9.65%		-3.80%	-60.24%	3.57%
INDEX	-1.11	-0.56	2.24	3.40	8.86	12.33	6.78	-0.27			-2.70		-1.06	-16.88	1.00
PROPOSED RATES															
GAS SALES	\$ 15,209,218	\$ 32,723,474	\$ 589,022	\$ 3,740,117	\$ 2,466,336	\$ 834,599	\$ 2,647,406	\$ 4,329,101	\$ -	\$ -	\$ 15,561	\$ -	\$ 171,598	\$ 265,891	\$ 62,990,301
OTHER OPERATING REVENUE	\$ 917,943	\$ 1,866,717	\$ 29,834	\$ 185,838	\$ 108,186	\$ 29,794	\$ 11,074	\$ 12,223	\$ -	\$ -	\$ 348	\$ -	\$ 2,020	\$ -	\$ 3,164,078
TOTAL	\$ 16,127,161	\$ 34,590,191	\$ 618,856	\$ 3,925,955	\$ 2,574,522	\$ 864,393	\$ 2,658,480	\$ 4,341,324	\$ -	\$ -	\$ 15,909	\$ -	\$ 173,618	\$ 265,891	\$ 66,154,379
TOTAL REVENUE INCREASE	\$ 9,683,108	\$ 17,241,891	\$ (52,174)	\$ (1,387,344)	\$ (6,422,373)	\$ (4,534,288)	\$ (4,175,391)	\$ 1,955,304	\$ -	\$ -	\$ (5,058)	\$ -	\$ 2,020	\$ 3,373	\$ 12,307,048
PERCENT INCREASE	150.26%	99.39%	-7.77%	-26.11%	-71.38%	-83.99%	-61.10%	81.95%			-24.12%		1.18%	0.00%	22.86%
RATE OF RETURN	6.80%	6.80%	6.77%	6.77%	6.72%	6.68%	6.55%	6.59%			-16.29%		-7.38%	6.57%	6.57%
INDEX	1.04	1.03	1.03	1.03	1.02	1.02	1.00	1.00			-2.48		-1.12	1.00	1.00

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

RATE OF RETURN BY CUSTOMER CLASS  
SCHEDULE C PAGE 1 OF 2 (PRESENT RATES)

	SALES & TRANSPORTATION SERVICES:														
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
REVENUES: (projected test year)															
Gas Sales (due to growth)	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020			\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
Other Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
EXPENSES:															
Purchased Gas Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
O&M Expenses	\$ 4,783,776	\$ 10,801,368	\$ 235,918	\$ 1,739,664	\$ 1,667,496	\$ 824,470	\$ 1,375,772	\$ 1,147,163	\$ -	\$ -	\$ 37,833	\$ -	\$ 25,689	\$ 264,759	\$ 22,903,906
Depreciation Expenses	\$ 3,403,190	\$ 7,439,737	\$ 152,614	\$ 986,372	\$ 984,298	\$ 462,709	\$ 921,291	\$ 1,116,273	\$ -	\$ -	\$ 28,460	\$ -	\$ 204,360	\$ -	\$ 15,699,304
Amortization Expenses	\$ 145,940	\$ 333,906	\$ 8,037	\$ 69,052	\$ 101,630	\$ 56,822	\$ 105,047	\$ 57,867	\$ -	\$ -	\$ 1,235	\$ -	\$ 12,878	\$ -	\$ 892,414
Taxes Other Than Income—Fixed	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ -	\$ -	\$ 5,252	\$ -	\$ 40,687	\$ -	\$ 2,900,349
Taxes Other Than Income—Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses excluding Income Taxes	\$ 8,960,962	\$ 19,948,048	\$ 424,735	\$ 2,977,152	\$ 2,935,063	\$ 1,429,385	\$ 2,572,122	\$ 2,527,352	\$ -	\$ -	\$ 72,781	\$ -	\$ 283,614	\$ 264,759	\$ 42,395,973
INCOME TAXES:	\$ 136,402	\$ 298,422	\$ 6,130	\$ 38,690	\$ 38,869	\$ 18,305	\$ 36,618	\$ 44,345	\$ -	\$ -	\$ 1,119	\$ -	\$ 9,003	\$ 8	\$ 627,912
NET OPERATING INCOME:	\$ (2,653,310)	\$ (2,898,171)	\$ 240,265	\$ 2,297,457	\$ 6,022,962	\$ 3,950,991	\$ 4,225,131	\$ (185,676)	\$ -	\$ -	\$ (52,933)	\$ -	\$ (121,019)	\$ (2,249)	\$ 10,823,447
RATE BASE:	\$ 66,777,234	\$ 146,039,858	\$ 2,998,369	\$ 18,905,698	\$ 19,049,121	\$ 8,973,906	\$ 17,460,806	\$ 19,273,800	\$ -	\$ -	\$ 548,644	\$ -	\$ 3,185,780	\$ 3,733	\$ 303,216,950
RATE OF RETURN	-3.97%	-1.98%	8.01%	12.15%	31.62%	44.03%	24.20%	-0.96%			-9.65%		-3.80%	-60.24%	3.57%

SUPPORTING SCHEDULES: E-1 p.2, H-1 p.11-12

RECAP SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

RATE OF RETURN BY CUSTOMER CLASS  
SCHEDULE C PAGE 2 OF 2 (PROPOSED RATES)

	SALES & TRANSPORTATION SERVICES:										GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-5k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M					
<b>REVENUES:</b>															
Gas Sales	\$ 15,209,218	\$ 32,723,474	\$ 589,022	\$ 3,740,117	\$ 2,466,336	\$ 834,599	\$ 2,647,406	\$ 4,329,101	\$ -	\$ -	\$ 15,561	\$ -	\$ 169,578	\$ 265,891	\$ 62,990,301
Revenue Adjustment: Bad Debt															
Adjusted Gas Sales	\$ 15,209,218	\$ 32,723,474	\$ 589,022	\$ 3,740,117	\$ 2,466,336	\$ 834,599	\$ 2,647,406	\$ 4,329,101	\$ -	\$ -	\$ 15,561	\$ -	\$ 169,578	\$ 265,891	\$ 62,990,301
Other Operating Revenue	\$ 917,943	\$ 1,866,717	\$ 29,934	\$ 185,838	\$ 108,186	\$ 29,794	\$ 11,074	\$ 12,223	\$ -	\$ -	\$ 348	\$ -	\$ 2,020	\$ -	\$ 3,164,078
Total	\$ 16,127,161	\$ 34,590,191	\$ 618,956	\$ 3,925,955	\$ 2,574,522	\$ 864,393	\$ 2,658,480	\$ 4,341,324	\$ -	\$ -	\$ 15,909	\$ -	\$ 171,598	\$ 265,891	\$ 66,154,379
<b>EXPENSES:</b>															
Purchased Gas Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
O&M Expenses	\$ 4,825,600	\$ 10,875,619	\$ 235,666	\$ 1,733,437	\$ 1,639,256	\$ 804,568	\$ 1,357,375	\$ 1,155,568	\$ -	\$ -	\$ 38,362	\$ -	\$ 27,611	\$ 264,774	\$ 22,957,834
Depreciation Expenses	\$ 3,403,190	\$ 7,439,737	\$ 152,614	\$ 986,372	\$ 984,298	\$ 462,709	\$ 921,291	\$ 1,116,273	\$ -	\$ -	\$ 28,460	\$ -	\$ 204,360	\$ -	\$ 15,699,304
Amortization Expenses	\$ 145,940	\$ 333,906	\$ 8,037	\$ 69,052	\$ 101,630	\$ 56,822	\$ 105,047	\$ 57,867	\$ -	\$ -	\$ 1,235	\$ -	\$ 12,878	\$ -	\$ 892,414
Taxes Other Than Income—Fixed	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ -	\$ -	\$ 5,252	\$ -	\$ 40,687	\$ -	\$ 2,900,349
Taxes Other Than Income—Revenue	\$ 47,723	\$ 84,724	\$ (287)	\$ (7,105)	\$ (32,222)	\$ (22,709)	\$ (20,991)	\$ 9,590	\$ -	\$ -	\$ 603	\$ -	\$ 2,193	\$ 17	\$ 61,533
Total Expenses excluding Income Taxes	\$ 9,050,509	\$ 20,107,024	\$ 424,195	\$ 2,963,819	\$ 2,874,601	\$ 1,386,774	\$ 2,532,735	\$ 2,545,347	\$ -	\$ -	\$ 73,911	\$ -	\$ 287,729	\$ 264,791	\$ 42,511,434
PRE TAX NOI:	\$ 7,076,653	\$ 14,483,167	\$ 194,760	\$ 962,136	\$ (300,079)	\$ (522,382)	\$ 125,745	\$ 1,795,978	\$ -	\$ -	\$ (58,002)	\$ -	\$ (116,131)	\$ 1,100	\$ 23,642,945
INCOME TAXES:	\$ 2,532,871	\$ 4,552,940	\$ (8,305)	\$ (318,116)	\$ (1,579,230)	\$ (1,122,040)	\$ (1,017,484)	\$ 525,922	\$ -	\$ -	\$ 31,383	\$ -	\$ 119,112	\$ 855	\$ 3,717,908
NET OPERATING INCOME:	\$ 4,543,782	\$ 9,930,227	\$ 203,065	\$ 1,280,252	\$ 1,279,150	\$ 599,658	\$ 1,143,229	\$ 1,270,056	\$ -	\$ -	\$ (89,385)	\$ -	\$ (235,243)	\$ 245	\$ 19,925,037
RATE BASE:	\$ 66,777,234	\$ 146,039,858	\$ 2,998,369	\$ 18,905,698	\$ 19,049,121	\$ 8,973,906	\$ 17,460,806	\$ 19,273,800	\$ -	\$ -	\$ 548,644	\$ -	\$ 3,185,780	\$ 3,733	\$ 303,216,950
RATE OF RETURN	6.80%	6.80%	6.77%	6.77%	6.72%	6.68%	6.55%	6.59%			-16.29%		-7.38%	6.57%	6.57%

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

DERIVATION OF REVENUE DEFICIENCY  
SCHEDULE D

	SALES & TRANSPORTATION SERVICES:										GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M					
CUSTOMER COSTS	\$ 5,638,572	\$ 13,066,383	\$ 288,908	\$ 2,157,191	\$ 1,386,058	\$ 610,695	\$ 473,280	\$ 67,603	\$ -	\$ -	\$ 39,919	\$ -	\$ 48,563	\$ 265,012	\$ 24,042,182
CAPACITY COSTS	\$ 7,818,679	\$ 16,620,893	\$ 327,645	\$ 1,910,715	\$ 2,403,179	\$ 1,156,184	\$ 2,714,990	\$ 3,491,652	\$ -	\$ -	\$ 69,589	\$ -	\$ 434,234	\$ -	\$ 36,947,759
COMMODITY COSTS	\$ 45,337	\$ 192,237	\$ 12,060	\$ 194,458	\$ 441,727	\$ 273,043	\$ 540,859	\$ 245,199	\$ -	\$ -	\$ 597	\$ -	\$ 13,115	\$ -	\$ 1,958,632
REVENUE COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 13,502,588	\$ 29,879,513	\$ 628,613	\$ 4,262,364	\$ 4,230,963	\$ 2,039,921	\$ 3,729,129	\$ 3,804,453	\$ -	\$ -	\$ 110,105	\$ -	\$ 495,912	\$ 265,012	\$ 62,948,573
less: REVENUE AT PRESENT RATES (in the projected test year)	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020			\$ 20,967		\$ 171,598	\$ 262,518	\$ 53,847,331
less: REVENUE ADJUSTMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
equals: REVENUE AT PRESENT RATES	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
equals: GAS SALES RETURN (NOI) DEFICIENCY	\$ 7,058,534	\$ 12,531,213	\$ (42,518)	\$ (1,050,935)	\$ (4,765,931)	\$ (3,358,759)	\$ (3,104,742)	\$ 1,418,433	\$ -	\$ -	\$ 89,138	\$ -	\$ 324,314	\$ 2,494	\$ 9,101,242
plus: DEFICIENCY DUE TO REVENUE EXPANSION															
REGULATORY ASSESSMENT	\$ 47,723	\$ 84,724	\$ (287)	\$ (7,105)	\$ (32,222)	\$ (22,709)	\$ (20,991)	\$ 9,590	\$ -	\$ -	\$ 603	\$ -	\$ 2,193	\$ 17	\$ 61,533
BAD DEBT	\$ 41,824	\$ 74,252	\$ (252)	\$ (6,227)	\$ (28,240)	\$ (19,902)	\$ (18,397)	\$ 8,405	\$ -	\$ -	\$ 528	\$ -	\$ 1,922	\$ 15	\$ 53,928
STATE INCOME TAX	\$ 520,025	\$ 923,215	\$ (3,132)	\$ (77,426)	\$ (351,122)	\$ (247,451)	\$ (228,736)	\$ 104,501	\$ -	\$ -	\$ 6,567	\$ -	\$ 23,893	\$ 184	\$ 670,518
FEDERAL INCOME TAX	\$ 1,876,444	\$ 3,331,303	\$ (11,303)	\$ (279,381)	\$ (1,266,977)	\$ (892,894)	\$ (825,366)	\$ 377,077	\$ -	\$ -	\$ 23,697	\$ -	\$ 86,216	\$ 663	\$ 2,419,478
plus: DEFICIENCY IN OTHER OPERATING REV.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
equals: TOTAL REVENUE DEFICIENCY	\$ 9,544,550	\$ 16,944,706	\$ (57,492)	\$ (1,421,074)	\$ (6,444,492)	\$ (4,541,714)	\$ (4,198,232)	\$ 1,918,005	\$ -	\$ -	\$ 120,533	\$ -	\$ 438,538	\$ 3,373	\$ 12,306,700
UNIT COSTS:															
Customer	\$ 23.68	\$ 25.67	\$ 22.57	\$ 24.00	\$ (25.41)	\$ (160.10)	\$ (49.12)	\$ 1,210.53			\$ 21.24		\$ 7,625.65		\$ 18.30
Capacity	\$ 4.62288	\$ 2.12786	\$ 0.38765	\$ 0.10286	\$ (0.04470)	\$ (0.08156)	\$ (0.00992)	\$ 0.33638			\$ 3.83270		\$ 0.14898		\$ 0.28559
Commodity	\$ 0.02681	\$ 0.02461	\$ 0.01427	\$ 0.01047	\$ (0.00822)	\$ (0.01926)	\$ (0.00198)	\$ 0.02362			\$ 0.03290		\$ 0.00450		\$ 0.01514

SUPPORTING SCHEDULES: E-1 p.2, H-1 p.6, F-6

RECAP SCHEDULES:

RECAP SCHEDULES:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDY (SUMMARY PAGE)TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

SUMMARY	SALES & TRANSPORTATION SERVICES:										GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M					
Rate Base	\$ 66,777,234	\$ 146,039,858	\$ 2,998,369	\$ 18,905,698	\$ 19,049,121	\$ 8,973,906	\$ 17,460,806	\$ 19,273,800	\$ -	\$ -	\$ 548,644	\$ -	\$ 3,185,780	\$ 3,733	\$ 303,216,950
O&M	\$ 4,783,776	\$ 10,801,368	\$ 235,918	\$ 1,739,664	\$ 1,667,496	\$ 824,470	\$ 1,375,772	\$ 1,147,163	\$ -	\$ -	\$ 37,833	\$ -	\$ 25,689	\$ 264,759	\$ 22,903,906
DEPRECIATION	\$ 3,403,190	\$ 7,439,737	\$ 152,614	\$ 986,372	\$ 984,298	\$ 462,709	\$ 921,291	\$ 1,116,273	\$ -	\$ -	\$ 28,460	\$ -	\$ 204,360	\$ -	\$ 15,699,304
AMORTIZATION EXPENSES	\$ 145,940	\$ 333,906	\$ 8,037	\$ 69,052	\$ 101,630	\$ 56,822	\$ 105,047	\$ 57,867	\$ -	\$ -	\$ 1,235	\$ -	\$ 12,878	\$ -	\$ 892,414
TAXES OTHER THAN INCOME - OTHER	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ -	\$ -	\$ 5,252	\$ -	\$ 40,687	\$ -	\$ 2,900,349
TAXES OTHER THAN INCOME - REV. RELATED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INCOME TAXES TOTAL	\$ 136,402	\$ 298,422	\$ 6,130	\$ 38,690	\$ 38,869	\$ 18,305	\$ 36,618	\$ 44,345	\$ -	\$ -	\$ 1,119	\$ -	\$ 9,003	\$ 8	\$ 627,912
REVENUE CREDITED TO COS:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COST - CUSTOMER	\$ 5,638,572	\$ 13,066,383	\$ 288,908	\$ 2,157,191	\$ 1,386,058	\$ 610,695	\$ 473,280	\$ 67,603	\$ -	\$ -	\$ 39,919	\$ -	\$ 48,563	\$ 265,012	\$ 24,042,182
TOTAL COST - CAPACITY	\$ 7,818,679	\$ 16,620,893	\$ 327,645	\$ 1,910,715	\$ 2,403,179	\$ 1,156,184	\$ 2,714,990	\$ 3,491,652	\$ -	\$ -	\$ 69,589	\$ -	\$ 434,234	\$ -	\$ 36,947,759
TOTAL COST - COMMODITY	\$ 45,337	\$ 192,237	\$ 12,060	\$ 194,458	\$ 441,727	\$ 273,043	\$ 540,859	\$ 245,199	\$ -	\$ -	\$ 597	\$ -	\$ 13,115	\$ -	\$ 1,958,632
TOTAL COST - REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NO. OF CUSTOMERS: SALES	33,864	66,473	969	4,993	2,378	390	101	7	-	-	328	-	1	-	109,503
Peak & Avg. Mon. Sales Vol.(therms)	277,927,899	590,817,186	11,646,691	67,919,544	85,424,977	41,098,468	80,105,517	73,979,233	-	-	2,473,654	-	-	-	1,231,393,169
ANNUAL SALES	2,886,825	12,240,769	767,899	12,382,178	28,127,107	17,386,101	34,439,382	15,613,100	-	-	38,033	-	5,492,320	-	129,373,714

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GUEXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDY (SUMMARY PAGE)TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018

WITNESS: D. NIKOLICH

SALES & TRANSPORTATION SERVICES:											SALES & TRANSPORTATION SERVICES:				
SUMMARY	RS-1	RS-100	RS-600	GS-1	GS-6000	GS-25000	GS-120k	GS-1250k	GS-11m	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
RATE BASE	\$ 66,777,234	\$ 146,039,658	\$ 2,998,369	\$ 18,905,698	\$ 19,040,121	\$ 8,973,906	\$ 17,460,806	\$ 19,273,800	\$ 0	\$ 0	\$ 548,644	\$ 0	\$ 3,165,780	\$ 3,733	\$ 303,216,960
O&M	\$ 4,783,776	\$ 10,801,368	\$ 235,918	\$ 1,739,664	\$ 1,667,496	\$ 824,470	\$ 1,375,772	\$ 1,147,163	\$ 0	\$ 0	\$ 37,833	\$ 0	\$ 25,669	\$ 264,759	\$ 22,903,906
DEPRECIATION	\$ 3,403,190	\$ 7,439,737	\$ 152,614	\$ 986,372	\$ 984,298	\$ 462,709	\$ 921,291	\$ 1,116,273	\$ 0	\$ 0	\$ 28,460	\$ 0	\$ 204,350	\$ 0	\$ 15,699,304
AMORTIZATION EXPENSES	\$ 145,940	\$ 333,906	\$ 8,037	\$ 68,052	\$ 101,630	\$ 56,822	\$ 105,047	\$ 57,867	\$ 0	\$ 0	\$ 1,235	\$ 0	\$ 12,678	\$ 0	\$ 892,414
TAXES OTHER THAN INCOME - OTHER	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ 0	\$ 0	\$ 5,252	\$ 0	\$ 40,687	\$ 0	\$ 2,900,349
TAXES OTHER THAN INCOME - REV. RELATED	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
INCOME TAXES TOTAL	\$ 136,402	\$ 298,422	\$ 6,130	\$ 38,690	\$ 38,869	\$ 18,305	\$ 36,618	\$ 44,345	\$ 0	\$ 0	\$ 1,119	\$ 0	\$ 9,003	\$ 8	\$ 627,912
REVENUE CREDITED TO COS:	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL COST - CUSTOMER	\$ 5,639,572	\$ 13,055,383	\$ 288,908	\$ 2,157,191	\$ 1,386,058	\$ 610,695	\$ 473,280	\$ 67,603	\$ 0	\$ 0	\$ 39,919	\$ 0	\$ 48,563	\$ 265,012	\$ 24,042,182
TOTAL COST - CAPACITY	\$ 7,818,679	\$ 16,620,890	\$ 327,645	\$ 1,910,715	\$ 2,403,179	\$ 1,156,184	\$ 2,714,990	\$ 3,491,652	\$ 0	\$ 0	\$ 69,589	\$ 0	\$ 434,234	\$ 0	\$ 36,947,759
TOTAL COST - COMMODITY	\$ 45,337	\$ 192,237	\$ 12,060	\$ 194,458	\$ 441,727	\$ 273,043	\$ 540,859	\$ 245,199	\$ 0	\$ 0	\$ 597	\$ 0	\$ 13,115	\$ 0	\$ 1,958,632
TOTAL COST - REVENUE	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
NO. OF CUSTOMERS: SALES & TRANSPORTATION	33,864	66,473	969	4,993	2,378	390	101	7	0	0	328	0	1	0	109,503
Peak & Avg. Mon. Sales Vol.(therms)	277,927,890	590,817,186	11,646,691	67,919,544	85,424,977	41,098,468	80,105,517	73,979,233	0	0	2,473,654	0	0	0	1,231,393,169
ANNUAL SALES (therms)	2,886,825	12,240,769	767,699	12,382,178	28,127,107	17,386,101	34,439,382	15,613,100	0	0	38,033	0	5,492,320	0	129,373,714

SUPPORTING SCHEDULES: H-2 p.3-10

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 92  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Daniel J. Nikolich DJN-18

COST OF SERVICE

PAGE 2 OF 6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDY

TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GU

**ALLOCATION OF COST OF SERVICE  
TO CUSTOMER CLASSES  
SCHEDULE E (PAGE 1 OF 2)**

WITNESS: D. NIKOLICH

OPERATIONS AND MAINTENANCE EXP DIRECT AND SPECIAL ASSIGNMENTS:	SALES & TRANSPORTATION SERVICES:										SALES & TRANSPORTATION SERVICES:				THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-6000	GS-25000	GS-120k	GS-1250k	GS-11m	GS-26M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND			
Customer																
876 Meters and House Regulators	\$ 239,065	\$ 553,991	\$ 12,249	\$ 92,933	\$ 59,712	\$ 26,309	\$ 20,389	\$ 2,912	\$ 0	\$ 0	\$ 0	\$ 1,720	\$ 0	\$ 0	\$ 0	\$ 1,009,281
880 Maint. of Meters & House Reg.	\$ 53,248	\$ 123,592	\$ 2,728	\$ 20,699	\$ 13,300	\$ 5,860	\$ 4,541	\$ 649	\$ 0	\$ 0	\$ 0	\$ 383	\$ 0	\$ 0	\$ 0	\$ 224,799
874 Mains & Services	\$ 117,413	\$ 272,063	\$ 5,013	\$ 29,327	\$ 29,327	\$ 12,821	\$ 10,014	\$ 1,430	\$ 0	\$ 0	\$ 0	\$ 845	\$ 0	\$ 0	\$ 0	\$ 495,691
882 Maint. of Services	\$ 42,302	\$ 98,028	\$ 2,167	\$ 16,444	\$ 10,565	\$ 3,638	\$ 515	\$ 0	\$ 0	\$ 0	\$ 0	\$ 394	\$ 0	\$ 0	\$ 0	\$ 178,591
All Other	\$ 2,423,611	\$ 5,616,285	\$ 124,180	\$ 842,142	\$ 605,354	\$ 266,718	\$ 206,703	\$ 29,525	\$ 0	\$ 0	\$ 0	\$ 17,434	\$ 0	\$ 0	\$ 264,759	\$ 10,496,711
Total	\$ 2,875,639	\$ 6,663,779	\$ 147,341	\$ 1,117,861	\$ 718,258	\$ 316,463	\$ 245,255	\$ 35,032	\$ 0	\$ 0	\$ 0	\$ 20,886	\$ 0	\$ 0	\$ 264,759	\$ 12,405,074
Capacity																
876 Measuring & Reg. Sta. Eq.-1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
880 Maint. of Meters & Reg. Sta. Eq.-1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
874 Mains and Services	\$ 364,859	\$ 775,615	\$ 15,290	\$ 89,164	\$ 112,144	\$ 53,950	\$ 105,101	\$ 97,119	\$ 0	\$ 0	\$ 0	\$ 3,247	\$ 0	\$ 0	\$ 0	\$ 1,616,552
874 Mains and Services LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,709	\$ 96,919	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 128,628
887 Maint. of Mains	\$ 79,573	\$ 189,157	\$ 3,335	\$ 19,446	\$ 24,458	\$ 11,767	\$ 22,935	\$ 21,181	\$ 0	\$ 0	\$ 0	\$ 708	\$ 0	\$ 0	\$ 0	\$ 352,560
887 Maint. of Mains LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,678	\$ 17,356	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,689	\$ 0	\$ 48,723
All Other	\$ 1,413,607	\$ 3,005,036	\$ 59,236	\$ 345,455	\$ 434,492	\$ 209,037	\$ 407,436	\$ 378,276	\$ 0	\$ 0	\$ 0	\$ 12,582	\$ 0	\$ 0	\$ 0	\$ 6,263,156
LOCAL STORAGE PLANT	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 949,894	\$ 289,894	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 384,738
LOCAL STORAGE PLANT LV	\$ 11,854	\$ 24,774	\$ 488	\$ 2,948	\$ 3,582	\$ 1,723	\$ 3,359	\$ 3,102	\$ 0	\$ 0	\$ 0	\$ 104	\$ 0	\$ 0	\$ 0	\$ 51,635
Total	\$ 1,869,694	\$ 3,974,581	\$ 78,350	\$ 456,912	\$ 574,676	\$ 276,480	\$ 671,897	\$ 904,216	\$ 0	\$ 0	\$ 0	\$ 16,641	\$ 0	\$ 25,689	\$ 0	\$ 8,849,134
Commodity																
Account #	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Account #	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Account #	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other	\$ 38,443	\$ 163,007	\$ 10,226	\$ 164,890	\$ 374,561	\$ 231,526	\$ 458,620	\$ 207,816	\$ 0	\$ 0	\$ 0	\$ 506	\$ 0	\$ 0	\$ 0	\$ 1,649,696
Total	\$ 38,443	\$ 163,007	\$ 10,226	\$ 164,890	\$ 374,561	\$ 231,526	\$ 458,620	\$ 207,816	\$ 0	\$ 0	\$ 0	\$ 506	\$ 0	\$ 0	\$ 0	\$ 1,649,696
TOTAL O&M	\$ 4,783,776	\$ 10,801,388	\$ 235,918	\$ 1,739,684	\$ 1,667,496	\$ 824,470	\$ 1,375,772	\$ 1,147,163	\$ -	\$ -	\$ -	\$ 37,833	\$ -	\$ 25,689	\$ 284,759	\$ 22,903,906
DEPRECIATION EXPENSE:																
Customer																
Capacity	\$ 1,071,695	\$ 2,483,462	\$ 54,911	\$ 418,605	\$ 267,681	\$ 117,940	\$ 91,402	\$ 13,056	\$ 0	\$ 0	\$ 0	\$ 7,709	\$ 0	\$ 16,204	\$ 0	\$ 4,540,665
Capacity LV	\$ 2,331,496	\$ 4,956,275	\$ 97,702	\$ 569,767	\$ 716,617	\$ 344,769	\$ 671,993	\$ 620,800	\$ 0	\$ 0	\$ 0	\$ 20,751	\$ 0	\$ 10,329,969	\$ 0	\$ 10,329,969
Total	\$ 3,403,190	\$ 7,439,737	\$ 152,614	\$ 988,372	\$ 984,298	\$ 462,709	\$ 921,291	\$ 1,116,273	\$ 0	\$ 0	\$ 0	\$ 28,460	\$ 0	\$ 188,156	\$ 0	\$ 28,670
AMORT. OF GAS PLANT:																
Capacity	\$ (25,677)	\$ (54,585)	\$ (1,076)	\$ (6,275)	\$ (7,892)	\$ (3,797)	\$ (7,401)	\$ (6,835)	\$ 0	\$ 0	\$ 0	\$ (229)	\$ 0	\$ 0	\$ 0	\$ (113,767)
AMORT. OF PROPERTY LOSS:																
Capacity	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
AMORT OF LIMITED TERM INVEST.																
Capacity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AMORT. OF ACQUISITION ADJ.:																
Customer	\$ 53,540	\$ 124,069	\$ 2,743	\$ 20,813	\$ 13,373	\$ 5,892	\$ 4,566	\$ 652	\$ 0	\$ 0	\$ 0	\$ 385	\$ 0	\$ 810	\$ 0	\$ 226,842
Capacity	\$ 111,734	\$ 237,524	\$ 4,682	\$ 27,305	\$ 34,343	\$ 16,923	\$ 32,205	\$ 29,742	\$ 0	\$ 0	\$ 0	\$ 994	\$ 0	\$ 0	\$ 0	\$ 495,052
Total	\$ 165,274	\$ 361,593	\$ 7,426	\$ 48,118	\$ 47,716	\$ 22,415	\$ 36,771	\$ 30,394	\$ 0	\$ 0	\$ 0	\$ 1,380	\$ 0	\$ 810	\$ 0	\$ 721,895
AMORT. OF CONVERSION COSTS:																
Commodity	\$ 6,344	\$ 26,888	\$ 1,687	\$ 27,209	\$ 61,807	\$ 38,204	\$ 75,677	\$ 34,308	\$ 0	\$ 0	\$ 0	\$ 84	\$ 0	\$ 12,099	\$ 0	\$ 284,286
SUPPORTING SCHEDULES: H-2 p.9-11																

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2016COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GU\*ALLOCATION OF COST OF SERVICE  
TO CUSTOMER CLASSES  
SCHEDULE E (PAGE 2 OF 2)

WITNESS: D. NIKOLICH

	SALES & TRANSPORTATION SERVICES:										SALES & TRANSPORTATION SERVICES:				THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-5000	GS-25000	GS-1200	GS-12500	GS-11m	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND			
TAXES OTHER THAN INCOME TAXES:																
Customer	\$ 197,989	\$ 458,804	\$ 10,145	\$ 76,965	\$ 49,452	\$ 21,789	\$ 16,886	\$ 2,412	\$ 0	\$ 0	\$ 1,424	\$ 0	\$ 2,994	\$ 0	\$ 0	\$ 836,860
Capacity	\$ 430,067	\$ 914,234	\$ 18,022	\$ 105,099	\$ 132,187	\$ 63,596	\$ 123,956	\$ 114,476	\$ 0	\$ 0	\$ 3,828	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,905,465
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,170	\$ 89,180	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,693	\$ 0	\$ 0	\$ 156,024
Subtotal	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ 0	\$ 0	\$ 5,252	\$ 0	\$ 40,687	\$ 0	\$ 0	\$ 2,900,349
Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ 0	\$ 0	\$ 5,252	\$ 0	\$ 40,687	\$ 0	\$ 0	\$ 2,900,349
RETURN (NOI)																
Customer	\$ 1,395,724	\$ 3,234,341	\$ 71,514	\$ 508,909	\$ 326,989	\$ 144,071	\$ 111,653	\$ 15,948	\$ 0	\$ 0	\$ 9,417	\$ 0	\$ 27,584	\$ 245	\$ 0	\$ 5,846,494
Capacity	\$ 3,008,967	\$ 6,396,440	\$ 126,092	\$ 735,326	\$ 924,847	\$ 444,950	\$ 897,257	\$ 800,931	\$ 0	\$ 0	\$ 26,781	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,331,590
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 135,118	\$ 412,994	\$ 0	\$ 0	\$ 0	\$ 0	\$ 174,597	\$ 0	\$ 0	\$ 722,709
Commodity	\$ 533	\$ 2,261	\$ 142	\$ 2,287	\$ 5,195	\$ 3,211	\$ 6,361	\$ 2,884	\$ 0	\$ 0	\$ 7	\$ 0	\$ 1,014	\$ 0	\$ 0	\$ 23,896
Total	\$ 4,405,224	\$ 9,633,042	\$ 197,748	\$ 1,246,522	\$ 1,257,031	\$ 592,232	\$ 1,120,389	\$ 1,232,757	\$ 0	\$ 0	\$ 36,205	\$ 0	\$ 203,295	\$ 245	\$ 0	\$ 19,924,689
INCOME TAXES																
Customer	\$ 43,985	\$ 101,828	\$ 2,254	\$ 16,038	\$ 10,305	\$ 4,540	\$ 3,519	\$ 503	\$ 0	\$ 0	\$ 297	\$ 0	\$ 872	\$ 8	\$ 0	\$ 184,248
Capacity	\$ 92,400	\$ 196,423	\$ 3,872	\$ 22,581	\$ 28,400	\$ 13,664	\$ 26,632	\$ 24,595	\$ 0	\$ 0	\$ 822	\$ 0	\$ 0	\$ 0	\$ 0	\$ 409,389
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,287	\$ 19,156	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,098	\$ 0	\$ 0	\$ 33,522
Commodity	\$ 17	\$ 71	\$ 4	\$ 72	\$ 164	\$ 101	\$ 200	\$ 91	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32	\$ 0	\$ 0	\$ 753
Total	\$ 136,402	\$ 298,422	\$ 6,130	\$ 38,690	\$ 38,669	\$ 18,305	\$ 36,618	\$ 44,345	\$ 0	\$ 0	\$ 1,119	\$ 0	\$ 9,003	\$ 8	\$ 0	\$ 627,912
REVENUE CREDITED TO COS:																
Customer	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL COST OF SERVICE:																
Customer	\$ 5,638,572	\$ 13,066,363	\$ 288,908	\$ 2,157,191	\$ 1,386,056	\$ 610,695	\$ 473,280	\$ 67,803	\$ 0	\$ 0	\$ 39,919	\$ 0	\$ 48,563	\$ 265,012	\$ 0	\$ 24,042,182
Capacity	\$ 7,816,679	\$ 16,620,893	\$ 327,645	\$ 1,910,715	\$ 2,403,179	\$ 1,156,184	\$ 2,254,307	\$ 2,083,556	\$ 0	\$ 0	\$ 69,589	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,644,746
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 460,684	\$ 1,408,096	\$ 0	\$ 0	\$ 0	\$ 0	\$ 434,234	\$ 0	\$ 0	\$ 2,303,013
Commodity	\$ 45,337	\$ 192,237	\$ 12,080	\$ 194,458	\$ 441,727	\$ 273,043	\$ 540,859	\$ 245,199	\$ 0	\$ 0	\$ 597	\$ 0	\$ 13,115	\$ 0	\$ 0	\$ 1,958,632
Subtotal	\$ 13,502,588	\$ 29,879,513	\$ 628,613	\$ 4,262,364	\$ 4,230,963	\$ 2,039,921	\$ 3,729,129	\$ 3,804,453	\$ 0	\$ 0	\$ 110,105	\$ 0	\$ 495,912	\$ 265,012	\$ 0	\$ 62,948,573
Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 13,502,588	\$ 29,879,513	\$ 628,613	\$ 4,262,364	\$ 4,230,963	\$ 2,039,921	\$ 3,729,129	\$ 3,804,453	\$ 0	\$ 0	\$ 110,105	\$ 0	\$ 495,912	\$ 265,012	\$ 0	\$ 62,948,573

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO: 20170179-GU

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
 OF SERVICE STUDY

TYPE OF DATA SHOWN:  
 PROJECTED TEST YEAR: 12/31/2018

ALLOCATION OF RATE BASE TO CUSTOMER CLASSES  
 SCHEDULE F

WITNESS: D. NIKOLICH

RATE BASE BY CUSTOMER CLASS	SALES & TRANSPORTATION SERVICES:										SALES & TRANSPORTATION SERVICES:					THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-6000	GS-25000	GS-120k	GS-1250k	GS-11m	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND				
DIRECT AND SPECIAL ASSIGNMENTS:																	
Customer																	
Meters	\$ 5,200,269	\$ 12,050,694	\$ 285,450	\$ 2,021,526	\$ 1,298,889	\$ 572,288	\$ 443,515	\$ 63,351		\$ 0	\$ 0	\$ 37,408	\$ 0	\$ 178,873	\$ 0	\$ 22,133,264	
House Regulators	\$ 1,317,639.38	\$ 3,053,393.55	\$ 67,512.88													\$ 4,438,546	
Services	\$ 7,721,040	\$ 17,892,129	\$ 395,609	\$ 3,001,437	\$ 1,928,510	\$ 849,698	\$ 658,504	\$ 94,060		\$ 0	\$ 0	\$ 55,542	\$ 0	\$ 136,560	\$ 0	\$ 32,733,089	
All Other	\$ 7,001,395	\$ 16,224,681	\$ 358,736	\$ 2,721,886	\$ 1,748,762	\$ 770,502	\$ 597,128	\$ 85,293		\$ 0	\$ 0	\$ 50,365	\$ 0	\$ 105,861	\$ 3,733	\$ 28,687,942	
Total	\$ 21,240,344	\$ 49,220,697	\$ 1,088,307	\$ 7,744,646	\$ 4,976,152	\$ 2,192,488	\$ 1,699,148	\$ 242,704		\$ 0	\$ 0	\$ 143,315	\$ 0	\$ 421,294	\$ 3,733	\$ 88,972,640	
Capacity																	
Industrial Meas. & Reg. Sta. Eq.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,122	\$ 390,762		\$ -	\$ -	\$ -	\$ -	\$ 92,007	\$ -	\$ 905,891	
Meas. & Reg. Sta. Eq.-Gen.	\$ 613,253	\$ 1,303,648	\$ 25,699	\$ 149,866	\$ 188,492	\$ 90,684	\$ 176,754	\$ 163,236		\$ -	\$ -	\$ 5,456	\$ -	\$ -	\$ -	\$ 2,717,090	
Mains	\$ 30,315,808	\$ 64,445,134	\$ 1,270,387	\$ 7,408,525	\$ 9,317,982	\$ 4,482,937	\$ 8,737,746	\$ 8,069,504		\$ -	\$ -	\$ 269,821	\$ -	\$ -	\$ -	\$ 134,317,855	
Mains Large Volume	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,056,250	\$ 6,285,000		\$ -	\$ -	\$ -	\$ -	\$ 2,657,041	\$ -	\$ 10,998,291	
LNG Storage	\$ 947,066	\$ 2,013,285	\$ 39,687	\$ 231,442	\$ 291,094	\$ 140,047	\$ 272,967	\$ 252,091		\$ -	\$ -	\$ 8,429	\$ -	\$ -	\$ -	\$ 4,196,088	
LNG Storage Large Volume	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,991	\$ 192,535		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,526	
All Other	\$ 13,652,649	\$ 29,022,706	\$ 572,120	\$ 3,336,411	\$ 4,196,330	\$ 2,018,880	\$ 3,935,022	\$ 3,634,061		\$ -	\$ -	\$ 121,513	\$ -	\$ -	\$ -	\$ 60,489,713	
Total	\$ 45,528,776	\$ 96,784,753	\$ 1,907,903	\$ 11,126,244	\$ 13,993,898	\$ 6,732,548	\$ 15,664,853	\$ 18,987,210		\$ -	\$ -	\$ 405,222	\$ -	\$ 2,749,048	\$ -	\$ 213,680,455	
Commodity																	
Account #	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Account #	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Account #	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
All Other	\$ 8,115	\$ 34,407	\$ 2,158	\$ 34,805	\$ 79,062	\$ 48,870	\$ 96,805	\$ 43,887		\$ -	\$ -	\$ 107	\$ -	\$ 15,438	\$ -	\$ 363,654	
Total	\$ 8,115	\$ 34,407	\$ 2,158	\$ 34,805	\$ 79,062	\$ 48,870	\$ 96,805	\$ 43,887		\$ -	\$ -	\$ 107	\$ -	\$ 15,438	\$ -	\$ 363,654	
TOTAL	\$ 68,777,234	\$ 146,039,858	\$ 2,938,369	\$ 18,905,698	\$ 19,049,121	\$ 8,973,906	\$ 17,460,806	\$ 19,273,880		\$ -	\$ -	\$ 548,644	\$ -	\$ 3,185,780	\$ 3,733	\$ 303,216,950	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

## DEVELOPMENT OF ALLOCATION FACTORS

SALES & TRANSPORTATION SERVICES:											SALES & TRANSPORTATION SERVICES:					THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
CUSTOMER COSTS	RS-1	RS-100	RS-600	GS-1	GS-6000	GS-25000	GS-1200	GS-12500	GS-11m	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND				
No. of Customers : RESIDENTIAL SALES	33,864	66,473	969									328				101,634	
No. of Customers : COMMERCIAL & INDUSTRIAL SALES				4,993	2,378	390	101	7				0	1			7,870	
No. of Customers :Total	33,864	66,473	969	4,993	2,378	390	101	7				328	0	1		109,503	
Weighting	1.00	1.18	1.79	2.64	3.56	9.56	28.60	58.93	121.09	233.04	0	0.74	3.56	512.02		NA	
Weighted No. of Customers	33,864	78,473	1,735	13,164	8,458	3,727	2,888	413	0	0	0	244	0	512		143,478	
Allocation Factors	0.236022	0.546938	0.012093	0.091750	0.058952	0.025974	0.020130	0.002875	0.000000	0.000000	0.001698	0.000000	0.003569	0.003569		1.00	
No. of Customers :Total Annual Bills	406,366	797,671	11,632	59,911	28,538	4,678	1,212	84	0	0	3,936	0	12	0		1,314,040	
CAPACITY COSTS																	
Peak & Avg. Mon. Sales Vol.(therms)	277,927,899	590,817,186	11,646,691	67,919,544	85,424,977	41,098,468	80,105,517	73,979,233	0	0	2,473,654	0	0			1,231,393,169	
DCQ's							15,871	15,028					8,836				
Allocation Factors	0.225702	0.479796	0.009458	0.055157	0.069373	0.033376	0.065053	0.060078	0.000000	0.000000	0.002009	0.000000	0.000000	0.000000		1.00	
Mains Allocation LV	0.225702	0.479796	0.009458	0.055157	0.069373	0.033376	0.065053	0.060078	0.000000	0.000000	0.002009	0.000000	0.000000	0.000000		1.00	
COMMODITY COSTS																	
Annual Sales Vol.(therms)																	
Residential	2,886,825	12,240,769	767,899													15,895,493	
Commercial & Industrial Sales				12,382,178	28,127,107	17,386,101	34,439,362	15,613,100	0	0	38,033	0	5,492,320			113,478,221	
Total Annual Sales Vol.(therms)	2,886,825	12,240,769	767,899	12,382,178	28,127,107	17,386,101	34,439,362	15,613,100	0	0	38,033	0	5,492,320			129,373,714	
Allocation Factors	0.022314	0.094616	0.005936	0.095709	0.217410	0.134387	0.266201	0.120682	0.000000	0.000000	0.000294	0.000000	0.042453			1.00	
REVENUE-RELATED COSTS																	
Tax on Cust.Cap.& Commod.	\$ 50,770	\$ 112,347	\$ 2,364	\$ 16,026	\$ 15,908	\$ 7,670	\$ 14,022	\$ 14,305	\$ -	\$ -	\$ 414	\$ -	\$ 1,865	\$ 996	\$	236,687	
Allocation Factors	0.214502	0.474685	0.009986	0.067712	0.067213	0.032406	0.059241	0.060437	0.000000	0.000000	0.001749	0.000000	0.007878	0.004210		1.00	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDY (SUMMARY)COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GUTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018  
WITNESS: D. NIKOLICH

SUMMARY:	TOTAL	CAPACITY	CUSTOMER	COMMODITY	REVENUE
ATTENTION	\$ -	\$ -	\$ -	\$ -	\$ -
O&M	\$ 22,903,906	\$ 8,849,136	\$ 12,405,074	\$ 1,649,696	\$ -
less O&M direct assignments	\$ (4,109,805)	\$ (2,201,242)	\$ (1,908,363)	\$ -	\$ -
NET O&M	\$ 18,794,101	\$ 6,647,894	\$ 10,496,710	\$ 1,649,696	\$ -
DEPRECIATION	\$ 15,699,304	\$ 11,156,630	\$ 4,540,665	\$ -	\$ -
AMORTIZATION OF OTHER GAS PLANT	\$ (113,767)	\$ (113,767)	\$ -	\$ -	\$ -
AMORTIZATION OF PROPERTY LOSS	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF LIMITED TERM INVESTMENT	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF ACQUISITION ADJUSTMENT	\$ 721,895	\$ 495,052	\$ 226,842	\$ -	\$ -
AMORTIZATION OF CONVERSION COSTS	\$ 284,286	\$ -	\$ -	\$ 284,286	\$ -
TOTAL TAXES OTHER THAN INCOME	#REF!	\$ 2,061,489	\$ 838,880	\$ -	\$ -
RETURN	\$ 19,924,889	\$ 14,054,299	\$ 5,846,494	\$ 23,896	\$ -
INCOME TAXES	\$ 627,912	\$ 442,911	\$ 184,248	\$ 753	\$ -
REVENUES CREDITED TO COST OF SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COST OF SERVICE	#REF!	\$ 35,947,759	\$ 24,042,192	\$ 1,958,632	\$ -
RATE BASE	\$ 303,218,950	\$ 213,880,455	\$ 88,972,840	\$ 360,854	\$ -
less Rate Base direct assignments	\$ (212,695,840)	\$ (153,390,742)	\$ (59,304,899)	\$ -	\$ -
NET RATE BASE	\$ 90,523,110	\$ 60,489,713	\$ 29,667,942	\$ 363,854	\$ -

## KNOWN DIRECT &amp; SPECIAL ASSIGNMENTS:

## RATE BASE ITEMS(PLANT-ACC.DEPR):

361-382 METERS	\$ 22,133,264	\$ -	\$ 22,133,264	\$ -	\$ -
363-384 HOUSE REGULATORS	\$ 4,438,546	\$ -	\$ 4,438,546	\$ -	\$ -
385 INDUSTRIAL MEAS.& REG.EQ.	\$ 905,891	\$ 905,891	\$ -	\$ -	\$ -
376 MAINS	\$ 145,315,146	\$ 145,315,146	\$ -	\$ -	\$ -
380 SERVICES	\$ 32,733,089	\$ -	\$ 32,733,089	\$ -	\$ -
378 MEAS.& REG.STA.EQ.-GEN.	\$ 2,717,090	\$ 2,717,090	\$ -	\$ -	\$ -
364 LNG Plant	\$ 4,451,614	\$ 4,451,614	\$ -	\$ -	\$ -
Total Rate Base Direct Assignments	\$ 212,695,840	\$ 153,390,742	\$ 59,304,899	\$ -	\$ -

## O&amp;M ITEMS

892 Maint. of Services O & M ITEMS	\$ 178,591	\$ -	\$ 178,591	\$ -	\$ -
876 MEAS.& REG.STA.EQ.IND.	\$ -	\$ -	\$ -	\$ -	\$ -
878 METER & HOUSE REG.	\$ 1,009,281	\$ -	\$ 1,009,281	\$ -	\$ -
890 MAINT.OF MEAS.& REG.STA.EQ.-IND.	\$ -	\$ -	\$ -	\$ -	\$ -
893 MAINT.OF METERS AND HOUSE REG.	\$ 224,799	\$ -	\$ 224,799	\$ -	\$ -
874 MAINS AND SERVICES	\$ 2,240,871	\$ 1,745,180	\$ 495,691	\$ -	\$ -
867 MAINT. OF MAINS	\$ 401,282	\$ 401,282	\$ -	\$ -	\$ -
364 LNG Plant	\$ 54,780	\$ 54,780	\$ -	\$ -	\$ -
Total O&M Direct Assignments	\$ 4,109,805	\$ 2,201,242	\$ 1,908,363	\$ -	\$ -

SUPPORTING SCHEDULES: H-3 p.1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC

COST OF SERVICE STUDY

WITNESS: D. NIKOLICH

D/B/A FLORIDA CITY GAS

(SUMMARY)

DOCKET NO: 20170179-GU

SUMMARY:	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE
ATTRITION	\$ -	\$ -	\$ -	\$ -	\$ -
O&M	\$ 22,903,906	\$ 12,405,074	\$ 8,849,136	\$ 1,649,696	\$ -
less O&M direct assignments	\$ (4,109,605)	\$ (1,908,363)	\$ (2,201,242)	\$ -	\$ -
NET O&M	\$ 18,794,301	\$ 10,496,710	\$ 6,647,894	\$ 1,649,696	\$ -
DEPRECIATION	\$ 15,699,304	\$ 4,540,665	\$ 11,158,639	\$ -	\$ -
AMORTIZATION OF OTHER GAS PLANT	\$ (113,767)	\$ -	\$ (113,767)	\$ -	\$ -
AMORTIZATION OF PROPERTY LOSS	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF LIMITED TERM INVESTMENT	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF ACQUISITION ADJUSTMENT	\$ 721,895	\$ 226,842	\$ 495,052	\$ -	\$ -
AMORTIZATION OF CONVERSION COSTS	\$ 284,286	\$ -	\$ -	\$ 284,286	\$ -
TOTAL TAXES OTHER THAN INCOME	#REF!	\$ 838,860	\$ 2,061,489	\$ -	\$ -
RETURN	\$ 19,924,689	\$ 5,846,494	\$ 14,054,299	\$ 23,896	\$ -
INCOME TAXES	\$ 627,912	\$ 184,248	\$ 442,911	\$ 753	\$ -
REVENUES CREDITED TO COST OF SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COST OF SERVICE	#REF!	\$ 24,042,182	\$ 36,947,759	\$ 1,958,632	\$ -
RATE BASE	\$ 303,216,950	\$ 88,972,840	\$ 213,880,455	\$ 363,654	\$ -
less Rate Base direct assignments	\$ (212,695,640)	\$ (59,304,899)	\$ (153,390,742)	\$ -	\$ -
NET RATE BASE	\$ 90,521,310	\$ 29,667,942	\$ 60,489,713	\$ 363,654	\$ -

## KNOWN DIRECT &amp; SPECIAL ASSIGNMENTS:

## RATE BASE ITEMS(PLANT-ACC.DEPR):

381-382 METERS	\$ 22,133,264	\$ 22,133,264	\$ -	\$ -	\$ -
383-384 HOUSE REGULATORS	\$ 4,438,546	\$ 4,438,546	\$ -	\$ -	\$ -
385 INDUSTRIAL MEAS.& REG.EQ.	\$ 905,891	\$ -	\$ 905,891	\$ -	\$ -
376 MAINS	\$ 145,316,146	\$ -	\$ 145,316,146	\$ -	\$ -
380 SERVICES	\$ 32,733,089	\$ 32,733,089	\$ -	\$ -	\$ -
378 MEAS.& REG.STA.EQ.-GEN.	\$ 2,717,090	\$ -	\$ 2,717,090	\$ -	\$ -
364 LNG Plant	\$ 4,451,614	\$ -	\$ 4,451,614	\$ -	\$ -
Total Rate Base Direct Assignments	\$ 212,695,640	\$ 59,304,899	\$ 153,390,742	\$ -	\$ -

## O&amp;M ITEMS

892 Maint. of Services O & M ITEMS	\$ 178,591	\$ 178,591	\$ -	\$ -	\$ -
876 MEAS. & REG.STA.EQ.IND.	\$ -	\$ -	\$ -	\$ -	\$ -
878 METER & HOUSE REG.	\$ 1,009,281	\$ 1,009,281	\$ -	\$ -	\$ -
890 MAINT.OF MEAS. & REG.STA.EQ.-IND.	\$ -	\$ -	\$ -	\$ -	\$ -
893 MAINT.OF METERS AND HOUSE REG.	\$ 224,799	\$ 224,799	\$ -	\$ -	\$ -
874 MAINS AND SERVICES	\$ 2,240,871	\$ 495,691	\$ 1,745,180	\$ -	\$ -
887 MAINT. OF MAINS	\$ 401,282	\$ -	\$ 401,282	\$ -	\$ -
LOCAL STORAGE PLANT:	\$ 54,780	\$ -	\$ 54,780	\$ -	\$ -
Total O&M Direct Assignments	\$ 4,109,605	\$ 1,908,363	\$ 2,201,242	\$ -	\$ -

SUPPORTING SCHEDULES: H-3 p.2-5

RECAP SCHEDULES: H-2 p.11

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 93  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Daniel J. Nikolich DJN-19



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED  
COST OF SERVICE STUDY

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC

D/B/A FLORIDA CITY GAS

CLASSIFICATION OF EXPENSES AND

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

DERIVATION OF COST OF SERVICE BY COST CLASSIFICATION  
SCHEDULE H 1 OF 2

OPERATIONS AND MAINTENANCE EXPENSES	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:	\$ 54,780	\$ -	\$ 54,780	\$ -	ac 301-320
PRODUCTION PLANT					100% capacity
DISTRIBUTION:					
Operation Supervision and Engineering	\$ 2,660	\$ 1,471	\$ 1,189	\$ -	ac 871-879
Distribution Load Dispatching	\$ -	\$ -	\$ -	\$ -	100% capacity
Compressor Station Labor and Expenses	\$ -	\$ -	\$ -	\$ -	ac 377
Compr.Sta.Fuel & Power	\$ -	\$ -	\$ -	\$ -	100% commodity
Mains and Services Expenses	\$ 2,240,871	\$ 495,691	\$ 1,745,180	\$ -	ac376+ac380
Measuring and Regulating Station Expenses-General	\$ 1,163	\$ -	\$ 1,163	\$ -	ac 378
Measuring and Regulating Station Expenses-Industrial	\$ -	\$ -	\$ -	\$ -	ac 385
Measuring and Regulating Station Expenses-City Gate Check :	\$ 78,287	\$ -	\$ 78,287	\$ -	ac 379
Meter and House Regulator Expenses	\$ 1,009,281	\$ 1,009,281	\$ -	\$ -	ac381+ac383
Customer Installations Expenses	\$ 752,271	\$ 752,271	\$ -	\$ -	ac 386
Other Expenses	\$ 256,815	\$ 135,832	\$ 120,983	\$ -	ac 387
Rents	\$ -	\$ -	\$ -	\$ -	100% capacity
Maintenance Supervision and Engineering	\$ -	\$ -	\$ -	\$ -	ac886-894
Maintenance of Structures and Improvements	\$ -	\$ -	\$ -	\$ -	ac375
Maintenance of Mains	\$ 401,282	\$ -	\$ 401,282	\$ -	ac376
Maintenance of Compressor Station Equipment	\$ 593	\$ -	\$ 593	\$ -	ac 377
Maintenance of Meas. and Reg. Sta. Equip.-General	\$ 130,290	\$ -	\$ 130,290	\$ -	ac 378
Maintenance of Meas. and Reg. Sta. Equip.-Industrial	\$ -	\$ -	\$ -	\$ -	ac 385
Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check S	\$ -	\$ -	\$ -	\$ -	ac 379
Maintenance of Services	\$ 178,591	\$ 178,591	\$ -	\$ -	ac 380
Maintenance of Meters and House Regulators	\$ 224,799	\$ 224,799	\$ -	\$ -	ac381-383
Maintenance of Other Equipment	\$ 30,148	\$ 8,018	\$ 21,130	\$ -	ac387
Total Distribution Expenses	\$ 5,307,054	\$ 2,806,956	\$ 2,500,098	\$ -	
CUSTOMER ACCOUNTS:					
Supervision	\$ -	\$ -	\$ -	\$ -	100% customer
Meter Reading Expenses	\$ 140,890	\$ 140,890	\$ -	\$ -	100% customer
Customer Records and Collection Expenses	\$ 87,609	\$ 87,609	\$ -	\$ -	100% customer
Uncollectible Accounts	\$ 476,292	\$ -	\$ -	\$ 476,292	100% commodity
Miscellaneous Customer Accounts Expenses	\$ 989	\$ 989	\$ -	\$ -	100% customer
Total Customer Accounts	\$ 705,780	\$ 229,488	\$ -	\$ 476,292	
Supervision	\$ -	\$ -	\$ -	\$ -	100% customer
Customer Assistance Expenses	\$ 10,412	\$ 10,412	\$ -	\$ -	
Informational and Instructional Expenses	\$ 2,268	\$ 1,228	\$ 876	\$ 163	
Miscellaneous Customer Service and Informational Expenses	\$ (25)	\$ (25)	\$ -	\$ -	
Supervision	\$ 6	\$ 6	\$ -	\$ -	100% customer
Demonstrating and Selling Expenses	\$ 14,851	\$ 14,851	\$ -	\$ -	
Advertising Expenses	\$ 519,842	\$ 519,842	\$ -	\$ -	
Miscellaneous Sales Expenses	\$ -	\$ -	\$ -	\$ -	
Administrative and General Salaries	\$ 10,805,790	\$ 5,852,566	\$ 4,174,917	\$ 778,307	O&M excl. A&G
Office Supplies and Expenses	\$ 1,347,290	\$ 729,711	\$ 520,538	\$ 97,041	
Administrative Expenses Transferred-Cr.	\$ (2,907,083)	\$ (1,574,517)	\$ (1,123,179)	\$ (209,388)	
Outside Services Employed	\$ 2,077,545	\$ 1,125,227	\$ 802,679	\$ 149,639	
Property Insurance	\$ 308,850	\$ 167,277	\$ 119,327	\$ 22,245	
Injuries and Damages	\$ 163,923	\$ 88,783	\$ 63,333	\$ 11,807	
Employee Pensions and Benefits	\$ 2,013,919	\$ 1,090,767	\$ 778,096	\$ 145,056	
Franchise Requirements	\$ -	\$ -	\$ -	\$ -	
Regulatory Commission Expenses	\$ -	\$ -	\$ -	\$ -	
Duplicate Charges (CR)	\$ -	\$ -	\$ -	\$ -	
General Advertising Expenses	\$ -	\$ -	\$ -	\$ -	
Miscellaneous General Expenses	\$ 1,121,733	\$ 607,546	\$ 433,392	\$ 80,795	
Rents	\$ 381,484	\$ 206,617	\$ 147,390	\$ 27,477	
Maintenance of General Plant	\$ 975,488	\$ 528,338	\$ 376,889	\$ 70,261	general plant
TOTAL O&M EXPENSE	\$ 22,903,906	\$ 12,405,074	\$ 8,849,136	\$ 1,649,696	

SUPPORTING SCHEDULES: E-3 p.3-4

RECAP SCHEDULES: H-3 p.1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED  
COST OF SERVICE STUDY

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC

D/B/A FLORIDA CITY GAS

DOCKET NO: 20170179-GU

CLASSIFICATION OF EXPENSES AND DERIVATION  
OF COST OF SERVICE BY COST CLASSIFICATION

WITNESS: D. NIKOLICH

SCHEDULE H 2 OF 2

## DEPRECIATION AND AMORTIZATION EXPENSE:

	<u>TOTAL</u>	<u>CUSTOMER</u>	<u>CAPACITY</u>	<u>COMMODITY</u>	<u>REVENUE</u>	<u>CLASSIFIER</u>
Depreciation Expense	\$ 15,899,304	\$ 4,540,665	\$ 11,158,639	\$ -	\$ -	net plant
Amort. & Depl. of Utility Plant	\$ (113,767)	\$ -	\$ (113,767)	\$ -	\$ -	100% capacity
Amort. of Acquisition Adj.	\$ 721,895	\$ 226,842	\$ 495,052	\$ -	\$ -	intangible, distribution, and general plant
Amort. of Conversion Costs	\$ 284,286	\$ -	\$ -	\$ 284,286	\$ -	100% commodity
Regulatory Debits	\$ -	\$ -	\$ -	\$ -	\$ -	100% capacity
Total Deprec. and Amort. Expense	\$ 16,591,718	\$ 4,767,507	\$ 11,539,925	\$ 284,286	\$ -	
TAXES OTHER THAN INCOME TAXES:						
Revenue Related		\$ -	\$ -	\$ -	\$ -	100% revenue
Other	\$ 2,900,349	\$ 838,860	\$ 2,061,489	\$ -	\$ -	net plant
Total Taxes other than Income Taxes	#REF!	\$ 838,860	\$ 2,061,489	\$ -	\$ -	
REV.CRDT TO COS(NEG.OF OTHR OPR.REV)		\$ -	\$ -	\$ -	\$ -	100% customer
RETURN (REQUIRED NOI)	\$ 19,924,689	\$ 5,846,494	\$ 14,054,299	\$ -23,896	\$ -	rate base
INCOME TAXES	\$ 627,912	\$ 184,248	\$ 442,911	\$ 753	\$ -	return(not)
TOTAL OVERALL COST OF SERVICE						
	#REF!	\$ 24,042,182	\$ 36,947,759	\$ 1,958,632	\$ -	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED  
COST OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

CLASSIFICATION OF RATE BASE - PLANT  
SCHEDULE 1 OF 2

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT					
302 FRANCHISES AND CONSENTS	\$ 320,147	\$ -	\$ 320,147	\$ -	100% capacity
303 MISC INTANGIBLE PLANT:	\$ 220	\$ -	\$ 220	\$ -	100% capacity
364 LNG Plant	\$ 4,461,538		\$ 4,461,538		100% capacity
PRODUCTION PLANT					100% capacity
DISTRIBUTION PLANT:					100% capacity
365 LAND AND LAND RIGHTS TRANSMISSION	\$ -		\$ -		
367 TRANSMISSION MAIN	\$ -		\$ -		
367.1 TRANSMISSION MAIN-STEEL	\$ -		\$ -		
367.2 TRANSMISSION MAIN-PLASTIC	\$ -		\$ -		100% capacity
369 MEASURING/REPLACING EQUIPMENT	\$ -		\$ -		
371 OTHER EQUIPMENT	\$ -		\$ -		
374 Land and Land Rights	\$ 659,737	\$ -	\$ 659,737	\$ -	100% capacity
374.1 Land	\$ 72,437		\$ 72,437		100% capacity
374.3 RIGHT-OF-WAY	\$ 11,132		\$ 11,132		100% capacity
375 Structures and Improvements	\$ -	\$ -	\$ -	\$ -	100% capacity
376 Mains	\$ -	\$ -	\$ -	\$ -	100% capacity
376.10 MAINS-STEEL	\$ 109,400,818		\$ 109,400,818		100% capacity
376.20 MAINS-PLASTIC	\$ 146,111,846		\$ 146,111,846		100% capacity
376.30 MAINS-CAST IRON	\$ 1,754		\$ 1,754		100% capacity
376.50 MAINS-MISC	\$ -		\$ -		100% capacity
376.99 MAINS-CIAC	\$ (194,159)		\$ (194,159)		100% capacity
377 Comp.Sta.Eq.					100% capacity
378 Meas.& Reg.Sta.Eq.-Gen	\$ 2,851,518	\$ -	\$ 2,851,518	\$ -	100% capacity
379 Meas.& Reg.Sta.Eq.-CG	\$ 10,001,910	\$ -	\$ 10,001,910	\$ -	100% capacity
380 Services	\$ -	\$ -	\$ -	\$ -	100% customer
380.1 Services-Steel	\$ 14,608,049	\$ 14,608,049			100% customer
380.1 Services-Plastic	\$ 61,562,546	\$ 61,562,546			100% customer
381 Meters	\$ 17,963,071	\$ 17,963,071	\$ -	\$ -	100% customer
381.1 Meters-ERTs	\$ 1,563,533	\$ 1,563,533			100% customer
382 Meters Installation	\$ 7,167,574	\$ 7,167,574	\$ -	\$ -	100% customer
382.1 Meters Installation - ERTs	\$ 4,694,678	\$ 4,694,678			100% customer
383 House Regulators	\$ 5,884,588	\$ 5,884,588	\$ -	\$ -	100% customer
384 House Regulator Installation	\$ 2,308,977	\$ 2,308,977	\$ -	\$ -	100% customer
385 Industrial Meas.& Reg.Eq.	\$ 3,045,476		\$ 3,045,476	\$ -	100% capacity
386 Property on Customer Premises					ac 374-385
387 Other Equipment	\$ 836,929	\$ 250,346	\$ 586,583	\$ -	ac 374-386
Total Distribution Plant	\$ 393,334,319	\$ 116,003,362	\$ 277,330,957	\$ -	
GENERAL PLANT:	\$ 40,883,493	\$ 20,441,746	\$ 20,441,746	\$ -	50% customer, 50% capacity
PLANT ACQUISITION ADJUSTMENT:	\$ 21,656,835	\$ -	\$ 21,656,835	\$ -	100% capacity
GAS PLANT FOR FUTURE USE:	\$ -	\$ -	\$ -	\$ -	100% capacity
CWIP:	\$ 30,952,948	\$ 9,131,687	\$ 21,831,261	\$ -	dist.plant
TOTAL PLANT	\$ 486,837,595	\$ 145,576,796	\$ 341,260,799	\$ -	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED  
COST OF SERVICE STUDY

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC

D/B/A FLORIDA CITY GAS

CLASSIFICATION OF RATE BASE

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

ACCUMULATED DEPRECIATION

SCHEDULE I 2 OF 2

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:					
302 FRANCHISES AND CONSENTS	\$ 176,579	\$ -	\$ 176,579	\$ -	related plant
303 MISC INTANGIBLE PLANT:	\$ (2,978)	\$ -	\$ (2,978)	\$ -	rel.plant account
364 LNG PLANT	\$ 9,924	\$ -	\$ 9,924	\$ -	
PRODUCTION PLANT					
DISTRIBUTION PLANT:					
365 LAND AND LAND RIGHTS TRANSMISSION	\$ 12,808	\$ -	\$ 12,808	\$ -	
367 TRANSMISSION MAIN	\$ -	\$ -	\$ -	\$ -	
367.1 TRANSMISSION MAIN-STEEL	\$ 304,885	\$ -	\$ 304,885	\$ -	
369 MEASURING/REPLAING EQUIPMENT	\$ -	\$ -	\$ -	\$ -	
371 OTHER EQUIPMENT	\$ 8,268	\$ -	\$ 8,268	\$ -	
374 Land and Land Rights	\$ -	\$ -	\$ -	\$ -	
374.1 Land	\$ -	\$ -	\$ -	\$ -	
374.3 RIGHT-OF-WAY	\$ 27	\$ -	\$ 27	\$ -	
375 Structures and Improvements	\$ (81,195)	\$ -	\$ (81,195)	\$ -	
376 Mains	\$ -	\$ -	\$ -	\$ -	
376.10 MAINS-STEEL	\$ 70,064,176	\$ -	\$ 70,064,176	\$ -	
376.20 MAINS-PLASTIC	\$ 39,959,507	\$ -	\$ 39,959,507	\$ -	
376.30 MAINS-CAST IRON	\$ 342	\$ -	\$ 342	\$ -	
376.50 MAINS-MISC	\$ -	\$ -	\$ -	\$ -	
376.99 MAINS-CIAC	\$ (19,912)	\$ -	\$ (19,912)	\$ -	
377 Compressor Sta. Eq.	\$ -	\$ -	\$ -	\$ -	
378 Meas.& Reg.Sta. Eq.-Gen	\$ 134,428	\$ -	\$ 134,428	\$ -	
379 Meas.& Reg.Sta. Eq.-CG	\$ 4,651,714	\$ -	\$ 4,651,714	\$ -	
380 Services	\$ -	\$ -	\$ -	\$ -	
380.1 Services-Steel	\$ 22,435,002	\$ 22,435,002	\$ -	\$ -	
380.1 Services-Plastic	\$ 21,002,503	\$ 21,002,503	\$ -	\$ -	
381 Meters	\$ 3,200,991	\$ 3,200,991	\$ -	\$ -	
381.1 Meters-ERTs	\$ 275,381	\$ 275,381	\$ -	\$ -	
382 Meters Installation	\$ 3,000,959	\$ 3,000,959	\$ -	\$ -	
382.1 Meters Installation - ERTs	\$ 2,778,262	\$ 2,778,262	\$ -	\$ -	
383 House Regulators	\$ 2,609,611	\$ 2,609,611	\$ -	\$ -	
384 House Regulator Installation	\$ 1,145,408	\$ 1,145,408	\$ -	\$ -	
385 Indust.Meas.& Reg.Sta.Eq.	\$ 2,139,585	\$ -	\$ 2,139,585	\$ -	
386 Property on Customer Premises	\$ -	\$ -	\$ -	\$ -	
387 Other Equipment	\$ 330,087	\$ 98,737	\$ 231,350	\$ -	
Total A.D. on Dist. Plant	\$ 173,952,838	\$ 56,546,855	\$ 117,405,983	\$ -	
GENERAL PLANT:	\$ 6,900,616	\$ 3,450,308	\$ 3,450,308	\$ -	general plant
PLANT ACQUISITION ADJUSTMENT:	\$ 9,865,892	\$ -	\$ 9,865,892	\$ -	acquisition adjustments
RETIREMENT WORK IN PROGRESS:	\$ (2,233,352)	\$ (658,667)	\$ (1,574,685)	\$ -	distribution plant
TOTAL ACCUMULATED DEPRECIATION	\$ 188,669,518	\$ 59,338,496	\$ 129,331,023	\$ -	
NET PLANT (Plant less Accum.Dep.)	\$ 298,168,077	\$ 86,238,301	\$ 211,929,776	\$ -	
less:CUSTOMER ADVANCES	\$ -	\$ -	\$ -	\$ -	50%-50% cust--cap
plus:WORKING CAPITAL	\$ 5,048,873	\$ 2,734,540	\$ 1,950,679	\$ 363,654	oper. and maint. exp.
equals:TOTAL RATE BASE	\$ 303,216,950	\$ 88,972,840	\$ 213,880,455	\$ 363,654	

### Rate Design Impact Summary

Rates based off CCOS Methods Proposed by FEA Witness Collins

Proposed Rates										
Class	Number of Customers	Demand Vol.(therms)	Annual Volumes (therms)	Rate Base	Current Revenues	Proposed Revenues	Increase	% Rev Inc.	NOI	ROR
RS-1	33,864		2,886,825	66,777,234	\$6,444,054	\$ 16,127,161	\$ 9,683,108	150.26%	4,543,782	6.80%
RS-100	66,473		12,240,769	146,039,858	\$17,348,299	\$ 34,590,191	\$ 17,241,891	99.39%	9,930,227	6.80%
RS-600	969		767,899	2,998,369	\$671,130	\$ 618,956	\$ (52,174)	-7.77%	203,065	6.77%
GS-1	4,993		12,382,178	18,905,698	\$5,313,299	\$ 3,925,955	\$ (1,387,344)	-26.11%	1,280,252	6.77%
GS-6k	2,378		28,127,107	19,049,121	\$8,996,894	\$ 2,574,522	\$ (6,422,373)	-71.38%	1,279,150	6.72%
GS-25k	390		17,386,101	8,973,906	\$5,398,680	\$ 864,393	\$ (4,534,288)	-83.99%	599,658	6.68%
GS-120k	101	172,347	34,439,382	17,460,806	\$6,833,871	\$ 2,658,480	\$ (4,175,391)	-61.10%	1,143,229	6.55%
GS-1250k	7	198,876	15,613,100	19,273,800	\$2,386,020	\$ 4,341,324	\$ 1,955,304	81.95%	1,270,056	6.59%
GS-11M	-		-	-	-	-	-	-	-	-
GS-25M	-		-	-	-	-	-	-	-	-
GAS LIGHTING	328		38,033	548,644	\$20,967	\$ 15,561	\$ (5,406)	-25.78%	(89,385)	-16.29%
NATURAL GAS VEHICLES	-		-	-	-	-	-	-	-	-
CONTRACT DEMAND	1		5,492,320	3,185,780	\$171,598	\$ 171,598		0.00%	(235,243)	-7.38%
THIRD PARTY SUPPLIER	13		-	3,733	\$262,518	\$ 265,891	\$ 3,373	1.28%	245	6.57%
<b>Total All Classes</b>	<b>109,516</b>	<b>371,223</b>	<b>123,881,394</b>	<b>\$303,216,950</b>	<b>\$ 53,847,331</b>	<b>\$ 66,154,031</b>	<b>\$ 12,306,700</b>	<b>22.85%</b>	<b>\$ 19,925,037</b>	<b>6.57%</b>
<b>Summary</b>										
Residential	101,634	-	15,933,526	216,364,105	\$24,484,450	\$ 51,351,869	\$ 26,867,419	109.73%	14,587,689	6.74%
Commercial and Industrial	7,870	371,223	113,440,188	86,849,112	\$29,100,363	\$ 14,536,272	\$ (14,564,091)	-50.05%	5,337,103	6.15%

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 94  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Daniel J. Nikolich DJN-20

EXHIBIT NO. \_\_\_\_\_ (DJN-20)  
Florida City Gas  
DOCKET NO. 20170179-GU  
PAGE 1 OF 1

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS

EXPLANATION: PROVIDE REVENUES CALCULATED AT PRESENT RATES, PRESENT RATES  
 ADJUSTED FOR GROWTH ONLY FOR THE PROJECTED TEST YEAR, AND FINAL RATES  
 AS PROPOSED.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

DOCKET NO.: 20170179-GU

OPC ROG 8-175

LINE NO.	RATE SCHEDULE	PRESENT RATE STRUCTURE			PRESENT RATES ADJ FOR GROWTH ONLY			FINAL PROPOSED RATE STRUCTURE					
		BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PRESENT RATES	REVENUE	RATE SCHEDULE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE		
1	RESIDENTIAL							RESIDENTIAL					
2	GS-1	CUSTOMER CHARGE	320,481	\$8.00000	\$2,563,848	406,366	\$8.00000	\$3,250,928	RS-1	CUSTOMER CHARGE	406,366	\$12.0000	\$4,876,392
3		ENERGY CHARGE	2,047,031	\$0.56213	\$1,150,698	2,886,825	\$0.56213	\$1,622,771		ENERGY CHARGE	2,886,825	\$0.5095	\$1,470,896
4		SAFE CHARGE	320,481	\$2.62000	\$839,660	406,366	\$2.62000	\$1,064,679		SAFE CHARGE	406,366	\$0.0000	\$0
		TOTAL			\$4,554,206			\$5,938,378		TOTAL			\$6,347,288
5	GS-100	CUSTOMER CHARGE	601,645	\$9.50000	\$5,715,628	606,380	\$9.50000	\$5,760,610	RS-100	CUSTOMER CHARGE	606,380	\$15.0000	\$9,095,700
6		ENERGY CHARGE	7,519,951	\$0.52248	\$3,929,024	8,078,916	\$0.52248	\$4,221,072		ENERGY CHARGE	8,078,916	\$0.4114	\$3,323,410
7		SAFE CHARGE	601,645	\$2.62000	\$1,576,310	606,380	\$2.62000	\$1,588,716		SAFE CHARGE	606,380	\$0.0000	\$0
8		TOTAL			\$11,220,961			\$11,570,398		TOTAL			\$12,419,110
9	GS-220	CUSTOMER CHARGE	266,061	\$11.00000	\$2,926,671	191,291	\$11.00000	\$2,104,201	RS-100	CUSTOMER CHARGE	191,291	\$15.0000	\$2,869,365
10		ENERGY CHARGE	5,465,062	\$0.49531	\$2,706,900	4,161,853	\$0.49531	\$2,061,407		ENERGY CHARGE	4,161,853	\$0.4114	\$1,712,054
11		SAFE CHARGE	266,061	\$2.62000	\$697,080	191,291	\$2.62000	\$501,182		SAFE CHARGE	191,291	\$0.0000	\$0
12		TOTAL			\$6,330,651			\$4,666,791		TOTAL			\$4,581,419
13	GS-600	CUSTOMER CHARGE	9,805	\$12.00000	\$117,660	9,696	\$12.00000	\$116,352	RS-600	CUSTOMER CHARGE	9,696	\$20.0000	\$193,920
14		ENERGY CHARGE	481,723	\$0.43663	\$210,335	523,334	\$0.43663	\$228,503		ENERGY CHARGE	523,334	\$0.4022	\$210,469
15		SAFE CHARGE	9,805	\$2.62000	\$25,689	9,696	\$2.62000	\$25,404		SAFE CHARGE	9,696	\$0.0000	\$0
16		TOTAL			\$353,684			\$370,259		TOTAL			\$404,389
17	GS-1.2K	CUSTOMER CHARGE	1,794	\$15.00000	\$26,910	1,936	\$15.00000	\$29,040	RS-600	CUSTOMER CHARGE	1,936	\$20.0000	\$38,720
18		ENERGY CHARGE	191,309	\$0.31715	\$60,673	244,566	\$0.31715	\$77,564		ENERGY CHARGE	244,566	\$0.4022	\$98,357
19		SAFE CHARGE	1,794	\$2.62000	\$4,700	1,936	\$2.62000	\$5,072		SAFE CHARGE	1,936	\$0.0000	\$0
20		TOTAL			\$92,284			\$111,676		TOTAL			\$137,077
21	GS-6K	CUSTOMER CHARGE	15	\$30.00000	\$450	0	\$30.00000	\$0	RS-600	CUSTOMER CHARGE	0	\$20.0000	\$0
22		ENERGY CHARGE	15,405	\$0.27487	\$4,234	0	\$0.27487	\$0		ENERGY CHARGE	0	\$0.4022	\$0
19		SAFE CHARGE	15	\$4.85000	\$73	0	\$4.85000	\$0		SAFE CHARGE	0	\$0.0000	\$0
24		TOTAL			\$4,684			\$0		TOTAL			\$0
25	GAS LIGHTING	CUSTOMER CHARGE	2,373	\$0.00000	\$0	3,936	\$0.00000	\$0	GAS LIGHTING	CUSTOMER CHARGE	3,936	\$0.0000	\$0
26		ENERGY CHARGE	14,854	\$0.59535	\$8,843	38,033	\$0.59535	\$42,179		ENERGY CHARGE	38,033	\$0.4000	\$28,339
27		SAFE CHARGE	2,373	\$2.62000	\$6,217	3,936	\$2.62000	\$10,312		SAFE CHARGE	3,936	\$0.0000	\$0
28		TOTAL			\$15,061			\$52,492		TOTAL			\$28,339

FLORIDA PUBLIC SERVICE COMMISSION  
 DOCKET: 20170179-GU EXHIBIT: 95  
 PARTY: FLORIDA CITY GAS – (REBUTTAL)  
 DESCRIPTION: Daniel J. Nikolich DJN-21

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS

EXPLANATION: PROVIDE REVENUES CALCULATED AT PRESENT RATES, PRESENT RATES  
 ADJUSTED FOR GROWTH ONLY FOR THE PROJECTED TEST YEAR, AND FINAL RATES  
 AS PROPOSED.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

DOCKET NO.: 20170179-GU

OPC ROG 8-175

LINE NO.	PRESENT RATE STRUCTURE			PRESENT RATES ADJ FOR GROWTH ONLY			FINAL PROPOSED RATE STRUCTURE							
	RATE SCHEDULE		BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS		PRESENT RATES	REVENUE	RATE SCHEDULE		BILLING DETERMINANTS	PROPOSED RATES	REVENUE
	COMMERCIAL SALES AND TRANSPORTATION													
1	GS-1	CUSTOMER CHARGE	7,657	\$8.00000	\$61,256	9,416	\$8.00000	\$75,328	GS-1	CUSTOMER CHARGE	9,416	\$25.0000	\$235,400	
2		ENERGY CHARGE	227,586	\$0.56213	\$127,933	258,728	\$0.56213	\$145,439		ENERGY CHARGE	258,728	\$0.4003	\$103,582	
3		SAFE CHARGE	7,657	\$2.62000	\$20,061	9,416	\$2.62000	\$24,670		SAFE CHARGE	9,416	\$0.0000	\$0	
4		TOTAL			\$209,250			\$245,437		TOTAL			\$338,982	
5	GS-100	CUSTOMER CHARGE	3,177	\$9.50000	\$30,182	3,166	\$9.50000	\$30,077	GS-1	CUSTOMER CHARGE	3,166	\$25.0000	\$79,150	
6		ENERGY CHARGE	171,974	\$0.52248	\$89,853	157,497	\$0.52248	\$82,289		ENERGY CHARGE	157,497	\$0.4003	\$63,054	
7		SAFE CHARGE	3,177	\$2.62000	\$8,324	3,166	\$2.62000	\$8,295		SAFE CHARGE	3,166	\$0.0000	\$0	
8		TOTAL			\$128,358			\$120,661		TOTAL			\$142,204	
9	GS-220	CUSTOMER CHARGE	5,181	\$11.00000	\$56,991	5,602	\$11.00000	\$61,622	GS-1	CUSTOMER CHARGE	5,602	\$25.0000	\$140,050	
10		ENERGY CHARGE	249,977	\$0.49531	\$123,816	282,920	\$0.49531	\$140,133		ENERGY CHARGE	282,920	\$0.4003	\$113,267	
11		SAFE CHARGE	5,181	\$2.62000	\$13,574	5,602	\$2.62000	\$14,677		SAFE CHARGE	5,602	\$0.0000	\$0	
12		TOTAL			\$194,381			\$216,432		TOTAL			\$253,317	
13	GS-600	CUSTOMER CHARGE	6,090	\$12.00000	\$73,080	6,736	\$12.00000	\$80,832	GS-1	CUSTOMER CHARGE	6,736	\$25.0000	\$168,400	
14		ENERGY CHARGE	691,898	\$0.43663	\$302,103	780,635	\$0.43663	\$340,849		ENERGY CHARGE	780,635	\$0.4003	\$312,527	
15		SAFE CHARGE	6,090	\$2.62000	\$15,956	6,736	\$2.62000	\$17,648		SAFE CHARGE	6,736	\$0.0000	\$0	
16		TOTAL			\$391,139			\$439,329		TOTAL			\$480,927	
17	GS-1.2K	CUSTOMER CHARGE	34,265	\$15.00000	\$513,975	34,991	\$15.00000	\$524,865	GS-1	CUSTOMER CHARGE	34,991	\$25.0000	\$874,775	
18		ENERGY CHARGE	10,152,722	\$0.31715	\$3,219,936	10,902,398	\$0.31715	\$3,457,696		ENERGY CHARGE	10,902,398	\$0.4003	\$4,364,768	
19		SAFE CHARGE	34,265	\$2.62000	\$89,774	34,991	\$2.62000	\$91,676		SAFE CHARGE	34,991	\$0.0000	\$0	
20		TOTAL			\$3,823,685			\$4,074,237		TOTAL			\$5,239,543	
21	GS-6K	CUSTOMER CHARGE	28,792	\$30.00000	\$863,760	28,538	\$30.00000	\$856,140	GS-6K	CUSTOMER CHARGE	28,538	\$35.0000	\$998,830	
22		ENERGY CHARGE	25,720,064	\$0.27487	\$7,069,674	28,127,107	\$0.27487	\$7,731,298		ENERGY CHARGE	28,127,107	\$0.3581	\$10,073,650	
23		SAFE CHARGE	28,792	\$4.85000	\$139,641	28,538	\$4.85000	\$138,409		SAFE CHARGE	28,538	\$0.0000	\$0	
24		TOTAL			\$8,073,075			\$8,725,847		TOTAL			\$11,072,480	
25	GS-25K	CUSTOMER CHARGE	3,880	\$80.00000	\$310,400	3,795	\$80.00000	\$303,600	GS-25K	CUSTOMER CHARGE	3,795	\$150.0000	\$569,250	
26		ENERGY CHARGE	10,518,645	\$0.27618	\$2,905,039	10,966,089	\$0.27618	\$3,028,614		ENERGY CHARGE	10,966,089	\$0.3382	\$3,708,916	
27		SAFE CHARGE	3,880	\$4.85000	\$18,818	3,795	\$4.85000	\$18,406		SAFE CHARGE	3,795	\$0.0000	\$0	
28		TOTAL			\$3,234,257			\$3,350,620		TOTAL			\$4,278,166	
29	GS-60K	CUSTOMER CHARGE	854	\$150.00000	\$128,100	883	\$150.00000	\$132,450	GS-25K	CUSTOMER CHARGE	883	\$150.0000	\$132,450	
30		ENERGY CHARGE	7,753,377	\$0.27477	\$2,130,395	6,420,012	\$0.27477	\$1,764,027		ENERGY CHARGE	6,420,012	\$0.3382	\$2,171,356	
31		SAFE CHARGE	854	\$4.85000	\$4,142	883	\$4.85000	\$4,283		SAFE CHARGE	883	\$0.0000	\$0	
32		TOTAL			\$2,262,637			\$1,900,759		TOTAL			\$2,303,806	
33	GS-120K	CUSTOMER CHARGE	507	\$250.00000	\$126,750	612	\$250.00000	\$153,000	GS-120K	CUSTOMER CHARGE	612	\$300.0000	\$183,600	
34		DEMAND CHARGE	516,160	\$0.28900	\$149,170	527,971	\$0.28900	\$152,584		DEMAND CHARGE	527,971	\$0.5750	\$303,584	
35		ENERGY CHARGE	8,079,386	\$0.18084	\$1,461,076	9,316,392	\$0.18084	\$1,684,776		ENERGY CHARGE	9,316,392	\$0.2723	\$2,537,002	
36		SAFE CHARGE	507	\$4.85000	\$2,459	612	\$4.85000	\$2,968		SAFE CHARGE	527,971	\$0.0000	\$0	
37		TOTAL			\$1,612,706			\$1,840,328		TOTAL			\$2,840,586	
38	GS-250K	CUSTOMER CHARGE	555	\$300.00000	\$166,500	600	\$300.00000	\$180,000	GS-120K	CUSTOMER CHARGE	600	\$300.0000	\$180,000	
39		DEMAND CHARGE	1,995,610	\$0.28900	\$576,731	1,496,532	\$0.28900	\$432,498		DEMAND CHARGE	1,496,532	\$0.5750	\$860,506	
40		ENERGY CHARGE	23,876,304	\$0.17191	\$4,104,575	25,122,990	\$0.17191	\$4,318,893		ENERGY CHARGE	25,122,990	\$0.2723	\$6,841,390	
41		SAFE CHARGE	555	\$4.85000	\$2,692	600	\$4.85000	\$2,910		SAFE CHARGE	1,496,532	\$0.0000	\$0	
42		TOTAL			\$4,683,998			\$4,754,301		TOTAL			\$7,701,897	

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS

EXPLANATION: PROVIDE REVENUES CALCULATED AT PRESENT RATES, PRESENT RATES  
 ADJUSTED FOR GROWTH ONLY FOR THE PROJECTED TEST YEAR, AND FINAL RATES  
 AS PROPOSED.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

DOCKET NO.: 20170179-GU

OPC ROG 8-175

LINE NO.	RATE SCHEDULE		PRESENT RATE STRUCTURE			PRESENT RATES ADJ FOR GROWTH ONLY			FINAL PROPOSED RATE STRUCTURE				
			BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PRESENT RATES	REVENUE	RATE SCHEDULE		BILLING DETERMINANTS	PROPOSED RATES	REVENUE
1	GS-1,250K	CUSTOMER CHARGE	62	\$500.00000	\$31,000	48	\$500.00000	\$24,000	GS-1,250K	CUSTOMER CHARGE	48	\$500.0000	\$24,000
2		DEMAND CHARGE	1,342,095	\$0.28900	\$387,866	1,494,284	\$0.28900	\$431,848		DEMAND CHARGE	1,494,284	\$0.5750	\$859,213
3		ENERGY CHARGE	14,748,734	\$0.12225	\$1,803,033	8,514,500	\$0.12225	\$1,040,898		ENERGY CHARGE	8,514,500	\$0.1406	\$1,197,101
4		SAFE CHARGE	62	\$4.85000	\$301	48	\$4.85000	\$233		SAFE CHARGE	1,494,284	\$0.0000	\$0
5		TOTAL				\$2,191,199				\$1,472,979	TOTAL		
6	NATURAL GAS	CUSTOMER CHARGE	0	\$15.00000	\$0	0	\$15.00000	\$0	NATURAL GAS VEHICLES	CUSTOMER CHARGE	0	\$25.00000	\$0
7	VEHICLES	ENERGY CHARGE	0	\$0.23232	\$0	0	\$0.23232	\$0		ENERGY CHARGE	0	\$0.40035	\$0
8	TOTAL				\$0			\$0		TOTAL			\$0
9	LES	CUSTOMER CHARGE	36	\$500.00000	\$18,000	36	\$500.00000	\$18,000	LES	CUSTOMER CHARGE	36	\$500.00000	\$18,000
10		DEMAND CHARGE	309,145	\$0.28900	\$89,343	309,135	\$0.28900	\$89,340		DEMAND CHARGE	309,135	\$0.57500	\$177,753
11		ENERGY CHARGE	5,849,394	\$0.12225	\$715,088	7,098,600	\$0.12225	\$867,804		ENERGY CHARGE	7,098,600	\$0.14060	\$998,032
12		TOTAL			\$822,431			\$975,144		TOTAL			\$1,193,785
13	CONTRACT DEMAND	CUSTOMER CHARGE	12	\$400.00000	\$4,800	12	\$400.00000	\$4,800	CONTRACT DEMAND	CUSTOMER CHARGE	12	\$500.00000	\$6,000
14		ENERGY CHARGE	16,450,792	\$0.04751	\$781,546	5,492,320	\$0.03000	\$164,770		ENERGY CHARGE	5,492,320	\$0.07156	\$393,040
15		TOTAL			\$786,346			\$169,570		TOTAL			\$399,040
16	TPS	CUSTOMER CHARGE	156	\$400.0000	\$62,400	156	\$400.00000	\$62,400	TPS	CUSTOMER CHARGE	156	\$400.0000	\$62,400
17		Per CUSTOMER CHARGE	31,662	\$5.9200	\$187,439	33,795	\$5.92000	\$200,066		Per CUSTOMER CHARGE	33,795	\$6.05	\$204,349
19		TOTAL			\$249,839			\$262,466		TOTAL			\$266,749
20	GRAND TOTAL				\$51,230,148			\$51,258,103					\$62,485,418

SUPPORTING SCHEDULES: E-1, H-1 p.3-3

RECAP SCHEDULES:



CALCULATION OF THE PROJECTED TEST YEAR - REVENUE DEFICIENCY  
EXPLANATION: PROVIDE THE CALCULATION OF THE REVENUE DEFICIENCY FOR  
THE PROJECTED TEST YEAR.

PROJECTED TEST YEAR: 12/31/18

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>AS FILED AMOUNT</u>	<u>CHANGE</u>
1	ADJUSTED RATE BASE	\$ 303,216,950	\$ 299,278,151	\$ 3,938,799
2	REQUESTED RATE OF RETURN	6.57%	6.32%	0.26%
3	N.O.I. REQUIREMENTS	19,924,689	18,899,714	1,024,974
4	LESS: ADJUSTED N.O.I.	10,823,447	9,290,482	1,532,965
5	N.O.I. DEFICIENCY	\$ 9,101,242	\$ 9,609,232	\$ (507,990)
6	EXPANSION FACTOR	1.3522	1.6434	(0.2912)
7	REVENUE DEFICIENCY	\$ 12,306,700	\$ 15,791,812	\$ (3,485,112)
8	ADD SAFE SURCHARGE SET TO ZERO	\$ 3,509,729	\$ 3,509,729	\$ -
9	TOTAL BASE REVENUE DEFICIENCY	\$ 15,816,429	\$ 19,301,541	\$ (3,485,112)

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 96  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Michael J. Morley MJM-2

CALCULATION OF THE PROJECTED TEST YEAR - REVENUE EXPANSION FACTOR  
EXPLANATION: PROVIDE THE CALCULATION OF THE REVENUE EXPANSION FACTOR.

PROJECTED TEST YEAR: 12/31/18

LINE				
NO.	DESCRIPTION	%	AS FILED	CHANGE
1	REVENUE REQUIREMENT	100.00	100.00	0.00
2	REGULATORY ASSESSMENT RATE	0.5000	0.5000	0.0000
3	BAD DEBT RATE	0.4382	0.4382	0.0000
4	NET BEFORE INCOME TAXES (1)-(2)-(3)	99.0618	99.0618	0.0000
5	STATE INCOME TAX RATE	5.5	5.5	0.0
6	STATE INCOME TAX (4 X 5)	5.4484	5.4484	0.0000
7	NET BEFORE FEDERAL INCOME TAX (4)-(6)	93.6134	93.6134	0.0000
8	FEDERAL INCOME TAX RATE	0.21	0.35	(0.14)
9	FEDERAL INCOME TAX (7 X 8)	19.6588	32.7647	(13.1059)
10	REVENUE EXPANSION FACTOR (7)-(9)	73.9546	60.8487	13.1059
11	NET OPERATING INCOME MULTIPLIER (100% / LINE 10)	1.3522	1.6434	(0.2912)

CALCULATION OF THE PROJECTED TEST YEAR - COST OF CAPITAL  
EXPLANATION: PROVIDE A SCHEDULE CALCULATING A 13 MONTH AVERAGE COST  
OF CAPITAL FOR THE PROJECTED TEST YEAR

PROJECTED TEST YEAR: 12/31/18

Line No.	Description	Per Books	Adjustments				Ratio	Cost Rate	Weighted Cost	Consolidated Investor Sources
			To Conform with Ratio of Investor Sources	Specific	Pro Rata	Adjusted				
1	COMMON EQUITY	107,985,825	23,214,036	-	(6,168,555)	125,031,306	41.23%	11.25%	4.64%	49.19%
2	LONG TERM DEB	103,916,451	16,157,768	-	(5,645,467)	114,428,752	37.74%	4.69%	1.77% a	45.02%
3	SHORT TERM DEB	54,804,462	(39,371,804)	-	(725,589)	14,707,069	4.85%	2.64%	0.13% a	5.79%
4	CUSTOMER DEPC	3,888,281	-	-	-	3,888,281	1.28%	2.73%	0.03% a	
5	DEFERRED TAXE	44,643,944	-	517,598	-	45,161,542	14.89%	0.00%	0.00%	
6	TAX CREDIT	-	-	-	-	-	0.00%	0.00%	0.00%	
7	TOTAL	315,238,963	-	517,598	(12,539,611)	303,216,950	100.00%		6.57%	

INTEREST SYNCHRONIZATION CALCULATION

RATE BASE		\$ 303,216,950
x WEIGHTED AVERAGE COST OF DEBT	(SUM OF "a")	1.93%
SYNCHRONIZED INTEREST		5,861,487

INTEREST PER BOOKS

INTEREST PER BOOKS		5,300,998
INTEREST PER BOOKS Less than SYNCHRONIZED INTEREST CALCU		560,488
STATE TAX @	5.50%	- 30,827 -
		529,662
FEDERAL TAX @	21.00%	- 111,229
TOTAL INCOME TAX ADJUSTMENT		(\$142,056)

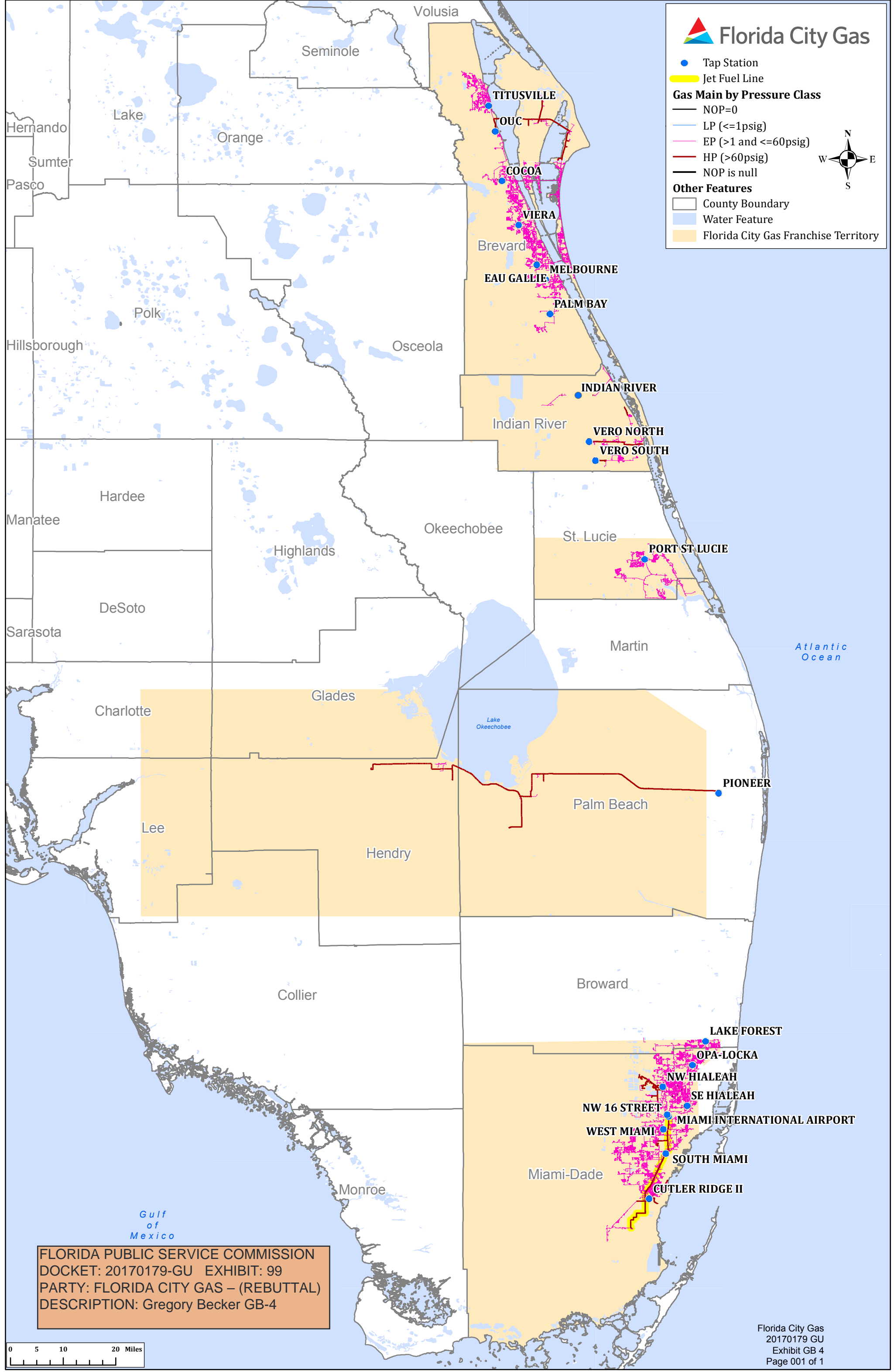
**EXHIBIT JVW-3 REBUTTAL SCHEDULE 1  
ESTIMATES OF LONG-TERM GDP GROWTH**

	YEAR	BILLIONS OF PPP\$	YEAR	BILLIONS OF PPP\$	ANNUAL GDP GROWTH
Energy Information Administration	2017	19,359	2037	46,096	4.4%
Social Security Administration	2017	19,677	2040	54,881	4.6%
EIA, AEO Jan. 2017 Release		2017		2037	
Real GDP		17,075		25,796	
GDP Chain- type Price Index (2009=1.000)		1.134		1.798	
EIA, AEO Feb. 2018 Release		19,359		46,096	

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 97  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: James Vander Weide JVW-3

Project	Miles	Cost (in Millions)	Cost/Mile (in millions)	Type (Rural/Urban/Mixed)
Newnan 16"	16.9	\$44	\$2.6	Rural
Cumming 16"	10.7	\$53	\$5.0	Mixed
Dalton 20"	53.8	\$175	\$3.3	Rural
Dalton 24"	51.3	\$173	\$3.4	Rural
NGX 24"	10.2	\$57	\$5.6	Rural

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 98  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Stephen Wassell SLW-1



● Tap Station

— Jet Fuel Line

**Gas Main by Pressure Class**

— NOP=0

— LP (<=1psig)

— EP (>1 and <=60psig)

— HP (>60psig)

— NOP is null

**Other Features**

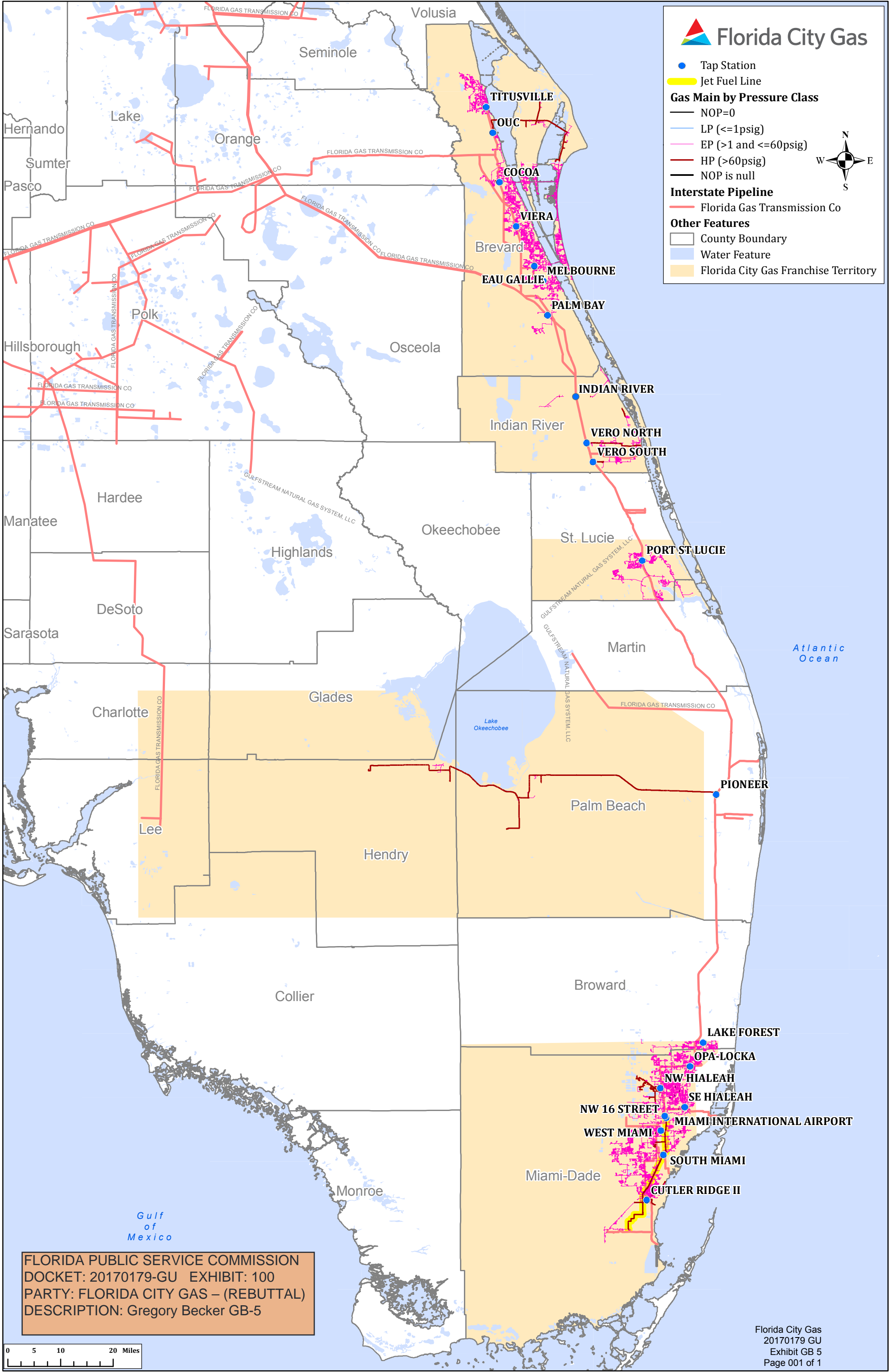
□ County Boundary

□ Water Feature

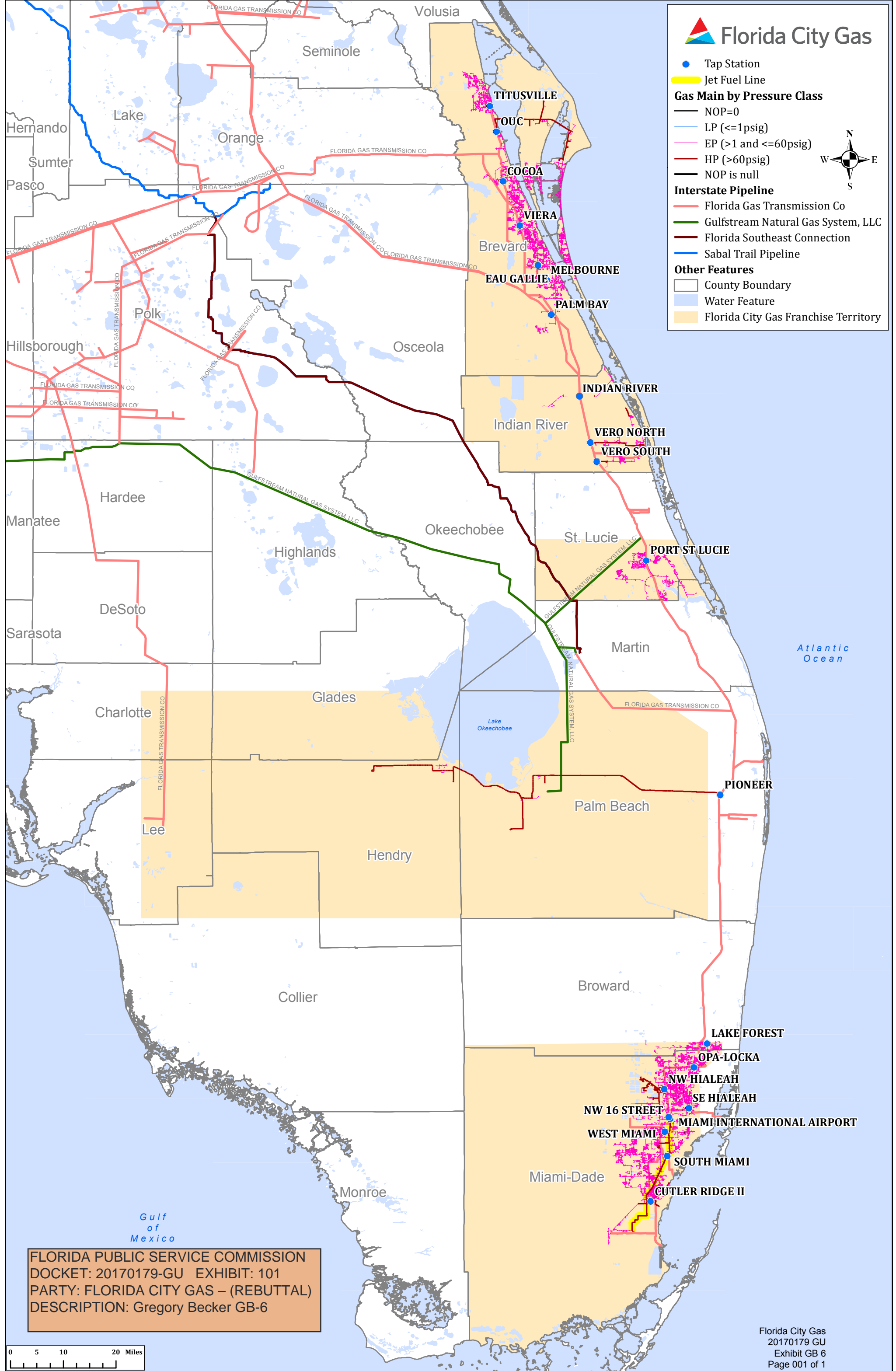
□ Florida City Gas Franchise Territory



FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 99  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Gregory Becker GB-4









[illegible]











FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 103  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Gregory Becker GB-8

Shipper Name	Shipper Id	Affiliate Ind	Rate Schedule	Contract Number	Contract Effective Date	Contract Expiration Date	Days Until Expire	Neg Rate Ind	Max Daily Quantity	Max Storage Quantity	FootNotes	Agents	Points
PIVOTAL UTILITY HOLDINGS, INC.	56711344	N	FTS-2	3608	03/01/1995	02/28/2025	0	N	2,570			Y	Y
PIVOTAL UTILITY HOLDINGS, INC.	56711344	N	FTS-1	5034	11/01/1993	07/31/2020	0	N	38,923		X7	Y	Y
PIVOTAL UTILITY HOLDINGS, INC.	56711344	N	FTS-2	5364	03/01/1995	02/28/2025	0	N	12,655			Y	Y
PIVOTAL UTILITY HOLDINGS, INC.	56711344	N	FTS-2	113811	10/01/2012	03/31/2020	365	N	12,000			Y	Y
PIVOTAL UTILITY HOLDINGS, INC.	56711344	N	FTS-2	116747	03/01/2015	02/28/2025	0	N	2,807			Y	Y
ALABAMA POWER COMPANY	6900120	N	FTS-WD	5895	12/01/1998	11/30/2018	0	N	32,000			Y	Y
ANGOLA LNG SUPPLY SERVICES, LLC	830935180	N	FTS-WD	111870	09/30/2011	09/29/2031	0	Y	342,610		X7	N	Y
ASCEND PERFORMANCE MATERIALS INC.	78749159	N	FTS-WD	120831	10/01/2017	09/30/2042	0	Y	10,000			N	Y
BP ENERGY COMPANY	625275755	N	FTS-1	105778	09/01/2006	01/31/2022	365	N	500			N	Y
BP ENERGY COMPANY	625275755	N	FTS-1	121532	11/01/2017	11/30/2021	0	N	120			N	Y
CENTERPOINT ENERGY ENTEX	46700779	N	FTS-WD	5628	07/01/1996	06/30/2022	0	N	30			N	Y
CHATTAHOOCHEE, CITY OF	782620629	N	FTS-1	111608	06/01/2011	01/31/2027	0	N	315			Y	Y
CITY OF BREWTON, ALABAMA	1383801	N	FTS-WD	118548	10/01/2015	09/30/2020	0	N	7,000			Y	Y
CITY OF MADISON	87756664	N	FTS-1	6014	11/01/1999	01/31/2027	0	N	456			Y	Y
City of Pensacola dba Pensacola Energy	73131559	N	FTS-WD	121837	01/01/2018	09/30/2042	0	Y	28,500			N	Y
CLARKE-MOBILE COUNTIES GAS DISTRICT	71948723	N	FTS-WD	5762	01/01/1998	12/31/2020	0	N	12,000			N	Y
CUTRALE CITRUS JUICES USA, INC.	958547432	N	FTS-2	3612	03/01/1995	06/30/2026	0	N	3,415			Y	Y
CUTRALE CITRUS JUICES USA, INC.	958547432	N	FTS-2	102761	12/01/2003	03/31/2026	0	N	1,000			Y	Y
CUTRALE CITRUS JUICES USA, INC.	958547432	N	FTS-2	102772	04/01/2004	06/30/2026	0	N	0		X6	N	N
CUTRALE CITRUS JUICES USA, INC.	958547432	N	FTS-2	113156	12/01/2012	04/30/2026	0	N	1,000			Y	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-2	5295	03/01/1995	07/31/2025	0	N	22,400			N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-1	5815	04/01/1998	07/31/2025	0	N	44,666			N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-2	5816	07/31/2025	07/31/2025	0	N	9,452			N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-2	5935	05/01/2001	07/31/2025	0	N	10,000			N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-2	106522	05/01/2007	04/30/2027	0	N	0		X6/X7	N	N
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-2	106598	10/01/2007	04/30/2027	0	N	50,000		X7	N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-1	110394	08/01/2010	07/31/2050	0	N	6,980			N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-3	111144	04/01/2011	03/31/2036	0	Y	75,000		X7	N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-1	111982	04/01/2012	03/31/2026	0	N	2,410			N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-3	113000	04/01/2013	10/31/2021	0	N	30,000		X7	N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-1	114929	11/01/2013	12/31/2019	0	N	341			N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-1	114930	11/01/2013	12/31/2019	0	N	342			N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-1	114931	11/01/2013	02/28/2019	0	N	3,555			N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-2	114932	11/01/2013	02/28/2025	0	N	2,103			N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-2	114933	11/01/2013	02/28/2025	0	N	2,104			N	Y
DUKE ENERGY FLORIDA, LLC	6923700	N	FTS-1	114934	11/01/2013	02/28/2019	0	N	3,555			N	Y
ENTERPRISE PRODUCTS OPERATING LLC	48210686	N	FTS-WD	115932	04/01/2014	03/31/2019	0	N	1,750			N	Y
FLORALA, CITY OF	1288604	N	FTS-1	111609	06/01/2011	01/31/2027	0	N	200			Y	Y
FLORIDA GAS UTILITY	966335010	N	FTS-2	3630	03/01/1995	05/31/2023	0	N	69,154		X5/X7	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-2	3630-5934	05/01/2001	04/30/2021	0	N	12,500		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-2	3630-5938	05/01/2001	04/30/2021	0	N	10,000		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-2	3630-6096	10/01/2000	02/28/2025	0	N	1,781		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-2	3630-101949	06/01/2003	05/31/2023	0	N	500		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-2	3630-107324	03/01/1995	02/28/2026	0	N	6,000		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-2	3630-107346	03/01/1995	04/30/2021	0	N	23,484		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-2	3630-107696	11/01/2016	04/30/2028	0	N	10,000		X5/X7	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-2	3630-107895	06/01/2008	02/28/2025	0	N	289		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-2	3630-108031	08/01/2008	02/28/2025	0	N	400		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-2	3630-111700	11/01/2016	05/31/2023	0	N	4,200		X5/X7	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141	10/01/1993	07/31/2030	0	N	56,111		X2/X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-5761	01/01/1998	01/31/2027	0	N	400		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-6068	06/01/2000	01/31/2027	0	N	430		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-6162	07/01/2001	01/31/2027	0	N	3,333		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-104358	06/01/2005	07/31/2020	0	N	3,540		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-104359	06/01/2005	01/31/2027	0	N	790		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-104360	06/01/2005	07/31/2020	0	N	1,820		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-104361	06/01/2005	02/28/2021	0	N	1,700		X2/X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-104362	06/01/2005	07/31/2025	0	N	490		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-104678	09/01/2005	11/30/2072	0	N	7,909		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-107349	10/01/1993	07/31/2020	0	N	2,235		X2/X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-107350	10/01/1993	07/31/2020	0	N	3,340		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-107352	10/01/1993	01/31/2027	0	N	10,219		X2/X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-107354	10/01/1993	01/31/2027	0	N	2,100		X2/X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-107358	10/01/1993	01/31/2027	0	N	6,500		X2/X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-107360	10/01/1993	07/31/2020	0	N	490		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-107362	10/01/1993	01/31/2027	0	N	8,965		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-110125	05/01/2010	12/31/2026	0	N	950		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-119256	04/01/2016	09/30/2020	0	N	490		X5	N	Y
FLORIDA GAS UTILITY	966335010	N	FTS-1	5141-119257	04/01/2016	09/30/2023	0	N	410		X5	N	Y
FLORIDA POWER & LIGHT COMPANY	6922371	N	FTS-1	3247	11/01/1989	07/31/2025	0	N	255,000		X7	N	Y
FLORIDA POWER & LIGHT COMPANY	6922371	N	FTS-2	3623	03/01/1995	02/28/2025	0	N	200,000		X4/X7	N	N
FLORIDA POWER & LIGHT COMPANY	6922371	N	FTS-2	3623-5936	10/01/2000	04/30/2021	0	N	255,000		X4/X7	N	N
FLORIDA POWER & LIGHT COMPANY	6922371	N	FTS-2	3623-6003	04/01/2002	03/31/2022	0	N	40,000		X4/X7	N	Y
FLORIDA POWER & LIGHT COMPANY	6922371	N	FTS-3	111145	04/01/2011	03/31/2036	0	Y	400,000		X7	N	Y
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-2	3624	03/01/1995	02/28/2025	0	N	11,564		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-2	3624-102048	06/01/2003	05/31/2023	0	N	600		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-2	3624-107033	11/01/2007	02/28/2026	0	N	822		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-2	3624-107034	11/01/2007	03/31/2022	0	N	115		X4	N	N

FLORIDA PUBLIC UTILITIES COMPANY	6924427 N	FTS-2	3624-107035	11/01/2007	02/28/2026	0 N	285		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427 N	FTS-2	3624-118690	11/01/2015	02/28/2025	0 N	0		X4/X6	N	Y
FLORIDA PUBLIC UTILITIES COMPANY	6924427 N	FTS-1	5009	11/01/1993	07/31/2020	0 N	27,216		X4/X7	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427 N	FTS-1	5009-100740	12/15/2001	07/31/2020	0 N	2,205		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427 N	FTS-1	5009-115782	01/01/2014	07/31/2025	0 N	650		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427 N	FTS-1	5009-118707	11/01/2015	07/31/2020	0 N	17,639		X4	N	Y
FLORIDA PUBLIC UTILITIES COMPANY	6924427 N	FTS-2	120697	10/01/2017	09/30/2041	0 N	4,221		X7	N	Y
FLORIDA PUBLIC UTILITIES COMPANY	6924427 N	FTS-3	120703	05/01/2017	09/30/2041	0 Y	8,000		X7	N	Y
FPL ENERGY SERVICES, INC.	197177678 N	FTS-3	117580	01/01/2017	12/31/2018	0 N	12,500			N	Y
GAINESVILLE REGIONAL UTILITIES	82635004 N	FTS-1	5884	10/01/1998	07/31/2020	0 N	24,260		X7	Y	Y
GAINESVILLE REGIONAL UTILITIES	82635004 N	FTS-2	5885	10/01/1998	02/28/2021	0 N	0		X6/X7	N	N
GENEVA COUNTY GAS DISTRICT	81390429 N	FTS-1	111631	06/01/2011	01/31/2027	0 N	964			Y	Y
GEORGIA-PACIFIC LLC	9020777 N	FTS-1	5107	11/01/1993	07/31/2023	0 N	2,000			Y	Y
GEORGIA-PACIFIC LLC	9020777 N	FTS-2	5937	05/01/2001	04/30/2021	0 N	275			Y	Y
INFINITE ENERGY, INC.	968786749 N	FTS-1	108220	02/01/2009	03/31/2039	0 N	2,100			N	Y
INFINITE ENERGY, INC.	968786749 N	FTS-3	119388	12/01/2017	03/31/2018	0 N	15,000			N	Y
INFINITE ENERGY, INC.	968786749 N	FTS-2	119389	12/01/2017	03/31/2018	0 N	10,000			N	Y
INFINITE ENERGY, INC.	968786749 N	FTS-3	120952	11/01/2017	03/31/2018	0 N	22,500		X3	N	Y
INFINITE ENERGY, INC.	968786749 N	FTS-2	121622	12/01/2017	03/31/2018	0 N	10,000			N	Y
INFINITE ENERGY, INC.	968786749 N	FTS-2	121813	01/01/2018	03/15/2018	0 N	7,500			N	Y
JEA	77580223 N	FTS-1	5405-5103	11/01/1993	07/31/2020	0 N	5,000		X4	Y	Y
JEA	77580223 N	FTS-1	5405	01/01/1995	07/31/2020	0 N	20,000		X4	N	N
JEA	77580223 N	FTS-2	6034	04/01/2002	03/31/2022	0 N	14,000			Y	Y
LAKE APOPKA NATURAL GAS DISTRICT	72559644 N	FTS-1	6098	10/01/2000	01/31/2027	0 N	0		X6/X7	N	N
LAKE APOPKA NATURAL GAS DISTRICT	72559644 N	FTS-2	6099	10/01/2000	02/28/2025	0 N	9,688			Y	Y
LAKELAND, CITY OF	959116302 N	FTS-2	3620	03/01/1995	02/28/2027	0 N	13,444		X7	N	Y
LAKELAND, CITY OF	959116302 N	FTS-1	5025	11/01/1993	07/31/2020	0 N	3,261		X7	N	Y
LAKELAND, CITY OF	959116302 N	FTS-1	5787	03/01/1998	04/30/2020	0 N	8,224			N	Y
LAKELAND, CITY OF	959116302 N	FTS-2	5788	03/01/1998	03/31/2025	0 N	0		X6	N	N
MOSAIC FERTILIZER, LLC	602503976 N	FTS-1	5054	11/01/1993	07/31/2025	0 N	1,500			Y	Y
MOSAIC FERTILIZER, LLC	602503976 N	FTS-1	5326	04/01/1994	01/31/2027	0 N	0		X6	N	N
MOSAIC FERTILIZER, LLC	602503976 N	FTS-1	5539	12/01/1995	07/31/2025	365 N	900			Y	Y
MOSAIC FERTILIZER, LLC	602503976 N	FTS-1	102665	11/01/2003	10/31/2026	365 N	216			Y	Y
NATIONAL GYPSUM COMPANY	808836894 N	FTS-2	101413	09/01/2002	02/28/2025	0 N	324			Y	Y
NATIONAL GYPSUM COMPANY	808836894 N	FTS-2	104689	09/01/2005	02/28/2025	0 N	2,800			Y	Y
NFH, MANAGEMENT CORPORATION	967019803 N	FTS-2	5365	03/01/1995	02/28/2025	0 N	10			N	Y
OCI BEAUMONT, LLC	6900772 N	FTS-WD	115803	02/01/2014	01/31/2024	0 N	25,000			Y	Y
OKALOOSA GAS DISTRICT	10387272 N	FTS-WD	111256	04/01/2011	07/31/2025	0 N	5,880			Y	Y
OKALOOSA GAS DISTRICT	10387272 N	FTS-WD	111257	04/01/2011	01/31/2027	0 N	2,597			Y	Y
ORANGE COGENERATION LIMITED PARTNERSHIP	101093706 N	FTS-2	5480	07/01/1995	12/31/2025	0 N	9,850			Y	Y
ORLANDO COGEN LIMITED, L.P.	189942985 N	FTS-2	115673	01/01/2014	12/31/2023	0 N	11,800			N	Y
ORLANDO COGEN LIMITED, L.P.	189942985 N	FTS-2	115674	01/01/2014	12/31/2023	0 N	10,700			N	Y
ORLANDO UTILITIES COMMISSION	4076071 N	FTS-2	5721	09/01/1997	02/28/2025	0 N	7,793		X7	N	Y
ORLANDO UTILITIES COMMISSION	4076071 N	FTS-2	101950	11/01/2003	10/31/2023	0 N	22,400		X7	N	Y
ORLANDO UTILITIES COMMISSION	4076071 N	FTS-2	104345	11/01/2006	03/31/2023	0 N	45,000		X7	N	Y
ORLANDO UTILITIES COMMISSION	4076071 N	FTS-2	106037	11/01/2006	02/28/2021	0 N	1,400			N	Y
ORLANDO UTILITIES COMMISSION	4076071 N	FTS-2	109805	01/01/2010	02/28/2026	0 N	8,000			N	Y
ORLANDO UTILITIES COMMISSION	4076071 N	FTS-1	109806	01/01/2010	07/31/2030	0 N	5,156			N	Y
ORLANDO UTILITIES COMMISSION	4076071 N	FTS-3	111148	04/01/2011	03/31/2036	0 Y	15,000		X7	N	Y
ORLANDO UTILITIES COMMISSION	4076071 N	FTS-2	115703	01/01/2014	02/28/2026	0 N	0		X6/X7	N	N
ORLANDO UTILITIES COMMISSION	4076071 N	FTS-1	115720	01/01/2014	07/31/2020	0 N	0		X6	N	N
ORLANDO UTILITIES COMMISSION	4076071 N	FTS-2	117727	04/01/2015	05/31/2023	0 N	7,000		X7	N	Y
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-1	5047	11/01/1993	07/31/2020	0 N	280,757		X4/X7	N	N
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-1	5047-5846	07/01/1998	01/31/2027	0 N	2,000		X4	N	N
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-1	5047-5890	10/01/1998	07/31/2023	0 N	7,200		X4	N	Y
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-2	5319-3619	03/01/1995	02/28/2025	0 N	3,400		X4	N	N
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-2	5319	03/01/1995	02/28/2025	0 N	30,000		X4	N	N
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-2	5319-5909	11/01/1998	02/28/2025	0 N	10,000		X4	N	N
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-2	5319-5940	05/01/2001	04/30/2021	0 N	15,000		X4	N	N
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-2	5319-6148	05/01/2001	04/30/2021	0 N	3,500		X4	N	Y
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-2	6035	04/01/2002	03/31/2022	0 N	1,000			N	Y
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-1	105988	11/01/2006	07/31/2020	0 N	4,000			N	Y
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-1	113708	11/01/2013	07/31/2024	365 N	3,193			N	Y
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-3	117299	01/01/2015	12/31/2039	0 Y	75,000		X7	N	Y
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA	6922736 N	FTS-2	117300	11/01/2015	12/31/2039	0 N	60,000		X7	N	Y
PERRY, CITY OF	65907537 N	SFTS	117311	01/01/2015	02/28/2022	0 N	2,880			Y	Y
POLK POWER PARTNERS, L.P.	825740475 N	FTS-2	3637	03/01/1995	08/08/2024	0 N	9,860			Y	Y
POWERSOUTH ENERGY COOPERATIVE	6900005 N	FTS-WD	5538	11/01/1995	10/31/2030	0 N	0		X6	N	N
POWERSOUTH ENERGY COOPERATIVE	6900005 N	FTS-WD	6011	12/01/2001	11/30/2023	365 N	80,000			Y	Y
REEDY CREEK IMPROVEMENT DISTRICT	91306597 N	FTS-2	3631	03/01/1995	02/28/2025	0 N	1,535			N	Y
REEDY CREEK IMPROVEMENT DISTRICT	91306597 N	FTS-1	5114	11/01/1993	07/31/2025	0 N	15,776			N	Y
SEMINOLE ELECTRIC COOPERATIVE, INC.	78332657 N	FTS-1	6136	01/01/2002	12/31/2021	365 N	3,121			N	Y
SEMINOLE ELECTRIC COOPERATIVE, INC.	78332657 N	FTS-2	6137	01/01/2002	11/30/2028	0 N	21,879		X7	N	Y
SEMINOLE ELECTRIC COOPERATIVE, INC.	78332657 N	FTS-3	111150	04/01/2011	03/31/2036	0 Y	60,000			N	Y
SHELL ENERGY NORTH AMERICA (US), L.P.	837565548 N	FTS-2	121580	11/01/2017	03/31/2018	0 N	52,000			N	Y
SOUTHEAST ALABAMA GAS DISTRICT	9850058 N	FTS-WD	6059	11/01/2000	10/31/2020	365 N	22,349			Y	Y
SOUTHERN COMPANY SERVICES, INC.	75463174 N	FTS-WD	5977	06/01/2000	05/31/2020	365 N	25,000			N	Y
SOUTHERN COMPANY SERVICES, INC.	75463174 N	FTS-2	5997	12/19/2001	03/31/2022	0 Y	24,000			N	Y
SOUTHERN COMPANY SERVICES, INC.	75463174 N	FTS-2	101502	11/01/2002	10/31/2022	0 N	63,000			Y	Y



ST. JOE NATURAL GAS COMPANY	8803884 N	FTS-1	5109	11/01/1993	02/28/2019	0 N	1,590		N	Y
STATE OF FLORIDA, DEPARTMENT OF MANAGEMEN	809396955 N	FTS-1	5085	11/01/1993	09/30/2023	0 N	1,722		Y	Y
STATE OF FLORIDA, DEPARTMENT OF MANAGEMEN	809396955 N	FTS-2	5626	02/01/1997	02/28/2025	365 N	300		Y	Y
TALLAHASSEE, CITY OF	930321073 N	FTS-2	3636	03/01/1995	02/28/2025	0 N	25,925	X7	N	Y
TALLAHASSEE, CITY OF	930321073 N	FTS-1	5080	11/01/1993	07/31/2020	0 N	38,554	X7	N	Y
TALLAHASSEE, CITY OF	930321073 N	FTS-2	6036	04/01/2002	03/31/2022	0 N	1,000	X7	N	Y
TALLAHASSEE, CITY OF	930321073 N	FTS-3	111147	04/01/2011	03/31/2036	0 Y	6,000		N	Y
TAMPA ELECTRIC COMPANY	6924286 N	FTS-2	6088	04/01/2002	04/30/2023	0 N	70,000	X7	N	Y
TAMPA ELECTRIC COMPANY	6924286 N	FTS-1	101716	12/01/2002	07/31/2020	0 N	11,107	X4	N	N
TAMPA ELECTRIC COMPANY	6924286 N	FTS-1	101716-105189	02/08/2006	01/31/2027	0 N	1,000	X4	N	Y
TAMPA ELECTRIC COMPANY	6924286 N	FTS-2	109631	11/01/2010	04/30/2035	0 N	30,000		N	Y
TAMPA ELECTRIC COMPANY	6924286 N	FTS-3	111146	04/01/2011	03/31/2036	0 Y	50,000	X7	N	Y
TOWN OF JAY	25205980 N	FTS-WD	119015	02/01/2016	07/31/2020	0 N	558		Y	Y
UNITED TECHNOLOGIES, PRATT & WHITNEY	1447952 N	SFTS	5072	11/01/1993	09/30/2024	0 N	1,364		Y	Y

Shipper Name	Shipper Id	Affiliate Ind	Rate Schedule	Contract Number	Contract Effective Date	Contract Expiration Date	Days Until Expire	Neg Rate Ind	Max Daily Quantity	Max Storage Quantity	FootNotes	Agents	Points
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-2	3624	03/01/1995	02/28/2025	0	N	11,564		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-2	3624-102048	06/01/2003	05/31/2023	0	N	600		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-2	3624-107033	11/01/2007	02/28/2026	0	N	822		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-2	3624-107034	11/01/2007	03/31/2022	0	N	115		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-2	3624-107035	11/01/2007	02/28/2026	0	N	285		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-2	3624-118690	11/01/2015	02/28/2025	0	N	0		X4/X6	N	Y
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-1	5009	11/01/1993	07/31/2020	0	N	27,216		X4/X7	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-1	5009-100740	12/15/2001	07/31/2020	0	N	2,205		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-1	5009-115782	01/01/2014	07/31/2025	0	N	650		X4	N	N
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-1	5009-118707	11/01/2015	07/31/2020	0	N	17,639		X4	N	Y
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-2	120697	10/01/2017	09/30/2041	0	N	4,221		X7	N	Y
FLORIDA PUBLIC UTILITIES COMPANY	6924427	N	FTS-3	120703	05/01/2017	09/30/2041	0	Y	8,000		X7	N	Y
FPL ENERGY SERVICES, INC.	197177678	N	FTS-3	117580	01/01/2017	12/31/2018	0	N	12,500			N	Y
INFINITE ENERGY, INC.	968786749	N	FTS-1	108220	02/01/2009	03/31/2039	0	N	2,100			N	Y
INFINITE ENERGY, INC.	968786749	N	FTS-3	119388	12/01/2017	03/31/2018	0	N	15,000			N	Y
INFINITE ENERGY, INC.	968786749	N	FTS-2	119389	12/01/2017	03/31/2018	0	N	10,000			N	Y
INFINITE ENERGY, INC.	968786749	N	FTS-3	120952	11/01/2017	03/31/2018	0	N	22,500		X3	N	Y
INFINITE ENERGY, INC.	968786749	N	FTS-2	121622	12/01/2017	03/31/2018	0	N	10,000			N	Y
INFINITE ENERGY, INC.	968786749	N	FTS-2	121813	01/01/2018	03/15/2018	0	N	7,500			N	Y

Shipper Name											Agents Points	
FLORIDA PUBLIC UTILITIES COMPANY											N	Y
- 300 Dth/d at Pioneer Gate												

Shipper Id	Affiliate Ind	Rate Schedule	Contract Number	Contract Effective Date	Contract Expiration Date	Days Until Expire	Neg Rate Ind	Max Daily Quantity	Max Storage Quantity	FootNotes
6924427	N	FTS-2	3624-118690	11/01/2015	02/28/2025	0	N		0	X4/X6

<i>Values in Dth</i>			
	Design Capacity	Florida City Gas Contractual Delivery Rights	Florida City Gas Total System Load * Jan 4, 2018
Indian River	9,000	6,507	3,007
Melbourne	3,000	2,018	1,623
Eau Gallie	7,700	6,193	4,174
Cocoa	10,600	6,000	3,990
Vero Beach North	4,900	2,315	604
Vero Beach South	4,900	2,315	257
Port St. Lucie	2,400	2,338	1,225
Lake Forest	7,400	2,708	996
Opa Locka	16,100	4,529	2,875
NW Hialeah	19,200	7,031	8,039
SE Hialeah	15,000	5,031	3,128
West Miami	7,300	3,549	3,248
Cutler Ridge	7,800	3,007	839
South Miami	7,800	3,889	3,412
Titusville	not listed	3,254	2,232
Pioneer	50,000	597	10,058
Palm Bay	not listed	200	1,117
Indian River PPC	not listed	750	637
Miami Airport	not listed	724	3,230
Viera	not listed	6,000	4,435
<b>Total</b>	<b>173,100</b>	<b>68,955</b>	<b>59,126</b>

\* Total System Load represents total deliveries for all of FCG's customers.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 104  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Gregory Becker GB-9

# CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 105  
PARTY: FLORIDA CITY GAS – (REBUTTAL)  
DESCRIPTION: Gregory Becker GB-10

## Terry Deason\*



### Special Consultant (Non-Lawyer)\*

Phone: (850) 425-6654

Fax: (850) 425-6694

E-Mail: [tdeason@radeylaw.com](mailto:tdeason@radeylaw.com)

### Practice Areas:

- Energy, Telecommunications, Water and Wastewater and Public Utilities

### Education:

- United States Military Academy at West Point, 1972
- Florida State University, B.S., 1975, Accounting, summa cum laude
- Florida State University, Master of Accounting, 1989

### Professional Experiences:

- The Radey Law Firm, Special Consultant, 2007 - Present
- Florida Public Service Commission, Commissioner, 1991 - 2007
- Florida Public Service Commission, Chairman, 1993 - 1995, 2000 - 2001
- Office of the Public Counsel, Chief Regulatory Analyst, 1987 - 1991
- Florida Public Service Commission, Executive Assistant to the Commissioner, 1981 - 1987
- Office of the Public Counsel, Legislative Analyst II and III, 1979 - 1981
- Ben Johnson Associates, Inc., Research Analyst, 1978 - 1979
- Office of the Public Counsel, Legislative Analyst I, 1977 - 1978
- Quincy State Bank Trust Department, Staff Accountant and Trust Assistant, 1976 - 1977

### Professional Associations and Memberships:

- National Association of Regulatory Utility Commissioners (NARUC), 1993 - 1998,  
*Member, Executive Committee*
- National Association of Regulatory Utility Commissioners (NARUC), 1999 - 2006,  
*Board of Directors*



## Terry Deason\*

- National Association of Regulatory Utility Commissioners (NARUC), 2005-2006,  
*Member, Committee on Electricity*
- National Association of Regulatory Utility Commissioners (NARUC), 2004 - 2005,  
*Member, Committee on Telecommunications*
- National Association of Regulatory Utility Commissioners (NARUC), 1991 - 2004,  
*Member, Committee on Finance and Technology*
- National Association of Regulatory Utility Commissioners (NARUC), 1995 - 1998,  
*Member, Committee on Utility Association Oversight*
- National Association of Regulatory Utility Commissioners (NARUC) 2002 *Member, Rights-of-Way Study*
- Nuclear Waste Strategy Coalition, 2000 - 2006, *Board Member*
- Federal Energy Regulatory Commission (FERC) South Joint Board on Security  
*Constrained Economic Dispatch, 2005 - 2006, Member*
- Southeastern Association of Regulatory Utility Commissioners, 1991 - 2006, *Member*
- Florida Energy 20/20 Study Commission, 2000 - 2001, *Member*
- FCC Federal/State Joint Conference on Accounting, 2003 - 2005, *Member*
- Joint NARUC/Department of Energy Study Commission on Tax and Rate  
*Treatment of Renewable Energy Projects, 1993, Member*
- Bonbright Utilities Center at the University of Georgia, 2001, *Bonbright Distinguished Service Award Recipient*
- Eastern NARUC Utility Rate School - Faculty Member



107

Stipulation and Settlement Agreement filed  
March 12, 2018

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 107  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Stipulation and Settlement  
Agreement filed March 12, 2018[Bates Nos





**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

FILED 3/12/2018  
DOCUMENT NO. 02238-2018  
FPSC - COMMISSION CLERK

Writer's Direct Dial Number: (850) 521-1706  
Writer's E-Mail Address: bkeating@gunster.com

March 12, 2018

**E-Portal**

Ms. Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: DOCKET NO. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas.**

Dear Ms. Stauffer:

Attached for electronic filing, please find the Joint Motion of Florida City Gas, the Office of Public Counsel, and Federal Executive Agencies for Approval of Stipulation and Settlement, along with the referenced Stipulation and Settlement.

As always, please don't hesitate to let me know if you have any questions. Thank you for your assistance with this filing.

Kind regards,

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

cc:/ (Service List)

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

Re: Petition for rate increase and approval of  
depreciation study by Florida City Gas

DOCKET NO. 20170179-GU

FILED: March 12, 2018

**JOINT MOTION OF FLORIDA CITY GAS, THE OFFICE OF PUBLIC COUNSEL,  
AND FEDERAL EXECUTIVE AGENCIES FOR  
APPROVAL OF STIPULATION AND SETTLEMENT**

Florida City Gas ("FCG" or "Company"), the Office of Public Counsel ("OPC"), and Federal Executive Agencies ("FEA"), (collectively, "Joint Movants") by and through their undersigned attorneys, respectfully move the Florida Public Service Commission ("Commission" or "FPSC") to approve the Stipulation and Settlement agreement ("2018 Agreement") attached hereto as Attachment A, which the Joint Movants have entered into in order to resolve issues in this proceeding. In support hereof, the Joint Movants state as follows:

1. On October 23, 2017, FCG petitioned the Commission for approval to increase the Company's rates and charges to the extent necessary to generate additional gross annual revenues in the amount of \$19.3 million and to approve the Company's depreciation study.
2. Following the October 23, 2017, filing, OPC filed a notice of its intervention on October 24, 2017. Subsequently, FEA was authorized to intervene on January 22, 2018.
3. The Joint Movants, as well as Commission Staff, have engaged in extensive discovery in this proceeding leading up to the technical hearing now set to commence on March 26, 2018.

4. In recent weeks, the Joint Movants have engaged in negotiations to resolve the issues in this docket and thereby avoid the need for any further expensive and time-consuming litigation before the Commission. These efforts have been successful and resulted in the 2018 Agreement attached hereto as Attachment A.

5. The 2018 Agreement is the result of good faith efforts to address the issues in this proceeding in a manner that will provide regulatory certainty with regard to FCG's rates and to avoid the unnecessary expense and uncertainty associated with further litigation, including a potential full rate proceeding. The 2018 Agreement results in rates and charges that are fair, just, and reasonable. Therefore, the Joint Movants submit the 2018 Agreement is in the public interest and respectfully request its approval as further described below.

6. The 2018 Agreement provides planning and rate certainty for a period through June 1, 2022, as the Parties agree they shall not seek an increase or reduction in base rates that would take effect before the end of the Minimum Term unless other terms of this 2018 Agreement allow, nor will FCG seek to implement interim rates with an effective date prior to June 1, 2022.

7. In furtherance of this Joint Motion and approval of the 2018 Agreement, the Joint Movants waive any right to seek reconsideration of, or otherwise appeal, any decision of the Commission approving, in its entirety, this 2018 Agreement.

8. The 2018 Agreement, among other things:

- (a) Authorizes FCG to increase its base rates and service charges ("New Rates") to generate an additional \$11,500,000 of annual revenues effective the first billing cycle of June 2018.
- (b) Authorizes a return on equity ("ROE") of 10.19%.

- (c) Authorizes a 48% equity ratio for all regulatory purposes and 49.1% for earnings surveillance reports, as more specifically set forth in the 2018 Agreement.
- (d) Authorizes FCG to establish a storm reserve with an annual accrual of \$57,500 and a target reserve level of \$800,000.
- (e) Authorizes FCG to construct a liquefied natural gas facility.
- (f) The Company may continue to seek recovery of costs through recovery clauses, but cannot seek recovery of costs that the Company has traditionally and historically recovered through base rates, unless such costs are: (i) the direct and unavoidable result of new governmental impositions or requirements; or (ii) new or atypical costs that were unforeseeable and could not have been contemplated by the Joint Movants resulting from significantly changed industry-wide circumstances directly affecting the Company's operations.
- (g) The Joint Movants agree that the Company's projected tax savings from the Tax Cuts and Jobs Act of 2017 ("TCJA") is \$4,584.338 and this amount will be included as a reduction to the test year subject to certain specified conditions as specifically set forth in the 2018 Agreement.
- (h) The Joint Movants agree that the issue of the finalized amount of the protected deferred tax liability and the flow back period of the excess of protected deferred taxes shall be determined and trued-up either by submission of a later agreement or the initiation of a limited scope proceeding no later than July 1, 2018.

- (i) The Joint Movants agree that the issue of the finalized amount of unprotected excess deferred taxes shall be determined and trued-up either by submission of a later agreement or the initiation of a limited scope proceeding no later than July 1, 2018. The Joint Movants agree the unprotected excess deferred taxes shall have a flow back period of five (5) years.

9. The Joint Movants represent that the 2018 Agreement provides an equitable and just balance of the positions of the parties on the issues in this proceeding. The Joint Movants submit approval of the 2018 Agreement as is in the best interests of both the Company and its customers, and therefore, respectfully request approval of same.

10. For the sake of efficiency, the Joint Movants request the Commission rule on this Joint Motion For Approval of Stipulation and Settlement during the period of March 26-30, 2018, the time that is presently scheduled for the technical hearing in this proceeding.

11. FCG commits to making experts available to the Commission to address questions, if any, regarding 2018 Agreement.

12. Commission approval of this Joint Motion is consistent with the Commission's long-standing policy to encourage settlements that provide benefits to the customers and avoid unnecessary additional litigation expense.

WHEREFORE, the Joint Movants respectfully request that the Commission approve the 2018 Agreement attached hereto as Attachment A.

Respectfully submitted this 12<sup>th</sup> day of March, 2018, by:

/s/Virginia Ponder

Virginia Ponder  
Bar No. 99947  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street; Room 812  
Tallahassee, FL 32399-1400  
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State of Florida

/s/ Beth Keating

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Attorneys for Florida City Gas

/s/ Thomas A. Jernigan

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USAF Utility Law Field Support Center  
Air Force Legal Operations Agency  
139 Barnes Drive, Suite 1  
Tyndall AFB FL 32403  
Thomas.jernigan.3@us.af.mil

**CERTIFICATE OF SERVICE**

**Docket No. 20170179-GU**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 12<sup>th</sup> day of March 2018, to the following:

Walter Trierweiler, Esq.  
Stephanie Cuello, Esq.  
Danijela Janjic, Esq.  
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Federal Executive Agencies  
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Cepak/R.K. Moore  
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Attorneys for Florida City Gas

# **ATTACHMENT A**

## **Stipulation and Settlement**

Of

Florida City Gas, Office of Public Counsel  
And the Federal Executive Agencies



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida City Gas.      DOCKET NO. 20170179-GU

DATED: March 12, 2018

**STIPULATION AND SETTLEMENT**

**WHEREAS**, Florida City Gas (“FCG” or “Company”), the Office of Public Counsel (“OPC”) and the Federal Executive Agencies (“FEA”) have signed this Stipulation and Settlement (“2018 Agreement”); and

**WHEREAS**, unless the context clearly intends otherwise, the term “Party” or “Parties” shall mean a signatory or signatories to this 2018 Agreement; and

**WHEREAS**, on October 23, 2017, FCG petitioned the Florida Public Service Commission (“the Commission”) for a rate increase to generate additional gross annual revenues in the amount of \$19.3 million, with the effective date of such rate increase to be August 1, 2018; and

**WHEREAS**, FCG last filed a petition for a rate increase in 2003; and

**WHEREAS**, the Parties and Commission Staff have filed testimony and exhibits and have conducted extensive discovery in this proceeding; and

**WHEREAS**, the Parties have endeavored in good faith to resolve the issues in this docket in order to minimize the rate impact to FCG customers while providing regulatory certainty to FCG and avoiding the uncertainty associated with further litigation; and

**WHEREAS**, the Parties recognize and acknowledge the federal Tax Cuts and Jobs Act (Pub. Law 115-97) (herein “TCJA”) has an impact on the Company’s revenue requirement in the projected test year utilized by the Company in this proceeding;

**WHEREAS**, the legal system, as well as the Commission, favors settlement of disputes, for a variety of reasons, including that they can be in the public interest; and

**WHEREAS**, the Parties to this 2018 Agreement, individually and collectively, agree that this 2018 Agreement, taken as a whole, should be found to be in the public interest; and

**WHEREAS**, the Parties have entered into this 2018 Agreement in compromise of positions taken in accord with their rights and interests under Chapters 350, 366 and 120, Florida Statutes, as applicable, and as part of a negotiated exchange of consideration among the Parties to this 2018 Agreement, each Party has agreed to concessions to the others with the expectation, intent, and understanding such that all provisions of this 2018 Agreement, upon approval by the Commission, will be enforced by the Commission as to all matters addressed herein with respect to all Parties; and

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants set forth herein, which the Parties agree constitute good and valuable consideration, the Parties hereby stipulate and agree as follows:

**I. Term**

a. This 2018 Agreement will take effect upon Commission approval (“Effective Date”) and shall be implemented on the date of the meter reading for the first billing cycle of June 2018 (“Implementation Date”) and continue at least until the last billing cycle of May 2022. The base rates, charges and related tariff sheet terms and conditions established as a result of this 2018 Agreement will continue beyond June 2022, except as otherwise contemplated herein, unless and until changed by Commission Order. The period from the Implementation Date through the last billing cycle in May 2022 may be referred to herein as the “Minimum Term”.

b. The Parties agree that the Parties shall not seek an increase or reduction in base rates that would take effect before the end of the Minimum Term unless other terms of this 2018 Agreement allow, nor will FCG seek to implement interim rates with an effective date prior to June 1, 2022.

c. The parties reserve all rights, unless such rights are expressly waived or released, under the terms of this 2018 Agreement.

## **II. Federal Income Tax Reform**

a. In calculating the rates consistent with this 2018 Agreement, which are attached and incorporated herein as Exhibit A, the Company has incorporated known and measurable impacts of the TCJA on its Florida jurisdictional net operating income, rate base and capital structure for the 2018 Projected Test Year. These known and measurable impacts include the change in the federal income tax rate from 35% to 21%, and the quantification of excess deferred income taxes ("EDIT") and corresponding amortization and the elimination of bonus depreciation.

b. The Parties agree that the Company's projected quantified tax savings arising from the Act is \$4,584,338. This amount will be included as a reduction to the test year, subject to the conditions set forth in subsections II.c, II.d, and II.e below.

c. Deferred Taxes:

- 1) Protected: Additional work is required to determine the finalized amount of the protected deferred tax liability and the flow back period of the excess under principles of normalization. The Parties agree this issue – the determination of the amount and flow back period of protected excess deferred taxes - shall be determined and trued-up either by submission of a later agreement to the Commission for its review and approval or by the initiation of a limited scope proceeding no later than July 1, 2018.
- 2) Unprotected: Additional work is required to determine the finalized amount of the unprotected excess deferred taxes. The Parties agree that the determination of the amount of unprotected excess deferred taxes shall be determined and trued-up either by submission of a later agreement to the Commission for its review and approval or by the initiation of a limited scope proceeding no later than July 1, 2018. The Parties further agree that the unprotected excess deferred taxes shall have a flow back period of 5 years.

d. Interim Rates: The Parties agree that the interim refund calculation methodology of the Commission will be applied when the new rates go into effect on June 1, 2018. This will allow the new tax rate to be taken into account in one, simple calculation in order to

determine whether any refund of interim rates is required. Within 60 days of the implementation of this 2018 Agreement, FCG shall prepare and submit to all signatories and the Commission its calculation to determine whether an interim refund is appropriate for the time period that interim rates were in effect.

- e. SAFE Adjustment: FCG shall use a 21% federal tax rate effective January 1, 2018 through the date new rates are implemented when determining the earned revenue requirement under the SAFE program. FCG will include a reconciliation of the SAFE surcharge recoveries to the SAFE earned revenue requirement for the period January 1, 2018 through the date new rates are implemented when FCG makes its next SAFE filing on September 1, 2018. Any over/under recoveries resulting from this reconciliation will be included in FCG's new SAFE surcharge effective January 1, 2019.

### **III. Revenue Requirement**

a. Upon the Implementation Date and effective with the date of the first meter reading for the first billing cycle of June 2018, FCG shall be authorized to increase its base rates and service charges ("New Rates") to generate an additional \$11.5 million of annual revenues, inclusive of the transfer of the SAFE revenues to base rates, based on the projected test year December 2018 billing determinants reflected in the Minimum Filing Requirements ("MFRs") filed with the Company's Petition in this docket. The Parties further agree that the Company shall be allowed to increase its base rates and charges in an amount sufficient to recover the additional revenue requirement of \$3.8 million on the completed liquefied natural gas ("LNG") facility described in Section IV of this 2018 Agreement by the end of 2019, or upon the in-service date of the LNG facility, whichever is later. To accomplish this increase, it is the Parties' intent that the revenue increase be accomplished in two step increases: (i) \$2.5 million on June 1, 2019, or the in-service date of the LNG facility, whichever is later; and (ii) \$1.3 million on December 1, 2019. If the in-service date of the LNG facility is after December 1, 2019, the Company shall be allowed to implement an increase in rates and charges sufficient to recover the remaining revenue requirement of \$3.8 million upon the in-service date of the LNG facility.

b. The base rates, charges, and related tariff sheet terms and conditions set in accordance with this Agreement shall not be changed during the Minimum Term except as

otherwise permitted or provided for in this 2018 Agreement, and shall continue in effect until next reset by the Commission.

#### **IV. LNG Facility**

In its October 23, 2017, petition, FCG sought approval to construct an LNG Facility to address the Company's capacity concerns. The Parties agree that FCG shall be authorized to construct a LNG Facility as described in the testimonies of FCG witnesses Gregory Becker and Stephen Wassell capable of providing an additional 10,000 Dth/d of capacity and which would include the following items discussed in those testimonies: (i) truck loading facilities; (ii) three storage tanks holding a total of 270,000 gallons of LNG; (iii) vaporization equipment; and (iv) other related specifications.

#### **V. Return on Equity and Equity Ratio**

a. For purposes of this 2018 Agreement, the phrase "authorized ROE" shall mean the midpoint authorized return on common equity ("ROE") and the phrase "authorized ROE range" shall mean the range that starts at 100 basis points below the midpoint and extends to 100 basis points above the midpoint as determined in this Agreement. Consistent with this understanding, FCG's authorized ROE shall be within a range of 9.19% to 11.19%, with a midpoint of 10.19%. The Parties agree that FCG shall use a capital structure with a 48% equity ratio for all regulatory purposes, including calculation of the revenue requirements for capital investments recovered through the SAFE program surcharge. For purposes of earnings surveillance reporting, FCG shall be deemed to have an equity ratio not greater than 49.1%. The Parties recognize that FCG's actual equity ratio may vary to some degree from the maximum surveillance reporting equity ratio from month to month and that such normal variations shall not be cause for a deviation from the deemed equity ratio for regulatory purposes set forth in this paragraph.

b. Customer deposits, investment tax credits, and deferred income taxes shall be the balances recorded on FCG's books.

c. The authorized ROE and authorized ROE ranges shall continue in effect until the return on equity is next reset by the Commission.

**VI. Other Cost Recovery**

Nothing in this 2018 Agreement shall preclude the Company from requesting the Commission to approve the recovery of costs that are: (a) of a type which traditionally or historically would be, have been, or are presently recovered through cost recovery clauses or surcharges, or (b) incremental costs not currently recovered in base rates which the Legislature expressly requires shall be clause recoverable subsequent to the approval of this 2018 Agreement. It is the intent of the Parties that the Company shall not seek to recover, nor shall the Company be allowed to recover, through any cost recovery clause or charge, or through the functional equivalent of such cost recovery clauses and charges, costs of any type or category that have historically or traditionally been recovered in base rates, unless such costs are: (i) the direct and unavoidable result of new governmental impositions or requirements; or (ii) new or atypical costs that were unforeseeable and could not have been contemplated by the Parties resulting from significantly changed industry-wide circumstances directly affecting the Company's operations. As a part of the base rate freeze agreed to herein, the Company will not seek Commission approval to defer for later recovery in rates, any costs incurred or reasonably expected to be incurred from the Effective Date through and including May 31, 2022, which are of the type which historically or traditionally have been or would be recovered in base rates, unless such deferral and subsequent recovery is expressly authorized herein or otherwise agreed to by each of the Parties. The Parties are not precluded from participating in any proceedings pursuant to this Section VI, nor is any Party precluded from raising any issues pertinent to any such proceedings.

**VII. Earnings**

a. Notwithstanding Section V hereof, the Parties agree that, in the event that the Company's earned return on common equity falls below 9.19% during the Minimum Term on a FCG earnings surveillance report stated on a thirteen-month average actual Commission-adjusted basis, the Company may file a Petition for Rate Increase with the Commission either as a general proceeding under Section 366.06 and 366.07, Florida Statutes, and/or as a limited proceeding under Section 366.076, Florida Statutes. Nothing herein shall be construed as an agreement by the OPC or FEA that a limited proceeding would be appropriate, and FCG acknowledges and

agrees that the OPC and FEA reserve and retain all rights to challenge the propriety of any limited proceeding or to assert that any request for base rate changes should be properly addressed through a general rate case, as well as challenge any substantive proposals to change the Company's rates in any such future proceeding. Throughout this Agreement, "actual Commission adjusted basis" and "actual adjusted earned return" shall mean results reflecting all adjustments to FCG's books required by the Commission by rule or order. FCG acknowledges that the OPC and FEA shall be entitled to participate and oppose any request initiated by FCG to increase its rates.

b. Likewise, the Parties agree that if the Company's earned return on common equity exceeds 11.19% on a FCG earning surveillance report on a thirteen-month average actual Commission-adjusted basis, OPC or FEA may file a petition with the Commission seeking a review of the Company's rates. In any case initiated by the OPC or FEA, all Parties will have full rights conferred by law.

#### **VIII. Tariffs**

a. The Company shall be allowed to implement the tariff changes reflected in its October 23, 2017, filing, regarding Deposits to Guarantee Payment of Bills, Metering, Piping and Appliances, Right to Suspend or Discontinue Service to a Customer, Extension of Facilities, Force Majeure, Gas Curtailment Plan, and Transportation – Special Conditions, as further outlined in Section XI hereof, and all conforming tariff changes associated therewith, including corrections identified in the Company's revised tariff pages filed on March 9, 2018.

b. The Company shall be allowed to implement the customer service charges, as well as all conforming tariff changes identified in Exhibit A to this 2018 Agreement.

c. Nothing in this 2018 Agreement shall preclude FCG from filing, and the Commission from approving, any new or revised tariff provisions or rate schedules requested by FCG, provided that any such tariff request does not increase any existing base rate component of a tariff or rate schedule, or any other charge imposed on customers during the Minimum Term unless the application of such new or revised tariff, rate schedule, or charge is optional to FCG's customers.



**IX. Rate Case Expense**

FCG will be entitled to establish a regulatory asset for the deferral of all costs incurred with the actual filing, discovery, and all other activities associated with the conduct of this base rate proceeding, Docket No. 20170179-GU. The annual amortization of the costs in this regulatory asset (1) shall not be less than \$150,000 and (2) shall not be required to begin sooner than June 1, 2018. The Company shall be authorized to amortize additional amounts from time to time at its sole discretion. In any event, the entire amount shall either be fully amortized or deemed recovered for purposes of prospective changes to FCG's base rates by May 31, 2022.

**X. Depreciation Study**

The Parties agree to an effective date of new depreciation rates of January 1, 2018, which includes the effect of a full year of depreciation rate change. The Parties also agree that FCG witness Watson's proposed lives on all accounts should be utilized, with the exception of the lives stated for Account 380.2 Plastic Services, Account 382 Meter Installations, and Account 385, Industrial M&R Equipment for which the service lives proposed by OPC witness Garrett shall be utilized. Additionally, the Parties agree with FCG's proposed negative 100 percent net salvage. The Parties agree to the new depreciation rates as described in Exhibit C to this 2018 Agreement.

**XI. Transportation Tariff**

a. The Parties agree that FCG shall be authorized to implement revisions to its transportation service tariff consistent with the proposal set forth in its October 23, 2017, filing, which will allow it to expand the allocation of its capacity costs to include an amount to be allocated to Third Party Shippers who serve transportation customers on the Company's system.

b. The Parties acknowledge and agree that, pursuant to the Company's transportation tariff revisions, the full 20,000 Dth/d of additional capacity purchased from Florida Gas Transmission ("FGT"), as described in FCG Witness Gregory Becker's testimony, will be released to the Third Party Shippers on FCG's system, whereupon the Third Party Shippers will be responsible for the payments associated with such additional capacity, such that



FCG customers subject to the Purchased Gas Adjustment will see no cost increase associated with FCG's purchase of this additional capacity from FGT.

c. The Parties also acknowledge and agree that, in accordance with the Company's transportation tariff revisions, in the event that a transportation service customer asks to be transferred to sales service with FCG, the customer's Third Party Shipper shall be required to return to the Company the capacity released by FCG to the Third Party Shipper that is associated with the customer returning to sales service. Likewise, if a FCG customer subject to the Purchased Gas Adjustment asks to be transferred to transportation service, the capacity associated with that customer shall be excluded from FCG's Purchased Gas Adjustment at the time of transition.

## **XII. Storm Reserve**

a. The Parties agree that FCG shall be authorized to establish a storm reserve and accrue \$57,500 annually to begin establishing the reserve. The target for the storm damage reserve is set at \$800,000. In the event storms or other significant disasters do not occur in the future and the storm damage reserve continues to increase such that it exceeds \$800,000, the Parties agree that the storm reserve accrual should be revisited at that time, either by the Commission or upon petition by OPC or FEA, to determine if FCG should stop accruing the annual expense until additional storm-related costs are incurred and applied against the reserve to decrease the balance to \$800,000.

b. The Parties expressly agree that any proceeding to recover costs associated with any storm shall not be a vehicle for a "rate case" type inquiry concerning the expenses, investment, or financial results of operations of FCG and shall not apply any form of earnings test or measure or consider previous or current base rate earnings. Such issues may be fully addressed in any subsequent FCG base rate case.

c. Nothing in this 2018 Agreement shall preclude FCG from petitioning the Commission to seek recovery of costs associated with any tropical systems named by the National Hurricane Center or its successor without the application of any form of earnings test or measure and irrespective of previous or current base rate earnings. The Parties agree that recovery of storm

costs from customers will begin, on an interim basis (subject to refund following a hearing or a full opportunity for a formal proceeding), sixty days following the filing of a cost recovery petition and tariff with the Commission and will be based on a 12-month recovery period if the storm costs do not exceed \$1 million. In the event the Company's reasonable and prudent storm costs exceed that level, any additional costs in excess of \$1 million shall be recovered in a subsequent year or years as determined by the Commission, after hearing or after the opportunity for a formal proceeding has been afforded to all substantially affected persons or parties. All storm related costs shall be calculated and disposed of consistent with the Commission's electric Rule 25-6.0143, F.A.C., and shall be limited to (i) costs resulting from a tropical system named by the National Hurricane Center or its successor, (ii) the estimate of incremental storm restoration costs above the level of storm reserve prior to the storm, and (iii) the replenishment of the storm reserve to the level that existed prior to the named storm which caused FCG to petition the Commission for recovery under this Section XII. The Parties to this 2018 Agreement are not precluded from participating in any such proceedings and opposing the amount of FCG's claimed costs (for example, and without limitation, on grounds that such claimed costs were not reasonable or were not prudently incurred) or whether the proposed recovery is consistent with this Section XII, but not the mechanism agreed to herein.

d. Consistent with the Bill Impact provision approved in Docket No. 20150116-GU and applicable to the Company's SAFE surcharge, the Parties agree that a monthly \$.75-per-residential-bill cap and a monthly \$2.50-per-non-residential-bill cap shall apply in aggregate for a calendar year; provided, however, that FCG may petition the Commission to allow FCG to increase the initial 12-month recovery at rates greater than the monthly \$.75 per-residential-bill cap and the monthly \$2.50 per-non-residential-bill cap, or for a period longer than 12 months, if FCG incurs in excess of \$1 million of storm recovery costs that qualify for recovery in a given calendar year, inclusive of the amount needed to replenish the storm reserve to the level that existed prior to the named storm which caused FCG to petition the Commission for recovery under this Section XII. All Consumer Parties reserve their right to oppose such a petition.

e. The provisions of this Section XII shall remain in effect during the Term except as otherwise permitted or provided for in this 2018 Agreement and shall continue in effect until the Company's base rates are next reset by the Commission. For clarity, this means that if this 2018

Agreement is terminated pursuant to Section VII hereof, the Company's rights regarding storm cost recovery under this 2018 Agreement are terminated at the same time, except that any Commission-approved surcharge then in effect shall remain in effect until the costs subject to that surcharge are fully recovered. A storm surcharge in effect without approval of the Commission shall be terminated at the time this 2018 Agreement is terminated pursuant to Section VII hereof.

### **XIII. Rate Design**

The total base rate increase, as well as the subsequent step increases, as set forth in Section III, shall be applied to the Company's rate classes as proposed in its October 23, 2017, filing, utilizing the rate design reflected in Exhibit B to this 2018 Settlement, which is attached and incorporated herein by reference. Such rate design reflects the Company's rate design as set forth in its October 23, 2017 filing, modified as it relates to the non-residential rate classes. OPC takes no position on this Section XIII.

### **XIV. Elderly Energy Assistance Fund**

FCG shall be authorized to establish an Elderly Energy Assistance and Community Development Assistance Fund in the amount of \$150,000; however, such fund shall be funded solely with shareholder dollars and in no event shall such funds come from customer rates.

### **XV. Disputes**

Should any disagreement or any differing interpretation of any provision hereof arise, the Parties agree to meet and confer in a good-faith effort to resolve the dispute. To the extent that the Parties are unable to resolve any such dispute, the matter may be submitted to the Commission for resolution.

### **XVI. Commission Approval**

a. The provisions of this 2018 Agreement are contingent upon Commission approval of this 2018 Agreement in its entirety without modification. The Parties further agree that they believe the 2018 Agreement is in the public interest, that they will support this 2018 Agreement and will not request or support any order, relief, outcome, or result in conflict with the terms of

this 2018 Agreement in any administrative or judicial proceeding relating to, reviewing, or challenging the establishment, approval, adoption, or implementation of this 2018 Agreement or the subject matter hereof.

b. No Party will assert in any proceeding before the Commission that this 2018 Agreement or any of the terms in this 2018 Agreement shall have any precedential value. The Parties' agreement to the terms in this 2018 Agreement shall be without prejudice to any Party's ability to advocate a different position in future proceedings not involving this 2018 Agreement. The Parties further expressly agree that no individual provision, by itself, necessarily represents a position of any Party in any future proceeding, and the Parties further agree that no Party shall assert or represent in any future proceeding in any forum that another Party endorses any specific provision of this 2018 Agreement by virtue of that Party's signature on, or participation in, this 2018 Agreement. It is the intent of the Parties to this 2018 Agreement that the Commission's approval of all the terms and provisions of this 2018 Agreement is an express recognition that no individual term or provision, by itself, necessarily represents a position, in isolation, of any Party or that a Party to this 2018 Agreement endorses a specific provision, in isolation, of this 2018 Agreement by virtue of that Party's signature on, or participation in, this 2018 Agreement.

c. The Parties agree the following documents on file in this proceeding will be available for the Commission during its consideration of this Agreement: the Company's Petition, the MFRs, including revised MFRs submitted in conjunction with this 2018 Agreement reflecting the impact of the TCJA, the prefiled testimony and exhibits of all witnesses, and this agreement;

d. Upon approval of this 2018 Agreement by the Commission, the Parties agree such documents may become a part of the record as if admitted into evidence at final hearing at the Commission's discretion; and

e. Commission decision approving this 2018 Agreement may be issued as a final order.

f. The Parties agree that there is good cause to expedite approval of this 2018 Agreement and respectfully request that the Commission consider this 2018 Agreement during

the previously scheduled hearing dates established for the week of March 26, 2018. The Parties agree that approval of the Agreement will avoid additional litigation costs for all Parties. The Parties agree to waive:

- i. All notice requirements for a hearing as set forth in Section 120.569(2)(b), Florida Statutes, or other applicable law;
  - ii. Their right to require a hearing on the merits;
  - iii. Their respective rights to seek reconsideration of, or to appeal, any Final Order that approves this Agreement in its entirety without change; and
  - iv. Their respective right to judicial review of any such final agency action approving this Agreement afforded by Section 120.68, Florida Statutes.
- g. The Parties further agree they will support this 2018 Agreement and affirmatively assert that this 2018 Agreement is in the public interest and should be approved. The Parties likewise agree and acknowledge that:
- i. The revenue increase and resulting rates and charges developed from and in accordance with this Agreement are fair, just and reasonable; and
  - ii. Approval of this 2018 Agreement promotes planning and regulatory certainty for both FCG and its customers.

#### **XVII. New Rates**

a. The New Rates, which are attached and incorporated herein as Exhibit A, reflecting the June 1, 2018 Effective Date, shall be designed to accurately reflect the terms as presented in this 2018 Agreement. In addition, the New Rates presented in Exhibit A shall be designed in accordance with methodology of the Cost of Service and Rate Design submitted by FCG in the Minimum Filing Requirements ("MFRs") filed with the Company's Petition in this docket, as modified by the rate design attached and incorporated herein as Exhibit B. OPC takes no position with regard to the design of the rates reflected therein.

b. Within 30 days of the Commission's approval of this 2018 Agreement, FCG shall file tariffs consistent with the terms of the 2018 Agreement, which shall become effective on June 1, 2018.

**XVIII. Execution**

This 2018 Agreement is dated as of March 12, 2018. It may be executed in one (1) or more counterparts, all of which will be considered one and the same Agreement and each of which will be deemed an original.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this 2018 Agreement by their signature(s).

Dated this 12th day of March, 2018.

**Florida City Gas**

By: 

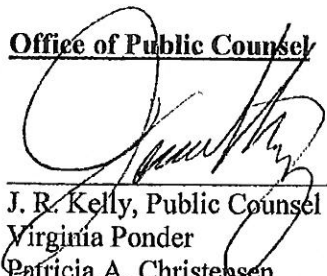
Carolyn Bermudez  
Vice-President and General Manager, Florida City Gas

Signature Page to Stipulation and Settlement Agreement in Docket No. 20170179-GU

IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this 2018 Agreement by their signature(s).

Dated this 12<sup>th</sup> day of March, 2018.

Office of Public Counsel



---

J. R. Kelly, Public Counsel  
Virginia Ponder  
Patricia A. Christensen  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399-1400

Signature Page to Stipulation and Settlement Agreement in Docket No. 20170179-GU



**IN WITNESS WHEREOF**, the Parties evidence their acceptance and agreement with the provisions of this 2018 Agreement by their signature(s).

Dated this 12th day of March 2018.

**Federal Executive Agencies**

/s/Thomas A. Jernigan

Thomas A. "Drew" Jernigan, USAF  
Litigation Attorney, GS-14, AFCEC/JA -  
Utility Law Field Support Center  
139 Barnes Drive, Suite 1  
Tyndall AFB FL 32403-5317

Signature Page to Stipulation and Settlement Agreement in Docket No. 20170179-GU

## EXHIBIT A

DOCKET No. 20170179-GU

Rate Class	PRESENT RATES		INTERIM RATES		PROPOSED SETTLEMENT RATES			
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm	
GS-1	\$8.00	\$0.56213	No change	\$0.74751	RS-1	\$12.00	\$0.47322	
GS-100	\$9.50	\$0.55248	No change	\$0.65758	RS-100	\$15.00	\$0.41137	
GS-220	\$11.00	\$0.49531	No change	\$0.60246	RS-100	\$15.00	\$0.41137	
GS-600	\$12.00	\$0.43663	No change	\$0.49869	RS-600	\$20.00	\$0.53133	
GS-1.2K	\$15.00	\$0.31715	No change	\$0.35507	RS-600	\$20.00	\$0.53133	
Gas Light	\$0.00	\$0.59535	No change	\$0.65605	Gas Light	\$0.00	No Change	
GS-1	\$8.00	\$0.56213	No change	\$0.74751	GS-1	\$25.00	\$0.37923	
GS-100	\$9.50	\$0.52248	No change	\$0.65758	GS-1	\$25.00	\$0.37923	
GS-220	\$11.00	\$0.49531	No change	\$0.60246	GS-1	\$25.00	\$0.37923	
GS-600	\$12.00	\$0.43663	No change	\$0.49869	GS-1	\$25.00	\$0.37923	
GS-1.2K	\$15.00	\$0.31715	No change	\$0.35507	GS-1	\$25.00	\$0.37923	
GS-6K	\$30.00	\$0.27487	No change	\$0.30647	GS-6K	\$35.00	\$0.34153	
GS-25K	\$80.00	\$0.27618	No change	\$0.30740	GS-25K	\$150.00	\$0.32696	
GS-60K	\$150.00	\$0.27477	No change	\$0.30449	GS-25k	\$150.00	\$0.32696	
NGV	\$15.00	\$0.23232	No change	No change	NGV	\$25.00	No Change	
RSG	\$16.81	\$0.000/Therm (up to 14 therms)	\$0.52248 /per therm (over 14)		RSG	No change	No change	No change

170179-GU Staff Hearing Exhibits 00223

## EXHIBIT A

Rate Class	----- PRESENT RATES -----			----- INTERIM RATES -----			----- PROPOSED SETTLEMENT RATES -----			
	Customer Charge	Distr. Charge/Therm terms)		Customer Charge	Distr. Charge/Therm		New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm	
		Distribution Charge/ Therm	Demand Charge/ Therm		Distribution Charge/ Therm	Demand Charge/ Therm			Distrib. Charge/ Therm	Demand Charge/ Therm
GS-120k	\$250.00	\$0.18084	\$0.289		\$0.20277	No change	GS-120K	\$300.00	\$0.19499	\$0.575
GS-250K	\$300.00	\$0.17191	\$0.289		\$0.19261	No change	GS-120K	\$300.00	\$0.19499	\$0.575
GS-1250K	\$500.00	\$0.12225	\$0.289		\$0.13732	No change	GS-1250K	\$500.00	\$0.09453	\$0.575
GS-11M	N/A	N/A	N/A				GS-11 M	\$1,000.00	\$0.08000	\$0.575
GS-25M	N/A	N/A	N/A				GS-25	\$2,000.00	\$0.04000	\$0.575
TPS Shippers	\$400.00	\$5.92/customer					TPS (Shippers)	\$400.00	\$6.07/customer	
Connect Charge (Residential)	\$50.00			\$50.00				\$80.00		
Connect Charge (Non-residential)	\$110.00			\$110.00				\$150.00		
Connect Charge (Residential – Outside regular business hours)	\$50.00			\$50.00				\$100.00		
Connect Charge (Non-residential-outside regular business)	\$110.00			\$110.00				\$200.00		

## EXHIBIT A

Rate Class	----- PRESENT RATES -----		----- INTERIM RATES -----		----- PROPOSED SETTLEMENT RATES -----		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
hours)							
Reconnection Charge (residential)	\$37.00		\$37.00			\$40.00	
Reconnection (Residential - outside regular business hours)	\$37.00		\$37.00			\$80.00	
Reconnection (Non residential - outside regular business hours)						\$50.00	
Reconnection (Non residential - outside regular business hours)	\$80.00		\$80.00			\$100.00	
Returned Check Charge	\$25.00 or 5%, whichever is greater					Additional service charge of \$25 if the face value does not exceed \$50, \$30 if the face value exceeds \$50 but does not	

## EXHIBIT A

Rate Class	----- PRESENT RATES -----		----- INTERIM RATES -----		----- PROPOSED SETTLEMENT RATES -----		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
						exceed \$300, \$40 if the face value exceeds \$300, or 5 percent of the face amount of the dishonored instrument, whichever is greater.	
Failed Trip Charge	\$0					\$20	
Late Payment Charge	1.5% or \$5.00					1.5% or \$5.00 whichever is greater. Late Payment Charge applied to the accounts of government al entities shall be at a rate no greater than allowed by applicable law.	
Change of Account	\$20.00		\$20.00			\$20.00	

## EXHIBIT A

Rate Class	----- PRESENT RATES -----		----- INTERIM RATES -----		----- PROPOSED SETTLEMENT RATES -----		
	Customer Charge	Distr. Charge/Therm	Customer Charge	Distr. Charge/Therm	New Rate Class/Residential (RS) and General Service (GS)	Customer Charge	Distr. Charge/Therm
Bill Collection in lieu of disconnection	\$20.00		\$20.00			\$25.00	
Bill Collection in lieu of disconnection (outside normal business hours)						\$32.00	
Temporary Disconnection	\$25.00		\$25.00			\$35.00	
Temporary Disconnect (Outside regular business hours)	\$25.00		\$25.00			\$45.00	
Meter Read Outside Normal Schedule						\$15.00	
Meter Read Outside Normal Schedule (Outside Normal Business Hours)						\$22.00	

FLORIDA CITY GAS  
Rate Design Revenue Comparisons

EXHIBIT B

Docket No. 20170179-GU

Page 1 of 1

Class	Revenue from Base Rates									
	Original Filed				Adjusted for			3-08-2018		
	Current Rates	Proposal	Increase	Pct. Increase	Tax Law Changes	Increase	Pct. Increase	Settlement Proposal	Increase	Pct. Increase
RS-1	\$ 6,444,054	\$ 7,210,626	\$ 766,572	11.9%	\$ 7,089,561	\$ 645,507	10.0%	\$ 6,984,757	\$ 540,703	8.4%
RS-100	\$ 17,348,299	\$ 18,807,784	\$ 1,459,484	8.4%	\$ 18,572,299	\$ 1,224,000	7.1%	\$ 18,572,299	\$ 1,224,000	7.1%
RS-600	\$ 671,130	\$ 550,722	\$ (120,408)	-17.9%	\$ 571,948	\$ (99,183)	-14.8%	\$ 671,130	\$ -	0.0%
GS-1	\$ 5,313,299	\$ 7,041,468	\$ 1,728,169	32.5%	\$ 6,719,445	\$ 1,406,146	26.5%	\$ 6,457,906	\$ 1,144,607	21.5%
GS-6k	\$ 8,996,894	\$ 11,981,069	\$ 2,984,175	33.2%	\$ 11,402,309	\$ 2,405,415	26.7%	\$ 10,935,033	\$ 1,938,139	21.5%
GS-25k	\$ 5,398,680	\$ 7,088,431	\$ 1,689,750	31.3%	\$ 6,757,391	\$ 1,358,710	25.2%	\$ 6,561,681	\$ 1,163,001	21.5%
GS-120k	\$ 6,833,871	\$ 12,514,667	\$ 5,680,795	83.1%	\$ 10,969,033	\$ 4,135,162	60.5%	\$ 8,306,045	\$ 1,472,174	21.5%
GS-1250k	\$ 2,386,020	\$ 3,932,041	\$ 1,546,021	64.8%	\$ 3,619,212	\$ 1,233,192	51.7%	\$ 2,900,024	\$ 514,004	21.5%
GS-11M										
GS-25M										
GAS LIGHTING	\$ 20,967	\$ 74,105	\$ 53,139	253.4%	\$ 15,345	\$ (5,622)	-26.8%	\$ 20,967	\$ -	0.0%
NGV										
Contract Demand	\$ 171,598	\$ 171,598	\$ -	0.0%	\$ 171,598	\$ -	0.0%	\$ 171,598	\$ -	0.0%
TPS	\$ 262,518	\$ 266,633	\$ 4,115	1.6%	\$ 265,891	\$ 3,373	1.3%	\$ 265,891	\$ 3,373	1.3%
Total All Classes	\$ 53,847,331	\$ 69,639,143	\$ 15,791,812	29.3%	\$ 66,154,031	\$ 12,306,700	22.9%	\$ 61,847,331	\$ 8,000,000	14.9%
Total Residential	\$ 24,463,483	\$ 26,569,131	\$ 2,105,648	8.6%	\$ 26,233,807	\$ 1,770,324	7.2%	\$ 26,228,186	\$ 1,764,702	7.2%
Total Commercial and Industrial	\$ 28,928,765	\$ 42,557,676	\$ 13,628,910	47.1%	\$ 39,467,390	\$ 10,538,625	36.4%	\$ 35,160,690	\$ 6,231,925	21.5%
GS- 1 through 25K	\$ 19,708,874	\$ 26,110,968	\$ 6,402,095	32.5%	\$ 24,879,145	\$ 5,170,272	26.2%	\$ 23,954,621	\$ 4,245,747	21.5%
GS-120k	\$ 6,833,871	\$ 12,514,667	\$ 5,680,795	83.1%	\$ 10,969,033	\$ 4,135,162	60.5%	\$ 8,306,045	\$ 1,472,174	21.5%
GS-1250k	\$ 2,386,020	\$ 3,932,041	\$ 1,546,021	64.8%	\$ 3,619,212	\$ 1,233,192	51.7%	\$ 2,900,024	\$ 514,004	21.5%

170179-GU Staff Hearing Exhibits 00228

SOUTHERN GAS COMPANY - FLORIDA CITY GAS  
COMPARISON OF DEPRECIATION ACCRUAL RATES with OPC Settlement  
Docket No. 20170179-GU: DEPRECIATION STUDY AT JULY 31, 2018

**EXHIBIT C**

Page 1 of 2

		Plant	Existing Accrual		Proposed Accrual		Page 1 of 2
Account	Description	In Service 7/31/2018	Rate	Amount	Rate	Amount	Difference
STORAGE PLANT							
364.00	LNG Plant	-	New	0.00	2.00%	-	-
DISTRIBUTION PLANT							
375.00	Structures & Improvements	-	2.80%	-	3.10%	-	-
376.10	Mains, Steel	109,201,912.12	3.00%	3,276,057.36	2.50%	2,730,047.80	(546,009.56)
376.20	Mains, Plastic	150,016,422.85	3.10%	4,650,509.11	2.50%	3,750,410.57	(900,098.54)
378.00	M&R Station Equipment - General	3,009,723.14	3.30%	99,320.86	3.50%	105,340.31	6,019.45
379.00	M&R Station Equipment - City Gate	10,001,910.51	3.30%	330,063.05	2.70%	270,051.58	(60,011.46)
380.10	Services, Steel	14,597,871.55	6.50%	948,861.65	2.70%	394,142.53	(554,719.12)
380.20	Services, Plastic	61,702,824.15	4.10%	2,529,815.79	2.54%	1,570,251.30	(959,564.49)
381.00	Meters	17,980,577.91	4.90%	881,048.32	6.10%	1,096,815.25	215,766.93
381.10	Meters - ERTs	1,563,534.26	4.90%	76,613.18	6.10%	95,375.59	18,762.41
382.00	Meter Installations	7,163,196.41	4.50%	322,343.84	3.57%	255,843.65	(66,500.19)
382.10	Meter Install - ERTs	4,694,672.47	6.70%	314,543.06	3.10%	145,534.85	(169,008.21)
383.00	House Regulators	5,883,812.60	4.90%	288,306.82	3.00%	176,514.38	(111,792.44)
384.00	House Regulator Installations	2,308,976.45	3.10%	71,578.27	3.20%	73,887.25	2,308.98
385.00	Industrial M&R Station Equipment	3,045,477.79	3.30%	100,500.77	1.48%	45,185.22	(55,315.55)
387.00	Other Equipment	836,930.34	3.30%	27,618.70	3.00%	25,107.91	(2,510.79)
	Total Distribution	392,007,842.55	3.55%	13,917,180.77	2.74%	10,734,508.18	(3,182,672.59)
GENERAL PLANT							
390.00	Structures & Improvements	8,410,477.58	2.60%	218,672.42	2.50%	210,261.94	(8,410.48)
391.00	Office Furniture	635,483.69	7.70%	48,932.24	6.70%	42,577.41	(6,354.84)
391.10	Software Non-Enterprise	215,218.44 *	8.30%	17,863.13	10.00%	21,521.84	3,658.71
391.11	Computer Software	12,908,974.23	9.10%	1,174,716.65	8.30%	1,071,444.86	(103,271.79)
391.12	Computer Hardware	660,986.99	8.30%	54,861.92	20.00%	132,197.40	77,335.48
391.50	Individual Equipment	181,679.78 *	8.30%	15,079.42	20.00%	36,335.96	21,256.53
392.00	Transportation Equipment	1,224,132.85	11.50%	140,775.28	8.40%	102,827.16	(37,948.12)
392.10	Trans Equip - Autos & Lt Trucks	128,094.98 **	11.50%	-	11.00%	-	-
392.20	Trans Equip - Service Trucks	3,231,811.69	11.50%	371,658.34	12.10%	391,049.21	19,390.87
392.30	Trans Equip - Heavy Trucks	374,203.71	11.50%	43,033.43	4.90%	18,335.98	(24,697.44)
393.00	Stores Equipment	-	6.20%	-	4.00%	-	-
394.00	Tools,Shop,& Garage Equipment	644,251.65	7.20%	46,386.12	6.70%	43,164.86	(3,221.26)
394.10	Natural Gas Vehicle Equipment	3,661,962.71	5.00%	183,098.14	4.70%	172,112.25	(10,985.89)
395.00	Laboratory Equipment	-	4.00%	-	5.00%	-	-
396.00	Power Operated Equipment	210,084.00	8.30%	17,436.97	6.50%	13,655.46	(3,781.51)
397.00	Communication Equipment	609,131.06	8.30%	50,557.88	8.30%	50,557.88	-
398.00	Miscellaneous Equipment	248,144.09	7.50%	18,610.81	5.00%	12,407.20	(6,203.60)
	General Plant Amortization True Up					284,453.60	284,453.60
	Total General	33,344,637.45	7.20%	2,401,682.75	7.81%	2,602,903.01	201,220.26
	TOTAL DEPRECIATED PLANT	\$ 425,352,480.00	3.84%	\$ 16,318,863.52	3.14%	\$ 13,337,411.19	\$ (2,981,452.32)



SOUTHERN GAS COMPANY - FLORIDA CITY GAS  
COMPARISON OF DEPRECIATION PARAMETERS with OPC Settlement  
Docket No. 20170179-GU: DEPRECIATION STUDY AS OF JULY 31, 2018

Account	Description	Existing		Proposed		OPC Settlement				
		Curve	ASL	Net Salvage	Curve	ASL	Net Salvage	Curve	ASL	Net Salvage
<b>STORAGE PLANT</b>										
	364.00 LNG Plant				S4 50	0%		S4 50	0%	
<b>DISTRIBUTION PLANT</b>										
	375.00 Structures & Improvements	R3 40	0%		R5 32	0%		R5 32	0%	
	376.10 Mains, Steel	S3 42	-25%		S3 55	-50%		S3 55	-50%	
	376.20 Mains, Plastic	S3 40	-20%		S3 55	-40%		S3 55	-40%	
	378.00 M&R Station Equipment - General	S3 30	0%		S3 30	-5%		S3 30	-5%	
	379.00 M&R Station Equipment - City Gate	S4 30	0%		S4 35	-5%		S4 35	-5%	
	380.10 Services, Steel	S6 35	-80%		S6 45	-100%		S6 45	-100%	
	380.20 Services, Plastic	S4 34	-30%		S4 45	0%		S4 R2.5	0%	
	381.00 Meters	S3 25	-3%		R1.5 20	-5%		R1.5 20	-5%	
	381.10 Meters - ERTs	S3 25	-3%		R1.5 20	-5%		R1.5 20	-5%	
	382.00 Meter Installations	S3 34	-25%		S3 30	-20%		S3 34	-20%	
	382.10 Meter Install - ERTs	S3 15	0%		R1.5 20	0%		R1.5 20	0%	
	383.00 House Regulators	S3 25	-3%		S3 30	-5%		S3 30	-5%	
	384.00 House Regulator Installations	S3 34	0%		S3 30	0%		S3 30	0%	
	385.00 Industrial M&R Station Equipment	R3 30	0%		R3 30	0%		R2 37	0%	
	387.00 Other Equipment	S5 30	0%		S5 30	0%		S5 30	0%	
<b>GENERAL PLANT</b>										
	390.00 Structures & Improvements	R1 40	0%		R1 40	0%		R1 40	0%	
	391.00 Office Furniture	S2 19	0%		SQ 15	0%		SQ 15	0%	
	391.10 Software Non-Enterprise	S2 12	0%		SQ 10	0%		SQ 10	0%	
	391.11 Computer Software	R4 11	0%		SQ 12	0%		SQ 12	0%	
	391.12 Computer Hardware	S2 12	0%		SQ 5	0%		SQ 5	0%	
	391.50 Individual Equipment	S2 12	0%		SQ 5	0%		SQ 5	0%	
	392.00 Transportation Equipment	L3 12	12%		L2.5 12	12%		L2.5 12	12%	
	392.10 Trans Equip - Autos & Lt Trucks	L3 12	12%		L3 8	12%		L3 8	12%	
	392.20 Trans Equip - Service Trucks	L3 12	12%		L3 8	12%		L3 8	12%	
	392.30 Trans Equip - Heavy Trucks	L3 12	12%		L3 13	12%		L3 13	12%	
	393.00 Stores Equipment	R2 25	0%		SQ 25	0%		SQ 25	0%	
	394.00 Tools,Shop,& Garage Equipment	S2 15	0%		SQ 15	0%		SQ 15	0%	
	394.10 Natural Gas Vehicle Equipment				S4 20	0%		S4 20	0%	
	395.00 Laboratory Equipment	S4 25	0%		SQ 20	0%		SQ 20	0%	
	396.00 Power Operated Equipment	S3 15	0%		SQ 15	10%		SQ 15	10%	
	397.00 Communication Equipment	R2 12	0%		SQ 12	0%		SQ 12	0%	
	398.00 Miscellaneous Equipment	S3 15	0%		SQ 20	0%		SQ 20	0%	

# IIC Invoice

GULF	Energy (MWH)		Payments Received From Pool		Payments Made to Pool	
	Delivered to Pool	Received From Pool	Composite Dollars	Fuel Dollars	Composite Dollars	Fuel Dollars
<b>A. ENERGY PURCHASES &amp; SALES</b>						
1. ASSOCIATED COMPANIES						
ASSOCIATED ENERGY	233,171.016	12,154.428	\$6,777,443.04	\$6,235,247.70	\$278,345.30	\$256,077.73
IIC PURCHASE ALLOCATION	0.000	0.000	\$5,514.81	\$5,514.81	\$0.00	\$0.00
M POSITION COST	0.000	0.000	\$1,566.11	\$1,440.84	\$0.00	\$0.00
OPPORTUNITY INTERCHANGE ENERGY	15,163.471	8,273.177	\$469,513.61	\$434,831.87	\$237,029.59	\$217,733.09
Sum:	248,334.487	20,427.605	\$7,254,037.57	\$6,677,035.22	\$515,374.89	\$473,810.82
2. NONASSOCIATED COMPANIES						
EXTERNAL PURCHASE	0.000	12,011.486	\$0.00	\$0.00	\$396,430.91	\$396,430.91
EXTERNAL SALE	8,273.177	0.000	\$278,361.95	\$217,733.09	\$0.00	\$0.00
Sum:	8,273.177	12,011.486	\$278,361.95	\$217,733.09	\$396,430.91	\$396,430.91
<b>ENERGY PURCHASES &amp; SALES Sum:</b>	<b>256,607.664</b>	<b>32,439.091</b>	<b>\$7,532,399.52</b>	<b>\$6,894,768.31</b>	<b>\$911,805.80</b>	<b>\$870,241.73</b>
<b>B. INTERCHANGE TRANSACTIONS</b>						
1. INTERCHANGE TRANSACTIONS						
EXTERNAL NETWORK	301.139	47,989.635	\$0.00	\$0.00	\$0.00	\$0.00
FIRM TRANSACTION	0.000	39,920.000	\$0.00	\$0.00	\$0.00	\$0.00
INADVERTENT INTERCHANGE	47,674.123	47,481.376	\$0.00	\$0.00	\$0.00	\$0.00
LOSS ADJUSTMENT	0.492	0.000	\$0.00	\$0.00	\$0.00	\$0.00
SEPA	66.557	0.000	\$0.00	\$0.00	\$0.00	\$0.00
SINGLE COMPANY	62,629.000	0.000	\$0.00	\$0.00	\$0.00	\$0.00
TRANSMISSION SVC	72,206.156	73,166.001	\$0.00	\$0.00	\$0.00	\$0.00
Sum:	182,877.467	208,557.012	\$0.00	\$0.00	\$0.00	\$0.00
2. INTERCHANGE TRANSACTIONS						
MWH BALANCE	-3,077.350	-4,117.676	\$0.00	\$0.00	\$0.00	\$0.00
Sum:	-3,077.350	-4,117.676	\$0.00	\$0.00	\$0.00	\$0.00
<b>INTERCHANGE TRANSACTIONS Sum:</b>	<b>179,800.117</b>	<b>204,439.336</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>D. FINANCIAL DEALS</b>						
1. ENERGY						
EXTERNAL SWAPS - P	0.000	0.000	\$32,883.46	\$0.00	\$31,666.84	\$0.00
EXTERNAL SWAPS - S	0.000	0.000	\$40,977.22	\$0.00	\$39,202.28	\$0.00
Sum:	0.000	0.000	\$73,860.68	\$0.00	\$70,869.12	\$0.00
2. TRANSMISSION						
EXTTRN-M	0.000	0.000	\$0.00	\$0.00	\$0.00	\$0.00

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170179-GU Staff Hearing Exhibits 00231

# IIC Invoice

GULF	Energy (MWH)		Payments Received From Pool		Payments Made to Pool	
	Delivered to Pool	Received From Pool	Composite Dollars	Fuel Dollars	Composite Dollars	Fuel Dollars
EXTTRN-P	0.000	0.000	\$0.00	\$0.00	\$22,549.81	\$0.00
<b>Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$22,549.81</b>	<b>\$0.00</b>
3. OTHER						
BROKER FEES	0.000	0.000	\$0.00	\$0.00	\$283.39	\$0.00
CAPACITY	0.000	0.000	\$0.00	\$0.00	\$1,841.61	\$0.00
<b>Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,125.00</b>	<b>\$0.00</b>
<b>FINANCIAL DEALS Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>\$73,860.68</b>	<b>\$0.00</b>	<b>\$95,543.93</b>	<b>\$0.00</b>
<b>E. CONTRACTS</b>						
6. GENERATOR BALANCING						
SCPSA	0.000	0.000	\$12,213.32	\$0.00	\$0.00	\$0.00
<b>Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>\$12,213.32</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>CONTRACTS Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>\$12,213.32</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>F. TRUE-UPS</b>						
1. TIES						
TIELINES - Previous Month	0.000	0.000	\$147.07	\$138.24	\$0.00	\$0.00
<b>Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>\$147.07</b>	<b>\$138.24</b>	<b>\$0.00</b>	<b>\$0.00</b>
4. REVENUE REALLOCATION						
EMC 11 TRANSMISSION EXP	0.000	0.000	\$0.00	\$0.00	\$3,713.36	\$0.00
EMC 11 TRANSMISSION EXP	0.000	0.000	\$0.00	\$0.00	\$0.00	\$0.00
SCTAN Penalty Refund 2016	0.000	0.000	\$117.66	\$0.00	\$0.00	\$0.00
SCTAN TRUE-UP OATT 2016	0.000	0.000	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>\$117.66</b>	<b>\$0.00</b>	<b>\$3,713.36</b>	<b>\$0.00</b>
6. PREVIOUS MONTH INVOICE TRUEUP						
MONTHTRU	0.000	0.000	(\$880.71)	(\$892.21)	(\$471.59)	(\$510.57)
<b>Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>(\$880.71)</b>	<b>(\$892.21)</b>	<b>(\$471.59)</b>	<b>(\$510.57)</b>
<b>TRUE-UPS Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>(\$615.98)</b>	<b>(\$753.97)</b>	<b>\$3,241.77</b>	<b>(\$510.57)</b>
<b>G. ADJUSTMENTS</b>						
1. MISC. ASSOCIATED ADJ						
ASSIGNED ENERGY - REL - June	0.000	0.000	\$0.00	\$0.00	\$26,978.49	\$24,820.20
ASSIGNED ENERGY - REL - May	0.000	0.000	\$0.00	\$0.00	\$23,102.41	\$21,716.27
ASSIGNED ENERGY - REL - June	0.000	0.000	\$0.00	\$0.00	(\$69,564.38)	(\$63,999.24)
ASSIGNED ENERGY - REL - May	0.000	0.000	\$0.00	\$0.00	(\$45,732.45)	(\$42,988.51)

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170179-GU Staff Hearing Exhibits 00232

# IIC Invoice

GULF	Energy (MWH)		Payments Received From Pool		Payments Made to Pool	
	Delivered to Pool	Received From Pool	Composite Dollars	Fuel Dollars	Composite Dollars	Fuel Dollars
May NOX rates adjustment	0.000	0.000	(\$716.79)	(\$673.78)	\$0.00	\$0.00
May NOX rates adjustment	0.000	0.000	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>(\$716.79)</b>	<b>(\$673.78)</b>	<b>(\$65,215.93)</b>	<b>(\$60,451.28)</b>
2. MISC. NONASSOCIATED ADJ						
AECRSRV - AECRSRV	0.000	0.000	\$0.00	\$0.00	\$0.00	\$0.00
EXTPUR - EXTPURC	0.000	0.000	\$0.00	\$0.00	(\$3,368.09)	\$0.00
EXTSAL - EXTSALE	0.000	0.000	(\$7,691.56)	\$0.00	(\$2,084.79)	\$0.00
EXTTRN - EXTTRNM	0.000	0.000	\$0.00	\$0.00	\$0.00	\$0.00
EXTTRN - EXTTRNP	0.000	0.000	\$0.00	\$0.00	(\$1.31)	\$0.00
PJM FTR Settlement - May	0.000	0.000	\$1,562.53	\$0.00	\$0.00	\$0.00
WHOLESALE - WHOLSAL	0.000	0.000	\$0.00	\$0.00	\$0.00	\$0.00
<b>Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>(\$6,129.03)</b>	<b>\$0.00</b>	<b>(\$5,454.19)</b>	<b>\$0.00</b>
<b>ADJUSTMENTS Sum:</b>	<b>0.000</b>	<b>0.000</b>	<b>(\$6,845.82)</b>	<b>(\$673.78)</b>	<b>(\$70,670.12)</b>	<b>(\$60,451.28)</b>
<b>Associated Company Sum:</b>	<b>436,407.781</b>	<b>236,878.427</b>	<b>\$7,611,011.72</b>	<b>\$6,893,340.56</b>	<b>\$939,921.38</b>	<b>\$809,279.88</b>
<b>Net Settlement:</b>	<b>199,529.354</b>	<b>0.000</b>	<b>\$6,671,090.34</b>	<b>\$6,084,060.68</b>	<b>\$0.00</b>	<b>\$0.00</b>

FCG Revised MFRs filed February 26, 2018, to  
reflect the impact of the Federal Tax Cuts and

Jobs Act:

MFR A

MFR E

MFR G

MFR H (confidential version filed under  
separate cover)

**Confidential DN# 01424-18**

FLORIDA PUBLIC SERVICE COMMISSION DOCKET: 20170179-GU EXHIBIT: 108 PARTY: STAFF HEARING EXHIBITS DESCRIPTION: FCG Revised MFRs filed February 26, 2018, to reflect the impact of the
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Writer's Direct Dial Number: (850) 521-1706  
Writer's E-Mail Address: bkeating@gunster.com

February 26, 2018

**E-Portal**

Ms. Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: DOCKET NO. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas.**

Dear Ms. Stauffer:

Attached, please find the following revised Minimum Filing Requirement ("MFR") schedules, which have been revised to reflect the impact of the federal Tax Cuts and Jobs Act, submitted on behalf of Florida City Gas:

MFR A  
MFR E  
MFR G  
MFR H (confidential version filed under separate cover)

FCG is also providing staff and the parties copies of the revised MFRs on DVD, along with 7 hard copies for Commission Staff. As always, please don't hesitate to let me know if you have any questions. Thank you for your assistance with this filing.

Kind regards,



Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing filing has been served by Hand Delivery, or Electronic Mail (w/o confidential attachments), this 26th day of February, 2018, upon the following:

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE MAGNITUDE  
OF CHANGE - PRESENT vs PRIOR RATE CASE.

TYPE OF DATA SHOWN:

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

HISTORIC TEST YEAR LAST CASE: 9/30/02

D/B/A FLORIDA CITY GAS

ATTRITION YEAR LAST CASE: N/A

DOCKET NO. 20170179-GU

PROJECTED TEST YEAR LAST CASE: 9/30/04

OPC ROG 8-175

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

Line No.	Item	LAST RATE CASE										
		REQUESTED (A)				AUTHORIZED			CURRENT RATE CASE: REQUESTED			
		(1)*	(2)*	(3)*	(4)*	(5)*	(6)*	(7)*	(8)*	(9)	(10)**	(11)**
		Historical	Attrition	Total	Projected Test Year	Historical	Attrition	Total	Projected Test Year 9/30/2004	Projected Test Year 12/31/2018	Dollar or Percent Difference	Percentage Change
1	DOCKET NUMBER	n/a	n/a	n/a	030569 -GU	n/a	n/a	n/a	030569 -GU	20170179-GU		
2	HISTORICAL DATA OR TEST YEAR				09/30/02				09/30/02	12/31/16		
3	PROJECTED TEST YEAR				09/30/04				09/30/04	12/31/18		
4	RATE INCREASE - PERMANENT				\$10,489,305				\$6,699,655	\$ 12,306,700	\$5,607,045	83.69%
5	RATE INCREASE - INTERIM				\$3,548,987				\$2,942,306	\$4,893,061	\$1,950,755	66.30%
6	JURISDICTIONAL RATE BASE BEFORE RATE RELIEF				\$123,421,819				\$119,897,447	\$ 303,216,950	\$183,319,503	152.90%
7	JURISDICTIONAL N.O.I. BEFORE RATE RELIEF				\$3,596,957				\$4,721,534	10,823,447	\$6,101,913	129.24%
8	RATE OF RETURN BEFORE RATE RELIEF				2.91%				3.94%	3.57%	-0.37%	-9.39%
9	SYSTEM CAPITALIZATION				\$123,421,819				\$119,897,447	\$303,216,950	\$183,319,503	152.90%
10	OVERALL RATE OF RETURN				8.10%				7.36%	6.57%	-0.79%	-10.73%
11	COST OF LONG-TERM DEBT				6.43%				6.43%	4.69%	-1.74%	-27.06%
12	COST OF PREFERRED STOCK				n/a				n/a	n/a	n/a	n/a
13	COST OF SHORT-TERM DEBT				2.91%				3.90%	2.64%	-1.26%	-32.31%
14	COST OF CUSTOMER DEPOSITS				6.70%				6.70%	2.73%	-3.97%	-59.25%
15	COST OF COMMON EQUITY				11.25%				11.25%	11.25%	0.00%	0.00%
16	NUMBER OF CUSTOMERS - AVERAGE				101,807				101,807	109,503	7,696	7.56%
17	DATE NEW PERMANENT RATES EFFECTIVE				(A)				(A)	(A)		

(A) AS DETERMINED BY THE "FILE AND SUSPEND" PROVISIONS OF SECTION 366.06 (4), FLORIDA STATUTES.

\* IF COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3) AND COLUMNS (5) - (7) UNDER THE HEADING "LAST RATE CASE". IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMNS (4) AND (8) UNDER THE HEADING "LAST RATE CASE".

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (7). IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (9) AND COLUMN (8).



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF PERMANENT RATE INCREASE REQUESTED

TYPE OF DATA SHOWN:

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 09/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

OPC ROG 8-175

Line No.	Description		Increase in Gross Revenue Dollars	% of Total
1	RESTORE ADJUSTED NET OPERATING INCOME TO PREVIOUSLY ALLOWED OVERALL RATE OF RETURN OF	7.36%	\$ 10,198,776	82.87%
2	DECREASE IN REQUESTED OVERALL RATE OF RETURN TO	6.57%	(4,099,375)	(33.31%)
3	EFFECT OF PROJECTED TEST YEAR		<u>6,207,299</u>	<u>50.44%</u>
4	TOTAL PERMANENT RATE INCREASE REQUESTED		<u>\$ 12,306,700</u>	<u>100.00%</u>

SUPPORTING SCHEDULES: D-1, G-5

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO: 20170179-GU

OPC ROG 8-175

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF JURISDICTIONAL RATE BASE

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 9/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 9/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

LINE NO.	Description	RATE BASE DETERMINED BY COMMISSION IN LAST RATE CASE				RATE BASE REQUESTED BY COMPANY IN CURRENT CASE		(7)** Percent Difference
		(1)* Historical	(2)* Attrition	(3)* Total	(4)* Projected Test Year 9/30/2004	(5) Projected Test Year 12/31/2018	(6)** Dollar Difference	
	<u>UTILITY PLANT</u>							
1	GAS PLANT IN SERVICE	n/a	n/a	n/a	198,324,265	429,446,193	231,121,928	116.54%
2	COMMON PLANT ALLOCATED	:	:	:	3,351,037	4,771,619	1,420,582	42.39%
3	ACQUISITION ADJUSTMENT	:	:	:	1,462,697	21,656,835	20,194,138	1380.61%
4	PLANT HELD FOR FUTURE USE	:	:	:			-	0.00%
5	CONSTRUCTION WORK IN PROGRESS	:	:	:	6,452,439	30,962,948	24,510,509	379.86%
6	GROSS UTILITY PLANT	:	:	:	209,590,438	486,837,595	277,247,157	132.28%
	<u>DEDUCTIONS</u>							
7	ACCUMULATED DEPRECIATION - UTILITY PLANT	:	:	:	84,776,445	177,918,948	93,142,503	109.87%
8	ACCUM. DEPRECIATION - COMMON PLANT ALLOCATED	:	:	:	2,468,493	884,678	(1,583,815)	(64.16%)
9	ACCUM. AMORTIZATION - ACQUISITION ADJUSTMENTS	:	:	:	226,472	9,865,892	9,639,420	4256.34%
10	CUSTOMER ADVANCES FOR CONSTRUCTION	:	:	:	-	-	-	0.00%
11	TOTAL DEDUCTIONS	:	:	:	87,471,410	188,669,518	101,198,108	115.69%
12	UTILITY PLANT, NET	:	:	:	122,119,028	298,168,077	176,049,049	144.16%
13	ALLOWANCE FOR WORKING CAPITAL	:	:	:	(2,221,581)	5,048,873	7,270,454	(327.26%)
14	RATE BASE	:	:	:	119,897,447	303,216,950	183,319,503	152.90%

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).  
IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE  
THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON  
A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

SUPPORTING SCHEDULES: G-1 p.1

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING AN ANALYSIS  
OF JURISDICTIONAL NET OPERATING INCOMECOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU

OPC ROG 8-175

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 9/30/2002

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 9/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

LINE NO.	Description	NET OPERATING INCOME DETERMINED BY COMMISSION IN LAST RATE CASE				NET OPERATING INCOME REQUESTED BY COMPANY IN CURRENT CASE	(6)** Dollar Difference	(7)** Percent Difference
		(1)*	(2)*	(3)*	(4)*	(5)		
		Historical	Attrition	Total	Projected Test Year 9/30/2004	Projected Test Year		
1	OPERATING REVENUES (A)	n/a	n/a	n/a	38,222,074	53,847,331	15,625,257	40.88%
	<u>OPERATING REVENUE DEDUCTIONS:</u>	:	:	:				
2	OPERATING & MAINTENANCE EXPENSE	:	:	:	22,906,546	22,903,906	(2,640)	-0.01%
3	DEPRECIATION & AMORTIZATION EXPENSE	:	:	:	7,937,786	16,501,718	8,653,932	109.02%
4	TAXES OTHER THAN INCOME	:	:	:	2,297,928	2,900,349	602,421	26.22%
5	INCOME TAXES (FEDERAL & STATE)	:	:	:	358,280	627,912	269,632	75.26%
6	TOTAL OPERATING EXPENSES	:	:	:	33,500,540	43,023,885	9,523,345	28.43%
7	NET OPERATING INCOME (B)	:	:	:	4,721,534	10,823,447	6,101,912	129.24%
(A)	EXCLUDES FUEL & CONSERVATION REVENUE							
(B)	BEFORE RATE RELIEF							

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, COMPLETE COLUMNS (1) - (3).  
IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, COMPLETE COLUMN (4).

\*\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, THIS CALCULATION WILL BE  
THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (3). IF THE COMPANY'S LAST RATE CASE WAS BASED ON  
A PROJECTED TEST YEAR, THIS CALCULATION WILL BE THE DIFFERENCE BETWEEN COLUMN (5) AND COLUMN (4).

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING  
OVERALL RATE OF RETURN COMPARISON

TYPE OF DATA SHOWN:

HISTORIC TEST YEAR LAST CASE: 9/30/02

ATTRITION YEAR LAST CASE: N/A

PROJECTED TEST YEAR LAST CASE: 9/30/04

PROJECTED TEST YEAR CURRENT CASE: 12/31/18

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

OPC ROG 8-175

Line No.	Item	Dollars	Ratio	Embedded Cost	Weighted Cost
<u>LAST RATE CASE (AUTHORIZED)*</u>					
1	COMMON EQUITY	44,083,240	36.77%	11.25%	4.14%
2	PREFERRED STOCK	-	0.00%	n/a	0.00%
3	LONG-TERM DEBT	48,347,307	40.32%	6.43%	2.59%
4	SHORT-TERM DEBT	9,252,522	7.72%	3.90%	0.30%
5	CUSTOMER DEPOSITS	5,833,009	4.86%	6.70%	0.33%
6	TAX CREDITS	536,361	0.45%	0.00%	0.00%
7	DEFERRED TAXES	11,845,018	9.88%	0.00%	0.00%
8	TOTAL CAPITALIZATION	<u>119,897,457</u>	<u>100.00%</u>		<u>7.36%</u>
<u>CURRENT RATE CASE (REQUESTED)</u>					
9	COMMON EQUITY	125,031,306	41.23%	11.25%	4.64%
10	PREFERRED STOCK	-	0.00%	n/a	0.00%
11	LONG-TERM DEBT	114,428,752	37.74%	4.69%	1.77%
12	SHORT-TERM DEBT	14,707,069	4.85%	2.64%	0.13%
13	CUSTOMER DEPOSITS	3,888,281	1.28%	2.73%	0.03%
14	TAX CREDITS	-	0.00%	0.00%	0.00%
15	DEFERRED TAXES	45,161,542	14.89%	0.00%	0.00%
16	TOTAL CAPITALIZATION	<u>303,216,950</u>	<u>100.00%</u>		<u>6.57%</u>

\* IF THE COMPANY'S LAST RATE CASE INCLUDED A HISTORIC AND ATTRITION YEAR, REPORT THE CAPITAL STRUCTURE FOR THE ATTRITION YEAR. IF THE COMPANY'S LAST RATE CASE WAS BASED ON A PROJECTED TEST YEAR, REPORT THE CAPITAL STRUCTURE FOR THE PROJECTED TEST YEAR.

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

DPC ROG 8-175

EXPLANATION: PROVIDE A SUMMARY OF FINANCIAL INDICATORS AS SPECIFIED  
BELOW FOR THE HISTORIC DATA BASE YEAR OF THE LAST RATE CASE, HISTORIC  
DATA BASE YEAR FOR THIS CASE, AND THE YEAR IMMEDIATELY FOLLOWING THE  
PRESENT HISTORIC DATA BASE YEAR.TYPE OF DATA SHOWN:  
HISTORIC TEST YEAR LAST CASE: 9/30/02  
ATTRITION YEAR LAST CASE: N/A  
PROJECTED TEST YEAR LAST CASE: 9/30/04  
PROJECTED TEST YEAR CURRENT CASE: 12/31/18  
WITNESS: M. J. MORLEY

LINE NO.	INDICATORS	2002 (1) DATA FROM HISTORIC BASE YR OR TY RELATED TO COMPANY'S PRIOR CASE	2016 (2) DATA FROM HISTORIC BASE YEAR RELATED TO COMPANY'S CURRENT CASE	2017 (3) YEAR AFTER CURRENT HISTORIC BASE YEAR WITHOUT ANY RATE INCREASE	2018 (4) PROJECTED TEST YEAR WITHOUT ANY RATE INCREASE	2018 (5) PROJECTED TEST YEAR INCLUDING REQUESTED RATE INCREASE
INTEREST COVERAGE RATIOS:						
1	INCLUDING AFUDC IN INCOME BEFORE INTEREST CHARGES	1.48	4.39	3.31	2.26	4.56
2	EXCLUDING AFUDC FROM INCOME BEFORE INTEREST CHARGES	1.48	4.39	3.31	2.26	4.56
OTHER FINANCIAL RATIOS:						
3	AFUDC AS A PERCENT OF INCOME AVAILABLE FOR COMMON	0.00%	0.00%	0.00%	0.00%	0.00%
4	PERCENT OF CONSTRUCTION FUNDS GENERATED INTERNALLY	22.98%	74.33%	63.03%	26.91%	36.13%
PREFERRED DIVIDEND COVERAGE:						
5	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
6	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
RATIO OF EARNINGS TO FIXED CHARGES:						
7	INCLUDING AFUDC	1.48	4.39	3.31	2.26	4.56
8	EXCLUDING AFUDC	1.48	4.39	3.31	2.26	4.56
EARNINGS PER SHARE:						
9	INCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
10	EXCLUDING AFUDC	N/A	N/A	N/A	N/A	N/A
11	DIVIDENDS PER SHARE	N/A	N/A	N/A	N/A	N/A

SUPPORTING SCHEDULES: D-11 p.1-3, G-3 p.9-11

RECAP SCHEDULES:



PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
20170179-GU  
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PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
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## SCHEDULE E-1

## COST OF SERVICE

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FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO.: 20170179-GU

EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE  
 FOR BASE YEAR UNDER PRESENT RATES.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 12/31/16  
 WITNESS: D. NIKOLICH

LINE NO.		SALES AND TRANSPORTATION SERVICE:														
		GS-1	GS-100	RESIDENTIAL GS-220	GS-600	GS-1.2K	GS-6K	GAS LIGHTING	GS-1	GS-100	GS-220	COMMERCIAL GS-600	GS-1.2K	GS-6K	GS-25K	GS-60K
1	NO. OF BILLS	320,481	601,645	266,061	9,805	1,794	15	2,373	7,657	3,177	5,181	6,090	34,265	28,792	3,880	854
2	THERM SALES	2,047,031	7,519,951	5,465,062	481,723	191,309	15,405	14,854	227,586	171,974	249,977	691,898	10,152,722	25,720,064	10,518,645	7,753,377
3	UNBILLED THERM SALES															
4	TOTAL THERM SALES	2,047,031	7,519,951	5,465,062	481,723	191,309	15,405	14,854	227,586	171,974	249,977	691,898	10,152,722	25,720,064	10,518,645	7,753,377
5	CUSTOMER CHARGE REVENUE	\$2,563,848	\$5,715,628	\$2,926,671	\$117,660	\$26,910	\$450	\$0	\$61,256	\$30,182	\$56,991	\$73,080	\$513,975	\$863,760	\$310,400	\$128,100
6	SAFE REVENUE	\$226,423	\$425,040	\$187,614	\$6,893	\$1,259	\$17	\$0	\$5,390	\$2,241	\$3,668	\$4,307	\$24,167	\$37,457	\$5,052	\$1,114
7	BASE NON-FUEL REVENUE	\$1,150,698	\$3,929,024	\$2,706,900	\$210,335	\$60,673	\$4,234	\$8,843	\$127,933	\$69,853	\$123,816	\$302,103	\$3,219,936	\$7,069,674	\$2,905,039	\$2,130,395
8	UNBILLED BASE NON-FUEL REVENUE															
9	TOTAL BASE NON-FUEL REVENUE	\$3,940,968	\$10,069,691	\$5,821,185	\$334,888	\$88,843	\$4,701	\$8,843	\$194,579	\$122,276	\$184,475	\$379,490	\$3,758,078	\$7,970,891	\$3,220,492	\$2,259,609
10	FUEL REVENUE	\$986,264	\$3,624,770	\$2,635,859	\$231,823	\$93,079	\$7,251	\$7,090	\$80,383	\$41,673	\$103,111	\$261,959	\$3,295,176	\$5,077,081	\$1,098,158	\$966,229
11	UNBILLED FUEL REVENUE															
12	TOTAL FUEL REVENUE	\$986,264	\$3,624,770	\$2,635,859	\$231,823	\$93,079	\$7,251	\$7,090	\$80,383	\$41,673	\$103,111	\$261,959	\$3,295,176	\$5,077,081	\$1,098,158	\$966,229
13	OTHER REVENUE <sup>(1)</sup>	\$1,109,166	\$2,776,865	\$1,640,994	\$94,324	\$27,667	\$1,916	\$2,066	\$65,999	\$42,764	\$69,472	\$115,359	\$1,142,777	\$2,315,741	\$875,776	\$569,923
14	TOTAL REVENUE	\$6,036,398	\$16,471,327	\$10,098,038	\$661,036	\$209,589	\$13,868	\$17,999	\$340,962	\$206,713	\$357,058	\$756,808	\$8,196,030	\$15,363,713	\$5,194,426	\$3,795,762
15	<sup>(1)</sup> OTHER REVENUE:															
16	CONNECT, DISCONNECT	\$ 244,205	\$ 364,403	\$ 114,956	\$ 5,827	\$ 1,163		\$ 9,346	\$ 3,142	\$ 5,560	\$ 6,686	\$ 34,731	\$ 28,326	\$ 3,767	\$ 876	
17	OTHER	\$ 287,009	\$ 488,453	\$ 183,406	\$ 13,345	\$ 3,864		131.87	\$ 9,856	\$ 4,416	\$ 7,901	\$ 14,801	\$ 132,397	\$ 274,986	\$ 103,975	\$ 58,461
18	GROSS RECEIPTS & FRANCHISE TAXES	\$267,327	\$783,880	\$514,131	\$38,887	\$14,046	\$1,340	\$862	\$12,273	\$9,138	\$18,111	\$41,770	\$519,597	\$1,051,748	\$378,928	\$234,181
19	ECCR	\$310,625	\$1,140,128	\$828,501	\$36,266	\$8,593	\$576	\$1,071	\$34,525	\$26,068	\$37,899	\$52,102	\$456,052	\$960,682	\$389,107	\$276,406
20	TOTAL	\$1,109,166	\$2,776,865	\$1,640,994	\$94,324	\$27,667	\$1,916	\$2,066	\$65,999	\$42,764	\$69,472	\$115,359	\$1,142,777	\$2,315,741	\$875,776	\$569,923

SUPPORTING SCHEDULES: C-3, C-4, Workpapers

RECAP SCHEDULES: E-2, F-10



## SCHEDULE E-1

## COST OF SERVICE

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FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO.: 20170179-GU

FOR PROJECTED YEAR UNDER PRESENT RATES.

EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 12/31/16  
 WITNESS: D. NIKOLICH

LINE NO.		SALES AND TRANSPORTATION SERVICE							TOTAL
		GS-120K	COMMERCIAL GS-250K	GS-1,250K	NATURAL GAS VEHICLES	LES	CONTRACT DEMAND	TPS	
1	NO. OF BILLS	507	555	62	0	36	12	156	1,293,398
2	THERM SALES	8,079,386	23,876,304	14,748,734	0	5,849,394	16,450,792		140,226,186
3	UNBILLED THERM SALES								
4	TOTAL THERM SALES	8,079,386	23,876,304	14,748,734	0	5,849,394	16,450,792	0	140,226,186
5	CUSTOMER CHARGE REVENUE	\$126,750	\$166,500	\$31,000	\$0	\$18,000	\$4,800	\$62,400	\$13,798,360
6	SAFE REVENUE	\$517	\$607	\$66	\$0	\$0	\$0	\$0	\$931,833
7	BASE NON-FUEL REVENUE	\$1,610,247	\$4,661,307	\$2,190,898	\$0	\$804,431	\$781,546	\$167,439	\$34,295,324
8	UNBILLED BASE NON-FUEL REVENUE								\$0
9	TOTAL BASE NON-FUEL REVENUE	\$1,737,514	\$4,848,413	\$2,221,964	\$0	\$822,431	\$786,346	\$249,839	\$49,025,517
10	FUEL REVENUE	\$102,402	\$0	\$0	\$0	\$0	\$0	\$0	\$18,612,308
11	UNBILLED FUEL REVENUE								\$0
12	TOTAL FUEL REVENUE	\$102,402	\$0	\$0	\$0	\$0	\$0	\$0	\$18,612,308
13	OTHER REVENUE <sup>(1)</sup>	\$413,990	\$915,167	\$119,047	\$0	\$0	\$2,047	\$0	\$12,301,060
14	TOTAL REVENUE	\$2,253,906	\$5,763,580	\$2,341,011	\$0	\$822,431	\$788,392	\$249,839	\$79,938,886
15	<sup>(1)</sup> OTHER REVENUE:								
16	CONNECT, DISCONNECT								\$822,989
17	OTHER	\$ 10,994	\$ 26,884	\$ 9,956			2046.52		\$1,632,881
18	GROSS RECEIPTS & FRANCHISE TAXE	\$195,244	\$324,662	\$109,092	\$0	\$0	\$0	\$0	\$4,515,217
19	ECCR	\$207,752	\$563,621	\$0	\$0	\$0	\$0	\$0	\$5,329,973
20	TOTAL	\$413,990	\$915,167	\$119,047	\$0	\$0	\$2,047	\$0	\$12,301,060
	RECONCILING ITEMS:								
	AEP		\$2,971,783						
	Jurisdictional Safe Amortization		(\$182,647)						
	Unbilled		(\$223,477)						
	Other		\$8,625						
	REVENUE		\$82,513,170						
	(PER SCHEDULE C-3)								

SUPPORTING SCHEDULES: C-3, C-4

RECAP SCHEDULES: E-2, F-10

## SCHEDULE E-1

## COST OF SERVICE

PAGE 3 OF 6

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO.: 20170179-GU

EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE  
 UNDER PRESENT RATES, ADJUSTED FOR GROWTH IN BILLS  
 AND THERMS, WITHOUT ANY RATE INCREASE.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.		SALES AND TRANSPORTATION SERVICE:														
		GS-1	GS-100	RESIDENTIAL GS-220	GS-600	GS-1.2K	GS-6K	GAS LIGHTING	GS-1	GS-100	GS-220	COMMERCIAL GS-600	GS-1.2K	GS-6K	GS-25K	GS-60K
1	NO. OF BILLS	406,366	606,380	191,291	9,696	1,936	0	3,936	9,416	3,166	5,602	6,736	34,991	28,538	3,795	883
2	THERM SALES	2,886,825	8,078,916	4,161,853	523,334	244,566	0	38,033	258,728	157,497	282,920	780,635	10,902,398	28,127,107	10,966,089	6,420,012
3	UNBILLED THERM SALES															
4	TOTAL THERM SALES	2,886,825	8,078,916	4,161,853	523,334	244,566	0	38,033	258,728	157,497	282,920	780,635	10,902,398	28,127,107	10,966,089	6,420,012
5	CUSTOMER CHARGE REVENUE	\$3,250,928	\$5,760,610	\$2,104,201	\$116,352	\$29,040	\$0	\$0	\$75,328	\$30,077	\$61,622	\$80,832	\$524,865	\$856,140	\$303,600	\$132,450
6	SAFE REVENUE	\$1,064,679	\$1,588,716	\$501,182	\$25,404	\$5,072	\$0	\$312	\$24,670	\$8,295	\$14,677	\$17,648	\$91,676	\$138,409	\$18,406	\$4,283
7	BASE NON-FUEL REVENUE	\$1,622,771	\$4,221,072	\$2,061,407	\$228,503	\$77,564	\$0	\$42,179	\$145,439	\$82,289	\$140,133	\$340,849	\$3,457,696	\$7,731,298	\$3,028,614	\$1,764,027
8	UNBILLED BASE NON-FUEL REVENUE															
9	TOTAL BASE NON-FUEL REVENUE	\$5,938,378	\$11,570,398	\$4,666,791	\$370,259	\$111,676	\$0	\$42,491	\$245,437	\$120,661	\$216,432	\$439,329	\$4,074,237	\$8,725,847	\$3,350,620	\$1,900,759
10	OTHER REVENUE	\$ 528,660	\$ 848,153	\$ 296,414	\$ 19,012	\$ 4,978	\$ -	\$ 131	\$ 19,028	\$ 7,483	\$ 13,326	\$ 21,242	\$ 165,025	\$ 299,094	\$ 106,167	\$ 58,453
11	OFF-SYSTEM SALES															
12	TOTAL REVENUE	\$6,467,038	\$12,418,551	\$4,963,205	\$389,270	\$116,655	\$0	\$42,623	\$264,465	\$128,144	\$229,758	\$460,571	\$4,239,262	\$9,024,941	\$3,456,787	\$1,959,212
13	DIFF. IN NO. OF BILLS	85,885	4,735	(74,770)	(109)	142	(15)	1,583	1,759	(11)	421	646	726	(254)	(85)	29
14	DIFF. IN THERM SALES	839,794	558,965	(1,303,209)	41,611	53,257	(15,405)	23,179	31,142	(14,476)	32,943	88,737	749,676	2,407,043	447,444	(1,333,364)
15	DIFF. IN CUSTOMER CHARGE REVENUE	\$687,080	\$44,983	(\$822,470)	(\$1,308)	\$2,130	(\$450)	\$0	\$14,072	(\$105)	\$4,631	\$7,752	\$10,890	(\$7,620)	(\$6,800)	\$4,350
16	DIFF. IN BASE NON-FUEL REVENUE	\$1,997,410	\$1,500,707	(\$1,154,395)	\$35,371	\$22,834	(\$4,701)	\$33,648	\$50,858	(\$1,615)	\$31,957	\$59,839	\$316,159	\$754,956	\$130,129	(\$358,850)
17	DIFF. IN OTHER REVENUE	(\$580,507)	(\$1,928,712)	(\$1,344,580)	(\$75,313)	(\$22,689)	(\$1,916)	(\$1,934)	(\$46,971)	(\$35,282)	(\$56,146)	(\$94,117)	(\$977,752)	(\$2,016,647)	(\$769,809)	(\$511,471)
18	DIFF. IN TOTAL REVENUE	\$2,103,983	(\$383,023)	(\$3,321,445)	(\$41,250)	\$2,274	(\$7,067)	\$31,714	\$17,959	(\$37,001)	(\$19,558)	(\$26,526)	(\$650,703)	(\$1,269,311)	(\$646,280)	(\$865,971)

SUPPORTING SCHEDULES: G-6 p.2

RECAP SCHEDULES: E-2

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO.: 20170179-GU

EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE  
 UNDER PRESENT RATES, ADJUSTED FOR GROWTH IN BILLS  
 AND THERMS, WITHOUT ANY RATE INCREASE.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.		SALES AND TRANSPORTATION SERVICE							TOTAL
		GS-120K	COMMERCIAL GS-250K	GS-1,250K	NATURAL GAS VEHICLES	LES	CONTRACT DEMAND	TPS	
1	NO. OF BILLS	612	600	48	0	36	12	156	1,314,196
2	THERM SALES	9,316,392	25,122,990	8,514,500	0	7,098,600	5,492,320		129,373,714
3	UNBILLED THERM SALES								0
4	TOTAL THERM SALES	9,316,392	25,122,990	8,514,500	0	7,098,600	5,492,320	0	129,373,714
5	CUSTOMER CHARGE REVENUE	\$153,000	\$180,000	\$24,000	\$0	\$18,000	\$4,800	\$62,400	\$13,768,245
6	SAFE REVENUE	\$2,964	\$3,088	\$247		\$0	\$0	\$0	\$3,509,729
7	BASE NON-FUEL REVENUE	\$1,837,360	\$4,751,391	\$1,472,746	\$0	\$957,144	\$164,770	\$200,066	\$34,327,318
8	UNBILLED BASE NON-FUEL REVENUE								\$0
9	TOTAL BASE NON-FUEL REVENUE	\$1,993,325	\$4,934,479	\$1,496,993	\$0	\$975,144	\$169,570	\$262,466	\$51,605,291
10	OTHER REVENUE	\$ 10,958	\$ 26,796	\$ 9,923	\$ -	\$0	\$ 2,040	\$0	\$ 2,436,882
11	OFF-SYSTEM SALES								\$0
12	TOTAL REVENUE	\$2,004,282	\$4,961,275	\$1,506,916	\$0	\$975,144	\$171,609	\$262,466	\$54,042,173
13	DIFF. IN NO. OF BILLS	105	45	(14)	0	0	0	0	20,798
14	DIFF. IN THERM SALES	1,237,006	1,246,687	(6,234,234)	0	1,249,206	(10,958,472)	0	(10,852,472)
15	DIFF. IN CUSTOMER CHARGE REVENUE	\$26,250	\$13,500	(\$7,000)	\$0	\$0	\$0	\$0	(\$30,115)
16	DIFF. IN BASE NON-FUEL REVENUE	\$255,810	\$86,066	(\$724,971)	\$0	\$152,712	(\$616,776)	\$12,627	\$2,579,774
17	DIFF. IN OTHER REVENUE	(\$403,032)	(\$888,371)	(\$109,124)	\$0	\$0	(\$7)	\$0	(\$9,884,179)
18	DIFF. IN TOTAL REVENUE	(\$120,971)	(\$788,805)	(\$841,095)	\$0	\$152,712	(\$616,783)	\$12,627	(\$7,314,519)

## SCHEDULE E-1

## COST OF SERVICE

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FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO.: 20170179-GU

EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE  
 UNDER PROPOSED RATES, ADJUSTED FOR GROWTH IN BILLS  
 AND THERMS, WITH RATE INCREASE.

TYPE OF DATA SHOWN:  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.		SALES AND TRANSPORTATION SERVICE:														
		RESIDENTIAL						GAS LIGHTING		COMMERCIAL						
		GS-1>RS-1	GS-100>RS-100	GS-220>RS-100	GS-600>RS-600	GS-1.2K>RS-600	GS-6K>RS-600		GS-1	GS-100>GS-1	GS-220>GS-1	GS-600>GS-1	GS-1.2K>GS-1	GS-6K	GS-25K	GS-60K>GS-25K
1	NO. OF BILLS <sup>(1)</sup>	406,366	806,380	191,291	9,696	1,936	0	3,936	9,416	3,166	5,602	6,736	34,991	28,538	3,795	883
2	THERM SALES <sup>(2)</sup>	2,886,825	8,078,916	4,161,853	523,334	244,566	0	38,033	258,728	157,497	282,920	780,635	10,902,398	28,127,107	10,966,089	6,420,012
3	CUSTOMER CHARGE REVENUE	\$4,876,392	\$9,095,700	\$2,869,365	\$193,920	\$38,720	\$0	\$0	\$235,400	\$79,150	\$140,050	\$168,400	\$874,775	\$998,830	\$569,250	\$132,450
4	SAFE REVENUE															
5	DEMAND CHARGE															
6	BASE NON-FUEL REVENUE	\$1,470,896	\$3,323,410	\$1,712,054	\$210,469	\$98,357	\$0	\$28,339	\$103,582	\$63,054	\$113,267	\$312,527	\$4,364,768	\$10,073,650	\$3,708,916	\$2,171,356
7	FUEL REVENUE	\$1,558,885	\$4,362,615	\$2,247,400	\$282,600	\$132,065	\$0	\$20,538	\$139,713	\$85,048	\$152,777	\$421,543	\$5,887,295	\$15,188,638	\$5,921,688	\$3,466,807
8	OTHER REVENUE <sup>(3)</sup>	\$ 740,236	\$ 1,169,075	\$ 395,766	\$ 23,678	\$ 5,828	\$ -	\$ 131	\$ 23,867	\$ 9,218	\$ 16,404	\$ 25,453	\$ 191,990	\$ 334,848	\$ 115,109	\$ 62,987
9	TOTAL REVENUE	\$8,646,409	\$17,950,800	\$7,224,585	\$710,667	\$274,969	\$0	\$49,009	\$502,561	\$236,470	\$422,498	\$927,922	\$11,318,829	\$26,595,965	\$10,314,963	\$5,833,580
10	INCREASE															
11	DOLLAR AMOUNT <sup>(4)</sup>	\$3,146,556	\$3,518,494	(\$844,000)	\$93,179	\$54,062	(\$4,701)	\$19,627	\$168,289	\$29,146	\$85,246	\$126,889	\$1,673,456	\$3,436,436	\$1,172,783	\$107,164
12	DOLLAR AMOUNT <sup>(5)</sup>	\$1,685,165	\$2,758,350	\$515,163	\$64,200	\$31,322	\$0	(\$13,840)	\$123,053	\$31,573	\$54,640	\$63,457	\$1,283,949	\$2,520,795	\$954,893	\$411,844
13	% NON-FUEL	79.84%	34.94%	-14.50%	27.82%	60.85%	-100.00%	221.94%	86.48%	23.84%	46.21%	33.44%	44.53%	43.11%	36.42%	4.74%
14	% TOTAL	52.13%	21.36%	-8.36%	14.10%	25.79%	-33.90%	109.05%	49.35%	14.10%	23.87%	16.77%	20.42%	22.37%	22.58%	2.82%

<sup>(1)</sup> REFLECTS INCREASE IN BILLS FOR THE YEAR THE NEW RATES ARE EXPECTED TO BE IN EFFECT.

<sup>(2)</sup> REFLECTS INCREASE IN CONSUMPTION FOR THE YEAR THE NEW RATES ARE EXPECTED TO BE IN EFFECT.

<sup>(3)</sup> OTHER REVENUE CONSISTS OF THE FOLLOWING ITEMS:

SERVICE CHARGES	PRESENT			PROPOSED		
	NUMBER	CHARGE	REVENUE	NUMBER	CHARGE	REVENUE
18 CONNECTION CHARGE	13,383	\$50/\$110	\$ 680,920	13,383	\$80/\$150	\$ 1,121,632
19 COLLECTION IN LIEU OF DISCONNECT	13,170	\$20	\$ 274,840	13,170	\$25	\$ 331,675
20 RECONNECT CHARGE	3,136	\$37/\$80	\$ 142,069	3,136	\$40/\$80	\$ 150,523
21 BAD CHECKS	1,511	\$25	\$ 38,066	1,511	\$50/\$100	\$ 37,775
22 LATE PAYMENT CHARGES		\$5 or 1.5%	\$ 1,126,819		\$5 or 1.5%	\$ 1,107,835
23 DAMAGE BILLING		\$	\$ 192,930			\$ 192,297
24 CHANGE OF ACCOUNT		\$20	\$ -		\$20	\$ -
25 METER READ ONLY	6,587	\$	\$ -	6,587	\$15	\$ 100,766
26 TEMPORARY DISCONNECT	2,916	\$	\$ -	2,916	\$35	\$ 103,562
27 FAILED TRIP CHARGE	911	\$	\$ -	911	\$20	\$ 18,220
28 Total			\$ 2,455,674			\$ 3,164,285

<sup>(4)</sup> HISTORIC BASE YEAR VS PROJECTED TEST YEAR

<sup>(5)</sup> HISTORIC BASE YEAR ADJUSTED FOR GROWTH VS PROJECTED TEST YEAR

SUPPORTING SCHEDULES: G-6 p.2, H-1 p.1-2

RECAP SCHEDULES: E-2, H-2 p.9-10

## SCHEDULE E-1

## COST OF SERVICE

PAGE 6 OF 6

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO.: 20170179-GU

PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 20170179-GU

EXPLANATION: THERM SALES AND REVENUES BY RATE SCHEDULE  
 UNDER PROPOSED RATES, ADJUSTED FOR GROWTH IN BILLS  
 AND THERMS, WITH RATE INCREASE.

TYPE OF DATA SHOWN:  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.		SALES AND TRANSPORTATION SERVICE							TOTAL
		GS-120K	COMMERCIAL GS-250K>GS-120K	GS-1,250K	NATURAL GAS VEHICLES	LES	CONTRACT DEMAND	TPS	
1	NO. OF BILLS <sup>(1)</sup>	612	600	48	0	36	12	156	1,314,196
2	THERM SALES <sup>(2)</sup>	9,316,392	25,122,990	8,514,500	0	7,098,600	5,492,320		129,373,714
3	CUSTOMER CHARGE REVENUE	\$183,600	\$180,000	\$24,000	\$0	\$18,000	\$6,000	\$62,400	\$20,746,402
4	SAFE REVENUE								
5	DEMAND CHARGE	\$303,584	\$860,506	\$859,213		\$177,753			\$2,201,056
6	BASE NON-FUEL REVENUE	\$2,840,586	\$7,701,897	\$2,056,315	\$0	\$998,032	\$393,040	\$204,349	\$41,948,863
7	FUEL REVENUE				\$0				\$39,867,612
8	OTHER REVENUE <sup>(3)</sup>	\$ 10,958	\$ 26,796	\$ 9,923	\$0	\$0	\$ 2,040		\$3,164,285
9	TOTAL REVENUE	\$3,338,727	\$8,769,199	\$2,949,451	\$0	\$1,193,785	\$401,080	\$266,749	\$107,928,218
10	INCREASE								
11	DOLLAR AMOUNT <sup>(4)</sup>	\$1,601,213	\$3,920,785	\$727,487	\$0	\$371,353	(\$385,265)	\$16,910	\$19,035,089
12	DOLLAR AMOUNT <sup>(5)</sup>	\$1,337,409	\$3,811,012	\$1,442,782	\$0	\$218,641	\$229,471	\$4,283	\$17,528,162
13	% NON-FUEL	92.16%	80.87%	32.74%	0.00%	45.15%	-48.99%	6.77%	38.83%
14	% TOTAL	71.04%	68.03%	31.08%	0.00%	45.15%	-48.87%	6.77%	23.81%

- 15 <sup>(1)</sup> REFLECTS INCREASE IN BILLS FOR THE YEAR THE NEW RATES ARE EXPECTED TO BE IN EFFECT.  
 16 <sup>(2)</sup> REFLECTS INCREASE IN CONSUMPTION FOR THE YEAR THE NEW RATES ARE EXPECTED TO BE IN EFFECT.  
 17 <sup>(3)</sup> OTHER REVENUE CONSISTS OF THE FOLLOWING ITEMS:

18  
 19  
 20  
 21  
 22  
 23

- 27 <sup>(4)</sup> HISTORIC BASE YEAR VS PROJECTED TEST YEAR  
 29 <sup>(5)</sup> HISTORIC BASE YEAR ADJUSTED FOR GROWTH VS PROJECTED TEST YEAR

SUPPORTING SCHEDULES: G-6 p.2, H-1 p.1-2

SUPPORTING SCHEDULES: G-6 p.2, H-1 p.1-2

RECAP SCHEDULES: E-2, H-2 p.9-10

## SCHEDULE E-2

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO.: 20170179-GU

OPC ROG 8-175

## COST OF SERVICE

EXPLANATION: PROVIDE REVENUES CALCULATED AT PRESENT RATES, PRESENT RATES  
ADJUSTED FOR GROWTH ONLY FOR THE PROJECTED TEST YEAR, AND FINAL RATES  
AS PROPOSED.

PAGE 1 OF 3

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR: 12/31/16  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: D. NIKOLICH

LINE NO			PRESENT RATE STRUCTURE			PRESENT RATES ADJ FOR GROWTH ONLY			FINAL PROPOSED RATE STRUCTURE				
			BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PRESENT RATES	REVENUE	RATE SCHEDULE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE	
	RESIDENTIAL								RESIDENTIAL				
1	GS-1	CUSTOMER CHARGE	320,481	\$8.00000	\$2,563,848	406,366	\$8.00000	\$3,250,928	RS-1	CUSTOMER CHARGE	406,366	\$12.0000	\$4,876,392
2		ENERGY CHARGE	2,047,031	\$0.56213	\$1,150,698	2,886,825	\$0.56213	\$1,622,771		ENERGY CHARGE	2,886,825	\$0.5095	\$1,470,896
3		SAFE CHARGE	320,481	\$2.62000	\$839,660	406,366	\$2.62000	\$1,064,679		SAFE CHARGE	406,366	\$0.0000	\$0
4		TOTAL			\$4,554,206			\$5,938,378		TOTAL			\$6,347,288
5	GS-100	CUSTOMER CHARGE	601,645	\$9.50000	\$5,715,628	606,380	\$9.50000	\$5,760,610	RS-100	CUSTOMER CHARGE	606,380	\$15.0000	\$9,095,700
6		ENERGY CHARGE	7,519,951	\$0.52248	\$3,929,024	8,078,916	\$0.52248	\$4,221,072		ENERGY CHARGE	8,078,916	\$0.4114	\$3,323,410
7		SAFE CHARGE	601,645	\$2.62000	\$1,576,310	606,380	\$2.62000	\$1,588,716		SAFE CHARGE	606,380	\$0.0000	\$0
8		TOTAL			\$11,220,961			\$11,570,398		TOTAL			\$12,419,110
9	GS-220	CUSTOMER CHARGE	266,061	\$11.00000	\$2,926,671	191,291	\$11.00000	\$2,104,201	RS-100	CUSTOMER CHARGE	191,291	\$15.0000	\$2,869,365
10		ENERGY CHARGE	5,465,062	\$0.49531	\$2,706,900	4,161,853	\$0.49531	\$2,061,407		ENERGY CHARGE	4,161,853	\$0.4114	\$1,712,054
11		SAFE CHARGE	266,061	\$2.62000	\$697,080	191,291	\$2.62000	\$501,182		SAFE CHARGE	191,291	\$0.0000	\$0
12		TOTAL			\$6,330,651			\$4,666,791		TOTAL			\$4,581,419
13	GS-600	CUSTOMER CHARGE	9,805	\$12.00000	\$117,660	9,696	\$12.00000	\$116,352	RS-600	CUSTOMER CHARGE	9,696	\$20.0000	\$193,920
14		ENERGY CHARGE	481,723	\$0.43663	\$210,335	523,334	\$0.43663	\$228,503		ENERGY CHARGE	523,334	\$0.4022	\$210,469
15		SAFE CHARGE	9,805	\$2.62000	\$25,689	9,696	\$2.62000	\$25,404		SAFE CHARGE	9,696	\$0.0000	\$0
16		TOTAL			\$353,684			\$370,259		TOTAL			\$404,389
17	GS-1.2K	CUSTOMER CHARGE	1,794	\$15.00000	\$26,910	1,936	\$15.00000	\$29,040	RS-600	CUSTOMER CHARGE	1,936	\$20.0000	\$38,720
18		ENERGY CHARGE	191,309	\$0.31715	\$60,673	244,566	\$0.31715	\$77,564		ENERGY CHARGE	244,566	\$0.4022	\$98,357
19		SAFE CHARGE	1,794	\$2.62000	\$4,700	1,936	\$2.62000	\$5,072		SAFE CHARGE	1,936	\$0.0000	\$0
20		TOTAL			\$92,284			\$111,676		TOTAL			\$137,077
21	GS-6K	CUSTOMER CHARGE	15	\$30.00000	\$450	0	\$30.00000	\$0	RS-600	CUSTOMER CHARGE	0	\$20.0000	\$0
22		ENERGY CHARGE	15,405	\$0.27487	\$4,234	0	\$0.27487	\$0		ENERGY CHARGE	0	\$0.4022	\$0
19		SAFE CHARGE	15	\$4.85000	\$73	0	\$4.85000	\$0		SAFE CHARGE	0	\$0.0000	\$0
24		TOTAL			\$4,684			\$0		TOTAL			\$0
25	GAS LIGHTING	CUSTOMER CHARGE	2,373	\$0.00000	\$0	3,936	\$0.00000	\$0	GAS LIGHTING	CUSTOMER CHARGE	3,936	\$0.0000	\$0
26		ENERGY CHARGE	14,854	\$0.59535	\$8,843	38,033	\$0.59535	\$42,179		ENERGY CHARGE	38,033	\$0.4000	\$28,339
27		SAFE CHARGE	2,373	\$2.62000	\$6,217	3,936	\$2.62000	\$10,312		SAFE CHARGE	3,936	\$0.0000	\$0
28		TOTAL			\$15,061			\$52,492		TOTAL			\$28,339

SUPPORTING SCHEDULES: E-1, H-1 p.1-3

RECAP SCHEDULES:

170179-GU Staff Hearing Exhibits 00251

## SCHEDULE E-2

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO.: 20170179-GU

OPC ROG 8-175

## COST OF SERVICE

EXPLANATION: PROVIDE REVENUES CALCULATED AT PRESENT RATES, PRESENT RATES  
ADJUSTED FOR GROWTH ONLY FOR THE PROJECTED TEST YEAR, AND FINAL RATES  
AS PROPOSED.

PAGE 2 OF 3

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR: 12/31/16  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: D. NIKOLICH

LINE NO	RATE SCHEDULE	PRESENT RATE STRUCTURE			PRESENT RATES ADJ FOR GROWTH ONLY			FINAL PROPOSED RATE STRUCTURE					
		BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PRESENT RATES	REVENUE	RATE SCHEDULE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE		
COMMERCIAL SALES AND TRANSPORTATION													
1	GS-1	CUSTOMER CHARGE	7,657	\$8.00000	\$61,256	9,416	\$8.00000	\$75,328	GS-1	CUSTOMER CHARGE	9,416	\$25.0000	\$235,400
2		ENERGY CHARGE	227,586	\$0.56213	\$127,933	258,728	\$0.56213	\$145,439		ENERGY CHARGE	258,728	\$0.4003	\$103,582
3		SAFE CHARGE	7,657	\$2.62000	\$20,061	9,416	\$2.62000	\$24,670		SAFE CHARGE	9,416	\$0.0000	\$0
4		TOTAL			\$209,250			\$245,437		TOTAL			\$338,982
5	GS-100	CUSTOMER CHARGE	3,177	\$9.50000	\$30,182	3,166	\$9.50000	\$30,077	GS-1	CUSTOMER CHARGE	3,166	\$25.0000	\$79,150
6		ENERGY CHARGE	171,974	\$0.52248	\$89,853	157,497	\$0.52248	\$82,289		ENERGY CHARGE	157,497	\$0.4003	\$63,054
7		SAFE CHARGE	3,177	\$2.62000	\$8,324	3,166	\$2.62000	\$8,295		SAFE CHARGE	3,166	\$0.0000	\$0
8		TOTAL			\$128,358			\$120,661		TOTAL			\$142,204
9	GS-220	CUSTOMER CHARGE	5,181	\$11.00000	\$56,991	5,602	\$11.00000	\$61,622	GS-1	CUSTOMER CHARGE	5,602	\$25.0000	\$140,050
10		ENERGY CHARGE	249,977	\$0.49531	\$123,816	282,920	\$0.49531	\$140,133		ENERGY CHARGE	282,920	\$0.4003	\$113,267
11		SAFE CHARGE	5,181	\$2.62000	\$13,574	5,602	\$2.62000	\$14,677		SAFE CHARGE	5,602	\$0.0000	\$0
12		TOTAL			\$194,381			\$216,432		TOTAL			\$253,317
13	GS-600	CUSTOMER CHARGE	6,090	\$12.00000	\$73,080	6,736	\$12.00000	\$80,832	GS-1	CUSTOMER CHARGE	6,736	\$25.0000	\$168,400
14		ENERGY CHARGE	691,898	\$0.43663	\$302,103	780,635	\$0.43663	\$340,849		ENERGY CHARGE	780,635	\$0.4003	\$312,527
15		SAFE CHARGE	6,090	\$2.62000	\$15,956	6,736	\$2.62000	\$17,648		SAFE CHARGE	6,736	\$0.0000	\$0
16		TOTAL			\$391,139			\$439,329		TOTAL			\$480,927
17	GS-1.2K	CUSTOMER CHARGE	34,265	\$15.00000	\$513,975	34,991	\$15.00000	\$524,865	GS-1	CUSTOMER CHARGE	34,991	\$25.0000	\$874,775
18		ENERGY CHARGE	10,152,722	\$0.31715	\$3,219,936	10,902,398	\$0.31715	\$3,457,696		ENERGY CHARGE	10,902,398	\$0.4003	\$4,364,768
19		SAFE CHARGE	34,265	\$2.62000	\$89,774	34,991	\$2.62000	\$91,676		SAFE CHARGE	34,991	\$0.0000	\$0
20		TOTAL			\$3,823,685			\$4,074,237		TOTAL			\$5,239,543
21	GS-6K	CUSTOMER CHARGE	28,792	\$30.00000	\$863,760	28,538	\$30.00000	\$856,140	GS-6K	CUSTOMER CHARGE	28,538	\$35.0000	\$998,830
22		ENERGY CHARGE	25,720,064	\$0.27487	\$7,069,674	28,127,107	\$0.27487	\$7,731,298		ENERGY CHARGE	28,127,107	\$0.3581	\$10,073,650
23		SAFE CHARGE	28,792	\$4.85000	\$139,641	28,538	\$4.85000	\$138,409		SAFE CHARGE	28,538	\$0.0000	\$0
24		TOTAL			\$8,073,075			\$8,725,847		TOTAL			\$11,072,480
25	GS-25K	CUSTOMER CHARGE	3,880	\$80.00000	\$310,400	3,795	\$80.00000	\$303,600	GS-25K	CUSTOMER CHARGE	3,795	\$150.0000	\$569,250
26		ENERGY CHARGE	10,518,645	\$0.27618	\$2,905,039	10,966,089	\$0.27618	\$3,028,614		ENERGY CHARGE	10,966,089	\$0.3382	\$3,708,916
27		SAFE CHARGE	3,880	\$4.85000	\$18,818	3,795	\$4.85000	\$18,406		SAFE CHARGE	3,795	\$0.0000	\$0
28		TOTAL			\$3,234,257			\$3,350,620		TOTAL			\$4,278,166
29	GS-60K	CUSTOMER CHARGE	854	\$150.00000	\$128,100	883	\$150.00000	\$132,450	GS-25K	CUSTOMER CHARGE	883	\$150.0000	\$132,450
30		ENERGY CHARGE	7,753,377	\$0.27477	\$2,130,395	6,420,012	\$0.27477	\$1,764,027		ENERGY CHARGE	6,420,012	\$0.3382	\$2,171,356
31		SAFE CHARGE	854	\$4.85000	\$4,142	883	\$4.85000	\$4,283		SAFE CHARGE	883	\$0.0000	\$0
32		TOTAL			\$2,262,637			\$1,900,759		TOTAL			\$2,303,806
33	GS-120K	CUSTOMER CHARGE	507	\$250.00000	\$126,750	612	\$250.00000	\$153,000	GS-120K	CUSTOMER CHARGE	612	\$300.0000	\$183,600
34		DEMAND CHARGE	516,160	\$0.28900	\$149,170	527,971	\$0.28900	\$152,584		DEMAND CHARGE	527,971	\$0.5750	\$303,584
35		ENERGY CHARGE	8,079,386	\$0.18084	\$1,461,076	9,316,392	\$0.18084	\$1,684,776		ENERGY CHARGE	9,316,392	\$0.2723	\$2,537,002
36		SAFE CHARGE	507	\$4.85000	\$2,459	612	\$4.85000	\$2,968		SAFE CHARGE	527,971	\$0.0000	\$0
37		TOTAL			\$1,612,706			\$1,840,328		TOTAL			\$2,840,586
38	GS-250K	CUSTOMER CHARGE	555	\$300.00000	\$166,500	600	\$300.00000	\$180,000	GS-120K	CUSTOMER CHARGE	600	\$300.0000	\$180,000
39		DEMAND CHARGE	1,995,610	\$0.28900	\$576,731	1,496,532	\$0.28900	\$432,498		DEMAND CHARGE	1,496,532	\$0.5750	\$860,506
40		ENERGY CHARGE	23,876,304	\$0.17191	\$4,104,575	25,122,990	\$0.17191	\$4,318,893		ENERGY CHARGE	25,122,990	\$0.2723	\$6,841,390
41		SAFE CHARGE	555	\$4.85000	\$2,692	600	\$4.85000	\$2,910		SAFE CHARGE	1,496,532	\$0.0000	\$0
42		TOTAL			\$4,683,998			\$4,754,301		TOTAL			\$7,701,897

## SCHEDULE E-2

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO.: 20170179-GU

OPC ROG 8-175

## COST OF SERVICE

EXPLANATION: PROVIDE REVENUES CALCULATED AT PRESENT RATES, PRESENT RATES  
 ADJUSTED FOR GROWTH ONLY FOR THE PROJECTED TEST YEAR, AND FINAL RATES  
 AS PROPOSED.

PAGE 3 OF 3

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO			PRESENT RATE STRUCTURE			PRESENT RATES ADJ FOR GROWTH ONLY			FINAL PROPOSED RATE STRUCTURE				
			BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PRESENT RATES	REVENUE	RATE SCHEDULE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE	
1	GS-1,250K	CUSTOMER CHARGE	62	\$500.00000	\$31,000	48	\$500.00000	\$24,000	GS-1,250K	CUSTOMER CHARGE	48	\$500.0000	\$24,000
2		DEMAND CHARGE	1,342,095	\$0.28900	\$387,866	1,494,284	\$0.28900	\$431,848		DEMAND CHARGE	1,494,284	\$0.5750	\$859,213
3		ENERGY CHARGE	14,748,734	\$0.12225	\$1,803,033	8,514,500	\$0.12225	\$1,040,898		ENERGY CHARGE	8,514,500	\$0.1406	\$1,197,101
4		SAFE CHARGE	62	\$4.85000	\$301	48	\$4.85000	\$233		SAFE CHARGE	1,494,284	\$0.0000	\$0
5		TOTAL			\$2,191,199			\$1,472,979		TOTAL			\$2,056,315
6	NATURAL GAS	CUSTOMER CHARGE	0	\$15.00000	\$0	0	\$15.00000	\$0	NATURAL GAS	CUSTOMER CHARGE	0	\$25.00000	\$0
7	VEHICLES	ENERGY CHARGE	0	\$0.23232	\$0	0	\$0.23232	\$0	VEHICLES	ENERGY CHARGE	0	\$0.40035	\$0
8		TOTAL			\$0			\$0		TOTAL			\$0
9	LES	CUSTOMER CHARGE	36	\$500.00000	\$18,000	36	\$500.00000	\$18,000	LES	CUSTOMER CHARGE	36	\$500.00000	\$18,000
10		DEMAND CHARGE	309,145	\$0.28900	\$89,343	309,135	\$0.28900	\$89,340		DEMAND CHARGE	309,135	\$0.57500	\$177,753
11		ENERGY CHARGE	5,849,394	\$0.12225	\$715,088	7,098,600	\$0.12225	\$867,804		ENERGY CHARGE	7,098,600	\$0.14060	\$998,032
12		TOTAL			\$822,431			\$975,144		TOTAL			\$1,193,785
13	CONTRACT	CUSTOMER CHARGE	12	\$400.00000	\$4,800	12	\$400.00000	\$4,800	CONTRACT	CUSTOMER CHARGE	12	\$500.00000	\$6,000
14	DEMAND	ENERGY CHARGE	16,450,792	\$0.04751	\$781,546	5,492,320	\$0.03000	\$164,770	DEMAND	ENERGY CHARGE	5,492,320	\$0.07156	\$393,040
15		TOTAL			\$786,346			\$169,570		TOTAL			\$399,040
16	TPS	CUSTOMER CHARGE	156	\$400.0000	\$62,400	156	\$400.00000	\$62,400	TPS	CUSTOMER CHARGE	156	\$400.0000	\$62,400
17		Per CUSTOMER CHARGE	31,662	\$5.9200	\$187,439	33,795	\$5.92000	\$200,066		Per CUSTOMER CHARGE	33,795	\$6.05	\$204,349
19		TOTAL			\$249,839			\$262,466		TOTAL			\$266,749
20	GRAND TOTAL				\$51,230,148			\$51,258,103					\$62,485,418

SUPPORTING SCHEDULES: E-1, H-1 p.3-3

RECAP SCHEDULES:



FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET 120170179-GU

EXPLANATION: PROVIDE THE AMOUNT OF TIME AND THE COST FOR THE  
INITIAL CONNECTION OF A RESIDENTIAL CUSTOMER

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR DATA: 12/31/16

WITNESS: E. IGWILLO

<u>Line</u>	<u>Description</u>	<u>Time Involved</u>	<u>Cost</u>	<u>After Hours</u>
1	Customer Contact Initial Contact in Call Center, Confirm Tenant and Premise Information, Explain Billing Terms, Establish Deposit Requirements, Generation of Turn On Service Order, and Backending of Completed Order.	7.3 Minutes	\$10.06	\$10.06
2	Physical Turn On Record Initial Reading, Drop Test, Light Appliances, Complete Service Order (Travel & Overheads Included)	55.25 Minutes	\$45.26	\$65.07
3	Materials Miscellaneous Fittings		\$46.79	\$46.79
4	Outside Contractor Cost \$30 per hour plus material and overhead cost.		\$0.00	
5	Total Cost to Initiate New Service		<u>\$102.11</u>	<u>\$121.92</u>

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET 120170179-GU

EXPLANATION: PROVIDE THE AMOUNT OF TIME AND THE COST FOR THE  
 INITIAL CONNECTION OF A COMMERCIAL CUSTOMER

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 09/30/02

WITNESS: E. IGWILLO

Line	Description	Basic			Complex		
		Time Involved	Cost	After Hours	Time Involved	Cost	After Hours
1	Customer Contact Initial Contact in Call Center, Confirm Tenant and Premise Information, Explain Billing Terms, Establish Deposit Requirements, Generation of Turn On Service Order, and Backending of Completed Order	7.3 Minutes	\$10.06	\$10.06	7.3 Minutes	\$10.06	\$10.06
2	Physical Turn On Record Initial Reading, Drop Test, Light Multiple Appliances, Complete Service Order (Travel & Overheads Included in Rate)	78 Minutes	\$63.91	\$91.87	106.9 Minutes	\$93.48	\$134.74
3	Materials Miscellaneous Fittings		\$80.37	\$80.37		\$106.94	\$106.94
4	Outside Contractor Cost \$80 per hour plus material and overhead cost.			\$0.00		\$0.00	\$0.00
5	Total Cost to Initiate New Service	Basic	<u>\$154.34</u>	<u>\$182.30</u>	Complex	<u>\$210.48</u>	<u>\$251.74</u>

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET 120170179-GU

EXPLANATION: PROVIDE THE AMOUNT OF TIME AND THE COST FOR THE INITIAL  
 RECONNECTION OF A RESIDENTIAL CUSTOMER AFTER DISCONNECTION FOR CAUSE.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 09/30/02  
 WITNESS: E. IGWILLO

Line	Description	Basic		
		Time Involved	Cost	After Hours
1 Customer Contact	Initial Contact in Call Center, Confirm Tenant and Premise Information, Explain Billing Terms, Establish Deposit Requirements, Generation of Turn On Service Order, and Backending of Completed Service Order	4 Minutes	\$5.51	\$5.51
2 Physical Turn On	Record Initial Reading, Drop Test, Light Appliances, Complete Service Order (Travel & Overheads Included in Rate)	43.56 Minutes	\$35.69	\$51.31
3 Materials	Miscellaneous fittings		\$3.52	\$3.52
4 Outside Contractor Cost	\$30 per hour plus material and overhead cost.			\$0.00
5 Total	Cost to Reconnect Established Service	Basic	\$44.72	\$60.34

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET 120170179-GU

EXPLANATION: PROVIDE THE AMOUNT OF TIME AND THE COST FOR THE INITIAL  
RECONNECTION OF A COMMERCIAL CUSTOMER AFTER DISCONNECTION FOR CAUSE.

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR DATA: 09/30/02

WITNESS: E. IGWILLO

Line	Description	Basic			Complex		
		Time Involved	Cost	After Hours	Time Involved	Cost	After Hours
1	Customer Contact Initial Contact in Call Center, Confirm Tenant and Premise Information, Explain Billing Terms, Establish Deposit Requirements, Generation of Turn On Service Order, and Backending of Completed Service Order	4 Minutes	\$5.51	\$5.51	12 Minutes	\$16.53	\$16.53
2	Physical Turn On Record Initial Reading, Drop Test, Light Multiple Appliances, Complete Service Order (Travel & Overheads Included in Rate)	52.5 Minutes	\$43.01	\$61.83	92.23 Minutes	\$80.58	\$116.14
3	Materials Miscellaneous Fittings		\$4.07	\$4.07		\$4.07	\$4.07
4	Outside Contractor Cost \$80 per hour plus material and overhead cost.			\$0.00		\$0.00	\$0.00
5	Total Cost to Reconnect Established Service	Basic	\$52.59	\$71.41	Complex	\$101.18	\$136.74

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET 120170179-GU

EXPLANATION: PROVIDE THE COST OF DISCONNECTING SERVICE AND  
 THE COST OF BILL COLLECTION IN LIEU OF DISCONNECTION.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 09/30/02  
 WITNESS: E. IGWILLO

Line	Description	Disconnection		Bill Collection	
		Time Involved	Cost	Time Involved	Cost
1	Customer Contact Return Check Processing, Generate Disconnect Service Order OR Bill Collection Service Order, and Backending of Completed Service Order	5.93 Minutes	\$8.17	5.93 Minutes	\$8.17
2	Physical Turn Off OR Collection Record Reading, Disconnect or Collect, Complete Service Order (Travel & Overheads Included in Rate)	32.28 Minutes	\$17.25	28.098 Minutes	\$15.01
3	Materials Bullet, Lock, Shell, Caps		\$11.80		\$0.00
4	Outside Contractor Cost N/A		\$0.00		\$0.00
5	Total Cost to Disconnect Established Service  Cost to Reconnect: See Sheets 3 of 6 and 4 of 6		\$37.22		\$23.18

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPAN' PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET 120170179-GU

EXPLANATION: PROVIDE THE ADMINISTRATIVE COSTS FOR NAME SERVICE AND  
 AND /OR BILLING ADDRESS CHANGES. (METER READ ONLY)

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 09/30/02

WITNESS: E. IGWILO

<u>Line</u>	<u>Description</u>	<u>Time Involved</u>	<u>Cost</u>
1	Customer Contact Initial Contact in Call Center, Confirm Tenant and Premise Information, Explain Billing Terms, Establish Deposit Requirements, Generation of Turn On/RLO Service Order, and Backending of Completed Service Order	1.5 Minutes	\$2.07
2	Read and Leave Open Record Reading, Complete Service Order (Travel & Overheads Included in Rate)	28.28 Minutes	\$15.11
3	Materials Paint and Soap		\$2.09
4	Outside Contractor Cost		\$0.00
5	Total Cost to Establish New Tenant at an Established Premise		\$19.27

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPAN' PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET 120170179-GU

EXPLANATION: PROVIDE THE COST OF TEMPORARILY DISCONNECTING  
 SERVICE PER CUSTOMER REQUEST

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR DATA: 09/30/02  
 WITNESS: E. IGWILO

<u>Line</u>	<u>Description</u>	<u>Disconnection</u>		
		<u>Time Involved</u>	<u>Cost</u>	<u>After Hours</u>
1	Customer Contact Initial Contact in Call Center, Confirm Tenant and Premise Information, Generate Disconnect Service Order.	6.15 Minutes	\$8.47	\$8.47
2	Physical Turn Off OR Collection Record Reading, Disconnect, Complete Service Order (Travel & Overheads Included in Rate) Backending of Completed Service Order	34.49 Minutes	\$18.43	\$25.88
3	Materials Bullet, Lock, Shell, Caps		\$11.80	\$11.80
4	Outside Contractor Cost NA		\$0.00	\$0.00
5	Total Cost to Disconnect Established Service  Cost to Reconnect: See Sheets 3 of 7 and 4 of 7		\$38.70	\$46.15

SUPPORTING SCHEDULES:

RECAP SCHEDULES:



## SCHEDULE E-4

## COST OF SERVICE

PAGE 1 OF 1

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI UTILITIES  
 DOCKET NO.: 20170179-GU

EXPLANATION: PROVIDE THE CALCULATION OF SYSTEM PEAK  
 MONTHLY SALES & TRANSPORTATION VOLUMES BY RATE CLASS.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

**SYSTEM MONTHLY SALES & TRANSPORTATION VOLUMES**  
 (THERMS)

YEARS ENDED - 12/31/13 - 12/31/16					
LINE NO.	MONTH	FY 2013	FY 2014	FY 2015	FY 2016
1	January	12,475,340	13,170,951	12,977,890	13,248,055
2	February	11,972,332	11,540,147	12,513,675	13,056,544
3	March	13,397,504	11,433,975	12,891,296	13,898,146
4	April	10,292,560	10,131,824	10,019,408	13,208,191
5	May	9,596,919	9,763,899	9,822,540	10,948,653
6	June	8,730,284	8,311,118	8,920,651	9,590,126
7	July	8,674,904	8,738,855	8,838,378	9,630,699
8	August	8,583,891	8,497,835	9,010,126	10,350,485
9	September	8,310,951	8,913,723	8,962,841	10,156,396
10	October	10,948,316	11,192,644	11,661,840	12,571,402
11	November	10,900,459	11,937,480	11,923,450	11,994,124
12	December	12,289,646	12,918,603	11,771,431	11,573,367
13	TOTAL	126,173,106	126,551,054	129,313,526	140,226,186

**CONTRIBUTION TO THE SYSTEM PEAK MONTH SALES VOLUME BY RATE CLASS**

	RATE CLASS	JAN 2013	JAN 2014	JAN 2015	MAR 2016
14	GS-1	194,421	214,743	206,777	228,178
15	GS-100	681,738	689,277	822,179	819,587
16	GS-220	785,842	800,212	657,464	641,331
17	GS-600	107,156	106,187	106,194	122,783
18	GS-1.2k	801,926	847,183	844,733	946,206
19	GS-6k	2,074,617	2,186,965	2,193,473	2,332,113
20	GS-25k	854,034	900,887	916,197	978,851
21	GS-60k	374,536	439,596	827,412	702,472
22	GS-120k	1,029,597	771,924	614,402	651,376
23	GS-250k	1,956,955	1,847,662	1,769,611	2,123,629
24	GS-1,250k	973,740	1,649,638	1,492,143	1,608,794
25	LES	235,563	518,824	154,468	385,352
26	KDS	2,402,965	2,196,221	2,371,595	2,356,232
27	GL	1,296	1,316	1,242	1,242
28	NGV	956	315	0	0
29	TOTAL	12,475,340	13,170,951	12,977,890	13,898,146

(TOTAL EQUALS THE PEAK MONTH SALES FROM ABOVE)



TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR: 12/31/16  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: D. NIKOLICH

		PRESENT MONTHLY BILL	PRESENT MONTHLY BILL	PROPOSED MONTHLY BILL	PROPOSED MONTHLY BILL	PERCENT INCREASE	PERCENT INCREASE
	<u>THERM USAGE</u>	<u>W/O FUEL</u>	<u>WITH FUEL</u>	<u>W/O FUEL</u>	<u>WITH FUEL</u>	<u>W/O FUEL</u>	<u>WITH FUEL</u>
6	0	\$8.00	\$8.00	\$12.00	\$12.00	50.00%	50.00%
7	2	\$9.12	\$10.20	\$13.02	\$14.10	42.69%	38.17%
8	4	\$10.25	\$12.41	\$14.04	\$16.20	36.98%	30.54%
9	6	\$11.37	\$14.61	\$15.06	\$18.30	32.40%	25.21%
10	8	\$12.50	\$16.82	\$16.08	\$20.40	28.64%	21.28%
11	10	\$13.62	\$19.02	\$17.10	\$22.50	25.50%	18.26%
12	12	\$14.75	\$21.23	\$18.11	\$24.59	22.85%	15.87%
13	14	\$15.87	\$23.43	\$19.13	\$26.69	20.56%	13.93%
14	16	\$16.99	\$25.63	\$20.15	\$28.79	18.58%	12.32%
15	18	\$18.12	\$27.84	\$21.17	\$30.89	16.85%	10.97%
16	20	\$19.24	\$30.04	\$22.19	\$32.99	15.32%	9.81%

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR: 12/31/16  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-100)			PROPOSED RATES (RS-100)		
1	CUSTOMER CHARGE	\$9.5000		CUSTOMER CHARGE	\$15.0000	
2	ENERGY CHARGE	\$0.52248	PER THERM	ENERGY CHARGE	\$0.41137	PER THERM
3		GAS COST	0.54000	PER THERM		
4		THERM USAGE INCREMENT	4	THERMS		
5		AVERAGE USAGE PER CUSTOMER	14	THERMS/MONTH		

	<div>THERM USAGE</div>	<div>PRESENT MONTHLY BILL W/O FUEL</div>	<div>PRESENT MONTHLY BILL WITH FUEL</div>	<div>PROPOSED MONTHLY BILL W/O FUEL</div>	<div>PROPOSED MONTHLY BILL WITH FUEL</div>	<div>PERCENT INCREASE W/O FUEL</div>	<div>PERCENT INCREASE WITH FUEL</div>
6	0	\$9.50	\$9.50	\$15.00	\$15.00	57.89%	57.89%
7	4	\$11.59	\$13.75	\$16.65	\$18.81	43.62%	36.77%
8	8	\$13.68	\$18.00	\$18.29	\$22.61	33.71%	25.62%
9	12	\$15.77	\$22.25	\$19.94	\$26.42	26.42%	18.73%
10	16	\$17.86	\$26.50	\$21.58	\$30.22	20.84%	14.05%
11	20	\$19.95	\$30.75	\$23.23	\$34.03	16.43%	10.66%
12	24	\$22.04	\$35.00	\$24.87	\$37.83	12.86%	8.10%
13	28	\$24.13	\$39.25	\$26.52	\$41.64	9.90%	6.09%
14	32	\$26.22	\$43.50	\$28.16	\$45.44	7.42%	4.47%
15	36	\$28.31	\$47.75	\$29.81	\$49.25	5.30%	3.14%
16	40	\$30.40	\$52.00	\$31.45	\$53.05	3.47%	2.03%

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
FOR THE RESIDENTIAL RATE CLASS.  
GS-220 MOVING TO RS-100

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR: 12/31/16  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-220)				PROPOSED RATES (RS-100)			
1	CUSTOMER CHARGE	\$11.0000				CUSTOMER CHARGE	\$15.0000	
2	ENERGY CHARGE	\$0.49531	PER THERM			ENERGY CHARGE	\$0.41137	PER THERM
3			GAS COST	0.54000	PER THERM			
4			THERM USAGE INCREMENT	10	THERMS			
5			AVERAGE USAGE PER CUSTOMER	26	THERMS/MONTH			

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR: 12/31/16  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: D. NIKOLICH

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
FOR THE RESIDENTIAL RATE CLASS.  
GS-1.2K MOVING TO RS-600

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR: 12/31/16  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-1.2K)			PROPOSED RATES (RS-600)		
1	CUSTOMER CHARGE	\$15.0000		CUSTOMER CHARGE	\$20.0000	
2	ENERGY CHARGE	\$0.31715	PER THERM	ENERGY CHARGE	\$0.40217	PER THERM
3		GAS COST	0.54000	PER THERM		
4		THERM USAGE INCREMENT	40	THERMS		
5		AVERAGE USAGE PER CUSTOMER	167	THERMS/MONTH		

	<u>THERM USAGE</u>	<u>PRESENT MONTHLY BILL W/O FUEL</u>	<u>PRESENT MONTHLY BILL WITH FUEL</u>	<u>PROPOSED MONTHLY BILL W/O FUEL</u>	<u>PROPOSED MONTHLY BILL WITH FUEL</u>	<u>PERCENT INCREASE W/O FUEL</u>	<u>PERCENT INCREASE WITH FUEL</u>
6	0	\$15.00	\$15.00	\$20.00	\$20.00	33.33%	33.33%
7	40	\$27.69	\$49.29	\$36.09	\$57.69	30.34%	17.04%
8	80	\$40.37	\$83.57	\$52.17	\$95.37	29.23%	14.12%
9	120	\$53.06	\$117.86	\$68.26	\$133.06	28.65%	12.90%
10	160	\$65.74	\$152.14	\$84.35	\$170.75	28.30%	12.23%
11	200	\$78.43	\$186.43	\$100.43	\$208.43	28.06%	11.80%
12	240	\$91.12	\$220.72	\$116.52	\$246.12	27.88%	11.51%
13	280	\$103.80	\$255.00	\$132.61	\$283.81	27.75%	11.30%
14	320	\$116.49	\$289.29	\$148.69	\$321.49	27.65%	11.13%
15	360	\$129.17	\$323.57	\$164.78	\$359.18	27.57%	11.00%
16	400	\$141.86	\$357.86	\$180.87	\$396.87	27.50%	10.90%

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE GAS LIGHT SERVICE CLASS.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES			PROPOSED RATES		
1	CUSTOMER CHARGE	\$0.00		CUSTOMER CHARGE	\$0.00	
2	ENERGY CHARGE	\$0.59535 PER THERM		ENERGY CHARGE	\$0.4000 PER THERM	
3		GAS COST 0.54000 PER THERM				
4		THERM USAGE INCREMENT 10 THERMS				
5		AVERAGE USAGE PER CUSTOMER 22 THERMS/MONTH				

	THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
6	0	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
7	10	\$5.95	\$11.35	\$4.00	\$9.40	-32.81%	-17.21%
8	20	\$11.91	\$22.71	\$8.00	\$18.80	-32.81%	-17.21%
9	30	\$17.86	\$34.06	\$12.00	\$28.20	-32.81%	-17.21%
10	40	\$23.81	\$45.41	\$16.00	\$37.60	-32.81%	-17.21%
11	50	\$29.77	\$56.77	\$20.00	\$47.00	-32.81%	-17.21%
12	60	\$35.72	\$68.12	\$24.00	\$56.40	-32.81%	-17.21%
13	70	\$41.67	\$79.47	\$28.00	\$65.80	-32.81%	-17.21%
14	80	\$47.63	\$90.83	\$32.00	\$75.20	-32.81%	-17.21%
15	90	\$53.58	\$102.18	\$36.00	\$84.60	-32.81%	-17.21%
16	100	\$59.54	\$113.54	\$40.00	\$94.00	-32.81%	-17.21%

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE COMMERCIAL SALES & TRANSPORTATION RATE CLASS.  
 GS-1

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-1)				PROPOSED RATES (GS-1)			
1	CUSTOMER CHARGE	\$8.00			CUSTOMER CHARGE	\$25.00		
2	ENERGY CHARGE	\$0.56213	PER THERM		ENERGY CHARGE	\$0.4003	PER THERM	
3		GAS COST		0.54000	PER THERM			
4		THERM USAGE INCREMENT		2	THERMS			
5		AVERAGE USAGE PER CUSTOMER		6	THERMS/MONTH			
		THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
6		0	\$8.00	\$8.00	\$25.00	\$25.00	212.50%	212.50%
7		2	\$9.12	\$10.20	\$25.80	\$26.88	182.77%	163.43%
8		4	\$10.25	\$12.41	\$26.60	\$28.76	159.56%	131.79%
9		6	\$11.37	\$14.61	\$27.40	\$30.64	140.94%	109.69%
10		8	\$12.50	\$16.82	\$28.20	\$32.52	125.68%	93.39%
11		10	\$13.62	\$19.02	\$29.00	\$34.40	112.93%	80.87%
12		12	\$14.75	\$21.23	\$29.80	\$36.28	102.12%	70.95%
13		14	\$15.87	\$23.43	\$30.60	\$38.16	92.85%	62.89%
14		16	\$16.99	\$25.63	\$31.41	\$40.05	84.80%	56.22%
15		18	\$18.12	\$27.84	\$32.21	\$41.93	77.76%	50.61%
16		20	\$19.24	\$30.04	\$33.01	\$43.81	71.53%	45.82%

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE COMMERCIAL SALES & TRANSPORTATION RATE CLASS.  
 GS-100 MOVING TO GS-1

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-100)				PROPOSED RATES (GS-1)			
1	CUSTOMER CHARGE	\$9.50			CUSTOMER CHARGE	\$25.00		
2	ENERGY CHARGE	\$0.52248	PER THERM		ENERGY CHARGE	\$0.4003	PER THERM	
3		GAS COST		\$0.54000	PER THERM			
4		THERM USAGE INCREMENT		4	THERMS			
5		AVERAGE USAGE PER CUSTOMER		15	THERMS/MONTH			



FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI UTILITIES, INC.  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE COMMERCIAL SALES & TRANSPORTATION RATE CLASS.  
 GS-220 MOVING TO GS-1

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-220)				PROPOSED RATES (GS-1)			
1	CUSTOMER CHARGE	\$11.00			CUSTOMER CHARGE	\$25.00		
2	ENERGY CHARGE	\$0.49531	PER THERM		ENERGY CHARGE	\$0.4003	PER THERM	
3			GAS COST	\$0.54000	PER THERM			
4			THERM USAGE INCREMENT	10	THERMS			
5			AVERAGE USAGE PER CUSTOMER	48	THERMS/MONTH			

	THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
6	0	\$11.00	\$11.00	\$25.00	\$25.00	127.27%	127.27%
7	10	\$15.95	\$21.35	\$29.00	\$34.40	81.80%	61.12%
8	20	\$20.91	\$31.71	\$33.01	\$43.81	57.88%	38.17%
9	30	\$25.86	\$42.06	\$37.01	\$53.21	43.12%	26.51%
10	40	\$30.81	\$52.41	\$41.01	\$62.61	33.11%	19.46%
11	50	\$35.77	\$62.77	\$45.02	\$72.02	25.87%	14.74%
12	60	\$40.72	\$73.12	\$49.02	\$81.42	20.39%	11.35%
13	70	\$45.67	\$83.47	\$53.02	\$90.82	16.10%	8.81%
14	80	\$50.62	\$93.82	\$57.03	\$100.23	12.65%	6.82%
15	90	\$55.58	\$104.18	\$61.03	\$109.63	9.81%	5.23%
16	100	\$60.53	\$114.53	\$65.03	\$119.03	7.44%	3.93%

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI UTILITIES, INC.  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE COMMERCIAL SALES & TRANSPORTATION RATE CLASS.  
 GS-600 MOVING TO GS-1

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-600)				PROPOSED RATES (GS-1)			
1	CUSTOMER CHARGE	\$12.00			CUSTOMER CHARGE	\$25.00		
2	ENERGY CHARGE	\$0.43663	PER THERM		ENERGY CHARGE	\$0.4003	PER THERM	
3			GAS COST	\$0.54000	PER THERM			
4			THERM USAGE INCREMENT	30	THERMS			
5			AVERAGE USAGE PER CUSTOMER	91	THERMS/MONTH			

	THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
6	0	\$12.00	\$12.00	\$25.00	\$25.00	108.33%	108.33%
7	30	\$25.10	\$41.30	\$37.01	\$53.21	47.46%	28.84%
8	60	\$38.20	\$70.60	\$49.02	\$81.42	28.33%	15.33%
9	90	\$51.30	\$99.90	\$61.03	\$109.63	18.98%	9.74%
10	120	\$64.40	\$129.20	\$73.04	\$137.84	13.43%	6.69%
11	150	\$77.49	\$158.49	\$85.05	\$166.05	9.75%	4.77%
12	180	\$90.59	\$187.79	\$97.06	\$194.26	7.14%	3.45%
13	210	\$103.69	\$217.09	\$109.07	\$222.47	5.19%	2.48%
14	240	\$116.79	\$246.39	\$121.08	\$250.68	3.68%	1.74%
15	270	\$129.89	\$275.69	\$133.09	\$278.89	2.47%	1.16%
16	300	\$142.99	\$304.99	\$145.10	\$307.10	1.48%	0.69%

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI UTILITIES, INC.  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE COMMERCIAL SALES & TRANSPORTATION RATE CLASS.  
 GS-1.2K MOVING TO GS-1

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-1.2K)				PROPOSED RATES (GS-1)			
1	CUSTOMER CHARGE	\$15.00			CUSTOMER CHARGE	\$25.00		
2	ENERGY CHARGE	\$0.31715	PER THERM		ENERGY CHARGE	\$0.4003	PER THERM	
3			GAS COST	\$0.54000	PER THERM			
4			THERM USAGE INCREMENT	40	THERMS			
5			AVERAGE USAGE PER CUSTOMER	272	THERMS/MONTH			

	THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
6	0	\$15.00	\$15.00	\$25.00	\$25.00	66.67%	66.67%
7	40	\$27.69	\$49.29	\$41.01	\$62.61	48.14%	27.04%
8	80	\$40.37	\$83.57	\$57.03	\$100.23	41.26%	19.93%
9	120	\$53.06	\$117.86	\$73.04	\$137.84	37.66%	16.96%
10	160	\$65.74	\$152.14	\$89.06	\$175.46	35.46%	15.32%
11	200	\$78.43	\$186.43	\$105.07	\$213.07	33.97%	14.29%
12	240	\$91.12	\$220.72	\$121.08	\$250.68	32.89%	13.58%
13	280	\$103.80	\$255.00	\$137.10	\$288.30	32.08%	13.06%
14	320	\$116.49	\$289.29	\$153.11	\$325.91	31.44%	12.66%
15	360	\$129.17	\$323.57	\$169.13	\$363.53	30.93%	12.35%
16	400	\$141.86	\$357.86	\$185.14	\$401.14	30.51%	12.09%

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI UTILITIES, INC.  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE COMMERCIAL SALES & TRANSPORTATION RATE CLASS.  
 GS-6K

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-6K)			PROPOSED RATES (GS-6K)		
1	CUSTOMER CHARGE	\$30.00		CUSTOMER CHARGE	\$35.00	
2	ENERGY CHARGE	\$0.27487	PER THERM	ENERGY CHARGE	\$0.3581	PER THERM
3			GAS COST	\$0.54000		PER THERM
4			THERM USAGE INCREMENT	200		THERMS
5			AVERAGE USAGE PER CUSTOMER	935		THERMS/MONTH

	THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
6	0	\$30.00	\$30.00	\$35.00	\$35.00	16.67%	16.67%
7	200	\$84.97	\$192.97	\$106.63	\$214.63	25.48%	11.22%
8	400	\$139.95	\$355.95	\$178.26	\$394.26	27.38%	10.76%
9	600	\$194.92	\$518.92	\$249.89	\$573.89	28.20%	10.59%
10	800	\$249.90	\$681.90	\$321.52	\$753.52	28.66%	10.50%
11	1,000	\$304.87	\$844.87	\$393.15	\$933.15	28.96%	10.45%
12	1,200	\$359.84	\$1,007.84	\$464.78	\$1,112.78	29.16%	10.41%
13	1,400	\$414.82	\$1,170.82	\$536.41	\$1,292.41	29.31%	10.38%
14	1,600	\$469.79	\$1,333.79	\$608.04	\$1,472.04	29.43%	10.36%
15	1,800	\$524.77	\$1,496.77	\$679.67	\$1,651.67	29.52%	10.35%
16	2,000	\$579.74	\$1,659.74	\$751.29	\$1,831.29	29.59%	10.34%

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI UTILITIES, INC.  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE COMMERCIAL SALES & TRANSPORTATION RATE CLASS.  
 GS-25K

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-25K)				PROPOSED RATES (GS-25K)		
1	CUSTOMER CHARGE	\$80.00			CUSTOMER CHARGE	\$150.00	
2	ENERGY CHARGE	\$0.27618 PER THERM			ENERGY CHARGE	\$0.3382 PER THERM	
3		GAS COST		\$0.54000 PER THERM			
4		THERM USAGE INCREMENT		500 THERMS			
5		AVERAGE USAGE PER CUSTOMER		3,303 THERMS/MONTH			
	THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
6	0	\$80.00	\$80.00	\$150.00	\$150.00	87.50%	87.50%
7	500	\$218.09	\$488.09	\$319.11	\$589.11	46.32%	20.70%
8	1,000	\$356.18	\$896.18	\$488.22	\$1,028.22	37.07%	14.73%
9	1,500	\$494.27	\$1,304.27	\$657.33	\$1,467.33	32.99%	12.50%
10	2,000	\$632.36	\$1,712.36	\$826.43	\$1,906.43	30.69%	11.33%
11	2,500	\$770.45	\$2,120.45	\$995.54	\$2,345.54	29.22%	10.62%
12	3,000	\$908.54	\$2,528.54	\$1,164.65	\$2,784.65	28.19%	10.13%
13	3,500	\$1,046.63	\$2,936.63	\$1,333.76	\$3,223.76	27.43%	9.78%
14	4,000	\$1,184.72	\$3,344.72	\$1,502.87	\$3,662.87	26.85%	9.51%
15	4,500	\$1,322.81	\$3,752.81	\$1,671.98	\$4,101.98	26.40%	9.30%
16	5,000	\$1,460.90	\$4,160.90	\$1,841.08	\$4,541.08	26.02%	9.14%

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR: 12/31/16  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: D. NIKOLICH

	<u>THERM USAGE</u>	<u>PRESENT MONTHLY BILL W/O FUEL</u>	<u>PRESENT MONTHLY BILL WITH FUEL</u>	<u>PROPOSED MONTHLY BILL W/O FUEL</u>	<u>PROPOSED MONTHLY BILL WITH FUEL</u>	<u>PERCENT INCREASE W/O FUEL</u>	<u>PERCENT INCREASE WITH FUEL</u>
6	0	\$150.00	\$150.00	\$150.00	\$150.00	0.00%	0.00%
7	1,000	\$424.77	\$964.77	\$488.22	\$1,028.22	14.94%	6.58%
8	2,000	\$699.54	\$1,779.54	\$826.43	\$1,906.43	18.14%	7.13%
9	3,000	\$974.31	\$2,594.31	\$1,164.65	\$2,784.65	19.54%	7.34%
10	4,000	\$1,249.08	\$3,409.08	\$1,502.87	\$3,662.87	20.32%	7.44%
11	5,000	\$1,523.85	\$4,223.85	\$1,841.08	\$4,541.08	20.82%	7.51%
12	6,000	\$1,798.62	\$5,038.62	\$2,179.30	\$5,419.30	21.17%	7.56%
13	7,000	\$2,073.39	\$5,853.39	\$2,517.52	\$6,297.52	21.42%	7.59%
14	8,000	\$2,348.16	\$6,668.16	\$2,855.73	\$7,175.73	21.62%	7.61%
15	9,000	\$2,622.93	\$7,482.93	\$3,193.95	\$8,053.95	21.77%	7.63%
16	10,000	\$2,897.70	\$8,297.70	\$3,532.17	\$8,932.17	21.90%	7.65%

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI UTILITIES, INC.  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE COMMERCIAL SALES & TRANSPORTATION RATE CLASS.  
 GS-120K

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-120K)				PROPOSED RATES (GS-120K)			
1	CUSTOMER CHARGE	\$250.00			CUSTOMER CHARGE	\$300.00		
2	DEMAND CHARGE	\$0.2890	PER THERM		0.056671227 DEMAND CHARGE	\$0.5750	PER THERM	
3	ENERGY CHARGE	\$0.18084	PER THERM		ENERGY CHARGE	\$0.2723	PER THERM	
4			GAS COST	\$0.54000 PER THERM				
5			THERM USAGE INCREMENT	5,000 THERMS				
6			AVERAGE USAGE PER CUSTOMER	15,220 THERMS/MONTH				

	THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL
7	0	\$250.00	\$250.00	\$300.00	\$300.00	20.00%	20.00%
8	5,000	\$1,973.10	\$4,673.10	\$3,290.88	\$5,990.88	66.79%	28.20%
9	10,000	\$3,696.20	\$9,096.20	\$6,281.75	\$11,681.75	69.95%	28.42%
10	15,000	\$5,419.30	\$13,519.30	\$9,272.63	\$17,372.63	71.10%	28.50%
11	20,000	\$7,142.40	\$17,942.40	\$12,263.51	\$23,063.51	71.70%	28.54%
12	25,000	\$8,865.50	\$22,365.50	\$15,254.39	\$28,754.39	72.06%	28.57%
13	30,000	\$10,588.60	\$26,788.60	\$18,245.26	\$34,445.26	72.31%	28.58%
14	35,000	\$12,311.69	\$31,211.69	\$21,236.14	\$40,136.14	72.49%	28.59%
15	40,000	\$14,034.79	\$35,634.79	\$24,227.02	\$45,827.02	72.62%	28.60%
16	45,000	\$15,757.89	\$40,057.89	\$27,217.90	\$51,517.90	72.73%	28.61%
17	50,000	\$17,480.99	\$44,480.99	\$30,208.77	\$57,208.77	72.81%	28.61%

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI UTILITIES, INC.  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE COMMERCIAL SALES & TRANSPORTATION RATE CLASS.  
 GS-250K MOVING TO GS-120K

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-250K)				PROPOSED RATES (GS-120K)			
1	CUSTOMER CHARGE	\$300.00			CUSTOMER CHARGE	\$300.00		
2	DEMAND CHARGE	\$0.2890	PER THERM		0.059568247 DEMAND CHARGE	\$0.5750	PER THERM	
3	ENERGY CHARGE	\$0.17191	PER THERM		ENERGY CHARGE	\$0.2723	PER THERM	
4			GAS COST	\$0.54000	PER THERM			
5			THERM USAGE INCREMENT	15,000	THERMS			
6			AVERAGE USAGE PER CUSTOMER	41,870	THERMS/MONTH			
	THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL	
7	0	\$300.00	\$300.00	\$300.00	\$300.00	0.00%	0.00%	
8	15,000	\$5,460.93	\$13,560.93	\$9,522.50	\$17,622.50	74.37%	29.95%	
9	30,000	\$10,621.87	\$26,821.87	\$18,745.00	\$34,945.00	76.48%	30.29%	
10	45,000	\$15,782.80	\$40,082.80	\$27,967.50	\$52,267.50	77.20%	30.40%	
11	60,000	\$20,943.73	\$53,343.73	\$37,190.00	\$69,590.00	77.57%	30.46%	
12	75,000	\$26,104.67	\$66,604.67	\$46,412.50	\$86,912.50	77.79%	30.49%	
13	90,000	\$31,265.60	\$79,865.60	\$55,635.00	\$104,235.00	77.94%	30.51%	
14	105,000	\$36,426.53	\$93,126.53	\$64,857.50	\$121,557.50	78.05%	30.53%	
15	120,000	\$41,587.47	\$106,387.47	\$74,080.00	\$138,880.00	78.13%	30.54%	
16	135,000	\$46,748.40	\$119,648.40	\$83,302.50	\$156,202.50	78.19%	30.55%	
17	150,000	\$51,909.34	\$132,909.34	\$92,525.00	\$173,525.00	78.24%	30.56%	



FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI UTILITIES, INC.  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE COMMERCIAL SALES & TRANSPORTATION RATE CLASS.  
 GS-1,250K

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES (GS-1,250K)				PROPOSED RATES (GS-1,250K)			
1	CUSTOMER CHARGE	\$500.00			CUSTOMER CHARGE	\$500.00		
2	DEMAND CHARGE	\$0.2890	PER THERM		0.175498737 DEMAND CHARGE	\$0.5750	PER THERM	
3	ENERGY CHARGE	\$0.12225	PER THERM		ENERGY CHARGE	\$0.1406	PER THERM	
4			GAS COST	\$0.54000	PER THERM			
5			THERM USAGE INCREMENT	100,000	THERMS			
6			AVERAGE USAGE PER CUSTOMER	177,390	THERMS/MONTH			
	THERM USAGE	PRESENT MONTHLY BILL W/O FUEL	PRESENT MONTHLY BILL WITH FUEL	PROPOSED MONTHLY BILL W/O FUEL	PROPOSED MONTHLY BILL WITH FUEL	PERCENT INCREASE W/O FUEL	PERCENT INCREASE WITH FUEL	
7	0	\$500.00	\$500.00	\$500.00	\$500.00	0.00%	0.00%	
8	100,000	\$63,444.14	\$117,444.14	\$115,471.34	\$169,471.34	82.00%	44.30%	
9	200,000	\$126,388.27	\$234,388.27	\$230,442.67	\$338,442.67	82.33%	44.39%	
10	300,000	\$189,332.41	\$351,332.41	\$345,414.01	\$507,414.01	82.44%	44.43%	
11	400,000	\$252,276.54	\$468,276.54	\$460,385.35	\$676,385.35	82.49%	44.44%	
12	500,000	\$315,220.68	\$585,220.68	\$575,356.68	\$845,356.68	82.53%	44.45%	
13	600,000	\$378,164.81	\$702,164.81	\$690,328.02	\$1,014,328.02	82.55%	44.46%	
14	700,000	\$441,108.95	\$819,108.95	\$805,299.35	\$1,183,299.35	82.56%	44.46%	
15	800,000	\$504,053.08	\$936,053.08	\$920,270.69	\$1,352,270.69	82.57%	44.47%	
16	900,000	\$566,997.22	\$1,052,997.22	\$1,035,242.03	\$1,521,242.03	82.58%	44.47%	
17	1,000,000	\$629,941.35	\$1,169,941.35	\$1,150,213.36	\$1,690,213.36	82.59%	44.47%	

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: CITY GAS COMPANY OF FLORIDA  
 A DIVISION OF NUI UTILITIES, INC.  
 DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE MONTHLY BILL COMPARISONS UNDER PRESENT AND PROPOSED RATES  
 FOR THE NATURAL GAS VEHICLES RATE CLASS.

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: D. NIKOLICH

LINE NO.	PRESENT RATES				PROPOSED RATES			
1	CUSTOMER CHARGE	\$15.00			CUSTOMER CHARGE	\$25.00		
2	ENERGY CHARGE	\$0.40	PER THERM		ENERGY CHARGE	\$0.40	PER THERM	
3			GAS COST	\$0.54000	PER THERM			
4			THERM USAGE INCREMENT	10	THERMS			
5			AVERAGE USAGE PER CUSTOMER	333	THERMS/MONTH			
	<u>THERM USAGE</u>	<u>PRESENT MONTHLY BILL W/O FUEL</u>	<u>PRESENT MONTHLY BILL WITH FUEL</u>	<u>PROPOSED MONTHLY BILL W/O FUEL</u>	<u>PROPOSED MONTHLY BILL WITH FUEL</u>	<u>PERCENT INCREASE W/O FUEL</u>	<u>PERCENT INCREASE WITH FUEL</u>	
6	0	\$15.00	\$15.00	\$25.00	\$25.00	66.67%	66.67%	
7	100	\$55.03	\$109.03	\$65.03	\$119.03	18.17%	9.17%	
8	200	\$95.07	\$203.07	\$105.07	\$213.07	10.52%	4.92%	
9	300	\$135.10	\$297.10	\$145.10	\$307.10	7.40%	3.37%	
10	400	\$175.14	\$391.14	\$185.14	\$401.14	5.71%	2.56%	
11	500	\$215.17	\$485.17	\$225.17	\$495.17	4.65%	2.06%	
12	600	\$255.21	\$579.21	\$265.21	\$589.21	3.92%	1.73%	
13	700	\$295.24	\$673.24	\$305.24	\$683.24	3.39%	1.49%	
14	800	\$335.28	\$767.28	\$345.28	\$777.28	2.98%	1.30%	
15	900	\$375.31	\$861.31	\$385.31	\$871.31	2.66%	1.16%	
16	1,000	\$415.35	\$955.35	\$425.35	\$965.35	2.41%	1.05%	

## SCHEDULE E-6

FLORIDA PUBLIC SERVICE COMMISSION

## DERIVATION OF OVERALL COST OF SERVICE

EXPLANATION: PROVIDE A SCHEDULE SHOWING DERIVATION  
OF RATE BASE (PLANT)

PAGE 1 OF 5

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR DATA: 12/31/2016  
PROJECTED TEST YEAR: 12/31/2018  
PRIOR YEARS: 12/31/12 - 12/31/2015  
WITNESS: M. J. MORLEYCOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO.: 20170179-GU

OPC ROG 8-175

LINE NO.	ACCT NO.	PLANT	12/31/2016						12/31/2018			
			12/31/2012	12/31/2013	12/31/2014	12/31/2015	PER BOOKS	ADJUSTMENTS	ADJUSTED	PER BOOKS	ADJUSTMENTS	ADJUSTED
1	301.00	ORGANIZATION	-	-	-	-	-	-	-	-	-	-
2	302.00	FRANCHISES & CONSENTS	325,164	325,164	325,164	325,164	325,164	-	325,164	320,147	-	320,147
3	303.00	MISC. INTANGIBLE PLANT	25,522	25,522	25,522	25,522	247	-	247	220	-	220
4		TOTAL INTANGIBLE PLANT	350,686	350,686	350,686	350,686	325,410	-	325,410	320,367	-	320,367
5	364.00	LNG PLANT	-	-	-	-	-	-	-	4,461,538	-	4,461,538
		TOTAL STORAGE PLANT	-	-	-	-	-	-	-	4,461,538	-	4,461,538
6	365.00	LAND AND LAND RIGHTS TRANSMISSION	-	-	-	176,450	243,173	-	243,173	-	-	-
7	367.00	TRANSMISSION MAIN	-	-	-	-	-	-	-	-	-	-
8	367.10	TRANSMISSION MAIN - STEEL	-	4,695,577	-	3,449,624	5,792,847	-	5,792,847	-	-	-
9	367.20	MAINS - PLASTIC	-	-	-	-	-	-	-	-	-	-
10	369.00	MEASURING & REGULATING EQUIP	-	-	-	104,145	132,900	-	132,900	-	-	-
11	374.00	LAND & LAND RIGHTS	-	270,008	270,008	361,151	415,632	-	415,632	659,737	-	659,737
12	374.10	LAND	72,437	72,437	72,437	72,437	72,437	-	72,437	72,437	-	72,437
13	374.30	RIGHT OF WAY	11,132	11,132	11,132	11,132	11,132	-	11,132	11,132	-	11,132
14	375.00	STRUCTURES & IMPROVEMENTS	607,824	607,824	608,760	608,839	214,983	(2,516)	212,467	-	-	-
15	376.00	MAINS	-	-	-	-	-	-	-	-	-	-
16	376.10	MAINS - STEEL	84,245,213	87,183,097	96,850,798	96,489,611	100,632,845	-	100,632,845	109,400,818	-	109,400,818
17	376.20	MAINS - PLASTIC	74,423,451	76,668,681	87,223,613	91,454,291	107,929,552	-	107,929,552	146,111,846	-	146,111,846
18	376.30	MAINS - CAST IRON	1,755	1,755	1,759	1,754	1,754	-	1,754	1,754	-	1,754
19	376.50	MAINS - MISC	-	-	-	-	-	-	-	-	-	-
20	376.99	MAINS - CIAC	(72,109)	(49,383)	(62,731)	(79,844)	(194,159)	-	(194,159)	(194,159)	-	(194,159)
21	378.00	M&R STATION EQUIPMENT - GENERAL	0	158,524	573,927	581,564	670,166	-	670,166	2,851,518	-	2,851,518
22	379.00	M&R STATION EQUIPMENT - GATE STATIONS	6,317,197	6,326,025	6,755,538	6,844,055	6,973,527	-	6,973,527	10,001,910	-	10,001,910
23	380.00	SERVICES	-	-	-	-	-	-	-	-	-	-
24	380.10	SERVICES - STEEL	16,018,563	14,834,212	14,713,900	14,708,810	14,763,269	-	14,763,269	14,608,049	-	14,608,049
25	380.20	SERVICES - PLASTIC	39,789,729	44,052,779	46,600,084	48,873,801	56,848,697	-	56,848,697	61,562,546	-	61,562,546
26	381.00	METERS	12,050,249	14,176,958	15,620,080	16,178,708	17,107,094	-	17,107,094	17,963,071	-	17,963,071
27	381.10	METERS - ERTs	511,342	310,608	2,415,969	1,740,899	1,643,719	-	1,643,719	1,563,533	-	1,563,533
28	382.00	METER & REGULATOR INSTALLATIONS	5,950,535	6,256,932	6,609,147	7,005,900	7,103,714	-	7,103,714	7,167,574	-	7,167,574
29	382.10	METER INSTALLATIONS - ERTs	6,703,024	6,722,529	4,694,666	4,694,678	4,694,678	-	4,694,678	4,694,678	-	4,694,678
30	383.00	HOUSE REGULATORS	3,450,393	3,940,190	4,375,752	4,725,828	5,429,722	-	5,429,722	5,884,588	-	5,884,588
31	384.00	HOUSE REGULATORS - INSTALLATION	1,340,868	1,627,102	1,869,684	2,057,700	2,196,610	-	2,196,610	2,308,977	-	2,308,977
32	385.00	INDUSTRIAL M&R STATION EQUIP	3,178,940	3,047,920	3,047,920	3,047,920	3,047,920	-	3,047,920	3,045,476	-	3,045,476
33	387.00	OTHER DISTRIBUTION EQUIPMENT	703,963	703,963	716,455	764,092	905,129	-	905,129	836,929	-	836,929
34		TOTAL DISTRIBUTION PLANT	255,304,505	271,609,786	292,988,909	303,873,444	336,637,340	(2,516)	336,634,824	388,552,414	-	388,552,414
35	389.00	LAND & LAND RIGHTS	341,051	385,501	768,686	829,628	483,611	(2,374)	461,236	2,410,432	(20,400)	2,390,032
36	389.20		-	-	-	-	-	-	-	-	-	-
37	390.00	STRUCTURES & IMPROVEMENTS	4,454,126	4,454,307	8,017,402	8,017,402	11,119,485	828,804	11,948,288	8,410,477	756,923	9,167,400
38	391.00	OFFICE FURN & EQUIPMENT	376,613	376,613	399,381	399,381	504	104,240	104,744	643,793	102,709	746,502
39	391.10	COMPUTER EQUIPMENT	2,122,863	2,142,371	1,628,575	1,628,575	1,394,811	103,203	1,498,014	666,469	101,697	768,156
40	391.11	COMPUTER SOFTWARE	8,160,978	10,225,289	10,571,083	11,156,083	11,563,246	486,388	12,049,633	12,946,633	362,410	13,309,043
41	391.12	COMPUTER HARDWARE	132,432	132,432	195,697	820,206	714,955	84,796	799,751	668,003	83,550	751,553
42	391.20	OFF - ENTERPRISE - 10YR	-	-	-	-	-	859,818	859,818	-	847,188	-
43	391.50	INDIVIDUAL EQUIPMENT	63,036	63,036	191,516	178,176	147,387	310,485	457,873	329,067	301,064	630,131
44	392.00	TRANSPORTATION EQUIPMENT	518,340	518,340	889,406	891,243	283,544	19,313	302,857	1,004,480	19,029	1,023,509
45	392.10	TRANSPORTATION - AUTO	775,969	682,900	606,072	1,125,913	452,575	43,083	495,658	735,170	42,450	777,620
46	392.20	TRANSPORTATION - SERVICE TRUCK	-	-	-	-	1,974,783	45,213	2,019,996	2,644,382	44,549	2,688,931
47	392.30	TRANSPORTATION - HEAVY TRUCK	310,282	310,282	310,203	396,361	287,203	-	287,203	346,280	-	346,280
48	393.00	STORES EQUIPMENT	2,922	2,922	2,922	2,922	2,922	109	3,032	-	107	107
49	394.00	TOOLS, SHOP, GARAGE EQUIPMENT	1,550,238	1,643,946	1,796,315	1,830,922	1,485,872	18,509	1,504,380	629,180	18,237	647,417
50	394.10	NATURAL GAS VEHICLE EQUIPMENT	-	-	-	-	-	-	-	3,661,963	-	3,661,963
51	395.00	LABORATORY EQUIPMENT	4,034	4,034	4,034	4,034	4,034	-	4,034	-	-	-
52	396.00	POWER OPERATED EQUIPMENT	(0)	48,854	131,329	131,329	147,453	10,121	157,574	205,266	9,972	215,238
53	396.10	TRACTORS	-	-	-	-	-	-	-	-	-	-
54	397.00	COMMUNICATION EQUIPMENT	1,008,819	1,008,819	1,028,551	177,379	391,646	125,192	516,838	555,748	119,335	675,083
55	398.00	MISCELLANEOUS EQUIPMENT	595,709	884,116	854,108	854,108	108,771	1,300,056	1,408,827	254,530	1,280,958	1,535,486
56	399.00	OTHER TANGIBLE PROPERTY	197,353	-	-	-	-	-	-	701,850	-	701,850
57		TOTAL GENERAL PLANT	20,614,666	22,883,764	27,395,281	28,041,680	30,542,801	4,336,956	34,879,758	36,111,873	4,771,620	40,883,493
58		ARO	-	-	-	-	-	-	-	-	-	-
59	102.00	GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	-	-	-	-	-
60	114.00	ACQUISITION ADJUSTMENT	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	-	21,656,835	21,656,835	-	21,656,835
61	105.00	PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	-	-	-	-	-
62	107.00	CONSTRUCTION WORK IN PROGRESS	18,645,561	19,292,790	13,817,008	23,053,496	13,957,305	1,365,078	15,322,383	30,962,948	-	30,962,948
63		TOTAL PLANT	316,572,253	335,793,860	356,188,718	376,876,121	403,119,692	5,699,518	408,819,211	482,065,975	4,771,620	486,837,595

note to OPC ROG 1-21 and POD 2-44. Specifically, the change in the shared use percentages.

SUPPORTING SCHEDULES: B-2, B-3, B-4, G-1 p.1, G-1, p.4, G-1, p.10

RECAP SCHEDULES:

## SCHEDULE E-6

FLORIDA PUBLIC SERVICE COMMISSION

## DERIVATION OF OVERALL COST OF SERVICE

EXPLANATION: PROVIDE A SCHEDULE SHOWING DERIVATION  
OF RATE BASE. (ACCUMULATED DEPRECIATION)

PAGE 2 OF 5

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR DATA: 12/31/2016  
PROJECTED TEST YEAR: 12/31/2018  
PRIOR YEARS: 12/31/12-12/31/2015  
WITNESS: M. J. MORLEYCOMPANY: P/NOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GU

OPC ROG 8-175

		12/31/2016						12/31/2018				
LINE NO	ACCT NO.	ACCUMULATED DEPRECIATION & DEDUCTIONS	12/31/2012	12/31/2013	12/31/2014	12/31/2015	PER BOOKS	ADJUSTMENTS	ADJUSTED	PER BOOKS	ADJUSTMENTS	ADJUSTED
1	301.00	ORGANIZATION	-	-	-	-	-	-	-	-	-	-
2	302.00	FRANCHISES & CONSENTS	175,968	181,595	181,595	181,595	181,595	-	181,595	176,579	-	176,579
3	303.00	MISC. INTANGIBLE PLANT	22,309	22,324	22,324	22,324	(2,951)	-	(2,951)	(2,978)	-	(2,978)
4		TOTAL INTANGIBLE PLANT	198,277	203,919	203,919	203,919	178,644	-	178,644	173,601	-	173,601
5	364.00	LNG PLANT	-	-	-	-	-	-	-	-	9,924	9,924
6	365.00	LAND AND LAND RIGHTS TRANSMISSION	-	-	-	2,423	9,159	-	9,159	12,808	-	12,808
7	367.00	TRANSMISSION MAIN	-	-	-	-	-	-	-	-	-	-
8	367.10	TRANSMISSION MAIN - STEEL	135	176,890	-	72,333	212,470	-	212,470	304,885	-	304,885
9	367.20	MAINS - PLASTIC	-	-	-	-	-	-	-	-	-	-
10	369.00	MEASURING & REGULATING EQUIP	(44)	-	-	1,808	6,075	-	6,075	8,268	-	8,268
11	374.00	LAND & LAND RIGHTS	-	-	-	-	-	-	-	-	-	-
12	374.10	LAND	-	-	-	-	-	-	-	-	-	-
13	374.30	RIGHT OF WAY	-	-	-	-	-	-	-	-	27	27
14	375.00	STRUCTURES & IMPROVEMENTS	150,990	166,185	183,210	200,257	138,371	(1,040)	137,331	(80,099)	(1,096)	(81,195)
15	376.00	MAINS	-	-	-	-	-	-	-	-	-	-
16	376.10	MAINS - STEEL	54,550,191	57,158,736	60,667,255	62,765,948	65,479,709	-	65,479,709	70,117,911	(53,735)	70,064,176
17	376.20	MAINS - PLASTIC	26,416,719	28,698,815	30,594,245	32,887,869	35,937,079	-	35,937,079	40,051,613	(92,106)	39,959,507
18	376.30	MAINS - CAST IRON	53	105	158	211	263	-	263	342	-	342
19	376.50	MAINS - MISC	-	-	(263)	-	-	-	-	-	-	-
20	376.99	MAINS - CIAC	-	(3,281)	(4,962)	(7,064)	(11,174)	-	(11,174)	(19,912)	-	(19,912)
21	378.00	M&R STATION EQUIPMENT - GENERAL	0	30,320	17,290	36,479	57,695	-	57,695	133,745	683	134,428
22	379.00	M&R STATION EQUIPMENT - GATE STATIONS	3,276,863	3,550,679	3,763,497	3,988,372	4,217,459	-	4,217,459	4,657,611	(5,897)	4,651,714
23	380.00	SERVICES	-	-	-	-	-	-	-	-	-	-
24	380.10	SERVICES - STEEL	21,230,610	21,232,049	20,930,964	21,131,357	21,265,098	-	21,265,098	22,489,412	(54,410)	22,435,002
25	380.20	SERVICES - PLASTIC	17,912,930	20,399,573	20,180,198	16,459,156	18,238,473	-	18,238,473	21,045,156	(42,653)	21,002,503
26	381.00	METERS	306,078	566,635	2,402,890	2,450,272	2,776,365	-	2,776,365	3,179,739	21,252	3,200,991
27	381.10	METERS - ERTs	(223,673)	(410,691)	322,018	274,611	244,809	-	244,809	273,537	1,844	275,381
28	382.00	METER & REGULATOR INSTALLATIONS	1,672,422	1,940,778	2,181,647	2,485,412	2,613,167	-	2,613,167	3,000,959	-	3,000,959
29	382.10	METER INSTALLATIONS - ERTs	2,038,063	2,488,463	1,653,967	2,008,510	2,323,053	-	2,323,053	2,794,868	(16,606)	2,778,262
30	383.00	HOUSE REGULATORS	1,402,961	1,572,126	1,762,237	1,952,992	2,202,424	-	2,202,424	2,620,592	(10,981)	2,609,611
31	384.00	HOUSE REGULATORS - INSTALLATION	798,140	857,263	912,074	972,780	1,039,084	-	1,039,084	1,145,181	227	1,145,408
32	385.00	INDUSTRIAL M&R STATION EQUIP	1,804,850	1,831,827	1,791,568	1,892,149	1,992,730	-	1,992,730	2,141,081	(1,496)	2,139,585
33	387.00	OTHER DISTRIBUTION EQUIPMENT	288,141	299,815	316,275	341,295	366,741	-	366,741	330,334	(247)	330,087
34		TOTAL DISTRIBUTION PLANT	131,805,428	140,545,088	147,714,270	149,917,168	159,109,051	(1,040)	158,068,011	174,208,031	(245,269)	173,962,762
35	389.00	LAND & LAND RIGHTS	(184)	(184)	(184)	3	2	-	2	-	-	-
36	389.20	-	-	-	-	-	-	-	-	-	-	-
37	390.00	STRUCTURES & IMPROVEMENTS	457,102	568,460	726,984	935,437	705,774	421,531	1,127,305	559,927	4,170	564,097
38	391.00	OFFICE FURN & EQUIPMENT	210,788	246,110	227,883	258,635	(123,234)	51,219	(72,015)	135,870	(604)	135,266
39	391.10	COMPUTER EQUIPMENT	245,795	1,332,394	884,061	1,019,233	801,778	50,709	852,488	143,629	1,083	144,722
40	391.11	COMPUTER SOFTWARE	4,658,113	5,660,120	6,143,547	7,092,390	8,107,758	226,486	8,334,244	3,582,378	787,327	4,369,705
41	391.12	COMPUTER HARDWARE	61,408	71,795	25,604	70,964	126,749	41,685	168,414	131,517	33,904	165,421
42	391.20	OFE - ENTERPRISE - 10YR	-	-	-	-	-	422,474	422,474	-	-	-
43	391.50	INDIVIDUAL EQUIPMENT	28,967	33,758	91,725	91,273	75,921	152,370	228,291	207,913	59,222	267,135
44	392.00	TRANSPORTATION EQUIPMENT	2,500	41,376	109,720	127,402	(74,073)	9,489	(64,583)	38,038	(4,092)	33,946
45	392.10	TRANSPORTATION - AUTO	(128,344)	(204,051)	218,497	251,761	122,944	21,169	144,113	146,087	(350)	145,737
46	392.20	TRANSPORTATION - SERVICE TRUCK	-	-	-	-	220,723	22,216	242,938	587,174	1,558	588,732
47	392.30	TRANSPORTATION - HEAVY TRUCK	13,902	37,173	72,846	111,410	148,398	-	148,398	202,770	(2,278)	200,492
48	393.00	STORES EQUIPMENT	963	980	1,161	1,342	1,523	54	1,577	(1,301)	-	(1,301)
49	394.00	TOOLS, SHOP, GARAGE EQUIPMENT	926,441	1,033,323	1,131,719	1,244,744	980,423	9,094	989,517	(45,803)	(327)	(46,130)
50	394.10	NATURAL GAS VEHICLES	-	-	-	-	-	-	-	386,139	(1,079)	385,060
51	395.00	LABORATORY EQUIPMENT	3,915	4,034	4,034	4,034	4,034	-	4,034	-	-	-
52	396.00	POWER OPERATED EQUIPMENT	0	3,728	8,639	19,539	26,151	4,973	31,124	46,908	(372)	46,536
53	396.10	TRACTORS	-	-	-	-	-	-	-	-	-	-
54	397.00	COMMUNICATION EQUIPMENT	1,212,426	1,261,270	1,009,297	159,763	91,994	61,285	153,279	124,979	1,271	126,249
55	398.00	MISCELLANEOUS EQUIPMENT	313,979	370,853	435,424	499,535	(186,176)	638,790	452,613	(224,302)	(751)	(225,053)
56	399.00	OTHER TANGIBLE PROPERTY	27,431	-	-	-	-	-	-	-	-	-
57		TOTAL GENERAL PLANT	8,035,082	10,461,139	11,090,959	11,887,464	11,030,889	2,133,523	13,164,212	6,021,922	879,894	6,901,816
58		ACCUM AMORT - ACQUISITION ADJ	5,895,472	6,617,367	7,339,261	8,061,156	8,783,051	-	8,783,051	9,865,892	-	9,865,892
59		RETIREMENT WORK IN PROGRESS	(4,009,154)	(5,160,772)	(1,679,722)	(162,698)	(1,529,718)	-	(1,529,718)	(2,233,352)	-	(2,233,352)
60		CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-	-	-	-	-	-
61		TOTAL ACCUMULATED DEPRECIATION	141,725,105	152,667,741	164,668,686	169,907,009	177,571,717	2,132,483	179,704,200	188,036,094	633,424	188,669,518
62		NET PLANT	174,847,148	183,126,119	191,520,032	207,069,111	225,547,975	3,567,036	229,115,011	294,029,881	4,138,195	298,168,077
63		PLUS: WORKING CAPITAL	(43,537,992)	(45,170,247)	(53,473,260)	(48,403,423)	(47,135,552)	42,277,545	(4,858,007)	(83,092,157)	98,141,030	5,048,873
64		TOTAL RATE BASE	131,309,156	137,955,872	138,046,772	158,665,688	178,412,423	45,844,581	224,257,004	210,937,724	92,279,225	303,216,950

SUPPORTING SCHEDULES: B-2 C-1 p 1

RECAP SCHEDULES:

SCHEDULE E-6 FLORIDA PUBLIC SERVICE COMMISSION			EXPLANATION: PROVIDE A SCHEDULE SHOWING DERIVATION OF EXPENSES. (OPERATION AND MAINTENANCE)							PAGE 3 OF 5 TYPE OF DATA SHOWN: HISTORIC BASE YEAR DATA: 12/31/2016 PROJECTED TEST YEAR: 12/31/2018 PRIOR YEARS: 12/31/12 - 12/31/2015 WITNESS: M. J. MORLEY		
COMPANY: P/NOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS			OPC ROG 8-175									
DOCKET NO.: 20170179-GU												
			12/31/2016				12/31/2018					
LINE NO.	ACCT NO.	OPERATION & MAINTENANCE	12/31/2012	12/31/2013	12/31/2014	12/31/2015	PER BOOKS	ADJUSTMENTS	ADJUSTED	PER BOOKS	ADJUSTMENTS	ADJUSTED
1	804.00	NATURAL GAS CITY GATE PURCHASES	19,318,802	25,106,240	27,878,382	21,933,508	18,671,015	(18,671,015)	-	20,884,062	(20,884,062)	-
2	805.00	OTHER GAS PURCHASES	218,560	(370,963)	407,794	(269,345)	(121,942)	121,942	-	-	-	-
3	807.00	OTHER PURCHASED GAS EXPENSES	-	4,086	16,343	16,343	26,874	(26,874)	-	-	-	-
4	812.00	GAS USED FOR OTHER UTILITY OPERATIONS-CREDIT	(3,145)	(3,736)	(3,834)	(3,705)	(11,858)	11,858	-	-	-	-
5		TOTAL PRODUCTION EXPENSES	19,534,217	24,735,627	28,298,695	21,676,801	18,563,989	(18,563,989)	-	20,884,062	(20,884,062)	-
6	817.00	LINES EXPENSE	-	80	15,698	39,040	43,161	-	43,161	54,780	-	54,780
7	821.00	PURIFICATION EXPENSES	-	-	-	-	-	-	-	-	-	-
8	840.00	OPERATION SUPERVISION AND ENGINEERING	4,824	3,884	5,382	6,742	-	-	-	-	-	-
9	841.00	OPERATION LABOR AND EXPENSES	53,942	47,573	55,071	60,899	-	-	-	-	-	-
10	843.40	MAINTENANCE OF PURIFICATION EQUIPMENT	1,274	975	1,376	1,343	-	-	-	-	-	-
11	843.50	MAINTENANCE OF LIQUEFACTION EQUIPMENT	1,175	1,907	3,123	2,637	-	-	-	-	-	-
12	843.60	MAINTENANCE OF VAPORIZING EQUIPMENT	1,467	1,228	2,844	2,437	-	-	-	-	-	-
13	843.70	MAINTENANCE OF COMPRESSOR EQUIPMENT	1,908	1,654	1,361	1,840	-	-	-	-	-	-
14	843.80	MEASURING AND REGULATION EQUIPMENT	-	-	-	-	-	-	-	-	-	-
15	843.90	MAINTENANCE OF OTHER EQUIPMENT	6,005	6,036	8,421	7,689	-	-	-	-	-	-
16		TOTAL NATURAL GAS STORAGE EXPENSES	70,496	63,337	83,286	122,626	43,161	-	43,161	54,780	-	54,780
17	856.00	MAINS EXPENSES	-	68	892	171	-	-	-	-	-	-
18	857.00	MAINTENANCE OF TRANSMISSION	-	-	780	20	231	-	231	-	-	-
19	863.00	MAINTENANCE OF TRANSMISSION	19	1,199	2,135	2,583	854	-	854	-	-	-
20	867.00	MAINTENANCE OF OTHER EQUIPMENT	1,314	-	-	-	-	-	-	-	-	-
21		TOTAL TRANSMISSION EXPENSES	1,333	1,267	3,807	2,773	1,085	-	1,085	-	-	-
22	870.00	Operation Supervision and Engineering	56	376	283	3,162	2,096	-	2,096	2,660	-	2,660
23	871.00	Distribution Load Dispatching	804	28	230	29	-	-	-	-	-	-
24	872.00	Compressor Station Labor and Expenses	7	-	-	-	-	-	-	-	-	-
25	873.00	Compressor Station Fuel	-	-	-	-	-	-	-	-	-	-
26	874.00	Mains and Services Expenses	963,547	1,186,462	1,316,405	1,818,864	1,814,057	-	1,814,057	2,240,871	-	2,240,871
27	875.00	Measuring and Regulating Station Expenses-General	-	1,070	1,264	888	916	-	916	1,163	-	1,163
28	876.00	Measuring and Regulating Station Expenses-Industrial	-	-	-	-	-	-	-	-	-	-
29	877.00	Measuring and Regulating Station Expenses-City Gate Check Station	109,972	111,891	114,235	85,945	62,270	-	62,270	78,287	-	78,287
30	878.00	Meter and House Regulator Expenses	579,474	531,951	616,103	586,605	808,385	-	808,385	1,009,281	-	1,009,281
31	879.00	Customer Installations Expenses	404,792	521,737	681,508	731,929	559,173	-	559,173	752,271	-	752,271
32	880.00	Other Expenses	185,853	200,700	299,475	287,341	245,787	-	245,787	256,815	-	256,815
33	881.00	Rents	-	-	-	-	-	-	-	-	-	-
34	885.00	Maintenance Supervision and Engineering	-	-	-	196	-	-	-	-	-	-
35	886.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-	-
36	887.00	Maintenance of Mains	290,356	233,372	294,716	246,491	330,492	-	330,492	401,282	-	401,282
37	888.00	Maintenance of Compressor Station Equipment	3	-	331	-	467	-	467	593	-	593
38	889.00	Maintenance of Meas. and Reg. Sta. Equip.-General	75,557	50,984	55,312	110,255	85,409	-	85,409	130,290	-	130,290
39	890.00	Maintenance of Meas. and Reg. Sta. Equip.-Industrial	-	-	-	-	-	-	-	-	-	-
40	891.00	Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check Station	74	29	57	-	-	-	-	-	-	-
41	892.00	Maintenance of Services	60,250	69,692	159,222	312,979	172,431	-	172,431	178,591	-	178,591
42	893.00	Maintenance of Meters and House Regulators	192,250	330,244	355,770	234,247	182,559	-	182,559	224,799	-	224,799
43	894.00	Maintenance of Other Equipment	31	(78)	4,516	719	9,240	-	9,240	30,148	-	30,148
44		TOTAL DISTRIBUTION EXPENSES	2,863,025	3,238,457	3,899,438	4,418,439	4,273,282	-	4,273,282	5,307,054	-	5,307,054
45	901.00	SUPERVISION	-	-	-	-	-	-	-	-	-	-
46	902.00	METER READING EXPENSE	165,342	131,484	120,377	124,678	111,010	-	111,010	140,890	-	140,890
47	903.00	CUST. RECORDS & COLLECTIONS	78,470	99,948	104,856	127,921	69,232	-	69,232	87,609	-	87,609
48	904.00	UNCOLLECTIBLE ACCOUNTS	(1,110,400)	569,600	569,600	603,529	489,897	-	489,897	476,292	-	476,292
49	905.00	MISCELLANEOUS	1,659	1,884	1,169	1,536	1,208	-	1,208	989	-	989
50	906.00	INFORMATIONAL EXPENSE	-	-	-	-	-	-	-	-	-	-
51		TOTAL CUSTOMER ACCOUNTS	(864,929)	802,716	796,002	857,663	671,346	-	671,346	705,780	-	705,780

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

## SCHEDULE E-6

OPC ROG 8-175

## DERIVATION OF OVERALL COST OF SERVICE

PAGE 4 OF 5

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING DERIVATION  
OF EXPENSES (OPERATION AND MAINTENANCE)TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR DATA: 12/31/2016  
PROJECTED TEST YEAR: 12/31/2018  
PRIOR YEARS: 12/31/12 - 12/31/2015  
WITNESS: M. J. MORLEYCOMPANY: PNOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GU

		12/31/2016							12/31/2018			
LINE NO	ACCT NO	OPERATION & MAINTENANCE	12/31/2012	12/31/2013	12/31/2014	12/31/2015	PER BOOKS	ADJUSTMENTS	ADJUSTED	PER BOOKS	ADJUSTMENTS	ADJUSTED
1	907.00	Supervision	272	-	-	-	-	-	-	-	-	-
2	908.00	CUSTOMER ASSISTANCE EXPENSES	15,311	8,028	7,525	8,069	9,319	-	9,319	10,412	-	10,412
3	909.00	ENERGY CONSERVATION	5,841,326	5,042,169	4,391,684	4,874,246	5,331,969	(5,329,977)	1,982	5,501,146	(5,498,978)	2,268
	910.00	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	-	-	-	-	(22)	-	(22)	(25)	-	(25)
4	911.00	SUPERVISION	-	65	106	57	6	-	6	6	-	6
5	912.00	DEMONSTRATING & SELLING	402	17,244	577	34,437	12,023	-	12,023	14,851	-	14,851
6	913.00	ADVERTISING	33,262	29,815	29,667	16,146	24,434	-	24,434	519,842	-	519,842
7	916.00	MISC. SALES EXPENSE	-	-	-	-	-	-	-	-	-	-
8		TOTAL SALES EXPENSE	5,890,572	5,097,321	4,429,558	4,930,956	5,377,717	(5,329,977)	47,740	6,046,232	(5,498,978)	547,354
9	920.00	ADMIN & GEN SALARIES	6,158,892	7,667,554	8,285,892	8,479,526	9,399,571	-	9,399,571	10,805,790	-	10,805,790
10	921.00	OFFICE SUPPLIES & EXP	1,583,295	1,550,819	1,741,883	1,652,643	1,588,568	-	1,588,568	1,347,290	-	1,347,290
11	922.00	ADMIN EXP TRANS (CR)	(2,043,558)	(2,186,665)	(2,536,434)	(1,797,648)	(2,603,147)	-	(2,603,147)	(2,907,083)	-	(2,907,083)
12	923.00	OUTSIDE SERVICES EMPLOYED	1,346,428	1,425,094	2,022,954	1,781,575	1,974,272	-	1,974,272	2,077,545	-	2,077,545
13	924.00	PROPERTY INSURANCE	370,513	315,175	331,812	341,538	342,175	-	342,175	308,950	-	308,950
14	925.00	INJURIES & DAMAGES	292,469	527,698	275,297	176,658	185,986	-	185,986	163,923	-	163,923
15	926.00	EMPLOYEE PENSION & BENEFITS	2,542,421	2,770,841	1,926,923	2,311,328	2,724,255	-	2,724,255	2,013,919	-	2,013,919
16	927.00	FRANCHISE REQUIREMENTS	-	-	-	-	-	-	-	-	-	-
17	928.00	REGULATORY COMMISSION EXP.	-	-	-	-	-	-	-	-	-	-
18	929.00	DUPLICATE CHARGES (CR)	-	-	-	-	-	-	-	-	-	-
19	930.10	GENERAL ADVERTISING EXP	-	-	-	-	-	-	-	-	-	-
20	930.20	MISC GENERAL EXPENSES	569,760	637,605	714,177	518,548	539,102	(77,421)	461,681	850,945	270,787	1,121,733
21	931.00	RENTS	581,949	540,279	514,565	451,103	351,166	-	351,166	361,484	-	361,484
22	932.00	MAINT OF GENERAL PLANT	549,070	748,579	734,597	707,768	800,289	-	800,289	975,488	-	975,488
23		TOTAL A & G EXPENSE	11,931,039	13,996,980	14,011,666	14,603,038	15,302,236	(77,421)	15,224,815	16,018,152	270,787	16,288,939
24		TOTAL O & M EXPENSE	39,425,753	47,935,705	51,532,452	46,613,296	44,232,717	(23,971,287)	20,261,430	49,016,059	(26,112,153)	22,903,906

SUPPORTING SCHEDULES: C-1

RECAP SCHEDULES:

SCHEDULE E-6  
FLORIDA PUBLIC SERVICE COMMISSION

DERIVATION OF OVERALL COST OF SERVICE  
EXPLANATION: PROVIDE A SCHEDULE SHOWING DERIVATION  
OF EXPENSES AND COST OF SERVICE.

PAGE 5 OF 5

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR DATA: 12/31/2016  
PROJECTED TEST YEAR: 12/31/2018  
PRIOR YEARS: 12/31/12 -12/31/2015  
WITNESS: M. J. MORLEY

COMPANY: P/NOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO: 20170179-GU

OPC ROG 8-175

LINE NO.	EXPENSES & COST OF SERVICE					12/31/2016			12/31/2018		
		12/31/2012	12/31/2013	12/31/2014	12/31/2015	PER BOOKS	ADJUSTMENTS	ADJUSTED	PER BOOKS	ADJUSTMENTS	ADJUSTED
1	DEPRECIATION EXPENSE	11,181,517	11,395,928	12,505,200	13,251,586	14,039,208	(6,736)	14,032,474	16,785,014	(1,065,710)	15,899,304
2	AMORT. & DEPL. OF UTILITY PLANT	-	-	-	-	(56,883)	-	(56,883)	(113,767)	-	(113,767)
3	AMORT. OF UTILITY PLANT ACQ. ADJ.	721,895	721,895	721,895	721,895	721,895	-	721,895	721,895	-	721,895
4	AMORT. OF CONVERSION EXPENSES	381,257	406,414	416,605	426,838	382,891	-	382,891	284,286	-	284,286
5	REGULATORY DEBITS	-	1,192,705	1,121,298	1,183,925	1,306,754	(1,306,754)	-	1,196,746	(1,196,746)	-
6	TOTAL DEPR. & AMORT EXPENSE	<u>12,284,669</u>	<u>13,716,941</u>	<u>14,764,997</u>	<u>15,584,243</u>	<u>16,393,866</u>	<u>(1,313,490)</u>	<u>15,080,376</u>	<u>18,874,174</u>	<u>(2,282,456)</u>	<u>16,591,718</u>
7	TAXES OTHER THAN INCOME	7,026,100	7,406,548	7,416,435	7,343,785	7,369,211	(4,608,574)	2,760,636	7,769,611	(4,869,262)	2,900,349
8	RETURN (REQUIRED N.O.I.)	8,233,084	8,511,877	9,055,668	10,138,737	11,543,284	2,966,144	14,509,428	13,860,929	6,063,760	19,924,689
9	INCOME TAXES	<u>4,804,266</u>	<u>4,172,313</u>	<u>4,503,674</u>	<u>3,373,794</u>	<u>4,328,549</u>	<u>(952,323)</u>	<u>3,376,226</u>	<u>916,639</u>	<u>(288,728)</u>	<u>627,912</u>
10	TOTAL COST TO SERVE	<u>71,773,872</u>	<u>81,743,385</u>	<u>87,273,426</u>	<u>83,053,836</u>	<u>83,867,627</u>	<u>(27,879,530)</u>	<u>55,988,097</u>	<u>90,437,413</u>	<u>(27,488,839)</u>	<u>62,948,573</u>

(1)

(2)

(2)

Revenues 53,847,331 - see Schedule G2-1

NOI Deficiency (9,101,242)

9,101,242 - Per Schedule G-5

SUPPORTING SCHEDULES: C-1

RECAP SCHEDULES:

(2) The changes are primarily due to the following: change in federal income tax rate from 35% to 21%, the amortization of excess deferred taxes for protected and non-protected property, as well as reclassifications, corrections, and adjustments that were identified in OPC ROG 1-14.

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 D/B/A FLORIDA CITY GAS  
 DOCKET NO. 20170179-GU

EXPLANATION: PROVIDE THE CALCULATION OF THE AVERAGE COST  
 OF METER SET AND SERVICE BY RATE CLASS

TYPE OF DATA SHOWN:  
 HISTORIC BASE YEAR: 12/31/16  
 PROJECTED TEST YEAR: 12/31/18  
 WITNESS: R. MULLER

LINE NO.	DESCRIPTION	SALES SERVICES												
		RESIDENTIAL RS-1	RESIDENTIAL RS-100	RESIDENTIAL RS-600	GAS LIGHTING	COMMERCIAL GS-1	COMMERCIAL GS-6k	COMMERCIAL GS-25k	COMMERCIAL GS-120k	COMMERCIAL GS-1,250k	COMMERCIAL GS-11M	COMMERCIAL GS-25M	CONTRACT DEMAND SERVICE	NATURAL GAS VEHICLES
1	SERVICE LINE: PIPE AND PIPING	\$642	\$806	\$1,274	\$642	\$1,436	\$1,449	\$4,474	\$12,396	\$31,043	\$64,569	\$140,850	\$217,131	\$1,449
	METER:													
2	Meter Only	\$131	\$132	\$177		\$355	\$591	\$1,041	\$3,224	\$7,127	\$20,407	\$40,631	\$164,402	\$591
3	ERT	\$0	\$0	\$2		\$27	\$59	\$92	\$92	\$92				\$59
4	AMR	\$0	\$0	\$0		\$5	\$7	\$70	\$1,085	\$1,778	\$3,200	\$3,200	\$3,200	\$7
5	Press Corr Cost	\$0	\$0	\$0		\$71	\$193	\$805	\$1,379	\$1,404	\$1,404	\$1,404	\$1,404	\$193
6	Regulator	\$0	\$0	\$6		\$101	\$231	\$478	\$1,038	\$2,318	\$5,000	\$6,000	\$64,569	\$231
7	MSA/Ancillary Piping	\$87	\$88	\$118		\$196	\$281	\$383	\$1,083	\$1,622	\$3,000	\$5,000	\$5,000	\$281
8	Total Labor Cost	\$34	\$34	\$37		\$133	\$266	\$997	\$4,533	\$6,444	\$9,000	\$10,000	\$10,000	\$266
9	Overhead	\$34	\$34	\$46		\$120	\$220	\$522	\$1,679	\$2,806	\$5,671	\$8,954	\$8,954	\$220
10	Total Meter Set	\$285	\$288	\$385		\$1,008	\$1,848	\$4,388	\$14,113	\$23,591	\$47,682	\$75,188	\$257,529	\$1,848
11	TOTAL	\$927	\$1,094	\$1,659	\$642	\$2,444	\$3,297	\$8,862	\$26,509	\$54,634	\$112,251	\$216,038	\$474,660	\$3,297
12	INDEX (1)	1.00	1.18	1.79	0.69	2.64	3.56	9.56	28.60	58.93	121.09	233.04	512.02	3.56

(1) TOTAL AVERAGE COST BY CLASS COMPARED TO THE RESIDENTIAL CLASS

SUPPORTING SCHEDULES: WORKPAPERS



FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO.: 20170179-GU

EXPLANATION: TO PROVIDE A SCHEDULE SHOWING THE  
DERIVATION OF DEDICATED FACILITIES.

TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. MORLEY

DESCRIPTION: NAME OF RATE CLASS IN WHICH DEDICATED FACILITIES EXIST

SYSTEM MILES OF MAIN: NOT APPLICABLE

MILES OF MAIN DEDICATED TO CLASS:  
NET COST OF MAIN DEDICATED TO CLASS:  
OTHER NET DISTRIBUTION PLANT RELATED TO CLASS:  
DISTRIBUTION O & M EXPENSES RELATED TO CLASS:  
PERCENTAGE OF MILES OF DEDICATED MAIN TO  
SYSTEM MILES OF MAIN:

Florida City Gas  
Docket No. 20170179  
OPC ROG 8-175  
Summary of Changes Related to Tax Changes

<u>Item No.</u>	<u>Amount</u>	<u>Tickmark</u>
1 Filed Revenue Requirement	\$ 15,791,812	
2 Change in Current Income Tax	(3,855,349)	A/
3 Excess Deferred Tax Amortization	(1,093,333)	B/
4 Change in Cost of Capital - Financing Requirements	636,189	C/
5 Change in Cost of Capital - Loss of Bonus Depreciation	364,344	D/
6 Increase in Rate Base	360,969	E/
7 Decrease in Depreciation	(11,548)	F/
8 Increase in Income Taxes - Other income	46,178	G/
9 Other - Primarily Interest Synchronization	67,438	H/
10 Revised Revenue Requirement	<u>\$ 12,306,700</u>	

- A/ Change in federal income tax rate from 35% to 21% and resulting impacts on operating income and the gross revenue conversion factor.
- B/ Amortization of excess deferred taxes - protected and basis adjustments to property excess deferred taxes are amortized under the average rate assumption method and unprotected excess deferred taxes are amortized over 5 years
- C/ Change in capital structure to maintain Southern Company Gas' credit metrics. The loss of bonus depreciation and flow back of excess deferred income taxes results in a substantial decrease in cash flows from operations, which adversely impacts Southern Company Gas' funds from operations to total debt ratio. Therefore, Southern Company Gas will finance more through equity than debt to maintain its strong credit metrics, resulting in a higher equity ratio. This process will take place during but will not be fully in place until the end of 2018. Therefore, to include the full impact of the tax reform law in this update, the Company has used end of period long-term debt and equity balances forecasted for December 31, 2018 and an estimate of normalized average short-term debt.
- D/ Primarily due to the loss of bonus depreciation in 2018 in accordance with the tax reform act. The Company did incorporate the allowance of 50% in 2018 bonus depreciation for property acquired prior to September 2017. The loss of bonus depreciation in 2018 resulted in a lower tax to book difference in depreciation expense of approximately \$38 million.
- E/ This increase is primarily related to the corrections identified and discussed in the Company's response to OPC ROG 1-14. The Company also included for the correction to the common plant allocations identified in its response to OPC ROG 1-21 and POD 2-44.
- F/ Decrease in depreciation expense associated with the common plant allocation corrections identified in OPC ROG 1-21 and POD 2-44.
- G/ Adjustment to correct income taxes on other income which were eliminated twice in the original filing
- H/ Other - primarily related to interest synchronization associated with the changes in cost of capital described above. The calculations for C/ and D/ were strictly based on the change in the cost of capital and did not take into account the impact on interest expense and resulting decrease in income taxes.

FLORIDA GAS  
Projected Test Year (2018)  
20170179-GU  
Summary of Changes from Original Filing

OPC R 175

Line No.		Revised (1)	As Filed (2)	\$ Variance (3) = (1) - (2)	Percentage Change (4) = (3) / (2)	Description of Change
	OPERATING REVENUE:					
1	OPERATING REVENUES	53,847,331	53,847,331	-	0.00%	
2	OPERATING EXPENSES:	53,847,331	53,847,331	-	0.00%	
3	COST OF GAS	-	0	(0)		
4	OPERATION & MAINTENANCE	22,903,906	22,903,906	-	0.00%	
5	DEPRECIATION & AMORTIZATION	16,591,718	16,603,266	(11,548)	-0.07%	This reflects the correction of the the common plant allocations identified in its response to OPC ROG 1-21 and POD 2-44. Specifically, the change in the shared use percentages.
6	REVENUE RELATED TAXES	-	-	-		
7	TAXES OTHER THAN INCOME	2,900,349	2,900,349	-	0.00%	
8	INCOME TAXES FEDERAL	(226,072)	(411,190)	185,118	-81.88%	
9	INCOME TAXES - STATE	(62,656)	(68,377)	5,721	-9.13%	
10	DEFERRED TAXES - FEDERAL	542,262	2,254,069	(1,711,807)	-315.68%	The changes are primarily due to the following: change in federal income tax rate from 35% to 21%, and the amortization of excess deferred taxes for protected and non-protected EDIT.
11	DEFERRED TAXES - STATE	374,377	374,826	(449)	-0.12%	
12	INVESTMENT TAX CREDITS	-	-	-		
13	TOTAL OPERATING EXPENSES	43,023,884	44,556,849	(1,532,965)	-3.56%	
14	NET OPERATING INCOME	\$ 10,823,447	\$ 9,290,482	\$ 1,532,965	14.16%	
15	UTILITY PLANT					
16	GAS PLANT IN SERVICE	429,446,193	429,446,193	-	0.00%	
						This reflects the correction of the the common plant allocations identified in its response to OPC ROG 1-21 and POD 2-44. Specifically, the change in the shared use percentages.
17	COMMON PLANT ALLOCATED	4,771,619	4,959,263	(187,644)	-3.93%	
18	ACQUISITION ADJUSTMENT	21,656,835	21,656,835	-	0.00%	
19	CONSTRUCTION WORK IN PROGRESS	30,962,948	30,962,948	-	0.00%	
20	TOTAL PLANT	486,837,595	487,025,239	(187,644)	-0.04%	
21	DEDUCTIONS					
22	ACCUMULATED DEPRECIATION - UTILITY PLANT	177,918,948	177,918,948	-	0.00%	
23	ACCUMULATED AMORTIZATION - ACQUISITION ADJUSTMENT	9,865,892	9,865,892	-	0.00%	
24		-	-	-		
						This reflects the correction of the the common plant allocations identified in its response to OPC ROG 1-21 and POD 2-44. Specifically, the change in the shared use percentages.
25	ACCUMULATED DEPRECIATION - COMMON PLANT ALLOCATED	884,678	918,036	(33,360)	-3.77%	
26	TOTAL DEDUCTIONS	188,669,518	188,702,879	(33,360)	-0.02%	
27	UTILITY PLANT, NET	298,168,077	298,322,361	(154,284)	-0.05%	
28	ALLOWANCE FOR WORKING CAPITAL	-	-	-		
						This is primarily due to the items mentioned in Tickmark B, as well as reclassifications, corrections, and adjustments that were identified in OPC ROG 1-14.
29	BALANCE SHEET METHOD	5,048,873	955,790	4,093,083	81.07%	
30	TOTAL RATE BASE	303,216,950	299,278,151	3,938,799	1.30%	
31	NET OPERATING INCOME	10,823,449	9,290,482	1,532,967	14.16%	
32	RATE OF RETURN	3.57%	3.10%	0.47%	13.03%	
33						

FLORIDA GAS  
Projected Test Year (2018)  
20170179-GU  
Summary of Changes from Original Filing

OPC No. 175

Line No.	Revised (1)	As Filed (2)	\$ Variance (3) = (1) - (2)	Percentage Change (4) = (3) / (2)	Description of Change
34					
35	1.3522	1.6434	-0.2912	-21.54%	Change in Revenue Expansion Factor
36					
37					
38	<u>Rate Base</u>	<u>Reference</u>			
39					
40	3,938,799	Column 3, Line 30			Increase (Decrease) in Rate Base
41	5.58%	Schedule G3-2			After Tax Weighted Average Cost of Capital
42	1.6434	Schedule G3-2			Revenue Expansion Factor
43	360,969				Increase (Decrease) in Rate Base - Revenue Requirement (Line 40 x Line 41 x Line 42)
44					
45					
46	12,306,700	Schedule G5			Revised Revenue Deficiency
47	15,791,812	Schedule G5			As Filed Revenue Deficiency
48	<u>(3,485,112)</u>	Line 46 - Line 47			Change in Revenue Deficiency
49					
50	<u>Income Taxes</u>				
51					
52	6,729,058	Schedule G2-5			Taxable Income
53					
54	38.575%	WP Tax Rate			Effective Tax Rate utilized in the filing
55	25.345%	WP Tax Rate			Newly Adopted Effective Tax Rate
56	<u>13.230%</u>				Decrease in Effective Tax Rate
57					
58	(890,254)	Line 52 x Line 56			Decrease in Taxes Current Period
59	(1,016,422)	Excess Deferred Income Taxes			Amortization of Excess Deferreds - Protected
60	207,864	Excess Deferred Income Taxes			Amortization of Excess Deferred - Non-Protected
61	<u>(808,558)</u>	Line 59 + Line 60			Total Excess Deferred
62	<u>(1,698,813)</u>	Line 58 + Line 61			Total Rate Change and Amortization of Excess Deferred
63	2,628,895	Column 2, Line 10 + Line 11			As Filed Income Taxes
64	916,639	Column 1, Line 10 + Line 11			Revised Income Taxes
65	1,712,256	Line 63 - Line 64			Difference
66	1,698,813	Line 62			Total Rate Change and Amortization of Excess Deferred
67	<u>13,443</u>	Line 65 - Line 66			Other, net
68					
69	1,725,198	Line 61 - Line 64			Income Tax Excluding Excess Deferred Amortization
70					
71	25.638%	Line 69 / Line 52			Line 56 / Line 39
72	25.345%	Line 55			Newly Adopted Effective Tax Rate
73	0.293%	Line 71 - Line 72			Difference
74					
75	19,718	Line 52 x Line 73			Line 60 x Line 39
76	77,799	Schedule G2-33			Permanent Difference
77	25.345%	Line 55			Newly Adopted Effective Tax Rate
78	19,718	Line 76 x Line 77			Recalculated Tax Effect Permanent Difference
79					
80		(0) Line 75 - Line 78			Reconciled Difference

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE CALCULATING A 13-MONTH AVERAGE  
RATE BASE FOR THE HISTORIC BASE YEAR, THE HISTORIC BASE YEAR  
PLUS ONE, AND THE PROJECTED TEST YEAR.

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR DATA: 12/31/16  
HISTORIC BASE YEAR + 1: 12/31/17  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. J. MORLEY

OPC ROG 8.175

LINE		Historical Base Year (2016)			Historical Base Year + 1 (2017)			Projected Test Year (2018)		
		Average Unadjusted	Company Adjustments	Average Adjusted	Average Unadjusted	Average Unadjusted	Company Adjustments	Average Adjusted		
<u>NO.</u>	<u>UTILITY PLANT</u>									
1	GAS PLANT IN SERVICE	\$ 349,296,103	\$ -	\$ 349,296,103	\$ 386,099,215	\$ 429,446,193	\$ -	\$ 429,446,193		
2	COMMON PLANT ALLOCATED	-	5,699,518	5,699,518	-	-	4,771,619	4,771,619		
3	ACQUISITION ADJUSTMENT	21,656,835	-	21,656,835	21,656,835	21,656,835	-	21,656,835		
4	CONSTRUCTION WORK IN PROGRESS	18,865,897	-	18,865,897	10,506,270	30,962,948	-	30,962,948		
5	TOTAL PLANT	389,818,835	5,699,518	395,518,353	418,262,320	482,065,976	4,771,619	486,837,595		
6	DEDUCTIONS									
7	ACCUMULATED DEPRECIATION - UTILITY PLANT	165,526,525	-	165,526,525	171,616,565	178,170,204	(251,256)	177,918,948		
8	ACCUMULATED AMORTIZATION - ACQUISITION ADJUSTMENT	8,422,103	-	8,422,103	9,143,998	9,865,892	-	9,865,892		
9		-	-	-	-	-	-	-		
10	ACCUMULATED DEPRECIATION - COMMON PLANT ALLOCATED	-	2,132,483	2,132,483	-	-	884,678	884,678		
11	TOTAL DEDUCTIONS	173,948,628	2,132,483	176,081,111	180,760,563	188,036,096	633,422	188,669,518		
12	UTILITY PLANT, NET	215,870,207	3,567,036	219,437,243	237,501,757	294,029,880	4,138,197	298,168,077		
13	<u>ALLOWANCE FOR WORKING CAPITAL</u>									
14	BALANCE SHEET METHOD	(47,135,552)	42,277,545	(4,858,007)	(50,185,844)	(83,092,157)	88,141,030	5,048,873		
15	TOTAL RATE BASE	\$ 168,734,655	\$ 45,844,581	\$ 214,579,236	\$ 187,315,913	\$ 210,937,723	\$ 92,279,227	\$ 303,216,950		
16	NET OPERATING INCOME	\$ 10,188,838	\$ (601,706)	\$ 9,587,132	\$ 11,266,284	\$ 11,113,417	\$ (289,970)	\$ 10,823,447		
17	RATE OF RETURN	6.04%		4.47%	6.01%	5.27%		3.57%		

SUPPORTING SCHEDULES: B-2 p 1, G-1 pp 3, 4, G-2 p 1, G-5

RECAP SCHEDULES: A-3, G-5



COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

EXPLANATION: PROVIDE A SCHEDULE CALCULATING A 13-MONTH AVERAGE WORKING CAPITAL FOR THE HISTORIC BASE YEAR, THE HISTORIC BASE YEAR + 1, AND THE PROJECTED TEST YEAR.

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR DATA: 12/31/16  
HISTORIC BASE YEAR + 1: 12/31/17  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. J. MORLEY

OPC ROG 8-175		Historical Base Year (2016)			Historical Base Year + 1 (2017)	Projected Test Year (2018)			DESCRIPTION OF ADJUSTMENT
Line No.	Description	Average Unadjusted	Company Adjustments	Average Adjusted	Average Unadjusted	Average Unadjusted	Company Adjustments	Average Adjusted	
<u>CURRENT LIABILITIES</u>									
1	ACCOUNTS PAYABLE	2,453,804	-	2,453,804	2,586,545	2,249,325	-	2,249,325	
2	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	16,341,327	(16,341,327)	-	23,112,269	54,804,462	(54,804,462)	-	COMPONENT OF CAPITAL STRUCTURE
3	CUSTOMER DEPOSITS	3,901,581	(3,901,581)	-	3,872,729	3,888,281	(3,888,281)	-	COMPONENT OF CAPITAL STRUCTURE
4	TAXES ACCRUED - GENERAL	4,689,227	-	4,689,227	3,999,449	1,503,657	-	1,503,657	
5	INTEREST ACCRUED	667,661	-	667,661	158,085	96,389	-	96,389	
6	TAX COLLECTIONS PAYABLE	819,401	-	819,401	842,311	810,246	-	810,246	
7	MISCELLANEOUS CURRENT LIABILITIES	129,685	-	129,685	125,678	128,231	-	128,231	
8	TOTAL CURRENT LIABILITIES	29,002,686	(20,242,908)	8,759,778	34,696,966	63,480,591	(58,692,743)	4,787,848	
<u>DEFERRED CREDITS &amp; OPERATING RESERVES</u>									
9	ACCUMULATD PROVISION FOR PENSION AND BENEFITS	5,101,346	-	5,101,346	1,056,807	(1,125,913)	-	(1,125,913)	
10	ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	81,770	-	81,770	73,627	78,494	100,000	178,494	STORM DAMAGE RESERVE
11	OTHER REGULATORY LIABILITIES (1)	2,620,216	646,693	3,266,909	5,225,575	27,088,418	(22,878,036)	4,210,382	COMPONENT OF CAPITAL STRUCTURE, DEFERRED CRA
12	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	6	(6)	-	-	-	-	-	
13	ACCUMULATED DEFERRED INCOME TAXES	36,484,305	(36,484,305)	-	36,312,793	20,955,259	(20,955,259)	-	COMPONENT OF CAPITAL STRUCTURE
14	TOTAL DEFERRED CREDITS & OPERATING RESERVES	44,287,643	(35,837,618)	8,450,025	42,668,802	46,996,258	(43,733,295)	3,262,963	
15	TOTAL LIABILITIES	73,290,329	(56,080,526)	17,209,803	77,365,766	110,476,849	(102,426,038)	8,050,811	
16	NET WORKING CAPITAL	(47,135,552)	42,277,545	(4,858,007)	(50,185,844)	(83,092,157)	88,141,030	5,048,873	

(1) This includes the reclass of Regulatory Tax Liability (Internal GL 259999) of \$23,688,685 from Other Regulatory Liabilities to ADIT. (23,688,685)

## SCHEDULE G-1

## RATE BASE ADJUSTMENTS

PAGE 4 OF 28

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: LIST AND EXPLAIN ALL PROPOSED ADJUSTMENT TO THE 13-MONTH RATE BASE

TYPE OF DATA SHOWN:

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

PROJECTED TEST YEAR: 12/31/18

WITNESS: M. J. MORLEY

DOCKET NO. 20170179-GU OPC ROG 8-175

ADJ. NO.	ADJUSTMENT TITLE	REASON FOR ADJUSTMENT	ADJUSTMENT AMOUNT	NON-UTILITY AMOUNT	REGULATED AMOUNT
1	COMMON PLANT ALLOCATED				
2	COMMON PLANT	TO REMOVE COMMON PLANT ALLOCATION	(311,978)	(311,978)	0
3	AGSC ALLOCATION	TO ADD CORPORATE ALLOCATION	5,083,597	0	5,083,597
4		TOTAL	4,771,619	(311,978)	5,083,597
5					
6	PLANT IN SERVICE	TO ADJUST PLANT IN SERVICE FOR FULL YEAR OF LNG PLANT	0	0	0
7			0	0	0
8			0	0	0
9			0	0	0
10		TOTAL	0	0	0
11	ACCUM. DEPRECIATION- COMMON PLANT				0
12	ACCUM. DEPREC. - COMMON PLANT	TO REMOVE COMMON PLANT ALLOCATION	(59,544)	(59,544)	0
		TO ADJUST ACCUMULATED DEPRECIATION FOR PROPOSED DEPRECIATION RATES	(251,256)		(251,256)
	ACCUM. DEPREC. - LNG PLANT	TO ADJUST ACCUMULATED DEPRECIATION FOR LNG PLANT	0		0
13	ACCUM. DEPREC. - NUI COMMON PLANT	TO INCLUDE ALLOCABLE CORPORATE OFFICE ACCUMULATED DEPRECIATION	944,221	-	944,221
14		TOTAL	633,422	(59,544)	692,965
15					
16	CWIP	TO ADJUST CWIP FOR FULL YEAR OF LNG PLANT	0	0	0
17			0		
18			0	0	0
19		TOTAL	0	0	0
20	ALLOWANCE FOR WORKING CAPITAL	ALLOWANCE FOR WORKING CAPITAL			
21	(SEE SCHEDULE G-1, PAGES 2 AND 3, FOR DETAIL)	(SEE SCHEDULE G-1-3 FOR DETAIL)	88,141,030	0	88,141,030
22	TOTAL RATE BASE ADJUSTMENTS	TOTAL RATE BASE ADJUSTMENTS	92,279,227	(252,435)	92,531,662

SUPPORTING SCHEDULES: G1 p 18

RECAP SCHEDULES: E-6, G-1 pp. 1 &amp; 3

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GUEXPLANATION: PROVIDE A SCHEDULE CALCULATING A 13-MONTH AVERAGE BALANCE SHEET  
FOR THE HISTORIC BASE YEAR + 1TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR + 1 12/31/17  
WITNESS: M. J. MORLEY

Line No	Assets	DEC-16	JAN-17	FEB-17	MAR-17	APR-17	MAY-17	JUN-17	JUL-17	AUG-17	SEP-17	OCT-17	NOV-17	DEC-17	13 Month Average	Reference
1	UTILITY PLANT IN SERVICE	367,505,552	369,629,179	371,852,332	375,156,333	376,807,246	380,739,116	385,884,063	389,080,816	395,166,719	402,898,339	399,890,841	402,256,036	404,623,245	386,099,215	RATE BASE
2	CONSTRUCTION WORK IN PROGRESS	13,957,395	13,658,592	14,177,874	12,391,545	13,399,719	12,536,213	10,099,449	10,069,449	10,069,449	6,424,487	6,424,487	6,424,487	6,424,487	10,595,270	RATE BASE
3	ACQUISITION ADJUSTMENT	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	RATE BASE
4	ACCUM. PROV. FOR DEPR. AMORT., DEPL. & ACQ. ADJ.	(177,571,717)	(178,531,743)	(179,428,971)	(180,285,729)	(181,175,452)	(181,891,105)	(182,877,549)	(181,308,637)	(182,339,483)	(183,056,200)	(179,155,054)	(180,230,320)	(181,340,217)	(180,760,593)	RATE BASE
5	<b>NET PLANT UTILITY</b>	<b>225,547,975</b>	<b>226,611,834</b>	<b>228,058,040</b>	<b>228,914,991</b>	<b>230,595,348</b>	<b>232,341,000</b>	<b>234,749,799</b>	<b>236,514,404</b>	<b>245,579,515</b>	<b>247,323,455</b>	<b>248,817,100</b>	<b>250,107,038</b>	<b>251,362,352</b>	<b>237,501,758</b>	
6	NONUTILITY PROPERTY	185,929	185,929	185,929	185,929	185,929	185,929	185,929	185,929	-	-	-	-	-	100,115	WORKING CAP
7	ACCUM. PROV. FOR DEPR. AMORT., DEPL. & ACQ. ADJ.	(116,476)	(116,959)	(117,442)	(117,925)	(118,408)	(118,891)	(119,374)	-	-	-	-	-	-	(53,498)	WORKING CAP
8	<b>TOTAL OTHER PROPERTY AND INVESTMENTS</b>	<b>69,453</b>	<b>68,970</b>	<b>68,487</b>	<b>68,004</b>	<b>67,521</b>	<b>67,038</b>	<b>66,555</b>	-	-	-	-	-	-	<b>36,616</b>	
9	CASH	-	-	-	-	-	6,023	68	-	-	-	-	-	-	459	WORKING CAP
10	CUSTOMER ACCOUNTS RECEIVABLE	8,190,267	9,169,646	9,551,332	8,270,222	8,793,468	7,266,614	6,842,917	9,352,929	9,357,048	9,333,720	9,584,950	11,022,446	11,830,033	8,887,045	WORKING CAP
11	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CREDIT	(614,248)	(620,920)	(612,435)	(648,592)	(655,275)	(667,472)	(679,955)	(652,642)	(699,761)	(707,381)	(714,252)	(720,328)	(722,285)	(675,055)	WORKING CAP
12	OTHER ACCOUNTS RECEIVABLE	81,619	90,329	349,036	434,233	449,596	367,051	416,127	330,180	344,852	341,393	429,211	304,123	357,773	330,344	WORKING CAP
13	ACCOUNTS RECEIVABLE ASSOCIATED COMPANIES	-	-	(3,312)	-	-	(3,312)	-	0	-	-	-	-	-	(510)	WORKING CAP
14	GAS STORED UNDERGROUND & LUG STORED	283,785	240,766	129,552	59,994	192,396	280,767	303,630	392,178	390,494	402,507	416,928	382,357	332,662	288,383	WORKING CAP
15	PLANT MATERIAL AND OPERATING SUPPLIES	29,349	29,272	28,798	27,605	25,702	16,572	16,572	30,450	30,118	29,775	29,434	29,082	28,750	27,138	WORKING CAP
16	PREPAYMENTS	3,197,484	3,237,782	2,952,235	2,095,458	1,631,583	1,125,934	1,129,920	1,068,187	1,104,840	1,037,142	1,268,742	1,221,045	1,153,346	1,710,977	WORKING CAP
17	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>11,168,287</b>	<b>12,137,974</b>	<b>11,372,233</b>	<b>10,238,904</b>	<b>10,375,248</b>	<b>8,395,920</b>	<b>8,035,279</b>	<b>9,461,302</b>	<b>9,537,382</b>	<b>10,437,137</b>	<b>11,035,014</b>	<b>12,239,744</b>	<b>12,951,282</b>	<b>10,568,792</b>	
18	OTHER REGULATORY ASSETS	16,890,818	16,892,137	16,870,320	16,396,522	16,283,384	16,244,565	16,294,563	16,345,043	16,490,386	16,595,859	16,811,353	17,106,421	17,115,837	16,574,516	WORKING CAP
19	MISC. DEFERRED DEBITS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	WORKING CAP
20	UNAMORTIZED LOS. ON REACQUIRED DEBT	1,072,384	1,068,852	1,049,321	1,037,790	1,025,259	1,014,728	1,003,197	991,565	980,154	958,603	957,072	945,641	934,010	1,003,197	CAP. STRUCTURE
21	<b>ACCUMULATED DEFERRED INCOME TAXES</b>	<b>2,991,974</b>	<b>2,619,854</b>	<b>2,889,545</b>	<b>2,485,633</b>	<b>2,493,513</b>	<b>2,501,237</b>	<b>2,556,331</b>	<b>2,707,745</b>	<b>2,859,160</b>	<b>3,010,574</b>	<b>3,161,980</b>	<b>3,313,403</b>	<b>3,464,818</b>	<b>2,827,449</b>	WORKING CAP
22	UNAMORTIZED DEBT EXPENSE	123,663	122,334	121,004	119,674	118,345	117,015	115,685	114,355	113,026	111,696	110,356	109,037	107,707	115,685	CAP. STRUCTURE
23	UNRECOVERED PURCHASED GAS COST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	WORKING CAP
24	<b>TOTAL DEFERRED DEBITS</b>	<b>20,788,540</b>	<b>20,346,177</b>	<b>20,390,191</b>	<b>20,035,680</b>	<b>19,922,101</b>	<b>19,877,545</b>	<b>19,929,776</b>	<b>20,158,810</b>	<b>20,443,306</b>	<b>20,676,733</b>	<b>21,101,380</b>	<b>21,474,402</b>	<b>21,622,372</b>	<b>20,520,847</b>	
25	<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>267,574,236</b>	<b>259,164,955</b>	<b>259,888,952</b>	<b>259,251,579</b>	<b>260,860,218</b>	<b>261,681,102</b>	<b>262,781,409</b>	<b>266,154,516</b>	<b>275,550,213</b>	<b>278,437,325</b>	<b>280,953,494</b>	<b>283,820,185</b>	<b>285,936,005</b>	<b>268,628,015</b>	



SCHEDULE 1 FLORIDA PUBLIC SERVICE COMMISSION		CALCULATION OF THE PROJECTED TEST YEAR BALANCE SHEET												PAGE 6 OF 26 TEST YEAR BALANCE SHEET HISTORIC BASE YEAR 1 WITNESS: M J WOLFLEY	
COMPANY FLORIDA PUBLIC SERVICE		EVALUATION PROVIDED SCHEDULE CALCULATING A 12-MONTH AVERAGE BALANCE SHEET FOR THE HISTORIC BASE YEAR 1												TEST YEAR 12/31/17	
DOCKET NO.	2017/2018	DOCKET NO. 2017/2018												12-MONTH AVERAGE	
Line No.	CONTRACT CHGS AND LIABILITIES	DOCT-16	JAN-17	FEB-17	MAR-17	APR-17	MAY-17	JUN-17	JUL-17	AUG-17	SEP-17	OCT-17	NOV-17	DEC-17	12-MONTH AVERAGE
1	OTHER PAID CAPITAL	(69,637,411)	(69,637,411)	(69,637,411)	(69,637,411)	(69,637,411)	(69,637,411)	(69,637,411)	(69,637,411)	(69,637,411)	(69,637,411)	(69,637,411)	(69,637,411)	(69,637,411)	(69,637,411)
2	RETAINED EARNINGS	(27,962,980)	(27,962,980)	(27,962,980)	(27,962,980)	(27,962,980)	(27,962,980)	(27,962,980)	(27,962,980)	(27,962,980)	(27,962,980)	(27,962,980)	(27,962,980)	(27,962,980)	(27,962,980)
3	ACCUMULATED OTHER COMPREHENSIVE INCOME	2,987,795	2,987,795	2,987,795	2,987,795	2,987,795	2,987,795	2,987,795	2,987,795	2,987,795	2,987,795	2,987,795	2,987,795	2,987,795	2,987,795
4	TOTAL PROPRIETARY CAPITAL	(83,132,603)	(83,132,603)	(83,132,603)	(83,132,603)	(83,132,603)	(83,132,603)	(83,132,603)	(83,132,603)	(83,132,603)	(83,132,603)	(83,132,603)	(83,132,603)	(83,132,603)	(83,132,603)
5	BONDS	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)	(29,000,000)
6	ADVANCES FROM ASSOCIATED COMPANIES	(81,412,249)	(81,412,249)	(81,412,249)	(81,412,249)	(81,412,249)	(81,412,249)	(81,412,249)	(81,412,249)	(81,412,249)	(81,412,249)	(81,412,249)	(81,412,249)	(81,412,249)	(81,412,249)
7	TOTAL LONG TERM DEBT	(109,412,249)	(109,412,249)	(109,412,249)	(109,412,249)	(109,412,249)	(109,412,249)	(109,412,249)	(109,412,249)	(109,412,249)	(109,412,249)	(109,412,249)	(109,412,249)	(109,412,249)	(109,412,249)
8	ACCUMULATED PROVISION FOR DEFERRED INCOME TAX	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)
9	ACCUMULATED DEFERRED INCOME TAX	(81,110)	(81,110)	(81,110)	(81,110)	(81,110)	(81,110)	(81,110)	(81,110)	(81,110)	(81,110)	(81,110)	(81,110)	(81,110)	(81,110)
10	TOTAL OTHER NONCURRENT LIABILITIES	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)	(3,985,400)
11	OTHER REGULATORY LIABILITIES	(2,024,418)	(2,024,418)	(2,024,418)	(2,024,418)	(2,024,418)	(2,024,418)	(2,024,418)	(2,024,418)	(2,024,418)	(2,024,418)	(2,024,418)	(2,024,418)	(2,024,418)	(2,024,418)
12	ACCUMULATED DEFERRED INCOME TAX	(4,008,518)	(4,008,518)	(4,008,518)	(4,008,518)	(4,008,518)	(4,008,518)	(4,008,518)	(4,008,518)	(4,008,518)	(4,008,518)	(4,008,518)	(4,008,518)	(4,008,518)	(4,008,518)
13	TOTAL DEFERRED CREDITS	(44,873,436)	(44,873,436)	(44,873,436)	(44,873,436)	(44,873,436)	(44,873,436)	(44,873,436)	(44,873,436)	(44,873,436)	(44,873,436)	(44,873,436)	(44,873,436)	(44,873,436)	(44,873,436)
14	ACCOUNTS PAYABLE	(1,004,799)	(1,004,799)	(1,004,799)	(1,004,799)	(1,004,799)	(1,004,799)	(1,004,799)	(1,004,799)	(1,004,799)	(1,004,799)	(1,004,799)	(1,004,799)	(1,004,799)	(1,004,799)
15	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(11,570,121)	(11,570,121)	(11,570,121)	(11,570,121)	(11,570,121)	(11,570,121)	(11,570,121)	(11,570,121)	(11,570,121)	(11,570,121)	(11,570,121)	(11,570,121)	(11,570,121)	(11,570,121)
16	CUSTOMER DEPOSITS	(3,884,782)	(3,884,782)	(3,884,782)	(3,884,782)	(3,884,782)	(3,884,782)	(3,884,782)	(3,884,782)	(3,884,782)	(3,884,782)	(3,884,782)	(3,884,782)	(3,884,782)	(3,884,782)
17	TAXES PAID	(4,535,429)	(4,535,429)	(4,535,429)	(4,535,429)	(4,535,429)	(4,535,429)	(4,535,429)	(4,535,429)	(4,535,429)	(4,535,429)	(4,535,429)	(4,535,429)	(4,535,429)	(4,535,429)
18	INTEREST ACCRUED	(274,698)	(274,698)	(274,698)	(274,698)	(274,698)	(274,698)	(274,698)	(274,698)	(274,698)	(274,698)	(274,698)	(274,698)	(274,698)	(274,698)
19	TAX COLLECTORS PAYABLE	(805,588)	(805,588)	(805,588)	(805,588)	(805,588)	(805,588)	(805,588)	(805,588)	(805,588)	(805,588)	(805,588)	(805,588)	(805,588)	(805,588)
20	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(134,211)	(134,211)	(134,211)	(134,211)	(134,211)	(134,211)	(134,211)	(134,211)	(134,211)	(134,211)	(134,211)	(134,211)	(134,211)	(134,211)
21	TOTAL CURRENT AND ACCRUED LIABILITIES	(24,393,249)	(24,393,249)	(24,393,249)	(24,393,249)	(24,393,249)	(24,393,249)	(24,393,249)	(24,393,249)	(24,393,249)	(24,393,249)	(24,393,249)	(24,393,249)	(24,393,249)	(24,393,249)
22	TOTAL LIABILITIES AND OTHER CREDITS	(231,812,239)	(231,812,239)	(231,812,239)	(231,812,239)	(231,812,239)	(231,812,239)	(231,812,239)	(231,812,239)	(231,812,239)	(231,812,239)	(231,812,239)	(231,812,239)	(231,812,239)	(231,812,239)

CALCULATION OF THE PROJECTED TEST YEAR - BALANCE SHEET

EXPLANATION: I PROVIDE A SCHEDULE CALCULATING A 13-MONTH AVERAGE BALANCE SHEET FOR THE PROJECTED TEST YEAR

Line No.	Assets	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	JUL-18	AUG-18	SEP-18	OCT-18	NOV-18	DEC-18	13 Month Average	Reference
1	UTILITY PLANT IN SERVICE	404,622,245	407,486,763	410,662,791	414,570,802	416,502,435	422,591,051	426,122,244	429,415,063	432,414,696	435,633,234	438,324,373	440,811,636	501,642,111	420,446,193	RATE BASE
2	CONSTRUCTION WORK IN PROGRESS	6,424,487	11,257,620	16,091,153	20,924,487	25,757,820	30,591,153	35,424,487	40,257,820	45,091,153	49,924,487	54,757,820	59,591,153	6,424,487	30,540,948	RATE BASE
3	ACQUISITION ADJUSTMENT	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	21,656,835	RATE BASE
4	ACCUM. PROV. FOR DEPR. AMORT., DEPL. & ACQ. ADJ.	(181,342,217)	(182,420,817)	(183,508,352)	(184,605,750)	(185,714,403)	(186,834,353)	(187,965,750)	(189,107,609)	(190,258,470)	(191,418,147)	(192,586,334)	(193,761,517)	(194,945,582)	(186,036,096)	RATE BASE
5	<b>NET PLANT UTILITY</b>	<b>251,362,392</b>	<b>257,399,602</b>	<b>264,906,391</b>	<b>271,249,434</b>	<b>276,202,687</b>	<b>285,004,611</b>	<b>295,231,801</b>	<b>302,222,110</b>	<b>308,904,215</b>	<b>315,195,408</b>	<b>322,192,795</b>	<b>329,296,108</b>	<b>334,111,851</b>	<b>294,029,980</b>	
6	NONUTILITY PROPERTY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	WORKING CAP
7	ACCUM. PROV. FOR DEPR. AMORT., DEPL. & ACQ. ADJ.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	WORKING CAP
8	<b>TOTAL OTHER PROPERTY AND INVESTMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
9	CASH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	WORKING CAP
10	CUSTOMER ACCOUNTS RECEIVABLE	11,830,030	10,900,849	10,140,246	9,711,740	9,521,792	8,882,598	8,289,570	7,580,486	6,906,460	7,685,741	8,334,107	8,358,649	9,749,830	9,190,169	WORKING CAP
11	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CREDIT	(722,285)	(714,253)	(712,780)	(712,794)	(707,781)	(702,011)	(702,302)	(704,789)	(696,398)	(699,398)	(704,072)	(704,086)	(703,686)	(706,765)	WORKING CAP
12	OTHER ACCOUNTS RECEIVABLE	357,779	374,143	327,872	416,135	426,526	343,892	327,169	36,862	61,742	65,008	159,697	89,462	112,327	238,401	WORKING CAP
13	ACCOUNTS RECEIVABLE ASSOCIATED COMPANIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	WORKING CAP
14	GAS STORED UNDERGROUND & LUG STORED	303,662	207,664	123,754	63,233	126,816	258,382	258,975	341,234	364,050	366,812	387,370	341,336	271,420	263,579	WORKING CAP
15	PLANT MATERIAL AND OPERATING SUPPLIES	38,750	38,406	28,066	27,724	37,382	37,060	26,696	26,356	26,014	25,872	25,330	24,688	24,686	26,696	WORKING CAP
16	PREPAYMENTS	1,152,449	1,144,880	1,075,181	1,007,453	946,750	1,179,052	1,127,952	1,113,214	1,103,876	1,039,112	987,778	820,392	1,124,356	1,177,450	WORKING CAP
17	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>12,951,282</b>	<b>11,959,111</b>	<b>11,082,435</b>	<b>10,523,922</b>	<b>10,341,485</b>	<b>9,381,052</b>	<b>8,328,064</b>	<b>8,431,723</b>	<b>7,705,143</b>	<b>8,480,410</b>	<b>9,189,810</b>	<b>10,029,926</b>	<b>10,806,719</b>	<b>10,089,352</b>	
18	OTHER REGULATORY ASSETS	17,115,637	17,062,450	17,173,874	17,114,839	17,209,716	17,223,730	17,293,695	17,381,392	17,408,475	17,433,537	17,467,015	17,493,026	17,431,533	17,295,340	WORKING CAP
19	MSC DEFERRED DEBITS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	WORKING CAP
20	UNAMORTIZED LOSS ON REACQUIRED DEBT	934,010	922,479	910,918	899,417	887,865	876,354	864,823	853,292	841,761	830,230	818,699	807,167	795,636	664,823	CAP. STRUCTURE
21	<b>ACCUMULATED DEFERRED INCOME TAXES</b>	<b>3,469,815</b>	<b>3,469,821</b>	<b>3,474,824</b>	<b>3,479,826</b>	<b>3,484,829</b>	<b>3,489,832</b>	<b>3,494,835</b>	<b>3,499,838</b>	<b>3,504,841</b>	<b>3,509,844</b>	<b>3,514,847</b>	<b>3,519,849</b>	<b>3,524,852</b>	<b>3,494,835</b>	WORKING CAP
22	UNAMORTIZED DEBT EXPENSE	107,707	106,377	105,047	103,718	102,388	101,058	99,729	98,399	97,069	95,739	94,410	93,080	91,750	99,729	CAP. STRUCTURE
23	UNRECOVERED PURCHASED GAS COST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	WORKING CAP
24	<b>TOTAL DEFERRED DEBITS</b>	<b>21,622,372</b>	<b>21,561,127</b>	<b>21,664,693</b>	<b>21,657,800</b>	<b>21,684,819</b>	<b>21,690,974</b>	<b>21,753,082</b>	<b>21,832,921</b>	<b>21,852,146</b>	<b>21,869,650</b>	<b>21,884,970</b>	<b>21,913,123</b>	<b>21,813,771</b>	<b>21,754,727</b>	
25	<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>285,936,005</b>	<b>291,481,439</b>	<b>296,149,426</b>	<b>304,737,756</b>	<b>312,226,991</b>	<b>319,676,703</b>	<b>326,318,953</b>	<b>332,486,754</b>	<b>336,622,104</b>	<b>346,146,468</b>	<b>353,237,375</b>	<b>360,241,156</b>	<b>367,198,341</b>	<b>325,873,959</b>	

COMPANY PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU

EXPLANATION: PROVIDE A SCHEDULE CALCULATING A 13-MONTH AVERAGE BALANCE SHEET  
FOR THE PROJECTED TEST YEAR

TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR 12/31/18  
WITNESS: M. J. MORLEY

LINE NO.	Capitalization and Liabilities	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	JUL-18	AUG-18	SEP-18	OCT-18	NOV-18	DEC-18	13 Month Average	Reference
1	OTHER PAID-IN CAPITAL	(79,340,289)	(79,340,289)	(79,340,289)	(79,340,289)	(79,340,289)	(79,340,289)	(79,340,289)	(79,340,289)	(79,340,289)	(79,340,289)	(79,340,289)	(79,340,289)	(79,340,289)	(83,129,845)	CAP. STRUCTURE
2	RETAINED EARNINGS	(28,047,738)	(27,079,961)	(26,446,280)	(24,406,102)	(23,906,359)	(23,593,202)	(24,814,756)	(24,595,174)	(24,343,496)	(24,695,665)	(24,456,499)	(23,951,294)	(22,930,155)	(24,858,975)	CAP. STRUCTURE
3	ACCUMULATED OTHER COMPREHENSIVE INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	CAP. STRUCTURE
4	TOTAL PROPRIETARY CAPITAL	(107,388,027)	(106,420,250)	(105,786,569)	(103,746,391)	(103,246,648)	(102,933,491)	(104,155,044)	(103,935,463)	(103,683,785)	(104,035,955)	(103,796,788)	(103,291,582)	(151,295,732)	(107,985,825)	
5	BONDS	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	CAP. STRUCTURE
6	ADVANCES FROM ASSOCIATED COMPANIES	(81,029,697)	(81,029,697)	(81,029,697)	(81,029,697)	(81,029,697)	(81,029,697)	(81,029,697)	(81,029,697)	(81,029,697)	(81,029,697)	(81,029,697)	(81,029,697)	(81,029,697)	(83,918,451)	CAP. STRUCTURE
7	TOTAL LONG TERM DEBT	(101,029,697)	(101,029,697)	(101,029,697)	(101,029,697)	(101,029,697)	(101,029,697)	(101,029,697)	(101,029,697)	(101,029,697)	(101,029,697)	(101,029,697)	(101,029,697)	(101,029,697)	(103,918,451)	
8	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	1,172,147	1,164,441	1,156,735	1,149,030	1,141,324	1,133,619	1,125,913	1,118,207	1,110,501	1,102,796	1,095,091	1,087,385	1,079,680	1,125,412	WORKING CAP
9	ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	(81,161)	(75,172)	(75,172)	(75,172)	(75,172)	(75,172)	(75,172)	(81,332)	(81,332)	(81,332)	(81,332)	(81,332)	(81,332)	(78,494)	WORKING CAP
10	TOTAL OTHER NONCURRENT LIABILITIES	1,090,986	1,089,269	1,081,563	1,073,858	1,066,152	1,058,447	1,050,741	1,036,875	1,029,170	1,021,464	1,013,759	1,006,053	998,112	1,047,419	
11	OTHER DEFERRED CREDITS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	OTHER REGULATORY LIABILITIES	(27,965,433)	(27,912,576)	(27,788,346)	(27,645,115)	(27,491,980)	(27,329,183)	(27,158,857)	(26,976,510)	(26,785,901)	(26,587,640)	(26,382,159)	(26,171,521)	(25,957,090)	(27,088,418)	WORKING CAP
13	ACCUMULATED DEFERRED INCOME TAX	(23,470,222)	(23,591,671)	(23,753,510)	(23,935,160)	(24,108,820)	(24,278,443)	(24,450,094)	(24,621,738)	(24,793,383)	(24,965,027)	(25,136,672)	(25,308,316)	(25,479,961)	(24,450,094)	WORKING CAP
14	TOTAL DEFERRED CREDITS	(31,389,890)	(31,304,450)	(31,549,156)	(31,680,275)	(31,699,994)	(31,601,632)	(31,608,951)	(31,698,249)	(31,779,283)	(31,852,667)	(31,918,831)	(31,979,837)	(32,045,951)	(31,539,511)	
15	ACCOUNTS PAYABLE	(3,058,379)	(2,396,737)	(2,649,855)	(2,236,309)	(1,832,302)	(1,610,399)	(1,925,136)	(1,775,927)	(1,909,586)	(1,753,204)	(2,267,185)	(2,705,561)	(3,396,704)	(2,749,325)	WORKING CAP
16	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(18,349,790)	(25,197,249)	(31,951,345)	(40,887,756)	(49,135,959)	(56,989,960)	(67,925,786)	(68,612,742)	(74,406,359)	(81,696,051)	(88,359,341)	(97,107,424)	(117,308,240)	(54,804,463)	WORKING CAP
17	CUSTOMER DEPOSITS	(3,699,217)	(3,680,539)	(3,690,005)	(3,681,444)	(3,689,434)	(3,683,311)	(3,660,143)	(3,688,021)	(3,693,225)	(3,693,560)	(3,693,579)	(3,692,208)	(3,697,570)	(3,688,281)	WORKING CAP
18	TAXES ACCRUED	(620,811)	(1,040,213)	(1,155,782)	(1,320,062)	(1,481,175)	(1,643,449)	(1,793,027)	(1,930,511)	(2,094,317)	(2,257,234)	(2,413,204)	(2,570,295)	(2,726,455)	(1,503,957)	WORKING CAP
19	INTEREST ACCRUED	(81,594)	(83,635)	(87,640)	(93,529)	(99,558)	(105,627)	(111,743)	(117,897)	(124,081)	(130,295)	(136,549)	(142,843)	(149,177)	(96,389)	WORKING CAP
20	TAX COLLECTIONS PAYABLE	(896,445)	(886,447)	(895,784)	(910,000)	(925,227)	(940,477)	(955,734)	(971,000)	(986,271)	(1,001,542)	(1,016,813)	(1,032,084)	(1,047,355)	(810,346)	WORKING CAP
21	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(129,832)	(131,496)	(134,552)	(136,159)	(138,148)	(139,727)	(141,286)	(142,835)	(144,384)	(145,933)	(147,482)	(149,031)	(150,580)	(128,231)	WORKING CAP
22	TOTAL CURRENT AND ACCRUED LIABILITIES	(27,223,607)	(33,616,312)	(40,864,861)	(49,455,251)	(57,420,804)	(65,164,330)	(72,576,001)	(79,660,221)	(86,258,508)	(92,549,613)	(98,505,818)	(104,146,093)	(109,506,167)	(63,480,591)	
23	TOTAL LIABILITIES AND OTHER CREDITS	(205,936,006)	(201,481,439)	(206,149,426)	(204,737,766)	(203,228,991)	(201,676,703)	(200,124,953)	(198,572,754)	(197,020,504)	(195,468,254)	(193,916,003)	(192,363,752)	(190,811,501)	(189,259,250)	

## SCHEDULE G-1

FLORIDA PUBLIC SERVICE COMMISSION

## ALLOCATION OF COMMON PLANT

PAGE 15 OF 28

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GASEXPLANATION: PROVIDE A SCHEDULE SHOWING THE REGULATED AND NON-REGULATED ITEMS OF COMMON PLANT  
WITH THE 13 MONTH AVERAGE OF THE HISTORIC BASE YEAR + 1, SEGREGATED BY THE AMOUNTS ACCORDING  
TO REGULATED AND NON-REGULATED ITEMS. THE METHOD OF ALLOCATING BETWEEN REGULATED AND  
NON-REGULATED PORTIONS SHALL BE DESCRIBED.TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR + 1: 12/31/17  
WITNESS: M. J. MORLEY

DOCKET NO. 20170179-GU OPC ROG 8.175

LINE NO.	A/C NO.	DESCRIPTION	DEC-16	JAN-17	FEB-17	MAR-17	APR-17	MAY-17	JUN-17	JUL-17	AUG-17	SEP-17	OCT-17	NOV-17	DEC-17	13 MONTH AVERAGE
1	375	STRUCTURES AND IMPROVEMENTS	214,983	214,983	214,983	219,645	219,993	219,993	221,970	32,711	24,315	15,919	7,523	-	-	123,617
2	389	LAND AND LAND RIGHTS	463,611	526,184	526,907	554,587	557,254	2,403,985	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	1,685,043
3	390	STRUCTURES AND IMPROVEMENTS	11,119,485	10,964,942	11,113,177	11,048,842	11,044,877	8,756,972	8,756,972	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477	9,482,164
4	391.10	OFFICE FURNITURE AND EQUIP - SOFTWARE	1,394,811	1,394,811	1,394,811	1,363,311	1,411,273	1,413,133	1,413,133	778,181	768,025	757,870	747,714	737,558	727,403	1,100,156
5	391.11	OFFICE FURNITURE AND EQUIP - ENTERPRISE S	11,563,246	11,563,246	11,563,246	11,563,246	11,603,937	11,636,138	11,714,712	11,013,725	18,455,935	18,454,973	12,874,019	12,873,056	12,872,094	12,903,967
6	391.12	OFFICE FURNITURE AND EQUIP - HARDWARE	714,955	714,955	714,955	724,622	749,469	752,191	752,196	745,180	738,164	731,148	724,132	717,116	710,100	729,937
7	391.50	OFE - INDIVIDUAL EQUIPM	147,387	147,387	147,387	147,387	147,387	233,715	233,715	329,067	329,067	329,067	329,067	329,067	329,067	244,521
8	394	TOOLS, SHOP AND GARAGE EQUIPMENT	1,485,872	1,507,668	1,507,668	1,416,656	1,416,656	1,467,424	1,481,545	498,318	498,318	498,318	498,318	498,318	498,318	1,021,031
9	397	COMMUNICATION EQUIPMENT	391,646	386,253	391,438	389,422	389,536	224,840	224,840	229,732	235,532	241,332	247,132	252,932	259,132	297,213
	398	MISCELLANEOUS EQUIPMENT	108,771	108,771	108,771	108,771	109,689	143,346	141,944	84,144	138,144	153,144	173,144	193,144	198,144	136,148
		TOTAL	27,804,765	27,529,199	27,683,342	27,536,489	27,650,070	27,251,737	27,351,460	24,531,967	32,008,410	32,002,680	26,421,958	26,422,101	26,415,167	27,723,797

LINE NO.	A/C NO.	DESCRIPTION	13 MONTH AVERAGE	NONUTILITY %	13 MTH AVG NONUTILITY	METHOD OF ALLOCATION
10	375	STRUCTURES AND IMPROVEMENTS	123,617	0.00%	-	Square Footage and Use
11	389	LAND AND LAND RIGHTS	1,685,043	0.85%	14,261	Square Footage and Use
12	390	STRUCTURES AND IMPROVEMENTS	9,482,164	1.13%	107,267	Square Footage and Use
13	391.10	OFFICE FURNITURE AND EQUIP - SOFTWARE	1,100,156	0.00%	-	Square Footage and Use
14	391.11	OFFICE FURNITURE AND EQUIP - ENTERPRISE S	12,903,967	1.43%	185,143	Square Footage and Use
15	391.12	OFFICE FURNITURE AND EQUIP - HARDWARE	729,937	0.00%	-	Square Footage and Use
16	391.50	OFE - INDIVIDUAL EQUIPM	244,521	1.78%	4,342	Square Footage and Use
17	394	TOOLS, SHOP AND GARAGE EQUIPMENT	1,021,031	0.00%	-	Square Footage and Use
18	397	COMMUNICATION EQUIPMENT	297,213	0.87%	2,581	Square Footage and Use
19	398	MISCELLANEOUS EQUIPMENT	136,148	0.00%	4	Square Footage and Use
20		MINOR RECONCILING ITEM		0.00%	-	
21		TOTAL	27,723,797		313,559	

SUPPORTING SCHEDULES: G-1 pp 9, 16, 17

RECAP SCHEDULES:



FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: P/OTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GASDOCKET NO.: 20170179-GU **OPC ROG 8-175**EXPLANATION: PROVIDE A SCHEDULE SHOWING A DETAILED DESCRIPTION OF EACH PARCEL  
OF LAND AND STRUCTURE BY ADDRESS OF COMMON UTILITY PLANT BY PRIMARY ACCOUNT.  
ALSO, SHOW THE 13-MONTH AVERAGE PLANT AND ACCUMULATED DEPRECIATION AMOUNT  
ALLOCATED TO UTILITY AND NON-UTILITY OPERATIONS AND THE ALLOCATION BASIS.TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR + 1: 12/31/17  
WITNESS: M. J. MORLEY

LINE NO.	A/C NO.	Land & Land Rights	13-MONTH AVERAGE				ACCUMULATED DEPRECIATION/AMORTIZATION			
			PLANT							
			% NONUTILITY	UTILITY	NONUTILITY	TOTAL	% NONUTILITY	UTILITY	NONUTILITY	TOTAL
		Structures & Improvements								
1	375	Doral	1.21%	63,506	776	64,282	1.21%	21,463	260	21,551
2	375	Brevard	1.56%	58,410	925	59,335	1.56%	22,796	358	22,974
3	375	TOTAL		121,916	1,701	123,617		44,259	618	44,525
		% Allocated to Non-FCG - Doral	1.21%							
		% Allocated to Non-FCG - Brevard	1.56%							

SUPPORTING SCHEDULES:

RECAP SCHEDULES: G-1 pp11, 15 &amp; 21

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE A SCHEDULE SHOWING A DETAILED DESCRIPTION OF EACH PARCEL  
OF LAND AND STRUCTURE BY ADDRESS OF COMMON UTILITY PLANT BY PRIMARY ACCOUNT.  
ALSO, SHOW THE 13-MONTH AVERAGE PLANT AND ACCUMULATED DEPRECIATION AMOUNT  
ALLOCATED TO UTILITY AND NON-UTILITY OPERATIONS AND THE ALLOCATION BASIS.TYPE OF DATA SHOWN:  
BASE YEAR +1: 12/31/17  
WITNESS: M. J. MORLEY

LINE NO.	A/C NO.	Land & Land Rights	13-MONTH AVERAGE				ACCUMULATED DEPRECIATION/AMORTIZATION			
			PLANT							
			% NONUTILITY	UTILITY	NONUTILITY	TOTAL	% NONUTILITY	UTILITY	NONUTILITY	TOTAL
1	389	Doral		871,050	7,416	876,237				
2	389	Brevard		799,731	6,845	808,806				
3	389	TOTAL		1,670,782	14,261	1,685,043				
4		Structures & Improvements								
5	390	Doral	1.21%	4,871,275	56,530	4,930,806	1.21%	277,899	3,396	281,265
6	390	Brevard	1.56%	4,480,422	70,926	4,551,358	1.56%	295,159	4,673	299,832
7	390	TOTAL		9,351,698	130,466	9,482,164		573,028	8,069	581,097

SUPPORTING SCHEDULES:

RECAP SCHEDULES: G-1 pp11, 15 &amp; 21

## SCHEDULE G-1

FLORIDA PUBLIC SERVICE COMMISSION

## ALLOCATION OF COMMON PLANT

PAGE 18 OF 28

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GASEXPLANATION: PROVIDE A SCHEDULE SHOWING THE REGULATED AND NON-REGULATED ITEMS OF COMMON PLANT  
WITH THE 13 MONTH AVERAGE OF THE PROJECTED TEST YEAR, SEGREGATED BY THE AMOUNTS ACCORDING  
TO REGULATED AND NON-REGULATED ITEMS. THE METHOD OF ALLOCATING BETWEEN REGULATED AND  
NON-REGULATED PORTIONS SHALL BE DESCRIBED.TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. J. MORLEY

DOCKET NO. 20170179-GU OPC ROG 8-175

LINE NO.	A/C NO.	DESCRIPTION	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	JUL-18	AUG-18	SEP-18	OCT-18	NOV-18	DEC-18	13 MONTH AVERAGE
1	375	STRUCTURES AND IMPROVEMENTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	389	LAND AND LAND RIGHTS	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432	2,410,432
3	390	STRUCTURES AND IMPROVEMENTS	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477	8,410,477
4	391.10	OFFICE FURNITURE AND EQUIP - SOFT	727,403	717,247	707,092	696,936	686,781	676,625	666,469	656,314	646,158	636,003	625,847	615,691	605,536	666,469
5	391.11	OFFICE FURNITURE AND EQUIP - ENTE	12,872,094	12,871,132	12,870,170	12,869,208	12,911,861	12,910,899	12,909,936	12,908,974	12,908,012	12,907,050	12,906,088	12,905,126	13,555,682	12,946,633
6	391.12	OFFICE FURNITURE AND EQUIP - HAR	710,100	703,084	696,067	689,051	682,035	675,019	668,003	660,987	653,971	646,955	639,939	632,923	625,906	668,003
7	391.50	OFE - INDIVIDUAL EQUIPM	329,067	329,067	329,067	329,067	329,067	329,067	329,067	329,067	329,067	329,067	329,067	329,067	329,067	329,067
8	394	TOOLS, SHOP AND GARAGE EQUIPME	498,318	594,251	602,585	610,918	619,251	627,585	635,918	644,251	652,585	660,918	669,251	677,585	685,918	629,180
9	397	COMMUNICATION EQUIPMENT	259,132	259,132	259,132	329,132	399,132	469,132	539,132	609,132	679,132	749,132	819,132	889,132	959,132	555,748
	398	MISCELLANEOUS EQUIPMENT	198,144	198,144	198,144	223,144	223,144	223,144	223,144	248,144	273,144	298,144	323,144	339,653	339,653	254,530
		TOTAL	26,415,167	26,492,967	26,483,166	26,568,366	26,672,180	26,732,380	26,792,579	26,877,779	26,962,978	27,048,178	27,133,377	27,210,086	27,927,803	26,870,539

13 MONTH AVERAGE	NON-UTILITY 13 MONTH AVG %	NON-UTILITY
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## METHOD OF ALLOCATION

10	375	STRUCTURES AND IMPROVEMENTS	-	0.00%	-	Square Footage and Use
11	389	LAND AND LAND RIGHTS	2,410,432	0.85%	20,400	Square Footage and Use
12	390	STRUCTURES AND IMPROVEMENTS	8,410,477	1.13%	95,143	Square Footage and Use
13	391.10	OFFICE FURNITURE AND EQUIP - SOF	666,469	0.00%	-	Square Footage and Use
14	391.11	OFFICE FURNITURE AND EQUIP - ENTI	12,946,633	1.43%	185,755	Square Footage and Use
15	391.12	OFFICE FURNITURE AND EQUIP - HAR	668,003	0.00%	-	Square Footage and Use
16	391.50	OFE - INDIVIDUAL EQUIPM	329,067	1.78%	5,844	Square Footage and Use
17	394	TOOLS, SHOP AND GARAGE EQUIPME	629,180	0.00%	-	Square Footage and Use
18	397	COMMUNICATION EQUIPMENT	555,748	0.87%	4,826	Square Footage and Use
	398	MISCELLANEOUS EQUIPMENT	254,530	0.00%	8	Square Footage and Use
19		MINOR RECONCILING ITEM	-	0.00%	-	
		TOTAL	26,870,539		311,978	

SUPPORTING SCHEDULES: G-1 pp 10, 19, 20

RECAP SCHEDULES: G-1 p4

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO.: 20170179-GU OPC ROG 8-175

EXPLANATION: PROVIDE A SCHEDULE SHOWING A DETAILED DESCRIPTION OF EACH PARCEL OF LAND AND STRUCTURE BY ADDRESS OF COMMON UTILITY PLANT BY PRIMARY ACCOUNT. ALSO, SHOW THE 13-MONTH AVERAGE PLANT AND ACCUMULATED DEPRECIATION AMOUNT ALLOCATED TO UTILITY AND NON-UTILITY OPERATIONS AND THE ALLOCATION BASIS.

TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. J. MORLEY

13-MONTH AVERAGE										
			PLANT				ACCUMULATED DEPRECIATION/AMORTIZATION			
LINE NO.	A/C NO.	Land & Land Rights	% NON-UTILIT	UTILITY	NON-UTILITY	TOTAL	% NON-UTILIT	UTILITY	NON-UTILITY	TOTAL
		TOTAL			-	-				
		Structures & Improvements								
1	375	Doral			-		(38,240)		(530)	(38,770)
2	375	Brevard			-		(40,764)		(565)	(41,329)
3	375	TOTAL			-	-	(79,003)		(1,096)	(80,099)

SUPPORTING SCHEDULES:

RECAP SCHEDULES: G-1 pp 12, 18 &amp; 22



FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO.: 20170179-GU

EXPLANATION: PROVIDE A SCHEDULE SHOWING A DETAILED DESCRIPTION OF EACH PARCEL OF LAND AND STRUCTURE BY ADDRESS OF COMMON UTILITY PLANT BY PRIMARY ACCOUNT. ALSO, SHOW THE 13-MONTH AVERAGE PLANT AND ACCUMULATED DEPRECIATION AMOUNT ALLOCATED TO UTILITY AND NON-UTILITY OPERATIONS AND THE ALLOCATION BASIS.

TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. J. MORLEY

13-MONTH AVERAGE									
LINE NO.	A/C NO.	Land & Land Rights	PLANT				ACCUMULATED DEPRECIATION/AMORTIZATION		
			% NON-UTILIT	UTILITY	NON-UTILITY	TOTAL	UTILITY	NON-UTILITY	TOTAL
1	389	Doral		1,249,750	10,608	1,253,445			
2	389	Brevard		1,150,521	9,792	1,156,967			
3	389	TOTAL		2,400,271	20,400	2,410,432			
4		Structures & Improvements							
5	390	Doral		4,338,919	49,475	4,373,520	269,364	2,416	271,018
6	390	Brevard		3,976,415	45,668	4,036,957	285,567	2,578	288,909
7	390	TOTAL		8,315,334	95,143	8,410,477	554,931	4,996	559,927

SUPPORTING SCHEDULES:

RECAP SCHEDULES: G-1 pp 12, 18 &amp; 22

## SCHEDULE G-1

## ALLOCATION OF DEPRECIATION/AMORTIZATION RESERVE - COMMON PLANT

PAGE 21 OF 28

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE SAME DATA AS REQUIRED IN  
SCHEDULE G-1, PAGE 15 OF 28, FOR DEPRECIATION/AMORTIZATION RESERVE  
FOR THE HISTORIC BASE YEAR + 1.

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR + 1: 12/31/17  
WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU **OPC ROG 8-175**

LINE NO	A/C NO	DESCRIPTION	DEC-16	JAN-17	FEB-17	MAR-17	APR-17	MAY-17	JUN-17	JUL-17	AUG-17	SEP-17	OCT-17	NOV-17	DEC-17	13 MONTH AVERAGE
1	375	STRUCTURES AND IMPROVEME	138,371	138,873	139,375	139,882	140,395	140,908	141,424	(47,539)	(55,868)	(64,217)	(72,585)	(80,100)	(80,099)	44,525
2	389	LAND AND LAND RIGHTS	2	2	2	2	2	2	-	-	-	-	-	-	-	1
3	390	STRUCTURES AND IMPROVEME	705,774	729,699	753,617	777,626	801,561	668,401	687,375	359,477	377,700	395,923	414,145	432,368	450,591	581,097
4	391.10	OFFICE FURNITURE AND EQUIF	801,778	811,426	821,073	799,112	808,707	818,475	828,249	200,875	196,067	191,188	186,239	181,220	176,131	524,657
5	391.11	OFFICE FURNITURE AND EQUIF	8,107,758	8,195,446	8,283,134	8,370,821	8,458,664	8,546,782	8,635,321	8,020,513	8,131,290	8,270,281	2,808,116	2,904,778	3,001,433	7,056,487
6	391.12	OFFICE FURNITURE AND EQUIF	126,749	131,695	136,640	141,618	146,716	151,909	157,112	155,274	153,388	151,453	149,470	147,438	145,358	145,755
7	391.50	OFE - INDIVIDUAL EQUIPM	75,921	76,940	77,960	78,979	79,999	83,961	85,578	182,876	185,152	187,428	189,704	191,980	194,256	130,057
8	394	TOOLS, SHOP AND GARAGE EC	980,423	989,403	998,449	916,210	924,710	934,747	939,639	(82,853)	(79,863)	(76,873)	(73,883)	(70,893)	(67,903)	479,332
9	397	COMMUNICATION EQUIPMENT	91,994	94,107	96,220	98,344	100,461	96,963	97,941	98,605	100,214	101,863	103,552	105,282	107,053	99,431
10	398	MISCELLANEOUS EQUIPMENT	(186,176)	(185,496)	(184,817)	(184,141)	(183,459)	(181,652)	(180,764)	(237,858)	(237,163)	(236,253)	(235,234)	(234,089)	(232,866)	(207,690)
11		TOTAL	10,842,594	10,982,094	11,121,652	11,138,452	11,277,755	11,260,497	11,391,874	8,649,371	8,770,917	8,920,794	3,469,526	3,577,986	3,693,954	8,853,652

			13 MONTH AVERAGE	NONUTILITY 3 MONTH AVG %	NONUTILITY	METHOD OF ALLOCATION
12	375	STRUCTURES AND IMPROVEME	44,525	1.37%	609	Square Footage and Use
13	389	LAND AND LAND RIGHTS	1	0.00%	0	Square Footage and Use
14	390	STRUCTURES AND IMPROVEME	581,097	0.89%	5,185	Square Footage and Use
15	391.10	OFFICE FURNITURE AND EQUIF	524,657	0.00%	0	Square Footage and Use
16	391.11	OFFICE FURNITURE AND EQUIF	7,056,487	1.38%	97,633	Square Footage and Use
17	391.12	OFFICE FURNITURE AND EQUIF	145,755	0.00%	0	Square Footage and Use
18	391.50	OFE - INDIVIDUAL EQUIPM	130,057	2.31%	3,007	Square Footage and Use
19	394	TOOLS, SHOP AND GARAGE EC	479,332	0.00%	0	Square Footage and Use
20	397	COMMUNICATION EQUIPMENT	99,431	1.02%	1,011	Square Footage and Use
21	398	MISCELLANEOUS EQUIPMENT	(207,690)	0.00%	0	Square Footage and Use
22		MINOR RECONCILING ITEM		0.00%	0	
		TOTAL	9,061,342		107,445	

SUPPORTING SCHEDULES: G-1 pp. 11, 16 &amp; 17

RECAP SCHEDULES:

SCHEDULE: G-1

ALLOCATION OF DEPRECIATION/AMORTIZATION RESERVE - COMMON PLANT

PAGE 22 OF 28

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE SHOWING THE SAME DATA AS REQUIRED IN  
SCHEDULE G-1, PAGE 18 OF 28, FOR DEPRECIATION/AMORTIZATION RESERVE  
BALANCES FOR THE PROJECTED TEST YEAR.TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. J. MORLEYCOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU OPC ROG 8.175

LINE NO.	A/C NO.	DESCRIPTION	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	JUL-18	AUG-18	SEP-18	OCT-18	NOV-18	DEC-18	13 MONTH AVERAGE
1	375	STRUCTURES AND IMPROVEMENTS	(80,099)	(80,099)	(80,099)	(80,099)	(80,099)	(80,099)	(80,099)	(80,099)	(80,099)	(80,099)	(80,099)	(80,099)	(80,099)	(80,099)
2	389	LAND AND LAND RIGHTS														0
3	390	STRUCTURES AND IMPROVEMENTS	450,591	488,813	487,036	505,259	523,482	541,704	559,927	578,150	596,372	614,595	632,818	651,040	669,263	559,927
4	391.10	OFFICE FURNITURE AND EQUIP - SOFTWARE	176,131	170,972	165,742	160,442	155,072	149,631	144,120	138,540	132,888	127,167	121,375	115,513	109,581	143,629
5	391.11	OFFICE FURNITURE AND EQUIP - ENTERPRISE SOFTWARE	3,001,433	3,098,080	3,194,721	3,291,354	3,388,145	3,485,094	3,582,036	3,678,970	3,775,898	3,872,818	3,969,730	4,066,636	4,163,504	3,582,378
6	391.12	OFFICE FURNITURE AND EQUIP - HARDWARE	145,358	143,229	141,052	138,826	136,551	134,229	131,857	129,437	126,968	124,451	121,886	119,272	116,609	131,517
7	391.50	OFF - INDIVIDUAL EQUIPM	194,256	196,533	198,809	201,085	203,361	205,637	207,913	210,189	212,465	214,741	217,017	219,293	221,569	207,913
8	394	TOOLS, SHOP AND GARAGE EQUIPMENT	(67,903)	(64,625)	(61,035)	(57,394)	(53,704)	(49,963)	(46,173)	(42,332)	(38,442)	(34,501)	(30,511)	(26,470)	(22,380)	(45,803)
9	397	COMMUNICATION EQUIPMENT	107,053	108,945	110,637	112,672	115,190	118,193	121,680	125,651	130,106	135,046	140,469	146,377	152,790	124,978
10	398	MISCELLANEOUS EQUIPMENT	(232,866)	(231,628)	(230,389)	(229,073)	(227,678)	(226,284)	(224,889)	(223,416)	(221,787)	(220,002)	(218,060)	(215,989)	(213,866)	(224,302)
11		TOTAL	3,693,954	3,810,121	3,826,474	4,043,071	4,160,320	4,278,142	4,396,373	4,515,089	4,634,371	4,754,216	4,874,626	4,995,673	5,119,472	4,400,138

			AVERAGE	%	NONUTILITY	METHOD OF ALLOCATION
12	375	STRUCTURES AND IMPROVEMENTS	(80,099)	1.37%	(1,096)	Square Footage and Use
13	389	LAND AND LAND RIGHTS	0	0.00%	0	Square Footage and Use
14	390	STRUCTURES AND IMPROVEMENTS	559,927	0.20%	4,996	Square Footage and Use
15	391.10	OFFICE FURNITURE AND EQUIP - SOFTWARE	143,629	0.20%	0	Square Footage and Use
16	391.11	OFFICE FURNITURE AND EQUIP - ENTERPRISE SOFTWARE	3,582,378	1.38%	49,555	Square Footage and Use
17	391.12	OFFICE FURNITURE AND EQUIP - HARDWARE	131,517	0.00%	0	Square Footage and Use
18	391.50	OFF - INDIVIDUAL EQUIPM	207,913	2.31%	4,907	Square Footage and Use
19	394	TOOLS, SHOP AND GARAGE EQUIPMENT	(45,803)	0.00%	0	Square Footage and Use
20	397	COMMUNICATION EQUIPMENT	124,978	1.02%	1,271	Square Footage and Use
21	398	MISCELLANEOUS EQUIPMENT	(224,302)	0.00%	0	Square Footage and Use
22		MINOR RECONCILING ITEM		0.00%	0	
23		TOTAL	4,400,138		59,544	

SUPPORTING SCHEDULES: G-1 pp. 12, 19, 20

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF NET OPERATING INCOME PER BOOKS FOR THE HISTORIC BASE YEAR, THE PROJECTED NET OPERATING INCOME FOR THE HISTORIC BASE YEAR + 1, AND THE PROJECTED TEST YEAR.

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR DATA: 12/31/16  
HISTORIC BASE YEAR + 1: 12/31/17  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU

OPC ROG 8-175

Line No.	Description	Historical Base Year (2016)			Historical Base Year + 1 (2017)	Projected Test Year (2018)		
		Per Books	Company Adjustments	Adjusted	Per Books	Per Books	Company Adjustments	Adjusted
1	<u>OPERATING REVENUE:</u>							
2	OPERATING REVENUES	82,513,170	(31,447,380)	51,065,790	87,496,440	87,689,900	(33,842,569)	53,847,331
6	TOTAL REVENUES	82,513,170	(31,447,380)	51,065,790	87,496,440	87,689,900	(33,842,569)	53,847,331
7	<u>OPERATING EXPENSES:</u>							
8	COST OF GAS	18,563,889	(18,563,889)	0	22,045,431	20,884,062	(20,884,062)	0
9	OPERATION & MAINTENANCE	25,668,827	(5,407,398)	20,261,429	25,958,645	28,131,997	(5,228,091)	22,903,906
10	DEPRECIATION & AMORTIZATION	16,393,866	(1,313,490)	15,080,376	17,565,936	18,874,174	(2,282,456)	16,591,718
12	TAXES OTHER THAN INCOME	7,369,211	(4,608,574)	2,760,637	6,416,211	7,769,611	(4,869,262)	2,900,349
13	INCOME TAXES FEDERAL	-	-	-	(36)	-	(226,072)	(226,072)
14	INCOME TAXES - STATE	401,717	33,937	435,654	336,770	-	(62,656)	(62,656)
15	DEFERRED TAXES - FEDERAL	3,869,018	(986,260)	2,882,758	3,638,874	542,262	-	542,262
16	DEFERRED TAXES - STATE	57,814	-	57,814	268,328	374,377	-	374,377
17	INVESTMENT TAX CREDITS	(10)	-	(10)	-	-	-	-
18	TOTAL OPERATING EXPENSES	72,324,332	(30,845,673)	41,478,659	76,230,157	76,576,483	(33,552,599)	43,023,884
19	NET OPERATING INCOME	10,188,838	(601,706)	9,587,132	11,266,283	11,113,417	(289,970)	10,823,447



## SCHEDULE G-2

## NET OPERATING INCOME ADJUSTMENTS

PAGE 2 OF 34

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE OF PROPOSED ADJUSTMENTS  
TO THE PROJECTED TEST YEAR (FROM SCHEDULE G-2 PAGE 1)TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. J. MORLEYCOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

PIVOTAL UTILITY HOLDINGS, INC.

OPC ROG 8-175

Line No.	Title	Amount	Reason for Adjustment	ADJUSTMENT AMOUNT		
OPERATING REVENUE				STATE	FEDERAL	TOTAL
1	COST OF GAS	(20,988,482)	TO REMOVE GAS SALES	1,154,367	4,165,164	5,319,531
			TO REMOVE PROPANE SALES	0	0	0
2	PROPANE SALES					
3	AEP ( COLLECTION FEE)	(2,590,367)	TO REMOVE AEP REVENUES	142,470	514,058	656,528
4	ECP REVENUES	(5,498,878)	TO REMOVE ECP REVENUES	302,438	1,091,252	1,393,690
5	FRANCHISE/GROSS RECEIPTS REVENUES	(4,764,842)	TO REMOVE TAX REVENUES	262,066	945,583	1,207,649
6	TOTAL REVENUE ADJUSTMENTS	(33,842,569)				
COST OF GAS						
7	COST OF GAS	(20,884,062)	TO REMOVE GAS COSTS	1,148,623	4,144,442	5,293,065
8	TOTAL COST OF GAS ADJUSTMENTS	(20,884,062)				
OPERATIONS & MAINTENANCE EXPENSE						
9	RATE CASE EXPENSES	300,000	TO REMOVE INCLUDE RATE CASE EXPENSES	(16,500)	(59,535)	(76,035)
10	ECP EXPENSES	(5,498,878)	TO REMOVE ECP EXPENSE	302,438	1,091,252	1,393,690
11	ELIMINATE CIVIC PARTICIPATION COST	(101,300)	TO REMOVE EXPENSES PREVIOUSLY DISALLOWED	5,572	20,103	25,675
12	STORM RESERVE ACCRUAL	100,000	TO ACCRUE STORM RESERVE	(5,500)	(19,845)	(25,345)
13	ELIMINATE LOBBYING COST	(27,913)	TO ELIMINATE PORTION OF LOBBYING CHARGED TO OPERATING INCOME	1,535	5,539	7,074
14	TOTAL O & M ADJUSTMENTS	(5,228,091)				
DEPRECIATION & AMORTIZATION						
15	REMOVE AEP	(1,196,746)	TO REMOVE AEP DEPRECIATION	65,821	237,494	303,315
16	TO REMOVE COMMON PLANT DEPRECIATION EX	(20,231)	TO REMOVE COMMON PLANT DEPRECIATION	1,113	4,015	5,128
	TO ADD INCREMENTAL DEPRECIATION EXPENSE	0	TO ADD INCREMENTAL DEPRECIATION EXPENSE	0	0	0
17	ELIMINATE DEPRECIATION ADJUSTMENT FOR CH	(1,065,479)	TO REMOVE DEPRECIATION TO REFLECT PROPOSED RATED FROM AUGUST TO DECEMBER	58,601	211,444	270,045
18	TOTAL DEPRECIATION EXPENSE ADJUSTMENTS	(2,282,456)				
19	AMORTIZATION FOR EXCESS DEFERRED					
20	TOTAL AMORTIZATION FOR EXCESS DEFERRED	-				

SUPPORTING SCHEDULES:

RECAP SCHEDULES: G-2 p1

SCHEDULE: G-2

NET OPERATING INCOME ADJUSTMENTS

PAGE 3 OF 34

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A SCHEDULE OF PROPOSED ADJUSTMENTS  
TO THE PROJECTED TEST YEAR (FROM SCHEDULE G-2 PAGE 1)

TYPE OF DATA SHOWN:

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

PROJECTED TEST YEAR: 12/31/18

WITNESS: M. J. MORLEY

DOCKET NO. 20170179-GU

OPC ROG 8-175

Line No.	Title	Amount	Reason for Adjustment	STATE	FEDERAL	TOTAL
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SUPPORTING SCHEDULES:

RECAP SCHEDULES: G-2 p1

ADJUSTMENT TITLE						
<u>TAXES OTHER THAN INCOME</u>						
REGULATORY ASSESSMENT TAX ON FUEL	(104,420)	TO REMOVE TAX EXPENSE	5,743	20,722	26,465	
FRANCHISE/GROSS RECEIPTS TAXES	(4,764,842)	TO REMOVE TAX EXPENSE	262,066	945,583	1,207,649	
TOTAL TAXES OTHER THAN INCOME ADJTS	(4,869,262)					
<u>FEDERAL INCOME TAXES</u>						
TAXES ON ADJUSTMENTS	(114,843)	TAX EFFECT OF ADJUSTMENTS ABOVE	(31,829)	(114,843)	(146,672)	
CURRENT TAX-OTHER INCOME	-	TO REMOVE TAX EFFECT OTHER INCOME				
INTEREST SYNCHRONIZATION	(111,229)	TO RECORD INTEREST SYNCHRONIZATION				
TOTAL FEDERAL INCOME TAX ADJUSTMENTS	(226,072)					
<u>STATE INCOME TAXES</u>						
TAXES ON ADJUSTMENTS	(31,829)					
CURRENT TAX-OTHER INCOME	-	TO REMOVE TAX EFFECT OTHER INCOME				
INTEREST SYNCHRONIZATION	(30,827)	TO RECORD INTEREST SYNCHRONIZATION				
TOTAL STATE INCOME TAX ADJUSTMENTS	(62,656)					
<u>DEFERRED INCOME TAXES</u>						
- FEDERAL						
- STATE						

SUPPORTING SCHEDULES: G2-2

RECAP SCHEDULES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE AN INCOME STATEMENT FOR THE HISTORIC BASE YEAR + 1.  
(CURRENT RATES)TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR + 1: 12/31/17  
WITNESS: M. J. MORLEYCOMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

OPC ROG 8-175

Line No.	JAN-17	FEB-17	MAR-17	APR-17	MAY-17	JUN-17	JUL-17	AUG-17	SEP-17	OCT-17	NOV-17	DEC-17	12 MONTHS
<b>OPERATING REVENUE</b>													
1 OPERATING REVENUE	9,076,002	7,543,271	8,336,301	7,436,590	7,116,727	6,407,191	6,303,713	6,502,096	6,393,815	6,929,604	7,426,888	8,024,242	87,496,440
2 REVENUE RELIEF													
3 CHANGE IN UNBILLED REVENUES													
4 REVENUES DUE TO GROWTH													
5 NET REVENUE	9,076,002	7,543,271	8,336,301	7,436,590	7,116,727	6,407,191	6,303,713	6,502,096	6,393,815	6,929,604	7,426,888	8,024,242	87,496,440
<b>OPERATING EXPENSE</b>													
1 COST OF GAS	2,811,425	1,735,735	2,303,278	1,898,802	1,835,577	1,666,195	1,482,375	1,475,536	1,445,870	1,573,914	1,810,372	2,006,351	22,045,431
2 OPERATION & MAINTENANCE	2,355,060	2,077,341	2,364,712	2,147,159	1,996,675	2,026,599	2,129,764	2,184,582	2,199,534	2,128,515	2,122,340	2,226,364	25,958,645
3 DEPRECIATION & AMORTIZATION	1,515,194	1,404,767	1,539,362	1,532,309	1,323,318	1,421,749	1,404,309	1,434,400	1,478,506	1,469,427	1,457,162	1,585,432	17,565,935
4 TAXES OTHER THAN INCOME	669,384	674,163	658,365	650,330	616,987	607,253	397,440	398,719	409,610	415,744	440,816	477,400	6,416,211
5 INCOME TAXES - FEDERAL	(307,354)	231,474	825,865	420,518	430,490	(905,339)	169,496	208,675	159,624	318,078	401,819	(1,953,384)	(36)
6 INCOME TAXES - STATE	96,639	94,976	(28,762)	54,711	56,370	(32,085)	28,185	34,700	26,544	52,893	66,818	(114,220)	336,770
7 DEFERRED TAXES - FEDERAL	202,101	188,007	(455,252)	(145,053)	(97,321)	987,987	(4,398)	(4,398)	(4,398)	(4,398)	(4,398)	2,980,392	3,638,874
8 DEFERRED TAXES - STATE	466,710	(25,245)	90,371	(8,927)	(989)	49,945	(753)	(753)	(753)	(753)	(753)	(299,774)	268,328
10 TOTAL OPERATING EXPENSES	7,809,159	6,381,219	7,297,939	6,549,850	6,161,106	5,822,304	5,606,419	5,731,463	5,714,537	5,953,421	6,294,177	6,908,563	76,230,156
11 NET OPERATING INCOME	1,266,842	1,162,052	1,038,362	886,741	955,621	584,887	697,294	770,633	679,278	976,183	1,132,711	1,115,679	11,266,284
12 OTHER INCOME & DEDUCTIONS NET	(64,095)	(5,172)	(755)	(3,027)	(11,684)	(185,620)	(2,676)	(2,688)	(2,689)	(2,688)	(2,688)	(2,694)	(286,477)
13 INTEREST CHARGES	390,145	387,787	353,935	380,364	341,678	378,126	391,053	391,630	391,370	394,003	395,012	399,768	4,594,871
14 NET INCOME	812,603	769,093	683,672	503,350	602,258	21,142	303,565	376,315	285,219	579,492	735,011	713,216	6,384,936
15 THERMS SOLD & TRANSPORTED	13,448,182	11,079,299	12,897,255	10,380,477	9,977,362	8,997,567	8,883,288	10,276,297	10,057,680	11,711,997	11,590,260	12,278,697	131,578,361



## SCHEDULE G-2

FLORIDA PUBLIC SERVICE COMMISSION

## CALCULATION OF THE PROJECTED TEST YEAR - NOI

EXPLANATION: PROVIDE AN INCOME STATEMENT FOR THE PROJECTED TEST YEAR.  
(CURRENT RATES)

PAGE 5 OF 34

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/18

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU

OPC ROG 8-175

LINE NO.	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	JUL-18	AUG-18	SEP-18	OCT-18	NOV-18	DEC-18	12 MONTHS
1 OPERATING REVENUES													
2 OPERATING REVENUE	8,864,082	7,719,705	8,037,639	7,072,214	6,833,828	6,517,158	6,623,386	6,683,056	6,550,021	6,990,150	7,601,492	8,197,169	87,689,900
3 REVENUE RELIEF	-	-	-	-	-	-	-	-	-	-	-	-	-
4 CHANGE IN UNBILLED REVENUES	-	-	-	-	-	-	-	-	-	-	-	-	-
5 REVENUE DUE TO GROWTH	-	-	-	-	-	-	-	-	-	-	-	-	-
6 TOTAL REVENUES	\$8,864,082	\$7,719,705	\$8,037,639	\$7,072,214	\$6,833,828	\$6,517,158	\$6,623,386	\$6,683,056	\$6,550,021	\$6,990,150	\$7,601,492	\$8,197,169	87,689,900
7 OPERATING EXPENSE													
8 COST OF GAS	2,302,866	1,946,145	1,944,654	1,613,551	1,557,911	1,472,101	1,518,384	1,516,202	1,484,868	1,615,554	1,856,297	2,055,525	\$20,884,062
9 OPERATION & MAINTENANCE	2,507,438	2,381,455	2,643,395	2,152,345	2,278,888	2,265,237	2,279,867	2,274,940	2,140,944	2,469,887	2,411,556	2,326,044	28,131,997
10 DEPRECIATION & AMORTIZATION	1,615,872	1,493,102	1,643,673	1,618,666	1,570,060	1,522,612	1,529,433	1,539,188	1,539,662	1,549,293	1,564,537	1,688,077	18,874,174
11 REVENUE RELATED TAXES													-
12 TAXES OTHER THAN INCOME	743,653	696,447	701,194	643,899	625,517	605,815	604,302	611,193	604,317	617,423	667,183	648,668	7,769,611
13 INCOME TAXES - FEDERAL	252,283	159,492	137,442	123,887	74,295	42,971	49,419	57,955	64,404	54,628	125,346	(1,142,122)	-
14 INCOME TAXES - STATE	69,920	44,203	38,092	34,335	20,591	11,909	13,696	16,062	17,849	15,140	34,739	(316,537)	-
15 DEFERRED TAXES - FEDERAL	(4,398)	(4,398)	-	-	-	-	-	-	-	-	-	551,058	542,262
16 DEFERRED TAXES - STATE	(753)	(753)	-	-	-	-	-	-	-	-	-	375,883	374,377
17 INVEST TAX CREDITS (PRE-72)	-	-	-	-	-	-	-	-	-	-	-	-	-
18 TOTAL OPERATING EXPENSES	7,486,881	6,715,694	7,108,450	6,186,683	6,127,262	5,920,645	5,995,102	6,015,542	5,852,044	6,321,925	6,659,659	6,186,595	76,576,483
19 NET OPERATING INCOME	\$1,377,201	1,004,011	929,189	885,532	706,565	596,513	628,285	667,515	697,977	668,225	941,833	2,010,574	11,113,417
20 OTHER INCOME & DEDUCTIONS NET	(18,241)	(3,266)	(3,398)	(3,259)	(3,286)	(3,269)	(3,280)	(3,297)	(3,237)	(3,291)	(3,286)	(3,272)	(54,382)
21 INTEREST CHARGES	436,672	412,553	412,146	419,481	427,074	434,861	442,375	449,492	455,697	462,719	470,293	477,637	5,300,998
22 NET INCOME	922,288	588,192	513,645	462,791	276,205	158,383	182,630	214,726	239,043	202,215	468,254	1,529,665	5,758,037
23 THERMS SOLD & TRANSPORTED	13,288,524	11,302,845	12,701,870	10,305,373	9,909,287	9,143,780	9,371,292	9,575,494	9,269,780	11,185,426	11,352,344	12,154,777	129,560,792

SUPPORTING SCHEDULES: G-2 pp 11, 19, 26, 32, G-7 p2

RECAP SCHEDULES: G-2 p1



FLORIDA PUBLIC SERVICE COMMISSION

PROVIDE A SCHEDULE SHOWING THE ALLOCATION OF DEPRECIATION AND AMORTIZATION EXPENSE FOR THE HISTORIC BASE YEAR + 1. THIS DATA SHOULD CORRESPOND TO THE DATA PRESENTED IN SCHEDULE G-1, PAGE 15 OF 28.

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR + 1: 12/31/17  
WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU

OPC ROG 8-175

LINE NO.	A/C NO.	DESCRIPTION	JAN-17	FEB-17	MAR-17	APR-17	MAY-17	JUN-17	JUL-17	AUG-17	SEP-17	OCT-17	NOV-17	DEC-17	12 MONTH TOTAL
1	375	STRUCTURES AND IMPROVEMENTS	502	502	507	513	513	516	297	67	47	27	9	1	3,500
2	389	LAND AND LAND RIGHTS	-	-	-	-	(150,619)	-	-	-	-	-	-	-	(150,619)
3	390	STRUCTURES AND IMPROVEMENTS	23,925	23,918	24,009	23,935	21,452	18,973	18,598	18,223	18,223	18,223	18,223	18,223	245,923
4	391.10	OFFICE FURNITURE AND EQUIP - SOFTWARE	9,647	10,244	9,539	10,192	9,768	9,774	7,578	5,347	5,277	5,207	5,137	5,066	92,777
9	391.11	OFFICE FURNITURE AND EQUIP - ENTERPRISE SOFTWARE	87,688	87,688	87,688	87,842	88,119	88,539	86,179	111,739	139,954	118,789	97,624	97,617	1,179,465
5	391.12	OFFICE FURNITURE AND EQUIP - HARDWARE	4,945	4,945	4,979	5,098	5,193	5,203	5,178	5,130	5,081	5,033	4,984	4,936	60,705
6	391.50	OFE - INDIVIDUAL EQUIPM	1,019	422	422	422	1,318	1,617	1,946	2,276	2,276	2,276	2,276	2,276	18,548
7	394	TOOLS, SHOP AND GARAGE EQUIPMENT	8,981	9,046	8,773	8,500	8,652	8,847	5,940	2,990	2,990	2,990	2,990	2,990	73,688
8	397	COMMUNICATION EQUIPMENT	2,113	2,113	2,124	2,117	1,548	978	1,572	1,609	1,649	1,689	1,729	1,771	21,013
9	398	MISCELLANEOUS EQUIPMENT	680	680	675	683	791	887	707	695	910	1,020	1,145	1,223	10,094
10		TOTAL	139,499	139,557	138,714	139,301	(13,266)	135,333	127,994	148,074	176,406	155,253	134,116	134,101	1,555,095

12 MONTH TOTAL    NONUTILIT\* 12 MONTH %    NON-UTILITY

METHOD OF ALLOCATION

11	375	STRUCTURES AND IMPROVEMENTS	3,500	0.00%	-	Square Footage and Use
12	389	LAND AND LAND RIGHTS	(150,619)	0.85%	(1,275)	Square Footage and Use
13	390	STRUCTURES AND IMPROVEMENTS	245,923	1.13%	2,782	Square Footage and Use
14	391.10	OFFICE FURNITURE AND EQUIP - SOFTWARE	92,777	0.00%	-	Square Footage and Use
15	391.11	OFFICE FURNITURE AND EQUIP - ENTERPRISE SOFTWARE	1,179,465	1.43%	16,923	Square Footage and Use
16	391.12	OFFICE FURNITURE AND EQUIP - HARDWARE	60,705	0.00%	-	Square Footage and Use
17	391.50	OFE - INDIVIDUAL EQUIPM	18,548	1.78%	329	Square Footage and Use
18	394	TOOLS, SHOP AND GARAGE EQUIPMENT	73,688	0.00%	-	Square Footage and Use
19	397	COMMUNICATION EQUIPMENT	21,013	0.87%	182	Square Footage and Use
20	398	MISCELLANEOUS EQUIPMENT	10,094	0.00%	0	Square Footage and Use
		MINOR RECONCILING ITEM	-	0.00%	-	
21		TOTAL	1,555,095		18,942	

SUPPORTING SCHEDULES: G-2 p23

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

PROVIDE A SCHEDULE SHOWING THE ALLOCATION OF DEPRECIATION AND AMORTIZATION EXPENSE FOR THE PROJECTED YEAR. THIS DATA SHOULD CORRESPOND TO THE DATA PRESENTED IN SCHEDULE G-1, PAGE 18 OF 28.

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/18

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO.: 20170179-GU

OPC ROG 8-175

LINE NO.	A/C NO.	DESCRIPTION	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	JUL-18	AUG-18	SEP-18	OCT-18	NOV-18	DEC-18	12 MONTH TOTAL
1	390	STRUCTURES AND IMPROVEMENTS	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	18,223	218,672
2	391.10	OFFICE FURNITURE AND EQUIP - SOFTWARE	4,996	4,926	4,856	4,785	4,715	4,645	4,575	4,504	4,434	4,364	4,294	4,223	55,317
3	391.11	OFFICE FURNITURE AND EQUIP - ENTERPRISE SOFTWARE	97,610	97,602	97,595	97,753	97,911	97,904	97,897	97,889	97,882	97,875	97,868	100,331	1,176,117
4	391.12	OFFICE FURNITURE AND EQUIP - HARDWARE	4,887	4,839	4,790	4,742	4,693	4,645	4,596	4,548	4,499	4,451	4,402	4,353	55,444
5	391.50	OFE - INDIVIDUAL EQUIPM	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	2,276	27,313
6	394	TOOLS, SHOP AND GARAGE EQUIPMENT	3,278	3,591	3,641	3,691	3,741	3,791	3,841	3,891	3,941	3,991	4,041	4,091	45,523
7	397	COMMUNICATION EQUIPMENT	1,792	1,792	2,034	2,519	3,003	3,487	3,971	4,455	4,939	5,424	5,908	6,413	45,737
8	398	MISCELLANEOUS EQUIPMENT	1,238	1,238	1,317	1,395	1,395	1,395	1,473	1,629	1,785	1,942	2,071	2,123	19,000
		TOTAL	134,300	134,487	134,731	135,383	135,956	136,364	136,851	137,415	137,979	138,544	139,081	142,032	1,643,123

			12 MONTH TOTAL	NONUTILITY %	12 MONTH NON-UTILITY	METHOD OF ALLOCATION
9	375	STRUCTURES AND IMPROVEMENTS	-	0.00%	-	Square Footage and Use
10	389	LAND AND LAND RIGHTS	-	0.85%	-	Square Footage and Use
11	390	STRUCTURES AND IMPROVEMENTS	218,672	1.13%	2,474	Square Footage and Use
12	391.10	OFFICE FURNITURE AND EQUIP - SOFTWARE	55,317	0.00%	-	Square Footage and Use
13	391.11	OFFICE FURNITURE AND EQUIP - ENTERPRISE SOFTWARE	1,176,117	1.43%	16,875	Square Footage and Use
14	391.12	OFFICE FURNITURE AND EQUIP - HARDWARE	55,444	0.00%	-	Square Footage and Use
15	391.50	OFE - INDIVIDUAL EQUIPM	27,313	1.78%	485	Square Footage and Use
16	394	TOOLS, SHOP AND GARAGE EQUIPMENT	45,523	0.00%	-	Square Footage and Use
17	397	COMMUNICATION EQUIPMENT	45,737	0.87%	397	Square Footage and Use
18	398	MISCELLANEOUS EQUIPMENT	19,000	0.00%	1	Square Footage and Use
		TOTAL	1,643,123		20,231	

SUPPORTING SCHEDULES: G-1 p18; G-2 p26

RECAP SCHEDULES: G-2 p2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A RECONCILIATION BETWEEN THE TOTAL OPERATING  
INCOME TAX PROVISION AND THE CURRENT INCOME TAXES ON OPERATING  
INCOME FOR THE HISTORIC BASE YEAR + 1.

TYPE OF DATA SHOWN:  
HISTORIC BASE YEAR + 1: 12/31/17  
WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GU

OPC ROG 8-175

LINE NUMBER	DESCRIPTION	REFERENCE	TOTAL PER BOOKS	UTILITY ADJUSTMENT	UTILITY ADJUSTED
1	Current Income Tax - Federal	G-2 p30	-	-	-
2	Current Income Tax - State	G-2 p30	857	-	857
3	Deferred Income Tax - Federal	G-2 p31	3,637,527	-	3,637,527
4	Deferred Income Tax - State	G-2 p31	604,023	-	604,023
5	Total		4,242,407	-	4,242,407
	ITC Amortization		-	-	-
6	(3% ITC and IRC 46(f)2)		-	-	-
7	Total Income Tax Expense (Credit)		4,242,407	-	4,242,407

SUPPORTING SCHEDULES: G-2 p.30 &amp; 31

RECAP SCHEDULES: G-2 p 1 &amp; 4

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF STATE AND FEDERAL INCOME TAXES  
FOR THE HISTORIC BASE YEAR +1. PROVIDE DETAIL ON ADJUSTMENTS TO INCOME  
TAXES AND INVESTMENT TAX CREDITS.

TYPE OF DATA SHOWN:

HISTORIC BASE YEAR + 1: 12/31/17

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU OPC ROG 8-175

LINE NUMBER	DESCRIPTION	AMOUNT	AMOUNT	DETAIL OF ADJUSTMENTS TO PRETAX INCOME LINE 8	AMOUNT
1	NET UTILITY OPERATING INCOME (G2-4)		\$ 11,266,284	1) TAX DEPR / AMORTIZATION OVER BOOK	(18,021,171)
2	ADD OTHER INCOME (G2-4)			2) OTHER TIMING DIFFERENCES	1,459,090
3	ADD INCOME TAX ACCOUNTS (G2-4)		4,243,935	3) PERMANENT DIFFERENCES	82,466
4	LESS INTEREST CHARGES (G2-4)		4,594,871		
5				4) TOTAL ADJUSTMENTS	(16,479,615)
6	PRETAX INCOME PER BOOKS		10,915,348		
7				LINE 11	
8	ADJUSTMENTS TO PRETAX INCOME (PROVIDE DETAIL)*		(16,479,615)	5) SEC. 168(k) SPECIAL DEPRECIATION MODIFICATION	5,579,840
9					
10	TAXABLE INCOME (CURRENT)		(5,564,266)		
11	ADJUSTMENTS TO STATE TAXABLE INCOME (PROVIDE DETAIL)		5,579,840		
12	STATE TAXABLE INCOME		15,573		
13	INCOME TAX (5.5% OR APPLICABLE RATE OF LINE 12)	5.50%			
14					
15	STATE TAX - CURRENT PROVISION (Line 12 x 13)		857		
16					
17	STATE TAX - CURRENT		857		
18					
19	FEDERAL TAXABLE INCOME (LINE 10 + LINE 15)		(5,565,123)		
20	FEDERAL INCOME TAX RATE (35% OR APPLICABLE RATE) (	35.00%	(1,947,793)		
21					
22	FEDERAL INCOME TAX BEFORE CREDITS		(1,947,793)		
23	FEDERAL NET OPERATING LOSS RECLASSIFIED TO FEDERAL DEFERRED INCOME TAX		1,947,793		
24					
25	FEDERAL TAX - CURRENT		-		
26	SUMMARY:				
27	STATE TAX - CURRENT		857		
28	FEDERAL TAX - CURRENT		-		
29					
30	TOTAL CURRENT INCOME TAX EXPENSE <CREDIT>		857		

SUPPORTING SCHEDULES:

RECAP SCHEDULES: G-2 p 29



## SCHEDULE G-2

## DEFERRED INCOME TAX EXPENSE

PAGE 31 OF 34

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE CALCULATION OF TOTAL DEFERRED INCOME TAXES  
FOR THE HISTORIC BASE YEAR +1. PROVIDE DETAIL ON ITEMS RESULTING IN  
TAX DEFERRALS OTHER THAN ACCELERATED DEPRECIATION.

TYPE OF DATA SHOWN:

HISTORIC BASE YEAR + 1: 12/31/17

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO.: 20170179-GU

OPC ROG 8-175

## DEFERRED INCOME TAXES - YEAR ENDED 12/31/2017

LINE NUMBER	DESCRIPTION	TOTAL PER BOOKS
	<u>TIMING DIFFERENCES:</u>	
1	TAX DEPRECIATION AND AMORTIZATION	32,930,795
2	BOOK DEPRECIATION AND AMORTIZATION	14,909,624
3	DIFFERENCE	18,021,171
	<u>OTHER TIMING DIFFERENCES (ITEMIZE):</u>	
4	Performance Cash	(82,459)
5	Accrued Bonus	(438,684)
6	Pension Costs	(791,378)
7	Insurance Analysis	17,968
8	Bad Debt Analysis	(247,347)
9	Post Retirement Benefit	67,577
10	Rate Case	685,662
11	Leasehold Improvements	(506,180)
13	Pension Regulatory Asset	(164,249)
		(1,459,090)
14	Total Timing Differences	16,562,081
15	State Tax Depreciation	(5,579,840)
16	Total State Differences (Line 14 + Line 15)	10,982,241
17	State Tax Rate	5.50%
18	State Deferred Taxes (Line 16 x 17)	604,023
19	Timing Differences for Federal Taxes	
20	(Line 14 - Line 18)	15,958,057
21	Federal Tax Rate	35.00%
22	Federal Deferred Taxes (Line 20 x Line 21)	5,585,320
23	Add State Deferred Taxes (Line 18)	604,023
24	Federal Net Operating Loss From Current Tax (G2-30)	(1,947,793)
25	Total State Deferred Income Tax	604,023
26	Total Federal Deferred Income Tax	3,637,527
27	Total Deferred Tax Expense	4,241,550

SUPPORTING SCHEDULES:

RECAP SCHEDULES: G-2 p. 29

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A RECONCILIATION BETWEEN THE TOTAL OPERATING  
INCOME TAX PROVISION AND THE CURRENT INCOME TAXES ON OPERATING  
INCOME FOR THE PROJECTED TEST YEAR.

TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO.: 20170179-GU **OPC ROG 8-175**

LINE NUMBER	DESCRIPTION	REFERENCE	TOTAL PER BOOKS	UTILITY ADJUSTMENT	UTILITY ADJUSTED
1	Current Income Tax - Federal	G-2 p33	-	(226,072)	(226,072)
2	Current Income Tax - State	G-2 p33	-	(62,656)	(62,656)
3	Deferred Income Tax - Federal	G-2 p34	542,262		542,262
4	Deferred Income Tax - State	G-2 p34	374,377	-	374,377
5	Total		916,640	(288,728)	627,912
6	ITC Amortization (3% ITC and IRC 46(f)(2))		-	-	-
7	Total Income Tax Expense (Credit)		916,640	(288,728)	627,912

SUPPORTING SCHEDULES: G-2 p.33 &amp; 34

RECAP SCHEDULES: G-2 p 1 &amp; 5

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO.: 20170179-GU **OPC ROG 8-175**

LINE NUMBER	DESCRIPTION	DETAIL OF ADJUSTMENTS TO PRETAX INCOME	
		AMOUNT	AMOUNT
1	NET UTILITY OPERATING INCOME (G2-5)		\$ 11,113,417
2	ADD OTHER INCOME (G2-5)		
3	ADD INCOME TAX ACCOUNTS (G2-5)		916,639
4	LESS INTEREST CHARGES (G2-5)		\$5,300,998
5			
6	PRETAX INCOME PER BOOKS		6,729,058
7			
8	ADJUSTMENTS TO PRETAX INCOME (PROVIDE DETAIL)*		1,253,036
9			
10	TAXABLE INCOME (CURRENT)		7,982,095
11	ADJUSTMENTS TO STATE TAXABLE INCOME (PROVIDE DETAIL)		(14,901,173)
12	STATE TAXABLE INCOME		(6,919,078)
13	INCOME TAX (5.5% OR APPLICABLE RATE OF LINE 12)	5.50%	
14			
15	STATE TAX - CURRENT PROVISION (LINE 12 X LINE 13)		(380,549)
16	STATE NET OPERATING LOSS RECLASSIFIED TO STATE DEFERRED INCOME TAX (G2-34)		380,549
17			-
18			
19	FEDERAL TAXABLE INCOME (LINE 10 - LINE 15)		8,362,644
20	FEDERAL INCOME TAX RATE (35% OR APPLICABLE RATE)	21.00%	1,756,155
21			
22	FEDERAL INCOME TAX BEFORE CREDITS		1,756,155
23	LESS: ITC REALIZED/EXCESS DEFERRED AMORTIZATION		
24	UTILIZE 2017 Federal NOL		(1,756,155)
25	FEDERAL TAX - CURRENT		-
26	FEDERAL NET OPERATING LOSS RECLASSIFIED TO FEDERAL DEFERRED INCOME TAX (G2-34)		-
27	FEDERAL TAX - CURRENT		-
28	SUMMARY:		
29	STATE TAX - CURRENT		-
30	FEDERAL TAX - CURRENT		-
31			
32	TOTAL CURRENT INCOME TAX EXPENSE <CREDIT>		-

SUPPORTING SCHEDULES: G-2 p. 34

RECAP SCHEDULES: G-2 p. 32

## SCHEDULE G-2

FLORIDA PUBLIC SERVICE COMMISSION

## DEFERRED INCOME TAX EXPENSE

PAGE 34 OF 34

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO.: 20170179-GU

EXPLANATION: PROVIDE THE CALCULATION OF TOTAL DEFERRED INCOME TAXES  
FOR THE PROJECTED TEST YEAR. PROVIDE DETAIL ON ITEMS RESULTING IN  
TAX DEFERRALS OTHER THAN ACCELERATED DEPRECIATION.

TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. J. MORLEY

OPC ROG 8-175

## DEFERRED INCOME TAXES - YEAR ENDED 12/31/18

LINE NUMBER	DESCRIPTION	TOTAL PER BOOKS
	<u>TIMING DIFFERENCES:</u>	
1	TAX DEPRECIATION AND AMORTIZATION	15,287,997
2	BOOK DEPRECIATION AND AMORTIZATION	16,226,365
3	DIFFERENCE	(938,368)
	<u>OTHER TIMING DIFFERENCES (ITEMIZE):</u>	
4	Performance Cash	(43,525)
5	Accrued Bonus	(40,876)
6	Pension Costs	(296,787)
7	Insurance Analysis	(406)
8	Bad Debt Analysis	18,400
9	Post Retirement Benefit	85,577
10	Rate Case	352,408
11	Leasehold Improvements	(284,286)
12	Pension Regulatory Asset	(27,374)
13		
14		(236,869)
15	Total Timing Differences	(1,175,237)
16	State Tax Depreciation	14,901,173
17	Total State Differences	13,725,936
18	State Tax Rate	5.50%
19	State Deferred Taxes (Line 18 x 19)	754,926
20	Timing Differences for Federal Taxes	
21	(Line 16 - Line 20)	(1,930,163)
22	Federal Tax Rate	21.00%
23	Federal Deferred Taxes (Line 22 x Line 23)	(405,334)
24	Add State Deferred Taxes (Line 20)	754,926
25	State Net Operating Loss From Current Tax (G2-30)	(380,549)
26	Excess Deferred Tax Amortization	(808,558)
27	Federal Net Operating Loss from Current Tax (G2-33, Line 24))	1,756,155
28	Sub-Total Deferred Tax Expense	916,640
29	Total State Deferred Income Tax Expense (Lines 25)	374,377
30	Total Federal Deferred Income Tax Expense (Lines 24 +26)	542,262
31	Total Deferred Income Tax Expense	916,640

SUPPORTING SCHEDULES:

RECAP SCHEDULES: G-2 P. 32 &amp; 33



COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU

OPC ROG 8-175

Adjustments										
Line No.	Description	Per Books	To Conform with Ratio of Investor Sources	Specific	Pro Rata	Adjusted	Ratio	Cost Rate	Weighted Cost	Consolidated Investor Sources
1	COMMON EQUITY	87,024,284	12,508,751	-	(5,456,723)	94,076,312	39.31%	11.25%	4.42%	47.36%
2	LONG TERM DEBT	100,043,851	(6,404,060.29)	-	(5,133,637)	88,506,154	36.98%	4.60%	1.70% a	44.55%
3	SHORT TERM DEBT	23,112,269	(6,104,691)	-	(932,411)	16,075,168	6.72%	1.74%	0.12% a	8.09%
4	CUSTOMER DEPOSITS	3,872,729	-	-	-	3,872,729	1.62%	2.73%	0.04% a	
5	DEFERRED TAXES	36,312,793	-	471,120	-	36,783,913	15.37%	0.00%	0.00%	
6	TAX CREDIT	-	-	-	-	-	0.00%	0.00%	0.00%	
7	TOTAL	250,365,926	-	471,120	(11,522,771)	239,314,275	100.00%		6.29%	

INTEREST SYNCHRONIZATION CALCULATION

RATE BASE

x WEIGHTED AVERAGE COST OF DEBT

SYNCHRONIZED INTEREST

INTEREST PER BOOKS

INTEREST PER BOOKS OVER SYNCHRONIZED INTEREST CALCULATED

STATE TAX @

FEDERAL TAX @

TOTAL INCOME TAX ADJUSTMENT

(SUM OF "a")	239,314,275	
	1.86%	
	4,459,641	
	4,594,871	
	135,230	
5.50%	7,438	7,438
	127,793	
35.00%		44,727
		\$52,165

## SCHEDULE G-3

FLORIDA PUBLIC SERVICE COMM

## CALCULATION OF THE PROJECTED TEST YEAR - COST OF CAPITAL

EXPLANATION: PROVIDE A SCHEDULE CALCULATING A 13 MONTH AVERAGE COST  
OF CAPITAL FOR THE PROJECTED TEST YEAR

PAGE 2 OF 11

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/18

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU OPC ROG 8-175

Line No.	Description	Per Books	Adjustments				Adjusted	Ratio	Cost Rate	Weighted Cost	Consolidated Investor Sources
			To Conform with Ratio of Investor Sources	Specific	Pro Rata						
1	COMMON EQUITY	107,985,825	14,823,235	-	2,222,246	125,031,306	41.23%	11.25%	4.64%	49.19%	
2	LONG TERM DEBT	86,859,397	25,535,554	-	2,033,801	114,428,752	37.74%	4.69%	1.77% a	45.02%	
3	SHORT TERM DEBT	54,804,462	(40,358,789)	-	261,396	14,707,069	4.85%	2.64%	0.13% a	5.79%	
4	CUSTOMER DEPOS	3,888,281	-	-	-	3,888,281	1.28%	2.73%	0.03% a		
5	DEFERRED TAXES	44,643,944	-	517,598	-	45,161,542	14.89%	0.00%	0.00%		
6	TAX CREDIT	-	-	-	-	-	0.00%	0.00%	0.00%		
7	TOTAL	298,181,909	-	517,598	4,517,443	303,216,950	100.00%		6.57%		

## INTEREST SYNCHRONIZATION CALCULATION

RATE BASE

\$ 303,216,950

x WEIGHTED AVERAGE COST OF DEBT

(SUM OF "a")

1.93%

SYNCHRONIZED INTEREST

5,861,487

INTEREST PER BOOKS

5,300,998 Will record addit. Int on 2018 IS

INTEREST PER BOOKS Less than SYNCHRONIZED INTEREST CALCULATED

560,488

STATE TAX @

5.50%

30,827

30,827

529,662

FEDERAL TAX @

21.00%

-

111,229

TOTAL INCOME TAX ADJUSTMENT

-

(\$142,056)

SUPPORTING SCHEDULES: G-1 pp 7 &amp; 8, G-3 p 3-8

RECAP SCHEDULES: A1, A5, G2 p 3

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU

Explanation: Provide analysis, as specified, of each outstanding issue of long-term debt, on a 13 month average basis, for the historic base year.

PROJECTED TEST YEAR: 12/31/18  
Witness: M. J. MORLEY

OPC ROG 6-175

**NOTE: PRESENTED ON A CONSOLIDATED BASIS  
FOR ALL SOUTHERN COMPANY GAS**

Line No.	Issue (1)	Issue Date (2)	Maturity Date (3)	Average Principal Outstanding 12/31/18 (4)	(Premium) Discount (5)	Issuing Expense (6)	Early Retirement Premium (7)	swaps and Treasury Locks (8)	Net (5)+(6)+(7)+(8) (9)	Life (Years) (10)	Annual Amortization (9) / (10) (11)	Interest (12)	Annual Total Cost (11) + (12) (13)	Rate (14)
<b>Senior Notes</b>														
1	Fixed Rate 5.875% Due 2041	March 2011	Due March 2041	500,000,000	5,209,999	771,962		21,091,885	27,073,847	30	902,462	29,375,000	30,277,462	5.88%
2	Fixed Rate 4.40% Due 2043	May 2013	Due June 2043	500,000,000	6,285,000	855,585		(5,831,977)	1,308,608	30	(345,591)	22,000,000	21,654,409	4.40%
3	Fixed Rate 6.00% Due 2034	Sept 2004	Due Sept 2034	250,000,000	452,498	2,591,989			3,044,488	30	101,483	15,000,000	15,101,483	6.00%
4	Fixed Rate 2.45% Due 2023	Sept 2016	Due Oct 2023	350,000,000	2,460,500	164,159		-	2,624,659	7	356,914	8,575,000	8,931,914	2.45%
5	Fixed Rate 3.95% Due 2046	Sept 2016	Due Oct 2046	550,000,000	5,786,000	254,020		35,049,500	41,089,520	30	1,367,511	21,725,000	23,092,511	3.95%
6	Fixed Rate 3.875% Due 2025	Nov 2015	Due Nov 2025	250,000,000	225,000	2,161,594		38,165	2,424,758	10	242,476	9,687,500	9,929,976	3.88%
7	Fixed Rate 5.25% Due 2019	August 2009	Due August 2019	300,000,000	651,000	2,110,720		289,559	3,051,278	10	305,128	15,750,000	16,055,128	5.25%
8	Fixed Rate 3.50% Due 2021	Sept 2011	Due Sept 2021	300,000,000	4,551,000	2,417,350			6,968,350	10	696,835	10,500,000	11,196,835	3.50%
9	Fixed Rate 5.875% Due 2041	Sept 2011	Due Sept 2041	200,000,000	(26,868,000)	1,779,660			(25,088,340)	30	(836,278)	11,750,000	10,913,722	5.88%
10	Fixed Rate 3.25% Due 2026	May 2016	Due May 2026	350,000,000	3,682,000	734,575		22,987,476	27,404,051	10	2,740,405	11,375,000	14,115,405	3.25%
11	Fixed Rate 3.5% Due 2018	October 2011	Due October 2018	119,230,769	-	968,750			968,750	7	138,393	4,173,077	4,279,533	3.50%
12	Fixed Rate 4.40% Due 2047	May 2017	Due May 2047	450,000,000	4,977,614	17,386			4,995,000	30	166,500	19,800,000	19,966,500	4.40%
									-			-	-	
									-			-	-	
<b>Gas Facilities Revenue Bonds</b>														
13	Variable Rate 1.12% due April 2018	07/24/94	Due 10/01/22	\$ 14,307,692	\$ -	\$ 683,861	\$ 4,249,067		\$ 4,932,928	28	\$ 176,176	393,462	569,638	2.75%
14	Variable Rate 1.12% due April 2018	07/27/94	Due 10/01/24	6,153,846	-	478,699	4,151,210		4,629,910	30	154,330	169,231	323,561	2.75%
15	Variable Rate 1.12% due April 2018	06/12/96	Due 6/1/2026	12,000,000	-	446,612	2,079,959		2,526,571	30	84,219	330,000	414,219	2.75%
16	Variable Rate 1.12% due April 2018	06/12/97	Due 6/2/1932	16,800,000	-	500,283	7,055,619		7,555,902	35	215,883	462,000	677,883	2.75%
17	Variable Rate 1.12% due April 2018	12/31/98	Due 11/1/1933	12,307,692	-	503,731	679,232		1,182,964	35	33,799	338,462	372,260	2.75%
<b>Medium-Term Notes</b>														
18	Series A 9.10%	February 1991	Due 02/01/21	30,000,000	-	313,621	1,608,134		1,921,756	30	64,059	2,730,000	2,794,059	9.10%
19	Series B 8.70%	April 1992	Due 04/01/22	25,000,000	-	215,075	128,653		343,728	30	11,458	2,175,000	2,186,458	8.70%
20	Series B 8.55%	April 1992	Due 04/15/22	6,000,000	-	51,620	643,612		695,232	30	23,174	513,000	536,174	8.55%
21	Series B 8.55%	April 1992	Due 04/01/22	5,000,000	-	43,016	321,808		364,824	30	12,161	427,500	439,661	8.55%
22	Series B 8.55%	May 1992	Due 05/13/22	10,000,000	-	85,795	321,808		407,603	30	13,587	855,000	868,587	8.55%
23	Series C 6.55%	November 1996	Due 11/20/26	10,000,000	-	73,876	321,988		395,863	30	13,195	655,000	668,195	6.55%
24	Series C 6.55%	November 1996	Due 11/20/26	10,000,000	-	73,876	102,751		176,627	30	5,888	655,000	660,888	6.55%
25	Series C 6.55%	November 1996	Due 11/20/26	10,000,000	-	73,876	403,664		477,540	30	15,918	655,000	670,918	6.55%
26	Series C 7.30%	July 1997	Due 07/15/27	33,500,000	-	321,142			321,142	30	10,705	2,445,500	2,456,205	7.30%
27	Series C 7.30%	July 1997	Due 07/15/27	10,000,000	-	95,864			95,864	30	3,195	730,000	733,195	7.30%
28	Series C 7.30%	July 1997	Due 07/15/27	10,000,000	-	95,864			95,864	30	3,195	730,000	733,195	7.30%



COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

PROJECTED TEST YEAR: 12/31/18

Witness: M. J. MORLEY

DOCKET NO. 20170179-GU

OPC ROG 8-175

**NOTE: PRESENTED ON A CONSOLIDATED BASIS  
FOR ALL SOUTHERN COMPANY GAS**

Line No.	Issue (1)	Issue Date (2)	Maturity Date (3)	Average Principal Outstanding 12/31/18 (4)	(Premium) Discount (5)	Issuing Expense (6)	Early Retirement Premium (7)	swaps and Treasury Locks (8)	Net (5)+(6)+(7)+(8) (9)	Life (Years) (10)	Annual Amortization (9) / (10) (11)	Interest (12)	Annual Total Cost (11) + (12) (13)	Rate (14)
<b>Nicor Gas</b>														
29	FMB 50 Million at 6.58%	02/15/98	Due 2/15/2028	50,000,000	552,560	210,029	-	-	762,589	30	25,420	3,290,000	3,315,420	6.58%
30	FMB 100 Million at 2.66%	06/20/16	Due 6/20/2026	100,000,000	-	1,013,400	-	-	1,013,400	10	101,340	2,660,000	2,761,340	2.66%
31	FMB 50 Million at 5.80%	12/11/03	Due 12/11/2023	50,000,000	768,198	357,151	4,256,143	-	5,381,492	20	269,075	2,900,000	3,169,075	5.80%
32	FMB 50 Million at 5.90%	12/11/03	Due 12/11/2032	50,000,000	497,504	357,335	3,655,121	-	4,509,961	29	155,516	2,950,000	3,105,516	5.90%
33	FMB 50 Million at 5.90%	12/11/03	Due 12/11/2033	50,000,000	528,981	237,362	4,086,283	-	4,852,626	30	161,754	2,950,000	3,111,754	5.90%
34	FMB 50 Million at 5.85%	12/15/06	Due 12/15/2036	50,000,000	77,777	434,106	3,892,267	-	4,404,150	30	146,805	2,925,000	3,071,805	5.85%
35	FMB 75 Million at 6.25%	08/15/08	Due 8/15/2038	75,000,000	109,117	720,277	3,701,302	-	4,530,696	30	151,023	4,687,500	4,838,523	6.25%
36	FMB 50 Million at 4.70%	07/30/09	Due 7/30/2019	50,000,000	92,643	582,255	1,224,514	-	1,899,412	10	189,941	2,350,000	2,539,941	4.70%
37	FMB 100 Million at 2.91%	06/20/16	Due 6/20/2031	100,000,000	-	1,013,398	-	-	1,013,398	15	67,560	2,910,000	2,977,560	2.91%
38	FMB 100 Million at 3.03%	08/01/17	Due 8/1/2027	100,000,000	-	847,500	-	-	847,500	10	84,750	3,030,000	3,056,077	3.03%
39	FMB 100 Million at 3.62%	08/01/17	Due 8/1/37	100,000,000	-	847,500	-	-	847,500	20	42,375	3,620,000	3,662,375	3.62%
40	FMB 100 Million at 3.85%	11/01/17	Due 11/1/2047	100,000,000	-	847,500	-	-	847,500	30	28,250	3,850,000	3,878,250	3.85%
41	FMB 100 Million at 4.00%	11/01/17	Due 11/1/2057	100,000,000	-	847,500	-	-	847,500	40	21,188	4,000,000	4,021,188	4.00%
42	FMB 225 Million at 5.40%	10/01/18	Due 10/1/2035	57,692,308	-	2,320,000	-	-	2,320,000	17	138,922	3,086,538	3,118,597	5.35%
43	FMB 50 Million at 3.27%	06/20/16	Due 6/20/2036	50,000,000	-	507,047	2,821,045	5,965,680	9,293,772	20	464,689	1,635,000	2,099,689	3.27%
44	Total			\$ 5,422,992,308	\$ 10,039,392	\$ 30,026,922	\$ 45,704,181	\$ 79,590,287	\$ 165,360,782		\$ 8,725,787	\$ 240,818,769	\$ 249,347,083	
45	Unamortized Premium, Discount and Issue Expense			(82,516,715)										
46	Net			\$ 5,340,475,592										
47	Embedded Cost of Long-Term Debt (Line 47, Col 13) / (Line 45, Col 4)			4.67%										
48	Excluding Nicor GAS Debt:													
49	Total			\$ 4,340,300,000										
50	Unamortized Premium, Discount and Issue Expense			(67,007,511)										
51	Net			\$ 4,273,292,489										
52	Embedded Cost of Long-Term Debt			4.69%										

## SCHEDULE G-3

## FINANCING PLANS - STOCK AND BOND ISSUES

PAGE 8 OF 11

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE THE INFORMATION, AS SPECIFIED, FOR FINANCING  
PLANS AND ASSUMPTIONS.

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/18

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU OPC ROG 8-175

Line No.	Type of Issue	Date of Issue	FOR BONDS			FOR STOCK			Principal Amount	Other Assumptions
			Capitalization	Interest Rate	Life in Years	No. of Shares	Market Price	Issuance Cost		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Nicor FMB	August 2017	\$100,000,000	3.03%	10	Equity Infusions from Parent will equate to \$525 Million				
	Nicor FMB	August 2017	\$100,000,000	3.62%	20					
	Nicor FMB	November 2017	\$100,000,000	3.85%	30					
	Nicor FMB	November 2017	\$100,000,000	4.00%	40					
	Senior Note	July 2018	\$405,000,000	5.35%	17					
	Nicor FMB	October 2018	\$225,000,000	5.10%	17					

## CAPITAL STRUCTURE OBJECTIVES:

## COMPONENTS

PERCENT OF  
TOTAL (a)

	(11)	(12)
2	LONG TERM DEBT	47.79%
3	PREFERRED STOCK	0.00%
4	COMMON EQUITY	52.21%
5	OTHER (EXPLAIN)	0.00%

(a) Percents adjusted to exclude Short Term Debt

SUPPORTING SCHEDULES:

RECAP SCHEDULES:

SCHEDULE G-3		FINANCIAL INDICATORS - CALCULATION OF INTEREST AND PREFERRED DIVIDEND COVERAGE RATIOS	PAGE 9 OF 11
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: PROVIDE CALCULATIONS FOR THE FOLLOWING - INTEREST COVERAGE RATIOS AND PREFERRED DIVIDEND COVERAGE (INCLUDING AND EXCLUDING AFUDC FOR EACH INDICATOR) FOR THE PROJECTED TEST YEAR.	TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/18 WITNESS: M. J. MORLEY
COMPANY:	PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS		
DOCKET NO.	20170179-GU	OPC ROG 8-175	

LINE NO.	INDICATOR <u>INCLUDING ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION</u>	YEAR ENDED 12/31/18	
		PROJ. TEST YR. CURRENT RATES	PROJ. TEST YR. PROPOSED RATES
1	EARNINGS BEFORE INTEREST (INCLUDING AFUDC)	\$ 11,059,035	\$ 20,160,277
2	DEBT PORTION OF ALLOW. FOR FUNDS USED DURING CONSTR.	-	-
3	INCOME TAXES	916,639	4,006,509
4	EARNINGS BEFORE INTEREST AND TAXES (1)+(2)+(3)	11,975,675	24,166,786
5	INTEREST (BEFORE DEDUCTING AFUDC)	5,300,998	5,300,998
6	PRE-TAX INTEREST COVERAGE RATIO (4)/(5)	2.26	4.56
7	EARNINGS AFTER INTEREST, AFTER TAXES (4)-(3)-(5)	5,758,037	14,859,279
8	PREFERRED DIVIDENDS	N/A	N/A
9	PREFERRED DIVIDENDS COVERAGE RATIO (7)/(8)	N/A	N/A
	<u>EXCLUDING ALLOWANCES FOR FUNDS USED DURING CONSTRUCTION</u>		
10	EARNINGS BEFORE INTEREST (INCLUDING AFUDC)	11,059,035	20,160,277
11	FUNDS USED DURING CONSTRUCTION	-	-
12	INCOME TAXES	916,639	4,006,509
13	EARNINGS BEFORE INTEREST AND TAXES (10)-(11)-(12)	11,975,675	24,166,786
14	INTEREST (BEFORE DEDUCTING AFUDC)	5,300,998	5,300,998
15	PRE-TAX INTEREST COVERAGE RATIO (13)/(14)	2.26	4.56
16	EARNINGS AFTER INTEREST, AFTER TAXES (13)-(12)-(14)	5,758,037	14,859,279
17	PREFERRED DIVIDENDS	N/A	N/A
18	PREFERRED DIVIDEND COVERAGE RATIO (16)/(17)	N/A	N/A

SUPPORTING SCHEDULES: G-2 p 5, G-3, p 5, G-5

RECAP SCHEDULES: A-6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE INFORMATION, AS SPECIFIED, USED TO CALCULATE  
THE PERCENTAGE OF CONSTRUCTION FUNDS TO BE GENERATED INTERNALLY.

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/18

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

OPC ROG 8-175

LINE NO.	INDICATOR  FUNDS FROM CURRENT OPERATIONS:	YEAR ENDED 12/31/2018		AS FILED	AS FILED
		PROJECTED TEST YEAR CURRENT RATES	PROJECTED TEST YEAR PROPOSED RATES	PROJECTED TEST YEAR CURRENT RATES	PROJECTED TEST YEAR PROPOSED RATES
1	NET INCOME	5,758,037	14,859,279	4,055,417	13,664,650
2	DEPRECIATION AND AMORTIZATION	18,874,174	18,874,174	18,874,174	18,874,174
3	ITC (NET)	-	-	-	-
4	DEFERRED TAXES (NET)	916,639	916,639	2,628,895	2,628,895
5	AFUDC	-	-	-	-
6	TOTAL FUNDS FROM CURRENT OPERATION (1)+(2)+(3)+(4)-(5)	25,548,850	34,650,092	25,558,486	35,167,718
7	RETIREMENTS AND REDEMPTIONS	-	-	-	-
8	DIVIDENDS (PREFERRED AND COMMON)	(1,000,952)	(1,000,952)	3,536,634	3,536,634
9	TOTAL FUNDS GENERATED INTERNALLY (6)-(7)-(8)	26,549,802	35,651,044	22,021,852	31,631,084
10	CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC)	98,676,484	98,676,484	98,676,484	98,676,484
11	PERCENTAGE OF CONSTRUCTION FUNDS GENERATED INTERNALLY (9)/(10)	26.91%	36.13%	22.32%	32.06%



FINANCIAL INDICATORS - AFUDC AS PERCENTAGE OF INCOME AVAILABLE FOR COMMON  
EXPLANATION: CALCULATE THE AFUDC AS A PERCENTAGE OF  
INCOME FOR COMMON FOR THE PROJECTED TEST YEAR.

SCHEDULE G-3

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO. 20170179-GU

OPC ROG 8-175

PAGE 11 OF 11

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/18

WITNESS: M. J. MORLEY

MONTH AND YEAR ENDED 12/31/18

DOLLARS IN THOUSANDS

LINE NO.	INDICATOR	PROJECTED TEST YEAR CURRENT RATES		PROJECTED TEST YEAR PROPOSED RATES	
1	ALLOWANCES FOR FUNDS USED DURING CONSTRUCTION	\$	-	\$	-
2	DEFERRED TAXES ON DEBT COMPONENT OF AFUDC		-		-
3	NET ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (1)		-		-
4	INCOME AVAILABLE FOR COMMON		5,758,037		14,859,279
5	AFUDC AS A PERCENTAGE OF INCOME AVAILABLE FOR COMMON (3)/(4)		0.00%		0.00%

NOTE: CITY GAS DOES NOT ACCRUE AFUDC. SEE SCHEDULE B-8.

SUPPORTING SCHEDULES: G-3, p.9

RECAP SCHEDULES: A-6



## SCHEDULE G-4

FLORIDA PUBLIC SERVICE COMMISSION

## CALCULATION OF THE PROJECTED TEST YEAR - REVENUE EXPANSION FACTOR

EXPLANATION: PROVIDE THE CALCULATION OF THE REVENUE EXPANSION FACTOR.

PAGE 1 OF 1

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/18

WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU

OPC ROG 8-175

LINE

NO.	DESCRIPTION	%	AS FILED	CHANGE
1	REVENUE REQUIREMENT	100.00	100.00	0.00
2	REGULATORY ASSESSMENT RATE	0.5000	0.5000	0.0000
3	BAD DEBT RATE	0.4382	0.4382	0.0000
4	NET BEFORE INCOME TAXES (1)-(2)-(3)	99.0618	99.0618	0.0000
5	STATE INCOME TAX RATE	5.5	5.5	0.0
6	STATE INCOME TAX (4 X 5)	5.4484	5.4484	0.0000
7	NET BEFORE FEDERAL INCOME TAX (4)-(6)	93.6134	93.6134	0.0000
8	FEDERAL INCOME TAX RATE	0.21	0.35	(0.14)
9	FEDERAL INCOME TAX (7 X 8)	19.6588	32.7647	(13.1059)
10	REVENUE EXPANSION FACTOR (7)-(9)	73.9546	60.8487	13.1059
11	NET OPERATING INCOME MULTIPLIER (100% / LINE 10)	1.3522	1.6434	(0.2912)

SUPPORTING SCHEDULES:

RECAP SCHEDULES: G-5

SCHEDULE G-5  
FLORIDA PUBLIC SERVICE COMMISSION

CALCULATION OF THE PROJECTED TEST YEAR - REVENUE DEFICIENCY  
EXPLANATION: PROVIDE THE CALCULATION OF THE REVENUE DEFICIENCY FOR  
THE PROJECTED TEST YEAR.

PAGE 1 OF 1

TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/18  
WITNESS: M. J. MORLEY

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

DOCKET NO.: 20170179-GU  
CPC ROG 8-175

LINE NO.	DESCRIPTION	AMOUNT	AS FILED AMOUNT	CHANGE
1	ADJUSTED RATE BASE	\$ 303,216,950	\$299,278,151	\$ 3,938,799
2	REQUESTED RATE OF RETURN	6.57%	6.32%	0.26%
3	N.O.I. REQUIREMENTS	19,924,669	18,899,714	1,024,974
4	LESS: ADJUSTED N.O.I.	10,823,447	9,290,482	1,532,965
5	N.O.I. DEFICIENCY	\$ 9,101,242	\$ 9,609,232	\$ (507,990)
6	EXPANSION FACTOR	1.3522	1.6434	(0.2912)
7	REVENUE DEFICIENCY	\$ 12,306,700	\$ 15,791,812	\$ (3,485,112)
8	ADD SAGE SURCHARGE SET TO ZERO	\$ 3,509,729	\$ 3,509,729	\$ -
9	TOTAL BASE REVENUE DEFICIENCY	\$ 15,816,429	\$ 19,301,541	\$ (3,485,112)

SUPPORTING SCHEDULES: G-1 p 1, G-3 p 2, G-4

RECAP SCHEDULES: A-1, A-2

PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS  
DOCKET NO. 20170179-GU  
MINIMUM FILING REQUIREMENTS  
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## SCHEDULE H-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC

D/B/A FLORIDA CITY GAS

DOCKET NO: 20170179-GU OPC ROG 8-175

## COST OF SERVICE

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYCALCULATION OF PROPOSED RATES  
SCHEDULE A

PAGE 1 OF 6

TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018

WITNESS: D. NIKOLICH

## SALES &amp; TRANSPORTATION SERVICES:

	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
PROPOSED TOTAL TARGET REVENUES	\$ 7,089,561	\$ 18,572,299	\$ 571,948	\$ 6,719,445	\$ 11,402,309	\$ 6,757,391	\$ 10,969,033	\$ 3,619,212			\$ 15,345	\$ -	\$ 173,618	\$ 265,891	\$ 66,154,031
LESS: OTHER OPERATING REVENUE	\$ 742,272	\$ 1,571,770	\$ 30,482	\$ 264,473	\$ 329,830	\$ 175,419	\$ 37,846	\$ 9,834			\$ 132	\$ -	\$ 2,020	\$ -	\$ 3,164,078
Less: Proposed Customer Charge Revenues															
Proposed Customer charges: SALES & TRANSPORTATION	\$ 12.00	\$ 15.00	\$ 20.00	\$ 25.00	\$ 35.00	\$ 150.00	\$ 300.00	\$ 500.00	\$ 1,000.00	\$ 2,000.00		\$ 25.00	\$ 500.00	\$ 400.00	
TIMES: NUMBER OF BILLS: SALES & TRANSPORTATION	406,366	797,671	11,632	59,911	28,538	4,878	1,212	84	0	0	3,936	0	12	132	
EQUALS: CUSTOMER CHARGE REVENUES	\$ 4,876,392	\$ 11,965,065	\$ 232,640	\$ 1,497,775	\$ 998,830	\$ 701,700	\$ 363,600	\$ 42,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,000	\$ 52,800	\$ 1,314,172
Less: Proposed Demand Charge Revenues															
Proposed demand charges: SALES & TRANSPORTATION	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 0	\$ 0	\$ 0	\$ 6.05	
TIMES: DCC: SALES & TRANSPORTATION							206,816	238,851						33,807	
EQUALS: DEMAND CHARGE REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,189,194	\$ 1,372,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,422	\$ 479,275
EQUALS: PER-THERM TARGET REVENUES	\$ 1,470,896	\$ 5,035,464	\$ 308,826	\$ 4,957,197	\$ 10,073,650	\$ 5,880,272	\$ 9,378,392	\$ 2,195,134	\$ -	\$ -	\$ 15,213	\$ -	\$ 165,598	\$ 8,669	\$ 2,765,860
DIVIDED BY: NUMBER OF THERMS	2,886,825	12,240,769	767,899	12,382,178	28,127,107	17,386,101	34,439,382	15,613,100	-	-	38,033	-	5,492,320	-	129,373,714
EQUALS: PER-THERM RATES (Unrounded)	\$ 0.509520	\$ 0.411368	\$ 0.402170	\$ 0.400349	\$ 0.358147	\$ 0.338217	\$ 0.272316	\$ 0.140596	\$ 0.080000	\$ 0.040000	\$ 0.400000	\$ 0.400349	\$ -	\$ -	
PER-THERM RATES (Rounded)	\$ 0.50952	\$ 0.41137	\$ 0.40217	\$ 0.40035	\$ 0.35815	\$ 0.33822	\$ 0.27232	\$ 0.14060	\$ 0.08000	\$ 0.04000	\$ 0.40000	\$ 0.40035	\$ -	\$ -	
PER-THERM-RATE REVENUES (Rounded Rates)	\$ 1,470,895	\$ 5,035,465	\$ 308,826	\$ 4,957,205	\$ 10,073,723	\$ 5,880,327	\$ 9,378,533	\$ 2,195,202	\$ -	\$ -	\$ 15,213	\$ -	\$ -	\$ -	\$ 39,481,003

## SUMMARY: PROPOSED TARIFF RATES

CUSTOMER CHARGES	\$ 12.00	\$ 15.00	\$ 20.00	\$ 25.00	\$ 35.00	\$ 150.00	\$ 300.00	\$ 500.00	\$ 1,000.00	\$ 2,000.00	\$ -	\$ 25.00	\$ -	\$ 400.00	
DEMAND CHARGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ -	\$ -	\$ -	\$ 6.05	
ENERGY CHARGES															
NON-GAS (CENTS PER THERM)	50.9520	41.1368	40.2170	40.0349	35.8147	33.8217	27.2316	14.0596	8.0000	4.0000	40.0000	40.0349			
PURCHASED GAS ADJUSTMENT	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000			
TOTAL (INCLUDING PGA)	104.9520	95.1368	94.2170	94.0349	89.8147	87.8217	81.2316	68.0596	62.0000	58.0000	94.0000	94.0349			

## SUMMARY: PRESENT TARIFF RATES

CUSTOMER CHARGES															
RESIDENTIAL	\$ 8.00	\$ 9.86	\$ 12.50												
COMMERCIAL AND INDUSTRIAL SALES				\$ 14.07	\$ 30.00	\$ 93.21	\$ 267.33	\$ 500.00				\$ 15.00			
DEMAND CHARGES NON-GAS (CENTS PER THERM)															
RESIDENTIAL															
COMMERCIAL AND INDUSTRIAL							28.9000	28.9000							
ENERGY CHARGES NON-GAS (CENTS PER THERM)															
RESIDENTIAL	56.2130	51.3242	39.8577												
COMMERCIAL AND INDUSTRIAL				33.4308	27.4870	27.5660	21.4152	12.2250			56.2130				
PURCHASED GAS ADJUSTMENT	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000		
TOTAL (INCLUDING PGA)															
RESIDENTIAL	110.2130	105.3242	93.8577												
COMMERCIAL AND INDUSTRIAL				87.4308	81.4870	81.5660	75.4152	66.2250	54.0000	54.0000	110.2130	77.2320	56.3000		

## SUMMARY: OTHER OPERATING REVENUE

	PRESENT	REVENUE	PROPOSED	REVENUE
CONNECTION CHARGE	\$50.00-\$110.00	\$695,821	\$50.00-\$200.00	\$ 1,121,632
COLLECTION IN LIEU OF DISCONNECT CHARGE	\$20.00	\$263,406	\$25.00-\$32.00	\$331,467
RECONNECT CHARGE	\$37.00-\$80.00	\$139,591	\$40.00-\$100.00	\$150,523
BAD CHECKS	\$25.00	\$37,766	\$25.00	\$37,775
LATE PAYMENT CHARGES	\$5.00 OR 1.5%	\$1,107,835	\$5.00 OR 1.5%	\$1,107,835
DAMAGE BILLING		\$192,297		\$192,297
CHANGE OF ACCOUNT				
METER READ			\$15.00-\$22.00	\$100,766
TEMPORARY DISCONNECT			\$35.00-\$45.00	\$103,562
FAILED TRIP			\$20.00	\$18,220
TOTAL		\$2,436,716		\$3,164,078

SUPPORTING SCHEDULES: E-2, E-3 p.1-6, H-1 p.3-4

RECAP SCHEDULES:

RECAP SCHEDULES:

170179-GU Staff Hearing Exhibits 00329

## SCHEDULE H-1

## COST OF SERVICE

PAGE 2 OF 6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GU OPC ROG 8-175PROPOSED RATE DESIGN  
SCHEDULE B

WITNESS: D. NIKOLICH

	SALES & TRANSPORTATION SERVICES:														
	RS-1	RS-100	RS-600	GS-1	GS-5k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
PRESENT RATES (projected test year)															
GAS SALES (due to growth)	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
OTHER OPERATING REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
RATE OF RETURN	5.50%	6.01%	9.81%	3.71%	3.92%	4.11%	-0.34%	1.18%							
INDEX	1.54	1.68	2.75	1.04	1.10	1.15	-0.10	0.33			-8.15%	-2.28	-3.80%	-60.24%	3.57%
													-1.06	-16.88	1.00
PROPOSED RATES															
GAS SALES	\$ 6,347,288	\$ 17,000,528	\$ 541,466	\$ 6,454,972	\$ 11,072,480	\$ 6,581,972	\$ 10,931,187	\$ 3,609,378	\$ -	\$ -	\$ 15,213	\$ -	\$ 171,598	\$ 265,891	\$ 62,989,953
OTHER OPERATING REVENUE	\$ 742,272	\$ 1,571,770	\$ 30,482	\$ 284,473	\$ 329,830	\$ 175,419	\$ 37,846	\$ 9,834	\$ -	\$ -	\$ 132	\$ -	\$ 2,020	\$ -	\$ 3,164,078
TOTAL	\$ 7,089,561	\$ 18,572,299	\$ 571,948	\$ 6,719,445	\$ 11,402,309	\$ 6,757,391	\$ 10,969,033	\$ 3,619,212	\$ -	\$ -	\$ 15,345	\$ -	\$ 173,618	\$ 265,891	\$ 66,154,031
TOTAL REVENUE INCREASE	\$ 645,507	\$ 1,224,000	\$ (99,183)	\$ 1,406,146	\$ 2,405,415	\$ 1,358,710	\$ 4,135,162	\$ 1,233,192	\$ -	\$ -	\$ (5,622)	\$ -	\$ 2,020	\$ 3,373	\$ 12,306,700
PERCENT INCREASE	10.02%	7.06%	-14.78%	26.46%	26.74%	25.17%	60.51%	51.68%			-26.81%		1.18%	0.00%	22.85%
RATE OF RETURN	7.47%	7.43%	7.32%	7.37%	7.32%	7.31%	4.17%	7.27%			-16.04%		-7.38%	6.57%	6.57%
INDEX	1.14	1.13	1.11	1.12	1.11	1.11	0.63	1.11			-2.44		-1.12	1.00	1.00

SUPPORTING SCHEDULES: H-1 p.5-8

RECAP SCHEDULES:

RECAP SCHEDULES:

## SCHEDULE H-1

## COST OF SERVICE

PAGE 3 OF 6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GU OPC ROG 8-175RATE OF RETURN BY CUSTOMER CLASS  
SCHEDULE C PAGE 1 OF 2 (PRESENT RATES)

WITNESS: D. NIKOLICH

	SALES & TRANSPORTATION SERVICES:											GAS	NATURAL	CONTRACT	THIRD PARTY	TOTAL SALES &
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M		LIGHTING	GAS VEHICLES	DEMAND	SUPPLIER	TRANSPORTATION
REVENUES: (projected test year)																
Gas Sales (due to growth)	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020				\$ 20,967	\$ -	\$ 171,598	\$ 282,518	\$ 53,847,331
Other Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -		\$ 20,967	\$ -	\$ 171,598	\$ 282,518	\$ 53,847,331
EXPENSES:																
Purchased Gas Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
O&M Expenses	\$ 3,166,717	\$ 7,907,798	\$ 225,052	\$ 2,198,612	\$ 3,162,936	\$ 1,826,671	\$ 3,097,867	\$ 1,003,954	\$ -	\$ -		\$ 23,852	\$ -	\$ 25,689	\$ 264,759	\$ 22,903,906
Depreciation Expenses	\$ 1,386,729	\$ 3,831,476	\$ 139,064	\$ 1,558,677	\$ 2,849,102	\$ 1,712,447	\$ 3,068,732	\$ 937,692	\$ -	\$ -		\$ 11,025	\$ -	\$ 204,360	\$ -	\$ 15,699,304
Amortization Expenses	\$ 71,511	\$ 200,722	\$ 7,537	\$ 90,176	\$ 170,461	\$ 102,950	\$ 184,310	\$ 51,276	\$ -	\$ -		\$ 591	\$ -	\$ 12,878	\$ -	\$ 892,414
Taxes Other Than Income—Fixed	\$ 256,100	\$ 707,459	\$ 25,667	\$ 287,632	\$ 525,621	\$ 315,911	\$ 556,129	\$ 173,107	\$ -	\$ -		\$ 2,036	\$ -	\$ 40,687	\$ -	\$ 2,900,349
Taxes Other Than Income—Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses excluding Income Taxes	\$ 4,881,057	\$ 12,647,455	\$ 397,320	\$ 4,135,097	\$ 6,708,120	\$ 3,957,980	\$ 6,917,037	\$ 2,168,029	\$ -	\$ -		\$ 37,504	\$ -	\$ 283,614	\$ 264,759	\$ 42,395,973
INCOME TAXES:	\$ 56,487	\$ 155,422	\$ 5,593	\$ 61,372	\$ 112,773	\$ 67,834	\$ 121,724	\$ 37,267	\$ -	\$ -		\$ 428	\$ -	\$ 9,003	\$ 8	\$ 627,912
NET OPERATING INCOME:	\$ 1,506,510	\$ 4,545,422	\$ 268,217	\$ 1,116,830	\$ 2,176,001	\$ 1,372,867	\$ (204,890)	\$ 182,723	\$ -	\$ -		\$ (16,966)	\$ -	\$ (121,019)	\$ (2,249)	\$ 10,823,447
RATE BASE:	\$ 27,400,346	\$ 75,578,740	\$ 2,733,781	\$ 30,081,515	\$ 55,464,487	\$ 33,378,447	\$ 59,675,875	\$ 15,506,067	\$ -	\$ -		\$ 208,178	\$ -	\$ 3,185,780	\$ 3,733	\$ 303,216,950
RATE OF RETURN	5.50%	6.01%	9.81%	3.71%	3.92%	4.11%	-0.34%	1.18%				-8.15%		-3.80%	-60.24%	3.57%

SUPPORTING SCHEDULES: E-1 p.2, H-1 p.11-12

RECAP SCHEDULES:

RECAP SCHEDULES:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GU OPC ROG 8-175RATE OF RETURN BY CUSTOMER CLASS  
SCHEDULE C PAGE 2 OF 2 (PROPOSED RATES)

WITNESS: D. NIKOLICH

	SALES & TRANSPORTATION SERVICES:											GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M						
<b>REVENUES:</b>																
Gas Sales	\$ 6,347,288	\$ 17,000,529	\$ 541,486	\$ 6,454,972	\$ 11,072,480	\$ 6,581,972	\$ 10,931,187	\$ 3,609,378	\$ -	\$ -	\$ 15,213	\$ -	\$ 169,578	\$ 265,891	\$ -	\$ 62,989,953
Revenue Adjustment: Bad Debt																
Adjusted Gas Sales	\$ 6,347,288	\$ 17,000,529	\$ 541,486	\$ 6,454,972	\$ 11,072,480	\$ 6,581,972	\$ 10,931,187	\$ 3,609,378	\$ -	\$ -	\$ 15,213	\$ -	\$ 169,578	\$ 265,891	\$ -	\$ 62,989,953
Other Operating Revenue	\$ 742,272	\$ 1,571,770	\$ 30,482	\$ 264,473	\$ 329,830	\$ 175,419	\$ 37,846	\$ 9,834	\$ -	\$ -	\$ 132	\$ -	\$ 2,020	\$ -	\$ -	\$ 3,164,078
Total	\$ 7,089,561	\$ 18,572,299	\$ 571,968	\$ 6,719,445	\$ 11,402,309	\$ 6,757,391	\$ 10,969,033	\$ 3,619,212	\$ -	\$ -	\$ 15,345	\$ -	\$ 171,598	\$ 265,891	\$ -	\$ 66,154,031
<b>EXPENSES:</b>																
Purchased Gas Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
O&M Expenses	\$ 3,168,473	\$ 7,910,351	\$ 224,531	\$ 2,203,757	\$ 3,171,751	\$ 1,831,602	\$ 3,122,141	\$ 1,008,810	\$ -	\$ -	\$ 24,034	\$ -	\$ 27,611	\$ 264,774	\$ -	\$ 22,957,834
Depreciation Expenses	\$ 1,386,729	\$ 3,831,476	\$ 139,064	\$ 1,558,677	\$ 2,849,102	\$ 1,712,447	\$ 3,068,732	\$ 937,692	\$ -	\$ -	\$ 11,025	\$ -	\$ 204,360	\$ -	\$ -	\$ 15,699,304
Amortization Expenses	\$ 71,511	\$ 200,722	\$ 7,537	\$ 90,176	\$ 170,461	\$ 102,950	\$ 184,310	\$ 51,276	\$ -	\$ -	\$ 591	\$ -	\$ 12,878	\$ -	\$ -	\$ 892,414
Taxes Other Than Income—Fixed	\$ 258,100	\$ 707,459	\$ 25,667	\$ 287,632	\$ 525,621	\$ 315,911	\$ 566,129	\$ 173,107	\$ -	\$ -	\$ 2,036	\$ -	\$ 40,687	\$ -	\$ -	\$ 2,900,349
Taxes Other Than Income—Revenue	\$ 2,003	\$ 2,913	\$ (585)	\$ 5,871	\$ 10,058	\$ 5,627	\$ 27,698	\$ 5,541	\$ -	\$ -	\$ 207	\$ -	\$ 2,193	\$ 17	\$ -	\$ 61,533
Total Expenses excluding Income Taxes	\$ 4,884,816	\$ 12,652,921	\$ 396,204	\$ 4,146,112	\$ 6,726,993	\$ 3,968,538	\$ 6,969,010	\$ 2,176,427	\$ -	\$ -	\$ 37,893	\$ -	\$ 287,720	\$ 264,791	\$ -	\$ 42,511,434
PRE TAX NOI:	\$ 2,204,744	\$ 5,919,378	\$ 175,743	\$ 2,573,333	\$ 4,675,316	\$ 2,788,853	\$ 4,000,023	\$ 1,442,785	\$ -	\$ -	\$ (22,548)	\$ -	\$ (116,131)	\$ 1,100	\$ -	\$ 23,642,597
INCOME TAXES:	\$ 157,092	\$ 301,716	\$ (24,269)	\$ 356,189	\$ 617,867	\$ 350,392	\$ 1,512,613	\$ 315,520	\$ -	\$ -	\$ 10,841	\$ -	\$ 119,112	\$ 855	\$ -	\$ 3,717,908
NET OPERATING INCOME:	\$ 2,047,652	\$ 5,617,662	\$ 200,012	\$ 2,217,164	\$ 4,057,449	\$ 2,438,461	\$ 2,487,411	\$ 1,127,265	\$ -	\$ -	\$ (33,390)	\$ -	\$ (235,243)	\$ 245	\$ -	\$ 19,924,689
RATE BASE:	\$ 27,400,346	\$ 75,578,740	\$ 2,733,781	\$ 30,081,515	\$ 55,464,487	\$ 33,378,447	\$ 59,675,875	\$ 15,506,067	\$ -	\$ -	\$ 208,178	\$ -	\$ 3,185,780	\$ 3,733	\$ -	\$ 303,216,950
RATE OF RETURN	7.47%	7.43%	7.32%	7.37%	7.32%	7.31%	4.17%	7.27%			-16.04%		-7.38%	6.57%		6.57%

SUPPORTING SCHEDULES: E-1 p.3, H-1 p.11-12

RECAP SCHEDULES: H-1 p.3-4

RECAP SCHEDULES: H-1 p.3-4

## SCHEDULE H-1

## COST OF SERVICE

PAGE 5 OF 6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GU OPC ROG 8-175DERIVATION OF REVENUE DEFICIENCY  
SCHEDULE D

WITNESS: D. NIKOLICH

	SALES & TRANSPORTATION SERVICES:										GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M					
CUSTOMER COSTS	\$ 5,638,572	\$ 13,066,383	\$ 288,908	\$ 2,157,191	\$ 1,386,058	\$ 610,695	\$ 473,280	\$ 67,603	\$ -	\$ -	\$ 39,919	\$ -	\$ 48,563	\$ 265,012	\$ 24,042,182
CAPACITY COSTS	\$ 1,056,467	\$ 4,520,571	\$ 282,207	\$ 3,829,944	\$ 8,656,807	\$ 5,347,187	\$ 9,916,442	\$ 2,892,780	\$ -	\$ -	\$ 11,121	\$ -	\$ 434,234	\$ -	\$ 36,947,759
COMMODITY COSTS	\$ 45,337	\$ 192,237	\$ 12,060	\$ 194,458	\$ 441,727	\$ 273,043	\$ 540,859	\$ 245,199	\$ -	\$ -	\$ 597	\$ -	\$ 13,115	\$ -	\$ 1,958,632
REVENUE COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 6,740,376	\$ 17,779,191	\$ 583,175	\$ 6,181,593	\$ 10,484,592	\$ 6,230,925	\$ 10,930,581	\$ 3,205,582	\$ -	\$ -	\$ 51,637	\$ -	\$ 495,912	\$ 265,012	\$ 62,948,573
less: REVENUE AT PRESENT RATES (in the projected test year)	\$ 6,444,054	\$ 17,348,289	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
less: REVENUE ADJUSTMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
equals: REVENUE AT PRESENT RATES	\$ 6,444,054	\$ 17,348,289	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
equals: GAS SALES RETURN (NOI) DEFICIENCY	\$ 296,322	\$ 430,891	\$ (87,955)	\$ 868,294	\$ 1,487,697	\$ 832,244	\$ 4,096,709	\$ 819,562	\$ -	\$ -	\$ 30,670	\$ -	\$ 324,314	\$ 2,494	\$ 9,101,242
plus: DEFICIENCY DUE TO REVENUE EXPANSION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REGULATORY ASSESSMENT	\$ 2,003	\$ 2,913	\$ (595)	\$ 5,871	\$ 10,058	\$ 5,627	\$ 27,098	\$ 5,541	\$ -	\$ -	\$ 207	\$ -	\$ 2,193	\$ 17	\$ 61,533
BAD DEBT	\$ 1,756	\$ 2,553	\$ (521)	\$ 5,145	\$ 8,815	\$ 4,931	\$ 24,274	\$ 4,856	\$ -	\$ -	\$ 182	\$ -	\$ 1,922	\$ 15	\$ 53,928
STATE INCOME TAX	\$ 21,831	\$ 31,745	\$ (6,480)	\$ 63,970	\$ 109,604	\$ 61,314	\$ 301,818	\$ 60,380	\$ -	\$ -	\$ 2,260	\$ -	\$ 23,893	\$ 184	\$ 670,518
FEDERAL INCOME TAX	\$ 78,774	\$ 114,548	\$ (23,382)	\$ 230,828	\$ 395,490	\$ 221,244	\$ 1,089,071	\$ 217,873	\$ -	\$ -	\$ 8,153	\$ -	\$ 86,216	\$ 663	\$ 2,419,478
plus: DEFICIENCY IN OTHER OPERATING REV.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
equals: TOTAL REVENUE DEFICIENCY	\$ 400,686	\$ 582,651	\$ (118,933)	\$ 1,174,107	\$ 2,011,665	\$ 1,125,361	\$ 5,539,570	\$ 1,108,211	\$ -	\$ -	\$ 41,472	\$ -	\$ 438,538	\$ 3,373	\$ 12,306,700
UNIT COSTS:															
Customer	\$ 14.70	\$ 16.92	\$ 19.77	\$ 42.85	\$ 57.89	\$ 154.12	\$ 588.40	\$ 1,083.02			\$ 18.29		\$ 7,625.65		\$ 18.30
Capacity	\$ 0.38772	\$ 0.38141	\$ 0.29256	\$ 0.36806	\$ 0.36683	\$ 0.36310	\$ 0.43387	\$ 0.24933			\$ 0.52723		\$ 0.14898		\$ 0.28559
Commodity	\$ 0.01664	\$ 0.01622	\$ 0.01250	\$ 0.01869	\$ 0.01872	\$ 0.01854	\$ 0.02366	\$ 0.02113			\$ 0.02832		\$ 0.00450		\$ 0.01514

SUPPORTING SCHEDULES: E-1 p.2, H-1 p.6, F-6

RECAP SCHEDULES:

RECAP SCHEDULES:



FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDY (SUMMARY PAGE)TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GU OPC ROG 8-175

WITNESS: D. NIKOLICH

SALES & TRANSPORTATION SERVICES:															
SUMMARY	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
Rate Base	\$ 27,400,346	\$ 75,578,740	\$ 2,733,781	\$ 30,081,515	\$ 55,464,487	\$ 33,378,447	\$ 59,675,875	\$ 15,506,067	\$ -	\$ -	\$ 208,178	\$ -	\$ 3,165,780	\$ 3,733	\$ 303,216,950
O&M	\$ 3,166,717	\$ 7,907,798	\$ 225,052	\$ 2,198,612	\$ 3,162,936	\$ 1,826,671	\$ 3,097,867	\$ 1,003,954	\$ -	\$ -	\$ 23,852	\$ -	\$ 25,689	\$ 254,759	\$ 22,903,906
DEPRECIATION	\$ 1,386,729	\$ 3,831,476	\$ 139,064	\$ 1,558,677	\$ 2,849,102	\$ 1,712,447	\$ 3,068,732	\$ 937,692	\$ -	\$ -	\$ 11,025	\$ -	\$ 204,360	\$ -	\$ 15,599,304
AMORTIZATION EXPENSES	\$ 71,511	\$ 200,722	\$ 7,537	\$ 90,176	\$ 170,461	\$ 102,950	\$ 184,310	\$ 51,276	\$ -	\$ -	\$ 591	\$ -	\$ 12,878	\$ -	\$ 892,414
TAXES OTHER THAN INCOME - OTHER	\$ 256,100	\$ 707,459	\$ 25,687	\$ 287,632	\$ 525,521	\$ 315,911	\$ 566,129	\$ 173,107	\$ -	\$ -	\$ 2,036	\$ -	\$ 40,687	\$ -	\$ 2,900,349
TAXES OTHER THAN INCOME - REV. RELATED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INCOME TAXES TOTAL	\$ 56,487	\$ 155,422	\$ 5,593	\$ 61,372	\$ 112,773	\$ 67,834	\$ 121,724	\$ 37,267	\$ -	\$ -	\$ 428	\$ -	\$ 9,003	\$ 8	\$ 627,912
REVENUE CREDITED TO COS:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COST - CUSTOMER	\$ 5,638,572	\$ 13,066,383	\$ 288,908	\$ 2,157,191	\$ 1,386,058	\$ 610,695	\$ 473,280	\$ 67,603	\$ -	\$ -	\$ 39,919	\$ -	\$ 48,563	\$ 265,012	\$ 24,042,182
TOTAL COST - CAPACITY	\$ 1,058,467	\$ 4,520,571	\$ 282,207	\$ 3,829,944	\$ 8,656,807	\$ 5,347,187	\$ 9,916,442	\$ 2,892,780	\$ -	\$ -	\$ 11,121	\$ -	\$ 434,234	\$ -	\$ 36,947,759
TOTAL COST - COMMODITY	\$ 45,337	\$ 192,237	\$ 12,060	\$ 194,458	\$ 441,727	\$ 273,043	\$ 540,859	\$ 245,199	\$ -	\$ -	\$ 597	\$ -	\$ 13,115	\$ -	\$ 1,958,632
TOTAL COST - REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NO. OF CUSTOMERS: SALES	33,864	66,473	969	4,993	2,378	390	101	7	-	-	328	-	1	-	109,503
Peak & Avg. Mon. Sales Vol.(therms)	602,190	2,576,742	160,859	2,183,082	4,934,412	3,047,916	5,389,375	844,925	-	-	6,339	-	-	-	19,745,839
ANNUAL SALES	2,886,825	12,240,769	767,899	12,382,178	28,127,107	17,386,101	34,439,382	15,613,100	-	-	38,033	-	5,492,320	-	129,373,714

SUPPORTING SCHEDULES: H-2 p.1-2

RECAP SCHEDULES: H-1 p.9-10

SCHEDULE H-2

COST OF SERVICE

PAGE 1 OF 6

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
DIBA FLORIDA CITY GAS  
DOCKET NO: 20170179-GU OPR RQG 8-175

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDY (SUMMARY PAGE)

TYPE OF DATA SHOWN: 12/31/2018  
PROJECTED TEST YEAR:  
WITNESS: D. NIKOLICH

SUMMARY	SALES & TRANSPORTATION SERVICES										SALES & TRANSPORTATION SERVICES					THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	BS-1	BS-100	BS-600	GS-1	GS-6000	GS-25000	GS-1200	GS-12500	GS-11m	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND				
RATE BASE	\$ 27,400,346	\$ 75,578,740	\$ 2,733,781	\$ 30,061,515	\$ 55,464,487	\$ 33,378,447	\$ 59,675,875	\$ 15,508,047	\$ 0	\$ 0	\$ 208,178	\$ 0	\$ 3,185,780	\$ 3,733	\$ 303,216,950		
O&M	\$ 3,166,717	\$ 7,907,798	\$ 225,052	\$ 2,198,612	\$ 3,162,836	\$ 1,828,871	\$ 3,997,867	\$ 1,003,954	\$ 0	\$ 0	\$ 23,852	\$ 0	\$ 25,689	\$ 264,759	\$ 22,303,908		
DEPRECIATION	\$ 1,386,729	\$ 3,631,476	\$ 139,064	\$ 1,558,677	\$ 2,849,102	\$ 1,712,447	\$ 3,066,732	\$ 937,692	\$ 0	\$ 0	\$ 11,025	\$ 0	\$ 204,360	\$ 0	\$ 15,839,304		
AMORTIZATION EXPENSES	\$ 71,911	\$ 200,722	\$ 7,537	\$ 90,176	\$ 170,461	\$ 102,950	\$ 184,310	\$ 51,278	\$ 0	\$ 0	\$ 581	\$ 0	\$ 12,678	\$ 0	\$ 882,414		
TAXES OTHER THAN INCOME - OTHER	\$ 296,100	\$ 707,459	\$ 25,667	\$ 287,632	\$ 525,821	\$ 315,911	\$ 566,128	\$ 173,107	\$ 0	\$ 0	\$ 2,036	\$ 0	\$ 40,687	\$ 0	\$ 2,900,348		
TAXES OTHER THAN INCOME - REV. RELATED	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
INCOME TAXES TOTAL	\$ 56,497	\$ 155,422	\$ 5,593	\$ 61,372	\$ 112,773	\$ 67,834	\$ 121,724	\$ 37,267	\$ 0	\$ 0	\$ 428	\$ 0	\$ 9,003	\$ 8	\$ 627,912		
REVENUE CREDITED TO COS:	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
TOTAL COST - CUSTOMER	\$ 5,638,572	\$ 13,068,383	\$ 288,908	\$ 2,157,191	\$ 3,886,058	\$ 610,695	\$ 473,290	\$ 67,683	\$ 0	\$ 0	\$ 39,919	\$ 0	\$ 48,563	\$ 265,012	\$ 24,042,182		
TOTAL COST - CAPACITY	\$ 1,058,467	\$ 4,520,571	\$ 282,207	\$ 3,828,944	\$ 8,856,807	\$ 5,347,187	\$ 9,916,442	\$ 2,892,790	\$ 0	\$ 0	\$ 11,121	\$ 0	\$ 434,254	\$ 0	\$ 36,947,758		
TOTAL COST - COMMODITY	\$ 45,337	\$ 192,237	\$ 12,080	\$ 194,458	\$ 441,727	\$ 273,043	\$ 540,859	\$ 245,199	\$ 0	\$ 0	\$ 597	\$ 0	\$ 13,115	\$ 0	\$ 1,958,832		
TOTAL COST - REVENUE	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
NO. OF CUSTOMERS: SALES & TRANSPORTATION	33,864	66,473	969	4,993	2,378	380	101	7	0	0	328	0	1	0	109,503		
Peak & Avg. Mon. Sales Vol.(therms)	802,190	2,576,742	190,839	2,183,082	4,934,412	3,047,916	5,389,375	844,925	0	0	6,338	0	0	0	19,745,839		
ANNUAL SALES (therms)	2,886,825	12,240,769	767,899	12,382,176	28,127,107	17,386,101	34,438,382	15,813,100	0	0	38,033	0	5,492,220	0	129,373,714		

SUPPORTING SCHEDULES: H-2 p.3-10

## SCHEDULE H-2

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
 DOCKET NO: 20170179-GU OPC REG 5-175

## COST OF SERVICE

PAGE 2 OF 8

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
 OF SERVICE STUDY

TYPE OF DATA SHOWN:  
 PROJECTED TEST YEAR: 12/31/2018

ALLOCATION OF COST OF SERVICE  
 TO CUSTOMER CLASSES  
 SCHEDULE E (PAGE 1 OF 3)

WITNESS: D. NKOUGH

OPERATIONS AND MAINTENANCE EXP DIRECT AND SPECIAL ASSIGNMENTS:	SALES & TRANSPORTATION SERVICES:										SALES & TRANSPORTATION SERVICES:					THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-500	GS-1	GS-5000	GS-25000	GS-1200	GS-12500	GS-1100	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND				
Customer																	
875 Meters and House Regulators	\$ 239,065	\$ 553,891	\$ 12,248	\$ 92,833	\$ 58,712	\$ 26,309	\$ 20,389	\$ 2,912	\$ 0	\$ 0	\$ 1,720	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,009,281
893 Maint. of Meters & House Reg.	\$ 53,248	\$ 123,392	\$ 2,728	\$ 20,899	\$ 13,300	\$ 5,800	\$ 4,541	\$ 649	\$ 0	\$ 0	\$ 383	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 224,799
874 Mains and Services	\$ 117,413	\$ 272,083	\$ 6,016	\$ 45,842	\$ 29,227	\$ 12,921	\$ 10,014	\$ 1,430	\$ 0	\$ 0	\$ 845	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 495,681
882 Maint. of Services	\$ 42,302	\$ 98,028	\$ 2,167	\$ 16,444	\$ 10,589	\$ 4,655	\$ 3,808	\$ 515	\$ 0	\$ 0	\$ 304	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 178,591
All Other	\$ 2,420,811	\$ 5,816,285	\$ 124,180	\$ 942,142	\$ 605,254	\$ 268,718	\$ 206,703	\$ 29,525	\$ 0	\$ 0	\$ 17,434	\$ 0	\$ 0	\$ 0	\$ 0	\$ 264,738	\$ 10,459,710
Total	\$ 2,875,839	\$ 6,663,779	\$ 147,341	\$ 1,117,881	\$ 718,258	\$ 316,463	\$ 245,255	\$ 35,032	\$ 0	\$ 0	\$ 20,696	\$ 0	\$ 0	\$ 0	\$ 0	\$ 264,738	\$ 12,405,074
Capacity																	
876 Measuring & Reg. Sta. Eq.-1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
890 Maint. of Meas. & Reg. Sta. Eq.-1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
874 Mains and Services	\$ 49,300	\$ 210,953	\$ 13,189	\$ 178,725	\$ 403,970	\$ 249,527	\$ 441,217	\$ 69,172	\$ 0	\$ 0	\$ 519	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,616,552
874 Mains and Services LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,709	\$ 96,919	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 128,628
887 Maint. of Mains LV	\$ 10,752	\$ 46,007	\$ 2,872	\$ 38,979	\$ 68,103	\$ 54,420	\$ 96,227	\$ 15,088	\$ 0	\$ 0	\$ 113	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 352,560
All Other LV	\$ 191,008	\$ 817,313	\$ 51,023	\$ 692,449	\$ 1,585,139	\$ 968,784	\$ 1,709,448	\$ 288,001	\$ 0	\$ 0	\$ 2,011	\$ 0	\$ 25,689	\$ 0	\$ 0	\$ 0	\$ 8,232,156
LOCAL STORAGE PLANT	\$ 1,575	\$ 6,738	\$ 421	\$ 5,709	\$ 12,903	\$ 7,970	\$ 14,993	\$ 2,209	\$ 0	\$ 0	\$ 17	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 51,635
LOCAL STORAGE PLANT LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 725	\$ 2,369	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,164
Total	\$ 252,635	\$ 1,081,012	\$ 67,485	\$ 915,061	\$ 2,070,117	\$ 1,270,682	\$ 2,383,892	\$ 781,006	\$ 0	\$ 0	\$ 2,858	\$ 0	\$ 25,689	\$ 0	\$ 0	\$ 0	\$ 8,849,135
Commodity																	
Account #	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Account #	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Account #	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other	\$ 38,443	\$ 163,007	\$ 10,228	\$ 184,890	\$ 374,561	\$ 231,526	\$ 458,620	\$ 207,916	\$ 0	\$ 0	\$ 506	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,646,598
Total	\$ 38,443	\$ 163,007	\$ 10,228	\$ 184,890	\$ 374,561	\$ 231,526	\$ 458,620	\$ 207,916	\$ 0	\$ 0	\$ 506	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,646,598
TOTAL O&M	\$ 3,165,717	\$ 7,867,786	\$ 225,022	\$ 1,199,812	\$ 3,152,828	\$ 1,826,821	\$ 3,087,857	\$ 1,002,954	\$ -	\$ -	\$ 22,852	\$ -	\$ 25,689	\$ -	\$ -	\$ 264,738	\$ 22,903,908
DEPRECIATION EXPENSE:																	
Customer	\$ 1,071,895	\$ 2,483,402	\$ 54,911	\$ 416,805	\$ 287,681	\$ 117,940	\$ 91,402	\$ 13,056	\$ 0	\$ 0	\$ 7,709	\$ 0	\$ 16,204	\$ 0	\$ 0	\$ 0	\$ 4,540,685
Capacity	\$ 315,034	\$ 1,348,914	\$ 84,153	\$ 1,142,072	\$ 2,581,421	\$ 1,594,507	\$ 2,819,433	\$ 442,020	\$ 0	\$ 0	\$ 3,316	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,329,959
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 157,897	\$ 592,617	\$ 0	\$ 0	\$ 0	\$ 0	\$ 188,158	\$ 0	\$ 0	\$ 0	\$ 828,670
Total	\$ 1,386,929	\$ 3,832,316	\$ 139,064	\$ 1,558,877	\$ 2,849,102	\$ 1,712,447	\$ 3,069,732	\$ 937,693	\$ 0	\$ 0	\$ 11,025	\$ 0	\$ 204,360	\$ 0	\$ 0	\$ 0	\$ 15,899,304
AMORT. OF GAS PLANT:																	
Capacity	\$ (3,470)	\$ (14,846)	\$ (927)	\$ (12,578)	\$ (28,430)	\$ (17,561)	\$ (31,851)	\$ (4,868)	\$ 0	\$ 0	\$ (37)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (113,767)
AMORT. OF PROPERTY LOSS:																	
Capacity	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
AMORT. OF LIMITED TERM INVEST.																	
Capacity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AMORT. OF ACQUISITION ADJ.:																	
Customer	\$ 53,540	\$ 124,069	\$ 2,743	\$ 20,813	\$ 13,373	\$ 5,862	\$ 4,566	\$ 652	\$ 0	\$ 0	\$ 385	\$ 0	\$ 810	\$ 0	\$ 0	\$ 0	\$ 226,842
Capacity	\$ 15,098	\$ 61,692	\$ 4,023	\$ 54,733	\$ 122,712	\$ 78,415	\$ 135,118	\$ 21,193	\$ 0	\$ 0	\$ 159	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 495,055
Total	\$ 68,637	\$ 185,761	\$ 6,766	\$ 75,545	\$ 137,085	\$ 82,307	\$ 139,684	\$ 21,836	\$ 0	\$ 0	\$ 544	\$ 0	\$ 810	\$ 0	\$ 0	\$ 0	\$ 721,895
AMORT. OF CONVERSION COSTS:																	
Commodity	\$ 5,344	\$ 28,898	\$ 1,587	\$ 27,209	\$ 61,807	\$ 38,204	\$ 75,877	\$ 34,308	\$ 0	\$ 0	\$ 84	\$ 0	\$ 12,069	\$ 0	\$ 0	\$ 0	\$ 264,286
SUPPORTING SCHEDULES: H-2 p.9-11																	

## SCHEDULE H-2

## COST OF SERVICE

PAGE 3 OF 6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
DIBA FLORIDA CITY GAS

ALLOCATION OF COST OF SERVICE

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU GPC REG R-179

TO CUSTOMER CLASSES

SCHEDULE E (PAGE 2 OF 2)

	SALES & TRANSPORTATION SERVICES										SALES & TRANSPORTATION SERVICES:						THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-500	GS-1	GS-5000	GS-25000	GS-120k	GS-1250k	GS-11m	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND					
TAXES OTHER THAN INCOME TAXES:																		
Customer	\$ 187,989	\$ 450,804	\$ 10,145	\$ 76,965	\$ 49,432	\$ 21,789	\$ 16,886	\$ 2,412	\$ 0	\$ 0	\$ 1,424	\$ 0	\$ 2,984	\$ 0	\$ 0	\$ 838,880		
Capacity	\$ 58,111	\$ 248,654	\$ 15,523	\$ 210,866	\$ 476,189	\$ 294,123	\$ 520,072	\$ 81,535	\$ 0	\$ 0	\$ 612	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,905,405		
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,170	\$ 89,160	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,693	\$ 0	\$ 0	\$ 155,024		
Subtotal	\$ 256,100	\$ 707,458	\$ 25,667	\$ 287,832	\$ 525,621	\$ 315,911	\$ 566,129	\$ 173,107	\$ 0	\$ 0	\$ 2,036	\$ 0	\$ 40,887	\$ 0	\$ 0	\$ 2,900,349		
Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Total	\$ 256,100	\$ 707,458	\$ 25,667	\$ 287,832	\$ 525,621	\$ 315,911	\$ 566,129	\$ 173,107	\$ 0	\$ 0	\$ 2,036	\$ 0	\$ 40,887	\$ 0	\$ 0	\$ 2,900,349		
RETURN (NOI)																		
Customer	\$ 1,395,724	\$ 3,234,341	\$ 71,514	\$ 508,909	\$ 328,989	\$ 144,071	\$ 111,653	\$ 15,948	\$ 0	\$ 0	\$ 9,417	\$ 0	\$ 27,684	\$ 245	\$ 5,846,494			
Capacity	\$ 406,574	\$ 1,739,712	\$ 108,608	\$ 1,473,828	\$ 3,331,515	\$ 2,057,628	\$ 3,638,687	\$ 570,459	\$ 0	\$ 0	\$ 4,280	\$ 0	\$ 0	\$ 0	\$ 13,331,590			
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 135,118	\$ 412,994	\$ 0	\$ 0	\$ 0	\$ 0	\$ 174,597	\$ 0	\$ 722,708			
Commodity	\$ 533	\$ 2,281	\$ 142	\$ 2,287	\$ 5,185	\$ 3,211	\$ 6,351	\$ 2,884	\$ 0	\$ 0	\$ 7	\$ 0	\$ 1,614	\$ 0	\$ 23,886			
Total	\$ 1,802,832	\$ 4,976,314	\$ 180,261	\$ 1,985,124	\$ 3,663,689	\$ 2,205,111	\$ 3,891,819	\$ 1,002,265	\$ 0	\$ 0	\$ 13,704	\$ 0	\$ 203,295	\$ 245	\$ 10,924,688			
INCOME TAXES																		
Customer	\$ 43,985	\$ 101,828	\$ 2,254	\$ 16,038	\$ 10,305	\$ 4,540	\$ 3,519	\$ 503	\$ 0	\$ 0	\$ 287	\$ 0	\$ 872	\$ 8	\$ 164,248			
Capacity	\$ 12,465	\$ 53,423	\$ 3,335	\$ 45,262	\$ 102,305	\$ 63,192	\$ 111,737	\$ 17,518	\$ 0	\$ 0	\$ 131	\$ 0	\$ 0	\$ 0	\$ 409,389			
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,287	\$ 18,156	\$ 0	\$ 0	\$ 9	\$ 0	\$ 8,098	\$ 0	\$ 33,322			
Commodity	\$ 17	\$ 71	\$ 4	\$ 72	\$ 164	\$ 101	\$ 200	\$ 81	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32	\$ 0	\$ 753			
Total	\$ 56,467	\$ 155,422	\$ 5,583	\$ 61,372	\$ 112,773	\$ 67,834	\$ 121,724	\$ 37,267	\$ 0	\$ 0	\$ 428	\$ 0	\$ 9,003	\$ 8	\$ 627,912			
REVENUE CREDITED TO COS:																		
Customer	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
TOTAL COST OF SERVICE:																		
Customer	\$ 5,638,572	\$ 13,066,383	\$ 286,908	\$ 2,157,191	\$ 1,386,056	\$ 610,695	\$ 473,280	\$ 67,603	\$ 0	\$ 0	\$ 38,919	\$ 0	\$ 48,583	\$ 265,012	\$ 24,042,182			
Capacity	\$ 1,056,487	\$ 4,520,571	\$ 282,207	\$ 3,829,944	\$ 8,656,807	\$ 5,347,187	\$ 9,455,758	\$ 1,454,684	\$ 0	\$ 0	\$ 11,121	\$ 0	\$ 0	\$ 0	\$ 34,642,766			
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 460,684	\$ 0	\$ 0	\$ 0	\$ 0	\$ 434,234	\$ 0	\$ 2,303,013			
Commodity	\$ 45,337	\$ 182,237	\$ 12,080	\$ 194,458	\$ 441,722	\$ 273,063	\$ 540,159	\$ 245,182	\$ 0	\$ 0	\$ 597	\$ 0	\$ 13,115	\$ 0	\$ 1,938,832			
Subtotal	\$ 6,740,376	\$ 17,779,191	\$ 581,175	\$ 6,181,593	\$ 10,484,592	\$ 8,230,925	\$ 10,930,581	\$ 3,205,582	\$ 0	\$ 0	\$ 51,637	\$ 0	\$ 495,912	\$ 265,012	\$ 62,948,573			
Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Total	\$ 6,740,376	\$ 17,779,191	\$ 581,175	\$ 6,181,593	\$ 10,484,592	\$ 8,230,925	\$ 10,930,581	\$ 3,205,582	\$ 0	\$ 0	\$ 51,637	\$ 0	\$ 495,912	\$ 265,012	\$ 62,948,573			

SUPPORTING SCHEDULES: H-2 p.8-11

## SCHEDULE H-2

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 DIBA FLORIDA CITY GAS  
 DOCKET NO: 20170179-GU OPC ROG 8-175

## COST OF SERVICE

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
 OF SERVICE STUDY

PAGE 4 OF 6

TYPE OF DATA SHOWN: 12/31/2018  
 PROJECTED TEST YEAR:

WITNESS: D. NIKOLICH

ALLOCATION OF RATE BASE TO CUSTOMER CLASSES  
SCHEDULE F

RATE BASE BY CUSTOMER CLASS	SALES & TRANSPORTATION SERVICES:										SALES & TRANSPORTATION SERVICES:				THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-500	GS-1	GS-5000	GS-25000	GS-1200	GS-12500	GS-1100	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND			
DIRECT AND SPECIAL ASSIGNMENTS:																
Customer																
Meters	\$ 5,200,289	\$ 12,050,694	\$ 266,450	\$ 2,021,526	\$ 1,298,889	\$ 572,288	\$ 442,515	\$ 83,351	\$ 0	\$ 0	\$ 37,408	\$ 0	\$ 178,873	\$ 0	\$ 22,133,284	
House Regulators	\$ 1,317,539.38	\$ 3,053,393.55	\$ 67,512.68												\$ 4,438,548	
Services	\$ 7,721,040	\$ 17,893,129	\$ 395,809	\$ 3,001,437	\$ 1,918,510	\$ 849,898	\$ 858,504	\$ 94,060	\$ 0	\$ 0	\$ 55,542	\$ 0	\$ 136,560	\$ 0	\$ 32,733,089	
All Other	\$ 7,201,395	\$ 16,224,491	\$ 358,728	\$ 2,721,886	\$ 1,748,782	\$ 770,502	\$ 597,123	\$ 85,293	\$ 0	\$ 0	\$ 50,295	\$ 0	\$ 105,881	\$ 3,733	\$ 28,867,852	
Total	\$ 21,240,344	\$ 49,220,697	\$ 1,068,307	\$ 7,744,648	\$ 4,876,162	\$ 2,192,488	\$ 1,695,142	\$ 242,704	\$ 0	\$ 0	\$ 143,315	\$ 0	\$ 401,294	\$ 3,733	\$ 86,972,840	
Capacity																
Industrial Meas. & Reg. Sta. Eq.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 703,580	\$ 110,304	\$ -	\$ -	\$ -	\$ -	\$ 92,007	\$ -	\$ 905,891	
Meas.&Reg.Sta.Eq.-Gen.	\$ 82,663	\$ 354,568	\$ 22,135	\$ 300,399	\$ 679,991	\$ 419,403	\$ 741,595	\$ 116,264	\$ -	\$ -	\$ 872	\$ -	\$ -	\$ -	\$ 2,717,090	
Maine	\$ 4,096,258	\$ 17,537,866	\$ 1,084,219	\$ 14,850,060	\$ 33,585,532	\$ 20,732,954	\$ 38,660,343	\$ 5,747,465	\$ -	\$ -	\$ 43,119	\$ -	\$ -	\$ -	\$ 104,317,855	
Maine Large Volume	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,056,350	\$ 6,285,000	\$ -	\$ -	\$ -	\$ -	\$ 2,857,041	\$ -	\$ 10,998,291	
LNG Storage	\$ 127,968	\$ 547,570	\$ 34,183	\$ 463,916	\$ 1,048,587	\$ 647,697	\$ 1,145,289	\$ 179,551	\$ -	\$ -	\$ 1,347	\$ -	\$ -	\$ -	\$ 4,196,085	
LNG Storage Large Volume	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,891	\$ 192,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,528	
All Other	\$ 1,864,758	\$ 7,893,631	\$ 452,729	\$ 5,587,698	\$ 15,118,184	\$ 9,337,034	\$ 16,529,892	\$ 2,588,267	\$ -	\$ -	\$ 19,418	\$ -	\$ -	\$ -	\$ 60,489,713	
Total	\$ 6,151,687	\$ 26,323,636	\$ 1,643,315	\$ 22,362,082	\$ 50,409,293	\$ 31,137,088	\$ 57,879,923	\$ 15,219,476	\$ -	\$ -	\$ 64,796	\$ -	\$ 2,749,048	\$ -	\$ 213,880,455	
Commodity																
Account #	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Account #	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Account #	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other	\$ 8,115	\$ 34,407	\$ 2,158	\$ 34,805	\$ 79,062	\$ 49,870	\$ 96,805	\$ 43,887	\$ -	\$ -	\$ 107	\$ -	\$ 15,438	\$ -	\$ 363,654	
Total	\$ 8,115	\$ 34,407	\$ 2,158	\$ 34,805	\$ 79,062	\$ 49,870	\$ 96,805	\$ 43,887	\$ -	\$ -	\$ 107	\$ -	\$ 15,438	\$ -	\$ 363,654	
TOTAL	\$ 77,402,246	\$ 75,578,740	\$ 2,733,781	\$ 30,081,515	\$ 55,484,487	\$ 33,378,447	\$ 59,575,873	\$ 15,508,087	\$ -	\$ -	\$ 208,178	\$ -	\$ 3,185,780	\$ 3,733	\$ 302,218,569	

SUPPORTING SCHEDULES: H-2 p.9-11

## SCHEDULE H-2

## COST OF SERVICE

PAGE 5 OF 8

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GAS

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU OPG REG 8-175

## DEVELOPMENT OF ALLOCATION FACTORS

	SALES & TRANSPORTATION SERVICES										SALES & TRANSPORTATION SERVICES					THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-500	GS-1	GS-5000	GS-25000	GS-120k	GS-1250k	GS-17m	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND				
<b>CUSTOMER COSTS</b>																	
No. of Customers : RESIDENTIAL SALES	33,864	86,473	969									328					101,834
No. of Customers : COMMERCIAL & INDUSTRIAL SALES				4,993	2,378	390	101	7				0		1			7,870
No. of Customers : Total	33,864	86,473	969	4,993	2,378	390	101	7				328		1			109,503
Weighting	1.00	1.18	1.78	2.84	3.56	9.56	28.50	58.83	121.08	233.04	328	9.74	3.58	\$12.02			143,478
Weighted No. of Customers	33,864	78,473	1,735	13,164	8,458	3,727	2,885	413	0	0	0	244	0	\$12			143,478
Allocation Factors	0.238022	0.546936	0.012093	0.091750	0.058952	0.025974	0.020130	0.002875	0.000000	0.000000	0.001698	0.000000	0.003569				1.00
No. of Customers : Total Annual Bills	406,368	787,671	11,832	59,911	28,538	4,878	1,212	84	0	0	3,936	0	12	0			1,314,040
<b>CAPACITY COSTS</b>																	
Peak & Avg. Mon. Sales Vol. (therms)	602,190	2,578,742	160,859	2,183,082	4,934,412	3,047,916	5,349,375	844,925	0	0	5,339	0	0				19,745,839
DOQ's							16,871	15,028						8,838			
Allocation Factors	0.030467	0.130495	0.008148	0.110559	0.248986	0.154357	0.272937	0.042790	0.000000	0.000000	0.000321	0.000000	0.000000				1.00
Main Allocation LV	0.030467	0.130495	0.008148	0.110559	0.248986	0.154357	0.272937	0.042790	0.000000	0.000000	0.000321	0.000000	0.000000				1.00
<b>COMMODITY COSTS</b>																	
Annual Sales Vol. (therms)																	
Residential	2,888,825	12,240,769	767,899														
Commercial & Industrial Sales				12,382,178	28,127,107	17,385,101	34,439,382	15,613,100	0	0	38,033	0	5,482,320				15,896,490
Total Annual Sales Vol. (therms)	2,888,825	12,240,769	767,899	12,382,178	28,127,107	17,385,101	34,439,382	15,613,100	0	0	38,033	0	5,482,320				113,478,221
Allocation Factors	0.022314	0.094616	0.009236	0.099709	0.217410	0.134367	0.266201	0.120682	0.000000	0.000000	0.000294	0.000000	0.042453				1.00
<b>REVENUE-RELATED COSTS</b>																	
Tax on Cust.Cap. & Commed.	\$ 25,344	\$ 66,850	\$ 3,193	\$ 23,243	\$ 38,422	\$ 23,438	\$ 41,099	\$ 12,053	\$ -	\$ -	\$ 194	\$ -	\$ 1,965	\$ 998	\$		236,687
Allocation Factors	0.107077	0.282440	0.009264	0.098201	0.166558	0.098984	0.173943	0.050924	0.000000	0.000000	0.000620	0.000000	0.007878	0.004210			1.00

SUPPORTING SCHEDULES: E-2 p.1-2, E-7 p.1, G-2 p.3-1

## SCHEDULE H-2

## COST OF SERVICE

PAGE 8 OF 8

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
 DBA FLORIDA CITY GAS  
 DOCKET NO: 20170179-GU OPG ROG 8-175

EXPLANATION: FULLY ALLOCATED EMBEDDED COST  
 OF SERVICE STUDY (SUMMARY)

TYPE OF DATA SHOWN:  
 PROJECTED TEST YEAR: 12/31/2019  
 WITNESS: D. NIKOLICH

SUMMARY:	TOTAL	CAPACITY	CUSTOMER	COMMODITY	REVENUE
ATTRITION	\$ 22,903,908	\$ 8,848,136	\$ 12,405,074	\$ 1,649,696	\$ -
O&M	\$ (4,109,600)	\$ (2,201,242)	\$ (1,309,307)	\$ -	\$ -
less O&M direct assignments					
NET O&M	\$ 18,794,301	\$ 6,647,894	\$ 10,496,710	\$ 1,649,696	\$ -
DEPRECIATION	\$ 15,699,304	\$ 11,156,639	\$ 4,540,685	\$ -	\$ -
AMORTIZATION OF OTHER GAS PLANT	\$ (113,767)	\$ (113,767)	\$ -	\$ -	\$ -
AMORTIZATION OF PROPERTY LOSS	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF LIMITED TERM INVESTMENT	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF ACQUISITION ADJUSTMENT	\$ 721,895	\$ 495,052	\$ 226,842	\$ -	\$ -
AMORTIZATION OF CONVERSION COSTS	\$ 284,286	\$ -	\$ -	\$ 284,286	\$ -
TOTAL TAXES OTHER THAN INCOME	\$ 2,900,349	\$ 2,081,489	\$ 838,880	\$ -	\$ -
RETURN	\$ 19,824,669	\$ 14,054,289	\$ 5,846,494	\$ 23,896	\$ -
INCOME TAXES	\$ 627,912	\$ 442,911	\$ 184,248	\$ 753	\$ -
REVENUES CREDITED TO COST OF SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COST OF SERVICE	\$ 62,848,579	\$ 36,947,759	\$ 24,042,182	\$ 1,958,632	\$ -
RATE BASE	\$ 303,216,950	\$ 213,880,455	\$ 88,972,843	\$ 383,654	\$ -
less Rate Base direct assignments	\$ (712,899,840)	\$ (153,306,742)	\$ (59,304,899)	\$ -	\$ -
NET RATE BASE	\$ 90,321,310	\$ 60,489,713	\$ 29,667,942	\$ 383,654	\$ -

KNOWN DIRECT & SPECIAL ASSIGNMENTS:  
 RATE BASE ITEMS (PLANT-ACC. DEP.)

381-382 METERS	\$ 22,133,264	\$ -	\$ 22,133,264	\$ -	\$ -
383-384 HOUSE REGULATORS	\$ 4,438,545	\$ -	\$ 4,438,545	\$ -	\$ -
385 INDUSTRIAL MEAS. & REG. EQ.	\$ 905,891	\$ 905,891	\$ -	\$ -	\$ -
376 MAINS	\$ 145,316,146	\$ 145,316,146	\$ -	\$ -	\$ -
340 SERVICES	\$ 32,733,089	\$ -	\$ 32,733,089	\$ -	\$ -
378 MEAS. & REG. STA. EQ.-GEN.	\$ 2,717,090	\$ 2,717,090	\$ -	\$ -	\$ -
364 LNG Plant	\$ (4,481,814)	\$ (4,481,814)	\$ -	\$ -	\$ -
Total Rate Base Direct Assignments	\$ 212,865,540	\$ 153,306,742	\$ 59,304,899	\$ -	\$ -

## O&amp;M ITEMS

692 Maint. of Services, O & M ITEMS	\$ 178,591	\$ -	\$ 178,591	\$ -	\$ -
676 MEAS. & REG. STA. EQ. IND.	\$ -	\$ -	\$ -	\$ -	\$ -
678 METER & HOUSE REG.	\$ 1,009,281	\$ -	\$ 1,009,281	\$ -	\$ -
690 MAINT. OF MEAS. & REG. STA. EQ.-IND.	\$ -	\$ -	\$ -	\$ -	\$ -
693 MAINT. OF METERS AND HOUSE REG.	\$ 224,789	\$ -	\$ 224,789	\$ -	\$ -
674 MAINS AND SERVICES	\$ 2,240,871	\$ 1,745,180	\$ 495,691	\$ -	\$ -
687 MAINT. OF MAINS	\$ 401,282	\$ 401,282	\$ -	\$ -	\$ -
364 LNG Plant	\$ (54,730)	\$ (54,730)	\$ -	\$ -	\$ -
Total O&M Direct Assignments	\$ 4,109,600	\$ 2,201,242	\$ 1,309,307	\$ -	\$ -

SUPPORTING SCHEDULES: H-3 p.1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED  
COST OF SERVICE STUDY  
(SUMMARY)TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS  
DOCKET NO: 20170179-GU OPC, ROG 8-175 OPC, ROG 8

WITNESS: D. NIKOLICH

SUMMARY:	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE
ATTRITION	\$ -	\$ -	\$ -	\$ -	\$ -
O&M	\$ 22,903,906	\$ 12,405,074	\$ 8,849,136	\$ 1,649,696	\$ -
less O&M direct assignments	\$ (4,109,805)	\$ (1,908,363)	\$ (2,201,242)	\$ -	\$ -
NET O&M	\$ 18,794,101	\$ 10,496,710	\$ 6,647,894	\$ 1,649,696	\$ -
DEPRECIATION	\$ 15,639,304	\$ 4,540,665	\$ 11,158,639	\$ -	\$ -
AMORTIZATION OF OTHER GAS PLANT	\$ (113,767)	\$ -	\$ (113,767)	\$ -	\$ -
AMORTIZATION OF PROPERTY LOSS	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF LIMITED TERM INVESTMENT	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF ACQUISITION ADJUSTMENT	\$ 721,895	\$ 226,842	\$ 495,052	\$ -	\$ -
AMORTIZATION OF CONVERSION COSTS	\$ 284,286	\$ -	\$ -	\$ 284,286	\$ -
TOTAL TAXES OTHER THAN INCOME	\$ 2,900,349	\$ 838,860	\$ 2,061,489	\$ -	\$ -
RETURN	\$ 19,924,689	\$ 5,846,494	\$ 14,054,289	\$ 23,896	\$ -
INCOME TAXES	\$ 627,912	\$ 184,248	\$ 442,911	\$ 753	\$ -
REVENUES CREDITED TO COST OF SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COST OF SERVICE	\$ 62,948,573	\$ 24,042,182	\$ 36,947,759	\$ 1,958,632	\$ -
RATE BASE	\$ 303,216,950	\$ 88,972,840	\$ 213,880,455	\$ 363,654	\$ -
less Rate Base direct assignments	\$ (212,695,640)	\$ (59,304,899)	\$ (153,390,742)	\$ -	\$ -
NET RATE BASE	\$ 90,521,310	\$ 29,667,942	\$ 60,489,713	\$ 363,654	\$ -

## KNOWN DIRECT &amp; SPECIAL ASSIGNMENTS:

RATE BASE ITEMS(PLANT-ACC,DEP):					
381-382 METERS	\$ 22,133,264	\$ 22,133,264	\$ -	\$ -	\$ -
383-384 HOUSE REGULATORS	\$ 4,438,546	\$ 4,438,546	\$ -	\$ -	\$ -
385 INDUSTRIAL MEAS.& REG.EQ.	\$ 905,891	\$ -	\$ 905,891	\$ -	\$ -
376 MAINS	\$ 145,316,146	\$ -	\$ 145,316,146	\$ -	\$ -
380 SERVICES	\$ 32,733,089	\$ 32,733,089	\$ -	\$ -	\$ -
378 MEAS.& REG.STA.EQ.-GEN.	\$ 2,717,090	\$ -	\$ 2,717,090	\$ -	\$ -
364 LNG Plant	\$ 4,451,614	\$ -	\$ 4,451,614	\$ -	\$ -
Total Rate Base Direct Assignments	\$ 212,695,640	\$ 59,304,899	\$ 153,390,742	\$ -	\$ -

## O&amp;M ITEMS

892 Maint. of Services O & M ITEMS	\$ 178,591	\$ 178,591	\$ -	\$ -	\$ -
876 MEAS.& REG.STA.EQ.IND.	\$ -	\$ -	\$ -	\$ -	\$ -
878 METER & HOUSE REG.	\$ 1,009,281	\$ 1,009,281	\$ -	\$ -	\$ -
890 MAINT. OF MEAS.& REG.STA.EQ.-IND.	\$ -	\$ -	\$ -	\$ -	\$ -
893 MAINT. OF METERS AND HOUSE REG.	\$ 224,799	\$ 224,799	\$ -	\$ -	\$ -
874 MAINS AND SERVICES	\$ 2,240,871	\$ 495,691	\$ 1,745,180	\$ -	\$ -
887 MAINT. OF MAINS	\$ 401,282	\$ -	\$ 401,282	\$ -	\$ -
LOCAL STORAGE PLANT:	\$ 54,780	\$ -	\$ 54,780	\$ -	\$ -
Total O&M Direct Assignments	\$ 4,109,605	\$ 1,908,363	\$ 2,201,242	\$ -	\$ -

SUPPORTING SCHEDULES: H-3 p.2,5

RECAP SCHEDULES: H-2 p.11



## SCHEDULE H-3

## COST OF SERVICE

PAGE 2 OF 5

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED  
COST OF SERVICE STUDY

TYPE OF DATA SHOWN:

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO: 20170179-GU OPC ROG 8-175

CLASSIFICATION OF EXPENSES AND  
DERIVATION OF COST OF SERVICE BY COST CLASSIFICATION

PROJECTED TEST YEAR: 12/31/2018

WITNESS: D. NIKOLICH

## SCHEDULE H 1 OF 2

OPERATIONS AND MAINTENANCE EXPENSES	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:	\$ 54,780	\$ -	\$ 54,780	\$ -	ac 301-320
PRODUCTION PLANT					100% capacity
DISTRIBUTION:					
Operation Supervision and Engineering	\$ 2,660	\$ 1,471	\$ 1,189	\$ -	ac 871-879
Distribution Load Dispatching	\$ -	\$ -	\$ -	\$ -	100% capacity
Compressor Station Labor and Expenses	\$ -	\$ -	\$ -	\$ -	ac 377
Compr.Sta.Fuel & Power	\$ -	\$ -	\$ -	\$ -	100% commodity
Mains and Services Expenses	\$ 2,240,871	\$ 495,691	\$ 1,745,180	\$ -	ac376+ac380
Measuring and Regulating Station Expenses-General	\$ 1,163	\$ -	\$ 1,163	\$ -	ac 378
Measuring and Regulating Station Expenses-Industrial	\$ -	\$ -	\$ -	\$ -	ac 385
Measuring and Regulating Station Expenses-City Gate Check	\$ 78,287	\$ -	\$ 78,287	\$ -	ac 379
Meter and House Regulator Expenses	\$ 1,009,281	\$ 1,009,281	\$ -	\$ -	ac381+ac383
Customer Installations Expenses	\$ 752,271	\$ 752,271	\$ -	\$ -	ac 386
Other Expenses	\$ 256,815	\$ 135,832	\$ 120,983	\$ -	ac 387
Rents	\$ -	\$ -	\$ -	\$ -	100% capacity
Maintenance Supervision and Engineering	\$ -	\$ -	\$ -	\$ -	ac886-894
Maintenance of Structures and Improvements	\$ -	\$ -	\$ -	\$ -	ac375
Maintenance of Mains	\$ 401,282	\$ -	\$ 401,282	\$ -	ac376
Maintenance of Compressor Station Equipment	\$ 593	\$ -	\$ 593	\$ -	ac 377
Maintenance of Meas. and Reg. Sta. Equip.-General	\$ 130,290	\$ -	\$ 130,290	\$ -	ac 378
Maintenance of Meas. and Reg. Sta. Equip.-Industrial	\$ -	\$ -	\$ -	\$ -	ac 385
Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check	\$ -	\$ -	\$ -	\$ -	ac 379
Maintenance of Services	\$ 178,591	\$ 178,591	\$ -	\$ -	ac 380
Maintenance of Meters and House Regulators	\$ 224,799	\$ 224,799	\$ -	\$ -	ac381-383
Maintenance of Other Equipment	\$ 30,148	\$ 9,018	\$ 21,130	\$ -	ac387
Total Distribution Expenses	\$ 5,307,054	\$ 2,806,956	\$ 2,500,098	\$ -	
CUSTOMER ACCOUNTS:					
Supervision	\$ -	\$ -	\$ -	\$ -	100% customer
Meter Reading Expenses	\$ 140,890	\$ 140,890	\$ -	\$ -	100% customer
Customer Records and Collection Expenses	\$ 87,609	\$ 87,609	\$ -	\$ -	100% customer
Uncollectible Accounts	\$ 476,292	\$ -	\$ -	\$ 476,292	100% commodity
Miscellaneous Customer Accounts Expenses	\$ 989	\$ 889	\$ -	\$ -	100% customer
Total Customer Accounts	\$ 705,780	\$ 229,488	\$ -	\$ 476,292	
Supervision	\$ -	\$ -	\$ -	\$ -	100% customer
Customer Assistance Expenses	\$ 10,412	\$ 10,412	\$ -	\$ -	
Informational and Instructional Expenses	\$ 2,268	\$ 1,228	\$ 876	\$ 163	
Miscellaneous Customer Service and Informational Expenses	\$ (25)	\$ (25)	\$ -	\$ -	
Supervision	\$ 6	\$ 6	\$ -	\$ -	100% customer
Demonstrating and Selling Expenses	\$ 14,851	\$ 14,851	\$ -	\$ -	
Advertising Expenses	\$ 519,842	\$ 519,842	\$ -	\$ -	
Miscellaneous Sales Expenses	\$ -	\$ -	\$ -	\$ -	
Administrative and General Salaries	\$ 10,805,790	\$ 5,852,566	\$ 4,174,917	\$ 778,307	O&M excl. A&G
Office Supplies and Expenses	\$ 1,347,290	\$ 729,711	\$ 520,538	\$ 97,041	
Administrative Expenses Transferred-Cr.	\$ (2,907,083)	\$ (1,574,517)	\$ (1,123,179)	\$ (209,388)	
Outside Services Employed	\$ 2,077,545	\$ 1,125,227	\$ 802,679	\$ 149,639	
Property Insurance	\$ 308,850	\$ 167,277	\$ 119,327	\$ 22,245	
Injuries and Damages	\$ 163,923	\$ 88,783	\$ 63,333	\$ 11,807	
Employee Pensions and Benefits	\$ 2,013,919	\$ 1,090,767	\$ 778,096	\$ 145,066	
Franchise Requirements	\$ -	\$ -	\$ -	\$ -	
Regulatory Commission Expenses	\$ -	\$ -	\$ -	\$ -	
Duplicate Charges (CR)	\$ -	\$ -	\$ -	\$ -	
General Advertising Expenses	\$ -	\$ -	\$ -	\$ -	
Miscellaneous General Expenses	\$ 1,121,733	\$ 607,546	\$ 433,392	\$ 80,795	
Rents	\$ 381,484	\$ 206,617	\$ 147,390	\$ 27,477	
Maintenance of General Plant	\$ 975,488	\$ 528,339	\$ 376,889	\$ 70,261	general plant
TOTAL O&M EXPENSE	\$ 22,903,906	\$ 12,405,074	\$ 8,849,136	\$ 1,649,696	

SUPPORTING SCHEDULES: E-3 p.3-4

RECAP SCHEDULES: H-3 p.1

SCHEDULE H-3

COST OF SERVICE

PAGE 3 OF 5

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED  
COST OF SERVICE STUDY

TYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC.

D/B/A FLORIDA CITY GAS

DOCKET NO: 20170179-GU OPC ROG 8-175

CLASSIFICATION OF EXPENSES AND DERIVATION  
OF COST OF SERVICE BY COST CLASSIFICATION  
SCHEDULE H 2 OF 2

WITNESS: D. NIKOLICH

DEPRECIATION AND AMORTIZATION EXPENSE:	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE	CLASSIFIER
Depreciation Expense	\$ 15,689,304	\$ 4,540,665	\$ 11,158,639	\$ -	\$ -	net plant
Amort. & Depl. of Utility Plant	\$ (113,767)	\$ -	\$ (113,767)	\$ -	\$ -	100% capacity
Amort. of Acquisition Adj.	\$ 721,895	\$ 226,842	\$ 495,052	\$ -	\$ -	intangible, distribution, and general plant
Amort. of Conversion Costs	\$ 284,286	\$ -	\$ -	\$ 284,286	\$ -	100% commodity
Regulatory Debits	\$ -	\$ -	\$ -	\$ -	\$ -	100% capacity
Total Deprec. and Amort. Expense	\$ 16,591,718	\$ 4,767,507	\$ 11,539,925	\$ 284,286	\$ -	
TAXES OTHER THAN INCOME TAXES:						
Revenue Related		\$ -	\$ -	\$ -	\$ -	100% revenue
Other	\$ 2,900,349	\$ 838,860	\$ 2,061,489	\$ -	\$ -	net plant
Total Taxes other than Income Taxes	\$ 2,900,349	\$ 838,860	\$ 2,061,489	\$ -	\$ -	
REV.CREDIT TO COS(NEG.OF OTHER OPR.REV)		\$ -	\$ -	\$ -	\$ -	100% customer
RETURN (REQUIRED NOI)	\$ 19,924,689	\$ 5,846,494	\$ 14,054,299	\$ 23,896	\$ -	rate base
INCOME TAXES	\$ 627,912	\$ 184,248	\$ 442,911	\$ 753	\$ -	return(noi)
TOTAL OVERALL COST OF SERVICE	\$ 62,948,573	\$ 24,042,182	\$ 36,947,759	\$ 1,958,632	\$ -	

SUPPORTING SCHEDULES: E-1 p.5

RECAP SCHEDULES: H-3 p.1

## SCHEDULE H-3

## COST OF SERVICE

PAGE 4 OF 5

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED  
COST OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2018COMPANY: PIVOTAL UTILITY HOLDINGS, INC  
D/B/A FLORIDA CITY GAS

DOCKET NO: 20170179-GU OPC ROG 8-175

CLASSIFICATION OF RATE BASE - PLANT  
SCHEDULE 1 1 OF 2

WITNESS: D. NIKOLICH

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT					
302 FRANCHISES AND CONSENTS	\$ 320,147	\$ -	\$ 320,147	\$ -	100% capacity
303 MISC INTANGIBLE PLANT:	\$ 220	\$ -	\$ 220	\$ -	100% capacity
364 LNG Plant	\$ 4,461,538	\$ -	\$ 4,461,538	\$ -	100% capacity
PRODUCTION PLANT					
DISTRIBUTION PLANT:					
365 LAND AND LAND RIGHTS TRANSMISSION	\$ -	\$ -	\$ -	\$ -	100% capacity
367 TRANSMISSION MAIN	\$ -	\$ -	\$ -	\$ -	100% capacity
367.1 TRANSMISSION MAIN-STEEL	\$ -	\$ -	\$ -	\$ -	100% capacity
367.2 TRANSMISSION MAIN-PLASTIC	\$ -	\$ -	\$ -	\$ -	100% capacity
369 MEASURING/REPLACING EQUIPMENT	\$ -	\$ -	\$ -	\$ -	100% capacity
371 OTHER EQUIPMENT	\$ -	\$ -	\$ -	\$ -	100% capacity
374 Land and Land Rights	\$ 659,737	\$ -	\$ 659,737	\$ -	100% capacity
374.1 Land	\$ 72,437	\$ -	\$ 72,437	\$ -	100% capacity
374.3 RIGHT-OF-WAY	\$ 11,132	\$ -	\$ 11,132	\$ -	100% capacity
375 Structures and Improvements	\$ -	\$ -	\$ -	\$ -	100% capacity
376 Mains	\$ -	\$ -	\$ -	\$ -	100% capacity
376.10 MAINS-STEEL	\$ 109,400,818	\$ -	\$ 109,400,818	\$ -	100% capacity
376.20 MAINS-PLASTIC	\$ 146,111,846	\$ -	\$ 146,111,846	\$ -	100% capacity
376.30 MAINS-CAST IRON	\$ 1,754	\$ -	\$ 1,754	\$ -	100% capacity
376.50 MAINS-MISC	\$ -	\$ -	\$ -	\$ -	100% capacity
376.99 MAINS-CIAC	\$ (184,159)	\$ -	\$ (184,159)	\$ -	100% capacity
377 Comp.Sta.Eq.	\$ -	\$ -	\$ -	\$ -	100% capacity
378 Meas. & Reg.Sta.Eq.-Gen	\$ 2,851,518	\$ -	\$ 2,851,518	\$ -	100% capacity
379 Meas. & Reg.Sta.Eq.-CG	\$ 10,001,910	\$ -	\$ 10,001,910	\$ -	100% capacity
380 Services	\$ -	\$ -	\$ -	\$ -	100% customer
380.1 Services-Steel	\$ 14,608,049	\$ 14,608,049	\$ -	\$ -	100% customer
380.1 Services-Plastic	\$ 61,562,546	\$ 61,562,546	\$ -	\$ -	100% customer
381 Meters	\$ 17,963,071	\$ 17,963,071	\$ -	\$ -	100% customer
381.1 Meters-ERTs	\$ 1,563,533	\$ 1,563,533	\$ -	\$ -	100% customer
382 Meters Installation	\$ 7,167,574	\$ 7,167,574	\$ -	\$ -	100% customer
382.1 Meters Installation - ERTs	\$ 4,894,678	\$ 4,894,678	\$ -	\$ -	100% customer
383 House Regulators	\$ 5,884,588	\$ 5,884,588	\$ -	\$ -	100% customer
384 House Regulator Installation	\$ 2,308,977	\$ 2,308,977	\$ -	\$ -	100% customer
385 Industrial Meas. & Reg.Eq.	\$ 3,045,476	\$ 3,045,476	\$ -	\$ -	100% capacity
386 Property on Customer Premises	\$ -	\$ -	\$ -	\$ -	ac 374-385
387 Other Equipment	\$ 836,928	\$ 250,346	\$ 586,583	\$ -	ac 374-386
Total Distribution Plant	\$ 393,334,319	\$ 116,003,362	\$ 277,330,957	\$ -	
GENERAL PLANT:	\$ 40,883,493	\$ 20,441,746	\$ 20,441,746	\$ -	50% customer, 50% capacity
PLANT ACQUISITION ADJUSTMENT:	\$ 21,656,835	\$ -	\$ 21,656,835	\$ -	100% capacity
GAS PLANT FOR FUTURE USE:	\$ -	\$ -	\$ -	\$ -	100% capacity
CWIP:	\$ 30,962,948	\$ 9,131,697	\$ 21,831,251	\$ -	dist.plant
TOTAL PLANT	\$ 486,837,595	\$ 145,576,796	\$ 341,260,799	\$ -	

SUPPORTING SCHEDULES: e-3 p.1

RECAP SCHEDULES: H-3 p.1

## SCHEDULE H-3

## COST OF SERVICE

PAGE 5 OF 5

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED  
COST OF SERVICE STUDYTYPE OF DATA SHOWN:  
PROJECTED TEST YEAR: 12/31/2016COMPANY: PIVOTAL UTILITY HOLDINGS, INC.  
D/B/A FLORIDA CITY GASCLASSIFICATION OF RATE BASE  
ACCUMULATED DEPRECIATION

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU OPC ROG 8-175

SCHEDULE 1 2 OF 2

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:					
302 FRANCHISES AND CONSENTS	\$ 176,579	\$ -	\$ 176,579	\$ -	related plant
303 MISC INTANGIBLE PLANT:	\$ (2,978)	\$ -	\$ (2,978)	\$ -	rel.plant account
364 LNG PLANT	\$ 9,924	\$ -	\$ 9,924	\$ -	"
PRODUCTION PLANT					
DISTRIBUTION PLANT:					
365 LAND AND LAND RIGHTS TRANSMISSION	\$ 12,808	\$ -	\$ 12,808	\$ -	"
367 TRANSMISSION MAIN	\$ -	\$ -	\$ -	\$ -	"
367.1 TRANSMISSION MAIN-STEEL	\$ 304,885	\$ -	\$ 304,885	\$ -	"
369 MEASURING/REPLACING EQUIPMENT	\$ -	\$ -	\$ -	\$ -	"
371 OTHER EQUIPMENT	\$ 8,268	\$ -	\$ 8,268	\$ -	"
374 Land and Land Rights	\$ -	\$ -	\$ -	\$ -	"
374.1 Land	\$ -	\$ -	\$ -	\$ -	"
374.3 RIGHT-OF-WAY	\$ 27	\$ -	\$ 27	\$ -	"
375 Structures and Improvements	\$ (81,195)	\$ -	\$ (81,195)	\$ -	"
376 Mains	\$ -	\$ -	\$ -	\$ -	"
376.10 MAINS-STEEL	\$ 70,064,176	\$ -	\$ 70,064,176	\$ -	"
376.20 MAINS-PLASTIC	\$ 39,959,507	\$ -	\$ 39,959,507	\$ -	"
376.30 MAINS-CAST IRON	\$ 342	\$ -	\$ 342	\$ -	"
376.50 MAINS-MISC	\$ -	\$ -	\$ -	\$ -	"
376.99 MAINS-CIAC	\$ (19,912)	\$ -	\$ (19,912)	\$ -	"
377 Compressor Sta. Eq.	\$ -	\$ -	\$ -	\$ -	"
378 Meas. & Reg. Sta. Eq.-Gen	\$ 134,428	\$ -	\$ 134,428	\$ -	"
379 Meas. & Reg. Sta. Eq.-CG	\$ 4,851,714	\$ -	\$ 4,851,714	\$ -	"
380 Services	\$ -	\$ -	\$ -	\$ -	"
380.1 Services-Steel	\$ 22,435,002	\$ 22,435,002	\$ -	\$ -	"
380.1 Services-Plastic	\$ 21,002,503	\$ 21,002,503	\$ -	\$ -	"
381 Meters	\$ 3,200,991	\$ 3,200,991	\$ -	\$ -	"
381.1 Meters-ERTs	\$ 275,381	\$ 275,381	\$ -	\$ -	"
382 Meters Installation	\$ 3,000,959	\$ 3,000,959	\$ -	\$ -	"
382.1 Meters Installation - ERTs	\$ 2,778,262	\$ 2,778,262	\$ -	\$ -	"
383 House Regulators	\$ 2,609,611	\$ 2,609,611	\$ -	\$ -	"
384 House Regulator Installation	\$ 1,145,408	\$ 1,145,408	\$ -	\$ -	"
385 Indust.Meas. & Reg. Sta. Eq.	\$ 2,139,585	\$ -	\$ 2,139,585	\$ -	"
386 Property on Customer Premises	\$ -	\$ -	\$ -	\$ -	"
387 Other Equipment	\$ 330,087	\$ 88,737	\$ 231,350	\$ -	"
Total A.D. on Dist. Plant	\$ 173,952,836	\$ 56,546,855	\$ 117,405,983	\$ -	
GENERAL PLANT:	\$ 6,900,616	\$ 3,450,308	\$ 3,450,308	\$ -	general plant
PLANT ACQUISITION ADJUSTMENT:	\$ 9,865,892	\$ -	\$ 9,865,892	\$ -	acquisition adjustments
RETIREMENT WORK IN PROGRESS:	\$ (2,233,352)	\$ (658,667)	\$ (1,574,685)	\$ -	distribution plant
TOTAL ACCUMULATED DEPRECIATION	\$ 188,669,518	\$ 59,338,496	\$ 129,331,023	\$ -	
NET PLANT (Plant less Accum.Dep.)	\$ 298,168,077	\$ 86,238,301	\$ 211,929,776	\$ -	
less: CUSTOMER ADVANCES	\$ -	\$ -	\$ -	\$ -	50%-50% cust-cap
plus: WORKING CAPITAL	\$ 5,048,873	\$ 2,734,540	\$ 1,950,679	\$ 363,654	oper. and maint. exp.
equals: TOTAL RATE BASE	\$ 303,216,950	\$ 88,972,840	\$ 213,880,455	\$ 363,654	

SUPPORTING SCHEDULES: G-1 p.1, 4, 12, 14, 22

RECAP SCHEDULES: H-3 p.1

FCG Responses to Staff's First Set of  
Interrogatories, Nos. 8, 13, 15, 17, 23

**(See additional files contained on Staff  
Hearing Exhibit CD/USB for No. 8. )**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 109  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Matt Kim (23);Dane Watson  
(8, 13, 15, 17)

Interrogatory No. 8

8. Please refer to the Direct Testimony of FCG witness Watson, page 17, lines 12-16. Please list samples of existing and/or anticipated retirement units for both Account 364 – Liquefied Natural Gas Storage (LNG) and Account – 394.1 – Natural Gas Vehicle Equipment.

**RESPONSE**

No specific list for FCG is currently available. A sample retirement unit list of LNG accounts is attached from FCG sister company Chattanooga Gas in SROG Attachment 1-8a. In regards to Account 394.1 each utility has its own specific operational characteristics and potential assets as well as capital criteria. Examples of the type of assets anticipated for Account 394.1 is attached as SROG Attachment 1-8b.

Interrogatory No. 13

13. Please refer to the Direct Testimony of FCG witness Watson, Exhibit DAW-2, page 62 of 171 for the following questions:

- a) What are the factors driving FCG to propose the adoption of vintage group amortization for certain General Plant accounts?
- b) Please discuss how the Company's proposal to adopt vintage group amortization comports with Commission Rule 25-7.045, F.A.C., "Depreciation" and Rule 25-7.046, F.A.C., "Subcategories of Gas Plant for Depreciation."
- c) Is the Company aware of any other investor-owned natural gas utilities in Florida who have adopted Vintage Group Amortization for General Plant accounting similar to FCG's current proposal?
- d) Is the Company aware of any other investor-owned natural gas utilities in the United States of America who have adopted Vintage Group Amortization for General Plant accounting similar to FCG's current proposal?

e) Please reconcile the information contained in bullet no. 3: “[t]he cost of the vintage groups is amortized to depreciation expense over their useful lives and there is no change in depreciation rates resulting from the adoption of the vintage year accounting,” and the need for a \$1.4 million General Plant true-up. As in, does the proposal of truing-up prior investments necessarily change the rate of depreciation of the assets being trued-up and/or retired? Please explain.

**Response**

- a) Efficiency in tracking assets that are large in number but small in value along with the desire to get consistency across its various entities.
- b) We believe the Company’s proposal to adopt vintage group amortization comports with the referenced Commission Rules in that it attempts to recover the cost of the assets, less salvage over an appropriate life. In the remaining life concept, there is a true up of reserve (over or under) that is inherent in the methodology. While in the case of FCG it is requesting a fixed period of five years across all amortized accounts, it is consistent with the period between cases with the intent of eliminating future adjustments and rate changes.
- c) Yes. Peoples Gas, Florida Power and Light, and Gulf Power Company have all implemented vintage group amortization.
- d) Yes. In our experience, the vast majority of investor-owned utilities (gas and electric) that we have worked with have requested and received approval to implement vintage group amortization. The Federal Energy Regulatory Commission issued Accounting Release 15



in 1997, which granted their blanket approval if certain conditions are met. We are attaching the guidance here as Attachment SROG 1-13.

- e) There is no disconnect between the two thoughts. In the same way that vintage group amortization “true up” reserve deficits or surplus, the remaining life depreciation rate calculation does the same. The “true up” for the remaining life technique is embedded in the depreciation rate formula while the vintage group technique uses a separate calculation for the true up. The fact is that the \$1.4 million true-up would need to be addressed regardless of approach and require a change in rate so that full recovery is obtained over a reasonable period of time.

Interrogatory No. 15

15. Please refer to the Direct Testimony of FCG witness Watson, Exhibit DAW-2, pages 62 and 89 of 171. Please reconcile the information contained in bullet number 3: “[t]he cost of the vintage groups is amortized to depreciation expense over their useful lives and there is no change in depreciation rates resulting from the adoption of the vintage year accounting,” with the statement on page 89: “this study recommends moving to a 20 year life and adoption of general plant amortization.”

**RESPONSE**

The intent in bullet number 3 is that the life should be representative of the assets regardless of depreciation or amortization. In evaluating Account 395, page 89 of 171, it was determined that it was currently fully accrued. After discussion with Company personnel, it was determined that if future plant were added, a life of 20 years would be appropriate. This life recommendation applies whether it is depreciation or amortized (and the depreciation/amortization rate in either case would be 5%) and thereby is in compliance with the requirements of FERC AR 15.

Interrogatory No. 17

17. Please refer to the Direct Testimony of FCG witness Watson, Exhibit DAW-2, page 99 of 171. Please explain why the book reserve (presumably allocated) for Account 392.1 – Trans. Equip. – Autos and Light Trucks is negative at 7/31/2018.

**RESPONSE**

The book reserve (which was not allocated) for Account 392.1 at 7/31/2018 as shown is a positive \$149,007. This is in excess of the booked plant in service at 7/31/2018 of \$128,095. The negative amount of \$36,283 includes calculated salvage and the excess reserve. No annual accrual is requested and a rate of 11.0% is proposed when a depreciable base exists, as noted.

Account	Description	Plant	Book	Net	Net	Unaccrued
		In Service	Depreciation	Salvage	Salvage	
		07/31/2018	07/31/2018	%	Amount	Balance
392.10	Trans Equip - Autos & Lt Trucks	128,095	149,007	12%	15,371	(36,283)

Interrogatory No. 23

23. Please refer to Attachment A of Order No. PSC-14-0514-PAA-GU and FCG's 2016 ADSR. Both of these documents show the subaccount with the corresponding approved depreciation rate as presented in Table 5 below.

Table 5.

Account No.	Account Title	Depreciation Rate (%)
394	Tools, Shop and Garage Equipment	7.2

However, in his direct testimony, Exhibit DAW-2, page 103, Appendix B, witness Watson reported the following:

Table 6.

Account No.	Account Title	Existing Depreciation Rate (%)
394.10	Natural Gas Vehicle Equipment	5.0

- a. Please explain when FCG established the subaccount shown in Table 6;
- b. Please explain how the associated depreciation rate was established;
- c. Please identify the Commission order by which the rate of 5.0% is approved.
- d. On what date did FCG first apply the depreciation rate of 5.0% to subaccount 394.1?

RESPONSE

a. The subaccount was created September 2017. Assets that were moved to this subaccount were from projects that were placed in service in May 2016 (Back dated in service date for project balances as of August 2017 not closed to plant). Retroactive depreciation for the sub account assets was recorded for the amounts back to the actual May 2016 in service date during 2017.

b. Since there was no preexisting depreciating rate established for this asset the Company made a determination based on a similar asset(s) within Pivotal Utility Holdings to assign a FERC account number and applicable depreciation rate based on expected life, usefulness, and ending salvage value since the asset was created outside of the timeframe of the last depreciation study.

c. See response to “b” above.

d. FCG first applied the depreciation rate of 5.0% to in 2017 to subaccount 394.1 with the intent that the depreciation study would contain a new recommendation for Commission approval.

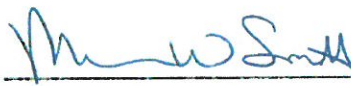
**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

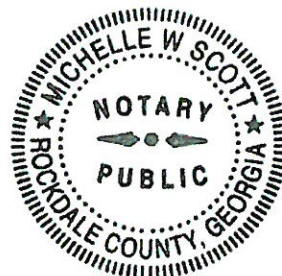
I hereby certify that on this 15<sup>th</sup> day of December, 2017, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared DANE WATSON, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, and 19 from in STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA CITY GAS (1-23) in Docket No. 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 15<sup>th</sup> day of December, 2017.

  
MICHELLE W. SCOTT

Notary Public  
State of Georgia, at Large

My Commission Expires: JUNE 10, 2018



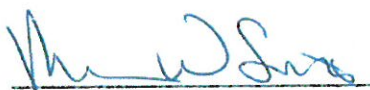
**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

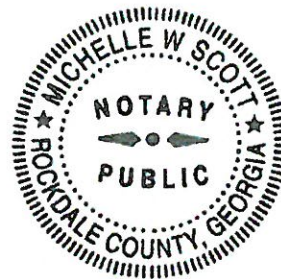
I hereby certify that on this 15<sup>th</sup> day of December, 2017, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared MICHAEL MORLEY, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 1, 2, 3, 4, 5, 6, 14, 18, 20, 21, 22, and 23 from in STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA CITY GAS (1-23) in Docket No. 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 15<sup>th</sup> day of December, 2017.

  
MICHELLE W. SCOTT

Notary Public  
State of GEORGIA, at Large

My Commission Expires: JUNE 10, 2018



110

FCG Responses to Staff's Fourth Set of  
Interrogatories, Nos. 38-44, 48

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 110  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Mike Morley; Dane Watson  
(38-49)



**INTERROGATORIES**

**Interrogatory No. 38**

38. Please refer to the Direct Testimony of FCG Witness Dane Watson, Exhibit No. DAW-2, page 9-10 of 171. The last sentence written beginning on page 9 reads “[t]he majority of FCG’s current depreciation rates were approved by the Florida Public Service Commission under Docket No. 140051-GU.” Please specify which depreciation rates and associated account numbers that were not approved by Florida Public Service Commission (Commission) Order No. PSC-14-0514-PAA-GU, in Docket No. 140051-GU.<sup>1</sup>

**RESPONSE:**

As shown on Page 10 of 171 Account 364.00 is “New” and does not have an approved rate by the Commission Order PSC-14-0514-PAA-GU. FCG is requesting the Commission approve the proposed rate of 2.00%.

The assets reflected in Account 394.1 Natural Gas represents items placed in service after the effective date of Docket No. 140051-GU.

Since there was no preexisting depreciation rate established for the account number, FCG made a determination based on similar asset(s) within Pivotal Utility Holdings to assign a FERC account number and applicable depreciation rate based on expected life, usefulness, and ending salvage value since the asset was created outside the timeframe of the last depreciation study.

FCG placed the asset in service with a depreciation rate of 5% during 2017, with the intent that the depreciation study would contain a new recommendation for the Commission approval.

**Respondents: Dane Watson and Michael Morley**

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<sup>1</sup> Order No. PSC-14-0514-PAA-GU, issued September 25, 2014, in Docket No. 140051-GU, In re: 2014 depreciation study by Florida City Gas.

Interrogatory No. 39

39. Please specify the Commission order number authorizing a depreciation rate for Federal Energy Regulatory Commission (FERC) Account 394.1 - Natural Gas Vehicle Equipment.

**RESPONSE:**

There is no Commission order authorizing a depreciation rate for FERC account 394.1. As discussed in the Company's response to Staff's Interrogatory 38 above, FCG is seeking approval for the proposed rate in this proceeding.

**Respondents: Dane Watson and Michael Morley**

Interrogatory No. 40

40. Please reconcile the investment information shown in the *ANALYSIS RESULTS* section, at 7/31/2018, of \$3,661,963, with the second sentence below in the narrative section:
- “[t]he projected plant balance at July 31, 2018 is approximately \$0 million.”

**RESPONSE:**

The statement in the second sentence (referring to Account 394.10 Natural Gas Vehicle) in the narrative section “[t]he projected plant balance at July 31, 2018 is approximately \$0 million” is incorrect. The investment at 12/31/2016 was \$0 and was inadvertently used in the narrative for 7/31/2018. The actual balance at 7/31/2018 is forecasted as \$3,661,963.

**Respondent: Dan Watson**

Interrogatory No. 41

41. Please reconcile the following information: “Average Service Life” of 20 years, “Average Remaining Life” of 18.8 years, book reserve of \$401,397.66, at 7/31/2018, given a “FPSC Approved, ARL Rate” of 0.0% that is shown on this page.

**RESPONSE:**

FCG’s response is based on Account 394.1 Natural Gas Vehicle Equipment. The stated account information is based on forecast investment, forecast expense accruals and a reserve adjustment that occurred between study date of 12/31/2016 and 7/31/2018. The stated account study proposed average service life is 20 years with the S0 dispersion pattern, which results in an average remaining life of 18.8 years based on the projected asset age and balance at 7/31/2018. The book reserve amount of \$401,397.66 is also based on projected reserve transactions at 7/31/2018. As discussed in the company’s response to Staff’s Interrogatory 38, the Company is seeking approval of the proposed depreciation rate in this proceeding.

**Respondents: Dane Watson and Michael Morley**

Interrogatory No. 42

42. Please reconcile the “ARL Rate” information (0%) shown in the *ANALYSIS RESULTS* section, column “FPSC Approved,” with the information shown on DAW-2, page 10 of 171, for Account 394.10 - Natural Gas Vehicle Equipment “Existing” (5.00%).

**RESPONSE:**

Please refer to the Company’s responses to Staff’s Interrogatories Nos. 38 and 41.

**Respondents: Dane Watson and Michael Morley**

Interrogatory No. 43

43. Please reconcile the “ARL Rate” information (0%) shown in the *ANALYSIS RESULTS* section, column “FPSC Approved,” with the depreciation expense information shown on Minimum Filing Requirements (MFR) Schedule G-2, page 23 of 34, line 34.

**RESPONSE:**

Please refer to the Company’s responses to Staff’s Interrogatories 38 and 41.

**Respondents: Dane Watson and Michael Morley**

Interrogatory No. 44

44. Please state the authoritative basis (Commission order) allowing for the historic year + 1 expense associated with Account 394.10 - Natural Gas Vehicle Equipment shown on Schedule G-2, page 23 of 34, line 34.

**RESPONSE:**

Please refer to the Company's responses to Staff's Interrogatory 38.

**Respondents: Dane Watson and Michael Morley**

Interrogatory No. 48

48. Please reconcile the “ARL Rate” information (2.6%) shown in the *ANALYSIS RESULTS* section, column “7/31/2018,” with the information shown on DAW-2, page 10 of 171, for Account 390 – Structures & Improvements, “Proposed” (2.5%).

**RESPONSE:**

The ARL Rate at 7/31/2018 of 2.6% shown in the ANALYSIS RESULTS section is incorrect. It should be 2.5%. However, both the FPSC approved existing rate of 2.6% and the proposed rate of 2.5% shown on Appendix B of Exhibit DAW-2, page 102 of 171 have been shown correctly.

**Respondent: Dane Watson**



**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF DEKALB

I hereby certify that on this 12th day of January, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared DANE WATSON, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49 from STAFF'S AMENDED FOURTH SET OF INTERROGATORIES TO FLORIDA CITY GAS (NOS. 38-58) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 12th day of January, 2018.

Syreeta Campbell  
Notary Public  
State of Georgia, at Large

My Commission Expires:

March 26, 2019



FCG Responses to Staff's Sixth Set of  
Interrogatories, Nos. 82-93

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 111  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Dane Watson (82-93)

Interrogatory No. 82

82. Please provide reconciliation to the investment information you provided for the following accounts:

	Page of DAW-2	Account	Analysis  Results Section	Narrative  Section
1	34	376.2 - Distribution Main Plastic	\$150,016,423	\$161.5 million
2	36	378 - M&R Equipment-General	\$3,009,723	\$1.2 million
3	42	380.2 - Service Plastic	\$61,702,824	\$62.1 million
4	63	390 - Structures & Improvements	\$8,410,477.58	\$7.83 million
5	65	391.00 - Office Furniture	\$635,483.69	\$593 thousand million
6	67	391.1 - Software non-Enterprise	\$656,313.79	\$606 thousand
7	69	391.11 - Computer Software	\$12,908,974.23	\$11.0 million
8	71	391.12 - Computer Hardware	\$660,986.99	\$626 thousand
9	75	392 - Transportation Equipment	\$1,224,132.85	\$431 thousand
10	77	392.10 - Auto and Light Trucks	\$128,094.98	\$941 thousand
11	81	392.3 - Heavy Trucks	\$374,203.71	\$636 thousand million

12	85	394 - Tools Shop & Garage Equipment	\$644,251.65	\$532 million
13	93	397 - Communication Equipment	\$609,131.06	\$637 thousand
14	95	398 - Miscellaneous Equipment	\$248,114	\$79 thousand

**FCG RESPONSE:**

The investment amount for each account listed above is correctly stated in the “Analysis Results” section as well as in all calculations. However, the amounts shown in the “Narrative” section of DAW-2 were inadvertently not updated for the final investment numbers used by the Company. The accurate investment amount for each account (as shown in the Analysis section) was properly used in the calculation of the depreciation rates, accrual amounts, and summary comparison shown in the appendices in Exhibit DAW-2.

***Respondent: Dane Watson***

Interrogatory No. 83

83. For Account 380.20 - Service Plastic, please reconcile the Net Salvage information of -45%, shown on page 42 of DAW-2, in the *Analysis Results* section, column "7/31/2018," with the Proposed Net Salvage of 0%, shown on page 105 of DAW-2.

**FCG RESPONSE:**

The information on the "Analysis Results" section column "7/31/2018" shown on page 42 of Exhibit DAW-2 is correct. Unfortunately when the information was entered on page 105 of DAW-2 (Appendix C) it was entered incorrectly as -0.45% which when rounded is displayed as 0%. However, the correct net salvage factor, -45% has been used in the accrual calculations (Appendix A). The accurate net salvage amount for this account is shown properly in other areas in the "Narrative" section of Exhibit DAW-2 and has been verified in other Attachments throughout the exhibit. A revised Appendix C has been provided as Attachment SROG 6-83.

***Respondent: Dane Watson***

84. For Account 391.10 - Software Non-Enterprise:

- a. Please reconcile the Iowa Curve and ASL information of SQ and 15, shown on page 67 of DAW-2, in the *Analysis Results* section, column "7/31/2018," with the Proposed Curve and ASL of SQ and 10, shown on page 105 of DAW-2.
- b. Please reconcile the Iowa Curve and ASL information of S2 and 19, shown on page 67 of DAW-2, in the *Analysis Results* section, column "FPSC Approved," with the Existing Curve and ASL of S2 and 12, shown on page 105 of DAW-2; and explain by which Commission order, including relevant page number, such curve-life combination was approved.

**FCG RESPONSE:**

- a. The Iowa Curve and ASL of SQ 15, shown on page 67 of DAW-2 in the table, in the Analysis Results section, column "7/31/2018" should be SQ 10. However, the correct Iowa Curve and ASL of SQ 10 were used in the accrual calculations (Appendix A). Additionally, the accurate Iowa Curve and ASL for this account are shown properly in other areas in the "Narrative" section of Exhibit DAW-2 and have been verified in other Attachments throughout the exhibit. The 7/31/2018 ASL 15 should be changed to 7/31/2018 ASL 10 with a difference between proposed and approved shown as -2. The table on page 67 should be revised as shown below.

ANALYSIS RESULTS			
Depreciable Property			
Account 391.1			
Software Non-Enterprise			
Item	FPSC Approved	07/31/2018	Change
Investment	\$1,475,772	\$656,314	(\$819,459)
Iowa Curve	S2	SQ	
Average Service Life	12	10	-2
Theoretical Reserve*	*	\$518,840	*
Book Reserve	*	\$136,050	*
Reserve Variance	*	(\$382,790)	*
Reserve Ratio	*	20.73%	*
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	8.3%	10.0%	1.7%
AWL Expense (7/31/2018)	\$122,981	\$65,631	(\$57,350)
Average Remaining Life	NA	NA	NA
ARL Rate	8.3%	10.0%	1.7%
ARL Expense (7/31/2018)	\$122,489	\$65,631	(\$56,858)

\* Account combinations are different from the last case. No theoretical reserve detail that is comparable is available.

- b. The Iowa Curve and ASL of S2 19, shown on page 67 of DAW-2, in the Analysis Results section, column "FPSC Approved" should be S2 12. However, the correct Iowa Curve and ASL of S2 12 have been properly shown in the "Narrative" section and verified in other relevant appendices throughout Exhibit DAW-2. The FPSC Approved ASL 19 should be changed to FPSC Approved 12 with a difference between proposed and approved shown as -2. The table on page 67 should be revised as shown above.

Existing depreciation rates for Account 391 (various subaccounts) were approved by the Florida Public Service Commission in Order No. PSC-14-0514-PAA-GU, in Docket No. 140051-GU 1 and Order No. PSC-09-0835-PAA-GU, in Docket No. 080182-GU.<sup>2</sup> The assets in Account 391 have been combined and segregated differently in the last several depreciation filings. The segregation in this study creates new subaccounts based on the types of assets in each account. It then lists the current approved average service life and Iowa Curve parameters to the new accounts based on the nature of assets in each account. Table DAW – 1 Account 391 Parameter Summary lists the existing life parameters and Docket in which those parameters were approved and the proposed parameters.

Table DAW 1 – Account 391 Parameter Summary

Currently Approved				Proposed			
<u>Account</u>	<u>Description</u>	<u>Iowa Curve</u>	<u>ASL</u>	<u>Account</u>	<u>Description</u>	<u>Iowa Curve</u>	<u>ASL</u>
<u>Order No. PSC-1410514-PAA-GU, Docket No. 140051-GU</u>				391	Office Furniture	SQ	15
391.1	Office Furniture	S2	19	391.1	Software Non-Enterprise	SQ	10
391.3	Enterprise Software	R4	11	391.11	Computer Software	SQ	12
<u>Order No. PSC-09-0835-PAA-GU, Docket No. 080182-GU</u>				391.12	Computer Hardware	SQ	5
391.1	Office Furniture	S2	19	391.5	Individual Equipment	SQ	5
391.2	Office Machines & Equipment	S2	12				
391.3	Computers	R4	10				

\*The life parameters for 391.2 remained unchanged from the 2009 order

***Respondent: Dane Watson***

<sup>1</sup> Order No. PSC-14-0514-PAA-GU, issued September 25, 2014, in Docket No. 140051-GU, In re: 2014 depreciation study by Florida City Gas.

<sup>2</sup> Order No. PSC-09-0835-PAA-GU, issued December 21, 2009, in Docket No. 080182-GU, In re: 2008 depreciation study by Florida City Gas.



85. For Account 391.11 – Computer Software:

- a. Please reconcile the Iowa Curve and ASL information of SQ and 10, shown on page 69 of DAW-2, in the *Analysis Results* section, column “7/31/2018,” with the Proposed Curve and ASL of SQ and 12, shown on page 105 of DAW-2.
- b. Please reconcile the Iowa Curve and ASL information of S2 and 12, shown on page 69 of DAW-2, in the *Analysis Results* section, column “FPSC Approved,” with the Existing Curve and ASL of R4 and 11, shown on page 105 of DAW-2; and explain by which Commission order, including relevant page number, such curve-life combination was approved.

**FCG RESPONSE:**

- a. The Iowa Curve and ASL of SQ 10, shown on page 69 of DAW-2 in the table, in the Analysis Results section, column “7/31/2018” should be SQ 12. However, the correct Iowa Curve and ASL of SQ 12 were used in the accrual calculations (Appendix A). The accurate Iowa Curve and ASL for this account are shown properly in other areas in the “Narrative” section of Exhibit DAW-2 and have been verified in other Attachments throughout the exhibit. The 7/31/2018 ASL 10 should be changed to 7/31/2018 ASL 12 with a difference between proposed and approved shown as 1. The table on page 69 should be revised as shown below.

ANALYSIS RESULTS			
Depreciable Property			
Account 391.11			
Computer Software			
Item	FPSC Approved	07/31/2018	Change
Investment	\$10,569,073	\$12,908,974	\$2,339,901
Iowa Curve	R4	SQ	
Average Service Life	11	12	1
Theoretical Reserve*	*	\$4,058,339	*
Book Reserve	*	\$3,681,459	*
Reserve Variance	*	(\$376,880)	*
Reserve Ratio	*	28.52%	*
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	9.1%	8.3%	-0.8%
AWL Expense (7/31/2018)	\$960,825	\$1,071,445	\$110,620
Average Remaining Life	NA	NA	NA
ARL Rate	9.1%	8.3%	-0.8%
ARL Expense (7/31/2018)	\$961,786	\$1,071,445	\$109,659

\* Account combinations are different from the last case. No theoretical reserve detail that is comparable is available.

- b. The Iowa Curve and ASL of S2 12, shown on page 69 of DAW-2 in the table, in the Analysis Results section, column "FPSC Approved" with the Existing Curve and ASL should be R4 11. However, the correct Iowa Curve and ASL of R4 11 have been properly shown in the "Narrative" section of Exhibit DAW-2 and verified in other relevant appendices throughout the exhibit. The FPSC Approved Iowa Curve of S2 should be changed to FPSC Approved R4 and the FPSC Approved ASL 12 should be changed to FPSC Approved 11 with a difference

between proposed and approved shown as 1. The table on page 69 should be revised as shown above.

Existing depreciation rates for Account 391 (various subaccounts) were approved by the Florida Public Service Commission in Order No. PSC-14-0514-PAA-GU, in Docket No. 140051-GU<sup>3</sup> and Order No. PSC-09-0835-PAA-GU, in Docket No. 080182-GU.<sup>4</sup> The assets in Account 391 have been combined and segregated differently in the last several depreciation filings. The segregation in this study creates new subaccounts based on the types of assets in each account. It then lists the current approved average service life and Iowa Curve parameters to the new accounts based on the nature of assets in each account. Table DAW – 1 Account 391 Parameter Summary lists the existing life parameters and Docket in which those parameters were approved and the proposed parameters.

Table DAW 1 – Account 391 Parameter Summary

Currently Approved				Proposed			
<u>Account</u>	<u>Description</u>	<u>Iowa Curve</u>	<u>ASL</u>	<u>Account</u>	<u>Description</u>	<u>Iowa Curve</u>	<u>ASL</u>
<u>Order No. PSC-1410514-PAA-GU, Docket No. 140051-GU</u>				391	Office Furniture	SQ	15
391.1	Office Furniture	S2	19	391.1	Software Non-Enterprise	SQ	10
391.3	Enterprise Software	R4	11	391.11	Computer Software	SQ	12
<u>Order No. PSC-09-0835-PAA-GU, Docket No. 080182-GU</u>				391.12	Computer Hardware	SQ	5
391.1	Office Furniture	S2	19	391.5	Individual Equipment	SQ	5
391.2	Office Machines & Equipment	S2	12				
391.3	Computers	R4	10				

<sup>3</sup> Order No. PSC-14-0514-PAA-GU, issued September 25, 2014, in Docket No. 140051-GU, In re: 2014 depreciation study by Florida City Gas.

<sup>4</sup> Order No. PSC-09-0835-PAA-GU, issued December 21, 2009, in Docket No. 080182-GU, In re: 2008 depreciation study by Florida City Gas.

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\*The life parameters for 391.2 remained unchanged from the 2009 order

***Respondent: Dane Watson***

Interrogatory No. 86

86. For Account 391.12 – Computer Hardware, please reconcile the Iowa Curve and ASL information of R4 and 11, shown on page 71 of DAW-2, in the *Analysis Results* section, column “FPSC Approved,” with the Existing Curve and ASL of S2 and 12, shown on page 105 of DAW-2; and explain by which Commission order, including relevant page number, such curve-life combination was approved.

**FCG RESPONSE:**

The Iowa Curve and ASL of R4 11, shown on page 71 of DAW-2 in the table, in the Analysis Results section, column “FPSC Approved” with the Existing Curve and ASL should be S2 12. However, the correct Iowa Curve and ASL of S2 12 have been properly shown in the “Narrative” section of DAW-2 and other appendices throughout the exhibit. The FPSC Approved Iowa Curve of R4 should be changed to FPSC Approved S2 and the FPSC Approved ASL 11 should be changed to FPSC Approved 12 with a difference between proposed and approved shown as -7. The table on page 71 should be revised as shown below.

ANALYSIS RESULTS			
Depreciable Property			
Account 391.12			
Computer Hardware			
Item	FPSC Approved	07/31/2018	Change
Investment	\$502,231	\$660,987	\$158,756
Iowa Curve	S2	SQ	
Average Service Life	12	5	-7
Theoretical Reserve*	*	\$499,950	*
Book Reserve	*	\$129,438	*

Reserve Variance	*	(\$370,512)	*
Reserve Ratio	*	19.58%	*
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	8.3%	20.0%	11.7%
AWL Expense (7/31/2018)	\$41,853	\$132,197	\$90,345
Average Remaining Life	NA	NA	NA
ARL Rate	8.3%	20.0%	11.7%
ARL Expense (7/31/2018)	\$41,685	\$132,197	\$90,512

\* Account combinations are different from the last case. No theoretical reserve detail that is comparable is available.

Existing depreciation rates for Account 391 (various subaccounts) were approved by the Florida Public Service Commission in Order No. PSC-14-0514-PAA-GU, in Docket No. 140051-GU 5 and Order No. PSC-09-0835-PAA-GU, in Docket No. 080182-GU.6 The assets in Account 391 have been combined and segregated differently in the last several depreciation filings. The segregation in this study creates new subaccounts based on the types of assets in each account. It then lists the current approved average service life and Iowa Curve parameters to the new accounts based on the nature of assets in each account. Table DAW – 1 Account 391 Parameter Summary lists the existing life parameters and Docket in which those parameters were approved and the proposed parameters. See also Attachment SROG 6-79.

Table DAW 1 – Account 391 Parameter Summary

Currently Approved				Proposed			
<u>Account</u>	<u>Description</u>	<u>Iowa Curve</u>	<u>ASL</u>	<u>Account</u>	<u>Description</u>	<u>Iowa Curve</u>	<u>ASL</u>
Order No. PSC-1410514-PAA-GU, Docket No. 140051-GU				391	Office Furniture	SQ	15

<sup>5</sup> Order No. PSC-14-0514-PAA-GU, issued September 25, 2014, in Docket No. 140051-GU, In re: 2014 depreciation study by Florida City Gas.

<sup>6</sup> Order No. PSC-09-0835-PAA-GU, issued December 21, 2009, in Docket No. 080182-GU, In re: 2008 depreciation study by Florida City Gas.

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391.1	Office Furniture	S2	19	391.1	Software Non-Enterprise	SQ	10
391.3	Enterprise Software	R4	11	391.11	Computer Software	SQ	12
<u>Order No. PSC-09-0835-PAA-GU, Docket No. 080182-GU</u>				391.12	Computer Hardware	SQ	5
391.1	Office Furniture	S2	19	391.5	Individual Equipment	SQ	5
391.2	Office Machines & Equipment	S2	12				
391.3	Computers	R4	10				

\*The life parameters for 391.2 remained unchanged from the 2009 order

***Respondent: Dane Watson***

87. For Account 391.50 – Individual Equipment, please reconcile the Iowa Curve and ASL information of R4 and 11, shown on page 73 of DAW-2, in the *Analysis Results* section, column “FPSC Approved,” with the Existing Curve and ASL of S2 and 12, shown on page 105 of DAW-2; and explain by which Commission order, including relevant page number, such curve-life combination was approved.

**FCG RESPONSE:**

The Iowa Curve and ASL of R4 11, shown on page 73 of DAW-2 in the table, in the Analysis Results section, column “FPSC Approved” with the Existing Curve and ASL should be S2 12. However, the correct Iowa Curve and ASL of S2 12 has been properly shown in the “Narrative” section of DAW-2 and verified in the various appendices throughout the exhibit. The FPSC Approved Iowa Curve of R4 should be changed to FPSC Approved S2 and the FPSC Approved ASL 11 should be changed to FPSC Approved 12 with a difference between proposed and approved shown as -7. The table on page 73 should be revised as shown below.



ANALYSIS RESULTS			
Depreciable Property			
Account 391.50			
Individual Equipment			
Item	FPSC Approved	07/31/2018	Change
Investment	\$16,052	\$329,068	\$313,016
Iowa Curve	S2	SQ	
Average Service Life	12	5	-7
Theoretical Reserve*	*	\$194,322	*
Book Reserve	*	\$207,544	*
Reserve Variance	*	\$13,222	*
Reserve Ratio	*	63.07%	*
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	8.3%	20.0%	11.7%
AWL Expense (7/31/2018)	\$1,338	\$65,814	\$64,476
Average Remaining Life	NA	NA	NA
ARL Rate	8.3%	20.0%	11.7%
ARL Expense (7/31/2018)	\$1,332	\$65,814	\$64,481

\* Account combinations are different from the last case. No theoretical reserve detail that is comparable is available.

Existing depreciation rates for Account 391 (various subaccounts) were approved by the Florida Public Service Commission in Order No. PSC-14-0514-PAA-GU, in Docket No. 140051-GU<sup>7</sup> and Order No. PSC-09-0835-PAA-GU, in Docket No. 080182-GU.<sup>8</sup> The assets in Account 391 have been combined and segregated differently in the last several depreciation filings. The segregation in this study creates new subaccounts based on the types of assets in each account. It

<sup>7</sup> Order No. PSC-14-0514-PAA-GU, issued September 25, 2014, in Docket No. 140051-GU, In re: 2014 depreciation study by Florida City Gas.

<sup>8</sup> Order No. PSC-09-0835-PAA-GU, issued December 21, 2009, in Docket No. 080182-GU, In re: 2008 depreciation study by Florida City Gas.

then lists the current approved average service life and Iowa Curve parameters to the new accounts based on the nature of assets in each account. Table DAW – 1 Account 391 Parameter Summary lists the existing life parameters and Docket in which those parameters were approved and the proposed parameters.

Table DAW 1 – Account 391 Parameter Summary

Currently Approved				Proposed			
<u>Account</u>	<u>Description</u>	<u>Iowa Curve</u>	<u>ASL</u>	<u>Account</u>	<u>Description</u>	<u>Iowa Curve</u>	<u>ASL</u>
<u>Order No. PSC-1410514-PAA-GU, Docket No. 140051-GU</u>				391	Office Furniture	SQ	15
391.1	Office Furniture	S2	19	391.1	Software Non-Enterprise	SQ	10
391.3	Enterprise Software	R4	11	391.11	Computer Software	SQ	12
<u>Order No. PSC-09-0835-PAA-GU, Docket No. 080182-GU</u>				391.12	Computer Hardware	SQ	5
391.1	Office Furniture	S2	19	391.5	Individual Equipment	SQ	5
391.2	Office Machines & Equipment	S2	12				
391.3	Computers	R4	10				

\*The life parameters for 391.2 remained unchanged from the 2009 order

**Respondent: Dane Watson**

Interrogatory No. 88

88. For Account 382 – Meter Installations, please reconcile the proposed Iowa Curve and ASL information of S3 and 30, shown on page 105 of DAW-2, with Company Proposal of curve and ASL of R1.5 and 30, shown on page 168 of DAW-2.

**FCG RESPONSE:**

The proposed Iowa Curve and ASL information of S3 30, shown on page 105 of DAW-2 is correct and is what has been reflected in the accrual calculations in Appendix A and B, of DAW-2. It is also accurately reflected in the Analysis Results and Narrative on pages 49 and 50 of DAW-2. The ASL 30 is correct but the Iowa Curve of R1.5 shown on page 168 is not and has been corrected to S3. Please see Attachment SROG 6-88 (Appendix H, Revised Attachment A, page 168 of DAW-2).

***Respondent: Dane Watson***

Interrogatory No. 89

89. For Account 382.10 – Meter Install - ERTs, please reconcile the proposed Iowa Curve and ASL information of R1.5 and 20, shown on page 105 of DAW-2, with Company Proposal of curve and ASL of S3 and 20, shown on page 168 of DAW-2.

**FCG RESPONSE:**

The proposed Iowa Curve and ASL information of R1.5 20, shown on page 105 of DAW-2 is correct and is what has been reflected in the accrual calculations in Appendix A and B, of DAW-2. It is also accurately reflected in the Analysis Results and Narrative on pages 52 of DAW-2. The ASL 20 is correct but the Iowa Curve of S3 shown on page 168 is not and has been corrected to R1.5. Please Attachment SROG 6-88 (Appendix H, Revised Attachment A, page 168 of DAW-2). All proposed accrual rates correctly use the 20 R1.5 curve.

***Respondent: Dane Watson***

Interrogatory No. 90

90. For Account 383 – House Regulators, please reconcile the proposed Iowa Curve and ASL information of S3 and 30, shown on page 105 of DAW-2, with Company Proposal of curve and ASL of R1.5 and 30, shown on page 168 of DAW-2.

**FCG RESPONSE:**

The proposed Iowa Curve and ASL information of S3 30, shown on page 105 of DAW-2 is correct and is what has been reflected in the accrual calculations in Appendix A and B, of DAW-2. It is also accurately reflected in the Analysis Results and Narrative on pages 54 of DAW-2. The ASL 30 is correct but the Iowa Curve of R1.5 shown on page 168 is not and has been corrected to S3. Please Attachment SROG 6-88 (Appendix H, Revised Attachment A, page 168 of DAW-2). All proposed accrual rates correctly incorporate the 30 S3 curve for this account.

***Respondent: Dane Watson***

91. For Account 387 – Other Equipment, please reconcile the proposed Iowa Curve and ASL information of S5 and 30, shown on page 105 of DAW-2, in the *Analysis Results* section, column “7/31/2018,” with Company Proposal of curve and ASL of R3 and 30, shown on page 168 of DAW-2.

**FCG RESPONSE:**

The proposed Iowa Curve and ASL information of S5 30, shown on page 105 of DAW-2 is correct and is what has been reflected in the accrual calculations in Appendix A and B, of DAW-2. It is also accurately reflected in the Analysis Results and Narrative on pages 60 of DAW-2. The ASL 30 is correct but the Iowa Curve of R3 shown on page 168 is not and has been corrected to S5. Please Attachment SROG 6-88 (Appendix H, Revised Attachment A, page 168 of DAW-2). All proposed accrual rates correctly use the S5 30 curve for this account.

***Respondent: Dane Watson***

92. For Account 381.1 – ERTs, please reconcile the proposed Average Remaining Life of 13.3, shown on page 47 of DAW-2, in the *Analysis Results* section, column “7/31/2018,” with Company Proposal of Average Remaining Life of 14.4, shown on page 168 of DAW-2.

**FCG RESPONSE:**

The proposed Average Remaining Life of 13.3, shown on page 47 of DAW-2, table in the in the Analysis Results section column “7/31/2018” is incorrect. The correct remaining life, 14.4, is shown in the Company Proposal of Average Remaining Life on page 168 of DAW-2 and in underlying work paper calculations. The correct remaining life of 14.4 was reflected in the accrual calculations in Appendix A and B, of DAW-2. The table shown on page 47 of DAW-2 should be changed to 14.4 proposed with a difference between proposed and approved shown as -4.1. The table on page 47 should be revised as shown below.

ANALYSIS RESULTS			
Depreciable Property			
Account 381.1			
ERTS			
Item	FPSC Approved	07/31/2018	Change
Investment*	\$310,608	\$1,563,534	\$1,252,926
Iowa Curve	S3	R1.5	
Average Service Life	25	20	-5
Theoretical Reserve*	\$3,991,353	\$550,842	(\$3,440,511)
Book Reserve*	\$1,757,349	\$279,924	(\$1,477,425)
Reserve Variance	(\$2,234,004)	(\$270,918)	\$1,963,086
Reserve Ratio	11.91%	17.90%	5.99%
Gross Salvage	0%	0%	0%

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Removal Cost	3%	5%	2%
Net Salvage	-3%	-5%	-2%
Avg Whole Life Rate	4.1%	5.3%	1.2%
AWL Expense (7/31/2018)	\$12,797	\$82,867	\$70,070
Average Remaining Life*	18.5	14.4	-4.1
ARL Rate	4.9%	6.1%	1.2%
ARL Expense (7/31/2018)	\$15,220	\$95,376	\$80,156

\* Accounts 381 and 381.1 combined in last depreciation study

***Respondent: Dane Watson***



93. For Account 390 – Structures & Improvements, please reconcile the proposed Average Remaining Life of 36.6, shown on page 63 of DAW-2, in the *Analysis Results* section, column “7/31/2018,” with Company Proposal of Average Remaining Life of 37.5, shown on page 168 of DAW-2.

**FCG RESPONSE:**

The proposed Average Remaining Life of 36.6, shown on page 63 of DAW-2, in the table in the Analysis Results section column “7/31/2018” is incorrect. The correct remaining life, 37.5, is shown in the Company Proposal of Average Remaining Life on page 168 of DAW-2 and in underlying work paper calculations. The correct remaining life of 37.5 was reflected in the accrual calculations in Appendix A and B, of DAW-2. The remaining life on page 63 of DAW-2 should be changed to 37.5 proposed with a difference between proposed and approved shown as 3.5. The table on page 63 should be revised as shown below.

ANALYSIS RESULTS			
Depreciable Property			
Account 390			
Structures and Improvements			
Item	FPSC Approved	07/31/2018	Change
Investment	\$4,454,307	\$8,410,478	\$3,956,170
Iowa Curve	R1	R1	
Average Service Life	40	40	0
Theoretical Reserve	\$668,146	\$523,820	(\$144,326)
Book Reserve	\$568,460	\$578,148	\$9,688
Reserve Variance	(\$99,686)	\$54,329	\$154,015
Reserve Ratio	12.76%	6.87%	-5.89%

Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Salvage	0%	0%	0%
Avg Whole Life Rate	2.5%	2.5%	0.0%
AWL Expense (7/31/2018)	\$111,358	\$210,262	\$98,904
Average Remaining Life	34	37.5	3.5
ARL Rate	2.6%	2.5%	-0.1%
ARL Expense (7/31/2018)	\$115,812	\$210,262	\$94,450

***Respondent: Dane Watson***

**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF DEKALB

I hereby certify that on this 19<sup>th</sup> day of January, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared DANE WATSON, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 79 – 93 from STAFF'S SIXTH SET OF INTERROGATORIES TO FLORIDA CITY GAS (NOS. 79-93) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 19<sup>th</sup> day of January, 2017.



Notary Public

State of Georgia, at Large



My Commission Expires:

March 28, 2019

**SOUTHERN GAS COMPANY - FLORIDA CITY GAS  
COMPARISON OF DEPRECIATION PARAMETERS  
DEPRECIATION STUDY AS OF JULY 31, 2018**

Account	Description	Existing		Proposed		
		Curve	ASL	Curve	ASL	
STORAGE PLANT						
364.00	LNG Plant			S4	50	0%
DISTRIBUTION PLANT						
375.00	Structures & Improvements	R3	40			0%
376.10	Mains, Steel	S3	42			-25%
376.20	Mains, Plastic	S3	40			-20%
378.00	M&R Station Equipment - General	S3	30			0%
379.00	M&R Station Equipment - City Gate	S4	30			0%
380.10	Services, Steel	S6	35			-80%
380.20	Services, Plastic	S4	34			-30%
381.00	Meters	S3	25			-3%
381.10	Meters - ERTs	S3	25			-3%
382.00	Meter Installations	S3	34			-25%
382.10	Meter Install - ERTs	S3	15			0%
383.00	House Regulators	S3	25			-3%
384.00	House Regulator Installations	S3	34			0%
385.00	Industrial M&R Station Equipment	R3	30			0%
387.00	Other Equipment	S5	30			0%
GENERAL PLANT						
390.00	Structures & Improvements	R1	40			0%
391.00	Office Furniture	S2	19			0%
391.10	Software Non-Enterprise	S2	12			0%
391.11	Computer Software	R4	11			0%
391.12	Computer Hardware	S2	12			0%
391.50	Individual Equipment	S2	12			0%
392.00	Transportation Equipment	L3	12			12%
392.10	Trans Equip - Autos & Lt Trucks	L3	12			12%
392.20	Trans Equip - Service Trucks	L3	12			12%
392.30	Trans Equip - Heavy Trucks	L3	12			12%
393.00	Stores Equipment	R2	25			0%
394.00	Tools,Shop,& Garage Equipment	S2	15			0%
394.10	Natural Gas Vehicle Equipment					0%
395.00	Laboratory Equipment	S4	25			0%
396.00	Power Operated Equipment	S3	15			10%
397.00	Communication Equipment	R2	12			0%
398.00	Miscellaneous Equipment	S3	15			0%

[illegible]

170179-GU Staff Hearing Exhibits 00394

FCG Responses to Staff's Tenth Set of  
Interrogatories, Nos. 123, 124, 127

**(See additional files contained on Staff  
Hearing Exhibit CD/USB for Nos. 123, 124,  
and 127.)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 112  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Mike Morley; Dane Watson  
(123, 124, 127)

123. Please refer to the Direct Testimony of FCG Witness Watson, Exhibit No. DAW-2, pages 118 and 168 – 169, for the following questions regarding Account Number 382.1 ERTs – Meter Installations.

a. On page 118 of DAW-2, Appendix D - Aged Plant by Account, FCG presented the aged plant data shown in Table 1 below. Based on this data, staff calculated the plant age of Account 382.1 to be 7.5 years. Please explain how FCG's calculated plant age of 27.50 years was derived.

Table 1: Copy of FCG's Aged Plant data for Account 382.1

CITY GAS COMPANY OF FLORIDA ANALYSIS OF HISTORICAL PLANT ACCOUNTING ACCOUNT NUMBER 382.1 ERTs - METER INSTALLATIONS @ 12/31/16								
YEAR	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS & TRANSFERS	ENDING BALANCE	SURVIVING DOLLARS	AGE YRS	WEIGHTED AVERAGE AGE
2008	0.00	19,509.11	0.00	0.00	19,509.11	19,509.11	8.5	165,827.44
2009	19,509.11	6,703,019.41	0.00	(2,027,862.03)	4,694,666.49	4,675,157.38	7.5	35,063,680.35
2010	4,694,666.49	0.00	0.00	0.00	4,694,666.49	0.00	6.5	0.00
2011	4,694,666.49	0.00	0.00	0.00	4,694,666.49	0.00	5.5	0.00
2012	4,694,666.49	0.00	0.00	0.00	4,694,666.49	0.00	4.5	0.00
2013	4,694,666.49	0.00	0.00	0.00	4,694,666.49	0.00	3.5	0.00
2014	4,694,666.49	0.00	0.00	0.00	4,694,666.49	0.00	2.5	0.00
2015	4,694,666.49	11.06	0.00	0.00	4,694,677.55	11.06	1.5	16.59
2016	4,694,677.55	0.00	0.00	0.00	4,694,677.55	0.00	0.5	0.00
		6,722,539.58	0.00	(2,027,862.03)		4,694,677.55	27.50	35,229,524.38

b. Referring to page 168, please explain how the Average Remaining Life of 13.0 was derived for Account 382.1, and specify each of the input parameters used.

c. Referring to page 169, please explain how the proposed Remaining Life Rate of 3.1% was derived for Account 382.1, and specify each of the parameters used in the calculation.

**FCG Response:**

a. The staff calculated plant age of Account 382.1 of 7.5 years is correct. The filed calculation had inadvertently copied the sum formula from the prior cell. A



revised Appendix D, Aged Plant data tab for Account 382.1 showing the original calculation (sum formula) and the corrected (same as Staff) calculation is attached. This change did not affect the calculation of the depreciation recommended for this account.

- b. The average remaining life shown on page 168 was derived by using a 20 year ASL with the R1.5 dispersion pattern. The remaining life is calculated in the PowerPlan Depreciation Software System using a standard remaining life calculation which is a directly weighted average derived from the age and the estimated survivor curve (20 R1.5) for each vintage. We then use the PowerPlan calculated remaining life by vintage times the respective vintage balance to arrive at a dollar weighted age by vintage. The sum of each dollar age weighted vintage in the account is totaled and then divided by the total account balance to arrive at an average remaining life for the account. In this case it was 12.99 and was rounded to a 13.0 remaining life as shown on page 168. Some of the output from the proprietary software is provided as a value, but the Company's accrual workpaper file provided in POD-1 contains the data output detail with formula intact where possible. This information is based on a projected period as of July 31, 2018.
- c. Using the same detailed information described above (life, curve, remaining life), plus the proposed net salvage parameter, which for Account 382.1 is 0%, is necessary along with the account projected book reserve at July 31, 2018 to be



Interrogatory No. 123, cont.

utilized in the accrual calculation. Referring to the same accrual workpaper in part (b) above, the detail and accrual calculation are provided with formula intact.

Please see also the included Attachment Staff Rog 10-123 (a) Revised Appendix D, Account 382.1 Aged Plant Data.

***Respondent: Dane Watson***

124. Please refer to the Direct Testimony of FCG Witness Watson, Exhibit No. DAW-2, pages 109 and 168 – 169, for the following questions regarding Account 375 – Structures and Improvements.
- a. Does FCG project any plant addition to Account 374 in 2018, 2019, 2020 and 2021?
  - b. Please explain how the Average Remaining Life of 0 year (shown on page 168) was derived, given the Average Plant Age of this account being 11.7 years (page 109), Average Service Life being 32 years, survivor curve shape being R5, and Net Salvage being zero.
  - c. Referring to page 169, please explain how the FCG proposed Remaining Life Rate of 3.1% was derived, and specify each of the parameters used in the calculation.
  - d. On page 169, FCG indicated that its current Remaining Life Rate is 0.0%. However, the Commission prescribed rate is 2.8%, shown in the Attachment of Order No. PSC-14-0514-PAA-GU, issued September 25, 2014, in Docket No. 140051-GU, *In Re: 20014 depreciation study by Florida City Gas*. Please explain.

**FCG Response:**

- a. At this time, FCG does not currently forecast any spending in account 375 - Structures and Improvements for years 2018 through 2021.
- b. The projected plant balance at July 31, 2018 is \$0. Given the projection was for all assets to be retired leaving nothing in the account at that point, an average remaining life at July 31, 2018 was shown as 0. We proposed a service life (32),

Interrogatory No. 124, cont.

survivor curve (R5) and net salvage (0%) in case future additions are made there is a basis for the 3.1% (whole life) depreciation rate. The Average Plant Age data is as of December 31, 2016 which had the historical plant detail including a balance in which to calculate the 11.7 year calculation.

- c. The 3.1% remaining life rate shown is a whole life rate calculated as  $1 - \text{Net Salvage} / \text{ASL}$  or  $1 - 0 / 32 = 3.1\%$  and was provided if future additions were made there would be an approved rate to apply.
- d. The corrected Appendix H, Attachment B (page 169) of Exhibit DAW-2 is provided. The Commission prescribed rate of 2.8% should have been shown as the current Remaining Life Rate.

Please see also the included Attachment Staff Rog 10-124 (d) Corrected Appendix H, Attachment B (page 169) of Exhibit DAW-2.

***Respondent: Dane Watson and Mike Morley***

Interrogatory No. 127

127. Please refer to the Direct Testimony of FCG Witness Watson, Exhibit No. DAW-2, pages 47, 168-169, and 171, regarding the Average Remaining Life of Account 381.1 - Meters - ERTs. On page 47 and 171, FCG proposed Average Remaining Life is 13.3 years; on pages 168 and 169, the proposed Average Remaining Life is 14.4 years. Please provide a reconciliation and explanation.

**FCG Response:**

Exhibit No. DAW-2, page 47 addressed the specific remaining life of Account 381.1 – Meters – ERTs, which is 13.1 years. Consistent with the prior study and FPSC approval Accounts 381.0 and 381.1 were combined for rate calculation purposes in this study. The combined account, 381.0 and 381.1, Average Remaining Life is 14.4 years. The 14.4 year remaining life was correctly used in the calculation of depreciation rates. To avoid confusion listing the remaining life for ERTs as 14.4 in the tables would have been a clearer approach. The Company has made those changes. Please refer to Staff ROG 6-92 where a revised Analysis Results Table (page 47 of Exhibit DAW-2) is provided with the combined 14.4 year remaining life shown. Also provided is a revised Appendix H, Attachment D (page 171) that reflects the combined 14.4 years.

Please see also the included Attachment Staff Rog 10-127 , which is Corrected Appendix H, Attachment D (page 171) of Exhibit DAW-2.

***Respondent: Dane Watson***


**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

I hereby certify that on this 22<sup>nd</sup> day of February 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared DANE WATSON, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 120, 123, 124, 125, 126, 127 from STAFF'S TENTH SET OF INTERROGATORIES TO FLORIDA CITY GAS (NOS. 119-128) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 22<sup>nd</sup> day of February 2018.

  
Notary Public  
State of Georgia, at Large

My Commission Expires:

March 26, 2019



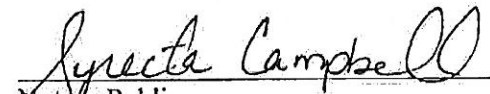
**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

I hereby certify that on this 22<sup>nd</sup> day of February 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared MICHAEL MORLEY, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 121, 122, 124 from STAFF'S TENTH SET OF INTERROGATORIES TO FLORIDA CITY GAS (NOS. 119-128) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 22<sup>nd</sup> day of February 2018.

  
\_\_\_\_\_  
Notary Public  
State of Georgia, at Large

My Commission Expires:

March 26, 2019



FCG Responses to Staff's First Production of  
Documents, Nos. 2 and 3

**(See additional files contained on Staff  
Hearing Exhibit CD/USB for No. 2. )**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 113  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Dane Watson; Mike Morley

2. Please refer to the Direct Testimony of FCG witness Watson, page 17, lines 12-16. Please provide copies of the “information provided by the Company” and the “life parameters used by other natural gas utilities across the nation” referenced in this section of testimony.

**Response**

FCG objects to any request that calls for FCG to create documents that it otherwise does not have because there is no such requirement under the applicable rules and law. Notwithstanding this objection, but without waiving it, FCG states the information provided by the Company was during the interview discussions conducted by Mr. Watson. No written information was provided by Company personnel. Written interview notes taken by Mr. Watson have been provided in response the response to Office of Public Counsel Request for Production of Documents 3, Exhibit DAW-2 Study/Interviews. In regards to life parameters used by other natural gas utilities across the nation for LNG accounts, the attached file provides the requested information. In regards to Account 394.1 Natural Gas Vehicle Equipment, the selection is based on Mr. Watson’s specific experience and knowledge of recent studies conducted for Elizabethtown Gas (“ETG”) and Piedmont Gas (“PNG”). Mr. Watson does not maintain a comprehensive list of life parameters for other utilities. ETG is a sister company to FCG and PNG is geographically close. Appendix C of both studies provides the comparison of the existing and proposed for Account 394.1.



3. Please refer to the Direct Testimony of FCG witness Watson, Exhibit DAW-2, pages 87-88 of 171. Please provide the Elizabethtown Gas data used in formulating FCG's life and salvage proposals for Account 394.1 - Natural Gas Vehicle Equipment.

**Response**

FCG objects to this request to the extent that it calls for FCG to create documents that it otherwise does not have because there is no such requirement under the applicable rules and law. Notwithstanding this objection, but without waiving it, account 394.1 was a new account for Elizabethtown Gas and no historical data was used. Mr. Watson's knowledge and experience was used along with the input from ETG Company personnel during the interview process.

**FCG Responses to Staff's First Data Requests  
on Stipulation and Settlement**

**(See additional files contained on Staff  
Hearing Exhibit CD/USB for Nos. 4, 15, 16,  
and 19.)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 114  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Bermudez; Morley; Nikolich;  
Wassell; Becker



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

FILED 3/16/2018  
DOCUMENT NO. 02370-2018  
FPSC - COMMISSION CLERK

Writer's Direct Dial Number: (850) 521-1706  
Writer's E-Mail Address: bkeating@gunster.com

March 16, 2018

**Electronic Filing**

Ms. Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

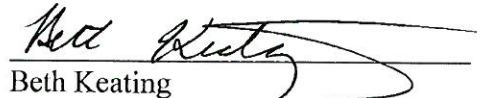
**Re: DOCKET NO. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas.**

Dear Ms. Stauffer:

Attached for filing, please find Florida City Gas's Responses to Commission Staff's First Data Requests to the Company. Certain documents responsive to Data Request No. 11 are being provided under separate cover, along with a request for confidential classification.

As always, please don't hesitate to let me know if you have any questions. Thank you for your assistance with this filing.

Kind regards,



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

cc:/ (Service List)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida City  
Gas.

DOCKET NO. 20170179-GU

DATED: March 16, 2018

FLORIDA CITY GAS'S RESPONSES TO STAFF'S FIRST DATA REQUEST  
ON STIPULATION AND SETTLEMENT

Florida City Gas's (FCG) responses to Staff's First Set of Data Requests are as follows:

**Rate Case Expense**

1. On page 8, paragraph 9, of the proposed Stipulation and Settlement Agreement, it states that the annual amortization of the regulatory asset established to recover the rate case expense incurred for the this rate case shall not be less than \$150,000, and the amortization period runs from June 1, 2018, through May 31, 2022. This provision also states that the Company may, at its sole discretion, amortize additional amounts.

- a. What is the anticipated balance of the regulatory asset on June 1, 2018?
- b. Could the additional amortization authorized in this paragraph be considered in evaluating the Company's earned return on common equity under the terms of Paragraph 7 of this proposed Stipulation and Settlement Agreement?

**FCG Response:**

- a. The forecasted balance for the regulatory asset at June 30, 2018 is \$1,200,000.
- b. Yes. In evaluating the Company's earned return on common equity under the terms of paragraph 7 of the proposed Stipulation and Settlement Agreement, the Company will use the actual amortized amount of rate case expense.

*Respondent: Mike Morley*

**Acquisition Adjustment**

2. As part of its rate case filing, FCG requested continued approval of the 2007 Acquisition Adjustment that the Commission had approved on a provisional basis in Docket No. 060657-GU.

While the proposed Stipulation and Settlement Agreement reached by the parties asserts to be comprehensive to all issues outlined in the rate case filing, it does not directly address the Acquisition Adjustment and its continued prudence.

- a. Is it the intention of the parties for the proposed Stipulation and Settlement Agreement to address the Acquisition Adjustment and its continued prudence?
- b. As part of the proposed Stipulation and Settlement Agreement, have the parties agreed to stipulate their approval of the acquisition adjustment?
- c. If yes, does FCG believe that this Stipulation and Settlement Agreement fulfills its obligation to demonstrate to the Commission the prudence of the Acquisition Adjustment?

**FCG Response:**

- a. The Parties' have put forth a "black box" settlement, which, as noted, does not address the Acquisition Adjustment approved by the Commission in Docket No. 060657-GU. It can, however, be noted that the Settlement and Stipulation also does not include a specific adjustment to disallow any portion of the remaining unamortized amount associated with that Commission-approved Acquisition Adjustment.
- b. Please see response to part a, above. The Parties further note that no intervenor party submitted testimony or exhibits recommending that any portion of the remaining unamortized amount associated with the Acquisition Adjustment be disallowed.
- c. While the Stipulation and Settlement does not specifically address the Acquisition Adjustment, the Company provided the testimonies of Witnesses Kim and Bermudez in

support of the continued prudence of the Acquisition Adjustment. To the extent that no intervenor party provided testimony recommending an adjustment to the unamortized amount associated with the Acquisition Adjustment, and the Settlement and Stipulation does not contain a specific adjustment to the remaining unamortized amount associated with the Acquisition Adjustment, FCG believes that a sufficient demonstration has been made as to the continued prudence of the Acquisition Adjustment.

*Respondent: Carolyn Bermudez*

### **Federal Income Tax Reform**

3. Please provide the method, including the calculations and schedules (formulas intact), used to determine the projected tax savings of \$4,584,338.

#### **FCG Response:**

Please see Attachment Staff DR Set 1 (1-3) for the details above.

*Respondent: Mike Morley*

### **Revenue Requirement**

4. Please discuss how the two step increases will be allocated to the rate classes (e.g., across the board same percentage increase to all rate classes)

#### **FCG Response:**

The attached Schedule Staff DR 1-4 and electronic file "Schedule Staff DR 1-4.xlsx" present how the Company proposes allocate the two step increases. For the first step increase the Company proposes to allocate the \$2,500,000 in the same manner as the initial \$8,000,000 increase net of SAFE revenues was allocated to the RS-1, RS-100, RS-600, GS-1, GS-6k, GS-

25k, GS-120k and GS-1250k classes. Page 1 of the attached schedule presents this allocation for the first step. The Company proposes to place all the proposed increase for this step into the energy charges.

For the second step of \$1,300,000 the Company proposes to follow the same basic method. Detail of this calculation is based on page 2 of the attached schedule. The difference is that allocation is based upon both the initial increase and the increase from the first step. The result is both steps are allocated to the classes of RS-1, RS-100, RS-600, GS-1, GS-6k, GS-25k, GS-120k and GS-1250k by the same percentages as the initial increase. Again, the Company proposes to place all the proposed increase for this step into the energy charges.

*Respondent: Dan Nikolich*

#### **LNG Facility**

5. Please explain whether FCG intends to use the LNG facility for purposes of selling LNG as an alternative fuel for transportation. For instance, will the LNG plant have a trucking rack and scale to allow long-haul trucks to buy LNG. If so, explain how such potential revenues from the sale of LNG will be treated by FCG.

#### **FCG Response:**

The Company has no intention to use the LNG facility for purposes of selling LNG as an alternative fuel for transportation. Florida City Gas is building the LNG facility to provide gas to address the capacity issues identified in the testimony of Witness Becker.

*Respondent: Steve Wassell*

6. Does FCG intend to sell any of the gas from the LNG facility to wholesale customers (e.g., another LDC, an electric utility, or a third party supplier or marketer that is not on FCG's system), and how would FCG treat such revenues?

FCG Response:

The Company does not intend to sell any of the gas from the LNG facility to wholesale customers. Florida City Gas is building the LNG facility to provide gas to address the capacity issues identified in the testimony of Witness Becker.

*Respondent: Steve Wassell*

**Transportation Tariff**

7. Please explain the methodology FCG will use to allocate the 20,000 Dth/h of additional capacity to the Third Party Shippers and please explain whether provision XI b. of the proposed Agreement was originally contemplated in the proposed transportation service tariffs or whether that provision is new to the Agreement (i.e., that Third Party Shippers would be responsible for the full 20,000 Dth/d of additional FGT capacity).

FCG Response:

FCG will allocate and release firm transportation capacity on Florida Gas Transmission to the Third Party Shippers that provide the natural gas supply for the Company's Transportation customers. The capacity allocation will be done in a way that recognizes the physical delivery rights of the firm transportation capacity contract on the interstate pipeline and the location of the Transportation customer(s) on the FCG system. The Third Party Supplier will therefore have a firm ability to deliver gas supply to the part of the FCG system where their transportation customer(s) and their potential demand for natural gas is located. Capacity will be allocated and released to Third Party Suppliers to meet the needs of our ADDQ customers and then to the



DCQ customers. The allocation and release of Firm Transport capacity on the interstate pipeline will continue until there is no further capacity to release. Since the system does not have the full amount of capacity needed to meet a forecasted design day not all parties will receive a release or the release they receive may not fully cover their transportation customer's load potential until such time as the Company is able to secure adequate gas supply capability to do so.

*Respondent: Greg Becker*

8. How many Third Party Shippers are on FCG's system?

FCG Response:

There are 11 Third Party Shippers who actively provide gas supply to Transportation customers on FCG's distribution system at this time.

*Respondent: Greg Becker*

9. FCG Witness Becker's rebuttal testimony stated that only one Third Party Shipper has firm capacity rights on the FGT system. Will that shipper also have to buy capacity from FCG?

FCG Response:

The Third Party Suppliers will not be purchasing capacity directly from FCG. The Company will contract for Firm Capacity on the interstate pipeline and then release the capacity to the Third Party Supplier. These releases will be conducted on the interstate pipeline's Electronic Bulletin Board "EBB" and will comply with their Federal Energy Regulatory Commission's "FERC" approved Tariff. The Third Party Supplier would then be billed directly by the interstate pipeline company as a replacement shipper to the firm capacity.

All Third Party Suppliers will be released capacity from FCG unless they can provide documentation to the Company illustrating that they have enough Firm Capacity on FGT, with firm delivery rights to points on FCG's distribution system that correspond to the geographic location of their Transportation customers that would meet the demands of all of their ADDQ and DCQ customers.

The Company has not analyzed the specifics of the one Third Party Shipper that currently holds a very small amount of firm transportation capacity on FGT that has firm delivery rights to points on the FCG system, where the Third Party Shipper's Transportation customers are located on FCG's system or any other reasons why that Third Party Shipper may hold and be using that firm capacity on FGT.

*Respondent: Greg Becker*

10. Please explain whether Third Party Shippers will be required to buy their allocated share of the 20,000 Dth/d additional capacity, or whether Third Party Shippers will be able to choose to buy capacity from FCG or continue to rely solely on the FGT secondary capacity release market.

FCG Response:

The Company's position is that the Third Party Shippers will be required to take release of firm transportation capacity that the Company subscribes to which will have firm delivery rights to the FCG system.

*Respondent: Greg Becker*

11. Please discuss whether FCG has communicated the proposed settlement to its Third Party Shippers and how it affects them. If so, please provide a discussion on the acceptance of the proposed transportation tariff and/or proposed settlement by the shippers.

FCG Response:

The Company has communicated the Capacity Release mechanism proposed in the transportation tariff and received a letter in response from the Third Party Suppliers. Those materials were provided in the Company's response to OPC POD 6-105. The Company also provided updated materials to each Third Party Supplier that reflected the amount of capacity that would be released to them before any additional capacity is contracted for by the Company. Those materials were sent to marketers on February 26, 2018 and subsequent follow-up discussions are taking place. See the emails enclosed separately on CD (Confidential).

The Company has not communicated the proposed settlement to Third Party Suppliers but plans on setting a meeting with the Third Party Supplier group in April or May of 2018 to have a Comprehensive discussion about the settlement and implementation of capacity releases.

*Respondent: Greg Becker*

New Rates

12. Please state when and how FCG will notify its customers of the proposed rates effective June 1, 2018.

FCG Response:

The Company will notify customers of the proposed rates effective June 1, 2018 consistent with Commission Rule 25-22.046 - Notice and Public Information on General Rate Increase Requests and Petitions for Limited Proceedings by Electric and Gas Utilities.

The rule states, “After the Commission’s issuance of an order granting or denying a rate change, the utility shall give notice to its customers of the order and the revised rates. The notice shall be approved in advance by the Commission or its staff and transmitted to the customers with the first bill containing the new rates.”

The Company will notify customers via a direct mailing that will be mailed to all FCG customers the first week of May. The Company will also place a message on the bill the first month that the approved base rates are effective informing customers that the bill incorporates newly approved base rates.

*Respondent: Carolyn Bermudez*

**Exhibit A**

13. Please refer to Exhibit A to the stipulation and settlement, page 3. Should the proposed settlement charge for Reconnection (Residential-outside regular business hours) be \$50 instead of the \$80 as shown?

**FCG Response:**

Yes. Additionally, other information related to Reconnection charges in the table needs to be corrected. The table below correctly represents the Reconnection charges information.

	<b>Present Rates</b>	<b>Interim Rates</b>	<b>Proposed Settlement Rates</b>
Reconnection Charge (Residential)	\$37.00	\$37.00	\$40.00
Reconnection Charge (Residential-outside regular business hours)	\$37.00	\$37.00	\$50.00
Reconnection Charge (Non-Residential)	\$80.00	\$80.00	\$80.00
Reconnection Charge (Non-Residential-outside regular business hours)	\$80.00	\$80.00	\$100.00

*Respondent: Dan Nikolich*

14. Please refer to Exhibit A to the stipulation and settlement, page 3. The row for Reconnection (non residential outside regular business hours) appears twice. Should the first row with the proposed settlement charge of \$50 be deleted, as the following row showing a proposed charge of \$100 is correct?

FCG Response:

Yes. Please see the response to Staff DR 1-13.

*Respondent: Dan Nikolich*

15. Please provide the work papers showing the derivation of the proposed customer, distribution, and demand charges for all rate classes and provide proof that they are designed to produce the June 2018 additional increase in revenues contained in the stipulation and settlement (\$11.5 million).

FCG Response:

The attached Schedule Staff DR 1-15 presents the Company's support for the \$11.5M increase to the customer, demand and distribution charges. The \$11.5M increase can viewed as two parts. The first part consists of rolling \$3.5M of SAFE charges into base rates. The second part is comprised of an additional \$8M needed to recover a revenue requirement of \$61,847,331 to bring the total increase over base rates to \$11.5M. To recover this revenue requirement, the Company proposes to increase its base rate customer, demand, and distribution charges.

The customer charge increases were based upon a comparison of the Company's current, proposed, customer costs per customer from the Class Cost of Service MFR H1 schedule updated for the tax law changes, TECO-Peoples Gas', and Florida Public Utilities customer charges presented in page two of the attachment. Based upon this comparison, the Company

proposes to move the customer charges more in line with the cost of service but not exceeding maximum of the Company's current or another utility's shown similar customer charge.

For the demand charges, based upon the schedule H MFR's, almost 99% of FCG's costs are either customer or capacity based. As such, FCG's current demand charges are below the Company's demand related capacity based costs. The Company proposes to increase demand charges by roughly the same level as the modest increment that the original \$0.289 per therm demand charges were based upon 14 years ago. This results in demand charges increasing by \$0.286 per therm to \$0.575 per therm.

Increases to the customer and demand charges alone are not sufficient to meet the agreed upon revenue requirement. Therefore, the Company proposes to increase the distribution charges. The first page of the attachment presents the calculation of the new distribution charges. To calculate the proposed distribution charges:

1. Residential increases were maintained at the level shown on the schedule H class cost of service allocation model adjusted for the tax law changes. This resulted in an overall 7.2% increase to residential base rate revenues.
2. The remaining increase was allocated evenly arriving a 21.5% increase for the commercial and industrial classes of GS-1, GS-6k, GS-25K, GS-120k, and GS-1250k.
3. The proposed increases by class were added to the current revenues by class to arrive at the revenue requirement by class totaling \$61,847,331.
4. To compute the portion of the revenue requirement to be recovered through distribution charges, the proposed miscellaneous revenues totaling \$3,164,078 were backed out.

5. Next, using the projected test year ending December 2018 billing determinants, the proposed customer charges totaling \$20,767,237 and the proposed demand charges totaling \$7,764,929 were deducted from the revenue requirements by class. This results in \$35,151,088 in revenue requirement to be recovered through distribution charges.
6. Finally, for each class, the distribution charge revenue requirement was divided by the projected test year number of therms to arrive at the proposed rates for each class.

*Respondent: Dan Nikolich*

**Exhibit B**

16. Please provide a revised Exhibit B to the stipulation and settlement that in addition to total Base Rate Revenues under original filed, adjusted for tax law changes, and settlement proposal, also shows as a separate line item the revenue increase associated with miscellaneous service charges.

**FCG Response:**

Please see the attached Schedule Staff DR 1-16 and the attached electronic file "Schedule Staff DR 1-16.xlsx".

*Respondent: Dan Nikolich*

**Exhibit C - Depreciation**

17. Please refer to Exhibit C, page 2, of the proposed Settlement, and the Direct Testimony of FCG witness Watson, Exhibit No. DAW-2, pages 42, 168, and 169 for the following Data Request. For Federal Energy Regulatory Commission (FERC) Account 380.20 - Service, Plastic (shown on page 2 of Exhibit C), please confirm that the *Proposed* and *OPC Settlement* rates of Net Salvage are both negative 45 percent, rather than the shown zero percent.

**FCG Response:**

Yes, the Proposed and OPC Settlement rates of Net Salvage are both negative 45 percent, rather than the shown zero percent.

*Respondent: Mike Morley*

18. Please refer to Exhibit C, page 1, of the proposed Settlement, and the Direct Testimony of FCG witness Watson, Exhibit No. DAW-2, page 62.

- a. Please confirm that FCG still intends to implement General Plant Amortization as alluded to by the values shown on Exhibit C, page 2, of the proposed Settlement.
- b. Please confirm if it is still the Company's intention to retire certain assets whose ages' are greater than the average service life of their corresponding (amortizable) accounts.

**FCG Response:**

- a. Yes, FCG still intends to implement General Plant Amortization as alluded to by the values shown on Exhibit C, page 2, of the proposed Settlement.
- b. Yes, the Company's intention to retire certain assets whose ages' are greater than the average service life of their corresponding (amortizable) accounts.

*Respondent: Mike Morley*



19. Please provide an estimated total annual depreciation expense differential (including plant amortization expense) based upon the depreciation rates shown on Exhibit C of the proposed Settlement, with an implementation date of January 1, 2018, to the Company's proposed "Total Depreciated Plant" expense shown on Exhibit DAW-2, page 103 of 171.

FCG Response:

Please refer to Staff DR 1-19 Attachments 1 and 2. Attachment 1 provides a comparison of depreciation expense based on the proposed settlement and the rates proposed in Exhibit DAW-2, page 103 of 171 using plant balances as of July 31, 2018 (also provided in Exhibit DAW-2, page 103 of 171). Attachment 2 provides a comparison of depreciation expense based on the proposed settlement and existing rates using the average plant balances for the 2018 test year (MFR G1-10 and 11).

*Respondent: Mike Morley*

**Billing Determinants**

20. Please refer to Page 4 of the Settlement and Stipulation, Section III.a. The settlement states the FCG shall be authorized to increase base rates and service charges "based on the projected test year December 2018 billing determinants reflected in the Minimum Filing Requirements ("MFRs") filed with the Company's Petition in this docket." Do the parties to the Stipulation and Settlement affirm that the billing determinants appearing in MFR Schedules E1 and E2 as filed on October 23, 2017 in this proceeding...

- a. are the same billing determinants used to set base rates in this settlement?
- b. were not revised in FCG's revised MFR schedules filed February 26, 2018?

FCG Response:

Yes, the billing determinants for number of customers, demand charges quantities, and therms are the same between those filed on October 23, 2017 and February 26, 2018. They are also the same determinants used to set rates for this settlement and used in the Company's response to Staff DR 1-15 with two exceptions. MFR's E1 and E2 show demand charge quantities (DCQ's) that were still based upon the current tariff which specifies separate winter and summer DCQ. Under the filed tariff, and per the testimony of Witness Nikolich, the Company has proposed going to one annual DCQ for the entire year rather than separate winter and summer periods. That leads the updated DCQ billing determinant in therms as shown below:

	<b>Seasonal DCQ</b>		<b>Annual DCQ</b>	
	GS-120k	GS-1250K	GS-120k	GS-1250K
Jan-18	172,347	198,876	172,347	198,876
Feb-18	172,347	198,876	172,347	198,876
Mar-18	172,347	198,876	172,347	198,876
Apr-18	166,110	115,577	172,347	198,876
May-18	166,110	115,577	172,347	198,876
Jun-18	166,110	115,577	172,347	198,876
Jul-18	166,110	115,577	172,347	198,876
Aug-18	166,110	115,577	172,347	198,876
Sep-18	166,110	115,577	172,347	198,876
Oct-18	166,110	115,577	172,347	198,876
Nov-18	172,347	198,876	172,347	198,876
Dec-18	172,347	198,876	172,347	198,876
<b>Total</b>	<b>2,024,504</b>	<b>1,803,419</b>	<b>2,068,163</b>	<b>2,386,512</b>

*Respondent: Dan Nikolich*

21. Please refer to Page 4 of the Settlement, Section III.a. Is it the intent of the parties to set the base rates for the step revenue increases discussed in this section based on the December 2018 billing determinants appearing in MFR Schedules E1 and E2 as filed in this proceeding on October 23, 2017? If not, please explain how the parties expect the billing determinants used to implement the step increases to base rates will be determined.

FCG Response:

Yes. Please refer to the Company's response to Staff DR's 1-4 and 1-15 that discuss and present how the two step process will employ the billing determinants to set rates.

*Respondent: Dan Nikolich*

**Other Cost Recovery**

22. Please refer to page 6 of the Settlement, Section VI – Other Cost Recovery. This section states, in part;

“As part of the base rate freeze, agreed to herein, the Company will not seek approval to defer for later recovery in rates, any costs incurred or reasonably expected to be incurred from the Effective Date through and including May 31, 2022, which are of the type which historically or traditionally have been or would be recovered in base rates, unless such deferral and subsequent recovery is expressly authorized herein or otherwise agreed to by each of the Parties.”

Please indicate whether FCG contemplates seeking approval to defer any specific costs to be recovered in rates after May 31, 2022 which have already been “otherwise agreed to by each

of the Parties” but not expressly authorized in the Settlement. If applicable, please provide a reasonably detailed description and estimate of such costs.

FCG Response:

At this time, FCG does not contemplate seeking approval to defer any specific costs to be recovered in rates after May 31, 2022 which have already been “otherwise agreed to by each of the Parties” but not expressly authorized in the Settlement.

*Respondent: Mike Morley*

**CERTIFICATE OF SERVICE**


I hereby certify that a true and correct copy of the foregoing filing has been served by Hand Delivery and/or Electronic Mail (w/o confidential attachments) this 16th day of March, 2018, upon the following:

Virginia Ponder  
Office of the Public Counsel  
c/o The Florida Legislature  
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Florida City Gas  
Docket No. 20170179  
Schedule 1

Item  
No.

Amount      Tickmark      MFR / WP Location 1      Explanation

1 Change in Current Income Tax

(3,855,349)

A/

Schedule 3, Line 43

This was calculated utilizing the "As Filed" Total Rate Base of \$299,278,151 multiplied by the change in cost of capital at the new expansion factor. See Schedule 3 for details of the calculation.

2 Excess Deferred Tax Amortization

(1,093,333)

B/

Schedule 3.5, cell O28

FCG determined the amount of \$(1,093,333) on line three (3) listed as Excess Deferred Tax by taking the 2018 amortization of the protected excess deferred income tax liability of \$1,016,422 less the 2018 amortization of the unprotected excess deferred income tax asset of \$207,864. The result was then multiplied by the revenue expansion factor of 1.3522 (refer to Schedule 3.7 and Schedule 3.8). The 2018 amortization amounts for the protected and unprotected excess deferred income tax amounts are provided in the Company's response to OPC ROG 8-176, attachment OPC ROG 8-176-2.

3 Change in Cost of Capital - Elimination of Bonus Depreciation

364,344

C/

Schedule 3, Line 24

This was calculated utilizing the "As Filed" Total Rate Base of \$299,278,151 multiplied by the change in cost of capital at the old expansion factor. See Schedule 3 for details of the calculation.

4 \$4.6M Components of Revised Revenue Requirement

\$ (4,584,338)

For further details please refer to OPC ROG 8-175, and Staff ROG 16-18

A/ Change in federal income tax rate from 35% to 21% and resulting impacts on operating income and the gross revenue conversion factor.

B/ Amortization of excess deferred taxes - protected and basis adjustments to property excess deferred taxes are amortized under the average rate assumption method and unprotected excess deferred taxes are amortized over 5 years

C/ Primarily due to the loss of bonus depreciation in 2018 in accordance with the tax reform act. The Company did incorporate the allowance of 50% in 2018 bonus depreciation for property acquired prior to September 2017. The loss of bonus depreciation in 2018 resulted in a lower tax to book difference in depreciation expense of approximately \$38 million.

Florida City Gas  
Schedule 3

Line No.	Description	Ratio	Cost Rate	Weighted Cost	1 - Tax Rate	After-Tax	Calculate d Values *	Paste Special Values	* Differences between calculated values and paste special values is attributed to roundi
1	COMMON EQUITY	38.67%	11.25%	4.35%	N/A	N/A	4.35%	4.35%	MFR Schedule G3-2
2	LONG TERM DEBT	(a) 39.14%	4.66%	1.82%	61.43%	1.12%	1.12%	1.12%	
3	SHORT TERM DEBT	(a) 5.37%	2.64%	0.14%	61.43%	0.09%	0.09%	0.09%	
4	CUSTOMER DEPOSITS	(a) 1.28%	2.73%	0.03%	61.43%	0.02%	0.02%	0.02%	
5	DEFERRED TAXES	14.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
6	TAX CREDIT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
7	TOTAL						5.57%	5.58%	OPC ROG 8-175

(a) Note the change in capital structure ratio components are after all impacts of the TCJA with the exception of the impact to the equity ratio due to elimination of bonus depreciation, and increase to equity component to mitigate adverse impacts on credit ratings

Updated After-Tax Cost of Capital, incl impact to equity ratio for elim of bonus depreciation but before increase to equity to mitigate adverse impacts on credit ratings; before tax reform rev conversion factor

Line No.	Description	Ratio	Cost Rate	Weighted Cost	1 - Tax Rate	After-Tax	Calculate d Values *	Paste Special Values	* Differences between calculated values and paste special values is attributed to roundi
8	COMMON EQUITY	39.32%	11.25%	4.42%	N/A	N/A	4.42%	4.42%	
9	LONG TERM DEBT	39.14%	4.66%	1.82%	61.43%	1.12%	1.12%	1.12%	
10	SHORT TERM DEBT	5.37%	2.64%	0.14%	61.43%	0.09%	0.09%	0.09%	
11	CUSTOMER DEPOSITS	1.28%	2.73%	0.03%	61.43%	0.02%	0.02%	0.02%	
12	DEFERRED TAXES	14.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
13	TAX CREDIT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
14	TOTAL			6.41%			5.64%	5.65%	

Line 13 5.65% 5.58% Line 7

Revenue  
Expansion Factor  
MFR Schedule G-4,  
Line 11 1.6434 1.6434

Cost of Capital at Old Expansion Factor  
0.12174% (9.29% - 9.16%)

299,278,151 MFR Schedule G-5, Line 1 /  
As Filed Total Rate Base

364,344 Line 20 x Line 22 / Schedule 1, Line 3

Updated After-Tax Cost of Capital, incl impact to equity ratio for elim of bonus depreciation but before increase to equity to mitigate adverse impacts on credit ratings; after tax reform rev conversion factor

Line No.	Description	Ratio	Cost Rate	Weighted Cost	1 - Tax Rate	After-Tax	Calculate d Values *	Paste Special Values	* Differences between calculated values and paste special values is attributed to roundi
25	COMMON EQUITY	39.32%	11.25%	4.42%	0	N/A	4.42%	4.42%	
26	LONG TERM DEBT	39.14%	4.66%	1.82%	0.74655	1.36%	1.36%	1.36%	
27	SHORT TERM DEBT	5.37%	2.64%	0.14%	0.74655	0.10%	0.10%	0.11%	
28	CUSTOMER DEPOSITS	1.28%	2.73%	0.03%	0.74655	0.02%	0.02%	0.03%	
29	DEFERRED TAXES	14.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
30	TAX CREDIT	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
31	TOTAL			6.41%			5.91%	5.91%	

Line 31 5.91%

Revenue  
Expansion Factor  
OPC ROG 8-175 1.3522

Line 33 x Line 35 8.00% 9.29% Line 20

Cost of Capital New Expansion Factor vs  
-1.28822% Old Expansion Factor

299,278,151 Line 22 / As Filed Total Rate Base

(3,855,349) Line 39 x Line 41 / Schedule 1

Florida City Gas  
Docket No. 20170179  
Schedule 3.5

Item

No.

1

2

Record Regulatory Tax Liability Net Protected and Unprotected

3

4

Protected Liability

Dec. 31, 2017

(19,128,385)

Grossed Up Amount -  
Reg. (Liability)/(Asset)

(25,622,376)

Related ADIT

6,493,991

5

Unprotected Asset

1,039,318

1,392,161

(352,843)

6

Journal Entries - December 2017

7

8

Dr

Cr

279100 Accel Fed Tax Depr-Property

19,128,385

279200 Other Timing Difference-Fed

(1,039,318)

279101 ADIT on Regulatory Asset

6,141,148

259999 Regulatory Tax Liability

(24,230,215)

12

13

14

15

2018

Amortization of Protected Excess Deferred Income Taxes

16

17

Dr.

Cr.

18

19

20

259999 Regulatory Tax Liability

1,361,492

279101 ADIT on Regulatory Asset

345,070

274,502

427500 Deferred Income Tax Expense

1,016,422

23

24

25

26

Amortization of Protected Excess Deferred Income Taxes

27

28

Dr.

Cr.

29

30

274,502

279101 ADIT on Regulatory Asset

70,569

427510 Deferred Income Tax Expense

207,864

259999 Regulatory Tax Liability

278,432

34

35

36

Calculation

37

Line 23

(1,016,422)

Line 33

207,864

Line 40 - Line 41

(808,558)

Schedule 3.7 / Revenue Expansion Fac

1.3522

Schedule 3.6

(1,093,333)

40

41

42

43



**FLORIDA CITY GAS**  
Determination of Energy Charge Rates  
June 2019 Additional \$2,500,000 Increase

Class	Initial Proposed Revenue Increase net of SAFE	Percent Allocator	June 2019 Increase	3-08-2018 Settlement Proposal Total	June 2019 Proposed Total Base Rate Revenues	Consumption in Therms	Proposed Rate Increase	3-08-2018 Distribution Proposed Rates	June 2019 Proposed Distribution Rates based upon the \$10.5 M for the Initial and 1st Step	Revenues Under Current Rates	Current SAFE Revenues	Total Company Revenues under Current Rates (Including SAFE)	Initial Proposed Revenue Increase net of SAFE	June 2019 Increase	Overall June Revenue Increase from Current Rates	Total Percent Increase from Current Rates Including SAFE
RS-1	\$ 540,703	6.8%	\$ 169,041	\$ 6,984,757	\$ 7,153,797	2,886,825	\$ 0.05856	\$ 0.47322	\$ 0.53177	\$ 5,379,375	\$ 1,064,679	\$ 6,444,054	\$ 540,703	\$ 169,041	\$ 709,744	11.0%
RS-100	\$ 1,224,000	15.3%	\$ 382,661	\$ 18,572,299	\$ 18,954,960	12,240,769	\$ 0.03126	\$ 0.41137	\$ 0.44263	\$ 15,258,401	\$ 2,089,898	\$ 17,348,299	\$ 1,224,000	\$ 382,661	\$ 1,606,661	9.3%
RS-600	\$ 0	0.0%	\$ 0	\$ 671,130	\$ 671,130	767,899	\$ -	\$ 0.53133	\$ 0.53133	\$ 640,654	\$ 30,476	\$ 671,130	\$ 0	\$ 0	\$ 0	0.0%
GS-1	\$ 1,144,607	14.3%	\$ 357,841	\$ 5,457,906	\$ 6,815,747	12,382,178	\$ 0.02890	\$ 0.37923	\$ 0.40813	\$ 5,156,332	\$ 156,967	\$ 5,313,299	\$ 1,144,607	\$ 357,841	\$ 1,502,448	28.3%
GS-6k	\$ 1,938,139	24.2%	\$ 605,924	\$ 10,935,033	\$ 11,540,957	28,127,107	\$ 0.02154	\$ 0.34153	\$ 0.36308	\$ 8,858,485	\$ 138,409	\$ 8,996,894	\$ 1,938,139	\$ 605,924	\$ 2,544,063	28.3%
GS-25k	\$ 1,163,001	14.5%	\$ 363,591	\$ 6,561,681	\$ 6,925,272	17,386,101	\$ 0.02091	\$ 0.32696	\$ 0.34787	\$ 5,375,992	\$ 22,688	\$ 5,398,680	\$ 1,163,001	\$ 363,591	\$ 1,526,592	28.3%
GS-120k	\$ 1,472,174	18.4%	\$ 460,248	\$ 8,305,045	\$ 8,766,294	34,439,382	\$ 0.01336	\$ 0.19499	\$ 0.20836	\$ 6,827,819	\$ 6,052	\$ 6,833,871	\$ 1,472,174	\$ 460,248	\$ 1,932,422	28.3%
GS-1250k	\$ 514,004	6.4%	\$ 160,694	\$ 2,900,024	\$ 3,060,718	15,613,100	\$ 0.01029	\$ 0.09453	\$ 0.10482	\$ 2,385,773	\$ 247	\$ 2,386,020	\$ 514,004	\$ 160,694	\$ 674,698	28.3%
GS-11M																
GS-25M																
GAS LIGHTING			\$ 0	\$ 20,967	\$ 20,967			\$ 0.59535	\$ 0.59535	\$ 20,655	\$ 312	\$ 20,967	\$ 0	\$ 0	\$ 0	0.0%
NGV																
Contract Demand			\$ 0	\$ 171,598	\$ 171,598					\$ 171,598		\$ 171,598	\$ 0	\$ 0	\$ 0	0.0%
TPS			\$ 0	\$ 265,891	\$ 265,891					\$ 262,518		\$ 262,518	\$ 3,373	\$ 0	\$ 3,373	1.3%
<b>Total All Classes</b>	<b>\$ 7,996,627</b>	<b>100.0%</b>	<b>\$ 2,500,000</b>	<b>\$ 61,847,331</b>	<b>\$ 64,347,331</b>					<b>\$ 50,337,602</b>	<b>\$ 3,509,729</b>	<b>\$ 53,847,331</b>	<b>\$ 8,000,000</b>	<b>\$ 2,500,000</b>	<b>\$ 10,500,000</b>	<b>19.5%</b>
<b>Total Residential</b>			<b>\$ 551,702</b>		<b>\$ 26,779,888</b>					<b>\$ 21,278,431</b>	<b>\$ 3,185,053</b>	<b>\$ 24,463,483</b>	<b>\$ 1,764,702</b>	<b>\$ 551,702</b>	<b>\$ 2,316,404</b>	<b>9.5%</b>
<b>Total Commercial and Industrial</b>			<b>\$ 1,948,298</b>		<b>\$ 37,108,988</b>					<b>\$ 28,604,401</b>	<b>\$ 324,364</b>	<b>\$ 28,928,765</b>	<b>\$ 6,231,925</b>	<b>\$ 1,948,298</b>	<b>\$ 8,180,223</b>	<b>28.3%</b>
GS-1 through 25K			<b>\$ 1,327,356</b>		<b>\$ 25,281,976</b>					<b>\$ 19,390,809</b>	<b>\$ 318,964</b>	<b>\$ 19,708,874</b>	<b>\$ 4,245,747</b>	<b>\$ 1,327,356</b>	<b>\$ 5,573,103</b>	<b>28.3%</b>
GS-120k			<b>\$ 460,248</b>		<b>\$ 8,766,294</b>					<b>\$ 6,827,819</b>	<b>\$ 6,052</b>	<b>\$ 6,833,871</b>	<b>\$ 1,472,174</b>	<b>\$ 460,248</b>	<b>\$ 1,932,422</b>	<b>28.3%</b>
GS-1250k			<b>\$ 160,694</b>		<b>\$ 3,060,718</b>					<b>\$ 2,385,773</b>	<b>\$ 247</b>	<b>\$ 2,386,020</b>	<b>\$ 514,004</b>	<b>\$ 160,694</b>	<b>\$ 674,698</b>	<b>28.3%</b>

**FLORIDA CITY GAS**  
Determination of Energy Charge Rates  
December 2019 Additional \$1,300,000 Increase

Initial Proposed Increase net of SAFE and June 19 Increase	Percent Increase from Current Rates	June 2019 Proposed Base Rate	June 2019 Proposed Total Revenues	Proposed Rate	Consumption in Therms	Proposed Rate Increase	June 2019 Proposed Distribution Rates based upon the \$10.5 M for the Initial and 1st Step	Dec 2019 Proposed Distribution Rates with all \$11.8 M Increase	Revenues Under Current Rates	Current SAFE Revenues	Total Company Revenues Under Current Rates (including SAFE)	Initial Proposed Revenue Increase		Overall June Revenue Increase from Current Rates	Total Percent Increase from Current Rates including SAFE	
												June 2019 Increase	Dec 2019 Increase			
Class																
RS-1	5.8%	\$ 87,901	\$ 7,153,797	\$ 7,241,699	2,888,825	\$ 0.03045	\$ 0.53177	\$ 0.50222	\$ 5,379,375	\$ 1,064,579	\$ 6,444,054	\$ 546,703	\$ 189,041	\$ 87,901	\$ 797,645	12.4%
RS-100	15.3%	\$ 198,984	\$ 18,954,960	\$ 19,153,944	12,240,769	\$ 0.01626	\$ 0.44263	\$ 0.48889	\$ 15,258,401	\$ 2,089,898	\$ 17,348,299	\$ 1,224,000	\$ 382,861	\$ 198,984	\$ 1,805,645	10.4%
RS-600	0.0%	\$ 0	\$ 671,130	\$ 671,130	767,899	\$ 0	\$ 0.53133	\$ 0.53133	\$ 640,654	\$ 30,476	\$ 671,130	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
GS-1	14.3%	\$ 186,077	\$ 6,815,747	\$ 7,001,424	12,382,178	\$ 0.01503	\$ 0.40813	\$ 0.43315	\$ 5,156,332	\$ 155,967	\$ 5,312,299	\$ 1,144,967	\$ 357,841	\$ 186,077	\$ 1,688,235	31.8%
GS-84	24.3%	\$ 315,080	\$ 11,540,957	\$ 11,856,088	28,127,107	\$ 0.01120	\$ 0.38308	\$ 0.37428	\$ 8,858,485	\$ 138,409	\$ 8,996,894	\$ 926,524	\$ 315,080	\$ 315,080	\$ 2,859,143	31.8%
GS-23R	14.3%	\$ 190,867	\$ 6,925,272	\$ 7,114,439	17,386,101	\$ 0.01087	\$ 0.34787	\$ 0.38875	\$ 5,375,992	\$ 22,688	\$ 5,398,680	\$ 1,150,001	\$ 363,591	\$ 180,067	\$ 1,715,659	31.8%
GS-120A	18.4%	\$ 293,929	\$ 8,766,294	\$ 9,005,623	34,439,382	\$ 0.00695	\$ 0.20836	\$ 0.21951	\$ 6,827,819	\$ 6,052	\$ 6,833,871	\$ 1,472,174	\$ 460,248	\$ 233,929	\$ 2,171,751	31.8%
GS-120B	8.4%	\$ 83,561	\$ 3,060,718	\$ 3,144,479	15,613,100	\$ 0.00535	\$ 0.10482	\$ 0.11018	\$ 2,385,778	\$ 247	\$ 2,386,020	\$ 514,004	\$ 160,894	\$ 83,561	\$ 759,319	31.8%
GS-23M		\$ 0	\$ 20,967	\$ 20,967			\$ 0.59935	\$ 0.59935	\$ 20,655	\$ 312	\$ 20,967	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
GAS LIGHTING		\$ 0	\$ 171,598	\$ 171,598			\$ 171,598	\$ 0	\$ 171,598	\$ 0	\$ 171,598	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
Contract Demand		\$ 0	\$ 265,891	\$ 265,891			\$ 265,891	\$ 0	\$ 265,891	\$ 0	\$ 265,891	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
TFS		\$ 0	\$ 265,891	\$ 265,891			\$ 265,891	\$ 0	\$ 265,891	\$ 0	\$ 265,891	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
Total All Classes	100.0%	\$ 1,300,000	\$ 64,347,331	\$ 65,647,331			\$ 50,337,602	\$ 3,509,729	\$ 53,847,331	\$ 8,000,000	\$ 61,847,331	\$ 2,500,000	\$ 1,300,000	\$ 1,300,000	\$ 11,800,000	21.9%
Total Residential		\$ 265,885		\$ 27,066,773			\$ 21,278,431	\$ 3,185,053	\$ 24,463,483	\$ 1,764,702	\$ 26,228,185	\$ 351,702	\$ 286,885	\$ 2,603,288		10.6%
Total Commercial and Industrial		\$ 1,013,115		\$ 38,580,558			\$ 28,604,401	\$ 3,185,053	\$ 32,787,885	\$ 2,335,297	\$ 35,123,182	\$ 1,742,295	\$ 1,013,115	\$ 9,193,712		31.8%
GS-1 through 15K		\$ 660,225		\$ 25,972,201			\$ 19,708,870	\$ 3,185,054	\$ 23,893,920	\$ 1,742,297	\$ 25,636,217	\$ 1,742,297	\$ 660,225	\$ 6,532,992		31.8%
GS-110K		\$ 239,329		\$ 9,005,623			\$ 6,827,819	\$ 6,052	\$ 6,833,871	\$ 1,472,174	\$ 8,306,045	\$ 460,248	\$ 239,329	\$ 2,171,751		31.8%
GS-1250K		\$ 83,561		\$ 3,144,479			\$ 2,385,778	\$ 247	\$ 2,386,020	\$ 514,004	\$ 2,899,024	\$ 160,894	\$ 83,561	\$ 759,319		31.8%

# FLORIDA CITY GAS

## Determination of Energy Charge Rates

Initial Rate Increase of \$11.5M

Class	Total Current Rates excluding SAFE	SAFE Transfer to Base Rates	Initial Proposed Revenue Increase net of SAFE	Percent Increase including SAFE Revenues	Total Increase	3-08-2018 Settlement Proposal Total
RS-1	\$ 5,379,375	\$ 1,064,679	\$ 540,703	8.4%	\$ 1,605,382	\$ 6,984,757
RS-100	\$ 15,258,401	\$ 2,089,898	\$ 1,224,000	7.1%	\$ 3,313,898	\$ 18,572,299
RS-600	\$ 640,654	\$ 30,476	\$ 0	0.0%	\$ 30,476	\$ 671,130
GS-1	\$ 5,156,332	\$ 156,967	\$ 1,144,607	21.5%	\$ 1,301,574	\$ 6,457,906
GS-6k	\$ 8,858,485	\$ 138,409	\$ 1,938,139	21.5%	\$ 2,076,548	\$ 10,935,033
GS-25k	\$ 5,375,992	\$ 22,688	\$ 1,163,001	21.5%	\$ 1,185,689	\$ 6,561,681
GS-120k	\$ 6,827,819	\$ 6,052	\$ 1,472,174	21.5%	\$ 1,478,226	\$ 8,306,045
GS-1250k	\$ 2,385,773	\$ 247	\$ 514,004	21.5%	\$ 514,251	\$ 2,900,024
GS-11M	\$ 0	\$ 0	\$ 0	0.0%	\$ 0	\$ 0
GS-25M	\$ 0	\$ 0	\$ 0	0.0%	\$ 0	\$ 0
GAS LIGHTING*	\$ 20,655	\$ 312	\$ 0	0.0%	\$ 312	\$ 20,967
NGV	\$ 0	\$ 0	\$ 0	0.0%	\$ 0	\$ 0
Contract Demand	\$ 171,598	\$ 0	\$ 0	0.0%	\$ 0	\$ 171,598
TPS**	\$ 262,518	\$ 0	\$ 3,373	1.3%	\$ 3,373	\$ 265,891
<b>Total All Classes</b>	<b>\$ 50,337,602</b>	<b>\$ 3,509,729</b>	<b>\$ 8,000,000</b>	<b>14.9%</b>	<b>\$ 11,509,729</b>	<b>\$ 61,847,331</b>
<b>Total Residential</b>	<b>\$ 21,278,491</b>	<b>\$ 3,185,053</b>	<b>\$ 1,764,702</b>	<b>7.2%</b>	<b>\$ 4,949,755</b>	<b>\$ 26,228,186</b>
<b>Total Commercial and Industrial</b>	<b>\$ 28,604,401</b>	<b>\$ 324,364</b>	<b>\$ 6,231,925</b>	<b>21.5%</b>	<b>\$ 6,556,289</b>	<b>\$ 35,160,690</b>
GS-1 through 25K	\$ 19,390,809	\$ 318,064	\$ 4,245,747	21.5%	\$ 4,563,812	\$ 23,954,621
GS-120k	\$ 6,827,819	\$ 6,052	\$ 1,472,174	21.5%	\$ 1,478,226	\$ 8,306,045
GS-1250k	\$ 2,385,773	\$ 247	\$ 514,004	21.5%	\$ 514,251	\$ 2,900,024

Less Proposed Misc Revenues	Proposed Total Base Rate Revenues	Number of Bills	Customer Charge Rate	Customer Charge Revenue	Demand Charge Quantity In Therms	Demand Charge Rate	Demand Charge Revenue	Proposed Base Rate Revenues less Customer and Demand Charges	Consumption in Therms	Proposed Distribution Rates
\$ 742,272	\$ 6,242,484	406,366	\$ 12.00	\$ 4,876,392				\$ 1,366,092	2,886,825	\$ 0.47322
\$ 1,571,770	\$ 17,000,529	797,671	\$ 15.00	\$ 11,965,065				\$ 5,035,464	12,240,769	\$ 0.41137
\$ 30,482	\$ 640,649	11,632	\$ 20.00	\$ 232,640				\$ 408,009	767,899	\$ 0.53133
\$ 264,473	\$ 6,193,434	59,911	\$ 25.00	\$ 1,497,775				\$ 4,595,659	12,382,178	\$ 0.37923
\$ 329,830	\$ 10,605,204	28,538	\$ 35.00	\$ 998,830				\$ 9,606,374	28,127,107	\$ 0.34153
\$ 175,419	\$ 6,386,262	4,678	\$ 150.00	\$ 701,700				\$ 5,684,562	17,386,101	\$ 0.32696
\$ 37,846	\$ 8,268,199	1,212	\$ 300.00	\$ 363,600	2,068,164	\$ 0.575	\$ 1,189,194	\$ 6,715,405	34,439,382	\$ 0.19499
\$ 9,834	\$ 2,890,190	84	\$ 500.00	\$ 42,000	2,386,512	\$ 0.575	\$ 1,372,244	\$ 1,475,946	15,613,100	\$ 0.09453
			\$ 1,000.00			\$ 0.575				
			\$ 2,000.00			\$ 0.575				
\$ 132	\$ 20,835	1,944	\$ 10.72	\$ 20,835						\$ 0.59535
			\$ 25.00							
\$ 2,020	\$ 169,578	12	\$ 500.00	\$ 6,000				\$ 163,578		
	\$ 265,891	156	\$ 400.00	\$ 62,400				\$ 0		
<b>\$ 3,164,078</b>	<b>\$ 58,683,254</b>			<b>\$ 20,767,237</b>	<b>33,653</b>	<b>\$ 6.05</b>	<b>\$ 203,491</b>	<b>\$ 2,764,929</b>	<b>\$ 35,151,088</b>	
<b>\$ 2,344,524</b>	<b>\$ 23,883,662</b>			<b>\$ 17,074,097</b>			<b>\$ 0</b>	<b>\$ 6,809,565</b>		
<b>\$ 817,401</b>	<b>\$ 34,343,289</b>			<b>\$ 3,603,905</b>			<b>\$ 2,561,439</b>	<b>\$ 28,177,945</b>		
<b>\$ 769,721</b>	<b>\$ 23,184,899</b>			<b>\$ 3,198,305</b>			<b>\$ 0</b>	<b>\$ 19,986,594</b>		
<b>\$ 37,846</b>	<b>\$ 8,268,199</b>			<b>\$ 363,600</b>			<b>\$ 1,189,194</b>	<b>\$ 6,715,405</b>		
<b>\$ 9,834</b>	<b>\$ 2,890,190</b>			<b>\$ 42,000</b>			<b>\$ 1,372,244</b>	<b>\$ 1,475,946</b>		

\* Number of Unmetered Gas Light Customers represents number of Mantles at 18 therms per Mantle.

\*\* Demand Charge Quantity billing determinant for TPS in number of customers receiving gas supply service from a TPS.

### Determination of Customer Charge Rates

Florida City Gas				TECO - Peoples's Gas		Florida Public Utilities	
Current Rates		Proposed Rates		Customer Cost of Service	Current Rates		Current Rates
<b>Residential Service</b>		<b>Residential Service</b>			<b>Residential Service</b>		<b>Residential Service</b>
GS-1	\$ 8.00	RS-1	\$ 12.00	\$ 14.70	RS-1 (0 to 99 Thms)	\$ 12.00	RS \$ 11.00
GS-100	\$ 9.50	RS-100	\$ 15.00	\$ 16.92	RS-2 (100 to 249 Thms)	\$ 15.00	
GS-220	\$ 11.00				RS-3 (250 to 1999 Thms)	\$ 30.00	
GS-600	\$ 12.00	RS-600	\$ 20.00	\$ 19.77			
GS-1.2k	\$ 15.00						
GS-6k	\$ 30.00						
<b>General Service</b>		<b>General Service</b>			<b>General Service</b>		<b>General Service</b>
GS-1	\$ 8.00	GS-1	\$ 25.00	\$ 42.85	SGS (0 to 1,999)	\$ 25.00	GS-1 (0-600 Thms) \$ 20.00
GS-100	\$ 9.50						
GS-220	\$ 11.00						
GS-600	\$ 12.00						
GS-1.2K	\$ 15.00				GS-1 (2,000 to 9,999)	\$ 35.00	GS-2 (600 Thms +) \$ 33.00
GS-6K	\$ 30.00	GS-6K	\$ 35.00	\$ 57.89	GS-2 (10,000 to 49,999)	\$ 50.00	
GS-25K	\$ 80.00	GS-25K	\$ 150.00	\$ 154.12	GS-3 (50,000 to 249,999)	\$ 150.00	
GS-60K	\$ 150.00						
GS-120K	\$ 250.00	GS-120K	\$ 300.00	\$ 588.40			
GS-250K	\$ 300.00				GS-4 (250,000 to 499,999)	\$ 250.00	Large Volume Service \$ 90.00
GS-1,250K	\$ 500.00	GS-1,250K	\$ 500.00	\$ 1,083.02	GS-5 (500,000 and beyond)	\$ 300.00	
		GS-11M	\$ 1,000.00				
		GS-25M	\$ 2,000.00				

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# FLORIDA CITY GAS

## Determination of Energy Charge Rates

Initial Rate Increase of \$11.5M

Class	Total Current Rates excluding SAFE	SAFE Transfer to Base Rates	Initial Proposed Revenue		Percent Increase including SAFE Revenues	Total Increase	3-08-2018 Settlement Proposal Total	Less Proposed Misc Revenues	Proposed Total Base Rate Revenues	Number of Bills	Customer Charge Rate	Customer Charge Revenue	Demand Charge Quantity In Therms	Demand Charge Rate	Demand Charge Revenue	Proposed Base Rate Revenues less Customer and Demand Charges		Consumption in Therms	Proposed Distribution Rates
			Increase net of SAFE																
RS-1	\$ 5,379,375	\$ 1,064,679	\$ 540,703	8.4%	\$ 1,605,382	\$ 6,984,757		\$ 742,272	\$ 6,242,484	406,366	\$ 12.00	\$ 4,876,392				\$ 1,366,092		2,886,825	\$ 0.47322
RS-100	\$ 15,258,401	\$ 2,089,898	\$ 1,224,000	7.1%	\$ 3,313,898	\$ 18,572,299		\$ 1,571,770	\$ 17,000,529	797,671	\$ 15.00	\$ 11,965,065				\$ 5,035,464		12,240,769	\$ 0.41137
RS-600	\$ 540,654	\$ 30,476	\$ 0	0.0%	\$ 30,476	\$ 671,130		\$ 30,482	\$ 640,649	11,632	\$ 20.00	\$ 232,640				\$ 408,009		767,899	\$ 0.53133
GS-1	\$ 5,156,332	\$ 156,967	\$ 1,144,607	21.5%	\$ 1,301,574	\$ 6,457,906		\$ 264,473	\$ 6,193,434	59,911	\$ 25.00	\$ 1,497,775				\$ 4,695,659		12,382,178	\$ 0.37923
GS-6k	\$ 8,858,485	\$ 138,409	\$ 1,938,139	21.5%	\$ 2,076,548	\$ 10,935,033		\$ 329,830	\$ 10,605,204	28,538	\$ 35.00	\$ 998,830				\$ 9,606,374		28,127,107	\$ 0.34153
GS-25k	\$ 5,375,992	\$ 22,688	\$ 1,163,001	21.5%	\$ 1,185,689	\$ 6,561,681		\$ 175,419	\$ 6,386,262	4,678	\$ 150.00	\$ 701,700				\$ 5,684,562		17,386,101	\$ 0.32696
GS-120k	\$ 6,827,819	\$ 6,052	\$ 1,472,174	21.5%	\$ 1,478,226	\$ 8,306,045		\$ 37,846	\$ 8,268,199	1,212	\$ 300.00	\$ 363,600	2,068,164	\$ 0.575	\$ 1,189,194	\$ 6,715,405		34,439,382	\$ 0.19499
GS-1250k	\$ 2,385,773	\$ 247	\$ 514,004	21.5%	\$ 514,251	\$ 2,900,024		\$ 9,834	\$ 2,890,190	84	\$ 500.00	\$ 42,000	2,386,512	\$ 0.575	\$ 1,372,244	\$ 1,475,946		15,613,100	\$ 0.09453
GS-11M	\$ 0																		
GS-25M	\$ 0																		
GAS LIGHTING*	\$ 20,655	\$ 312	\$ 0	0.0%	\$ 312	\$ 20,967		\$ 132	\$ 20,835	1,944	\$ 10.72	\$ 20,835							
NGV	\$ 0																		\$ 0.59535
Contract Demand	\$ 171,598		\$ 0	0.0%	\$ 0	\$ 171,598		\$ 2,020	\$ 169,578	12	\$ 500.00	\$ 6,000				\$ 163,578			
TPS**	\$ 262,518		\$ 3,373	1.3%	\$ 3,373	\$ 265,891			\$ 265,891	156	\$ 400.00	\$ 62,400				\$ 0			
<b>Total All Classes</b>	<b>\$ 50,337,602</b>	<b>\$ 3,509,729</b>	<b>\$ 8,000,000</b>	<b>14.9%</b>	<b>\$ 11,509,729</b>	<b>\$ 61,847,331</b>		<b>\$ 3,164,078</b>	<b>\$ 58,683,254</b>			<b>\$ 20,767,237</b>	<b>33,653</b>	<b>\$ 6.05</b>	<b>\$ 203,491</b>	<b>\$ 2,764,929</b>		<b>\$ 35,151,088</b>	
<b>Total Residential</b>	<b>\$ 21,278,431</b>	<b>\$ 3,185,053</b>	<b>\$ 1,764,702</b>	<b>7.2%</b>	<b>\$ 4,949,755</b>	<b>\$ 26,228,186</b>		<b>\$ 2,344,524</b>	<b>\$ 23,883,662</b>			<b>\$ 17,074,097</b>			<b>\$ 0</b>	<b>\$ 6,809,565</b>			
<b>Total Commercial and Industrial</b>	<b>\$ 28,604,401</b>	<b>\$ 324,364</b>	<b>\$ 6,231,925</b>	<b>21.5%</b>	<b>\$ 6,556,289</b>	<b>\$ 35,160,690</b>		<b>\$ 817,401</b>	<b>\$ 34,343,289</b>			<b>\$ 3,603,905</b>			<b>\$ 2,561,439</b>	<b>\$ 28,177,945</b>			
GS-1 through 25K	\$ 19,390,809	\$ 318,064	\$ 4,245,747	21.5%	\$ 4,563,812	\$ 23,954,621		\$ 769,721	\$ 23,184,899			\$ 3,198,305			\$ 0	\$ 19,986,594			
GS-120k	\$ 6,827,819	\$ 6,052	\$ 1,472,174	21.5%	\$ 1,478,226	\$ 8,306,045		\$ 37,846	\$ 8,268,199			\$ 363,600			\$ 1,189,194	\$ 6,715,405			
GS-1250k	\$ 2,385,773	\$ 247	\$ 514,004	21.5%	\$ 514,251	\$ 2,900,024		\$ 9,834	\$ 2,890,190			\$ 42,000			\$ 1,372,244	\$ 1,475,946			

\* Number of Unmetered Gas Light Customers represents number of Mantles at 18 therms per Mantle.

\*\* Demand Charge Quantity billing determinant for TPS in number of customers receiving gas supply service from a TPS.

**FLORIDA CITY GAS****Determination of Customer Charge Rates****Customer Charge Comparison**

Florida City Gas				TECO - Peoples's Gas		Florida Public Utilities			
Current Rates		Proposed Rates		Customer Cost of Service	Current Rates		Current Rates		
Residential Service		Residential Service			Residential Service		Residential Service		
GS-1	\$ 8.00	RS-1	\$ 12.00		\$ 14.70	RS-1 (0 to 99 Thms)	\$ 12.00	RS	\$ 11.00
GS-100	\$ 9.50	RS-100	\$ 15.00		\$ 16.92	RS-2 (100 to 249 Thms)	\$ 15.00		
GS-220	\$ 11.00					RS-3 (250 tro1999 Thms)	\$ 30.00		
GS-600	\$ 12.00	RS-600	\$ 20.00		\$ 19.77				
GS-1.2k	\$ 15.00								
GS-6k	\$ 30.00								
General Service		General Service			General Service		General Service		
GS-1	\$ 8.00	GS-1	\$ 25.00		\$ 42.85	SGS (0 to 1,999)	\$ 25.00	GS-1 (0-600 Thms)	\$ 20.00
GS-100	\$ 9.50								
GS-220	\$ 11.00								
GS-600	\$ 12.00							GS-2 (600 Thms +)	\$ 33.00
GS-1.2K	\$ 15.00					GS-1 (2,000 to 9,999)	\$ 35.00		
GS-6K	\$ 30.00	GS-6K	\$ 35.00		\$ 57.89	GS-2 (10,000 to 49,999)	\$ 50.00		
GS-25K	\$ 80.00	GS-25K	\$ 150.00		\$ 154.12	GS-3 (50,000 to 249,999)	\$ 150.00		
GS-60K	\$ 150.00								
GS-120K	\$ 250.00	GS-120K	\$ 300.00		\$ 588.40				
GS-250K	\$ 300.00					GS-4 (250,000 to 499,999)	\$ 250.00	Large Volume Service	\$ 90.00
GS-1,250K	\$ 500.00	GS-1,250K	\$ 500.00		\$ 1,083.02	GS-5 (500,000 and beyond)	\$ 300.00		
		GS-11M	\$ 1,000.00						
		GS-25M	\$ 2,000.00						

## FLORIDA CITY GAS

## Rate Design Revenue Comparisons

Class	Revenues under Current Rates				Revenues under Original Proposed Rates							
	Base Rates	SAFE	Misc Revenues	Total Current Rates	Original Proposed Base Rates	SAFE	Original Proposed Misc Revenues	Original Filed Proposal	Original Proposed Base Rates Increase	Original Proposed Misc Revenues Increase	Increase	Pct. Increase
RS-1	\$ 4,858,604	\$ 1,064,679	\$ 520,771	\$ 6,444,054	\$ 6,468,353		\$ 742,272	\$ 7,210,626	\$ 545,071	\$ 221,501	\$ 766,572	11.9%
RS-100	\$ 14,104,488	\$ 2,089,898	\$ 1,153,914	\$ 17,348,299	\$ 17,236,014		\$ 1,571,770	\$ 18,807,784	\$ 1,041,628	\$ 417,856	\$ 1,459,484	8.4%
RS-600	\$ 612,306	\$ 30,476	\$ 28,349	\$ 671,130	\$ 520,240		\$ 30,482	\$ 550,722	\$ (122,541)	\$ 2,133	\$ (120,408)	-17.9%
GS-1	\$ 4,930,588	\$ 156,967	\$ 225,744	\$ 5,313,299	\$ 6,776,996		\$ 264,473	\$ 7,041,468	\$ 1,689,441	\$ 38,728	\$ 1,728,169	32.5%
GS-6k	\$ 8,562,701	\$ 138,409	\$ 295,784	\$ 8,996,894	\$ 11,651,240		\$ 329,830	\$ 11,981,069	\$ 2,950,129	\$ 34,046	\$ 2,984,175	33.2%
GS-25k	\$ 5,213,694	\$ 22,688	\$ 162,299	\$ 5,398,680	\$ 6,913,012		\$ 175,419	\$ 7,088,431	\$ 1,676,630	\$ 13,121	\$ 1,689,750	31.3%
GS-120k	\$ 6,789,973	\$ 6,052	\$ 37,846	\$ 6,833,871	\$ 12,476,820		\$ 37,846	\$ 12,514,667	\$ 5,680,795	\$ 0	\$ 5,680,795	83.1%
GS-1250k	\$ 2,375,939	\$ 247	\$ 9,834	\$ 2,386,020	\$ 3,922,207		\$ 9,834	\$ 3,932,041	\$ 1,546,021	\$ 0	\$ 1,546,021	64.8%
GS-11M												
GS-25M												
GAS LIGHTING	\$ 20,523	\$ 312	\$ 132	\$ 20,967	\$ 73,973		\$ 132	\$ 74,105	\$ 53,139	\$ 0	\$ 53,139	253.4%
NGV												
Contract Demand	\$ 169,578		\$ 2,020	\$ 171,598	\$ 169,578		\$ 2,020	\$ 171,598	\$ 0	\$ 0	\$ 0	0.0%
TPS	\$ 262,518			\$ 262,518	\$ 266,633			\$ 266,633	\$ 4,115	\$ 0	\$ 4,115	1.6%
Total All Classes	\$ 47,900,909	\$ 3,509,729	\$ 2,436,693	\$ 53,847,331	\$ 66,475,065		\$ 3,164,078	\$ 69,639,143	\$ 15,064,427	\$ 727,385	\$ 15,791,812	29.3%
Total Residential	\$ 19,575,397	\$ 3,185,053	\$ 1,703,034	\$ 24,463,483	\$ 24,224,608		\$ 2,344,524	\$ 26,569,131	\$ 1,464,158	\$ 641,490	\$ 2,105,648	8.6%
Total Commercial and Industrial	\$ 27,872,894	\$ 324,364	\$ 731,507	\$ 28,928,765	\$ 41,740,274		\$ 817,401	\$ 42,557,676	\$ 13,543,016	\$ 85,895	\$ 13,628,910	47.1%
GS- 1 through 25K	\$ 18,706,982	\$ 318,064	\$ 683,827	\$ 19,708,874	\$ 25,341,247		\$ 769,721	\$ 26,110,968	\$ 6,316,200	\$ 85,895	\$ 6,402,095	32.5%
GS-120k	\$ 6,789,973	\$ 6,052	\$ 37,846	\$ 6,833,871	\$ 12,476,820		\$ 37,846	\$ 12,514,667	\$ 5,680,795	\$ 0	\$ 5,680,795	83.1%
GS-1250k	\$ 2,375,939	\$ 247	\$ 9,834	\$ 2,386,020	\$ 3,922,207		\$ 9,834	\$ 3,932,041	\$ 1,546,021	\$ 0	\$ 1,546,021	64.8%

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## FLORIDA CITY GAS

## Rate Design Revenue Comparisons

Revenues under Current Rates					Revenues under Proposed Rates Adjusted for Tax Law Changes							
Class	Base Rates	SAFE	Misc Revenues	Total Current Rates	Tax Law Change Proposed Base Rates	SAFE	Proposed Misc Revenues	Total Adjusted for Tax Law Changes	Tax Law Change Proposed Base Rates Increase	Proposed Misc Revenues Increase	Increase	Pct. Increase
RS-1	\$ 4,858,604	\$ 1,064,679	\$ 520,771	\$ 6,444,054	\$ 6,347,288		\$ 742,272	\$ 7,089,561	\$ 424,006	\$ 221,501	\$ 645,507	10.0%
RS-100	\$ 14,104,488	\$ 2,089,898	\$ 1,153,914	\$ 17,348,299	\$ 17,000,529		\$ 1,571,770	\$ 18,572,299	\$ 806,144	\$ 417,856	\$ 1,224,000	7.1%
RS-600	\$ 612,306	\$ 30,476	\$ 28,349	\$ 671,130	\$ 541,466		\$ 30,482	\$ 571,948	\$ (101,315)	\$ 2,133	\$ (99,183)	-14.8%
GS-1	\$ 4,930,588	\$ 156,967	\$ 225,744	\$ 5,313,299	\$ 6,454,972		\$ 264,473	\$ 6,719,445	\$ 1,367,418	\$ 38,728	\$ 1,406,146	26.5%
GS-6k	\$ 8,562,701	\$ 138,409	\$ 295,784	\$ 8,996,894	\$ 11,072,480		\$ 329,830	\$ 11,402,309	\$ 2,371,369	\$ 34,046	\$ 2,405,415	26.7%
GS-25k	\$ 5,213,694	\$ 22,688	\$ 162,299	\$ 5,398,680	\$ 6,581,972		\$ 175,419	\$ 6,757,391	\$ 1,345,590	\$ 13,121	\$ 1,358,710	25.2%
GS-120k	\$ 6,789,973	\$ 6,052	\$ 37,846	\$ 6,833,871	\$ 10,931,187		\$ 37,846	\$ 10,969,033	\$ 4,135,162	\$ 0	\$ 4,135,162	60.5%
GS-1250k	\$ 2,375,939	\$ 247	\$ 9,834	\$ 2,386,020	\$ 3,609,378		\$ 9,834	\$ 3,619,212	\$ 1,233,192	\$ 0	\$ 1,233,192	51.7%
GS-11M												
GS-25M												
GAS LIGHTING	\$ 20,523	\$ 312	\$ 132	\$ 20,967	\$ 15,213		\$ 132	\$ 15,345	\$ (5,622)	\$ 0	\$ (5,622)	-26.8%
NGV												
Contract Demand	\$ 169,578		\$ 2,020	\$ 171,598	\$ 169,578		\$ 2,020	\$ 171,598	\$ 0	\$ 0	\$ 0	0.0%
TPS	\$ 262,518			\$ 262,518	\$ 265,891			\$ 265,891	\$ 3,373	\$ 0	\$ 3,373	1.3%
Total All Classes	\$ 47,900,909	\$ 3,509,729	\$ 2,436,693	\$ 53,847,331	\$ 62,989,953		\$ 3,164,078	\$ 66,154,031	\$ 11,579,315	\$ 727,385	\$ 12,306,700	22.9%
Total Residential	\$ 19,575,397	\$ 3,185,053	\$ 1,703,034	\$ 24,463,483	\$ 23,889,284		\$ 2,344,524	\$ 26,233,807	\$ 1,128,834	\$ 641,490	\$ 1,770,324	7.2%
Total Commercial and Industrial	\$ 27,872,894	\$ 324,364	\$ 731,507	\$ 28,928,765	\$ 38,649,989		\$ 817,401	\$ 39,467,390	\$ 10,452,730	\$ 85,895	\$ 10,538,625	36.4%
GS- 1 through 25K	\$ 18,706,982	\$ 318,064	\$ 683,827	\$ 19,708,874	\$ 24,109,424		\$ 769,721	\$ 24,879,145	\$ 5,084,377	\$ 85,895	\$ 5,170,272	26.2%
GS-120k	\$ 6,789,973	\$ 6,052	\$ 37,846	\$ 6,833,871	\$ 10,931,187		\$ 37,846	\$ 10,969,033	\$ 4,135,162	\$ 0	\$ 4,135,162	60.5%
GS-1250k	\$ 2,375,939	\$ 247	\$ 9,834	\$ 2,386,020	\$ 3,609,378		\$ 9,834	\$ 3,619,212	\$ 1,233,192	\$ 0	\$ 1,233,192	51.7%



## FLORIDA CITY GAS

## Rate Design Revenue Comparisons

Class	Revenues under Current Rates				Revenues under Settlement Proposal Rates							
	Base Rates	SAFE	Misc Revenues	Total Current Rates	Proposed Base Rates	SAFE	Proposed Misc Revenues	3-08-2018 Settlement Proposal Total	Proposed Base Rates Increase	Proposed Misc Revenues Increase	Increase	Pct. Increase
RS-1	\$ 4,858,604	\$ 1,064,679	\$ 520,771	\$ 6,444,054	\$ 6,242,484		\$ 742,272	\$ 6,984,757	\$ 319,202	\$ 221,501	\$ 540,703	8.4%
RS-100	\$ 14,104,488	\$ 2,089,898	\$ 1,153,914	\$ 17,348,299	\$ 17,000,529		\$ 1,571,770	\$ 18,572,299	\$ 806,144	\$ 417,856	\$ 1,224,000	7.1%
RS-600	\$ 612,306	\$ 30,476	\$ 28,349	\$ 671,130	\$ 640,649		\$ 30,482	\$ 671,130	\$ (2,133)	\$ 2,133	\$ 0	0.0%
GS-1	\$ 4,930,588	\$ 156,967	\$ 225,744	\$ 5,313,299	\$ 6,193,434		\$ 264,473	\$ 6,457,906	\$ 1,105,879	\$ 38,728	\$ 1,144,607	21.5%
GS-6k	\$ 8,562,701	\$ 138,409	\$ 295,784	\$ 8,996,894	\$ 10,605,204		\$ 329,830	\$ 10,935,033	\$ 1,904,093	\$ 34,046	\$ 1,938,139	21.5%
GS-25k	\$ 5,213,694	\$ 22,688	\$ 162,299	\$ 5,398,680	\$ 6,386,262		\$ 175,419	\$ 6,561,681	\$ 1,149,880	\$ 13,121	\$ 1,163,001	21.5%
GS-120k	\$ 6,789,973	\$ 6,052	\$ 37,846	\$ 6,833,871	\$ 8,268,199		\$ 37,846	\$ 8,306,045	\$ 1,472,174	\$ 0	\$ 1,472,174	21.5%
GS-1250k	\$ 2,375,939	\$ 247	\$ 9,834	\$ 2,386,020	\$ 2,890,190		\$ 9,834	\$ 2,900,024	\$ 514,004	\$ 0	\$ 514,004	21.5%
GS-11M												
GS-25M												
GAS LIGHTING	\$ 20,523	\$ 312	\$ 132	\$ 20,967	\$ 20,835		\$ 132	\$ 20,967	\$ (0)	\$ 0	\$ 0	0.0%
NGV												
Contract Demand	\$ 169,578		\$ 2,020	\$ 171,598	\$ 169,578		\$ 2,020	\$ 171,598	\$ 0	\$ 0	\$ 0	0.0%
TPS	\$ 262,518			\$ 262,518	\$ 265,891			\$ 265,891	\$ 3,373	\$ 0	\$ 3,373	1.3%
Total All Classes	\$ 47,900,909	\$ 3,509,729	\$ 2,436,693	\$ 53,847,331	\$ 58,683,254		\$ 3,164,078	\$ 61,847,331	\$ 7,272,615	\$ 727,385	\$ 8,000,000	14.9%
Total Residential	\$ 19,575,397	\$ 3,185,053	\$ 1,703,034	\$ 24,463,483	\$ 23,883,662		\$ 2,344,524	\$ 26,228,186	\$ 1,123,212	\$ 641,490	\$ 1,764,702	7.2%
Total Commercial and Industrial	\$ 27,872,894	\$ 324,364	\$ 731,507	\$ 28,928,765	\$ 34,343,289		\$ 817,401	\$ 35,160,690	\$ 6,146,030	\$ 85,895	\$ 6,231,925	21.5%
GS- 1 through 25K	\$ 18,706,982	\$ 318,064	\$ 683,827	\$ 19,708,874	\$ 23,184,899		\$ 769,721	\$ 23,954,621	\$ 4,159,853	\$ 85,895	\$ 4,245,747	21.5%
GS-120k	\$ 6,789,973	\$ 6,052	\$ 37,846	\$ 6,833,871	\$ 8,268,199		\$ 37,846	\$ 8,306,045	\$ 1,472,174	\$ 0	\$ 1,472,174	21.5%
GS-1250k	\$ 2,375,939	\$ 247	\$ 9,834	\$ 2,386,020	\$ 2,890,190		\$ 9,834	\$ 2,900,024	\$ 514,004	\$ 0	\$ 514,004	21.5%

170179-GU Staff Hearing Exhibits 00438

# FLORIDA CITY GAS

## Current Miscellaneous Revenue

Class	COLLECTION IN LIEU OF										Total
	CONNECTION CHARGE	DISCONNECT CHARGE	RECONNECT CHARGE	BAD CHECKS	LATE PAYMENT CHARGES	DAMAGE BILLING	CHANGE OF ACCOUNT	METER READ ONLY	TEMPORARY DISCONNECT	FAILED TRIP CHARGE	
RS-1	\$ 216,258	\$ 81,783	\$ 32,009	\$ 11,729	\$ 161,616	\$ 17,377					\$ 520,771
RS-100	\$ 424,501	\$ 160,534	\$ 62,831	\$ 23,023	\$ 435,092	\$ 47,932					\$ 1,153,914
RS-600	\$ 6,190	\$ 2,341	\$ 916	\$ 336	\$ 16,832	\$ 1,734					\$ 28,349
GS-1	\$ 31,420	\$ 12,057	\$ 28,203	\$ 1,729	\$ 133,257	\$ 19,078					\$ 225,744
GS-6k	\$ 14,967	\$ 5,743	\$ 13,434	\$ 824	\$ 225,641	\$ 35,175					\$ 295,784
GS-25k	\$ 2,453	\$ 941	\$ 2,202	\$ 135	\$ 135,398	\$ 21,168					\$ 162,299
GS-120k						\$ 37,846					\$ 37,846
GS-1250k						\$ 9,834					\$ 9,834
GS-11M											
GS-25M											
GAS LIGHTING						\$ 132					\$ 132
NGV											
Contract Demand						\$ 2,020					\$ 2,020
TPS											
Total All Classes	\$ 695,790	\$ 263,400	\$ 139,596	\$ 37,775	\$ 1,107,835	\$ 192,297					\$ 2,436,693

## Proposed Miscellaneous Revenue

Class	COLLECTION IN LIEU OF										Total
	CONNECTION CHARGE	DISCONNECT CHARGE	RECONNECT CHARGE	BAD CHECKS	LATE PAYMENT CHARGES	DAMAGE BILLING	CHANGE OF ACCOUNT	METER READ ONLY	TEMPORARY DISCONNECT	FAILED TRIP CHARGE	
RS-1	\$ 352,143	\$ 102,917	\$ 35,347	\$ 11,729	\$ 153,661	\$ 17,377		\$ 31,287	\$ 32,155	\$ 5,657	\$ 742,272
RS-100	\$ 691,235	\$ 202,019	\$ 69,383	\$ 23,023	\$ 402,541	\$ 47,932		\$ 61,414	\$ 63,118	\$ 11,105	\$ 1,571,770
RS-600	\$ 10,080	\$ 2,946	\$ 1,012	\$ 336	\$ 12,397	\$ 1,734		\$ 896	\$ 920	\$ 162	\$ 30,482
GS-1	\$ 43,858	\$ 15,173	\$ 28,809	\$ 1,729	\$ 145,639	\$ 19,078		\$ 4,613	\$ 4,741	\$ 834	\$ 264,473
GS-6k	\$ 20,891	\$ 7,228	\$ 13,723	\$ 824	\$ 247,137	\$ 35,175		\$ 2,197	\$ 2,258	\$ 397	\$ 329,830
GS-25k	\$ 3,425	\$ 1,185	\$ 2,249	\$ 135	\$ 146,461	\$ 21,168		\$ 360	\$ 370	\$ 65	\$ 175,419
GS-120k						\$ 37,846					\$ 37,846
GS-1250k						\$ 9,834					\$ 9,834
GS-11M						\$ -					
GS-25M						\$ -					
GAS LIGHTING						\$ 132					\$ 132
NGV						\$ -					
Contract Demand						\$ 2,020					\$ 2,020
TPS											
Total All Classes	\$ 1,121,632	\$ 331,467	\$ 150,523	\$ 37,775	\$ 1,107,835	\$ 192,297		\$ 100,766	\$ 103,562	\$ 18,220	\$ 3,164,078

		Proposal per Depreciation Study Exhibit DAW-2, Page 103 of 171		Proposal per Exhibit C of Proposed Settlement				
Account	Description		Rate	Amount	Rate	Amount	Change Rate      Amount	
Storage								
364.00	LNG Plant	0	2.0%		2.0%			
Distribution Plant								
375.00	Structures and Improvements	0	3.1%	0	3.1%	0	0.00%      0	
376.10	Mains, Steel	109,201,912	2.5%	2,730,048	2.5%	2,730,048	0.00%      0	
376.20	Mains, Plastics	150,016,423	2.5%	3,750,411	2.5%	3,750,411	0.00%      0	
378.00	M&R Station Equipment - General	3,009,723	3.5%	105,340	3.5%	105,340	0.00%      (0)	
379.00	M&R Station Equipment - City gate	10,001,911	2.7%	270,052	2.7%	270,052	0.00%      0	
380.10	Services, Steel	14,597,872	2.7%	394,143	2.7%	394,143	0.00%      0	
380.20	Services, Plastic	61,702,824	3.4%	2,097,896	2.5%	1,570,251	0.86%      527,645	
381.00	Meters	17,980,578	6.1%	1,096,815	6.1%	1,096,815	0.00%      (0)	
381.10	Meters - ERTs	1,563,534	6.1%	95,376	6.1%	95,376	0.00%      0	
382.00	Meter Installation	7,163,196	4.5%	322,344	3.6%	255,844	0.93%      66,500	
382.10	Meter Install - ERTs	4,694,672	3.1%	145,535	3.1%	145,535	0.00%      0	
383.00	House Regulators	5,883,813	3.0%	176,514	3.0%	176,514	0.00%      (0)	
384.00	House Regulator Installations	2,308,976	3.2%	73,887	3.2%	73,887	0.00%      (0)	
385.00	Industrial M&R Station Equipment	3,045,478	2.8%	85,273	1.5%	45,185	1.32%      40,088	
387.00	Other Equipment	836,930	3.0%	25,108	3.0%	25,108	0.00%      0	
	Total Distribution	392,007,842		11,368,742		10,734,508		634,234
General Plant								
390.00	Structures & Improvements	8,410,478	2.5%	210,262	2.5%	210,262	0.00%      0	
391.00	Office Furniture	635,484	6.7%	42,577	6.7%	42,577	0.00%      (0)	
391.10	Software Non-Enterprise	215,218	10.0%	21,522	10.0%	21,522	0.00%      0	
391.11	Computer Software	12,908,974	8.3%	1,071,445	8.3%	1,071,445	0.00%      0	
391.12	Computer Hardware	660,987	20.0%	132,197	20.0%	132,197	0.00%      (0)	
391.50	Individual Equipment	181,680	20.0%	36,336	20.0%	36,336	0.00%      0	
392.00	Transportation Equipment	1,224,133	8.4%	102,827	8.4%	102,827	0.00%      (0)	
392.10	Transp Equipment - Autos & Lt Trucks	128,095	11.0%	0	11.0%	0	0.00%      0	
392.20	Transp Equipment - Service Trucks	3,231,812	12.1%	391,049	12.1%	391,049	0.00%      (0)	
392.30	Transp Equip - Heavy Trucks	374,204	4.9%	18,336	4.9%	18,336	0.00%      0	
393.00	Stores Equipment	0	4.0%	0	4.0%	0	0.00%      0	
394.00	Tools, Shop, & Garage Equipment	644,252	6.7%	43,165	6.7%	43,165	0.00%      0	
394.10	Natural Gas Vehicle Equipment	3,661,963	4.7%	172,112	4.7%	172,112	0.00%      (0)	
395.00	Laboratory Equipment	0	5.0%	0	5.0%	0	0.00%      0	
396.00	Power Operated Equipment	210,084	6.5%	13,655	6.5%	13,655	0.00%      (0)	
397.00	Communication Equipment	609,131	8.3%	50,558	8.3%	50,558	0.00%      0	
398.00	Miscellaneous Equipment	248,144	5.0%	12,407	5.0%	12,407	0.00%      (0)	
	General Plant Amortization True-up			284,454		284,454		0
	Total General	33,344,639		2,602,902		2,602,903		(1)
	Total Plant	425,352,481		13,971,644		13,337,411		634,233

		Plant	Proposal per Exhibit C of Proposed Settlement				
		In Service 12/31/2018	Existing Accrual				
Account	Description	(MFR G1-10 and 11)	Rate	Amount	Rate	Amount	Difference
<b>STORAGE PLANT</b>							
364.00	LNG Plant	3,884,615	New	0.00	2.00%	77,692.30	77,692.30
<b>DISTRIBUTION PLANT</b>							
375.00	Structures & Improvements	0	2.80%	-	3.10%	-	-
376.10	Mains, Steel	109,208,413	3.00%	3,276,252.39	2.50%	2,730,210.33	(546,042.06)
376.20	Mains, Plastic	146,111,846	3.10%	4,529,467.23	2.50%	3,652,796.15	(876,671.08)
378.00	M&R Station Equipment - General	2,851,518	3.30%	94,100.09	3.50%	99,803.13	5,703.04
379.00	M&R Station Equipment - City Gate	10,001,910	3.30%	330,063.03	2.70%	270,051.57	(60,011.46)
380.10	Services, Steel	14,608,049	6.50%	949,523.19	2.70%	394,417.32	(555,105.86)
380.20	Services, Plastic	61,562,546	4.10%	2,524,064.39	2.54%	1,566,681.41	(957,382.97)
381.00	Meters	17,963,071	4.90%	880,190.48	6.10%	1,095,747.33	215,556.85
381.10	Meters - ERTs	1,563,533	4.90%	76,613.12	6.10%	95,375.51	18,762.40
382.00	Meter Installations	7,167,574	4.50%	322,540.83	3.57%	256,000.00	(66,540.83)
382.10	Meter Install - ERTs	4,694,678	6.70%	314,543.43	3.10%	145,535.02	(169,008.41)
383.00	House Regulators	5,884,588	4.90%	288,344.81	3.00%	176,537.64	(111,807.17)
384.00	House Regulator Installations	2,308,977	3.10%	71,578.29	3.20%	73,887.26	2,308.98
385.00	Industrial M&R Station Equipment	3,045,476	3.30%	100,500.71	1.48%	45,185.19	(55,315.52)
387.00	Other Equipment	836,929	3.30%	27,618.66	3.00%	25,107.87	(2,510.79)
	Total Distribution	387,809,108.00	3.55%	13,785,400.63	2.74%	10,627,335.73	(3,158,064.89)
<b>GENERAL PLANT</b>							
390.00	Structures & Improvements	8,410,477	2.60%	218,672.40	2.50%	210,261.93	(8,410.48)
391.00	Office Furniture	643,793	7.70%	49,572.06	6.70%	43,134.13	(6,437.93)
391.10	Software Non-Enterprise	666,469	8.30%	55,316.93	10.00%	66,646.90	11,329.97
391.11	Computer Software	12,946,633	9.10%	1,178,143.60	8.30%	1,074,570.54	(103,573.06)
391.12	Computer Hardware	668,003	8.30%	55,444.25	20.00%	133,600.60	78,156.35
391.50	Individual Equipment	329,067	8.30%	27,312.56	20.00%	65,813.40	38,500.84
392.00	Transportation Equipment	1,004,480	11.50%	115,515.20	8.40%	84,376.32	(31,138.88)
392.10	Trans Equip - Autos & Lt Trucks	735,170	11.50%	-	11.00%	-	-
392.20	Trans Equip - Service Trucks	2,644,382	11.50%	304,103.93	12.10%	319,970.22	15,866.29
392.30	Trans Equip - Heavy Trucks	346,280	11.50%	39,822.20	4.90%	16,967.72	(22,854.48)
393.00	Stores Equipment	-	6.20%	-	4.00%	-	-
394.00	Tools, Shop, & Garage Equipment	629,180	7.20%	45,300.96	6.70%	42,155.06	(3,145.90)
394.10	Natural Gas Vehicle Equipment	3,661,963	5.00%	183,098.15	4.70%	172,112.26	(10,985.89)
395.00	Laboratory Equipment	-	4.00%	-	5.00%	-	-
396.00	Power Operated Equipment	205,266	8.30%	17,037.08	6.50%	13,342.29	(3,694.79)
397.00	Communication Equipment	555,748	8.30%	46,127.08	8.30%	46,127.08	-
398.00	Miscellaneous Equipment	254,530	7.50%	19,089.75	5.00%	12,726.50	(6,363.25)
	General Plant Amortization True Up					284,453.60	284,453.60
	Total General	33,701,441.00	6.99%	2,354,556.16	7.67%	2,586,258.55	231,702.40
	TOTAL DEPRECIATED PLANT	\$ 425,395,164.00	3.79%	\$ 16,139,956.78	3.12%	\$ 13,291,286.58	\$ (2,848,670.20)

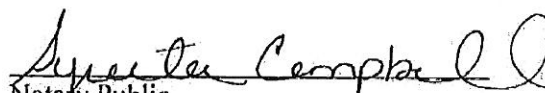
**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

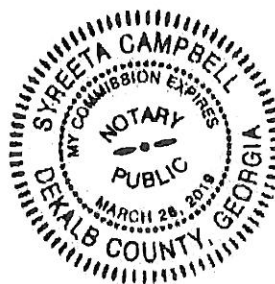
I hereby certify that on this 16<sup>th</sup> day of March, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared GREGORY BECKER, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 7, 8, 9, 10, 11 from STAFF'S FIRST DATA REQUEST TO FLORIDA CITY GAS (NOS. 1 - 22) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 16<sup>th</sup> day of March, 2018.

  
Notary Public  
State of Georgia, at Large

My Commission Expires:

March 26, 2019




**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

I hereby certify that on this 16<sup>th</sup> day of March, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared STEVE WASSELL, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 5, 6 from STAFF'S FIRST DATA REQUEST TO FLORIDA CITY GAS (NOS. 1 - 22) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 16<sup>th</sup> day of March, 2018.

  
Notary Public  
State of Georgia, at Large

My Commission Expires:

March 26, 2019




**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

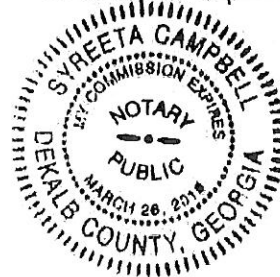
I hereby certify that on this 16<sup>th</sup> day of March, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared DANIEL NIKOLICH, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 4, 13, 14, 15, 16, 20, 21 from STAFF'S FIRST DATA REQUEST TO FLORIDA CITY GAS (NOS. 1 - 22) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 16<sup>th</sup> day of March, 2018.

  
Notary Public  
State of Georgia, at Large

My Commission Expires:

March 26, 2019




**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

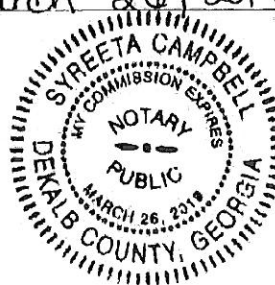
I hereby certify that on this 16<sup>th</sup> day of March, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared MICHAEL MORLEY, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 1, 3, 17, 18, 19, 22 from STAFF'S FIRST DATA REQUEST TO FLORIDA CITY GAS (NOS. 1 - 22) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 16<sup>th</sup> day of March, 2018.

  
Notary Public  
State of Georgia, at Large

My Commission Expires:

March 26, 2019






**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

I hereby certify that on this 16<sup>th</sup> day of March, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared CAROLYN BERMUDEZ, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 2, 12 from STAFF'S FIRST DATA REQUEST TO FLORIDA CITY GAS (NOS. 1 - 22) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 16<sup>th</sup> day of March, 2018.

  
Notary Public  
State of Georgia, at Large

My Commission Expires:

March 26, 2019



## FCG Responses to Staff's Second Data Requests on Stipulation and Settlement

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 115  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Morley



March 20, 2018

**Electronic Filing**

Ms. Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: DOCKET NO. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas.**

Dear Ms. Stauffer:

Attached for filing, please find Florida City Gas's Responses to Commission Staff's Second Data Request to the Company.

As always, please don't hesitate to let me know if you have any questions. Thank you for your assistance with this filing.

Kind regards,

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

cc:/ (Service List)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida City Gas.

DOCKET NO. 20170179-GU

DATED: March 20, 2018

FLORIDA CITY GAS'S RESPONSES TO STAFF'S SECOND DATA REQUESTS  
ON STIPULATION AND SETTLEMENT

Florida City Gas's (FCG) responses to Staff's Second Set of Data Requests are as follows:

1. On page 4, paragraph 3, of the proposed Settlement Agreement, it states; "The Parties further agree that the Company shall be allowed to increase its base rates and charges in an amount sufficient to recover the additional revenue requirement of \$3.8 million on the completed liquefied natural gas ("LNG") facility described in Section IV of this 2018 Agreement by the end of 2019, or upon the in-service date of the LNG facility, whichever is later."
  - a. Is the \$3.8 million of additional revenue requirement directly and solely attributable to the LNG facility?
  - b. If the \$3.8 million of additional revenue requirement is not directly and solely attributable to the LNG facility, what other factors are intended to be recovered by the additional \$3.8 million of revenue requirement? Please provide a detailed breakdown.

FCG Response:

- a. Yes. The \$3.8 million of additional revenue requirement is directly and solely attributable to the LNG facility.
- b. See the Company's response to A.

*Respondent: Mike Morley*

**CERTIFICATE OF SERVICE**

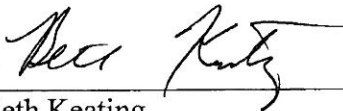
I hereby certify that a true and correct copy of the foregoing filing has been served by  
Hand Delivery and/or Electronic Mail this 20th day of March, 2018, upon the following:

Virginia Ponder  
Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison St., Rm 812  
Tallahassee, FL 32399-1400

Walter Trierweiler  
Danijela Janjic  
Florida Public Service Commission  
General Counsel's Office  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

A.J. Unsicker/L.L. Zieman/N.A. Cepak/R.K. Moore  
c/o AFLOA/JACE-ULFSC  
139 Barnes Drive, Suite 1  
Tyndall AFB FL 32403  
(850) 283-6347  
andrew.unsicker@us.af.mil  
ULFSC.Tyndall@US.AF.MIL  
lanny.zieman.1@us.af.mil  
natalie.cepak.2@us.af.mil  
ryan.moore.5@us.af.mil  
Andrew.Jernigan.3@us.af.mil  
ebony.payton.ctr@us.af.mil

By: \_\_\_\_\_

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

**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

I hereby certify that on this 19<sup>th</sup> day of March, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared MICHAEL MORLEY, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 1 from STAFF'S SECOND SET OF DATA REQUEST TO FLORIDA CITY GAS (NOS. 1) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 19<sup>th</sup> day of March, 2018.

  
Notary Public  
State of Georgia, at Large

My Commission Expires:

March 26, 2019



116

## FCG Responses to Staff's Third Data Requests on Stipulation and Settlement

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 116  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: FCG Responses to Staff's  
Third Data Requests on Stipulation and



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

FILED 3/21/2018  
DOCUMENT NO. 02457-2018  
FPSC - COMMISSION CLERK

Writer's Direct Dial Number: (850) 521-1706  
Writer's E-Mail Address: bkeating@gunster.com

March 21, 2018

**Electronic Filing**

Ms. Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: DOCKET NO. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas.**

Dear Ms. Stauffer:

Attached for filing, please find Florida City Gas's Responses to Commission Staff's Third Data Request to the Company.

As always, please don't hesitate to let me know if you have any questions. Thank you for your assistance with this filing.

Kind regards,

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

cc:/ (Service List)



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida City Gas.

DOCKET NO. 20170179-GU

DATED: March 21, 2018

FLORIDA CITY GAS'S RESPONSES TO STAFF'S THIRD DATA REQUESTS  
ON STIPULATION AND SETTLEMENT

Florida City Gas's (FCG) responses to Staff's Third Set of Data Requests are as follows:

1. Paragraph XII, on page 11, of the proposed Settlement Agreement, states "A storm surcharge in effect without approval of the Commission shall be terminated at the time this 2018 Agreement is terminated pursuant to Section VII hereof." Please describe a situation in which the Parties envision the Utility having a surcharge that has not been approved by the Commission.

FCG Response:

The Company does not anticipate or envision a situation in which a storm surcharge would be in effect without Commission approval. The language referenced in the data request addresses the unlikely, converse situation that could otherwise be left unclear as a result of the preceding sentence in the Settlement Agreement, which specifically addresses what would happen to a Commission-approved storm surcharge in the event that the Settlement is terminated. This language is identical to language in the Settlement and Stipulation approved in TECO's 2017 rate case by Order No. PSC-2017-0456-S-EI.

*Respondent: Carolyn Bermudez*

**CERTIFICATE OF SERVICE**


I hereby certify that a true and correct copy of the foregoing filing has been served by  
Hand Delivery and/or Electronic Mail this 21st day of March, 2018, upon the following:

Virginia Ponder  
Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison St., Rm 812  
Tallahassee, FL 32399-1400

Walter Trierweiler  
Danijela Janjic  
Florida Public Service Commission  
General Counsel's Office  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

A.J. Unsicker/L.L. Zieman/N.A. Cepak/R.K. Moore  
c/o AFLOA/JACE-ULFSC  
139 Barnes Drive, Suite 1  
Tyndall AFB FL 32403  
(850) 283-6347  
andrew.unsicker@us.af.mil  
ULFSC.Tyndall@US.AF.MIL  
lanny.zieman.1@us.af.mil  
natalie.cepak.2@us.af.mil  
ryan.moore.5@us.af.mil  
Andrew.Jernigan.3@us.af.mil  
ebony.payton.ctr@us.af.mil

By: \_\_\_\_\_



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

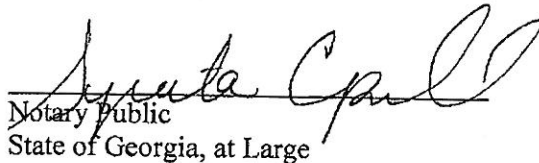
**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

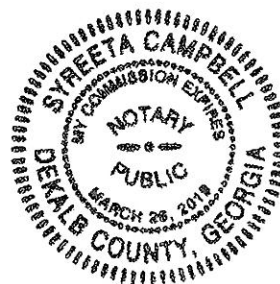
I hereby certify that on this 21<sup>st</sup> day of March, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared CAROLYN BERMUDEZ, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 1 from STAFF'S THIRD DATA RREQUEST TO FLORIDA CITY GAS (NOS. 1) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 21<sup>st</sup> day of March, 2018.

  
Notary Public  
State of Georgia, at Large

My Commission Expires:

March 26, 2019



117

FCG Responses to Staff 's 5<sup>th</sup> Interrogatories ,  
Nos. 73, 74, and 78

**(See additional files contained on Staff  
Hearing Exhibit CD/USB for No. 78)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 117  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Matt Kim

Interrogatory No. 73

73. Please refer to page 19, lines 24-25 and page 20, lines 1-5 of witness Kim's direct testimony.

a. Please explain how storm related costs were financed in the years prior to Hurricanes Matthew and Irma.

b. Please explain why the Utility believes this is no longer appropriate for storm related costs.

c. Please explain what, if any, storm-related insurance the Utility has had for the years 2006 through 2017.

**FCG RESPONSE:**

a. FCG did not specifically tracked storm costs prior to Hurricane Matthew; however, any storm costs would have been financed in the same manner as explained in the Company's response to Interrogatory No. 72, since the acquisition of FCG by Southern Company Gas (formerly AGL Resources Inc.).

b. The Company's current storm financing as explained in the Company's response to Interrogatory 72 represents an immediate expense to the Company that was not included in the base rates that were set in the Company's previous rate case; therefore, the Company currently has no means to recover expenses incurred due to storms. As such, the Company is asking the Commission to approve a storm reserve in this docket to give the Company a mechanism to recover storm related expenses.

Interrogatory No. 73, cont.

- c. FCG does not have any insurance policy that covers hurricane damages or costs to prepare for hurricane.

***Respondent: Matthew Kim***

Interrogatory No. 74

74. Please refer to page 19, line 25 and page 20, lines 1-4 of witness Kim's direct testimony. Please provide the storm category (i.e. category 2) of Hurricanes Matthew and Irma when they entered FCG's service territory.

**FCG RESPONSE:**

Both Hurricanes Matthew and Irma were Category 4 hurricanes when they entered FCG's service territory.

***Respondent: Matthew Kim***

Interrogatory No. 78

78. Please provide a schedule showing expensed and capitalized costs for storm damage by year and by account name and number for the years 2004 and 2005.

**FCG RESPONSE:**

The Company was not actively tracking storm expenses in 2004 and 2005. The Company did incur \$91,242 of storm related expenses in 2005, but cannot confirm that these are the only storm related expenses for the calendar year since there was no active tracking mechanism. Please see Attachment Staff ROG 78 for a schedule of the \$91,242 of storm related costs, which were all expensed.

***Respondent: Matthew Kim***



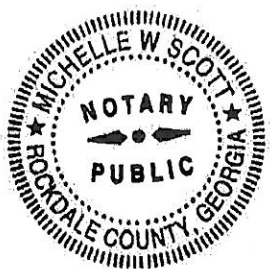
**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

I hereby certify that on this 16<sup>th</sup> day of January, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared MATTHEW KIM, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 72, 73, 74, 75, 76, 77, 78 from STAFF'S FIFTH SET OF INTERROGATORIES TO FLORIDA CITY GAS (NOS. 59-78) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 16th day of January, 2018.



A handwritten signature in black ink, appearing to read "Michelle W. Scott", written over a horizontal line.

Notary Public  
State of Georgia, at Large

My Commission Expires: June 10, 2018

118

FCG Responses to OPC's 6th Set of  
Interrogatories, Nos. 159, 160, and 161

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 118  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Gregory Becker; Carolyn  
Bermudez

b. To the extent the Company's response to (a) above is in the affirmative, please provide forecasted gas supply capability needs by individual transportation customer taking service off of the Company's system.

**FCG Response:** Individual customers were not necessarily identified in the determination of the portion of the transportation customers that do not have daily reads. Instead, their data was calculated by dividing that group's February 2017 actual usage by 28 days. Please see confidential file POD 118 for the forecasted capacity requirements associated with individual transportation service customers currently connected to FCG's system.

***Respondent: Gregory Becker***

159. Confirm or deny. Is it the Company's understanding that transportation customers typically purchase upstream transport capacity from third-party suppliers or marketers?

**FCG Response:** FCG objects to this request to the extent that it seems to seek an admission, but instead of a statement, the Company is asked to confirm or deny a question. As such, the request is improper and vague. The Company also objects to the extent that it asks the Company to testify as to the practices and/or contracts with third parties of its various transportation customers, of which the Company has no direct knowledge. Notwithstanding this objection and without waiving it, the Company states that the practices of transportation customers could differ from customer to customer, but FCG believes that it would be unusual for a transportation customer to buy capacity from a third-party supplier or marketer. FCG's understanding is that the more typical arrangement involves customers signing an agreement allowing the third-party supplier or marketer to purchase gas (the commodity) on their behalf and have that gas delivered to FCG's system for delivery to the customer followed by a billing of some type. In that regard, the customer may or may not be aware that their third-party supplier or marketer has or has not secured firm transportation deliverability rights on the interstate pipeline for delivery to the FCG system. The customer also may not realize that having a third-party supplier or marketer without firm transportation delivery rights to FCG on their behalf subjects them to added supply risk, because without firm transportation delivery rights, the third-party supplier or marketer's ability to deliver natural gas to the FCG system is subject to interruption by the pipeline. If and when that happens, our transportation customer's gas supply needs do not get delivered to the FCG system.

Interrogatory No. 159, cont.

In such instances, the transportation customers will still want and need to consume natural gas, and in fact, will do so, unless and until FCG is able to stop the flow of gas to that transportation customer. The utility does currently hold enough gas supply capability to maintain gas service to these customers, especially if the interruption of secondary deliveries by the pipeline is significant. However, it should be noted that until the Company is able to physically stop the flow of gas to the customer, gas will continue to flow to that customer, in spite of the fact that the customer's gas purchases were not delivered. As such, the transportation customer will be taking gas off FCG's system intended to serve other customers, which will, in turn, reduce system pressure, placing FCG's system and its ability to serve existing sales customers at risk, at least until the flow of gas supply to the customer whose supply did not arrive at FCG's system is shut off and pressure on the system is restored.

***Respondent: Gregory Becker***

Interrogatory No. 160

160. Confirm or deny. It is the Company's position that it must maintain contracted transportation capacity and other system supply capabilities to satisfy the requirements of transportation customers, regardless whether or not the customer has purchased firm transmission capacity requirements from third-party suppliers.

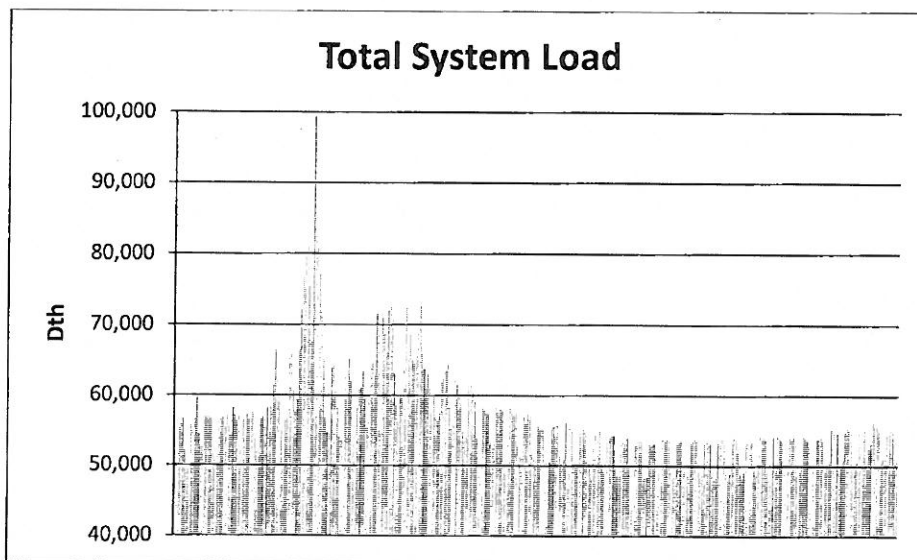
**FCG Response:** FCG can neither confirm nor deny the above statement as it improperly assumes knowledge of facts of which the Company has no direct knowledge and which are otherwise in conflict with the Company's general understanding of the arrangements between its transportation service customers and third-party marketers. The Company is unable to verify that any of the third-party suppliers or marketers have firm transportation capacity on the interstate pipeline with firm delivery points on the FCG system in their name or that they have, and do as a matter of regular practice, transferred such capacity to transportation service customers. To the best of the Company's knowledge, third-party marketers supplying gas to customers on FCG's system secure secondary capacity to satisfy the gas supply needs of our Transportation customers. FCG believes it is unlikely, but possible, that one of FCG's Transportation customers would have purchased firm transportation capacity with firm delivery rights to the FCG system. Thus, FCG's capacity projections take into consideration the need for capacity to enable the Company to provide back-up service to Essential Use Customers, as well as to address the potential for some transportation service customers to request to return to sale service with the Company.

Specifically, it is FCG's understanding that most of the existing firm pipeline capacity is held by the Florida's electric utilities and local distribution companies through historic long-term contracts. It is also FCG's understanding that the interstate pipelines serving Florida

Interrogatory No. 160, cont.

are currently fully leveraged; thus, it is not clear to FCG how marketers serving new customers and sales customers moving to transportation obtain firm capacity to serve their transportation customers. Currently, FCG does not release any capacity to transportation customers or marketers.

Furthermore, the capacity that Florida City Gas currently holds on the interstate pipeline today is less expensive than the incremental capacity that can be made available through added expansion projects. Much of the load on the FCG system is heat sensitive or responsive to cold weather. Thus, as it relates to FCG's LNG proposal, a peaking resource is a better fit to meet a load profile that has its highest load days occur infrequently and only last a day or two, maybe three. The figure shown below illustrates how load briefly spikes during cold weather events.



By contrast, firm transportation on the interstate pipelines is a durational gas supply resource. The proposed firm transportation capacity that the Company is working to

secure better fits a different segment of the load on the system. Since this capacity is available year round at the same level of supply capability (20,000 Dth/d every day of the year) it would be better suited for commercial customers whose demand for natural gas is stable and doesn't have much response to variation in weather. The Transportation customers on the system, in aggregate, tend to exhibit this type of consumption. The aggregate load of all of FCG's customers indicates a need for a peaking supply resource, as well as additional durational (pipeline) gas supply resources.

The practice of holding Firm Transportation (FT) capacity on an interstate pipeline, a durational supply resource, paying for its reservation charges year round for an amount of capacity that is critically important to meet a design day load event is, in the long run, more expensive than developing a gas supply resource like an LNG peaking facility. The FT capacity is bought and paid for to be available 365 days per year, every year, for a minimum 25-year initial term on the capacity. In that time, there may or may not be a design day weather event. All the while, the utility's customers will have paid the interstate pipeline for gas supply capability that would be available 365 days per year when the gas supply capability of that resource is really only needed on a handful of days in a year during a design day weather event.

***Respondent: Gregory Becker***



161. For the purposes of this request, please refer to the Direct Testimony of Gregory Becker, page 13 line 24, to page 14 line 5, where he states:

There is no provision in FCG's tariff that precludes a Transportation customer from becoming a Sales customer, and they would be able to do so by providing very little notice to FCG. FCG is obligated to accept them as a Sales customer shortly after they request it. As such, the utility needs to position its gas supply portfolio to meet the gas supply needs of all its customers on a firm basis to facilitate the growth that is being forecasted.

Please provide a detailed narrative describing the notice that must be provided by transportation service customers to the Company before becoming sales customers. Include with your response complete references to all tariff provisions, Commission rules, or other authoritative documents supporting your response.

**FCG Response:** Currently, there is no notice requirement in the Company's tariff that would require a transportation customer to provide notice prior to requesting to switch to sales service. The Company's tariff at Original Sheet No. 18, at 12.a, provides that a transportation customer cannot terminate service on less than 90-days' notice, but this applies only when the customer is leaving the system entirely. Current transportation customers are physically connected to the FCG distribution system and can physically take delivery of natural gas immediately. From a practical perspective, they can continue to take natural gas service even on a day or days when their third party supplier or marketer does not deliver the natural gas supply needed to support their consumption, even though this is contrary to FCG's tariff at Original Sheet No. 18, at 12e, which provides that the Company "may, in its sole discretion" provide such replacement gas. The natural gas pipeline system is not designed in a way that allows utilities to immediately disconnect a customer to prevent the use of natural gas without dispatching resources out to physically turn off the meter. As such, there is no practical

Interrogatory No. 161, cont.

barrier preventing these customers from pulling gas from the FCG system. For a customer seeking to transition to sales service, the Company would have a renewed opportunity to review its ability to serve the incremental load as a sales customer. While transitioning any one average customer from Transportation to Sales service would, in most instances, not present a meaningful challenge, if a number of transportation customers elect to become sales customers after their Marketer or Third Party Supplier fails to deliver their needed gas supply, or a particularly large Transport customer were to ask to transition back to sales service, then the Company may have to find incremental gas supply resources to meet the need before being in a position to fully support that customer as a sales service customer. The process of securing incremental gas supply capability can take anywhere from a couple of months in the best case scenario to several years of lead time. It all depends on how much added gas supply is needed, where on the FCG system it is needed, and what options are available to the Company to meet that need. This, along with the fact that there is no notice requirement, means that, for FCG, failure to hold additional capacity could jeopardize the integrity of FCG's system in situations where capacity for transportation customers does not materialize, which would impair FCG's ability to provide "sufficient, adequate, and efficient" service to its customers, as required by Section 366.03, F.S.. The result, at a minimum, could place the Company in apparent violation of Rules 25-7.048 (Continuity of Service) and 25-7.089 (Refusal or Discontinuance of Service by Utility). At the maximum, it could result FCG's inability to provide gas service to other customers, including sales customers, on its system, and impact critical facilities such as hospitals, nursing homes, and water treatment facilities.

Interrogatory No. 161, cont.

This risk to the Company's system is exacerbated by the fact that, over the last 10 years, FCG has seen the use of natural gas significantly increase due to abundant supply and cost stability. For FCG, and to the best of FCG's knowledge, the Florida gas industry as a whole, this was a largely unanticipated event that resulted in the current situation wherein there are simply not enough pipelines to get this abundant supply to market and insufficient regulations to ensure customers receive reliable service.

FCG is seeing more and more businesses convert to natural gas because gas is environmentally clean and more cost effective compared to other fuel options. Additionally, more residential customers are demanding access to natural gas as a cooking preference and for generator back-up power during hurricanes. Ultimately, FCG foresees a natural gas supply shortfall in South Florida that could impact the reliability of our system serving all customers. Thus, again, FCG is pursuing a two-pronged approach to secure additional capacity as is "... reasonably necessary to promote the convenience and welfare of the public. . . ." Section 366.05(1)(a), F.S.

***Respondent: Carolyn Bermudez***

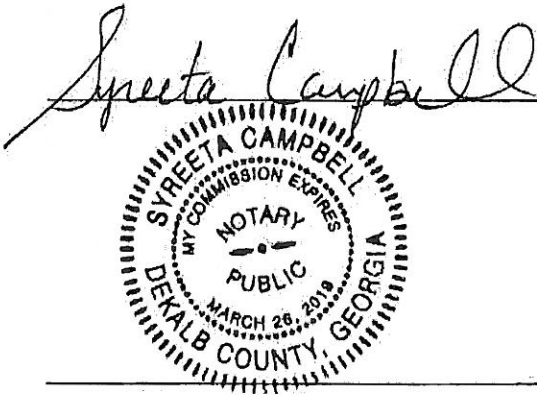
**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF DEKALB

I hereby certify that on this 8<sup>th</sup> day of January, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared CAROLYN BERMUDEZ, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 156(b), 157, 161 from in CITIZENS SIXTH SET OF INTERROGATORIES TO FLORIDA CITY GAS (NOS. 155 - 161) in Docket No. 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 8<sup>th</sup> day of January, 2018.



Notary Public  
State of Georgia, at Large

My Commission Expires: March 26, 2019

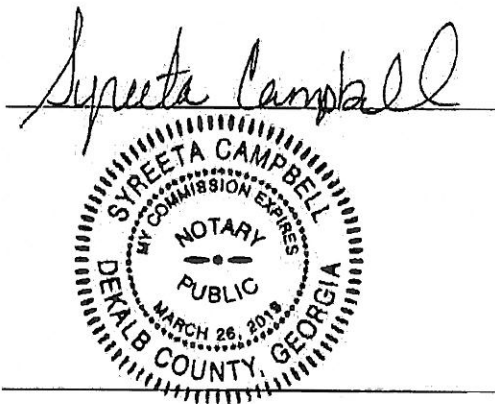
**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF DEKALB

I hereby certify that on this 8<sup>th</sup> day of January, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared GREGORY BECKER, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 156(a), 158, 159, 160 from in CITIZENS SIXTH SET OF INTERROGATORIES TO FLORIDA CITY GAS (NOS. 155 - 161) in Docket No. 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 8<sup>th</sup> day of January, 2018.



Notary Public  
State of Georgia, at Large

My Commission Expires: March 26, 2019

FCG Response and Supplemental Response to  
OPC 8<sup>th</sup> Set of Interrogatories, No. 175

**(See additional files contained on Staff  
Hearing Exhibit CD/USB for No. 175)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 119  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Mike Morley

175. 2018 Tax Reform Law. The Tax Cuts and Jobs Act, which is now law, reduces the corporate tax rate to 21% among many changes to the corporate tax law. Please prepare and provide all changes necessary to the minimum filing requirements filed by the company to incorporate the new tax law for the 2018 projected test year. Please also submit all calculations in hard copy and in excel format.

**FCG Response:**

The Company is providing the following attachments below related to the 2018 Tax Reform Law changes as well as corrections previously identified in our OPC data requests. In the attached hardcopies (PDFs) the changes identified have been marked in yellow. The electronic filing of the schedules identified contains the same information but is the entire live (working) model with the supporting workpapers. Please note, the Company has included within the first two (2) tabs of the IND-G-18-Errata workbook a summary schedule of various impacts of the changes to the revenue requirement as well as detailed comparison for the operating income and rate base.

1. IND-G 1-18\_Errata – Projected Test Year Schedules
2. SCHA 1-6\_Errata – Comparison of Last Rate Case to Projected Test Year Schedules

The Company will provide the required updates to MFR Schedules MFRs H 1, 2 and 3 and Schedules E 2, and 6 on or before January 31.

***Respondent: Mike Morley***

**INTERROGATORIES**

175. 2018 Tax Reform Law. The Tax Cuts and Jobs Act, which is now law, reduces the corporate tax rate to 21% among many changes to the corporate tax law. Please prepare and provide all changes necessary to the minimum filing requirements filed by the company to incorporate the new tax law for the 2018 projected test year. Please also submit all calculations in hard copy and in excel format.

**Company Response:**

The Company is providing the following attachments below related to the 2018 Tax Reform Law changes as well as corrections previously identified in our OPC data requests. In the attached hardcopies (PDFs) the changes identified have been marked in yellow. The electronic filing of the schedules identified contains the same information but is the entire live (working) model with the supporting workpapers. Please note, the Company has included within the first two (2) tabs of the IND-G-18- \_Errata workbook a summary schedule of various impacts of the changes to the revenue requirement as well as detailed comparison for the operating income and rate base.

1. IND-G 1-18 \_Errata – Projected Test Year Schedules
2. SCHA 1-6 \_Errata – Comparison of Last Rate Case to Projected Test Year Schedules

The Company will provide the required updates to MFR Schedules MFRs H 1, 2 and 3 and Schedules E 2, and 6 on or before January 31.



**Supplemental Response:**

FCG generally objects to preparing and providing "all changes," and in particular to preparing and providing updated tariff calculations when such information is contained in the schedules provided to OPC. Such request to provide and produce all such changes is unnecessarily broad, and would impose an undue burden and cost upon FCG in order to comply. Without waiving this objection, FCG is providing revisions to MFR Schedules H-1, H-2, and H-3, and MFR Schedules E-1 thru E-8.

***Respondent: Mike Morley***


**AFFIDAVIT**

STATE OF GEORGIA

COUNTY OF FULTON

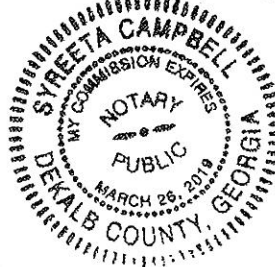
I hereby certify that on this 29th day of January, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared MICHAEL MORLEY, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 172 - 181 from in CITIZENS EIGHTH SET OF INTERROGATORIES TO FLORIDA CITY GAS (NOS. 172-181) in Docket No. 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 29th day of January, 2018.

  
Notary Public  
State of Georgia, at Large

My Commission Expires:

March 26, 2019



120

FCG Response to Staff's 15<sup>th</sup> Set of  
Interrogatories, No. 183

**(See additional files contained on Staff  
Hearing Exhibit CD/USB for No. 183)**

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 120  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Mike Morley

Interrogatory No. 183

183. Please refer to FCG's response to OPC's Eighth Interrogatory No. 176, Attachment 8-176.6. In the Excel Spreadsheets, FCG lists titles in several columns as "After Gross-up", "Before Gross-Up", and "Gross-Up Amount."
- a. Please explain what is being grossed-up and the reason for the "gross-up."
  - b. Please provide calculations showing how the amounts were derived.
  - c. Please explain how the amounts were calculated.

**FCG Response:**

- a. The amount of the excess deferred tax liability ("EDIT") is being grossed up. The amount is being grossed up to reflect on the balance sheet the total amount of the regulatory liability that will be passed on to customers. For the amount of the gross-up, there is an offsetting deferred tax asset amount included in the total balance of accumulated deferred income taxes. This deferred tax asset represents the future tax benefit of the EDIT amount flowed back to customers.
- b. Please refer to attachment Staff ROG 15-183.
- c. Please refer to attachment Staff ROG 15-183.

***Respondent: Mike Morley***


**AFFIDAVIT**

STATE OF GEORGIA

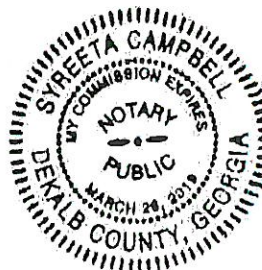
COUNTY OF FULTON

I hereby certify that on this 5<sup>th</sup> day of March, 2018, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared MICHAEL MORLEY, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 181, 182, 183, 184, 185, 186 from STAFF'S FIFTEENTH SET OF INTERROGATORIES TO FLORIDA CITY GAS (NOS. 181-186) in Docket No(s). 20170179-GU, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 5<sup>th</sup> day of March, 2018.

  
Notary Public  
State of Georgia, at Large

My Commission Expires:  
March 26, 2019



121

Letter dated 3/22/18, with attached updated natural gas tariff, in clean and legislative formats, reflecting rates and terms of stipulation and settlement submitted previously, by FCG, OPC, and FEA

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET: 20170179-GU EXHIBIT: 121  
PARTY: STAFF HEARING EXHIBITS  
DESCRIPTION: Letter dated 3/22/18, with  
attached updated natural gas tariff, in clean



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

FILED 3/23/2018  
DOCUMENT NO. 02486-2018  
FPSC - COMMISSION CLERK

Writer's Direct Dial Number: (850) 521-1706  
Writer's E-Mail Address: bkeating@gunster.com

March 22, 2018

**Electronic Filing**

Ms. Carlotta Stauffer, Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: DOCKET NO. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas.**

Dear Ms. Stauffer:

Attached for filing, please find Florida City Gas's updated Natural Gas Tariff, in clean and legislative format, reflecting the rates and terms of the Stipulation and Settlement submitted on March 12, 2018, by FCG, the Office of Public Counsel, and the Federal Executive Agencies.

As always, please don't hesitate to let me know if you have any questions. Thank you for your assistance with this filing.

Kind regards,

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

cc:/ (Service List)

**FLORIDA CITY GAS**  
**FPSC NATURAL GAS TARIFF**  
**VOLUME NO. 9**

**Effective with meter readings on and after  
June 1, 2018**



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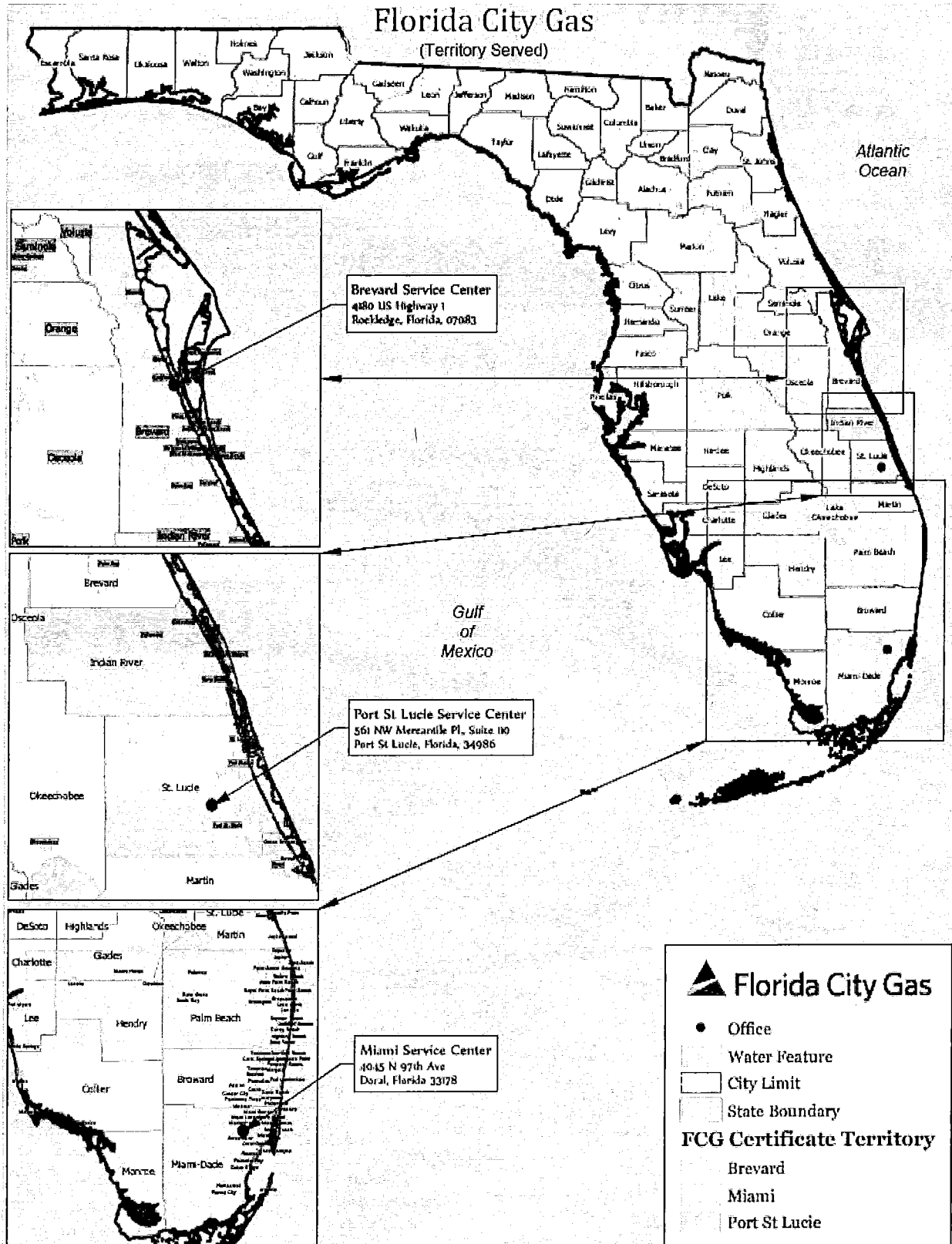
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FLORIDA CITY GAS  
NATURAL GAS TARIFF  
ORIGINAL VOLUME NO. 9  
AS FILED WITH THE  
FLORIDA PUBLIC SERVICE COMMISSION

Territory Served

Miami-Dade, Broward, St. Lucie, Indian River,  
Brevard, Palm Beach, Hendry, Lee, Glades,  
Charlotte, Collier, and Martin Counties, Florida;  
other than those areas presently served by other  
natural gas companies.

(See map on following page)



LIST OF COMMUNITIES SERVED

Municipalities

Unincorporated  
Communities

**Brevard County:**

\*Cape Canaveral  
\*Cocoa  
\*Cocoa Beach  
Indialantic  
\*Indian Harbour Beach  
Malabar  
\*Melbourne  
Melbourne Beach  
Melbourne Village  
Mims  
\*Palm Bay  
Palm Shores  
\*Rockledge  
\*Satellite Beach  
\*Titusville  
\*West Melbourne

Merritt Island  
Whispering Hills

**Miami-Dade County:**

\*Coral Gables  
Cutler Ridge  
Doral  
Florida City  
\*Hialeah  
\*Hialeah Gardens  
\*Homestead  
\*Medley  
\*Miami  
Miami Lakes  
\*Miami Springs  
\*Miami North (Breezeswept only)  
\*North Miami Beach (Skylake only)  
\*Opa Locka  
Palmetto Bay  
\*South Miami  
\*Sweetwater  
\*Village of Pinecrest  
\*Virginia Gardens  
\*West Miami

Carol City

Cutler Ridge  
Howard

Norland

Palm Springs  
Pennsuco  
Perrine  
Westchester

\*Franchise held by Florida City Gas

LIST OF COMMUNITIES SERVED  
(Continued)

Municipalities

Unincorporated  
Communities

**Broward County:**

Hallandale  
Hollywood  
Miami Gardens  
\*Miramar  
Parkland  
Pembroke Park  
Pembroke Pines  
West Park

Lake Forest

West Hollywood

**Hendry County**

Clewiston

**Indian River County:**

Fellsmere  
Indian River Shores  
Orchid  
Sebastian  
\*Vero Beach

**Palm Beach County:**

\*Belle Glade  
Pahokee  
Royal Palm Beach  
South Bay  
West Palm Beach

**St. Lucie County:**

\*Port St. Lucie

**Charlotte County**

**Collier County**

**Glades County**

**Lee County**

**Martin County**

\*Franchise held by Florida City Gas

## TECHNICAL TERMS AND ABBREVIATIONS

### Alternate Fuel

A fuel which provides an equivalent amount of energy computed on a "BTU" basis. It is not limited to any specified source of energy. Alternate fuel may include natural gas and, in the Company's opinion, any viable economic alternatives.

### British Thermal Unit (BTU)

The quantity of heat required to raise the temperature of one pound of water one degree Fahrenheit at or near 39.2 degrees Fahrenheit.

### Commission or PSC

Unless otherwise indicated means the Florida Public Service Commission.

### Company

Florida City Gas ("City Gas").

### Customer

A person or entity who takes service from the Company under a Rate Schedule.

### Essential Use

Consistent with "Priority 1 Use" as defined in Florida Gas Transmission's tariff.

### Margin Revenue

Revenue derived from applying undiscounted rates from billing Customer Charges, Demand Charges and Distribution Charges to a Customer.

### Non-Residential Customers

Those Customers who are not Residential.

### Residential Customers

All those Customers using gas service for domestic purposes, for use in single family dwellings, in separately metered housing units, or for use in commonly owned areas of condominium associations, cooperative apartments, and homeowner associations for non commercial uses.

### Sales Service or Sales Customer

Customers receiving gas supply from the Company.

### Therm

A unit of heating energy equivalent to one hundred thousand (100,000) British thermal units.

### Transportation Service or Transportation Customer

Customers receiving gas supply from a Third Party Supplier.



## RULES AND REGULATIONS

### 1. GENERAL

These Rules and Regulations of the Company shall supplement the Rules and Regulations of the Florida Public Service Commission governing service by gas public utilities. Where contradiction is developed as between interpretation of the Company's Rules and Regulations and the Commission's Rules and Regulations, the latter shall be deemed to override the former.

The Company shall furnish service to applicants under the filed rates and in accordance with these Rules and Regulations.

### 2. DEPOSITS TO GUARANTEE PAYMENT OF BILLS

For an existing account or premise, the Company requires an initial deposit of two (2) times the actual average monthly bill calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit is sought, dividing this total by 12, and multiplying the result by 2. If the account or premise has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2. For a new service or premise request, the total deposit may not exceed two (2) months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12 and multiplying the result by 2. Once the new Customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the Customer paying any additional amount that may be billed by the utility or the utility returning any overcharge. Credit in lieu of a cash deposit may be deemed satisfactorily established if the applicant for service furnishes a satisfactory guarantor, an irrevocable letter of credit from a bank, or a satisfactory surety bond to secure payment of bills.

Interest will be paid by the Company on Customer deposits at the rate of 2 percent per annum. The Company will pay interest on Non-Residential Customer deposits at the rate of 3 percent per annum in cases where the Customer has established a satisfactory payment record and has had continuous service for a period of 23 months as consistent with PSC Rule 25-7.083(6). The Company has the option of refunding deposits after 23 months. The amount of such interest due any Customer shall be credited to the Customer's bill at least annually or upon termination of service, provided the account has been active for at least six months and the deposit has been held for at least that period.

The Company may charge, upon written notice of not less than 30 days, such notice being separate and apart from any bill for service, a new deposit where previously waived or returned, or an additional deposit, in order to secure payment of current bills.

When service is terminated, any balance of the amount deposited and interest accrued will be returned to the Customer; or the deposit may be returned at any time previous thereto at the option of the Company.

RULES AND REGULATIONS (Continued)

2. DEPOSITS TO GUARANTEE PAYMENT OF BILLS (CONTINUED)

Residential deposits will be returned after the Customer has had continuous service for a period of 23 months and has not in the preceding 12 months made more than one late payment of a bill, paid with a check refused by a bank, been disconnected for non-payment, tampered with the gas meter, or used service in a fraudulent or unauthorized manner. In each case where a refund is made the amount of the deposit and interest will be applied against any amount owed by the Customer and the balance refunded. At the option of the Customer, the deposit will be refunded in full after payment of the final bill.

All Commission Rules and Regulations pertaining to Customer deposits (PSC Rule 25-7.083) are incorporated herein by reference and those Commission Rules govern in the event of conflict with Company Rules herein.

3. METERING

The Customer shall provide a suitable location satisfactory to the Company for its metering equipment.

This location shall be convenient and accessible at all times to the Company for its meter readers and other agents. This location shall conform with all local, State and Federal requirements.

The representatives of the Company shall be given access to the premises of the Customer at all reasonable times for obtaining meter readings, for shutting off the flow of gas for reasons herein prescribed, for inspection of piping and appliances, and for inspecting, removing, repairing, or protecting from abuse or fraud any of the property of the Company installed on the premises, and particularly for emergency purposes.

The Company in its sole discretion may install, at its expense, an Automatic Meter Reading ("AMR") device to monitor a Customer's gas consumption. However, when gas is to be delivered at a pressure in excess of the Company's standard gauge pressure or such equipment is required by the Rate Schedule under which the Customer will receive service, the Company shall determine any necessary equipment inclusive of compensating and AMR devices, including devices capable of providing daily readings, to be installed at the Customer's expense. If an AMR device is requested by the Customer, the AMR device and any necessary appurtenances shall be installed at the Customer's expense if the installation is deemed feasible by the Company. When such devices require attachment to telephone and/or electric utilities, the Customer shall provide and pay for suitable connections unless the Company elects to make such connections.

Customer shall not tamper with or remove meters or other equipment or permit access thereto, except by authorized employees or agents of Company.

All equipment furnished by the Company shall remain its property and may be replaced whenever deemed necessary by the Company or as required by the Commission and may be removed by the Company at any time after discontinuance of service. Payments made by the Customer shall not give the Customer ownership of the equipment.

RULES AND REGULATIONS (Continued)

3. METERING (Continued)

The Customer shall be liable to the Company for damage to or loss of meters, connections, or other Company property on their premises due to negligence or carelessness on the part of the Customer, members of their household, their agents, or employees

The gas supplied to any Customer shall be measured at the pressure existing at the meter. Gas supplied at other than the standard delivery pressure of the Company will be corrected to effect meter readings at the standard delivery pressure.

In the event of stoppage or failure of a meter to register the utility shall bill the Customer on an estimate of the gas used for a period not to exceed 12 months based on the Customer's past consumption.

In the case of unauthorized or fraudulent use, or meter tampering the utility shall bill the Customer on an estimate of the gas used, based on the Customer's past consumption or gas equipment at premises whichever is greater.

The Company will select the type and make of metering equipment and may, from time to time, change or alter such equipment. It shall be the obligation of the Company to supply meters that will accurately and adequately furnish records for billing purposes. Bills will be based upon registration of Company meters only.

With the exception of the following, the gas supplied to any Customer, under any of the Company's Rate Schedules, shall not be re-metered or sub-metered for sale either directly or indirectly. Under no conditions will service be rendered under any agreement whereby the Customer or their tenants resell the gas either within or without their premises, nor under conditions by which gas is transmitted outside the premises under contract.

A. Residential Meter Reading

All Residential Customers shall be included in one of the Company's regularly scheduled meter reading cycles with each cycle being read every month through automated meter reading (AMR) devices. The AMR technology allows the Company to read meters remotely; however, if a read is not obtained the Customer's meter readings will be noted as estimated until the Company obtains an actual meter reading.

RULES AND REGULATIONS (Continued)

3. METERING (Continued)

B. Meter Reading Estimates

Where the Company does not, for any reason, read the meter, the Company may estimate the amount of gas supplied based upon past usage, seasonal conditions, and other available information and submit a bill determined on that basis. Such a bill shall be marked as an estimated bill. Adjustment of Customer's estimated usage to actual usage shall be made when an actual reading is next obtained.

C. PSC Rule 25-7.071 Measuring Customer Service

PSC Rule 25-7.071 is included herein:

(1) All gas sold to Customers shall be measured by commercially acceptable measuring devices owned and maintained by the utility, except where it is impractical to meter loads, such as street lighting, temporary or special installations, in which case the consumption may be calculated, or billed on a rate or as provided in the utility's filed tariff.

(2)(a) Individual gas metering by the utility shall be required for each separate occupancy unit of new commercial establishments, Residential buildings, condominiums, cooperatives, marinas, and trailer, mobile home and recreational vehicle parks for which construction is commenced after January 1, 1987. This requirement shall apply whether or not the facility is engaged in a time-sharing plan. Individual meters shall not, however, be required:

i. In those portions of a commercial establishment where the floor space dimensions or physical configuration of the units are subject to alteration, as evidenced by non-structural element partition walls, unless the utility determines that adequate provisions can be made to modify the metering to accurately reflect such alterations;

ii. For gas used in central heating, central water heating ventilating and air conditioning systems, or gas back up service to storage heating and cooling systems;

iii. For gas used in specialized-use housing accommodations such as hospitals, nursing homes, living facilities located on the same premises as, and operated in conjunction with, a nursing home or other health care facility providing at least the same level and types of services as a nursing home, convalescent homes, facilities certificated under Chapter 651, Florida Statutes, college dormitories, convents, sorority houses, fraternity houses, motels, hotels, and similar facilities. For separate, specially-designated areas for overnight occupancy at trailer, mobile home and recreation vehicle parks where permanent residency is not established and for marinas where living aboard is prohibited by ordinance, deed restriction, or other permanent means;

RULES AND REGULATIONS (Continued)

3. METERING (Continued)

iv. In such multiple occupancy units which would require the provision of individual gas service above the second story, unless specifically requested.

(2)(b) For purposes of this Rule:

i. "Occupancy unit" means that portion of any commercial establishment, single and multi-unit Residential building, or trailer, mobile home or recreational vehicle park, or marina which is set apart from the rest of such facility by clearly determinable boundaries as described in the rental, lease or ownership agreement for such unit.

ii. "Time-sharing plan" means any arrangement, plan, scheme, or similar device, whether by membership, agreement, tenancy in common, sale, lease, deed, rental agreement, license, or right-to-use agreement or by any other means, whereby a purchaser, in exchange for consideration, receives a right to use accommodations or facilities, or both, for a specific period of time less than a full year during any given year, but not necessarily for consecutive years, and which extends for a period of more than three years.

iii. The construction of a new commercial establishment, Residential building, marina, or trailer, mobile home or recreational vehicle park shall be deemed to commence on the date when the building structure permit is issued.

iv. The individual metering requirement is waived for any time-sharing facility for which construction was commenced before January 1, 1987 in which separate occupancy units were not metered in accordance with subsection (2)(a).

(3) Where individual metering is not required under Subsection (2)(a)iii and master metering is used in lieu thereof, sub-metering may be used by the Customer of record/owner of such facility solely for the purpose of allocating the cost of the gas billed by the utility. The term "cost" as used herein represents only those charges specifically authorized by the gas utility's tariff including but not limited to the Customer, energy, purchased gas adjustment, and conservation charges made by the gas utility plus applicable taxes and fees to the Customer of record responsible for the master meter payments. The term cannot be construed to include late payment charges, returned check charges, the cost of the distribution system behind the master meter, the cost for billing, and other such costs.

4. PIPING AND APPLIANCES

The piping, fixtures, and appliances for which the Customer is responsible shall be maintained in conformity with all Local, State and Federal requirements.

RULES AND REGULATIONS (Continued)

5. GAS LEAKS

The Customer shall give immediate notice to the Company of leakage of gas. No deduction on account of leakage shall be required to be made from Customer's bills unless such leakage occurs as the result of fault or neglect of agents of the Company. In case of leakage or fire, the stopcock at the meter should be closed without delay and no light or flame used in the vicinity of the leak.

6. CONNECT CHARGE

A charge of \$80.00 for Residential service or \$150.00 for Non-Residential service will be made on the Customer's next bill when gas service is initiated, connected or turned-on. If service is performed, at Customer request, outside of normal business hours the charges shall be \$100.00 for Residential service or \$200.00 for Non-Residential service.

7. RECONNECTION CHARGE

A charge of \$40.00 for Residential service or \$80.00 for Non-Residential service will be made on the Customer's next bill when gas service is reconnected after disconnection for non-payment of bills. If service is performed, at Customer request, outside of normal business hours the charges shall be \$50.00 for Residential service or \$100.00 for Non-Residential service.

8. FAILED TRIP CHARGE

A charge of \$20 for Residential and Non-Residential service will be made on the Customer's next bill when the Customer fails to keep a scheduled appointment with the Company's employee, agent or representative.

9. LATE PAYMENT CHARGE

A bill shall be considered past due upon the expiration of twenty (20) days from the date of mailing or other delivery thereof by Company. The balance of all past due charges for services rendered are subject to a Late Payment Charge of 1.5% or \$5.00 whichever is greater, except that the Late Payment Charge applied to the accounts of federal, state, and local governmental entities, agencies and instrumentalities shall be at a rate no greater than allowed, and in a manner permitted by applicable law.

10. RETURNED CHECKS

The service charge for each returned check shall be determined in accordance with section 68.065, Florida Statutes. Payment of the full amount of the dishonored payment, plus a service charge of \$25 if the face value does not exceed \$50, \$30 if the face value exceeds \$50 but does not exceed \$300, \$40 if the face value exceeds \$300, or 5 percent of the face amount of the dishonored instrument, whichever is greater.

RULES AND REGULATIONS (Continued)

11. OTHER CHARGES

The following charges relating to Customer accounts will apply:

Change of account	\$20.00
Bill collection in lieu of disconnection	\$25.00
(outside of normal business hours)	\$32.00
Meter read outside normal schedule	\$15.00
(outside of normal business hours)	\$22.00

12. Temporary Disconnection of Service – Customer Request

A charge of \$35.00 for Residential and Non-Residential service will be made on the Customer's next bill when the Customer requests a Temporary Disconnection of Service. If service is performed, at Customer request, outside of normal business hours the charges shall be \$45.00 for Residential and Non-Residential service.

13. RIGHT TO SUSPEND OR DISCONTINUE SERVICE TO A CUSTOMER

The Company may temporarily shut off the supply of gas to the Customer's premises after reasonable notice for the purpose of making necessary repairs or adjustments to mains or supply pipes, and reserves the right to shut off the supply of gas without notice in case of emergency. In addition the PSC Rule 25-7.089, Refusal or Discontinuance of Service by Utility, as follows, shall apply:

(1) Until adequate facilities can be provided a utility may refuse to serve an applicant if, in the best judgment of the utility, it does not have adequate facilities or supply of gas to render the service applied for, or if the service is of a character that is likely to affect unfavorably service to other Customer.

(2) If the utility refuses service for any reason specified in this subsection, the utility shall notify the applicant for service as soon as practicable, pursuant to subsection (5), of the reason for refusal of service. If the utility will discontinue service, the utility shall notify the Customer at least 5 working days prior to discontinuance that service will cease unless the deficiency is corrected in compliance with the utility's regulations, resolved through mutual agreement, or successfully disputed by the Customer. The 5-day notice provision does not apply to paragraphs (h), (i) or (j). In all instances involving refusal or discontinuance of service the utility shall advise in its notice that persons dissatisfied with the utility's decision to refuse or discontinue service may register their complaint with the utility's Customer relations personnel and to the Florida Public Service Commission at 1-800-342-3552 which is a toll free number. As applicable, each utility may refuse or discontinue service under the following conditions:

RULES AND REGULATIONS (Continued)

13. RIGHT TO SUSPEND OR DISCONTINUE SERVICE TO A CUSTOMER (Continued)

- (a) For non-compliance with or violation of any State or municipal law or regulation governing gas service.
- (b) For failure or refusal of the Customer to correct any deficiencies or defects in his piping or appliances which are reported to him by the utility.
- (c) For the use of gas for any other property or purpose than that described in the application.
- (d) For failure or refusal to provide adequate space for the meter and service equipment of the utility.
- (e) For failure or refusal to provide the utility with a deposit to insure payment of bills in accordance with the utility's regulations provided that written notice, separate and apart from any bill for service, be given the Customer.
- (f) For neglect or refusal to provide reasonable access to the utility for the purpose of reading meters or inspection and maintenance of equipment owned by the utility provided that written notice, separate and apart from any bill for service, be given the Customer.
- (g) For non-payment of bills or noncompliance with the utility's rules and regulations, and only after there has been a diligent attempt to have the Customer comply, including 5 working days' written notice to the Customer, such notice being separate and apart from any bill for service. For purposes of this subsection, "working day" means any day on which the utility's business office is open and the U.S. Mail is delivered. Upon request of the Customer, the utility shall give a copy of the notice of discontinuance to a designated third party in the service area of the utility. A utility shall not, however, refuse or discontinue service for non-payment of a dishonored check service charge imposed by the utility.
- (h) Without notice in the event of a condition known to the utility to be hazardous.
- (i) Without notice in the event of tampering with regulators, valves, meters or other facilities furnished and owned by the utility.
- (j) Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the utility, before restoring service, may require the Customer to make at his own expense all changes in piping or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the deficiency in revenue resulting from such fraudulent use.



RULES AND REGULATIONS (Continued)

13. RIGHT TO SUSPEND OR DISCONTINUE SERVICE TO A CUSTOMER (Continued)

(3) Service shall be restored when cause for discontinuance has been satisfactorily adjusted.

(4) When service has been discontinued for proper cause, the utility may charge a reasonable fee to defray cost of restoring service provided such charge is set out in its approved tariff on file with the Commission.

(5) In case of refusal to establish service, or whenever service is discontinued, the utility shall notify the applicant or Customer in writing of the reason for such refusal or discontinuance.

(6) If the Company has reasonable evidence that there is or may be a danger from the Customer or any occupant and/or invitee of the Customer's Premises to Company personnel or agents who might be called to said Premises in the course of their duties with the Company, including but not limited to any direct or implied threats against the Company or its personnel or agents from said Customer or occupant and/or invitee.

(7) The following shall not constitute sufficient cause for refusal or discontinuance of service to an applicant or Customer.

(a) Delinquency in payment for service by a previous occupant of the premises unless the current applicant or Customer occupied the premises at the time the delinquency occurred and the previous Customer continues to occupy the premises and such previous Customer will receive benefit from such service.

(b) Failure to pay for appliances purchased from the utility.

(c) Failure to pay for a different type of utility service, such as electricity or water.

(d) Failure to pay for a different class of service.

(e) Failure to pay the bill of another Customer as guarantor thereof.

(f) Failure to pay a dishonored check service charge imposed by the utility.

(8) No utility shall discontinue service to any noncommercial Customer between 12:00 noon on a Friday and 8:00 a.m. the following Monday or between 12:00 noon on the day preceding a holiday and 8:00 a.m. the next working day unless such discontinuance is at the request of the Customer or is necessary in the interest of safety. Holiday as used in this subsection shall mean New Years Day, Memorial Day, July 4, Labor Day, Thanksgiving Day, and Christmas Day.

(9) Each utility shall submit, as a tariff item, a procedure for discontinuance of service when that service is medically essential.

RULES AND REGULATIONS (Continued)

13. RIGHT TO SUSPEND OR DISCONTINUE SERVICE TO A CUSTOMER (Continued)

Failure of Company to exercise its rights to suspend, curtail or discontinue service, for any of the above reasons, shall not be deemed a waiver thereof.

When service has been discontinued for any of the reasons set forth in the Tariff, the Company shall not be required to restore service until the Customer has paid the applicable charges to the Company required for service restoration.

14. EXTENSION OF FACILITIES

A. Free Extensions of Mains and Services: The maximum capital investment required to be made by the Company for main and service facilities without cost to the Customer shall be defined as the Maximum Allowable Construction Cost ("MACC"). The MACC shall equal six times the annual Margin Revenues estimated to be derived from the facilities. However, Customers initially served under the Residential Standby Generator Service ("RSG") and Commercial Standby Generator Service ("CSG") Rate Schedules shall not be eligible for extension allowances, even if additional load is added at a later date, but such Customers may be eligible to receive refunds of amounts paid to the Company for extensions under B.(2) below.

B. Extensions of Mains and Services Above Free Limit: When the cost of the extension required to provide service is greater than the free limit specified above, the Company may require a non-interest bearing advance in Aid to Construction ("ATC") equal to the cost in excess of such free limit provided that:

(1) At the end of the first year following construction, the Company shall refund to the person paying the ATC or their assigns an amount equal to the excess, if any, of the MACC as recalculated using actual gas revenues, less the actual cost of gas, over the estimated MACC used to determine the amount of the ATC.

(2) For each additional Customer taking service at any point on the extension within a period of five (5) years from date of construction, the Company shall refund to the person paying the ATC or their assigns an amount by which the MACC for the new Customer exceeds the cost of connecting the Customer, provided that an additional main extension shall have not been necessary to serve the additional Customer.

(3) The aggregate refund to any Customer made through the provisions of (a) and (b) above shall at no time exceed the original ATC of such Customer.

(4) The extension shall at all times be the property of the Company and any un-refunded portion of the ATC at the end of five (5) years shall be credited to the plant account of the Company.

(5) The Company may require a commitment by a Customer to take or pay for a minimum volume of gas as deemed appropriate by the Company given the circumstances of facility cost and/or the service requirements of a particular Customer. In no instance will the minimum volume commitment be set at a level that exceeds the volume amount used to calculate the MACC for the Customer, nor will the volume commitment term exceed six (6) years.

RULES AND REGULATIONS (Continued)

14. EXTENSION OF FACILITIES (Continued)

C. Area Extension Program Charge: Notwithstanding the provisions of Sections A and B when facilities are to be extended to serve single or multiple delivery points in a discrete geographic area, the Company may require an Area Extension Program Charge ("AEP"). The Company, in its sole discretion, may require this charge when:

- (1) The cost of the project facilities required to provide service through the area is greater than the aggregate MACC for the Customers to be served; and
- (2) The Company reasonably forecasts Margin Revenues plus the AEP during the period ending ten years from when the mains required to serve the project facilities are placed in service (the Amortization Period), that are sufficient to recover the cost of the project facilities.

The AEP, which shall be stated on a per therm basis, shall apply with respect to all natural gas sold or transported to Company Customers located within the applicable discrete geographic area during the Amortization Period.

The AEP will be calculated by dividing (1) the amount of additional revenue required in excess of the Company's applicable tariff rates by (2) the volume of gas reasonably forecast to be sold or transported to Customers within the applicable discrete geographic area during the Amortization Period. The additional revenue required is that amount determined necessary to recover the excess cost of the facilities, including the Company's allowed cost of capital.

AEP collected shall be used specifically to amortize the cost of the project facilities within the applicable discrete geographic area that are in excess of the MACC. If the AEP collected is sufficient before the expiration of the Amortization Period to fully amortize the excess costs, including provision for the accumulated cost of capital, the AEP for that area shall terminate immediately, and the Company shall promptly credit the affected Customers for amounts over collected, if any.

Upon the earlier of (1) the third anniversary of the date when the project facilities are placed in service and (2) the date on which 80% of the originally forecast annual load is connected, the Company will reassess the amount of additional revenue required to recover the unamortized excess cost of the facilities and the calculation of the AEP. Further reassessments shall be performed by the Company following the fifth, seventh and ninth anniversary of the date when the project facilities were originally placed in service. The resulting adjustment of the AEP (whether upward or downward) will be applied over the remainder of the Amortization Period.

RULES AND REGULATIONS (Continued)

14. EXTENSION OF FACILITIES (Continued)

The Company may enter into a guaranty agreement with the party or parties requesting the extension, whereby that party or parties agree to pay to the Company any unamortized balance remaining at the end of the Amortization Period. The Company's rights under the guaranty agreement will not be considered when calculating the AEP.

The length of the Amortization Period may be modified upon the specific approval of the Florida Public Service Commission.

D. General

The Company will own control and maintain all service pipes, regulators, vents, meters, meter connections, valves and other appurtenances from the main to the outlet side of the meter.

The extension of facilities provisions shall not require the Company to extend its mains across private property or in streets that are not at established grade; nor prohibit the Company from making extensions of mains of greater length than required herein.

15. TRANSPORTATION - SPECIAL CONDITIONS

A. A Transportation Service Agreement or other means of enrollment accepted by the Company is a condition precedent for Transportation Service under each applicable Rate Schedule, the initial term of which shall be no less than one (1) year and year to year thereafter until terminated by ninety (90) days written notice by either party.

B. The usage charges in the Rate Schedules shall be based upon actual or estimated consumption as determined by the Company, not by Third Party Supplier deliveries.

C. Nominations and Transportation of Gas

The Customer's Third Party Supplier ("TPS") shall nominate on behalf of its Customers the total monthly requirements for that billing month. The TPS is responsible for making arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline supplier. The gas transported under this Rate Schedule is not the property of the Company. However, the Company reserves the right to commingle such gas with other supplies. Moreover, the Company reserves the right to utilize Customer's gas, when necessary, in accordance with its Gas Curtailment Plan.

D. Indemnification

As between Company and Customer, the Customer or its Third Party Supplier warrants that it has clear title to any gas supplies delivered into the Company's system for redelivery to Customer and Customer shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer. Customer agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries of gas on behalf of transporting Customer.

E. Gas Supply Obligation

In the event that Customer's Third Party Supplier fails to deliver gas on behalf of its Customers, the Company may, in its sole discretion, provide replacement gas supplies. The Company shall have no obligation to provide natural gas supplies to Customers that contract for gas supply from a TPS. In the event that a Customer seeks to purchase natural gas supplies from the Company, such sales may be made by the Company in its sole discretion under such terms and conditions as the Company may require.

F. Balancing Receipts and Deliveries

Third Party Suppliers will be billed for all their Customers' balancing and other transportation related charges, as set forth in the TPS Rate Schedule, determined by the Company to be billable to a TPS on behalf of their Customers. If there are any unpaid charges the TPS' Customers shall be individually responsible for any portion attributable to their individual action and/or for their prorata share as follows: The Company will first determine individual Customer charges, if any, and second prorata charges based on allocating the

RULES AND REGULATIONS (Continued)

15. TRANSPORTATION - SPECIAL CONDITIONS (Continued)

F. Balancing Receipts and Deliveries (Continued)

amount of TPS gas received, if any, in the following priority; first to the GS classes being served under ADDQ in the order of increasing annual usage, then to NGV, followed by the remaining GS classes in the order of increasing annual usage, then by KDS and lastly to FGS Customers. Each Customer in a Rate Schedule that does not receive gas supply to meet the entire Rate Schedule requirements will receive a prorata charge based on their percentage of gas consumed, as estimated or measured on the meter reading date following the incurrence of imbalance charges, to the total of their Rate Schedule for the period that charges apply.

G. Transportation Interruption and Curtailment

Company shall have the right to reduce or completely curtail deliveries to Customer as follows:

(1) If, in Company's opinion, Customer will overrun the volume of gas to which it is entitled from its supplier (or overrun the volume of gas being delivered to Company for Customer's account); or

(2) In the event Company is notified by its delivering pipeline pursuant to the Federal Energy Regulatory Commission approved curtailment plans or provision of its tariff to interrupt or curtail deliveries for uses of the same type or category as Customer's use of gas hereunder; or

(3) When necessary to maintain the operational reliability of Company's system.

Company will endeavor to give as much notice as possible to Customer in the event of interruption or curtailment. Any gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered Unauthorized Gas Use

H. Facilities

Company shall not be obligated to, but may, at its sole discretion on a non-discriminatory basis, construct or acquire new facilities, or expand existing facilities, including facilities necessary to provide measurement of volumes and communication of deliveries, in order to perform service requested under each applicable Rate Schedule. If in Company's reasonable judgment it is necessary to construct or acquire new facilities, or to expand existing facilities, to enable Company to receive or deliver Customer's gas at the Points of Receipt and Delivery requested, and Company determines in its sole discretion to construct, acquire, or expand such facilities, then Company shall notify Customer of the estimated costs of such facilities, including electronic measurement equipment, shall, subject to the receipt and acceptance of any necessary regulatory approval, be constructed, acquired or expanded by Company in accordance with the terms of the executed Service Agreement.

RULES AND REGULATIONS (Continued)

15. TRANSPORTATION - SPECIAL CONDITIONS (Continued)

H. Facilities (Continued)

Prior to the initial receipt of service hereunder, unless agreed otherwise, Customer shall reimburse Company in accordance with the terms of the Transportation Service Agreement, for the cost of any facilities which are constructed, acquired, or expanded by Company to receive or deliver Customer's gas.

All facilities required to provide service under each applicable Rate Schedule shall be designed, constructed, installed, operated, and owned by Company, unless otherwise agreed to by Company.

Company's execution of a Transportation Service Agreement under each applicable Rate Schedule may be conditioned on Customer's agreement to pay the total incremental cost of such facilities as specified herein and in the Service Agreement.

I. Designated Pools

This section designates the Pools that have been adopted for the Company's service territory in order to facilitate the operation of the Company's system.

Basic Pools result from the physical characteristics of the Company's system and the location of the delivery points of the interstate pipeline companies.

The Company's service territory is composed of two Primary Pools, each of which is composed of one or more Basic Pools:

- (a) Brevard
- (b) Miami-Dade

J. Allocation, Assignment, of Capacity and Supply Assets

This section sets forth the method and provisions by which the Company will allocate, on an equal access, nondiscriminatory basis, the Company's Interstate Pipeline Capacity to a Third Party Supplier based upon the Average Daily Delivery Quantity ("ADDQ") and Demand Charge Quantity ("DCQ") of the Transportation Customers served by the Third Party Shipper.

The portion of the Company's Interstate Pipeline Capacity not associated with premises served by Third Party Supplier will remain with the Company. The Company will hold the capacity required to service its Customers on a Design Day plus a reserve margin not to be less than 5%. The Company will post on the Electronic Bulletin Board ("EBB") each allocation of the Company's Interstate Pipeline Capacity to a Third Party Supplier for viewing only by such Third Party Shipper. Until the Company has sufficient Interstate Pipeline Capacity to satisfy 100% of its sales and essential use customers throughput, the company may opt to not release capacity to third party suppliers. Once adequate capacity is obtained to meet the sales and essential use customers needs, capacity releases will be prioritized based upon Customer groups. The Company will first release Interstate Pipeline Capacity to service Cycle Read Customers (ADDQ) based upon Third Party Supplier market share.

RULES AND REGULATIONS (Continued)

15. TRANSPORTATION - SPECIAL CONDITIONS (Continued)

The remaining Interstate Capacity will then be released to service Daily Read Customers (DCQ) that are identified as Essential Use based upon Third Party Supplier market share. Any remaining Interstate Pipeline Capacity will then be released to service Daily Read Customers that are not identified as Essential Use based upon Third Party Supplier market share.

Each month the Company will calculate market share for each Third Party Supplier based upon the sum of the ADDQ and DCQ of premises served by each Third Party Supplier. Each month the Company will make capacity allocations to each Third Party Supplier based upon their market share as calculated on the twentieth (20<sup>th</sup>) calendar day of the preceding month. The Company will post on the EBB on the twentieth (20<sup>th</sup>) calendar day of the preceding month, the total Interstate Pipeline Capacity that a Third Party Supplier is allocated for viewing only by such Third Party Shipper.

The rate for Interstate Pipeline Capacity will be the maximum rate stated in the applicable FERC Gas Tariff; provided, however, that if the proper regulatory approvals have been received, the rate for an assigned service will not exceed the rate charged to the Company as of the date of the assignment. Assignments will have a term of one calendar month and will be made and become effective on the first day of such month.

The Company will, when possible, provide firm gas delivery service to Sales Customers who were Transportation Customers. However, if sufficient interstate pipeline capacity is not available, those Customers may not receive firm gas delivery service.

All capacity charges associated with release of Interstate Capacity to Third Party Suppliers will be billed directly to the Third Party Supplier by the pipeline company.

K. Recall of Released Capacity

The Company, at its sole discretion, has the right to recall Interstate Pipeline Capacity from Third Party Suppliers if:

- (a) A determination by the Company, in a Force Majeure event to recall capacity in order to maintain the operational integrity of the system;
- (b) A Third Party Supplier's failure to meet the security requirements of this Tariff or meet its responsibilities as a replacement shipper on the Pipeline;
- (c) A filing of bankruptcy by a Third Party Supplier;
- (d) A Third Party Supplier fails to meet system delivery requirements;
- (e) An order of the State or Federal Commissions where recall would be necessary to comply with Commission orders;
- (f) The Company, for any reason, determines that recall is necessary to maintain the operational integrity of the system



RULES AND REGULATIONS (Continued)

15. TRANSPORTATION - SPECIAL CONDITIONS (Continued)

L. Disposition of Recalled Capacity

Capacity recalled to the above section, shall be re-released as follows:

In the case of Interstate Pipeline Capacity is recalled, the Company will re-release the recalled Interstate Pipeline Capacity to all Third Party Suppliers promptly.

M. Limitations on Released Capacity

The Interstate Pipeline Capacity being released to Third Party Suppliers under the provisions of this tariff was obtained for the purpose of making gas available to Customers in Florida. It is being released to Third Party Suppliers for the same purpose. Accordingly, in addition to any other limitations on the released capacity that may apply, and as a condition for receiving the released capacity, Third Party Suppliers must comply with the following limitations on the use of released capacity.

Any agreement to trade, assign, sell, or otherwise re-release the released capacity shall include the right of FCG to recall the capacity under Section K.

In the event that a Third Party Shipper sells, trades, or otherwise transfers all or part of the Third Party Supplier's Customer base to another Third Party Supplier, it shall also release to the other Third Party Supplier an equal percentage of its released Interstate Pipeline Capacity;

Any agreement to trade, assign, sell, or otherwise re-release the released Interstate Pipeline Capacity shall include the right of Third Party Supplier to recall the capacity if the capacity is necessary to provide service to the Third Party Suppliers' Customers.

16. FORCE MAJEURE

Neither Company, Third Party Supplier, or Customer shall be liable for damages to the other for any act, omission, or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, unforeseeable or unusual weather conditions, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, , or software, line freezups, temporary failure of gas supply, temporary failure of firm transportation arrangements or curtailments, the binding order of any court or governmental authority which has been resisted in good faith by reasonable legal means, acts of third parties, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which by the exercise of reasonable diligence such party is unable to prevent or overcome.

Such causes or contingencies affecting the performance by the Company, Third Party Supplier or Customer, however, shall not relieve it of liability in the event of its concurrent negligence, nor shall such causes or contingencies affecting performance relieve either party from its obligations to make payments of amounts then due hereunder in respect of gas theretofore delivered.

RULES AND REGULATIONS (Continued)

17. GAS CURTAILMENT PLAN

During periods of supply shortages, operational constraints or Force Majeure events the Company may implement the terms of its Gas Curtailment Plan. The purpose of this plan is to preserve the ability to continue to provide essential gas services to the broadest base of Customers given limited gas supply and/or delivery capacity. Any Unauthorized Gas Use will be governed by the terms stated in the Unauthorized Gas Use section of this tariff. If a Customer notifies the Company that they have a medical necessity requiring gas use the Company will endeavor to provide adequate notice of any curtailments.

18. UNAUTHORIZED GAS USE

Unauthorized Gas Use includes, but is not limited to, any volume of gas taken by Customer in excess of its Demand Charge Quantity requirement as set forth in its Service Agreement with Company or the quantity of gas allowed by the Company on any day as a result of a curtailment or interruption notice issued by the Company in accordance with its tariff and/or by the Florida Public Service Commission of the State of Florida or any other governmental agency having jurisdiction. A "day" shall be a period of twenty-four (24) consecutive hours, beginning as near as practical to 8 a.m., or as otherwise agreed upon by Customer and Company.

The Company reserves the right to physically curtail the gas service to any Customer if, in the Company's sole judgement, such action is necessary to protect the operation of its system.

If a Customer uses gas after having been notified that gas is not available or, if applicable, uses gas in excess of the Demand Charge Quantity or requirements as established in the Service Agreement, then Unauthorized Gas Use charges shall apply to those amounts. Furthermore, if a Third Party Supplier (TPS) fails to deliver gas in the quantities and or imbalance ranges specified in the TPS Rate Schedule, then Unauthorized Gas Use charges shall apply to the TPS.

All Unauthorized Gas Use charges shall be billed at the higher of \$2.50 per therm or a rate equal to ten times the highest price, for each day, for gas delivered to Florida Gas Transmission at St. Helena Parish, as reported in Platts Gas Daily plus Florida Gas Transmission Company's transportation cost and fuel, if applicable. However, this rate shall not be lower than the maximum penalty charge for unauthorized daily overruns as provided for in the Federal Energy Regulatory Commission approved gas tariffs of the interstate pipelines which deliver gas into Florida. This charge is in addition to all applicable taxes, charges and assessments of the applicable Rate Schedule.

Nothing herein shall be construed to prevent the Company from taking all lawful steps to stop the unauthorized use of gas by Customer, including disconnecting Customers service. Such payment for unauthorized use of gas shall not be deemed as giving Customer or TPS any rights to use such gas.

RULES AND REGULATIONS (Continued)

19. EQUIPMENT FINANCING

If the Company agrees to provide the necessary natural gas conversion or compression equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial contract term of gas service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time when the Company has recovered its costs of providing the natural gas conversion equipment the ongoing gas deliveries shall be billed at rates stated in the Customers applicable Rate Schedule.

20. TAXES AND OTHER ADJUSTMENTS

There will be added to all bills rendered all applicable local utility and franchise taxes, State sales taxes and gross receipts tax presently assessed by governmental authority, as well as any future changes or new assessments by any governmental authority subsequent to the date of any Rate Schedule. All such assessments as described above shall be shown on Customer bills.

21. BUDGET BILLING PLAN

Available to any Residential Customer as defined under the Technical Terms and Abbreviations of this tariff. A Customer may elect to enroll in the Company's Budget Billing Plan to help stabilize their monthly payments. To qualify for the Budget Billing Plan, a Customer must be a year-round Customer and have no balance owing when beginning the plan. Following a Customer's request to participate in the Budget Billing Plan the Company shall have 45 days in which to determine the Customer's eligibility and process an enrollment to initiate billing under the plan.

If a Customer requests the Budget Billing Plan, the initial budgeted payment amount will be based on the average of the previous 12 months usage normalized for weather applied to the then current or Company projected billing rates, and shall include any regulatory fees or taxes applicable to the Customer. If the Customer has not received Gas Service from the Company for the preceding 12 months, the Company will use the best information available to calculate the initial monthly payment amount. The total deferred debit or credit balance will be shown on the Customer's bill.

The Company reviews all budget payments and resets them annually on or about August of each year. On such recalculation, one-twelfth of any debit or credit deferred balance will be added to the following year's recalculated budgeted monthly payment amount. However, a Customer may request a payment of a credit balance in which case the recalculated amount will be adjusted to reflect the removal of the credit balance. In addition, the Company also performs a semi-annual review and may adjust the budget payment if it varies by more than \$5.00 or 10% whichever is less.

RULES AND REGULATIONS (Continued)

The Company may also recalculate the payment quarterly if it determines that changes in Customer equipment or billing rates warrant. However, the Company may only begin charging such recalculated quarterly amounts on the Customer's next successive bill if the recalculated budgeted payment amount varies by 35% or more from the budgeted payment amount then in effect. Any balances outstanding at the time of a non-annual recalculation shall be included in such recalculation with the objective of achieving a net zero balance at the end of the program year.

A Customer's participation in the Budget Billing Plan will be continuous unless the Customer requests that participation in the plan be discontinued, or gas service has been terminated at the premise, or the Customer is delinquent in paying the budgeted payment amount, which may result in shut-off for non-payment and/or removal from the program. If a Customer no longer participates in the plan, the Customer shall pay any deferred debit balances with their next regular monthly bill, with any deferred credit balance being used to reduce the amount due from the next regular monthly bill. Upon termination from the plan, for any reason, any billed outstanding balance not paid by the next due date shall be considered past due and late payment fees shall apply. In addition, prior to plan termination, late payment fees shall apply to past due Budget Billing Plan payment amounts.

22. LIMITS OF COMPANY RESPONSIBILITIES

The Company shall not be liable for any property damage, fatality, or personal injury sustained on the Customer's premise resulting from the Customer's installation of the gas pipe, fittings, appliances, storage tanks, compressors, and apparatus of any type of others on the Customer's premises. The Company will not be responsible for the use, care or handling of gas delivered to the Customer after it passes from the Company's lines on the Customer's side of the point of delivery. The Company shall not be liable to the Customer for naturally occurring or other impurities, regardless of the sources, such as water, sand, black powder, sulfur, butane, or other chemicals or compounds in the Gas delivered to the Customer or their vehicle.

Whenever the Company deems an emergency or system operating condition warrants interruption, curtailment or other limitation of the Gas Service being rendered, such interruption, curtailment or other limitation shall not constitute a breach of contract and shall not render the Company liable for damages suffered as a result of such interruption, curtailment or other limitation of Gas Service or excuse the Customer from continuing to fulfill its obligations to the Company.

In no event shall the Company be under any obligation to inspect the gas piping or appliances of a Customer. Where the Company has reason to believe the flues, gas piping or appliances do not comply with recognized requirements or code, the Company may refuse to supply gas to the Customer. However, the Company shall have no responsibility whatsoever for determining whether any local code or ordinance or any other government requirement is applicable.

No Customer or other person shall, unless authorized by the Company, operate, change or tamper with any of the Company's facilities.

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RULES AND REGULATIONS (Continued)

23. LIMITATION OF DAMAGES

The Customer shall not be entitled to recover from the Company any consequential, indirect, incidental or special damages, such as loss of use of any property, vehicle, or equipment, loss of profits or income, loss of production, rental expenses for replacement property or equipment, diminution in value of real property, or expenses to restore operation, or loss of goods or products.

The Customer shall indemnify, hold harmless, and defend the Company from and against any and all liability, proceedings, suits, cost or expense for loss, damage or injury to person or property, in any manner directly or indirectly connected with or growing out of the transmission and/or use of natural gas by the Customer at or on the Customer's side of the point of delivery or out of the Customer's negligent acts or omissions.

24. ACCESS TO PREMISES

The Customer shall grant to the Company without cost to the Company, all rights, easements, permits and privileges which in the Company's opinion are necessary for the rendering of service. The Customer will furnish to the Company, without charge, an acceptable location for the Company's meter and shall give Company employees and representatives access to the Customer's premise so that the Company may operate, inspect and maintain its facilities. Failure to grant access could result in disconnection of service.

25. Excess Flow Valves

Existing single family residential regardless of size, as well as multi-family residences and commercial Customers not using in excess of one-thousand (1,000) standard cubic feet per hour (SCFH) per service, may request the Company to install an excess flow valve (EFV) or equivalent equipment, which appropriate equivalent will be determined in the Company's sole discretion, for the purpose of interrupting the flow of gas. The Customer shall reimburse the Company for the cost associate with installing an EFV (or equivalent equipment) when such installation is performed at the request of the Customer.

RESIDENTIAL SERVICE – 1 (RS-1)

APPLICABILITY

Service is available to Residential Customers using between 0 and 99 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

Customer Charge	\$12.00
Distribution Charge, per therm	\$0.47322
Commodity Charge	Per Rider "A"

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.

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Issued by: Carolyn Bermudez  
Vice President, Florida City Gas

Effective: June 1, 2018

RESIDENTIAL SERVICE - 100 (RS-100)

APPLICABILITY

Service is available to Residential Customers using between 100 and 599 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

Customer Charge	\$15.00
Distribution Charge, per therm	\$0.41137
Commodity Charge	Per Rider "A"

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.

RESIDENTIAL SERVICE - 600 (RS-600)

APPLICABILITY

Service is available to Residential Customers using 600 or more therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

Customer Charge	\$20.00
Distribution Charge, per therm	\$0.53133
Commodity Charge	Per Rider "A"

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.



GENERAL SERVICE - 1 (GS-1)

APPLICABILITY

Service is available to Non-Residential Customers using between 0 and 5,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$25.00	\$25.00
Distribution Charge, per therm	\$0.37923	\$0.37923
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.

GENERAL SERVICE - 1 (GS-1)  
(Continued)

SPECIAL CONDITIONS APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

1. See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.
2. Customer's TPS shall deliver an Average Daily Delivery Quantity ("ADDQ"), as determined monthly by the Company.

GENERAL SERVICE - 6K (GS-6K)

APPLICABILITY

Service is available to Non-Residential Customers using between 6,000 and 24,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$35.00	\$35.00
Distribution Charge, per therm	\$0.34153	\$0.34153
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.

GENERAL SERVICE - 6K (GS-6K)  
(Continued)

SPECIAL CONDITIONS APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

1. See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.
2. Customer's TPS shall deliver an Average Daily Delivery Quantity ("ADDQ"), as determined monthly by the Company.

GENERAL SERVICE - 25K (GS-25K)

APPLICABILITY

Service is available to Non-Residential Customers using between 25,000 and 119,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$150.00	\$150.00
Distribution Charge, per therm	\$0.32696	\$0.32696
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.

GENERAL SERVICE - 25K (GS-25K)  
(Continued)

SPECIAL CONDITIONS APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

1. See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.
2. Customer's TPS shall deliver an Average Daily Delivery Quantity ("ADDQ"), as determined monthly by the Company.

GENERAL SERVICE - 120K (GS -120K)

APPLICABILITY

Service is available to Non-Residential Customers using between 120,000 and 1,249,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$300.00	\$300.00
Demand Charge, per DCQ	\$0.575	\$0.575
Distribution Charge, per therm	\$0.19499	\$0.19499
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ)

The DCQ to be used in setting the Customer's Billing DCQ will be determined by the Customer's maximum daily requirements in terms of therm units per day based on readings taken from an Automatic Meter Reading (AMR) device installed at the premise. The DCQ used in setting the Billing DCQ shall be those from the Customer's daily metered therm consumption recorded for a period of up to three (3) years ending each March 31st. If historical consumption information of at least twelve (12) months is not available, then the Billing DCQ level shall be based upon the rating and expected usage of the Customer's gas equipment as determined by the Company.

The Billing DCQ will be determined annually by the Company based on the DCQ history, as determined above. The Customer's Billing DCQ shall be adjusted to reflect the maximum recorded DCQ. Adjustments will be made in April except the Company shall not increase such a Customer's Billing DCQ unless the Customer has had at least three (3) occurrences of DCQ's in excess of their current Billing DCQ.

GENERAL SERVICE - 120K (GS -120K)  
(Continued)

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ): (continued)

At any time a Customer may request an adjustment to its Billing DCQ. If the Customer is able to demonstrate an ongoing change in its maximum daily therm requirements then the Company may at its discretion adjust Customers Billing DCQ prospectively. However, the initial Billing DCQ shall be established for all Customers with active service at the effective date of this tariff based on the highest daily actual therm consumption recorded at Customer's premises over the thirty-six month historic period ending March 31<sup>st</sup> of each year.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge and Demand Charge. In addition, a minimum annual charge shall be assessed by applying the Distribution Charge hereunder to the difference between the annual minimum qualifying therms specified in this Rate Schedule and the annual usage of the Customer.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

TERM OF CONTRACT

The initial term of which shall be no less than one (1) year and year to year thereafter until terminated by ninety (90) days written notice by either party.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.
3. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for all Customers served under this Rate Schedule. See the Rules and Regulations for Metering for terms and conditions related to AMR's.

SPECIAL CONDITIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

1. See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.



GENERAL SERVICE - 1,250K (GS -1,250K)

APPLICABILITY

Service is available to Non-Residential Customers using between 1,250,000 and 10,999,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$500.00	\$500.00
Demand Charge, per DCQ	\$0.575	\$0.575
Distribution Charge, per therm	\$0.09453	\$0.09453
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ)

The DCQ to be used in setting the Customer's Billing DCQ will be determined by the Customer's maximum daily requirements in terms of therm units per day based on readings taken from an Automatic Meter Reading (AMR) device installed at the premise. The DCQ used in setting the Billing DCQ shall be those from the Customer's daily metered therm consumption recorded for a period of up to three (3) years ending each March 31st. If historical consumption information of at least twelve (12) months is not available, then the Billing DCQ level shall be based upon the rating and expected usage of the Customer's gas equipment as determined by the Company.

The Billing DCQ will be determined annually by the Company based on the DCQ history, as determined above. The Customer's Billing DCQ shall be adjusted to reflect the maximum recorded DCQ. Adjustments will be made in April except the Company shall not increase such a Customer's Billing DCQ unless the Customer has had at least three (3) occurrences of DCQ's in excess of their current Billing DCQ.

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Issued by: Carolyn Bermudez  
Vice President, Florida City Gas

Effective: June 1, 2018

GENERAL SERVICE - 1,250K (GS -1,250K)  
(Continued)

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ) (continued)

At any time a Customer may request an adjustment to its Billing DCQ. If the Customer is able to demonstrate an ongoing change in its maximum daily therm requirements then the Company may at its discretion adjust Customers Billing DCQ prospectively. However, the initial Billing DCQ shall be established for all Customers with active service at the effective date of this tariff based on the highest daily actual therm consumption recorded at Customer's premises over the thirty-six month historic period ending March 31<sup>st</sup> of each year.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge and Demand Charge. In addition, a minimum annual charge shall be assessed by applying the Distribution Charge hereunder to the difference between the annual minimum qualifying therms specified in this Rate Schedule and the annual usage of the Customer.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

TERM OF CONTRACT

The initial term of which shall be no less than one (1) year and year to year thereafter until terminated by ninety (90) days written notice by either party.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.
3. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for all Customers served under this Rate Schedule. See the Rules and Regulations for Metering for terms and conditions related to AMR's.

SPECIAL CONDITIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.

GENERAL SERVICE – 11M (GS - 11M)

APPLICABILITY

Service is available to Non-Residential Customers using between 11,000,000 and 24,999,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$1,000.00	\$1,000.00
Demand Charge, per DCQ	\$0.575	\$0.575
Distribution Charge, per therm	\$0.0800	\$0.0800
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ)

The DCQ to be used in setting the Customer's Billing DCQ will be determined by the Customer's maximum daily requirements in terms of therm units per day based on readings taken from an Automatic Meter Reading (AMR) device installed at the premise. The DCQ used in setting the Billing DCQ shall be those from the Customer's daily metered therm consumption recorded for a period of up to three (3) years ending each March 31st. If historical consumption information of at least twelve (12) months is not available, then the Billing DCQ level shall be based upon the rating and expected usage of the Customer's gas equipment as determined by the Company.

The Billing DCQ will be determined annually by the Company based on the DCQ history, as determined above. The Customer's Billing DCQ shall be adjusted to reflect the maximum recorded DCQ. Adjustments will be made in April except the Company shall not increase such a Customer's Billing DCQ unless the Customer has had at least three (3) occurrences of DCQ's in excess of their current Billing DCQ.

GENERAL SERVICE - 11M (GS – 11M)  
(Continued)

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ) (continued)

At any time a Customer may request an adjustment to its Billing DCQ. If the Customer is able to demonstrate an ongoing change in its maximum daily therm requirements then the Company may at its discretion adjust Customers Billing DCQ prospectively. However, the initial Billing DCQ shall be established for all Customers with active service at the effective date of this tariff based on the highest daily actual therm consumption recorded at Customer's premises over the thirty-six month historic period ending March 31<sup>st</sup> of each year.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge and Demand Charge. In addition, a minimum annual charge shall be assessed by applying the Distribution Charge hereunder to the difference between the annual minimum qualifying therms specified in this Rate Schedule and the annual usage of the Customer.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

TERM OF CONTRACT

The initial term of which shall be no less than one (1) year and year to year thereafter until terminated by ninety (90) days written notice by either party.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.
3. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for all Customers served under this Rate Schedule. See the Rules and Regulations for Metering for terms and conditions related to AMR's.

SPECIAL CONDITIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.

GENERAL SERVICE – 25M (GS - 25M)

APPLICABILITY

Service is available to Non-Residential Customers using 25,000,000 or more therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$2,000.00	\$2,000.00
Demand Charge, per DCQ	\$0.575	\$0.575
Distribution Charge, per therm	\$0.0400	\$0.0400
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ)

The DCQ to be used in setting the Customer's Billing DCQ will be determined by the Customer's maximum daily requirements in terms of therm units per day based on readings taken from an Automatic Meter Reading (AMR) device installed at the premise. The DCQ used in setting the Billing DCQ shall be those from the Customer's daily metered therm consumption recorded for a period of up to three (3) years ending each March 31st. If historical consumption information of at least twelve (12) months is not available, then the Billing DCQ level shall be based upon the rating and expected usage of the Customer's gas equipment as determined by the Company.

The Billing DCQ will be determined annually by the Company based on the DCQ history, as determined above. The Customer's Billing DCQ shall be adjusted to reflect the maximum recorded DCQ. Adjustments will be made in April except the Company shall not increase such a Customer's Billing DCQ unless the Customer has had at least three (3) occurrences of DCQ's in excess of their current Billing DCQ.

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Issued by: Carolyn Bermudez  
Vice President, Florida City Gas

Effective: June 1, 2018

GENERAL SERVICE - 25M (GS – 25M)  
(Continued)

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ) (continued)

At any time a Customer may request an adjustment to its Billing DCQ. If the Customer is able to demonstrate an ongoing change in its maximum daily therm requirements then the Company may at its discretion adjust Customers Billing DCQ prospectively. However, the initial Billing DCQ shall be established for all Customers with active service at the effective date of this tariff based on the highest daily actual therm consumption recorded at Customer's premises over the thirty-six month historic period ending March 31<sup>st</sup> of each year.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge and Demand Charge. In addition, a minimum annual charge shall be assessed by applying the Distribution Charge hereunder to the difference between the annual minimum qualifying therms specified in this Rate Schedule and the annual usage of the Customer.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

TERM OF CONTRACT

The initial term of which shall be no less than one (1) year and year to year thereafter until terminated by ninety (90) days written notice by either party.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.
3. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for all Customers served under this Rate Schedule. See the Rules and Regulations for Metering for terms and conditions related to AMR's.

SPECIAL CONDITIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.

GAS LIGHTING SERVICE (GL)

AVAILABILITY

See "Limitations of Service" below.

APPLICABILITY

Firm Natural gas service for continuous street or outdoor lighting devices installed upstream of the Customer's meter.

LIMITATIONS OF SERVICE

This Rate Schedule is closed and is restricted to Customers who were served prior to March 17, 1975.

\*MONTHLY RATE

Distribution Charge	\$10.72 per lamp (\$0.59535 per therm X 18 therms)
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\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. For the purpose of applying Riders or other billing adjustments usage of eighteen therms per lamp per month will be assumed.

MINIMUM BILL

The minimum monthly bill shall be the Monthly Rate.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

RESIDENTIAL STANDBY GENERATOR SERVICE (RSG)

APPLICABILITY

Service is available to Residential Customers whose only gas usage is for a standby electric generator.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

Customer Charge: \$16.81

Distribution Charge:	0 - 14 therms	\$0.00000 per therm
	More than 14 therms	\$0.52248 per therm

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Subject to special condition 3 below, a customer receiving service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month term unless the customer terminates the service in writing within 30 days before the end of the term.

2. If the customer terminates the service before the 12-month term ends, the customer will be billed the minimum bill for the remaining months of the service.

3. If the customer installs an additional gas appliance at the premise at which service is provided, then the customer will be transferred to the applicable rate schedule based on total therms.

4. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.



COMMERCIAL STANDBY GENERATOR SERVICE (CSG)

APPLICABILITY

Service is available to Non-residential Customers whose only gas usage is for a standby electric generator with annual consumption of less than 120,000 therms.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

Customer Charge: \$24.00

Distribution Charge:	0 - 26 therms	\$0.00000 per therm
	More than 26 therms	\$0.49531 per therm

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Subject to special condition 3 below, a Customer receiving service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month term unless the Customer terminates the service in writing within 30 days before the end of the term.

2. If the Customer terminates the service before the 12-month term ends, the Customer will be billed the minimum bill for the remaining months of the service.

3. If the Customer installs an additional gas appliance at the premise at which service is provided, then the Customer will be transferred to the applicable rate schedule based on total therms.

4. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

NATURAL GAS VEHICLE SERVICE-I (NGV-I)

APPLICABILITY

For gas delivered to any Customer through a separate meter for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers. NGV-I is only available to those Customers who are presently receiving this service as of August 13, 2013. Customers seeking such service after this date shall take service under the NGV-II terms of this Tariff.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$25.00	\$25.00
Distribution Charge, per therm	\$0.23232	\$0.23232
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged for commodity according to any agreement between the Customer and the TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge. In addition, a minimum annual charge, if applicable, shall be assessed by applying the applicable rates and adjustments hereunder to the difference between the minimum therms, if any, established per the Customer's Agreement and the Customers annual usage.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS

Service under this Rate Schedule shall be subject to the general Rules and Regulations of the Company as they may be in effect from time to time, and as filed with the regulatory authorities.

SPECIAL CONDITIONS APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM THIRD PARTY SUPPLIERS (TPS)

1. See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.

2. Automatic Meter Reading (AMR) equipment is required for transportation Customers served under this Rate Schedule using over 120,000 therms per year. See the Rules and Regulations for Metering for terms and conditions related to AMR's.

NATURAL GAS VEHICLE SERVICE-II (NGV-II)

APPLICABILITY

For gas delivered to any Customer for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers after August 13, 2013.

MONTHLY RATE

Service is available under any General Service (GS) Rate Schedule (GS-1 through GS - 1250k) based on the Customer's therms per year as determined by the Company.

The charges, terms and conditions as provided under the applicable GS Rate Schedule shall apply, including all applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company, notwithstanding the Special Conditions sections below.

MONTHLY FACILITIES CHARGE WHEN COMPANY PROVIDES EQUIPMENT NECESSARY FOR NGV-II SERVICE

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company required to serve the Customer. As used here, Gross Investment means the total installed cost of the facilities as determined by the Company, which may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including the necessary redundancy to provide for reliable service, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if the Customer makes a contribution in aid of construction. The adjusted factor will be as stated in the Company's standard agreement for service provided under this Rate Schedule. If the service is provided under a standard agreement to more than one Customer, the charges applicable to each Customer shall be as stated in the agreement with the individual Customer. The standard agreement may also require a commitment to purchase service for a minimum period of time, take or pay for a minimum amount of service, a contribution in aid of construction, a guarantee, such as a bond or letter of credit, and/or other provisions as determined appropriate by the Company.

1) COMPANY PROVIDED FACILITIES ON CUSTOMER PREMISES

If Company provides and maintains the necessary facilities for compression and dispensing of such natural gas for delivery to vehicles on the Customer's property, the following additional charge shall apply:

NATURAL GAS VEHICLE SERVICE-II (NGV-II)  
(Continued)

1) COMPANY PROVIDED FACILITIES ON CUSTOMER PREMISE (Continued)

Monthly Facilities Charge

The provision and maintenance of the facilities does not include the physical dispensing of compressed natural gas into vehicles, or the provision of electricity required to operate the facility. The physical dispensing of compressed natural gas into vehicles, the collection and remittance of any federal or state or local tax imposed on compressed natural gas dispensed for use as motor fuel, and the payment for electricity used to operate the facility shall be the responsibility of the Customer. A Company-provided facility could be a residential fueling station.

2) LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES

The Company may, under agreement with one or more Customers, provide and maintain, on the Company's premises, the necessary facilities for compression and dispensing of natural gas into motor vehicles. The Customer may elect to receive distribution service and purchase gas under any of the GS schedules, provided that the Customer would otherwise meet the requirement to be served under the provision of the rate schedule elected.

In addition to the distribution and gas charges as provided under the rate schedule elected by the Customer, the following charges shall apply:

a) Monthly Facilities Charge

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company required to serve the Customer. As used here, Gross Investment means the total installed cost of the facilities as determined by the Company, which may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including the necessary redundancy to provide for reliable service and land and land rights, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if the Customer makes a contribution in aid of construction. The adjusted factor will be as stated in the Company's standard agreement for service provided under this Rate Schedule. If the service is provided under a standard agreement to more than one Customer, the charges applicable to each Customer shall be as stated in the agreement with the individual Customer. The standard agreement may also require a commitment to purchase service for a minimum period of time, take or pay for a minimum amount of service, a contribution in aid of construction, a guarantee, such as a bond or letter of credit, and/or other provisions as determined appropriate by the Company.

b) Compressed Gas Dispensing Fee

The monthly dispensing fee shall recover all costs related to dispensing and be provided in the standard agreement.

NATURAL GAS VEHICLE SERVICE-II (NGV-II)  
(Continued)

2) LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES (Continued)

c) Tax

The Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on compressed natural gas.

Any service provided from a facility located on the Company's premises shall be provided at the time and under the terms and conditions as determined by the Company and specified in the agreement(s) with the Customer(s). The standard agreement may require a commitment to purchase service for a minimum period of time, take or pay for a minimum amount of service, a contribution in aid of construction, a guarantee (such as a bond) and/or other provisions as determined appropriate by the Company.

3) PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES

If the Company offers service to Customer from facilities located on the Company's premises only the following charges shall apply:

Distribution and Dispensing: \$0.50 /Therm

Gas Cost: No lower than the monthly PGA

Taxes: Applicable motor fuel or other taxes applicable to compressed natural gas dispensed for motor fuel

The total charge, consisting of the Distribution and Dispensing charge, the Gas Cost, and Taxes, shall be as determined by the Company. However, the Gas Cost component of the charge shall not be less than the Purchased Gas Adjustment (PGA) and other adjustments, charges and/or credits determined to be applicable. In addition, the gas commodity component (total charge less the Distribution and Dispensing charge and applicable taxes) will be accounted for as recovery of gas cost in the annual PGA docket. Other Riders of this Tariff will not be credited for such service.

Any service provided from a facility located on the Company's premises shall be provided at the time and under the terms and conditions as determined by the Company.

MINIMUM BILL

The minimum monthly bill shall be the minimum bill as provided for in the GS Rate Schedule applicable to the Customer plus any additional Monthly Facilities Charge except for option 3.

NATURAL GAS VEHICLE SERVICE-II (NGV-II)  
(Continued)

3) PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES (Continued)

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company and are subject to late payment charges.

SPECIAL CONDITIONS

1. Service under this Rate Schedule shall be subject to the general Rules and Regulations of the Company as they may be in effect from time to time, and as filed with the regulatory authorities.
2. A separate meter or sub-meter may be requested by the Customer or required by the Company; in which case the Customer will pay the cost of the meter and installation which shall remain the property of the Company.
3. The collection and remittance of any federal or state or local tax specifically imposed on compressed natural gas dispensed for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provide for in a Customer's agreement.
4. The terms and conditions applicable to sub-metering and allocation of cost included elsewhere in this Tariff are not applicable to Compressed Natural Gas used for motor fuel.
5. NGV service is not available for resale by residential customers.
6. The Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.
7. If the Company, by itself or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer and has volumes greater than 250,000 therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved contract rate under this rate provision through Rider "C", Competitive Rate Adjustment ("CRA").
8. If a Customer is phasing in the use of compressed natural gas as motor fuel and is acquiring and placing into service vehicles fueled by compressed natural gas over a period of years, the Monthly Facilities Charge may be phased-in over the term of agreement. However, the net present value of the revenue from the phased-in charges, discounted at the Company's authorized rate of return, shall be set equal to the net present value of the revenue that would be generated over the term of the contract if the Monthly Facilities Charge was not phased-in. Any such phase-in shall be provided in the agreement for service.

## CONTRACT DEMAND SERVICE (KDS)

### OBJECTIVE

The objective of this Rate Schedule is to enable the Company to attach incremental load to its system by providing the Company with the flexibility to negotiate individual service agreements with Customers taking into account competitive and economic market conditions and system growth opportunities.

### APPLICABILITY

Sales or Transportation service is available under this Rate Schedule to any non-Residential Customer bringing a minimum new incremental demand of 250,000 additional therms per year to the Company's system at one location.

Terms of service including operating conditions and, if applicable, a capital repayment mechanism acceptable to Company, which may include, but shall not be limited to, a minimum monthly or annual bill, will be set forth in individual service agreements between the Company and the Customer. Absent a service agreement with Company under this Rate Schedule, Company has no obligation to provide, and the Customer shall have no right to receive, service under this Rate Schedule, and Customer may elect to receive service under other applicable Rate Schedules.

### GAS SUPPLY OBLIGATION

The Company shall have no obligation to provide natural gas supplies to Transportation Customers under this Rate Schedule.

### MONTHLY RATE

1. The Distribution Charge shall be an amount negotiated between Company and Customer, but the rate shall not be set lower than the incremental cost the Company incurs to serve the Customer. As used herein incremental cost shall include operations and maintenance, the depreciation expense for facilities used to provide service to the Customer, the return on the facilities computed at the rate of return approved in the Company's most recent rate case, and associated taxes. The charge shall include any capital recovery mechanism. The charge shall be determined by the Company based on Company's evaluation of competitive and overall economic market conditions and the opportunity for the Company to expand its system into areas not served with natural gas. Such evaluation may include, but is not necessarily limited to: the cost of gas which is available to serve Customer; the delivered price and availability of Customer's alternate fuel or energy source; the nature of the Customer's operations (such as load factor, fuel efficiency, alternate fuel capacity, etc.); and the opportunity to extend gas service to areas not supplied with natural gas. With respect to existing Customers, an additional load of at least 250,000 therms must be added, and the negotiated KDS rate will only apply to the additional load added to the Company's system.

CONTRACT DEMAND SERVICE (KDS)  
(Continued)

MONTHLY RATE (Continued)

2. The Commodity Charge, if taking supply from the Company, shall be the rate per therm for gas used computed to be the incremental cost of purchasing or producing gas.

INTERRUPTION AND CURTAILMENT

In addition to the interruption and curtailment terms in the Rules and Regulations or the Company's Curtailment Plan the Company shall have the right to reduce or to completely curtail deliveries to Customer pursuant to this Rate Schedule:

1. If in the Company's opinion, Customer will overrun the volume of gas to which it is entitled from its supplier (or overrun the volume of gas being delivered to Company for Customer's account); or

2. in the event Company is notified by its supplier or pipeline transporter to interrupt or curtail deliveries to Customer, or deliveries of gas for uses of the same type or category as Customer's use of gas hereunder; or

3. when necessary to maintain the operational reliability of Company's system.

CONFIDENTIALITY

The Company and Customer each regard the terms and conditions of the negotiated service agreement as confidential, proprietary business information.

The Company and Customer will utilize all reasonable and available measures to guard the confidentiality of said information, subject to the requirements of courts and agencies having jurisdiction hereof.

SPECIAL CONDITIONS

1. Service under this Rate Schedule shall be subject to the Rules and Regulations set forth in the tariff, except to the extent modified under this Rate Schedule and / or in a service agreement.

2. Term of Agreement: If the provision of service hereunder requires the installation of natural gas equipment at Customer's facility, Company and Customer may enter into an agreement as to the terms and conditions regarding the reimbursement of costs relating to such equipment. The initial term of the service agreement shall, at a minimum, be equal to the period of cost reimbursement. The rates established in the Monthly Rates section may be adjusted to provide for such cost reimbursement to the Company including carrying costs.



CONTRACT DEMAND SERVICE (KDS)  
(Continued)

SPECIAL CONDITIONS (Continued)

3. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for Customers served under this Rate Schedule, see the Rules and Regulations for Metering for terms and conditions related to AMR's.

4. When entering into a service agreement with a Customer under this Rate Schedule, Company will take reasonable steps to mitigate the potential of any revenue shortfalls between the revenues received under a service agreement and the total cost and expenses relating to the associated capital investment made by the Company, including minimum annual requirements.

### LOAD ENHANCEMENT SERVICE (LES)

#### OBJECTIVE

The objective of this Rate Schedule is to enable the Company to retain or obtain significant load on its system by providing the Company with the flexibility to negotiate individual service agreements with non-Residential Customers taking into account competitive and economic market conditions and overall system benefits.

#### APPLICABILITY

This sales or transportation service is available at the Company's sole discretion to Customer's which meet the applicability standards, including (1) an existing commercial customer receiving service under contract or any new or existing customer that would otherwise qualify for service under Rate Schedules KDS, TSS, OSS, GS-120K, GS-1,250K, GS-11M or GS-25M; (2) the Customer must provide the Company verifiable documentation of either a viable alternative fuel or of a Customer's opportunity to economically bypass the Company's system; (3) the Company must demonstrate that the Customer served under this Rate Schedule will not cause any additional cost to the Company's other rate classes, including, at a minimum, that the rate shall not be set lower than the incremental cost plus some additional amount as reasonable return on investment and; (4) the Customer and the Company must enter into a service agreement under this Rate Schedule. As used herein incremental cost shall include operations and maintenance, the depreciation expense for facilities used to provide service to the Customer, the return on the facilities computed at the rate of return approved in the Company's most recent rate case, and associated taxes.

#### SERVICE AGREEMENT OBLIGATIONS

Terms of service including operating conditions and, if applicable, a capital repayment mechanism acceptable to Company, which may include, but shall not be limited to, a minimum monthly or annual bill, will be set forth in individual service agreements between the Company and the Customer. Absent a service agreement with Company under this Rate Schedule, Company has no obligation to provide, and the Customer shall have no right to receive, service under this Rate Schedule, and Customer may request service under other applicable Rate Schedules.

Any service agreement under LES shall be subject to approval by the Florida Public Service Commission (FPSC) before any contract rate is implemented and the agreement can be executed by the parties.

#### GAS SUPPLY OBLIGATION

The Company shall have no obligation to provide natural gas supplies to Transportation Customers under this Rate Schedule.

LOAD ENHANCEMENT SERVICE (LES)  
(Continued)

MONTHLY RATE

1. The Distribution Charge shall be an amount negotiated between Company and Customer, but the rate shall not be set lower than the incremental cost plus some additional amount as a reasonable return on investment the Company incurs to serve the Customer. The distribution charge also shall include any capital recovery mechanism. The distribution charge shall be determined by the Company based on Company's evaluation of competitive and overall economic market conditions and the opportunity for the Company to expand its system into areas not served with natural gas as applicable. Such evaluation may include, but is not necessarily limited to: the cost of gas which is available to serve Customer; the delivered price and availability of Customer's alternate fuel or energy source; the nature of the Customer's operations (such as load factor, fuel efficiency, alternate fuel capacity, etc.); and the opportunity to extend gas service to areas not supplied with natural gas. As used herein incremental cost shall include operations and maintenance, the depreciation expense for facilities used to provide service to the Customer, the return on the facilities computed at the rate of return approved in the Company's most recent rate case, and associated taxes.

2. The Commodity Charge shall be the rate per therm for gas used computed to be the incremental cost of purchasing or producing gas, if taking supply from the Company.

3. The Company may permit the Customer to combine the accounting for the gas load delivered to multiple meters serving the same premise for this service.

INTERRUPTION AND CURTAILMENT

In addition to the interruption and curtailment terms in the Rules and Regulations or the Company's Curtailment Plan, the Company shall have the right to curtail deliveries to Customer pursuant to this Rate Schedule:

1. If in the Company's opinion, Customer will overrun the volume of gas to which it is entitled from its supplier (or overrun the volume of gas being delivered to Company for Customer's account); or

2. in the event Company is notified by its supplier or pipeline transporter to interrupt or curtail deliveries to Customer, or deliveries of gas for uses of the same type or category as Customer's use of gas hereunder; or

3. when necessary to maintain the operational reliability of Company's system.

CONFIDENTIALITY

The Company and Customer each regard the terms and conditions of the negotiated service agreement as confidential, proprietary business information.

The Company and Customer will utilize all reasonable and available measures to guard the confidentiality of said information, subject to the requirements of courts and agencies having jurisdiction hereof.

LOAD ENHANCEMENT SERVICE (LES)  
(Continued)

SPECIAL CONDITIONS

1. Service under this Rate Schedule shall be subject to the Rules and Regulations set forth in the tariff, except to the extent modified under this Rate Schedule and / or in a service agreement but such modification or exemption shall not apply to the minimum perquisite requirements set forth in the Applicability section of this Rate Schedule.
2. Term of Agreement: If the provision of service hereunder requires the installation of natural gas equipment at Customer's facility, Company and Customer may enter into an agreement as to the terms and conditions regarding the reimbursement of costs relating to such equipment. The initial term of the service agreement shall, at a minimum, be equal to the period of cost reimbursement. The rates established in the Monthly Rates section may be adjusted to provide for such cost reimbursement to the Company including carrying costs.
3. No later than 180 days prior to the expiration of this special contract, a Customer served under an LES contract may request a new contract under the terms and conditions of this tariff provision. If an agreement is not reached by the end of the term, the agreement will convert to the applicable General Services tariff (based on volume) until a new contract has been approved by the FPSC and executed by the parties.
4. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for Customers served under this Rate Schedule. See the Rules and Regulations for Metering for terms and conditions related to AMR's.
5. When entering into a service agreement with a Customer under this Rate Schedule, Company will take reasonable steps to mitigate the potential of any revenue shortfalls between the revenues received under a service agreement and the total cost and expenses relating to the associated capital investment made by the Company, including minimum annual requirement.
6. The difference between the otherwise applicable tariff rate and the approved contract rate under this Rate Schedule may be subject to recovery through Rider "C", Competitive Rate Adjustment ("CRA").

### THIRD PARTY SUPPLIER (TPS)

#### APPLICABILITY

The provisions of this Rate Schedule shall apply to brokers, marketers, Customers intending to act as their own gas supplier, and other third party suppliers (collectively "Third Party Suppliers" or "TPS") of natural gas that wish to either act as agents for Transportation Customers or deliver natural gas supplies to Company's City Gate for Transportation Customers. Third Party Suppliers wishing to sell and/or deliver gas on the Company's system will be required to sign a Service Agreement in which they will agree to be bound by the terms and conditions of the Company's Tariff.

#### TERM OF CONTRACT

The term of the contract shall be at least three (3) years and from month to month thereafter unless terminated on thirty (30) days written notice.

#### TERMS OF PAYMENT

The TPS agrees to pay for all balancing and other transportation related charges determined by the Company to be billable to a TPS on behalf of their Customers as provided for in this tariff. All charges due from a TPS under this Rate Schedule shall be paid in full within 20 days of the billing date. The TPS and the Company will resolve any disputed amounts. Adjustments, if any, will be reflected on future billings.

#### CREDITWORTHINESS

Company shall not be required to permit any TPS who fails to meet Company's standards for creditworthiness to sell or deliver gas on its system. Company may require that TPS provide the following information:

1. Current financial statements (to include a balance sheet, income statement, and statement of cash flow), annual reports, 10-K reports or other filings with regulatory agencies, a list of all corporate affiliates, parent companies and subsidiaries and any reports from credit agencies which are available. If audited financial statements are not available, then TPS also should provide an attestation by its chief financial officer that the information shown in the unaudited statements submitted is true, correct and a fair representation of TPS's financial condition.
2. A bank reference and at least three trade references.
3. A written attestation from TPS that it is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditor's committee agreement. An exception can be made for a TPS who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurances that any charges from the Company will be paid promptly as a cost of administration.

THIRD PARTY SUPPLIER (TPS)  
(Continued)

CREDITWORTHINESS (Continued)

4. A written attestation from TPS that it is not subject to the uncertainty of pending litigation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition or a condition of insolvency.

5. A written attestation from TPS that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the TPS's ability to remain solvent.

To remain in good standing, no uncontested delinquent balances should be outstanding for natural gas sales, storage, Transportation Services, or imbalances previously billed by Company, and TPS must have paid its account according to the established terms, and not made deductions or withheld payment for claims not authorized by contract.

TPS shall furnish Company at least annually, and at such other time as is requested by Company, updated credit information for the purpose of enabling Company to perform an updated credit appraisal. In addition, Company reserves the right to request such information at any time if Company is not reasonably satisfied with TPS's creditworthiness or ability to pay based on information available to Company at that time.

Company shall not be required to permit and shall have the ability to suspend any TPS who is or has become insolvent, fails to demonstrate creditworthiness, fails to timely provide information to Company as requested, or fails to demonstrate ongoing creditworthiness as a result of credit information obtained; provided, however, TPS may continue to sell / deliver gas on the Company's system if TPS elects one of the following options:

(A) Payment in advance for up to three (3) months service as determined by the Company.

(B) A standby irrevocable letter of credit in form and substance satisfactory to Company in a face amount up to three (3) months service. The letter of credit must be drawn upon a bank acceptable to Company.

(C) A guaranty in form and substance satisfactory to Company, executed by a person that Company deems creditworthy, of TPS's performance of its obligations to Company.

(D) Such other form of security as TPS may agree to provide and as may be acceptable to Company.

THIRD PARTY SUPPLIER (TPS)  
(Continued)

CREDITWORTHINESS (Continued)

In the event TPS fails to meet the terms of this Creditworthiness section, Company may, without waiving any rights or remedies it may have, and subject to any necessary authorizations, suspend TPS until such time as they are deemed compliant by the Company.

The insolvency of a TPS shall be evidenced by the filing by TPS, or any parent entity thereof, of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction adjudging the TPS, or any parent entity thereof, bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of the TPS, or any Parent entity thereof, under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator, (or similar official) of the TPS or any parent entity thereof or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs.

MONTHLY RATE

Customer Charge	\$400.00
Charge for each Transportation Customer served by the TPS	\$6.07

DETERMINATION OF THE AVERAGE DAILY DELIVERY QUANTITY ("ADDQ")

The ADDQ for each Customer without an AMR device will be calculated by the Company by dividing the Customer's usage for each of the most recent twelve (12) billing months by the total number of days in each billing month. Company may adjust Customer's ADDQ at any time, due to changes in Customer's equipment or pattern of usage. For new Customers, the initial ADDQ will be estimated by Company, based upon the rating of the Customer's gas equipment and expected utilization of the equipment. The TPS will be obligated to deliver the aggregate ADDQ each day for Customers it serves. Failure to meet the daily ADDQ delivery requirements will result in a per therm penalty as outlined in the Unauthorized Use of Gas section of the tariff.

The Company will notify TPS of its aggregate ADDQ obligation for each day of the next succeeding month on the Company's EBB, or other means as determined by the Company. If TPS does not agree with Company's determination of TPS's aggregate ADDQ, it must notify the Company in writing within two business days no later than 5:00 p.m. Eastern Standard Time. Company and TPS will reconcile any differences no later than 5:00 p.m. Eastern Standard Time on the twentieth (20th) of the month.

THIRD PARTY SUPPLIER (TPS)

(Continued)

NOMINATIONS FOR SERVICE

The TPS daily nominations shall consist of the ADDQ amount as provided by the Company, if applicable, plus an amount to meet their non-ADDQ Customers daily requirements. The TPS shall use its best efforts to match their daily nominations to ADDQ and non-ADDQ requirements for the Customers it serves. Failure to provide nominations may result in suspension of service to Customers of the offending TPS, and will result in a per therm penalty as outlined in the Unauthorized Use of Gas section of the tariff. In addition, TPS must identify interstate pipeline contract(s) on which deliveries will be made to the Company's distribution system on the Company's EBB conforming with NAESB cycles. Failure to comply with the Company's nominating procedures may result in curtailment of third party gas deliveries or additional monthly cash-outs. Company reserves the right to require daily balancing, and shall have the right to curtail service to ensure deliveries on a uniform basis and to correct any imbalances.

Company shall be entitled to retain at no cost to Company a percentage of the quantity of gas delivered by or for the account of Customer at each Receipt Point for transportation to Customer, as gas which shall be deemed to be an allowance for transportation shrinkage in the performance of service under each applicable Rate Schedule. Such percentage shall not be higher than 1.5% without prior approval of the Florida Public Service Commission. The Company shall have the right to adjust the percentage from time to time to reflect the actual operating experience of the Company and/or any change in the methodology used by Company to calculate the amount of gas deemed as transportation shrinkage. Upon request, Company shall furnish to Customer information to support any such adjustment to such percentage.

In making Nominations the TPS shall provide the following:

- (1) The pipeline company and the pipeline transportation contract identifiers under which gas deliveries will be made to the Company's distribution system.
- (2) The daily quantity of gas, expressed in MMBTU (Dekatherms), to be tendered at each receipt point, however the Company reserves the right to specify at which pipeline receipt point a TPS will deliver gas as a percentage of the TPS total monthly deliveries.
- (3) The estimated term of the nomination.
- (4) The name, address, and telephone number of a contact person that is available to receive communication from Company at any and all times and upon whose written and oral communications Company may exclusively rely.



THIRD PARTY SUPPLIER (TPS)  
(Continued)

NOMINATIONS FOR SERVICE (Continued)

(5) Any additional information as may be required by the Company in order to perform its functions as a Delivery Point Operator on the pipeline transportation system.

If Customer's TPS fails to comply with provisions 1 through 5 above, Company may not schedule the commencement of service or change a prior nomination.

DAILY NOMINATION PENALTIES

The TPS shall deliver, or cause to be delivered, to the Company at the point(s) of receipt and receive, or cause to be received, from Company at the point(s) of delivery, on a uniform daily basis, that quantity of natural gas that has been Nominated for Service.

Except for conditions of Force Majeure or per prior agreement with the Company to modify nominations, on any day that the sum of the actual daily quantity of natural gas received by Company ("Actual Receipts") varies from the sum of daily quantities Nominated for Service during such day for transportation at the points of receipt (Scheduled Volumes) by more than ten percent of the Nominated Receipts, the Company may impose a penalty equal to Unauthorized Gas Use charge times the variance in excess of ten percent of the Nominated Receipts unless in its opinion the system or Customers receiving PGA service were not harmed as a result of the imbalance. The Company reserves the right to limit this imbalance to five percent upon twenty four hours notice to the TPS representatives.

These charges are in addition to monthly cash-outs and any other imbalance charges and convey no rights to any quantities of gas to the TPS or its Customers. In the event of non-payment, these charges shall not be assessed to the TPS Customers by the Company. In addition, the Company shall not be required to continue to perform service for TPS Customers if their TPS fails to deliver adequate gas supplies per their daily nominations. The Company reserves the right to discontinue receipts from a TPS until the penalty is paid in full.

PIPELINE IMBALANCES AND CHARGES

Company and TPS recognize that Company may be subjected to imbalance charges from its interstate pipeline suppliers as a result of TPS's failure to deliver confirmed quantities of gas. In the event that Company is assessed penalties as a result of TPS's actions or omissions, TPS shall reimburse Company for such penalties as may be attributable to TPS's actions or omissions. The Company reserves the right to commingle and charge TPSs on a prorated basis, as determined by the Company, any pipeline charges related to transportation that are not readily identifiable to a specific TPS.

THIRD PARTY SUPPLIER (TPS)  
(Continued)

INDEMNIFICATION

As between the Company and TPS, TPS warrants that it has clear title to any gas delivered into the Company's system, and TPS shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer. TPS agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries on behalf of a transporting Customer.

ALLOCATION OF SUPPLIES

Gas received by the Company from the TPS shall be allocated first to the GS classes being served under ADDQ in the order of increasing annual usage, then to NGV followed by the remaining GS classes in the order of increasing annual usage, then by KDS and lastly to FGS Customers.

DAILY AND MONTHLY CONTRACT BALANCING

Third Party Suppliers will be billed for all their Customers' balancing charges as follows:

a) Daily Imbalance Charge

The Company shall, within the existing limitations of its system, provide for balancing between gas requirements and actual gas deliveries, net of an adjustment for Company Use and Unaccounted for Gas, received by the Company for the account of the Customers served by the TPS that day. The Company shall not be obligated to provide gas service during an hourly, daily or monthly period in excess of the levels specified in the Rate Schedules under which Customers of the TPS are served.

The Company reserves the right to require daily balancing on any other day in which the Company, in the exercise of its reasonable judgment, determines that such balancing is necessary for operational reasons. The Company will provide the TPS in all instances with at least twenty-four (24) hours advance notice that daily balancing will be imposed.

In the event that daily balancing is imposed in accordance with this section, TPS shall be assessed the following charges for daily imbalances:

	<u>Imbalance *</u>	<u>Charge **</u>
	0% to 5%	\$0.00 per therm
	5.1% to 10%	\$0.10 per therm
Underdeliveries	> 10%	\$0.50 per therm
Overdeliveries	> 10%	\$0.10 per therm

THIRD PARTY SUPPLIER (TPS)  
(Continued)

DAILY AND MONTHLY CONTRACT BALANCING (Continued)

a) Daily Imbalance Charge (Continued)

\*The Company reserves the right to limit daily imbalances to plus or minus 5% of the actual quantity received. If the Company limits daily imbalances to plus or minus 5%, all underdeliveries in excess of 5% shall be considered Unauthorized Gas Use and shall be subject to the Unauthorized Gas Use charges.

\*\*The Company may suspend overdelivery charges if it determines such overdeliveries would be beneficial to the systems operation.

All TPSs will automatically be placed in a non-discriminatory daily balancing pool. The Company will aggregate the deliveries and receipts of gas of all TPS Customers participating in the pool for the purpose of determining whether imbalance charges will apply. In the event that charges are nonetheless assessed to certain TPSs, such charges will be no greater than the charges that otherwise would have been assessed if the Company did not have a daily balancing pool. TPSs trading imbalances will nonetheless have to set their own prices or methods by which over or under balances will be traded among individual TPSs.

b) Monthly Imbalance Cash-Out Charge

At the conclusion of every month, the Company will cash out imbalances between TPS's deliveries and their Customers consumption made up of actual and or estimated volumes as follows:

<u>Imbalance Level</u>	<u>Underdeliveries (1)</u>	<u>Overdeliveries (2)</u>
	<u>Factor</u>	<u>Factor</u>
0 to 5%	1.00	1.00
5.1% to 20%	1.10	0.90
> 20%	1.20	0.80

The Company reserves the right to gross up Customer's total consumption for fuel loss at a rate not to exceed 1.5%.

(1) For underdeliveries the amount due to the Company shall be the Imbalance Quantity multiplied by the product of the corresponding Imbalance Level Factor and the applicable price per therm. The price per therm shall be the higher of the total GS-25k Sales Service rate or the monthly average spot price of gas delivered to Florida Gas Transmission at St. Helena Parish, as reported in Platts Gas Daily plus Florida Gas Transmission Company's transportation cost and fuel, if applicable. In the event that this price is no longer available or the basis upon which such price is reported or calculated in such publication changes substantively, Company will file to change its tariff and may, at its discretion, select a representative price in the interim period, subject to FPSC approval.

THIRD PARTY SUPPLIER (TPS)  
(Continued)

DAILY AND MONTHLY CONTRACT BALANCING (Continued)

b) Monthly Imbalance Cash-Out Charge (Continued)

(2) For overdeliveries the amount payable by the Company shall be the Imbalance Quantity multiplied by the product of the corresponding Imbalance Level Factor and the applicable price per therm. The price per therm shall be the Company's lowest supplier commodity rate applicable to the billing month in which the Customer overextended gas to the Company, or the monthly average spot price for gas delivered to Florida Gas Transmission at Tivoli, as reported in Platts Gas Daily plus Florida Gas Transmission Company's transportation cost and fuel, if applicable. In the event that this price is no longer available or the basis upon which such price is reported or calculated in such publication changes substantively, Company will file to change its tariff and may, at its discretion, select a representative price in the interim period, subject to FPSC approval.

The offering of gas service above the 5% allowed imbalance for the month is at the sole discretion of the Company. If it determines that it cannot continue to provide such service or that it must limit such service, it will notify TPSs served under this Rate Schedule. The use of service above the level allowed by the Company after notification shall constitute Unauthorized Gas Use and shall be subject to the Unauthorized Gas Use charges specified in the Rules and Regulations section of this tariff.

CAPACITY ASSIGNMENT

TPSs will be required to obtain firm interstate pipeline capacity into the Company's distribution system at points designated by the Company at a quantity equivalent to their Customers' aggregate ADDQ. TPSs that do not demonstrate sufficient interstate firm capacity will be required to accept assignment of such capacity from the Company.

Refer to Rules and Regulations Section 15 (Transportation – Special Conditions) for the terms associated with the Capacity Assignment process for TPSs.

TREATMENT OF REVENUE

All revenue produced under this Rate Schedule derived from any balancing charges or other revenue related to the recovery of gas costs, exclusive of applicable taxes and assessments, shall be credited to the Purchased Gas Adjustment Clause.

STANDARDS OF CONDUCT

In addition to the above terms and conditions, TPS' must agree to comply with any standards of conduct or other requirements set forth by the Florida Public Service Commission.

TRANSPORTATION SUPPLY SERVICE (TSS)

APPLICABILITY

Service is available to a TPS who signs a service agreement with the Company.

CHARACTER OF SERVICE

At the Company's discretion gas will be made available for this service only to the extent that such gas supplies can be incrementally purchased providing that Company facilities are suitable and gas supplies can be secured for this service. The Company reserves the right to interrupt this service upon two (2) hours notice at its sole discretion.

\*CHARGES

1. An Annual Service Charge of \$500 shall be assessed upon the initial request for this service. This charge will be reassessed for subsequent requests made after June 30 of any year.
2. A Daily Usage Charge of \$50.00 shall be assessed for each day this service is utilized.
3. The Commodity rate per therm for gas used shall be computed to be the higher of a) the PGA or b) the incremental cost of purchasing or producing said gas plus \$0.0750 per therm.

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

TERMS OF PAYMENT

Bills are due upon receipt by the TPS and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS

1. Gas Supply: gas purchased for sale under this Rate Schedule shall not be included as part of the gas costs that are recoverable through the PGA Charge.
2. Balancing: gas supplied under this rate schedule shall be deemed a gas delivery by the TPS for purposes of applying the Daily and Monthly Contract Balancing terms of the TPS Rate Schedule.

TRANSPORTATION SUPPLY SERVICE (TSS)  
(Continued)

SPECIAL CONDITIONS (Continued)

3. Rules and Regulations: service under this Rate Schedule shall be subject to the Rules and Regulations set forth in the tariff, except to the extent modified under this Rate Schedule and / or in a service agreement.

OFF-SYSTEM SALES SERVICE (OSS)

AVAILABILITY

Throughout the service areas of Company, and of any interstate or intrastate natural gas pipeline serving the Company (collectively, the "Pipelines")

APPLICABILITY

Interruptible Gas delivered by Company through the facilities of a Pipeline, using Company's transportation capacity rights on such Pipeline, to any person not connected to Company's distribution system.

CHARGES

Customer Charge	None
Transaction Charge	\$100.00 per transaction
Commodity Charge	As set forth below

For all Scheduled Quantities (as such term is defined in Special Condition 4 below), the Commodity Charge per therm shall be established by agreement between Company and Customer prior to each transaction pursuant to this Rate Schedule.

The Commodity Charge for service pursuant to this Rate Schedule shall be determined by Company based upon Company's evaluation of competitive conditions. Such conditions may include, but are not necessarily limited to: the cost of gas which is available to service Customer; the delivered price and availability of Customer's designated alternate fuel; and the nature of Customer's operations (such as load factor, fuel efficiency, alternate fuel capacity, etc.). Company may from time to time increase or reduce the Commodity Charge as it deems necessary or appropriate to meet competition or remain competitive, but shall have not an obligation to do so.

The Commodity Charge per therm shall include, at a minimum, the cost per therm of the Gas delivered to Customer pursuant to this Rate Schedule, including all variable costs incurred by Company for (or in connection with) Pipeline transportation and all applicable taxes. Company's Purchase Gas Cost Recovery Adjustment Clause, Energy Conservation Cost Recovery Clause and Competitive Rate Adjustment Clause shall not apply to purchases of Gas made by Customer Pursuant to this Rate Schedule.

OFF-SYSTEM SALES SERVICE (OSS)  
(Continued)

SPECIAL CONDITIONS

1. Neither Customer nor Company shall have any obligation to other for any specific minimum quantity of Gas or pipeline capacity on any day or during any month, and deliveries pursuant to this Rate Schedule shall be subject to curtailment or interruption at any time in the sole discretion of Company.
2. Disposition of Net Revenues and Transaction Charges. For purposes of this paragraph "net revenues" shall equal the difference between the Commodity Charge and the cost of gas delivered to Customer inclusive of all taxes and adjustments. Fifty percent (50%) of all net revenues shall be retained by Company. The remaining fifty percent (50%) of such net revenues (and all Transaction Charges) shall be used to reduce Company's cost of gas recovered through the Purchased Gas Cost Recovery Adjustment Clause.
3. Interruption and Curtailment. Company may notify Customer at any time to reduce or cease using gas. Company will endeavor to give as much notice as possible to Customer. Any gas taken in excess of the volume allocated to Customer in an interruption or curtailment order shall be considered Unauthorized Gas Use. Company may bill and Customer shall pay for such unauthorized use per the charges in the Rules and Regulations - Unauthorized Gas Use section.
4. For each day on which Customer desires to receive service pursuant to this Rate Schedule, Customer shall provide a nomination to Company specifying the quantity of Gas it desires to receive at the specified point of delivery pursuant to this Agreement. Following receipt of a timely and complete nomination from Customer, Company will confirm the quantities of Gas to be made available for delivery to Customer at such point of delivery. Quantities confirmed by Company for delivery shall be "Scheduled Quantities".
5. The point of delivery for all gas sold pursuant to this Rate Schedule shall be the delivery point of the delivering Pipeline specified by Customer.
6. Except as modified by the provisions set forth above, service under this Rate Schedule shall be subject to the Rules and Regulations set forth in this tariff.



Economic Development Gas Service (EDGS)

AVAILABILITY

Service under this Schedule is available, in conjunction with other applicable Commercial or Industrial rate schedule, to any qualifying person that meets the eligibility requirements.

APPLICABILITY

To receive service under this Rate Schedule, the Customer's written application to the Company shall include sufficient information to permit the Company to determine the Customer's eligibility.

Eligibility Requirements: A qualifying person must intend to become a new Customer with the intent to utilize natural gas to provide significant economic development or environmental benefits within the State of Florida or in a manner that increases system utilization; be an existing Customer that materially expands its use of natural gas, that provides significant environmental or economic development benefits within the State, or that increases system utilization; or be a new or existing Customer that meets other criteria as determined appropriate by the Florida Public Service Commission.

Significant Economic Benefit: Customers must intend to: create new jobs or avoid potential job reductions in the State; be identified as a prospect by applicable state, county or municipal economic development entity; or otherwise provide material benefits in the areas' economic development.

Significant Environmental Benefit: Customers must intend to: install or modernize equipment that uses energy more efficiently; reduce carbon emissions; achieve goals under a State or Federal Energy Plan or Policy as may be established from time to time; or otherwise intend to provide measureable benefits to improve Florida's environment.

Qualifying Volumes: To be eligible for service under this rate schedule a new Customer must contract to purchase and/or transport at least 1,000 Dth annually. An existing Customer must contract to purchase and/or transport of at least 1,000 Dth of additional gas annually. The increase in the volume of gas purchased or transported shall result from an increase in business activity and not merely from the resumption of normal operations following a period of abnormal operating conditions. If in the Company's sole judgement an abnormal period has occurred as a result of a strike, equipment failure, or any other abnormal condition during the twelve (12) month period prior to the date of the application by the Customer for service under this rate schedule, the Company shall adjust the Customer's consumption to eliminate any abnormal conditions. The Company, through use of historical data shall determine the base annual consumption for existing Customers. Volumes in excess of the base annual consumption shall be used to evaluate the eligibility of the Customer to receive service under this rate schedule. Loads which are or have been served by the Company during all or part of the twelve (12) month period prior to service under this Rate Schedule, and which are relocated to another metering point within the Company's service area, shall not qualify for this Rate Schedule.

Economic Development Gas Service (EDGS)  
(Continued)

The existing facilities of the Company must be adequate in the sole judgment of the Company to supply the new or expanded natural gas requirements. If construction of new or expanded local facilities by the Company is required, the Customer may be required to make a Contribution in Aid of Construction for the installed cost of such facilities. The Company will evaluate the Customer's request for service and determine the necessity of a Contribution in Aid of Construction for facilities based on the Extension of Facilities provisions in the Company's filed tariff.

The Customer must execute a contract for service under this tariff for a minimum of 10 years.

All other terms and conditions of the companion rate schedule under which service would otherwise be provided shall apply to service provided under this rate schedule.

The Company shall review the Customer's consumption each year to determine whether the Customer has fulfilled the usage requirement to be eligible for service under this rate schedule. If, on an annual basis, the Customer fails to fulfill the usage requirement for service under this tariff future service may be provided under the applicable rate schedule that would otherwise apply.

CUSTOMER CHARGE

A full monthly Customer charge per meter as provided under applicable companion tariff is payable regardless of the usage of gas.

MONTHLY RATE

The non-gas charges that would be billed in accordance with the applicable rate schedule that would otherwise apply to the qualifying volumes if service was not providing under this rate schedule shall be multiplied by the following Adjustment Factors to determine the monthly bill related to the qualifying volumes. For a new Customer the factor will be applied to the charges for the total volume delivered. For an existing Customer, the factor will be applied to the charges applicable to the volume in excess of the base annual volumes. For monthly billing purposes, 1/12th of the base annual volume shall be deducted from actual measured consumption to determine the volume eligible for the discounted factor. The factor will not be applied to the monthly Customer charge.

Contract Year	Billing Months	Adjustment Factor	Discount from Companion Rate Schedule
1	1st through 12th	60%	40%
2	13th through 24th	70%	30%
3	25th through 36th	80%	20%
4	37th through 48th	90%	10%
	Beyond the 48th Month	100%	0%

Economic Development Gas Service (EDGS)  
(Continued)

If the volume of gas purchased or transported in a contract year is less than the volume specified in the contract, the difference in the actual volume and the volume specified in the contract shall be deemed a volume deficiency. For any volume deficiency, the Customer shall be billed an amount equal to the non-gas volumetric charge that would have been billed for the delivery of the volume equal to the deficiency. The bill shall be computed in accordance with the applicable rate schedule that would otherwise apply subject to the discount provided under this rate schedule.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be assessed late payment charges as defined in Section\_\_\_ of the Company's tariff.

BILLING ADJUSTMENTS

Bills for gas service hereunder shall be subject to adjustment for the applicable taxes, fees, and the cost of purchased gas in accordance with Purchased Gas Adjustment (PGA), and shall be subject to other adjustments, charges and/or credits as determined to be applicable to the applicable rate schedule under which the Customer would otherwise be served. The adjustment factor provided under this rate schedule will not be applied to the PGA and other adjustments factors.

RIDER "A"

Purchased Gas Adjustment ("PGA")

Applicable to all Customers taking Sales Service from the Company under all GS, GL, RSG, CSG and NGV Rate Schedules. The PGA Charge, as defined herein, is designed to recover the cost to the Company of purchased gas or fuel used as a substitute for or supplemental to purchased gas including the cost of storing or transporting said gases or fuel, the cost of financial instruments employed to stabilize gas costs, other charges or credits as may result from the operation of other tariff provisions, and taxes and assessments in connection with the purchase and sale of gas.

A. The rate per therm for gas supplied in any billing period shall be adjusted by the Company's expected weighted average cost of gas (WACOG), and other adjustments as specified and approved by the Florida Public Service Commission. The WACOG may not exceed the Commission approved purchased gas cost recovery factor based on estimated gas purchases for the twelve-month period ending December 31st, in accordance with the methodology adopted by the Commission. The factor determined as set forth above shall be multiplied by 1.00503 for regulatory fees, and rounded to the nearest \$0.00001 per therm, to be applied to the total number of therms consumed by the Customer during the billing period.

B. The PGA cap recovery factor approved by the Commission for the billing months of January 2018 through December 2018 is \$0.75850 per therm.

C. If re-projected gas cost expenses for the remaining period exceed projected recoveries by at least 10% for the twelve-month period, a midcourse correction may formally be requested by the Company. For changes in market conditions and costs, the Company, upon one day's notice to the Commission, shall have the option of flexing downward (reducing the WACOG) or upward (increasing the WACOG) to the extent that the increase does not exceed the authorized cap. The current month WACOG may be adjusted for prior months' differences between projected and actual costs of gas purchased, but may not exceed the approved cap for the period.

D. Any overrecovery or underrecovery of purchased gas costs by the Company as a result of adjustments made pursuant to the above shall be "trued-up" (refunded to Customer or collected by Company) with interest, during succeeding billing periods as an adjustment to the WACOG, in accordance with the methodology adopted by the Commission, or as such methodology may be amended from time to time by further order of the Commission.

RIDER "B"

Energy Conservation Cost Recovery Adjustment ("ECCR")

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

The Distribution Charge for the applicable Rate Schedules shall be increased or decreased for the ECCR Rider to reflect the recovery of conservation related expenditures by the Company. The ECCR factor shall be multiplied by the tax factor of 1.00503 and rounded to the nearest \$0.00001 per therm. The Company shall record both projected and actual expenses and revenues associated with the implementation of the Company's Energy Conservation Plan as authorized by the Commission. The procedure for review, approval, recovery, and recording of such costs and revenues is set forth in PSC Rule 25-17.015.

The cost recovery factors including tax multiplier for the twelve month period from June 1, 2018 through December 31, 2018 are:

RS -1, RSG	\$0.17209 per therm
RS -100	\$0.11052 per therm
RS - 600	\$0.06639 per therm
GS - 1, CSG	\$0.03981 per therm
GS - 6K	\$0.03000 per therm
GS - 25K	\$0.02923 per therm
GS - 120K	\$0.01911 per therm
Gas Lighting Customers	\$0.04738 per therm

Issued by: Carolyn Bermudez  
Vice President, Florida City Gas

Effective: June 1, 2018

RIDER "C"

Applicable to all Customers except those taking service under Rate Schedules KDS, TSS, OSS, LES or under the NGV special contract rate.

The Distribution Charge for gas sold or transported after June 30, 1991, to Customers to whom this charge applies, is subject to adjustment in accordance with the following provisions, for prior shortfalls or surpluses.

A. For the purposes of this clause, the following definitions shall apply:

(1) "Actual revenue" means Company's actual Margin Revenue derived from service provided on the LES Rate Schedule during a determination period.

(2) "Base revenue" means the Margin Revenue which Company would have derived had all gas sold on the LES Rate Schedule during a determination period, been sold under Rate Schedules GS-120K, GS-1,250K, GC-11M and GS-25M.

(3) "Surplus" means the amount, if any, by which Company's actual revenue exceeds its base revenue for a determination period.

(4) "Shortfall" means the amount, if any by which Company's base revenue exceeds its actual revenue for a determination period.

B. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the actual twelve months ending September 30<sup>th</sup> ("determination period").

C. A surplus refund or shortfall recovery shall be implemented during an "adjustment period" beginning January 1<sup>st</sup> by reducing or increasing the Distribution Charge per therm charge prescribed in each applicable Rate Schedule of this tariff by an adjustment factor computed as follows and multiplied by the tax factor of 1.00503 and rounded to the nearest \$0.00001 per therm.

In the event of a surplus, subtract the amount derived from dividing the Surplus Refund due to Customers by the projected therm sales for these Customers.

In the event of a shortfall, add the amount derived from dividing the Shortfall Recovery by the projected therm sales for these Customers.

Any variation between the actual surplus refund to Customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

D. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

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Issued by: Carolyn Bermudez  
Vice President, Florida City Gas

Effective: June 1, 2018

RIDER "D"

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

Through its SAFE Program, the Company has identified the potential replacement projects focusing initially on area of limited access/pipe overbuilds, and risk assessment for Rear Lot Mains and Services considering:

- i. The pipe material;
- ii. Leak incident rates;
- iii. Age of pipeline;
- iv. Pressure under which the pipeline is operating.

The Eligible Infrastructure Replacement includes the following:

Company investment in mains and service lines, as replacements for existing Rear Lot Facilities, and regulatory station and other distribution system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities that:

- i. do not increase revenues by directly connecting new Customers to the plant asset;
- ii. are in service and used and useful in providing utility service; and
- iii. that were not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.

The Company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

- 1. Return on investment as calculated using the Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report;
- 2. Depreciation expense (calculated using the currently approved depreciation rates);
- 3. Customer and general public notification expenses associated with the SAFE Program incurred for:

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 June 1, 2018 through December 31, 2018 are:

<u>Rate Class</u>	<u>Rates Per Customer</u>
Rate Schedule RS-1	\$0.00
Rate Schedule RS-100	\$0.00
Rate Schedule RS-600	\$0.00
Rate Schedule GS-1	\$0.00
Rate Schedule GS-6K	\$0.00
Rate Schedule GS-25K	\$0.00
Rate Schedule GS-120K	\$0.00
Rate Schedule GS-1,250K	\$0.00
Rate Schedule GS-11M	\$0.00
Rate Schedule GS-25M	\$0.00
Rate Schedule GL	\$0.00
Rate Schedule RSG	\$0.00
Rate Schedule CSG	\$0.00



RIDER "D"

SAFETY, ACCESS AND FACILITY ENHANCEMENT (SAFE) PROGRAM

(Continued)

Procedure for Establishing SAFE Revenue Requirements

The SAFE Revenue Requirements and any changes thereto shall be calculated and implemented in accordance with the provisions contained in this Rider. SAFE Revenues shall be subject to refund based upon a finding and order of the Commission to the extent provided in this Rider.

The Company shall calculate its SAFE Revenue Requirements annually in the manner prescribed by this Rider and shall file the appropriate petitions with the Commission seeking to establish or change the SAFE Revenue Requirements and Surcharge. The annual filings shall include the following:

1. An annual final true-up filing showing the actual Eligible Replacement costs and actual SAFE Revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to the annual petition filing. As part of this filing, the Company shall include a summary comparison of the actual Eligible Replacement costs and SAFE Revenues to the estimated total Eligible Replacement costs and SAFE Revenues previously reported for the same period covered by the filing in paragraph (2) of this section. The filing shall also include the final over- or under-recovery of total SAFE Revenue Requirements for the final true-up period.
2. An annual estimated/actual true-up filing showing seven months actual and five months projected Eligible Replacement costs and any SAFE Revenues collected or projected to be collected during the estimated/actual true-up period. The filing shall also include the estimated/actual over- or under-recovery of total Eligible Replacement costs for the estimated/actual true-up period.
3. An annual projection filing showing 12 months projected SAFE Revenue Requirements for the period beginning January 1 following the annual filing hearing.
4. An annual petition setting forth proposed SAFE Revenue Requirements and Surcharges to be effective for the 12-month period beginning January 1 following the annual hearing. Such proposed SAFE Revenue Requirements and Surcharges shall take into account the data filed pursuant to paragraphs (1), (2), and (3) of this section.

The Company shall establish separate accounts or subaccounts for each Eligible Replacement for purposes of recording the costs incurred for each project. The Company shall also establish a separate account or subaccount for any revenues derived from SAFE Surcharges.

RIDER "D"

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

Calculation of the SAFE Revenue Requirements and SAFE Surcharges

In determining the SAFE Revenue Requirements, the Commission shall consider only (a) the net original cost of Eligible Replacements (i.e., the original cost); (b) the applicable depreciation rates as determined and approved by the Commission based on the Company's most recent depreciation study; (c) the accumulated depreciation associated with the Eligible Replacements; (d) the current state and federal income and ad valorem taxes; and (e) the Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report.

The SAFE Revenue Requirements shall be calculated as follows:

Line	Description	Value	Source
1	Revenue Expansion Factor	1.6329	As calculated in most recent base rate proceeding, using current tax rates
2	Ad Valorem Tax Rate	%	Effective Property Tax Rate for most recent 12 Months ended December 31
3	Mains	\$	Eligible Replacement Mains
4	Services	\$	Eligible Replacement Services
5	Regulators	\$	Eligible Replacement Regulators
6	Other	\$	Eligible Replacement Other
7	Gross Plant	\$	L3+L4+L5+L6
8	Accumulated Depreciation	\$	Previous Period Balance +L13
9	Construction Work In Progress	\$	Non-interest Bearing
10	Net Book Value	\$	L7-L8+L9
11	Average Net Book Value	\$	(L10 + Balance From Previous Period)/2
12	Return on Average Net Book Value	\$	L 11 X Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report
13	Depreciation Expense	\$	Lines 3,4,5 & 6 X applicable approved Depreciation Rates
14	Property Tax	\$	(L7-L8) X L 2
15	Customer and general public notification and other applicable expense	\$	O&M expense incurred as a result of eligible plant replacement
16	SAFE Revenue Requirement	\$	(L12+L13+L14+L15) X L 1

**FLORIDA CITY GAS**  
**FPSC NATURAL GAS TARIFF**  
**VOLUME NO. 9**

**Effective with meter readings on and after**  
**~~August~~ June 1, 2018**

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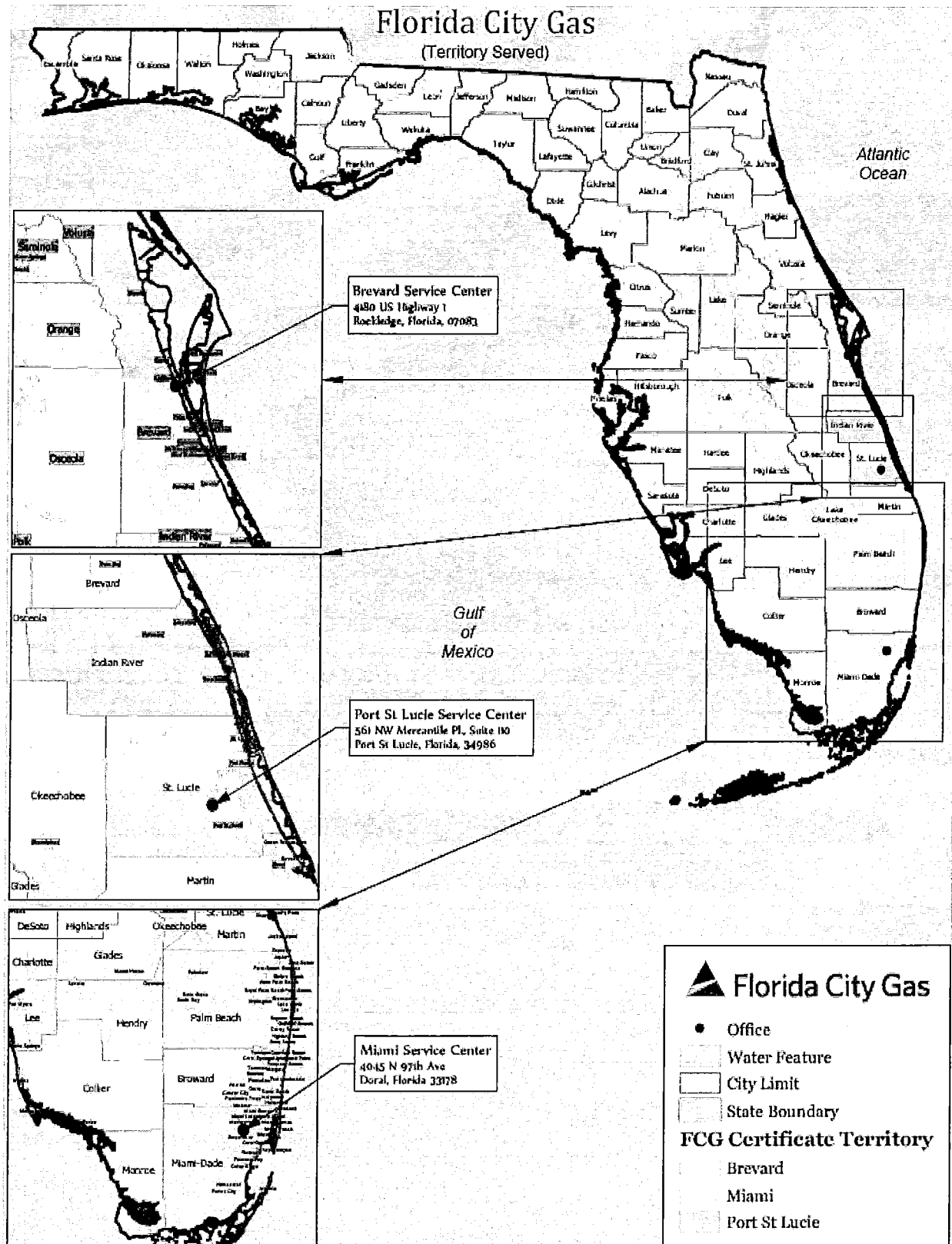
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FLORIDA CITY GAS  
NATURAL GAS TARIFF  
ORIGINAL VOLUME NO. 9  
AS FILED WITH THE  
FLORIDA PUBLIC SERVICE COMMISSION

Territory Served

Miami-Dade, Broward, St. Lucie, Indian River,  
Brevard, Palm Beach, Hendry, Lee, Glades,  
Charlotte, Collier, and Martin Counties, Florida;  
other than those areas presently served by other  
natural gas companies.

(See map on following page)





LIST OF COMMUNITIES SERVED

Municipalities

Unincorporated  
Communities

**Brevard County:**

\*Cape Canaveral  
\*Cocoa  
\*Cocoa Beach  
Indialantic  
\*Indian Harbour Beach  
Malabar  
\*Melbourne  
Melbourne Beach  
Melbourne Village  
Mims  
\*Palm Bay  
Palm Shores  
\*Rockledge  
\*Satellite Beach  
\*Titusville  
\*West Melbourne

Merritt Island  
Whispering Hills

**Miami-Dade County:**

\*Coral Gables  
Cutler Ridge  
Doral  
Florida City  
\*Hialeah  
\*Hialeah Gardens  
\*Homestead  
\*Medley  
\*Miami  
Miami Lakes  
\*Miami Springs  
\*Miami North (Breezeswept only)  
\*North Miami Beach (Skylake only)  
\*Opa Locka  
Palmetto Bay  
\*South Miami  
\*Sweetwater  
\*Village of Pinecrest  
\*Virginia Gardens  
\*West Miami

Carol City

Cutler Ridge  
Howard

Norland

Palm Springs  
Pennsuco  
Perrine  
Westchester

\*Franchise held by Florida City Gas

LIST OF COMMUNITIES SERVED  
(Continued)

Municipalities

Unincorporated  
Communities

**Broward County:**

Hallandale  
Hollywood  
Miami Gardens  
\*Miramar  
Parkland  
Pembroke Park  
Pembroke Pines  
West Park

Lake Forest

West Hollywood

**Hendry County**

Clewiston

**Indian River County:**

Fellsmere  
Indian River Shores  
Orchid  
Sebastian  
\*Vero Beach

**Palm Beach County:**

\*Belle Glade  
Pahokee  
Royal Palm Beach  
South Bay  
West Palm Beach

**St. Lucie County:**

\*Port St. Lucie

**Charlotte County**

**Collier County**

**Glades County**

**Lee County**

**Martin County**

\*Franchise held by Florida City Gas

TECHNICAL TERMS AND ABBREVIATIONS

Alternate Fuel

A fuel which provides an equivalent amount of energy computed on a "BTU" basis. It is not limited to any specified source of energy. Alternate fuel may include natural gas and, in the Company's opinion, any viable economic alternatives.

British Thermal Unit (BTU)

The quantity of heat required to raise the temperature of one pound of water one degree Fahrenheit at or near 39.2 degrees Fahrenheit.

Commission or PSC

Unless otherwise indicated means the Florida Public Service Commission.

Company

Florida City Gas ("City Gas").

Customer

A person or entity who takes service from the Company under a Rate Schedule.

Essential Use

Consistent with "Priority 1 Use" as defined in Florida Gas Transmission's tariff.

Margin Revenue

Revenue derived from applying undiscounted rates from billing Customer Charges, Demand Charges and Distribution Charges to a Customer.

Non-Residential Customers

Those Customers who are not Residential.

Residential Customers

All those Customers using gas service for domestic purposes, for use in single family dwellings, in separately metered housing units, or for use in commonly owned areas of condominium associations, cooperative apartments, and homeowner associations for non commercial uses.

Sales Service or Sales Customer

Customers receiving gas supply from the Company.

Therm

A unit of heating energy equivalent to one hundred thousand (100,000) British thermal units.

Transportation Service or Transportation Customer

Customers receiving gas supply from a Third Party Supplier.

## RULES AND REGULATIONS

### 1. GENERAL

These Rules and Regulations of the Company shall supplement the Rules and Regulations of the Florida Public Service Commission governing service by gas public utilities. Where contradiction is developed as between interpretation of the Company's Rules and Regulations and the Commission's Rules and Regulations, the latter shall be deemed to override the former.

The Company shall furnish service to applicants under the filed rates and in accordance with these Rules and Regulations.

### 2. DEPOSITS TO GUARANTEE PAYMENT OF BILLS

For an existing account or premise, the Company requires an initial deposit of two (2) times the actual average monthly bill calculated by adding the monthly charges from the 12-month period immediately before the date any change in the deposit is sought, dividing this total by 12, and multiplying the result by 2. If the account or premise has less than 12 months of actual charges, the deposit shall be calculated by adding the available monthly charges, dividing this total by the number of months available, and multiplying the result by 2. For a new service or premise request, the total deposit may not exceed two (2) months of projected charges, calculated by adding the 12 months of projected charges, dividing this total by 12 and multiplying the result by 2. Once the new Customer has had continuous service for a 12-month period, the amount of the deposit shall be recalculated using actual data. Any difference between the projected and actual amounts must be resolved by the Customer paying any additional amount that may be billed by the utility or the utility returning any overcharge. Credit in lieu of a cash deposit may be deemed satisfactorily established if the applicant for service furnishes a satisfactory guarantor, an irrevocable letter of credit from a bank, or a satisfactory surety bond to secure payment of bills.

Interest will be paid by the Company on Customer deposits at the rate of 2 percent per annum. The Company will pay interest on Non-Residential Customer deposits at the rate of 3 percent per annum in cases where the Customer has established a satisfactory payment record and has had continuous service for a period of 23 months as consistent with PSC Rule 25-7.083(6). The Company has the option of refunding deposits after 23 months. The amount of such interest due any Customer shall be credited to the Customer's bill at least annually or upon termination of service, provided the account has been active for at least six months and the deposit has been held for at least that period.

The Company may charge, upon written notice of not less than 30 days, such notice being separate and apart from any bill for service, a new deposit where previously waived or returned, or an additional deposit, in order to secure payment of current bills.

When service is terminated, any balance of the amount deposited and interest accrued will be returned to the Customer; or the deposit may be returned at any time previous thereto at the option of the Company.

RULES AND REGULATIONS (Continued)

2. DEPOSITS TO GUARANTEE PAYMENT OF BILLS (CONTINUED)

Residential deposits will be returned after the Customer has had continuous service for a period of 23 months and has not in the preceding 12 months made more than one late payment of a bill, paid with a check refused by a bank, been disconnected for non-payment, tampered with the gas meter, or used service in a fraudulent or unauthorized manner. In each case where a refund is made the amount of the deposit and interest will be applied against any amount owed by the Customer and the balance refunded. At the option of the Customer, the deposit will be refunded in full after payment of the final bill.

All Commission Rules and Regulations pertaining to Customer deposits (PSC Rule 25-7.083) are incorporated herein by reference and those Commission Rules govern in the event of conflict with Company Rules herein.

3. METERING

The Customer shall provide a suitable location satisfactory to the Company for its metering equipment.

This location shall be convenient and accessible at all times to the Company for its meter readers and other agents. This location shall conform with all local, State and Federal requirements.

The representatives of the Company shall be given access to the premises of the Customer at all reasonable times for obtaining meter readings, for shutting off the flow of gas for reasons herein prescribed, for inspection of piping and appliances, and for inspecting, removing, repairing, or protecting from abuse or fraud any of the property of the Company installed on the premises, and particularly for emergency purposes.

The Company in its sole discretion may install, at its expense, an Automatic Meter Reading ("AMR") device to monitor a Customer's gas consumption. However, when gas is to be delivered at a pressure in excess of the Company's standard gauge pressure or such equipment is required by the Rate Schedule under which the Customer will receive service, the Company shall determine any necessary equipment inclusive of compensating and AMR devices, including devices capable of providing daily readings, to be installed at the Customer's expense. If an AMR device is requested by the Customer, the AMR device and any necessary appurtenances shall be installed at the Customer's expense if the installation is deemed feasible by the Company. When such devices require attachment to telephone and/or electric utilities, the Customer shall provide and pay for suitable connections unless the Company elects to make such connections.

Customer shall not tamper with or remove meters or other equipment or permit access thereto, except by authorized employees or agents of Company.

All equipment furnished by the Company shall remain its property and may be replaced whenever deemed necessary by the Company or as required by the Commission and may be removed by the Company at any time after discontinuance of service. Payments made by the Customer shall not give the Customer ownership of the equipment.

RULES AND REGULATIONS (Continued)

3. METERING (Continued)

The Customer shall be liable to the Company for damage to or loss of meters, connections, or other Company property on their premises due to negligence or carelessness on the part of the Customer, members of their household, their agents, or employees

The gas supplied to any Customer shall be measured at the pressure existing at the meter. Gas supplied at other than the standard delivery pressure of the Company will be corrected to effect meter readings at the standard delivery pressure.

In the event of stoppage or failure of a meter to register the utility shall bill the Customer on an estimate of the gas used for a period not to exceed 12 months based on the Customer's past consumption.

In the case of unauthorized or fraudulent use, or meter tampering the utility shall bill the Customer on an estimate of the gas used, based on the Customer's past consumption or gas equipment at premises whichever is greater.

The Company will select the type and make of metering equipment and may, from time to time, change or alter such equipment. It shall be the obligation of the Company to supply meters that will accurately and adequately furnish records for billing purposes. Bills will be based upon registration of Company meters only.

With the exception of the following, the gas supplied to any Customer, under any of the Company's Rate Schedules, shall not be re-metered or sub-metered for sale either directly or indirectly. Under no conditions will service be rendered under any agreement whereby the Customer or their tenants resell the gas either within or without their premises, nor under conditions by which gas is transmitted outside the premises under contract.

A. Residential Meter Reading

All Residential Customers shall be included in one of the Company's regularly scheduled meter reading cycles with each cycle being read every month through automated meter reading (AMR) devices. The AMR technology allows the Company to read meters remotely; however, if a read is not obtained the Customer's meter readings will be noted as estimated until the Company obtains an actual meter reading.

RULES AND REGULATIONS (Continued)

3. METERING (Continued)

B. Meter Reading Estimates

Where the Company does not, for any reason, read the meter, the Company may estimate the amount of gas supplied based upon past usage, seasonal conditions, and other available information and submit a bill determined on that basis. Such a bill shall be marked as an estimated bill. Adjustment of Customer's estimated usage to actual usage shall be made when an actual reading is next obtained.

C. PSC Rule 25-7.071 Measuring Customer Service

PSC Rule 25-7.071 is included herein:

(1) All gas sold to Customers shall be measured by commercially acceptable measuring devices owned and maintained by the utility, except where it is impractical to meter loads, such as street lighting, temporary or special installations, in which case the consumption may be calculated, or billed on a rate or as provided in the utility's filed tariff.

(2)(a) Individual gas metering by the utility shall be required for each separate occupancy unit of new commercial establishments, Residential buildings, condominiums, cooperatives, marinas, and trailer, mobile home and recreational vehicle parks for which construction is commenced after January 1, 1987. This requirement shall apply whether or not the facility is engaged in a time-sharing plan. Individual meters shall not, however, be required:

i. In those portions of a commercial establishment where the floor space dimensions or physical configuration of the units are subject to alteration, as evidenced by non-structural element partition walls, unless the utility determines that adequate provisions can be made to modify the metering to accurately reflect such alterations;

ii. For gas used in central heating, central water heating ventilating and air conditioning systems, or gas back up service to storage heating and cooling systems:

iii. For gas used in specialized-use housing accommodations such as hospitals, nursing homes, living facilities located on the same premises as, and operated in conjunction with, a nursing home or other health care facility providing at least the same level and types of services as a nursing home, convalescent homes, facilities certificated under Chapter 651, Florida Statutes, college dormitories, convents, sorority houses, fraternity houses, motels, hotels, and similar facilities. For separate, specially-designated areas for overnight occupancy at trailer, mobile home and recreation vehicle parks where permanent residency is not established and for marinas where living aboard is prohibited by ordinance, deed restriction, or other permanent means;

RULES AND REGULATIONS (Continued)

3. METERING (Continued)

iv. In such multiple occupancy units which would require the provision of individual gas service above the second story, unless specifically requested.

(2)(b) For purposes of this Rule:

i. "Occupancy unit" means that portion of any commercial establishment, single and multi-unit Residential building, or trailer, mobile home or recreational vehicle park, or marina which is set apart from the rest of such facility by clearly determinable boundaries as described in the rental, lease or ownership agreement for such unit.

ii. "Time-sharing plan" means any arrangement, plan, scheme, or similar device, whether by membership, agreement, tenancy in common, sale, lease, deed, rental agreement, license, or right-to-use agreement or by any other means, whereby a purchaser, in exchange for consideration, receives a right to use accommodations or facilities, or both, for a specific period of time less than a full year during any given year, but not necessarily for consecutive years, and which extends for a period of more than three years.

iii. The construction of a new commercial establishment, Residential building, marina, or trailer, mobile home or recreational vehicle park shall be deemed to commence on the date when the building structure permit is issued.

iv. The individual metering requirement is waived for any time-sharing facility for which construction was commenced before January 1, 1987 in which separate occupancy units were not metered in accordance with subsection (2)(a).

(3) Where individual metering is not required under Subsection (2)(a)iii and master metering is used in lieu thereof, sub-metering may be used by the Customer of record/owner of such facility solely for the purpose of allocating the cost of the gas billed by the utility. The term "cost" as used herein represents only those charges specifically authorized by the gas utility's tariff including but not limited to the Customer, energy, purchased gas adjustment, and conservation charges made by the gas utility plus applicable taxes and fees to the Customer of record responsible for the master meter payments. The term cannot be construed to include late payment charges, returned check charges, the cost of the distribution system behind the master meter, the cost for billing, and other such costs.

4. PIPING AND APPLIANCES

The piping, fixtures, and appliances for which the Customer is responsible shall be maintained in conformity with all Local, State and Federal requirements.



RULES AND REGULATIONS (Continued)

5. GAS LEAKS

The Customer shall give immediate notice to the Company of leakage of gas. No deduction on account of leakage shall be required to be made from Customer's bills unless such leakage occurs as the result of fault or neglect of agents of the Company. In case of leakage or fire, the stopcock at the meter should be closed without delay and no light or flame used in the vicinity of the leak.

6. CONNECT CHARGE

A charge of \$80.00 for Residential service or \$150.00 for Non-Residential service will be made on the Customer's next bill when gas service is initiated, connected or turned-on. If service is performed, at Customer request, outside of normal business hours the charges shall be \$100.00 for Residential service or \$200.00 for Non-Residential service.

7. RECONNECTION CHARGE

A charge of \$40.00 for Residential service or \$80.00 for Non-Residential service will be made on the Customer's next bill when gas service is reconnected after disconnection for non-payment of bills. If service is performed, at Customer request, outside of normal business hours the charges shall be \$50.00 for Residential service or \$100.00 for Non-Residential service.

8. FAILED TRIP CHARGE

A charge of \$20 for Residential and Non-Residential service will be made on the Customer's next bill when the Customer fails to keep a scheduled appointment with the Company's employee, agent or representative.

9. LATE PAYMENT CHARGE

A bill shall be considered past due upon the expiration of twenty (20) days from the date of mailing or other delivery thereof by Company. The balance of all past due charges for services rendered are subject to a Late Payment Charge of 1.5% or \$5.00 whichever is greater, except that the Late Payment Charge applied to the accounts of federal, state, and local governmental entities, agencies and instrumentalities shall be at a rate no greater than allowed, and in a manner permitted by applicable law.

10. RETURNED CHECKS

The service charge for each returned check shall be determined in accordance with section 68.065, Florida Statutes. Payment of the full amount of the dishonored payment, plus a service charge of \$25 if the face value does not exceed \$50, \$30 if the face value exceeds \$50 but does not exceed \$300, \$40 if the face value exceeds \$300, or 5 percent of the face amount of the dishonored instrument, whichever is greater.

RULES AND REGULATIONS (Continued)

11. OTHER CHARGES

The following charges relating to Customer accounts will apply:

Change of account	\$25 <u>20</u> .00
Bill collection in lieu of disconnection	\$25.00
(outside of normal business hours)	\$32.00
Meter read outside normal schedule	\$15.00
(outside of normal business hours)	\$22.00

12. Temporary Disconnection of Service – Customer Request

A charge of \$35.00 for Residential and Non-Residential service will be made on the Customer's next bill when the Customer requests a Temporary Disconnection of Service. If service is performed, at Customer request, outside of normal business hours the charges shall be \$45.00 for Residential and Non-Residential service.

13. RIGHT TO SUSPEND OR DISCONTINUE SERVICE TO A CUSTOMER

The Company may temporarily shut off the supply of gas to the Customer's premises after reasonable notice for the purpose of making necessary repairs or adjustments to mains or supply pipes, and reserves the right to shut off the supply of gas without notice in case of emergency. In addition the PSC Rule 25-7.089, Refusal or Discontinuance of Service by Utility, as follows, shall apply:

(1) Until adequate facilities can be provided a utility may refuse to serve an applicant if, in the best judgment of the utility, it does not have adequate facilities or supply of gas to render the service applied for, or if the service is of a character that is likely to affect unfavorably service to other Customer.

(2) If the utility refuses service for any reason specified in this subsection, the utility shall notify the applicant for service as soon as practicable, pursuant to subsection (5), of the reason for refusal of service. If the utility will discontinue service, the utility shall notify the Customer at least 5 working days prior to discontinuance that service will cease unless the deficiency is corrected in compliance with the utility's regulations, resolved through mutual agreement, or successfully disputed by the Customer. The 5-day notice provision does not apply to paragraphs (h), (i) or (j). In all instances involving refusal or discontinuance of service the utility shall advise in its notice that persons dissatisfied with the utility's decision to refuse or discontinue service may register their complaint with the utility's Customer relations personnel and to the Florida Public Service Commission at 1-800-342-3552 which is a toll free number. As applicable, each utility may refuse or discontinue service under the following conditions:

RULES AND REGULATIONS (Continued)

13. RIGHT TO SUSPEND OR DISCONTINUE SERVICE TO A CUSTOMER (Continued)

- (a) For non-compliance with or violation of any State or municipal law or regulation governing gas service.
- (b) For failure or refusal of the Customer to correct any deficiencies or defects in his piping or appliances which are reported to him by the utility.
- (c) For the use of gas for any other property or purpose than that described in the application.
- (d) For failure or refusal to provide adequate space for the meter and service equipment of the utility.
- (e) For failure or refusal to provide the utility with a deposit to insure payment of bills in accordance with the utility's regulations provided that written notice, separate and apart from any bill for service, be given the Customer.
- (f) For neglect or refusal to provide reasonable access to the utility for the purpose of reading meters or inspection and maintenance of equipment owned by the utility provided that written notice, separate and apart from any bill for service, be given the Customer.
- (g) For non-payment of bills or noncompliance with the utility's rules and regulations, and only after there has been a diligent attempt to have the Customer comply, including 5 working days' written notice to the Customer, such notice being separate and apart from any bill for service. For purposes of this subsection, "working day" means any day on which the utility's business office is open and the U.S. Mail is delivered. Upon request of the Customer, the utility shall give a copy of the notice of discontinuance to a designated third party in the service area of the utility. A utility shall not, however, refuse or discontinue service for non-payment of a dishonored check service charge imposed by the utility.
- (h) Without notice in the event of a condition known to the utility to be hazardous.
- (i) Without notice in the event of tampering with regulators, valves, meters or other facilities furnished and owned by the utility.
- (j) Without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the utility, before restoring service, may require the Customer to make at his own expense all changes in piping or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the deficiency in revenue resulting from such fraudulent use.

RULES AND REGULATIONS (Continued)

13. RIGHT TO SUSPEND OR DISCONTINUE SERVICE TO A CUSTOMER (Continued)

(3) Service shall be restored when cause for discontinuance has been satisfactorily adjusted.

(4) When service has been discontinued for proper cause, the utility may charge a reasonable fee to defray cost of restoring service provided such charge is set out in its approved tariff on file with the Commission.

(5) In case of refusal to establish service, or whenever service is discontinued, the utility shall notify the applicant or Customer in writing of the reason for such refusal or discontinuance.

(6) If the Company has reasonable evidence that there is or may be a danger from the Customer or any occupant and/or invitee of the Customer's Premises to Company personnel or agents who might be called to said Premises in the course of their duties with the Company, including but not limited to any direct or implied threats against the Company or its personnel or agents from said Customer or occupant and/or invitee.

(7) The following shall not constitute sufficient cause for refusal or discontinuance of service to an applicant or Customer.

(a) Delinquency in payment for service by a previous occupant of the premises unless the current applicant or Customer occupied the premises at the time the delinquency occurred and the previous Customer continues to occupy the premises and such previous Customer will receive benefit from such service.

(b) Failure to pay for appliances purchased from the utility.

(c) Failure to pay for a different type of utility service, such as electricity or water.

(d) Failure to pay for a different class of service.

(e) Failure to pay the bill of another Customer as guarantor thereof.

(f) Failure to pay a dishonored check service charge imposed by the utility.

(8) No utility shall discontinue service to any noncommercial Customer between 12:00 noon on a Friday and 8:00 a.m. the following Monday or between 12:00 noon on the day preceding a holiday and 8:00 a.m. the next working day unless such discontinuance is at the request of the Customer or is necessary in the interest of safety. Holiday as used in this subsection shall mean New Years Day, Memorial Day, July 4, Labor Day, Thanksgiving Day, and Christmas Day.

(9) Each utility shall submit, as a tariff item, a procedure for discontinuance of service when that service is medically essential.

RULES AND REGULATIONS (Continued)

13. RIGHT TO SUSPEND OR DISCONTINUE SERVICE TO A CUSTOMER (Continued)

Failure of Company to exercise its rights to suspend, curtail or discontinue service, for any of the above reasons, shall not be deemed a waiver thereof.

When service has been discontinued for any of the reasons set forth in the Tariff, the Company shall not be required to restore service until the Customer has paid the applicable charges to the Company required for service restoration.

14. EXTENSION OF FACILITIES

A. Free Extensions of Mains and Services: The maximum capital investment required to be made by the Company for main and service facilities without cost to the Customer shall be defined as the Maximum Allowable Construction Cost ("MACC"). The MACC shall equal six times the annual Margin Revenues estimated to be derived from the facilities. However, Customers initially served under the Residential Standby Generator Service ("RSG") and Commercial Standby Generator Service ("CSG") Rate Schedules shall not be eligible for extension allowances, even if additional load is added at a later date, but such Customers may be eligible to receive refunds of amounts paid to the Company for extensions under B.(2) below.

B. Extensions of Mains and Services Above Free Limit: When the cost of the extension required to provide service is greater than the free limit specified above, the Company may require a non-interest bearing advance in Aid to Construction ("ATC") equal to the cost in excess of such free limit provided that:

(1) At the end of the first year following construction, the Company shall refund to the person paying the ATC or their assigns an amount equal to the excess, if any, of the MACC as recalculated using actual gas revenues, less the actual cost of gas, over the estimated MACC used to determine the amount of the ATC.

(2) For each additional Customer taking service at any point on the extension within a period of five (5) years from date of construction, the Company shall refund to the person paying the ATC or their assigns an amount by which the MACC for the new Customer exceeds the cost of connecting the Customer, provided that an additional main extension shall have not been necessary to serve the additional Customer.

(3) The aggregate refund to any Customer made through the provisions of (a) and (b) above shall at no time exceed the original ATC of such Customer.

(4) The extension shall at all times be the property of the Company and any un-refunded portion of the ATC at the end of five (5) years shall be credited to the plant account of the Company.

(5) The Company may require a commitment by a Customer to take or pay for a minimum volume of gas as deemed appropriate by the Company given the circumstances of facility cost and/or the service requirements of a particular Customer. In no instance will the minimum volume commitment be set at a level that exceeds the volume amount used to calculate the MACC for the Customer, nor will the volume commitment term exceed six (6) years.

RULES AND REGULATIONS (Continued)

14. EXTENSION OF FACILITIES (Continued)

C. Area Extension Program Charge: Notwithstanding the provisions of Sections A and B when facilities are to be extended to serve single or multiple delivery points in a discrete geographic area, the Company may require an Area Extension Program Charge ("AEP"). The Company, in its sole discretion, may require this charge when:

- (1) The cost of the project facilities required to provide service through the area is greater than the aggregate MACC for the Customers to be served; and
- (2) The Company reasonably forecasts Margin Revenues plus the AEP during the period ending ten years from when the mains required to serve the project facilities are placed in service (the Amortization Period), that are sufficient to recover the cost of the project facilities.

The AEP, which shall be stated on a per therm basis, shall apply with respect to all natural gas sold or transported to Company Customers located within the applicable discrete geographic area during the Amortization Period.

The AEP will be calculated by dividing (1) the amount of additional revenue required in excess of the Company's applicable tariff rates by (2) the volume of gas reasonably forecast to be sold or transported to Customers within the applicable discrete geographic area during the Amortization Period. The additional revenue required is that amount determined necessary to recover the excess cost of the facilities, including the Company's allowed cost of capital.

AEP collected shall be used specifically to amortize the cost of the project facilities within the applicable discrete geographic area that are in excess of the MACC. If the AEP collected is sufficient before the expiration of the Amortization Period to fully amortize the excess costs, including provision for the accumulated cost of capital, the AEP for that area shall terminate immediately, and the Company shall promptly credit the affected Customers for amounts over collected, if any.

Upon the earlier of (1) the third anniversary of the date when the project facilities are placed in service and (2) the date on which 80% of the originally forecast annual load is connected, the Company will reassess the amount of additional revenue required to recover the unamortized excess cost of the facilities and the calculation of the AEP. Further reassessments shall be performed by the Company following the fifth, seventh and ninth anniversary of the date when the project facilities were originally placed in service. The resulting adjustment of the AEP (whether upward or downward) will be applied over the remainder of the Amortization Period.

RULES AND REGULATIONS (Continued)

14. EXTENSION OF FACILITIES (Continued)

The Company may enter into a guaranty agreement with the party or parties requesting the extension, whereby that party or parties agree to pay to the Company any unamortized balance remaining at the end of the Amortization Period. The Company's rights under the guaranty agreement will not be considered when calculating the AEP.

The length of the Amortization Period may be modified upon the specific approval of the Florida Public Service Commission.

D. General

The Company will own control and maintain all service pipes, regulators, vents, meters, meter connections, valves and other appurtenances from the main to the outlet side of the meter.

The extension of facilities provisions shall not require the Company to extend its mains across private property or in streets that are not at established grade; nor prohibit the Company from making extensions of mains of greater length than required herein.

15. TRANSPORTATION - SPECIAL CONDITIONS

A. A Transportation Service Agreement or other means of enrollment accepted by the Company is a condition precedent for Transportation Service under each applicable Rate Schedule, the initial term of which shall be no less than one (1) year and year to year thereafter until terminated by ninety (90) days written notice by either party.

B. The usage charges in the Rate Schedules shall be based upon actual or estimated consumption as determined by the Company, not by Third Party Supplier deliveries.

C. Nominations and Transportation of Gas

The Customer's Third Party Supplier ("TPS") shall nominate on behalf of its Customers the total monthly requirements for that billing month. The TPS is responsible for making arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline supplier. The gas transported under this Rate Schedule is not the property of the Company. However, the Company reserves the right to commingle such gas with other supplies. Moreover, the Company reserves the right to utilize Customer's gas, when necessary, in accordance with its Gas Curtailment Plan.

D. Indemnification

As between Company and Customer, the Customer or its Third Party Supplier warrants that it has clear title to any gas supplies delivered into the Company's system for redelivery to Customer and Customer shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer. Customer agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries of gas on behalf of transporting Customer.

E. Gas Supply Obligation

In the event that Customer's Third Party Supplier fails to deliver gas on behalf of its Customers, the Company may, in its sole discretion, provide replacement gas supplies. The Company shall have no obligation to provide natural gas supplies to Customers that contract for gas supply from a TPS. In the event that a Customer seeks to purchase natural gas supplies from the Company, such sales may be made by the Company in its sole discretion under such terms and conditions as the Company may require.

F. Balancing Receipts and Deliveries

Third Party Suppliers will be billed for all their Customers' balancing and other transportation related charges, as set forth in the TPS Rate Schedule, determined by the Company to be billable to a TPS on behalf of their Customers. If there are any unpaid charges the TPS' Customers shall be individually responsible for any portion attributable to their individual action and/or for their prorata share as follows: The Company will first determine individual Customer charges, if any, and second prorata charges based on allocating the



RULES AND REGULATIONS (Continued)

15. TRANSPORTATION - SPECIAL CONDITIONS (Continued)

F. Balancing Receipts and Deliveries (Continued)

amount of TPS gas received, if any, in the following priority; first to the GS classes being served under ADDQ in the order of increasing annual usage, then to NGV, followed by the remaining GS classes in the order of increasing annual usage, then by KDS and lastly to FGS Customers. Each Customer in a Rate Schedule that does not receive gas supply to meet the entire Rate Schedule requirements will receive a prorata charge based on their percentage of gas consumed, as estimated or measured on the meter reading date following the incurrence of imbalance charges, to the total of their Rate Schedule for the period that charges apply.

G. Transportation Interruption and Curtailment

Company shall have the right to reduce or completely curtail deliveries to Customer as follows:

(1) If, in Company's opinion, Customer will overrun the volume of gas to which it is entitled from its supplier (or overrun the volume of gas being delivered to Company for Customer's account); or

(2) In the event Company is notified by its delivering pipeline pursuant to the Federal Energy Regulatory Commission approved curtailment plans or provision of its tariff to interrupt or curtail deliveries for uses of the same type or category as Customer's use of gas hereunder; or

(3) When necessary to maintain the operational reliability of Company's system.

Company will endeavor to give as much notice as possible to Customer in the event of interruption or curtailment. Any gas taken in excess of the volume allocated to the Customer in an interruption or curtailment order shall be considered Unauthorized Gas Use

H. Facilities

Company shall not be obligated to, but may, at its sole discretion on a non-discriminatory basis, construct or acquire new facilities, or expand existing facilities, including facilities necessary to provide measurement of volumes and communication of deliveries, in order to perform service requested under each applicable Rate Schedule. If in Company's reasonable judgment it is necessary to construct or acquire new facilities, or to expand existing facilities, to enable Company to receive or deliver Customer's gas at the Points of Receipt and Delivery requested, and Company determines in its sole discretion to construct, acquire, or expand such facilities, then Company shall notify Customer of the estimated costs of such facilities, including electronic measurement equipment, shall, subject to the receipt and acceptance of any necessary regulatory approval, be constructed, acquired or expanded by Company in accordance with the terms of the executed Service Agreement.

RULES AND REGULATIONS (Continued)

15. TRANSPORTATION - SPECIAL CONDITIONS (Continued)

H. Facilities (Continued)

Prior to the initial receipt of service hereunder, unless agreed otherwise, Customer shall reimburse Company in accordance with the terms of the Transportation Service Agreement, for the cost of any facilities which are constructed, acquired, or expanded by Company to receive or deliver Customer's gas.

All facilities required to provide service under each applicable Rate Schedule shall be designed, constructed, installed, operated, and owned by Company, unless otherwise agreed to by Company.

Company's execution of a Transportation Service Agreement under each applicable Rate Schedule may be conditioned on Customer's agreement to pay the total incremental cost of such facilities as specified herein and in the Service Agreement.

I. Designated Pools

This section designates the Pools that have been adopted for the Company's service territory in order to facilitate the operation of the Company's system.

Basic Pools result from the physical characteristics of the Company's system and the location of the delivery points of the interstate pipeline companies.

The Company's service territory is composed of two Primary Pools, each of which is composed of one or more Basic Pools:

- (a) Brevard
- (b) Miami-Dade

J. Allocation, Assignment, of Capacity and Supply Assets

This section sets forth the method and provisions by which the Company will allocate, on an equal access, nondiscriminatory basis, the Company's Interstate Pipeline Capacity to a Third Party Supplier based upon the Average Daily Delivery Quantity ("ADDQ") and Demand Charge Quantity ("DCQ") of the Transportation Customers served by the Third Party Shipper.

The portion of the Company's Interstate Pipeline Capacity not associated with premises served by Third Party Supplier will remain with the Company. The Company will hold the capacity required to service its Customers on a Design Day plus a reserve margin not to be less than 5%. The Company will post on the Electronic Bulletin Board ("EBB") each allocation of the Company's Interstate Pipeline Capacity to a Third Party Supplier for viewing only by such Third Party Shipper. Until the Company has sufficient Interstate Pipeline Capacity to satisfy 100% of its sales and essential use customers throughput, the company may opt to not release capacity to third party suppliers. Once adequate capacity is obtained to meet the sales and essential use customers needs, capacity releases will be prioritized based upon Customer groups. The Company will first release Interstate Pipeline Capacity to service Cycle Read Customers (ADDQ) based upon Third Party Supplier market share.

RULES AND REGULATIONS (Continued)

15. TRANSPORTATION - SPECIAL CONDITIONS (Continued)

The remaining Interstate Capacity will then be released to service Daily Read Customers (DCQ) that are identified as Essential Use based upon Third Party Supplier market share. Any remaining Interstate Pipeline Capacity will then be released to service Daily Read Customers that are not identified as Essential Use based upon Third Party Supplier market share.

Each month the Company will calculate market share for each Third Party Supplier based upon the sum of the ADDQ and DCQ of premises served by each Third Party Supplier. Each month the Company will make capacity allocations to each Third Party Supplier based upon their market share as calculated on the twentieth (20<sup>th</sup>) calendar day of the preceding month. The Company will post on the EBB on the twentieth (20<sup>th</sup>) calendar day of the preceding month, the total Interstate Pipeline Capacity that a Third Party Supplier is allocated for viewing only by such Third Party Shipper.

The rate for Interstate Pipeline Capacity will be the maximum rate stated in the applicable FERC Gas Tariff; provided, however, that if the proper regulatory approvals have been received, the rate for an assigned service will not exceed the rate charged to the Company as of the date of the assignment. Assignments will have a term of one calendar month and will be made and become effective on the first day of such month.

The Company will, when possible, provide firm gas delivery service to Sales Customers who were Transportation Customers. ~~prior to August 1, 2018.~~ However, if sufficient interstate pipeline capacity is not available, those Customers may not receive firm gas delivery service.

All capacity charges associated with release of Interstate Capacity to Third Party Suppliers will be billed directly to the Third Party Supplier by the pipeline company.

K. Recall of Released Capacity

The Company, at its sole discretion, has the right to recall Interstate Pipeline Capacity from Third Party Suppliers if:

- (a) A determination by the Company, in a Force Majeure event to recall capacity in order to maintain the operational integrity of the system;
- (b) A Third Party Supplier's failure to meet the security requirements of this Tariff or meet its responsibilities as a replacement shipper on the Pipeline;
- (c) A filing of bankruptcy by a Third Party Supplier;
- (d) A Third Party Supplier fails to meet system delivery requirements;
- (e) An order of the State or Federal Commissions where recall would be necessary to comply with Commission orders;
- (f) The Company, for any reason, determines that recall is necessary to maintain the operational integrity of the system

RULES AND REGULATIONS (Continued)

15. TRANSPORTATION - SPECIAL CONDITIONS (Continued)

L. Disposition of Recalled Capacity

Capacity recalled to the above section, shall be re-released as follows:

In the case of Interstate Pipeline Capacity is recalled, the Company will re-release the recalled Interstate Pipeline Capacity to all Third Party Suppliers promptly.

M. Limitations on Released Capacity

The Interstate Pipeline Capacity being released to Third Party Suppliers under the provisions of this tariff was obtained for the purpose of making gas available to Customers in Florida. It is being released to Third Party Suppliers for the same purpose. Accordingly, in addition to any other limitations on the released capacity that may apply, and as a condition for receiving the released capacity, Third Party Suppliers must comply with the following limitations on the use of released capacity.

Any agreement to trade, assign, sell, or otherwise re-release the released capacity shall include the right of FCG to recall the capacity under Section K.

In the event that a Third Party Shipper sells, trades, or otherwise transfers all or part of the Third Party Supplier's Customer base to another Third Party Supplier, it shall also release to the other Third Party Supplier an equal percentage of its released Interstate Pipeline Capacity;

Any agreement to trade, assign, sell, or otherwise re-release the released Interstate Pipeline Capacity shall include the right of Third Party Supplier to recall the capacity if the capacity is necessary to provide service to the Third Party Suppliers' Customers.

16. FORCE MAJEURE

Neither Company, Third Party Supplier, or Customer shall be liable for damages to the other for any act, omission, or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, unforeseeable or unusual weather conditions, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, , or software, line freezups, temporary failure of gas supply, temporary failure of firm transportation arrangements or curtailments, the binding order of any court or governmental authority which has been resisted in good faith by reasonable legal means, acts of third parties, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which by the exercise of reasonable diligence such party is unable to prevent or overcome.

Such causes or contingencies affecting the performance by the Company, Third Party Supplier or Customer, however, shall not relieve it of liability in the event of its concurrent negligence, nor shall such causes or contingencies affecting performance relieve either party from its obligations to make payments of amounts then due hereunder in respect of gas theretofore delivered.

RULES AND REGULATIONS (Continued)

17. GAS CURTAILMENT PLAN

During periods of supply shortages, operational constraints or Force Majeure events the Company may implement the terms of its Gas Curtailment Plan. The purpose of this plan is to preserve the ability to continue to provide essential gas services to the broadest base of Customers given limited gas supply and/or delivery capacity. Any Unauthorized Gas Use will be governed by the terms stated in the Unauthorized Gas Use section of this tariff. If a Customer notifies the Company that they have a medical necessity requiring gas use the Company will endeavor to provide adequate notice of any curtailments.

18. UNAUTHORIZED GAS USE

Unauthorized Gas Use includes, but is not limited to, any volume of gas taken by Customer in excess of its Demand Charge Quantity requirement as set forth in its Service Agreement with Company or the quantity of gas allowed by the Company on any day as a result of a curtailment or interruption notice issued by the Company in accordance with its tariff and/or by the Florida Public Service Commission of the State of Florida or any other governmental agency having jurisdiction. A "day" shall be a period of twenty-four (24) consecutive hours, beginning as near as practical to 8 a.m., or as otherwise agreed upon by Customer and Company.

The Company reserves the right to physically curtail the gas service to any Customer if, in the Company's sole judgement, such action is necessary to protect the operation of its system.

If a Customer uses gas after having been notified that gas is not available or, if applicable, uses gas in excess of the Demand Charge Quantity or requirements as established in the Service Agreement, then Unauthorized Gas Use charges shall apply to those amounts. Furthermore, if a Third Party Supplier (TPS) fails to deliver gas in the quantities and or imbalance ranges specified in the TPS Rate Schedule, then Unauthorized Gas Use charges shall apply to the TPS.

All Unauthorized Gas Use charges shall be billed at the higher of \$2.50 per therm or a rate equal to ten times the highest price, for each day, for gas delivered to Florida Gas Transmission at St. Helena Parish, as reported in ~~Natural Gas Week~~ Platts Gas Daily plus Florida Gas Transmission Company's transportation cost and fuel, if applicable. However, this rate shall not be lower than the maximum penalty charge for unauthorized daily overruns as provided for in the Federal Energy Regulatory Commission approved gas tariffs of the interstate pipelines which deliver gas into Florida. This charge is in addition to all applicable taxes, charges and assessments of the applicable Rate Schedule.

Nothing herein shall be construed to prevent the Company from taking all lawful steps to stop the unauthorized use of gas by Customer, including disconnecting Customers service. Such payment for unauthorized use of gas shall not be deemed as giving Customer or TPS any rights to use such gas.

RULES AND REGULATIONS (Continued)

19. EQUIPMENT FINANCING

If the Company agrees to provide the necessary natural gas conversion or compression equipment, an agreement as to terms and conditions governing recovery of such conversion costs from the Customer may be entered into and the initial contract term of gas service shall at a minimum be the same as the period of recovery stated in the agreement. Further, the rates established in the monthly rate section may be adjusted to provide for recovery by the Company of the costs incurred, including carrying cost at the Company's overall cost of capital, in providing such natural gas conversion equipment. At such time when the Company has recovered its costs of providing the natural gas conversion equipment the ongoing gas deliveries shall be billed at rates stated in the Customers applicable Rate Schedule.

20. TAXES AND OTHER ADJUSTMENTS

There will be added to all bills rendered all applicable local utility and franchise taxes, State sales taxes and gross receipts tax presently assessed by governmental authority, as well as any future changes or new assessments by any governmental authority subsequent to the date of any Rate Schedule. All such assessments as described above shall be shown on Customer bills.

21. BUDGET BILLING PLAN

Available to any Residential Customer as defined under the Technical Terms and Abbreviations of this tariff. A Customer may elect to enroll in the Company's Budget Billing Plan to help stabilize their monthly payments. To qualify for the Budget Billing Plan, a Customer must be a year-round Customer and have no balance owing when beginning the plan. Following a Customer's request to participate in the Budget Billing Plan the Company shall have 45 days in which to determine the Customer's eligibility and process an enrollment to initiate billing under the plan.

If a Customer requests the Budget Billing Plan, the initial budgeted payment amount will be based on the average of the previous 12 months usage normalized for weather applied to the then current or Company projected billing rates, and shall include any regulatory fees or taxes applicable to the Customer. If the Customer has not received Gas Service from the Company for the preceding 12 months, the Company will use the best information available to calculate the initial monthly payment amount. The total deferred debit or credit balance will be shown on the Customer's bill.

The Company reviews all budget payments and resets them annually on or about August of each year. On such recalculation, one-twelfth of any debit or credit deferred balance will be added to the following year's recalculated budgeted monthly payment amount. However, a Customer may request a payment of a credit balance in which case the recalculated amount will be adjusted to reflect the removal of the credit balance. In addition, the Company also performs a semi-annual review and may adjust the budget payment if it varies by more than \$5.00 or 10% whichever is less.

RULES AND REGULATIONS (Continued)

The Company may also recalculate the payment quarterly if it determines that changes in Customer equipment or billing rates warrant. However, the Company may only begin charging such recalculated quarterly amounts on the Customer's next successive bill if the recalculated budgeted payment amount varies by 35% or more from the budgeted payment amount then in effect. Any balances outstanding at the time of a non-annual recalculation shall be included in such recalculation with the objective of achieving a net zero balance at the end of the program year.

A Customer's participation in the Budget Billing Plan will be continuous unless the Customer requests that participation in the plan be discontinued, or gas service has been terminated at the premise, or the Customer is delinquent in paying the budgeted payment amount, which may result in shut-off for non-payment and/or removal from the program. If a Customer no longer participates in the plan, the Customer shall pay any deferred debit balances with their next regular monthly bill, with any deferred credit balance being used to reduce the amount due from the next regular monthly bill. Upon termination from the plan, for any reason, any billed outstanding balance not paid by the next due date shall be considered past due and late payment fees shall apply. In addition, prior to plan termination, late payment fees shall apply to past due Budget Billing Plan payment amounts.

22. LIMITS OF COMPANY RESPONSIBILITIES

The Company shall not be liable for any property damage, fatality, or personal injury sustained on the Customer's premise resulting from the Customer's installation of the gas pipe, fittings, appliances, storage tanks, compressors, and apparatus of any type of others on the Customer's premises. The Company will not be responsible for the use, care or handling of gas delivered to the Customer after it passes from the Company's lines on the Customer's side of the point of delivery. The Company shall not be liable to the Customer for naturally occurring or other impurities, regardless of the sources, such as water, sand, black powder, sulfur, butane, or other chemicals or compounds in the Gas delivered to the Customer or their vehicle.

Whenever the Company deems an emergency or system operating condition warrants interruption, curtailment or other limitation of the Gas Service being rendered, such interruption, curtailment or other limitation shall not constitute a breach of contract and shall not render the Company liable for damages suffered as a result of such interruption, curtailment or other limitation of Gas Service or excuse the Customer from continuing to fulfill its obligations to the Company.

In no event shall the Company be under any obligation to inspect the gas piping or appliances of a Customer. Where the Company has reason to believe the flues, gas piping or appliances do not comply with recognized requirements or code, the Company may refuse to supply gas to the Customer. However, the Company shall have no responsibility whatsoever for determining whether any local code or ordinance or any other government requirement is applicable.

No Customer or other person shall, unless authorized by the Company, operate, change or tamper with any of the Company's facilities.

RULES AND REGULATIONS (Continued)

23. LIMITATION OF DAMAGES

The Customer shall not be entitled to recover from the Company any consequential, indirect, incidental or special damages, such as loss of use of any property, vehicle, or equipment, loss of profits or income, loss of production, rental expenses for replacement property or equipment, diminution in value of real property, or expenses to restore operation, or loss of goods or products.

The Customer shall indemnify, hold harmless, and defend the Company from and against any and all liability, proceedings, suits, cost or expense for loss, damage or injury to person or property, in any manner directly or indirectly connected with or growing out of the transmission and/or use of natural gas by the Customer at or on the Customer's side of the point of delivery or out of the Customer's negligent acts or omissions.

24. ACCESS TO PREMISES

The Customer shall grant to the Company without cost to the Company, all rights, easements, permits and privileges which in the Company's opinion are necessary for the rendering of service. The Customer will furnish to the Company, without charge, an acceptable location for the Company's meter and shall give Company employees and representatives access to the Customer's premise so that the Company may operate, inspect and maintain its facilities. Failure to grant access could result in disconnection of service.

25. Excess Flow Valves

Existing single family residential regardless of size, as well as multi-family residences and commercial Customers not using in excess of one-thousand (1,000) standard cubic feet per hour (SCFH) per service, may request the Company to install an excess flow valve (EFV) or equivalent equipment, which appropriate equivalent will be determined in the Company's sole discretion, for the purpose of interrupting the flow of gas. The Customer shall reimburse the Company for the cost associate with installing an EFV (or equivalent equipment) when such installation is performed at the request of the Customer.



RESIDENTIAL SERVICE – 1 (RS-1)

APPLICABILITY

Service is available to Residential Customers using between 0 and 99 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

Customer Charge	\$12.00
Distribution Charge, per therm	\$0.552247322
Commodity Charge	Per Rider "A"

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.

RESIDENTIAL SERVICE - 100 (RS-100)

APPLICABILITY

Service is available to Residential Customers using between 100 and 599 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

Customer Charge	\$15.00
Distribution Charge, per therm	\$0.431241137
Commodity Charge	Per Rider "A"

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.

RESIDENTIAL SERVICE - 600 (RS-600)

APPLICABILITY

Service is available to Residential Customers using 600 or more therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

Customer Charge	\$20.00
Distribution Charge, per therm	\$0.375653133
Commodity Charge	Per Rider "A"

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.

GENERAL SERVICE - 1 (GS-1)

APPLICABILITY

Service is available to Non-Residential Customers using between 0 and 5,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$25.00	\$25.00
Distribution Charge, per therm	\$0.426237923	\$0.426237923
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.

GENERAL SERVICE - 1 (GS-1)  
(Continued)

SPECIAL CONDITIONS APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

1. See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.
2. Customer's TPS shall deliver an Average Daily Delivery Quantity ("ADDQ"), as determined monthly by the Company.

GENERAL SERVICE - 6K (GS-6K)

APPLICABILITY

Service is available to Non-Residential Customers using between 6,000 and 24,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$35.00	\$35.00
Distribution Charge, per therm	\$0.378534153	\$0.378534153
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.

GENERAL SERVICE - 6K (GS-6K)  
(Continued)

SPECIAL CONDITIONS APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

1. See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.
2. Customer's TPS shall deliver an Average Daily Delivery Quantity ("ADDQ"), as determined monthly by the Company.

GENERAL SERVICE - 25K (GS-25K)

APPLICABILITY

Service is available to Non-Residential Customers using between 25,000 and 119,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$150.00	\$150.00
Distribution Charge, per therm	\$0.357132696	\$0.357132696
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.



GENERAL SERVICE - 25K (GS-25K)  
(Continued)

SPECIAL CONDITIONS APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

1. See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.
2. Customer's TPS shall deliver an Average Daily Delivery Quantity ("ADDQ"), as determined monthly by the Company.

GENERAL SERVICE - 120K (GS -120K)

APPLICABILITY

Service is available to Non-Residential Customers using between 120,000 and 1,249,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$300.00	\$300.00
Demand Charge, per DCQ	\$0.575	\$0.575
Distribution Charge, per therm	\$0.317219499	\$0.317219499
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ)

The DCQ's to be used in setting the Customer's Billing DCQ will be determined by the Customer's maximum daily requirements in terms of therm units per day based on readings taken from an Automatic Meter Reading (AMR) device installed at the premise. The DCQ's used in setting the Billing DCQ shall be those from the Customer's daily metered therm consumption recorded for a period of up to three (3) years ending each March 31st. ~~The results shall be grouped into the seasonal periods of April to October and November to March for purposes of deriving the Billing DCQ.~~ If historical consumption information of at least twelve (12) months is not available, then the Billing DCQ level shall be based upon the rating and expected usage of the Customer's gas equipment as determined by the Company.

The Billing DCQ will be determined annually by the Company based on the DCQ history, as determined above, ~~for each of the respective seasonal periods.~~ The Customer's Billing DCQ shall be adjusted to reflect the maximum recorded DCQ ~~recorded for the respective seasonal periods.~~ Adjustments will be made in the ~~preceding months of April and November except the~~ Company shall not increase such a Customer's Billing DCQ unless the Customer has had at least three (3) occurrences of DCQ's in excess of their current Billing DCQ ~~within the respective seasonal periods.~~

GENERAL SERVICE - 120K (GS -120K)  
(Continued)

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ): (continued)

At any time a Customer may request an adjustment to its Billing DCQ. If the Customer is able to demonstrate an ongoing change in its maximum daily therm requirements then the Company may at its discretion adjust Customers Billing DCQ prospectively. However, the initial Billing DCQ shall be established for all Customers with active service at the effective date of this tariff based on the highest daily actual therm consumption recorded at Customer's premises over the thirty-six month historic period ending March 31<sup>st</sup> of each year.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge and Demand Charge. In addition, a minimum annual charge shall be assessed by applying the Distribution Charge hereunder to the difference between the annual minimum qualifying therms specified in this Rate Schedule and the annual usage of the Customer.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

TERM OF CONTRACT

The initial term of which shall be no less than one (1) year and year to year thereafter until terminated by ninety (90) days written notice by either party.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.
3. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for all Customers served under this Rate Schedule. See the Rules and Regulations for Metering for terms and conditions related to AMR's.

SPECIAL CONDITIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM THIRD PARTY SUPPLIERS (TPS)

1. See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.

GENERAL SERVICE - 1,250K (GS -1,250K)

APPLICABILITY

Service is available to Non-Residential Customers using between 1,250,000 and 10,999,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$500.00	\$500.00
Demand Charge, per DCQ	\$0.575	\$0.575
Distribution Charge, per therm	\$0.160609453	\$0.160609453
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ)

The DCQ's to be used in setting the Customer's Billing DCQ will be determined by the Customer's maximum daily requirements in terms of therm units per day based on readings taken from an Automatic Meter Reading (AMR) device installed at the premise. The DCQ's used in setting the Billing DCQ shall be those from the Customer's daily metered therm consumption recorded for a period of up to three (3) years ending each March 31st. ~~The results shall be grouped into the seasonal periods of April to October and November to March for purposes of deriving the Billing DCQ.~~ If historical consumption information of at least twelve (12) months is not available, then the Billing DCQ level shall be based upon the rating and expected usage of the Customer's gas equipment as determined by the Company.

The Billing DCQ will be determined annually by the Company based on the DCQ history, as determined above, ~~for each of the respective seasonal periods.~~ The Customer's Billing DCQ shall be adjusted to reflect the maximum recorded DCQ ~~recorded for the respective seasonal periods.~~ Adjustments will be made in the ~~preceding months of April and November except the~~ Company shall not increase such a Customer's Billing DCQ unless the Customer has had at least three (3) occurrences of DCQ's in excess of their current Billing DCQ ~~within the respective seasonal periods.~~

GENERAL SERVICE - 1,250K (GS -1,250K)  
(Continued)

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ) (continued)

At any time a Customer may request an adjustment to its Billing DCQ. If the Customer is able to demonstrate an ongoing change in its maximum daily therm requirements then the Company may at its discretion adjust Customers Billing DCQ prospectively. However, the initial Billing DCQ shall be established for all Customers with active service at the effective date of this tariff based on the highest daily actual therm consumption recorded at Customer's premises over the thirty-six month historic period ending March 31<sup>st</sup> of each year.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge and Demand Charge. In addition, a minimum annual charge shall be assessed by applying the Distribution Charge hereunder to the difference between the annual minimum qualifying therms specified in this Rate Schedule and the annual usage of the Customer.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

TERM OF CONTRACT

The initial term of which shall be no less than one (1) year and year to year thereafter until terminated by ninety (90) days written notice by either party.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.
3. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for all Customers served under this Rate Schedule. See the Rules and Regulations for Metering for terms and conditions related to AMR's.

SPECIAL CONDITIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.

GENERAL SERVICE – 11M (GS - 11M)

APPLICABILITY

Service is available to Non-Residential Customers using between 11,000,000 and 24,999,999 therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$1,000.00	\$1,000.00
Demand Charge, per DCQ	\$0.575	\$0.575
Distribution Charge, per therm	\$0.0800	\$0.0800
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ)

The DCQ's to be used in setting the Customer's Billing DCQ will be determined by the Customer's maximum daily requirements in terms of therm units per day based on readings taken from an Automatic Meter Reading (AMR) device installed at the premise. The DCQ's used in setting the Billing DCQ shall be those from the Customer's daily metered therm consumption recorded for a period of up to three (3) years ending each March 31st. ~~The results shall be grouped into the seasonal periods of April to October and November to March for purposes of deriving the Billing DCQ. If historical consumption information of at least twelve (12) months is not available, then the Billing DCQ level shall be based upon the rating and expected usage of the Customer's gas equipment as determined by the Company.~~

The Billing DCQ will be determined annually by the Company based on the DCQ history, as determined above, ~~for each of the respective seasonal periods.~~ The Customer's Billing DCQ shall be adjusted to reflect the maximum recorded DCQ ~~recorded for the respective seasonal periods.~~ Adjustments will be made in the ~~preceding months of April and November except the~~ Company shall not increase such a Customer's Billing DCQ unless the Customer has had at least three (3) occurrences of DCQ's in excess of their current Billing DCQ ~~within the respective seasonal periods.~~

GENERAL SERVICE - 11M (GS – 11M)  
(Continued)

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ) (continued)

At any time a Customer may request an adjustment to its Billing DCQ. If the Customer is able to demonstrate an ongoing change in its maximum daily therm requirements then the Company may at its discretion adjust Customers Billing DCQ prospectively. However, the initial Billing DCQ shall be established for all Customers with active service at the effective date of this tariff based on the highest daily actual therm consumption recorded at Customer's premises over the thirty-six month historic period ending March 31<sup>st</sup> of each year.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge and Demand Charge. In addition, a minimum annual charge shall be assessed by applying the Distribution Charge hereunder to the difference between the annual minimum qualifying therms specified in this Rate Schedule and the annual usage of the Customer.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

TERM OF CONTRACT

The initial term of which shall be no less than one (1) year and year to year thereafter until terminated by ninety (90) days written notice by either party.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.
3. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for all Customers served under this Rate Schedule. See the Rules and Regulations for Metering for terms and conditions related to AMR's.

SPECIAL CONDITIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.

GENERAL SERVICE – 25M (GS - 25M)

APPLICABILITY

Service is available to Non-Residential Customers using 25,000,000 or more therms per year as determined by the Company.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company or Customers' Third Party Supplier ("TPS") with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$2,000.00	\$2,000.00
Demand Charge, per DCQ	\$0.575	\$0.575
Distribution Charge, per therm	\$0.0400	\$0.0400
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS. Only Non-Residential Customers are eligible to receive gas supply from a TPS.

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ)

The DCQ's to be used in setting the Customer's Billing DCQ will be determined by the Customer's maximum daily requirements in terms of therm units per day based on readings taken from an Automatic Meter Reading (AMR) device installed at the premise. The DCQ's used in setting the Billing DCQ shall be those from the Customer's daily metered therm consumption recorded for a period of up to three (3) years ending each March 31st. ~~The results shall be grouped into the seasonal periods of April to October and November to March for purposes of deriving the Billing DCQ. If historical consumption information of at least twelve (12) months is not available, then the Billing DCQ level shall be based upon the rating and expected usage of the Customer's gas equipment as determined by the Company.~~

The Billing DCQ will be determined annually by the Company based on the DCQ history, as determined above, ~~for each of the respective seasonal periods.~~ The Customer's Billing DCQ shall be adjusted to reflect the maximum recorded DCQ ~~recorded for the respective seasonal periods.~~ Adjustments will be made in the ~~preceding months of April and November except the~~ Company shall not increase such a Customer's Billing DCQ unless the Customer has had at least three (3) occurrences of DCQ's in excess of their current Billing DCQ ~~within the respective seasonal periods.~~



GENERAL SERVICE - 25M (GS – 25M)  
(Continued)

DETERMINATION OF THE DEMAND CHARGE QUANTITY (DCQ) (continued)

At any time a Customer may request an adjustment to its Billing DCQ. If the Customer is able to demonstrate an ongoing change in its maximum daily therm requirements then the Company may at its discretion adjust Customers Billing DCQ prospectively. However, the initial Billing DCQ shall be established for all Customers with active service at the effective date of this tariff based on the highest daily actual therm consumption recorded at Customer's premises over the thirty-six month historic period ending March 31<sup>st</sup> of each year.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge and Demand Charge. In addition, a minimum annual charge shall be assessed by applying the Distribution Charge hereunder to the difference between the annual minimum qualifying therms specified in this Rate Schedule and the annual usage of the Customer.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

TERM OF CONTRACT

The initial term of which shall be no less than one (1) year and year to year thereafter until terminated by ninety (90) days written notice by either party.

SPECIAL CONDITIONS OF SERVICE

1. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.
2. Each year the Company shall re-determine each Customer's eligibility based on their annual usage. If reclassification to another schedule is appropriate such reclassification shall be prospective only and shall not be retroactive.
3. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for all Customers served under this Rate Schedule. See the Rules and Regulations for Metering for terms and conditions related to AMR's.

SPECIAL CONDITIONS, APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM  
THIRD PARTY SUPPLIERS (TPS)

See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.

GAS LIGHTING SERVICE (GL)

AVAILABILITY

See "Limitations of Service" below.

APPLICABILITY

Firm Natural gas service for continuous street or outdoor lighting devices installed upstream of the Customer's meter.

LIMITATIONS OF SERVICE

This Rate Schedule is closed and is restricted to Customers who were served prior to March 17, 1975.

\*MONTHLY RATE

Distribution Charge	<del>\$7.20</del> 10.72 per lamp (\$0.4000-59535 per therm X 18 therms)
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\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. For the purpose of applying Riders or other billing adjustments usage of eighteen therms per lamp per month will be assumed.

MINIMUM BILL

The minimum monthly bill shall be the Monthly Rate.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

RESIDENTIAL STANDBY GENERATOR SERVICE (RSG)

APPLICABILITY

Service is available to Residential Customers whose only gas usage is for a standby electric generator.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

Customer Charge: \$16.81

Distribution Charge:	0 - 14 therms	\$0.00000 per therm
	More than 14 therms	\$0.52248 per therm

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Subject to special condition 3 below, a customer receiving service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month term unless the customer terminates the service in writing within 30 days before the end of the term.

2. If the customer terminates the service before the 12-month term ends, the customer will be billed the minimum bill for the remaining months of the service.

3. If the customer installs an additional gas appliance at the premise at which service is provided, then the customer will be transferred to the applicable rate schedule based on total therms.

4. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

COMMERCIAL STANDBY GENERATOR SERVICE (CSG)

APPLICABILITY

Service is available to Non-residential Customers whose only gas usage is for a standby electric generator with annual consumption of less than 120,000 therms.

CHARACTER OF SERVICE

A firm delivery service of natural gas, or its equivalent, delivered by the Company with a heating value on the order of 1,100 British Thermal Units per cubic foot.

\*MONTHLY RATE

Customer Charge:	\$24.00	
Distribution Charge:	0 - 26 therms	\$0.00000 per therm
	More than 26 therms	\$0.49531 per therm

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A customer that receives gas supply from a TPS will be charged by the TPS for commodity according to any agreement between the Customer and the TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS OF SERVICE

1. Subject to special condition 3 below, a Customer receiving service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month term unless the Customer terminates the service in writing within 30 days before the end of the term.
2. If the Customer terminates the service before the 12-month term ends, the Customer will be billed the minimum bill for the remaining months of the service.
3. If the Customer installs an additional gas appliance at the premise at which service is provided, then the Customer will be transferred to the applicable rate schedule based on total therms.
4. Application of this rate is subject to the general Rules and Regulations of the Company as they may be in effect from time to time and as filed with the regulatory authorities.

NATURAL GAS VEHICLE SERVICE-I (NGV-I)

APPLICABILITY

For gas delivered to any Customer through a separate meter for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers. NGV-I is only available to those Customers who are presently receiving this service as of August 13, 2013. Customers seeking such service after this date shall take service under the NGV-II terms of this Tariff.

\*MONTHLY RATE

	<u>Gas Supply from PGA</u>	<u>Gas Supply from TPS</u>
Customer Charge	\$25.00	\$25.00
Distribution Charge, per therm	\$0.426223232	\$0.426223232
Commodity Charge	Per Rider "A"	Per TPS Agreement

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company. A Customer that receives gas supply from a TPS will be charged for commodity according to any agreement between the Customer and the TPS.

MINIMUM BILL

The minimum monthly bill shall be the Customer Charge. In addition, a minimum annual charge, if applicable, shall be assessed by applying the applicable rates and adjustments hereunder to the difference between the minimum therms, if any, established per the Customer's Agreement and the Customers annual usage.

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS

Service under this Rate Schedule shall be subject to the general Rules and Regulations of the Company as they may be in effect from time to time, and as filed with the regulatory authorities.

SPECIAL CONDITIONS APPLICABLE TO CUSTOMERS RECEIVING GAS SUPPLY FROM THIRD PARTY SUPPLIERS (TPS)

1. See the Rules and Regulations for Transportation - Special Conditions for terms related to Customers taking Gas Supply from a TPS.
2. Automatic Meter Reading (AMR) equipment is required for transportation Customers served under this Rate Schedule using over 120,000 therms per year. See the Rules and Regulations for Metering for terms and conditions related to AMR's.

NATURAL GAS VEHICLE SERVICE-II (NGV-II)

APPLICABILITY

For gas delivered to any Customer for the purpose of compression and delivery into motor vehicle fuel tanks or other transportation containers after August 13, 2013.

MONTHLY RATE

Service is available under any General Service (GS) Rate Schedule (GS-1 through GS - 1250k) based on the Customer's therms per year as determined by the Company.

The charges, terms and conditions as provided under the applicable GS Rate Schedule shall apply, including all applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company, notwithstanding the Special Conditions sections below.

MONTHLY FACILITIES CHARGE WHEN COMPANY PROVIDES EQUIPMENT NECESSARY FOR NGV-II SERVICE

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company required to serve the Customer. As used here, Gross Investment means the total installed cost of the facilities as determined by the Company, which may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including the necessary redundancy to provide for reliable service, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if the Customer makes a contribution in aid of construction. The adjusted factor will be as stated in the Company's standard agreement for service provided under this Rate Schedule. If the service is provided under a standard agreement to more than one Customer, the charges applicable to each Customer shall be as stated in the agreement with the individual Customer. The standard agreement may also require a commitment to purchase service for a minimum period of time, take or pay for a minimum amount of service, a contribution in aid of construction, a guarantee, such as a bond or letter of credit, and/or other provisions as determined appropriate by the Company.

1) COMPANY PROVIDED FACILITIES ON CUSTOMER PREMISES

If Company provides and maintains the necessary facilities for compression and dispensing of such natural gas for delivery to vehicles on the Customer's property, the following additional charge shall apply:

NATURAL GAS VEHICLE SERVICE-II (NGV-II)  
(Continued)

1) COMPANY PROVIDED FACILITIES ON CUSTOMER PREMISE (Continued)

Monthly Facilities Charge

The provision and maintenance of the facilities does not include the physical dispensing of compressed natural gas into vehicles, or the provision of electricity required to operate the facility. The physical dispensing of compressed natural gas into vehicles, the collection and remittance of any federal or state or local tax imposed on compressed natural gas dispensed for use as motor fuel, and the payment for electricity used to operate the facility shall be the responsibility of the Customer. A Company-provided facility could be a residential fueling station.

2) LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES

The Company may, under agreement with one or more Customers, provide and maintain, on the Company's premises, the necessary facilities for compression and dispensing of natural gas into motor vehicles. The Customer may elect to receive distribution service and purchase gas under any of the GS schedules, provided that the Customer would otherwise meet the requirement to be served under the provision of the rate schedule elected.

In addition to the distribution and gas charges as provided under the rate schedule elected by the Customer, the following charges shall apply:

a) Monthly Facilities Charge

The Monthly Facilities Charge, if applicable, shall be equal to 1.6% multiplied by the Company's Gross Investment in facilities, as determined by the Company required to serve the Customer. As used here, Gross Investment means the total installed cost of the facilities as determined by the Company, which may include but are not limited to dryers, compressors, storage vessels, controls, piping, metering, dispensers, and any other related appurtenances including the necessary redundancy to provide for reliable service and land and land rights, before any adjustment for accumulated depreciation, a contribution in aid of construction, etc. The 1.6% factor is subject to adjustment if the Customer makes a contribution in aid of construction. The adjusted factor will be as stated in the Company's standard agreement for service provided under this Rate Schedule. If the service is provided under a standard agreement to more than one Customer, the charges applicable to each Customer shall be as stated in the agreement with the individual Customer. The standard agreement may also require a commitment to purchase service for a minimum period of time, take or pay for a minimum amount of service, a contribution in aid of construction, a guarantee, such as a bond or letter of credit, and/or other provisions as determined appropriate by the Company.

b) Compressed Gas Dispensing Fee

The monthly dispensing fee shall recover all costs related to dispensing and be provided in the standard agreement.

NATURAL GAS VEHICLE SERVICE-II (NGV-II)  
(Continued)

2) LIMITED ACCESS FACILITIES LOCATED ON COMPANY PREMISES (Continued)

c) Tax

The Company shall collect from the Customer and remit to the applicable authority any motor fuel tax on compressed natural gas.

Any service provided from a facility located on the Company's premises shall be provided at the time and under the terms and conditions as determined by the Company and specified in the agreement(s) with the Customer(s). The standard agreement may require a commitment to purchase service for a minimum period of time, take or pay for a minimum amount of service, a contribution in aid of construction, a guarantee (such as a bond) and/or other provisions as determined appropriate by the Company.

3) PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES

If the Company offers service to Customer from facilities located on the Company's premises only the following charges shall apply:

Distribution and Dispensing: \$0.50 /Therm

Gas Cost: No lower than the monthly PGA

Taxes: Applicable motor fuel or other taxes applicable to compressed natural gas dispensed for motor fuel

The total charge, consisting of the Distribution and Dispensing charge, the Gas Cost, and Taxes, shall be as determined by the Company. However, the Gas Cost component of the charge shall not be less than the Purchased Gas Adjustment (PGA) and other adjustments, charges and/or credits determined to be applicable. In addition, the gas commodity component (total charge less the Distribution and Dispensing charge and applicable taxes) will be accounted for as recovery of gas cost in the annual PGA docket. Other Riders of this Tariff will not be credited for such service.

Any service provided from a facility located on the Company's premises shall be provided at the time and under the terms and conditions as determined by the Company.

MINIMUM BILL

The minimum monthly bill shall be the minimum bill as provided for in the GS Rate Schedule applicable to the Customer plus any additional Monthly Facilities Charge except for option 3.



NATURAL GAS VEHICLE SERVICE-II (NGV-II)  
(Continued)

3) PUBLICLY ACCESSIBLE FACILITIES LOCATED ON COMPANY PREMISES (Continued)

TERMS OF PAYMENT

Bills are due upon receipt by the Customer and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company and are subject to late payment charges.

SPECIAL CONDITIONS

1. Service under this Rate Schedule shall be subject to the general Rules and Regulations of the Company as they may be in effect from time to time, and as filed with the regulatory authorities.

2. A separate meter or sub-meter may be requested by the Customer or required by the Company; in which case the Customer will pay the cost of the meter and installation which shall remain the property of the Company.

3. The collection and remittance of any federal or state or local tax specifically imposed on compressed natural gas dispensed for motor fuel shall be the responsibility of the Customer or Retailer, unless otherwise provide for in a Customer's agreement.

4. The terms and conditions applicable to sub-metering and allocation of cost included elsewhere in this Tariff are not applicable to Compressed Natural Gas used for motor fuel.

5. NGV service is not available for resale by residential customers.

6. The Company shall not be responsible in any manner for the use, care or handling of natural gas once it is delivered to a natural gas vehicle.

7. If the Company, by itself or in partnership with another entity, responds to a competitive situation of a government agency or commercial customer and has volumes greater than 250,000 therms per year, the Company has the option to provide NGV service, equipment, facilities, and distribution at rates and charges set on an individual Customer basis via a special contract as long as the rate is above incremental cost with a reasonable return. At the Company's discretion it may recover the difference between the otherwise applicable tariff rate and the approved contract rate under this rate provision through Rider "C", Competitive Rate Adjustment ("CRA").

8. If a Customer is phasing in the use of compressed natural gas as motor fuel and is acquiring and placing into service vehicles fueled by compressed natural gas over a period of years, the Monthly Facilities Charge may be phased-in over the term of agreement. However, the net present value of the revenue from the phased-in charges, discounted at the Company's authorized rate of return, shall be set equal to the net present value of the revenue that would be generated over the term of the contract if the Monthly Facilities Charge was not phased-in. Any such phase-in shall be provided in the agreement for service.

### CONTRACT DEMAND SERVICE (KDS)

#### OBJECTIVE

The objective of this Rate Schedule is to enable the Company to attach incremental load to its system by providing the Company with the flexibility to negotiate individual service agreements with Customers taking into account competitive and economic market conditions and system growth opportunities.

#### APPLICABILITY

Sales or Transportation service is available under this Rate Schedule to any non-Residential Customer bringing a minimum new incremental demand of 250,000 additional therms per year to the Company's system at one location.

Terms of service including operating conditions and, if applicable, a capital repayment mechanism acceptable to Company, which may include, but shall not be limited to, a minimum monthly or annual bill, will be set forth in individual service agreements between the Company and the Customer. Absent a service agreement with Company under this Rate Schedule, Company has no obligation to provide, and the Customer shall have no right to receive, service under this Rate Schedule, and Customer may elect to receive service under other applicable Rate Schedules.

#### GAS SUPPLY OBLIGATION

The Company shall have no obligation to provide natural gas supplies to Transportation Customers under this Rate Schedule.

#### MONTHLY RATE

1. The Distribution Charge shall be an amount negotiated between Company and Customer, but the rate shall not be set lower than the incremental cost the Company incurs to serve the Customer. As used herein incremental cost shall include operations and maintenance, the depreciation expense for facilities used to provide service to the Customer, the return on the facilities computed at the rate of return approved in the Company's most recent rate case, and associated taxes. The charge shall include any capital recovery mechanism. The charge shall be determined by the Company based on Company's evaluation of competitive and overall economic market conditions and the opportunity for the Company to expand its system into areas not served with natural gas. Such evaluation may include, but is not necessarily limited to: the cost of gas which is available to serve Customer; the delivered price and availability of Customer's alternate fuel or energy source; the nature of the Customer's operations (such as load factor, fuel efficiency, alternate fuel capacity, etc.); and the opportunity to extend gas service to areas not supplied with natural gas. With respect to existing Customers, an additional load of at least 250,000 therms must be added, and the negotiated KDS rate will only apply to the additional load added to the Company's system.

CONTRACT DEMAND SERVICE (KDS)  
(Continued)

MONTHLY RATE (Continued)

2. The Commodity Charge, if taking supply from the Company, shall be the rate per therm for gas used computed to be the incremental cost of purchasing or producing gas.

INTERRUPTION AND CURTAILMENT

In addition to the interruption and curtailment terms in the Rules and Regulations or the Company's Curtailment Plan the Company shall have the right to reduce or to completely curtail deliveries to Customer pursuant to this Rate Schedule:

1. If in the Company's opinion, Customer will overrun the volume of gas to which it is entitled from its supplier (or overrun the volume of gas being delivered to Company for Customer's account); or
2. in the event Company is notified by its supplier or pipeline transporter to interrupt or curtail deliveries to Customer, or deliveries of gas for uses of the same type or category as Customer's use of gas hereunder; or
3. when necessary to maintain the operational reliability of Company's system.

CONFIDENTIALITY

The Company and Customer each regard the terms and conditions of the negotiated service agreement as confidential, proprietary business information.

The Company and Customer will utilize all reasonable and available measures to guard the confidentiality of said information, subject to the requirements of courts and agencies having jurisdiction hereof.

SPECIAL CONDITIONS

1. Service under this Rate Schedule shall be subject to the Rules and Regulations set forth in the tariff, except to the extent modified under this Rate Schedule and / or in a service agreement.
2. Term of Agreement: If the provision of service hereunder requires the installation of natural gas equipment at Customer's facility, Company and Customer may enter into an agreement as to the terms and conditions regarding the reimbursement of costs relating to such equipment. The initial term of the service agreement shall, at a minimum, be equal to the period of cost reimbursement. The rates established in the Monthly Rates section may be adjusted to provide for such cost reimbursement to the Company including carrying costs.

CONTRACT DEMAND SERVICE (KDS)  
(Continued)

SPECIAL CONDITIONS (Continued)

3. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for Customers served under this Rate Schedule, see the Rules and Regulations for Metering for terms and conditions related to AMR's.

4. When entering into a service agreement with a Customer under this Rate Schedule, Company will take reasonable steps to mitigate the potential of any revenue shortfalls between the revenues received under a service agreement and the total cost and expenses relating to the associated capital investment made by the Company, including minimum annual requirements.

### LOAD ENHANCEMENT SERVICE (LES)

#### OBJECTIVE

The objective of this Rate Schedule is to enable the Company to retain or obtain significant load on its system by providing the Company with the flexibility to negotiate individual service agreements with non-Residential Customers taking into account competitive and economic market conditions and overall system benefits.

#### APPLICABILITY

This sales or transportation service is available at the Company's sole discretion to Customer's which meet the applicability standards, including (1) an existing commercial customer receiving service under contract or any new or existing customer that would otherwise qualify for service under Rate Schedules KDS, TSS, OSS, GS-120K, GS-1,250K, GS-11M or GS-25M; (2) the Customer must provide the Company verifiable documentation of either a viable alternative fuel or of a Customer's opportunity to economically bypass the Company's system; (3) the Company must demonstrate that the Customer served under this Rate Schedule will not cause any additional cost to the Company's other rate classes, including, at a minimum, that the rate shall not be set lower than the incremental cost plus some additional amount as reasonable return on investment and; (4) the Customer and the Company must enter into a service agreement under this Rate Schedule. As used herein incremental cost shall include operations and maintenance, the depreciation expense for facilities used to provide service to the Customer, the return on the facilities computed at the rate of return approved in the Company's most recent rate case, and associated taxes.

#### SERVICE AGREEMENT OBLIGATIONS

Terms of service including operating conditions and, if applicable, a capital repayment mechanism acceptable to Company, which may include, but shall not be limited to, a minimum monthly or annual bill, will be set forth in individual service agreements between the Company and the Customer. Absent a service agreement with Company under this Rate Schedule, Company has no obligation to provide, and the Customer shall have no right to receive, service under this Rate Schedule, and Customer may request service under other applicable Rate Schedules.

Any service agreement under LES shall be subject to approval by the Florida Public Service Commission (FPSC) before any contract rate is implemented and the agreement can be executed by the parties.

#### GAS SUPPLY OBLIGATION

The Company shall have no obligation to provide natural gas supplies to Transportation Customers under this Rate Schedule.

LOAD ENHANCEMENT SERVICE (LES)  
(Continued)

MONTHLY RATE

1. The Distribution Charge shall be an amount negotiated between Company and Customer, but the rate shall not be set lower than the incremental cost plus some additional amount as a reasonable return on investment the Company incurs to serve the Customer. The distribution charge also shall include any capital recovery mechanism. The distribution charge shall be determined by the Company based on Company's evaluation of competitive and overall economic market conditions and the opportunity for the Company to expand its system into areas not served with natural gas as applicable. Such evaluation may include, but is not necessarily limited to: the cost of gas which is available to serve Customer; the delivered price and availability of Customer's alternate fuel or energy source; the nature of the Customer's operations (such as load factor, fuel efficiency, alternate fuel capacity, etc.); and the opportunity to extend gas service to areas not supplied with natural gas. As used herein incremental cost shall include operations and maintenance, the depreciation expense for facilities used to provide service to the Customer, the return on the facilities computed at the rate of return approved in the Company's most recent rate case, and associated taxes.

2. The Commodity Charge shall be the rate per therm for gas used computed to be the incremental cost of purchasing or producing gas, if taking supply from the Company.

3. The Company may permit the Customer to combine the accounting for the gas load delivered to multiple meters serving the same premise for this service.

INTERRUPTION AND CURTAILMENT

In addition to the interruption and curtailment terms in the Rules and Regulations or the Company's Curtailment Plan, the Company shall have the right to curtail deliveries to Customer pursuant to this Rate Schedule:

1. If in the Company's opinion, Customer will overrun the volume of gas to which it is entitled from its supplier (or overrun the volume of gas being delivered to Company for Customer's account); or

2. in the event Company is notified by its supplier or pipeline transporter to interrupt or curtail deliveries to Customer, or deliveries of gas for uses of the same type or category as Customer's use of gas hereunder; or

3. when necessary to maintain the operational reliability of Company's system.

CONFIDENTIALITY

The Company and Customer each regard the terms and conditions of the negotiated service agreement as confidential, proprietary business information.

The Company and Customer will utilize all reasonable and available measures to guard the confidentiality of said information, subject to the requirements of courts and agencies having jurisdiction hereof.

LOAD ENHANCEMENT SERVICE (LES)  
(Continued)

SPECIAL CONDITIONS

1. Service under this Rate Schedule shall be subject to the Rules and Regulations set forth in the tariff, except to the extent modified under this Rate Schedule and / or in a service agreement but such modification or exemption shall not apply to the minimum perquisite requirements set forth in the Applicability section of this Rate Schedule.
2. Term of Agreement: If the provision of service hereunder requires the installation of natural gas equipment at Customer's facility, Company and Customer may enter into an agreement as to the terms and conditions regarding the reimbursement of costs relating to such equipment. The initial term of the service agreement shall, at a minimum, be equal to the period of cost reimbursement. The rates established in the Monthly Rates section may be adjusted to provide for such cost reimbursement to the Company including carrying costs.
3. No later than 180 days prior to the expiration of this special contract, a Customer served under an LES contract may request a new contract under the terms and conditions of this tariff provision. If an agreement is not reached by the end of the term, the agreement will convert to the applicable General Services tariff (based on volume) until a new contract has been approved by the FPSC and executed by the parties.
4. Automatic Meter Reading (AMR) equipment capable of providing daily readings is required for Customers served under this Rate Schedule. See the Rules and Regulations for Metering for terms and conditions related to AMR's.
5. When entering into a service agreement with a Customer under this Rate Schedule, Company will take reasonable steps to mitigate the potential of any revenue shortfalls between the revenues received under a service agreement and the total cost and expenses relating to the associated capital investment made by the Company, including minimum annual requirement.
6. The difference between the otherwise applicable tariff rate and the approved contract rate under this Rate Schedule may be subject to recovery through Rider "C", Competitive Rate Adjustment ("CRA").

### THIRD PARTY SUPPLIER (TPS)

#### APPLICABILITY

The provisions of this Rate Schedule shall apply to brokers, marketers, Customers intending to act as their own gas supplier, and other third party suppliers (collectively "Third Party Suppliers" or "TPS") of natural gas that wish to either act as agents for Transportation Customers or deliver natural gas supplies to Company's City Gate for Transportation Customers. Third Party Suppliers wishing to sell and/or deliver gas on the Company's system will be required to sign a Service Agreement in which they will agree to be bound by the terms and conditions of the Company's Tariff.

#### TERM OF CONTRACT

The term of the contract shall be at least three (3) years and from month to month thereafter unless terminated on thirty (30) days written notice.

#### TERMS OF PAYMENT

The TPS agrees to pay for all balancing and other transportation related charges determined by the Company to be billable to a TPS on behalf of their Customers as provided for in this tariff. All charges due from a TPS under this Rate Schedule shall be paid in full within 20 days of the billing date. The TPS and the Company will resolve any disputed amounts. Adjustments, if any, will be reflected on future billings.

#### CREDITWORTHINESS

Company shall not be required to permit any TPS who fails to meet Company's standards for creditworthiness to sell or deliver gas on its system. Company may require that TPS provide the following information:

1. Current financial statements (to include a balance sheet, income statement, and statement of cash flow), annual reports, 10-K reports or other filings with regulatory agencies, a list of all corporate affiliates, parent companies and subsidiaries and any reports from credit agencies which are available. If audited financial statements are not available, then TPS also should provide an attestation by its chief financial officer that the information shown in the unaudited statements submitted is true, correct and a fair representation of TPS's financial condition.
2. A bank reference and at least three trade references.
3. A written attestation from TPS that it is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditor's committee agreement. An exception can be made for a TPS who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurances that any charges from the Company will be paid promptly as a cost of administration.



THIRD PARTY SUPPLIER (TPS)  
(Continued)

CREDITWORTHINESS (Continued)

4. A written attestation from TPS that it is not subject to the uncertainty of pending litigation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition or a condition of insolvency.

5. A written attestation from TPS that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the TPS's ability to remain solvent.

To remain in good standing, no uncontested delinquent balances should be outstanding for natural gas sales, storage, Transportation Services, or imbalances previously billed by Company, and TPS must have paid its account according to the established terms, and not made deductions or withheld payment for claims not authorized by contract.

TPS shall furnish Company at least annually, and at such other time as is requested by Company, updated credit information for the purpose of enabling Company to perform an updated credit appraisal. In addition, Company reserves the right to request such information at any time if Company is not reasonably satisfied with TPS's creditworthiness or ability to pay based on information available to Company at that time.

Company shall not be required to permit and shall have the ability to suspend any TPS who is or has become insolvent, fails to demonstrate creditworthiness, fails to timely provide information to Company as requested, or fails to demonstrate ongoing creditworthiness as a result of credit information obtained; provided, however, TPS may continue to sell / deliver gas on the Company's system if TPS elects one of the following options:

(A) Payment in advance for up to three (3) months service as determined by the Company.

(B) A standby irrevocable letter of credit in form and substance satisfactory to Company in a face amount up to three (3) months service. The letter of credit must be drawn upon a bank acceptable to Company.

(C) A guaranty in form and substance satisfactory to Company, executed by a person that Company deems creditworthy, of TPS's performance of its obligations to Company.

(D) Such other form of security as TPS may agree to provide and as may be acceptable to Company.

THIRD PARTY SUPPLIER (TPS)  
(Continued)

CREDITWORTHINESS (Continued)

In the event TPS fails to meet the terms of this Creditworthiness section, Company may, without waiving any rights or remedies it may have, and subject to any necessary authorizations, suspend TPS until such time as they are deemed compliant by the Company.

The insolvency of a TPS shall be evidenced by the filing by TPS, or any parent entity thereof, of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction adjudging the TPS, or any parent entity thereof, bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of the TPS, or any Parent entity thereof, under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator, (or similar official) of the TPS or any parent entity thereof or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs.

MONTHLY RATE

Customer Charge	\$400.00
Charge for each Transportation Customer served by the TPS	\$6.07

DETERMINATION OF THE AVERAGE DAILY DELIVERY QUANTITY ("ADDQ")

The ADDQ for each Customer without an AMR device will be calculated by the Company by dividing the Customer's usage for each of the most recent twelve (12) billing months by the total number of days in each billing month. Company may adjust Customer's ADDQ at any time, due to changes in Customer's equipment or pattern of usage. For new Customers, the initial ADDQ will be estimated by Company, based upon the rating of the Customer's gas equipment and expected utilization of the equipment. The TPS will be obligated to deliver the aggregate ADDQ each day for Customers it serves. Failure to meet the daily ADDQ delivery requirements will result in a per therm penalty as outlined in the Unauthorized Use of Gas section of the tariff.

The Company will notify TPS of its aggregate ADDQ obligation for each day of the next succeeding month on the Company's EBB, or other means as determined by the Company. If TPS does not agree with Company's determination of TPS's aggregate ADDQ, it must notify the Company in writing within two business days no later than 5:00 p.m. Eastern Standard Time. Company and TPS will reconcile any differences no later than 5:00 p.m. Eastern Standard Time on the twentieth (20th) of the month.

THIRD PARTY SUPPLIER (TPS)  
(Continued)

NOMINATIONS FOR SERVICE

The TPS daily nominations shall consist of the ADDQ amount as provided by the Company, if applicable, plus an amount to meet their non-ADDQ Customers daily requirements. The TPS shall use its best efforts to match their daily nominations to ADDQ and non-ADDQ requirements for the Customers it serves. Failure to provide nominations may result in suspension of service to Customers of the offending TPS, and will result in a per therm penalty as outlined in the Unauthorized Use of Gas section of the tariff. In addition, TPS must identify interstate pipeline contract(s) on which deliveries will be made to the Company's distribution system on the Company's EBB conforming with NAESB cycles. Failure to comply with the Company's nominating procedures may result in curtailment of third party gas deliveries or additional monthly cash-outs. Company reserves the right to require daily balancing, and shall have the right to curtail service to ensure deliveries on a uniform basis and to correct any imbalances.

Company shall be entitled to retain at no cost to Company a percentage of the quantity of gas delivered by or for the account of Customer at each Receipt Point for transportation to Customer, as gas which shall be deemed to be an allowance for transportation shrinkage in the performance of service under each applicable Rate Schedule. Such percentage shall not be higher than 1.5% without prior approval of the Florida Public Service Commission. The Company shall have the right to adjust the percentage from time to time to reflect the actual operating experience of the Company and/or any change in the methodology used by Company to calculate the amount of gas deemed as transportation shrinkage. Upon request, Company shall furnish to Customer information to support any such adjustment to such percentage.

In making Nominations the TPS shall provide the following:

- (1) The pipeline company and the pipeline transportation contract identifiers under which gas deliveries will be made to the Company's distribution system.
- (2) The daily quantity of gas, expressed in MMBTU (Dekatherms), to be tendered at each receipt point, however the Company reserves the right to specify at which pipeline receipt point a TPS will deliver gas as a percentage of the TPS total monthly deliveries.
- (3) The estimated term of the nomination.
- (4) The name, address, and telephone number of a contact person that is available to receive communication from Company at any and all times and upon whose written and oral communications Company may exclusively rely.

Issued by: Carolyn Bermudez  
Vice President, Florida City Gas

~~Effective:~~ Effective: June 1, 2018

THIRD PARTY SUPPLIER (TPS)  
(Continued)

NOMINATIONS FOR SERVICE (Continued)

(5) Any additional information as may be required by the Company in order to perform its functions as a Delivery Point Operator on the pipeline transportation system.

If Customer's TPS fails to comply with provisions 1 through 5 above, Company may not schedule the commencement of service or change a prior nomination.

DAILY NOMINATION PENALTIES

The TPS shall deliver, or cause to be delivered, to the Company at the point(s) of receipt and receive, or cause to be received, from Company at the point(s) of delivery, on a uniform daily basis, that quantity of natural gas that has been Nominated for Service.

Except for conditions of Force Majeure or per prior agreement with the Company to modify nominations, on any day that the sum of the actual daily quantity of natural gas received by Company ("Actual Receipts") varies from the sum of daily quantities Nominated for Service during such day for transportation at the points of receipt (Scheduled Volumes) by more than ten percent of the Nominated Receipts, the Company may impose a penalty equal to Unauthorized Gas Use charge times the variance in excess of ten percent of the Nominated Receipts unless in its opinion the system or Customers receiving PGA service were not harmed as a result of the imbalance. The Company reserves the right to limit this imbalance to five percent upon twenty four hours notice to the TPS representatives.

These charges are in addition to monthly cash-outs and any other imbalance charges and convey no rights to any quantities of gas to the TPS or its Customers. In the event of non-payment, these charges shall not be assessed to the TPS Customers by the Company. In addition, the Company shall not be required to continue to perform service for TPS Customers if their TPS fails to deliver adequate gas supplies per their daily nominations. The Company reserves the right to discontinue receipts from a TPS until the penalty is paid in full.

PIPELINE IMBALANCES AND CHARGES

Company and TPS recognize that Company may be subjected to imbalance charges from its interstate pipeline suppliers as a result of TPS's failure to deliver confirmed quantities of gas. In the event that Company is assessed penalties as a result of TPS's actions or omissions, TPS shall reimburse Company for such penalties as may be attributable to TPS's actions or omissions. The Company reserves the right to commingle and charge TPSs on a prorated basis, as determined by the Company, any pipeline charges related to transportation that are not readily identifiable to a specific TPS.

THIRD PARTY SUPPLIER (TPS)  
(Continued)

INDEMNIFICATION

As between the Company and TPS, TPS warrants that it has clear title to any gas delivered into the Company's system, and TPS shall be deemed to be in exclusive control and possession of gas prior to its delivery into the Company's system for redelivery to Customer. TPS agrees to indemnify, defend and hold harmless Company from any and all claims, suits or damage actions arising out of deliveries on behalf of a transporting Customer.

ALLOCATION OF SUPPLIES

Gas received by the Company from the TPS shall be allocated first to the GS classes being served under ADDQ in the order of increasing annual usage, then to NGV followed by the remaining GS classes in the order of increasing annual usage, then by KDS and lastly to FGS Customers.

DAILY AND MONTHLY CONTRACT BALANCING

Third Party Suppliers will be billed for all their Customers' balancing charges as follows:

a) Daily Imbalance Charge

The Company shall, within the existing limitations of its system, provide for balancing between gas requirements and actual gas deliveries, net of an adjustment for Company Use and Unaccounted for Gas, received by the Company for the account of the Customers served by the TPS that day. The Company shall not be obligated to provide gas service during an hourly, daily or monthly period in excess of the levels specified in the Rate Schedules under which Customers of the TPS are served.

The Company reserves the right to require daily balancing on any other day in which the Company, in the exercise of its reasonable judgment, determines that such balancing is necessary for operational reasons. The Company will provide the TPS in all instances with at least twenty-four (24) hours advance notice that daily balancing will be imposed.

In the event that daily balancing is imposed in accordance with this section, TPS shall be assessed the following charges for daily imbalances:

	<u>Imbalance *</u>	<u>Charge **</u>
	0% to 5%	\$0.00 per therm
	5.1% to 10%	\$0.10 per therm
Underdeliveries	> 10%	\$0.50 per therm
Overdeliveries	> 10%	\$0.10 per therm

THIRD PARTY SUPPLIER (TPS)  
(Continued)

DAILY AND MONTHLY CONTRACT BALANCING (Continued)

a) Daily Imbalance Charge (Continued)

\*The Company reserves the right to limit daily imbalances to plus or minus 5% of the actual quantity received. If the Company limits daily imbalances to plus or minus 5%, all underdeliveries in excess of 5% shall be considered Unauthorized Gas Use and shall be subject to the Unauthorized Gas Use charges.

\*\*The Company may suspend overdelivery charges if it determines such overdeliveries would be beneficial to the systems operation.

All TPSs will automatically be placed in a non-discriminatory daily balancing pool. The Company will aggregate the deliveries and receipts of gas of all TPS Customers participating in the pool for the purpose of determining whether imbalance charges will apply. In the event that charges are nonetheless assessed to certain TPSs, such charges will be no greater than the charges that otherwise would have been assessed if the Company did not have a daily balancing pool. TPSs trading imbalances will nonetheless have to set their own prices or methods by which over or under balances will be traded among individual TPSs.

b) Monthly Imbalance Cash-Out Charge

At the conclusion of every month, the Company will cash out imbalances between TPS's deliveries and their Customers consumption made up of actual and or estimated volumes as follows:

<u>Imbalance Level</u>	<u>Underdeliveries (1)</u>	<u>Overdeliveries (2)</u>
	<u>Factor</u>	<u>Factor</u>
0 to 5%	1.00	1.00
5.1% to 20%	1.10	0.90
> 20%	1.20	0.80

The Company reserves the right to gross up Customer's total consumption for fuel loss at a rate not to exceed 1.5%.

(1) For underdeliveries the amount due to the Company shall be the Imbalance Quantity multiplied by the product of the corresponding Imbalance Level Factor and the applicable price per therm. The price per therm shall be the higher of the total GS-25k Sales Service rate or the monthly average spot price of gas delivered to Florida Gas Transmission at St. Helena Parish, as reported in Natural Gas Week Platts Gas Daily plus Florida Gas Transmission Company's transportation cost and fuel, if applicable. In the event that this price is no longer available or the basis upon which such price is reported or calculated in such publication changes substantively, Company will file to change its tariff and may, at its discretion, select a representative price in the interim period, subject to FPSC approval.

THIRD PARTY SUPPLIER (TPS)  
(Continued)

DAILY AND MONTHLY CONTRACT BALANCING (Continued)

b) Monthly Imbalance Cash-Out Charge (Continued)

(2) For overdeliveries the amount payable by the Company shall be the Imbalance Quantity multiplied by the product of the corresponding Imbalance Level Factor and the applicable price per therm. The price per therm shall be the Company's lowest supplier commodity rate applicable to the billing month in which the Customer overextended gas to the Company, or the monthly average spot price for gas delivered to Florida Gas Transmission at Tivoli, as reported in ~~Natural Gas Week~~ Platts Gas Daily plus Florida Gas Transmission Company's transportation cost and fuel, if applicable. In the event that this price is no longer available or the basis upon which such price is reported or calculated in such publication changes substantively, Company will file to change its tariff and may, at its discretion, select a representative price in the interim period, subject to FPSC approval.

The offering of gas service above the 5% allowed imbalance for the month is at the sole discretion of the Company. If it determines that it cannot continue to provide such service or that it must limit such service, it will notify TPSs served under this Rate Schedule. The use of service above the level allowed by the Company after notification shall constitute Unauthorized Gas Use and shall be subject to the Unauthorized Gas Use charges specified in the Rules and Regulations section of this tariff.

CAPACITY ASSIGNMENT

TPSs will be required to obtain firm interstate pipeline capacity into the Company's distribution system at points designated by the Company at a quantity equivalent to their Customers' aggregate ADDQ. TPSs that do not demonstrate sufficient interstate firm capacity will be required to accept assignment of such capacity from the Company. ~~The Company will assign each of its firm interstate pipeline capacity contracts in proportion to the Company's total capacity portfolio at the current the Federal Energy Regulatory Commission approved rates.~~

Refer to Rules and Regulations Section 42-15 (Transportation – Special Conditions) for the terms associated with the Capacity Assignment process for TPSs.

TREATMENT OF REVENUE

All revenue produced under this Rate Schedule derived from any balancing charges or other revenue related to the recovery of gas costs, exclusive of applicable taxes and assessments, shall be credited to the Purchased Gas Adjustment Clause.

STANDARDS OF CONDUCT

In addition to the above terms and conditions, TPS' must agree to comply with any standards of conduct or other requirements set forth by the Florida Public Service Commission.

TRANSPORTATION SUPPLY SERVICE (TSS)

APPLICABILITY

Service is available to a TPS who signs a service agreement with the Company.

CHARACTER OF SERVICE

At the Company's discretion gas will be made available for this service only to the extent that such gas supplies can be incrementally purchased providing that Company facilities are suitable and gas supplies can be secured for this service. The Company reserves the right to interrupt this service upon two (2) hours notice at its sole discretion.

\*CHARGES

1. An Annual Service Charge of \$500 shall be assessed upon the initial request for this service. This charge will be reassessed for subsequent requests made after June 30 of any year.
2. A Daily Usage Charge of \$50.00 shall be assessed for each day this service is utilized.
3. The Commodity rate per therm for gas used shall be computed to be the higher of a) the PGA or b) the incremental cost of purchasing or producing said gas plus \$0.0750 per therm.

\*The charges set forth in this Rate Schedule will be adjusted for all other applicable Riders of this Tariff and any additional taxes, assessments or similar charges that are lawfully imposed by the Company.

TERMS OF PAYMENT

Bills are due upon receipt by the TPS and become delinquent if unpaid after expiration of twenty days from date of mailing or other delivery thereof by the Company.

SPECIAL CONDITIONS

1. Gas Supply: gas purchased for sale under this Rate Schedule shall not be included as part of the gas costs that are recoverable through the PGA Charge.
2. Balancing: gas supplied under this rate schedule shall be deemed a gas delivery by the TPS for purposes of applying the Daily and Monthly Contract Balancing terms of the TPS Rate Schedule.



TRANSPORTATION SUPPLY SERVICE (TSS)  
(Continued)

SPECIAL CONDITIONS (Continued)

3. Rules and Regulations: service under this Rate Schedule shall be subject to the Rules and Regulations set forth in the tariff, except to the extent modified under this Rate Schedule and / or in a service agreement.

OFF-SYSTEM SALES SERVICE (OSS)

AVAILABILITY

Throughout the service areas of Company, and of any interstate or intrastate natural gas pipeline serving the Company (collectively, the "Pipelines")

APPLICABILITY

Interruptible Gas delivered by Company through the facilities of a Pipeline, using Company's transportation capacity rights on such Pipeline, to any person not connected to Company's distribution system.

CHARGES

Customer Charge	None
Transaction Charge	\$100.00 per transaction
Commodity Charge	As set forth below

For all Scheduled Quantities (as such term is defined in Special Condition 4 below), the Commodity Charge per therm shall be established by agreement between Company and Customer prior to each transaction pursuant to this Rate Schedule.

The Commodity Charge for service pursuant to this Rate Schedule shall be determined by Company based upon Company's evaluation of competitive conditions. Such conditions may include, but are not necessarily limited to: the cost of gas which is available to service Customer; the delivered price and availability of Customer's designated alternate fuel; and the nature of Customer's operations (such as load factor, fuel efficiency, alternate fuel capacity, etc.). Company may from time to time increase or reduce the Commodity Charge as it deems necessary or appropriate to meet competition or remain competitive, but shall have not an obligation to do so.

The Commodity Charge per therm shall include, at a minimum, the cost per therm of the Gas delivered to Customer pursuant to this Rate Schedule, including all variable costs incurred by Company for (or in connection with) Pipeline transportation and all applicable taxes. Company's Purchase Gas Cost Recovery Adjustment Clause, Energy Conservation Cost Recovery Clause and Competitive Rate Adjustment Clause shall not apply to purchases of Gas made by Customer Pursuant to this Rate Schedule.

OFF-SYSTEM SALES SERVICE (OSS)  
(Continued)

SPECIAL CONDITIONS

1. Neither Customer nor Company shall have any obligation to other for any specific minimum quantity of Gas or pipeline capacity on any day or during any month, and deliveries pursuant to this Rate Schedule shall be subject to curtailment or interruption at any time in the sole discretion of Company.
2. Disposition of Net Revenues and Transaction Charges. For purposes of this paragraph "net revenues" shall equal the difference between the Commodity Charge and the cost of gas delivered to Customer inclusive of all taxes and adjustments. Fifty percent (50%) of all net revenues shall be retained by Company. The remaining fifty percent (50%) of such net revenues (and all Transaction Charges) shall be used to reduce Company's cost of gas recovered through the Purchased Gas Cost Recovery Adjustment Clause.
3. Interruption and Curtailment. Company may notify Customer at any time to reduce or cease using gas. Company will endeavor to give as much notice as possible to Customer. Any gas taken in excess of the volume allocated to Customer in an interruption or curtailment order shall be considered Unauthorized Gas Use. Company may bill and Customer shall pay for such unauthorized use per the charges in the Rules and Regulations - Unauthorized Gas Use section.
4. For each day on which Customer desires to receive service pursuant to this Rate Schedule, Customer shall provide a nomination to Company specifying the quantity of Gas it desires to receive at the specified point of delivery pursuant to this Agreement. Following receipt of a timely and complete nomination from Customer, Company will confirm the quantities of Gas to be made available for delivery to Customer at such point of delivery. Quantities confirmed by Company for delivery shall be "Scheduled Quantities".
5. The point of delivery for all gas sold pursuant to this Rate Schedule shall be the delivery point of the delivering Pipeline specified by Customer.
6. Except as modified by the provisions set forth above, service under this Rate Schedule shall be subject to the Rules and Regulations set forth in this tariff.

Economic Development Gas Service (EDGS)

AVAILABILITY

Service under this Schedule is available, in conjunction with other applicable Commercial or Industrial rate schedule, to any qualifying person that meets the eligibility requirements.

APPLICABILITY

To receive service under this Rate Schedule, the Customer's written application to the Company shall include sufficient information to permit the Company to determine the Customer's eligibility.

**Eligibility Requirements:** A qualifying person must intend to become a new Customer with the intent to utilize natural gas to provide significant economic development or environmental benefits within the State of Florida or in a manner that increases system utilization; be an existing Customer that materially expands its use of natural gas, that provides significant environmental or economic development benefits within the State, or that increases system utilization; or be a new or existing Customer that meets other criteria as determined appropriate by the Florida Public Service Commission.

**Significant Economic Benefit:** Customers must intend to: create new jobs or avoid potential job reductions in the State; be identified as a prospect by applicable state, county or municipal economic development entity; or otherwise provide material benefits in the areas' economic development.

**Significant Environmental Benefit:** Customers must intend to: install or modernize equipment that uses energy more efficiently; reduce carbon emissions; achieve goals under a State or Federal Energy Plan or Policy as may be established from time to time; or otherwise intend to provide measureable benefits to improve Florida's environment.

**Qualifying Volumes:** To be eligible for service under this rate schedule a new Customer must contract to purchase and/or transport at least 1,000 Dth annually. An existing Customer must contract to purchase and/or transport of at least 1,000 Dth of additional gas annually. The increase in the volume of gas purchased or transported shall result from an increase in business activity and not merely from the resumption of normal operations following a period of abnormal operating conditions. If in the Company's sole judgement an abnormal period has occurred as a result of a strike, equipment failure, or any other abnormal condition during the twelve (12) month period prior to the date of the application by the Customer for service under this rate schedule, the Company shall adjust the Customer's consumption to eliminate any abnormal conditions. The Company, through use of historical data shall determine the base annual consumption for existing Customers. Volumes in excess of the base annual consumption shall be used to evaluate the eligibility of the Customer to receive service under this rate schedule. Loads which are or have been served by the Company during all or part of the twelve (12) month period prior to service under this Rate Schedule, and which are relocated to another metering point within the Company's service area, shall not qualify for this Rate Schedule.

Economic Development Gas Service (EDGS)  
(Continued)

The existing facilities of the Company must be adequate in the sole judgment of the Company to supply the new or expanded natural gas requirements. If construction of new or expanded local facilities by the Company is required, the Customer may be required to make a Contribution in Aid of Construction for the installed cost of such facilities. The Company will evaluate the Customer's request for service and determine the necessity of a Contribution in Aid of Construction for facilities based on the Extension of Facilities provisions in the Company's filed tariff.

The Customer must execute a contract for service under this tariff for a minimum of 10 years.

All other terms and conditions of the companion rate schedule under which service would otherwise be provided shall apply to service provided under this rate schedule.

The Company shall review the Customer's consumption each year to determine whether the Customer has fulfilled the usage requirement to be eligible for service under this rate schedule. If, on an annual basis, the Customer fails to fulfill the usage requirement for service under this tariff future service may be provided under the applicable rate schedule that would otherwise apply.

CUSTOMER CHARGE

A full monthly Customer charge per meter as provided under applicable companion tariff is payable regardless of the usage of gas.

MONTHLY RATE

The non-gas charges that would be billed in accordance with the applicable rate schedule that would otherwise apply to the qualifying volumes if service was not providing under this rate schedule shall be multiplied by the following Adjustment Factors to determine the monthly bill related to the qualifying volumes. For a new Customer the factor will be applied to the charges for the total volume delivered. For an existing Customer, the factor will be applied to the charges applicable to the volume in excess of the base annual volumes. For monthly billing purposes, 1/12th of the base annual volume shall be deducted from actual measured consumption to determine the volume eligible for the discounted factor. The factor will not be applied to the monthly Customer charge.

Contract Year	Billing Months	Adjustment Factor	Discount from Companion Rate Schedule
1	1st through 12th	60%	40%
2	13th through 24th	70%	30%
3	25th through 36th	80%	20%
4	37th through 48th	90%	10%
	Beyond the 48th Month	100%	0%

Economic Development Gas Service (EDGS)  
(Continued)

If the volume of gas purchased or transported in a contract year is less than the volume specified in the contract, the difference in the actual volume and the volume specified in the contract shall be deemed a volume deficiency. For any volume deficiency, the Customer shall be billed an amount equal to the non-gas volumetric charge that would have been billed for the delivery of the volume equal to the deficiency. The bill shall be computed in accordance with the applicable rate schedule that would otherwise apply subject to the discount provided under this rate schedule.

PAYMENT TERMS

All bills for service are due upon presentation. The stated net amount shown on the bill shall apply if payment is received on or before the date as specified on the bill. Payments received after that date shall be assessed late payment charges as defined in Section\_\_\_ of the Company's tariff.

BILLING ADJUSTMENTS

Bills for gas service hereunder shall be subject to adjustment for the applicable taxes, fees, and the cost of purchased gas in accordance with Purchased Gas Adjustment (PGA), and shall be subject to other adjustments, charges and/or credits as determined to be applicable to the applicable rate schedule under which the Customer would otherwise be served. The adjustment factor provided under this rate schedule will not be applied to the PGA and other adjustments factors.

RIDER "A"

Purchased Gas Adjustment ("PGA")

Applicable to all Customers taking Sales Service from the Company under all GS, GL, RSG, CSG and NGV Rate Schedules. The PGA Charge, as defined herein, is designed to recover the cost to the Company of purchased gas or fuel used as a substitute for or supplemental to purchased gas including the cost of storing or transporting said gases or fuel, the cost of financial instruments employed to stabilize gas costs, other charges or credits as may result from the operation of other tariff provisions, and taxes and assessments in connection with the purchase and sale of gas.

A. The rate per therm for gas supplied in any billing period shall be adjusted by the Company's expected weighted average cost of gas (WACOG), and other adjustments as specified and approved by the Florida Public Service Commission. The WACOG may not exceed the Commission approved purchased gas cost recovery factor based on estimated gas purchases for the twelve-month period ending December 31st, in accordance with the methodology adopted by the Commission. The factor determined as set forth above shall be multiplied by 1.00503 for regulatory fees, and rounded to the nearest \$0.00001 per therm, to be applied to the total number of therms consumed by the Customer during the billing period.

B. The PGA cap recovery factor approved by the Commission for the billing months of January 2018 through December 2018 is \$0.75850 per therm.

C. If re-projected gas cost expenses for the remaining period exceed projected recoveries by at least 10% for the twelve-month period, a midcourse correction may formally be requested by the Company. For changes in market conditions and costs, the Company, upon one day's notice to the Commission, shall have the option of flexing downward (reducing the WACOG) or upward (increasing the WACOG) to the extent that the increase does not exceed the authorized cap. The current month WACOG may be adjusted for prior months' differences between projected and actual costs of gas purchased, but may not exceed the approved cap for the period.

D. Any overrecovery or underrecovery of purchased gas costs by the Company as a result of adjustments made pursuant to the above shall be "trued-up" (refunded to Customer or collected by Company) with interest, during succeeding billing periods as an adjustment to the WACOG, in accordance with the methodology adopted by the Commission, or as such methodology may be amended from time to time by further order of the Commission.

RIDER "B"

Energy Conservation Cost Recovery Adjustment ("ECCR")

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

The Distribution Charge for the applicable Rate Schedules shall be increased or decreased for the ECCR Rider to reflect the recovery of conservation related expenditures by the Company. The ECCR factor shall be multiplied by the tax factor of 1.00503 and rounded to the nearest \$0.00001 per therm. The Company shall record both projected and actual expenses and revenues associated with the implementation of the Company's Energy Conservation Plan as authorized by the Commission. The procedure for review, approval, recovery, and recording of such costs and revenues is set forth in PSC Rule 25-17.015.

The cost recovery factors including tax multiplier for the twelve month period from August June 1, 2018 through December 31, 2018 are:

RS -1, <u>RSG</u>	\$0.15912-17209 per therm
RS -100	\$0.40000-11052 per therm
RS - 600	\$0.04817-06639 per therm
GS -- 1, <u>CSG</u>	\$0.03884-03981 per therm
GS -- 6000 <u>6K</u>	\$0.02939-03000 per therm
GS -- 25000 <u>25K</u>	\$0.02822-02923 per therm
GS -- 420000 <u>120K</u>	\$0.02572-01911 per therm
Gas Lighting Customers	\$0.02840-04738 per therm



RIDER "C"

Competitive Rate Adjustment ("CRA")

Applicable to all Customers except those taking service under Rate Schedules KDS, TSS, OSS, LES or under the NGV special contract rate.

The Distribution Charge for gas sold or transported after June 30, 1991, to Customers to whom this charge applies, is subject to adjustment in accordance with the following provisions, for prior shortfalls or surpluses.

A. For the purposes of this clause, the following definitions shall apply:

(1) "Actual revenue" means Company's actual Margin Revenue derived from service provided on the LES Rate Schedule during a determination period.

(2) "Base revenue" means the Margin Revenue which Company would have derived had all gas sold on the LES Rate Schedule during a determination period, been sold under Rate Schedules GS-120K, GS-1,250K, GC-11M and GS-25M.

(3) "Surplus" means the amount, if any, by which Company's actual revenue exceeds its base revenue for a determination period.

(4) "Shortfall" means the amount, if any by which Company's base revenue exceeds its actual revenue for a determination period.

B. The existence of a shortfall or surplus shall be determined by comparing Company's actual revenue with its base revenue. This determination shall be made each year for the actual twelve months ending September 30<sup>th</sup> ("determination period").

C. A surplus refund or shortfall recovery shall be implemented during an "adjustment period" beginning January 1<sup>st</sup> by reducing or increasing the Distribution Charge per therm charge prescribed in each applicable Rate Schedule of this tariff by an adjustment factor computed as follows and multiplied by the tax factor of 1.00503 and rounded to the nearest \$0.00001 per therm.

In the event of a surplus, subtract the amount derived from dividing the Surplus Refund due to Customers by the projected therm sales for these Customers.

In the event of a shortfall, add the amount derived from dividing the Shortfall Recovery by the projected therm sales for these Customers.

Any variation between the actual surplus refund to Customers and the amount calculated pursuant to the preceding paragraph, or between the actual shortfall recovery and the amount which Company elected to recover in an adjustment period, shall be "trued-up" during the succeeding adjustment period pursuant to methodology approved by the Commission.

D. Company may defer all or any portion of a shortfall recovery to a subsequent adjustment period or portion thereof.

Issued by: Carolyn Bermudez  
Vice President, Florida City Gas

~~Effective:~~ Effective: June 1, 2018

Florida City Gas  
FPSC Natural Gas Tariff  
Volume No. 9

Original Sheet No. 78

#### RIDER "D"

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

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

Through its SAFE Program, the Company has identified the potential replacement projects focusing initially on area of limited access/pipe overbuilds, and risk assessment for Rear Lot Mains and Services considering:

- i. The pipe material;
- ii. Leak incident rates;
- iii. Age of pipeline;
- iv. Pressure under which the pipeline is operating.

The Eligible Infrastructure Replacement includes the following:

Company investment in mains and service lines, as replacements for existing Rear Lot Facilities, and regulatory station and other distribution system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities that:

- i. do not increase revenues by directly connecting new Customers to the plant asset;
- ii. are in service and used and useful in providing utility service; and
- iii. that were not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.

The Company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report;
2. Depreciation expense (calculated using the currently approved depreciation

rates);

3. Customer and general public notification expenses associated with the SAFE Program incurred for:

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Issued by:	Carolyn Bermudez Vice President, Florida City Gas	<del>Effective:</del> <u>Effective: June 1, 2018</u>
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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 ~~August~~June 1, 2018 through December 31, 2018 are:

<u>Rate Class</u>	<u>Rates Per Customer</u>
Rate Schedule RS-1	\$0.00
Rate Schedule RS-100	\$0.00
Rate Schedule RS-600	\$0.00
Rate Schedule GS-1	\$0.00
Rate Schedule GS-6K	\$0.00
Rate Schedule GS-25K	\$0.00
Rate Schedule GS-120K	\$0.00
Rate Schedule GS-1,250K	\$0.00
Rate Schedule GS-11M	\$0.00
Rate Schedule GS-25M	\$0.00
Rate Schedule GL	\$0.00
Rate Schedule RSG	\$0.00
Rate Schedule CSG	\$0.00

RIDER "D"

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

Procedure for Establishing SAFE Revenue Requirements

The SAFE Revenue Requirements and any changes thereto shall be calculated and implemented in accordance with the provisions contained in this Rider. SAFE Revenues shall be subject to refund based upon a finding and order of the Commission to the extent provided in this Rider.

The Company shall calculate its SAFE Revenue Requirements annually in the manner prescribed by this Rider and shall file the appropriate petitions with the Commission seeking to establish or change the SAFE Revenue Requirements and Surcharge. The annual filings shall include the following:

1. An annual final true-up filing showing the actual Eligible Replacement costs and actual SAFE Revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to the annual petition filing. As part of this filing, the Company shall include a summary comparison of the actual Eligible Replacement costs and SAFE Revenues to the estimated total Eligible Replacement costs and SAFE Revenues previously reported for the same period covered by the filing in paragraph (2) of this section. The filing shall also include the final over- or under-recovery of total SAFE Revenue Requirements for the final true-up period.
2. An annual estimated/actual true-up filing showing seven months actual and five months projected Eligible Replacement costs and any SAFE Revenues collected or projected to be collected during the estimated/actual true-up period. The filing shall also include the estimated/actual over- or under-recovery of total Eligible Replacement costs for the estimated/actual true-up period.
3. An annual projection filing showing 12 months projected SAFE Revenue Requirements for the period beginning January 1 following the annual filing hearing.
4. An annual petition setting forth proposed SAFE Revenue Requirements and Surcharges to be effective for the 12-month period beginning January 1 following the annual hearing. Such proposed SAFE Revenue Requirements and Surcharges shall take into account the data filed pursuant to paragraphs (1), (2), and (3) of this section.

The Company shall establish separate accounts or subaccounts for each Eligible Replacement for purposes of recording the costs incurred for each project. The Company shall also establish a separate account or subaccount for any revenues derived from SAFE Surcharges.

RIDER "D"

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

Calculation of the SAFE Revenue Requirements and SAFE Surcharges

In determining the SAFE Revenue Requirements, the Commission shall consider only (a) the net original cost of Eligible Replacements (i.e., the original cost); (b) the applicable depreciation rates as determined and approved by the Commission based on the Company's most recent depreciation study; (c) the accumulated depreciation associated with the Eligible Replacements; (d) the current state and federal income and ad valorem taxes; and (e) the Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report.

The SAFE Revenue Requirements shall be calculated as follows:

Line	Description	Value	Source
1	Revenue Expansion Factor	1.6329	As calculated in most recent base rate proceeding, using current tax rates
2	Ad Valorem Tax Rate	%	Effective Property Tax Rate for most recent 12 Months ended December 31
3	Mains	\$	Eligible Replacement Mains
4	Services	\$	Eligible Replacement Services
5	Regulators	\$	Eligible Replacement Regulators
6	Other	\$	Eligible Replacement Other
7	Gross Plant	\$	L3+L4+L5+L6
8	Accumulated Depreciation	\$	Previous Period Balance +L13
9	Construction Work In Progress	\$	Non-interest Bearing
10	Net Book Value	\$	L7-L8+L9
11	Average Net Book Value	\$	(L10 + Balance From Previous Period)/2
12	Return on Average Net Book Value	\$	L 11 X Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report
13	Depreciation Expense	\$	Lines 3,4,5 & 6 X applicable approved Depreciation Rates
14	Property Tax	\$	(L7-L8) X L 2
15	Customer and general public notification and other applicable expense	\$	O&M expense incurred as a result of eligible plant replacement
16	SAFE Revenue Requirement	\$	(L12+L13+L14+L15) X L 1

Issued by: Carolyn Bermudez  
 Vice President, Florida City Gas

Effective: ~~Effective:~~ June 1, 2018