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

September 1, 2022

E-PORTAL

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

Re: [New Docket]-- Petition for approval of safety, access, and facility enhancement program true-up and 2023 cost recovery factors, by Florida City Gas.

Dear Mr. Teitzman:

Attached for electronic filing, please find Florida City Gas's Petition for Approval of SAFE True-up and Cost Recovery Factors for 2023.

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

Sincerely,

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

MEK
Enclosure

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida City Gas for
Approval of the Safety, Access, and Facility
Enhancement Program True-Up and 2023
Surcharge Factors

Docket No. _____

Filed: September 1, 2022

**PETITION OF FLORIDA CITY GAS FOR APPROVAL OF THE
SAFETY, ACCESS, AND FACILITY ENHANCEMENT PROGRAM
TRUE-UP AND 2023 COST RECOVERY FACTORS**

Florida City Gas (“FCG” or “the Company”) hereby files this Petition requesting the Florida Public Service Commission (“Commission”) approve: (a) the 2021 Safety, Access, and Facility Enhancement (“SAFE”) Program final true-up amount for the period January 1, 2021 through December 1, 2021; (b) the 2022 SAFE Program actual/estimated true-up amount for the period January 1, 2022 through December 31, 2022; and (c) the 2023 SAFE Program Factors to be applied to bills issued during the projected period of January 1, 2023 through December 31, 2023. In support thereof, FCG states as follows:

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

Florida City Gas
4045 NW 97th Avenue
Doral, Florida 33178

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

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1980
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700 Universe Boulevard (JB/LAW)
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3. FCG is a natural gas local distribution company (“LDC”) providing natural gas sales and transportation service to customers in parts of Florida, and is a public utility subject to the Commission’s regulatory jurisdiction under Chapter 366, Florida Statutes (“F.S”).

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

5. On September 15, 2015, the Commission approved FCG’s request to establish the SAFE Program. *See In re: Petition for approval of safety, access, and facility enhancement program and associated cost recovery methodology, by Florida City Gas*, Order No. PSC-2015-0390-TRF-GU, Docket No. 20150116-GU (FPSC Sept. 15, 2015) (“SAFE Order”). The SAFE Program is designed to relocate on an expedited basis certain existing gas mains and associated facilities located in or associated with rear lot easements to street front locations to improve the Company’s ability to inspect and maintain the facilities and reduce opportunities for damage to the facilities and theft. As the Commission recognized in its *SAFE Order*, the existing location of these mains, services and, in some cases, above-ground facilities, presents significant operational risks and challenges for the Company and its customers. *Id.* at p. 5.

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

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

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

8. The actual and forecasted mains and service replacements from 2015 through the end of the SAFE Program are provided by year in **Attachment A** to this Petition, which has been updated to reflect actuals through the end of June 2022. In addition, a general description of the 2022 and 2023 SAFE Program projects, including location and types of replacements, are provided in **Attachment B**.

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

- (a) Final true-up showing the actual replacement costs and actual surcharge revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to the annual petition filing, including the final over- or under-recovery for that period;
- (b) Actual/estimated true-up showing six months of actual and six months of projected costs and revenues; and
- (c) Projection showing 12 months of the projected revenue requirement for period beginning January 1 following the annual filing. *Id.*

10. FCG herein submits its annual SAFE Program filing consistent with the requirements of the *SAFE Order*.

11. Attached to this Petition and incorporated herein by reference is **Attachment C, Schedules 1 through 7**, which provides the information required by the *SAFE Order* and FCG's SAFE Tariff. Attachment C fully supports FCG's calculation of the 2021 final true-up, the 2022 actual/estimated true-up, and the 2023 SAFE Program Factors for the period of January 1, 2023 through December 31, 2023, as summarized below.

12. On April 20, 2018, the Commission approved a settlement agreement in FCG's 2018 base rate case that, among other things, requires FCG to use a capital structure with a 48% equity ratio for the calculation of the revenue requirements for the capital investment recovered through the SAFE surcharge.¹ As shown on Attachment C to this Petition, FCG's calculation of the SAFE Program true-up amounts and 2023 SAFE Program Factors used a capital structure with a 48% equity ratio.

13. In addition, during the Agenda Conference for FCG's 2019 SAFE Program filing in Docket No. 20180164, FCG committed to include interest in the calculation of the SAFE Program true-up amounts.² As shown on Schedule 3.3 of Attachment C to this Petition, FCG has included interest in the SAFE Program true-up amounts.

14. On December 30, 2019, the Commission issued a tariff order that, among other things, approved an adjustment to the Weighted Average Cost of Capital ("WACC") used to calculate the SAFE revenue requirements in order to be consistent with the normalization rules of

¹ See *In re: Petition for rate increase by Florida City Gas*, Docket No. 20170179-GU, Order No. PSC-2018-0190-FOF-GU (FPSC Apr. 20, 2018).

² See Transcript of Commission Conference Agenda Item No. 16 at p. 4, Docket No. 20180164 (Oct. 30, 2018).

the Internal Revenue Code.³ As shown on Schedules 5.1 and 5.2 of Attachment C to this Petition, FCG's calculation of the WACC is consistent with this requirement and has been incorporated into the calculation of the 2023 SAFE Program Factors.

15. The 2021 SAFE Program final net true-up amount for the period January 2021 through December 2021 is an under-recovery of \$400,953. *See* Attachment C, Schedule 1, line 12.

16. The 2022 SAFE Program projected actual/estimated true-up amount, based on actual data for six months and projected data for six months, for the current period January 2022 through December 2022 is an over-recovery of \$392,984. *See* Attachment C, Schedule 2, line 12.

17. The SAFE Program total, cumulative net true-up for 2021 and 2022, inclusive of interest, is an over-recovery of \$74,528. *See* Attachment C, Schedule 2, line 16. The interest calculation is provided in Attachment C, Schedule 3.3.

18. On May 31, 2022, FCG filed a Petition for a base rate increase in Docket No. 20220069-GU, based on a projected 2023 Test Year. Pursuant to the *SAFE Order*, “[i]f FCG files a base rate case prior to 2025, the then-current SAFE surcharge program would be folded into any newly approved rate base, and the surcharge would begin anew.” Consistent with this requirement, as part of FCG's base rate case pending in Docket No. 20220069-GU, FCG initially reflected all forecasted SAFE program investments and associated operating expenses currently approved for recovery through the 2022 SAFE Program Factors⁴ in the 2023 Test Year forecast and then applied

³ *See In re: Petition for approval of safety, access, and facility enhancement program true-up and 2020 cost recovery factors, by Florida City Gas*, Docket No. 20190172-GU, Order No. PSC-2019-0550-TRF-GU (FPSC Dec. 30, 2019). The Commission-approved tariff provides that in the event FCG does not meet or exceed the limitation provision set forth in the Internal Revenue Code, FCG shall not use the accumulated deferred income tax (“ADIT”) balance as reported on the Company's most recent year-end surveillance report and FCG shall make an adjustment to the depreciation-related ADIT included in the year-end ADIT balance using the proration formula required by the normalization rules of the Internal Revenue Code.

⁴ *See In re: Petition for approval of safety, access, and facility enhancement program true-up and 2022 cost recovery factors, by Florida City Gas*, Order No. PSC-2021-0430-TRF-GU, Docket No. 20210149-GU (FPSC Nov. 19, 2021) (approving the projected SAFE revenues and factors for the calendar year 2022).

a company adjustment to move the associated investment and related expenses as of December 31, 2022, from clause recovery to base rates.⁵ Accordingly, in this filing the SAFE Program beginning of period balances have all been reset to begin anew effective January 1, 2023, as shown in Schedule 4 of Attachment C to this Petition.

19. The Company’s projected total revenue requirement for the SAFE Program for the period January 1, 2023 through December 31, 2023 is \$714,310.⁶ See Attachment C, Schedule 4, line 9. Applying the total, cumulative net true up for 2021 and 2022, the total amount to be collected through the SAFE Program Factors during 2023 is \$639,783 See Attachment C, Schedule 4, line 10.

20. When the total amount to be collected through the SAFE Program Factors during 2023 is allocated based upon the methodology approved in the *SAFE Order*, the proposed 2023 SAFE Program Factors for the period January 1, 2023 through December 31, 2023 are as follows:

<u>Rate Class</u>	<u>SAFE Factor</u>
RS-1	\$0.44
RS-100	\$0.44
RS-600	\$0.44
GS-1	\$0.44
GS-6K	\$0.98
GS-25K	\$0.98
GS-120K	\$0.98
GS-1250K	\$0.98
GS-11M	\$0.98
GS-25M	\$0.98
Gas Lighting	\$0.44

⁵ See Direct Testimony of Liz Fuentes, filed May 31, 2022, in Docket No. 20220069-GU, which is available at: <http://www.psc.state.fl.us/library/filings/2022/03279-2022/03279-2022.pdf>.

⁶ Inclusive of the reclassification of the SAFE Program investments as of December 31, 2022 from clause to base rates as described above.

See Attachment C, Schedule 6.

21. **Attachment D** to this Petition provides the Company's revised tariff pages in clean and legislative format, reflecting its proposed 2023 SAFE Program Factors.

22. Upon approval of the proposed 2023 SAFE Program Factors, FCG will provide notice to customers through a customer bill message that will be issued during a 30-day period in advance of the first billing cycle in January 2023. In addition, an updated rate schedule will be made available online at: <https://www.floridacitygas.com/rates-and-tariff.html>.

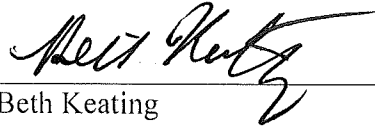
23. FCG notes that the calculation of the 2023 SAFE Program Factors is based on the currently approved rates in effect at the time this Petition was filed (*e.g.*, return on equity, capital structure, depreciation rates, debt rates, and etc.). In the event the Commission adopts any changes or modifications in FCG base rate case pending in Docket No. 20220069-GU that impact or require adjustments to the costs being recovered through the 2023 SAFE Program Factors, FCG will include those impacts and adjustment in its 2023 actual/estimated and final true-up filings for Commission review and approval.

24. FCG submits that its calculation of the 2023 SAFE Program Factors is consistent with the methodology and requirements of the Commission's *SAFE Order* and FCG's SAFE Tariff. FCG, therefore, asks that they be approved and become effective for the January 2023 through December 2023 billing period, starting with January 1, 2023, and continuing until modified by subsequent order of this Commission.

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

- (a) FCG's 2021 SAFE Program final true-up under-recovery amount of \$400,953 for the period of January 1, 2021 through December 31, 2021;
- (b) FCG's 2022 SAFE Program actual/estimated true-up over-recovery amount of \$392,984 for the period of January 1, 2022 through December 31, 2022; and
- (c) FCG's 2023 SAFE Program Factors, as set forth herein and the Attachments hereto, for application to bills beginning the first billing cycle in January 2023 through the last billing cycle December 2023, and continuing until modified by subsequent order of this Commission.

Respectfully submitted this 1st day of September 2022,



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Christopher T. Wright
Fla. Auth. House Counsel No. 1007055
Florida Power & Light Company
700 Universe Boulevard (JB/LAW)
Juno Beach, Florida 33408

Attorneys for Florida City Gas

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Hand Delivery or Electronic Mail this 1st day of September, 2022.

Richard Gentry Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Gentry.Richard@leg.state.fl.us	Keith Hetrick, General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399 khetrick@psc.state.fl.us

By: 
Beth Keating
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ATTACHMENT A

SAFE PROGRAM
ACTUAL AND FORECASTED
MAINS AND SERVICE REPLACEMENTS

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

Year	Main Replacements			Service Replacements		
	Replaced main (miles)	Remaining main at Year End (miles)	Total Miles Remaining	Replaced Services (No.)	Remaining Services at year end	Total Remaining Services
2014	-	254.3	254.3	-	11,443	11,443
2015	-	254.3	254.3	49	11,394	11,394
2016	17.1	237.2	237.2	1,433	9,961	9,961
2017	37.5	199.7	199.7	1,551	8,410	8,410
2018	27.6	172.1	172.1	1,634	6,776	6,776
2019	37.8	134.3	134.3	1,183	5,593	5,593
2020	25.5	108.8	108.8	1,186	4,407	4,407
2021	26.0	82.8	82.8	1,105	3,302	3,302
2022	36.5	46.4	46.4	1,503	1,799	1,799
2023	12.8	33.6	33.6	671	1,128	1,128
2024	16.8	16.8	16.8	564	564	564
2025	16.8	-	-	564	-	-

ATTACHMENT B

Description of the SAFE Program Projects undertaken by FCG
in 2021 and 2022 (actual/estimated) and forecasted for 2023

ATTACHMENT B
Florida City Gas
SAFE Program

General Overview of Florida City Gas Replacement Projects for 2022 and 2023

A general overview of the actual and projected SAFE replacement projects undertaken or to be undertaken by Florida City Gas during 2022 is provided below, and includes the following projects:

1. The Miami SAFE 30 project is located in the City of Miami Gardens, FL. The Miami SAFE 30 project retired 27,034 feet of rear easement mains on February 3, 2022.
2. The Miami SAFE 34 project is located in the City of Miramar, FL. It is forecasted by end of Q2 2022 that the project will provide the installation of 26,125 feet of mains and 163 services. The Miami SAFE 34 project retired 24,900 feet of rear easement mains on April 29, 2022.
3. The Miami SAFE 35 project is located in the City of North Miami, FL. It is forecasted that by end of Q2 2022, the project will provide the installation of 29,540 feet of mains and 223 services. The Miami SAFE 35 project retired 24,640 feet of rear easement mains on June 6, 2022.
4. The Brevard SAFE 5 project is located in the City of Melbourne, FL. It is forecasted that by year-end 2022, the project will provide installation of 14,484 feet of mains and 211 services. The Brevard SAFE 5 project is forecasted to retire 17,077 feet of rear easement mains by year-end 2022.
5. The Miami SAFE 36 project is located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2022, the project will provide the installation of 17,900 feet of mains and 120 services. The Miami SAFE 36 project is forecasted to retire 15,153 feet of rear easement mains by year-end 2022.
6. The Miami SAFE 37 project is located in the city of West Park, FL. It is forecasted that by year-end 2022, the project will provide the installation of 28,173 feet of mains and 182 services. The Miami SAFE 37 project is forecasted to retire 38,018 feet of rear easement mains by year-end 2022.
7. The Miami SAFE 42 project is located in the city of Cutler Bay, FL. It is forecasted that by year-end 2022, the project will provide the installation of 15,549 feet of mains and 307 services. The Miami SAFE 42 project is forecasted to retire 24,785 feet of rear easement mains by end of Q1 2023.
8. The Miami SAFE 43 project is located in the city of Cutler Bay, FL. It is forecasted that by year-end 2022, the project will provide the installation of 3,237 feet of mains and 17 services. The Miami SAFE 43 project is forecasted to retire 2,683 feet of rear easement mains by year-end 2022.

9. The Miami SAFE 44 Project is located in unincorporated Miami Dade County, FL. It is forecasted that by year-end 2022, the project will provide the installation of 27,999 feet of mains and 252 services. The Miami SAFE 44 project is forecasted to retire 27,462 feet of rear easement mains by end Q2 2023.

10. The Miami SAFE 46 Project is located in unincorporated Miami Dade County, FL. It is forecasted that by year-end 2022, the project will provide the installation of 2,550 feet of mains and 28 services. The Miami SAFE 46 project is forecasted to retire 3,612 feet of rear easement mains by year-end 2022.

A general overview of the projected SAFE replacement projects to be undertaken by Florida City Gas during 2023 is provided below:

1. The Miami SAFE 45 project is located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2023, the project will provide the installation of 40,401 feet of mains and 407 services. The Miami SAFE 45 project is forecasted to retire 38,615 feet of rear easement mains by year-end 2023.

2. The Miami SAFE 47 project is located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2023, the project will provide the installation of 27,069 feet of mains and 264 services. The Miami SAFE 47 project is forecasted to retire 25,301 feet of rear easement mains by year-end 2023.

ATTACHMENT C

SAFE Schedules 1 through 7

Florida City Gas
Attachment C, Schedule 1 - SAFE Program Revenue Requirement
January 2021 through December 2021

Line	Description	Beginning of	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	End of Period	
		Period Amount	January-21	February-21	March-21	April-21	May-21	June-21	July-21	August-21	September-21	October-21	November-21	December-21	Total
1	Investments														
	a. Eligible Replacements - Mains	13,283,695	272,672	92,575	(143,914)	5,984,325	647,391	441,373	2,879,333	194,422	617,386	927,644	1,593,322	(75,873)	26,414,352
	b. Eligible Replacements - Services, Plastic	1,851,676	1,480	-	(64,966)	1,802,705	171,399	141,087	1,082,331	94,173	218,032	348,371	271,640	2,071,896	7,989,823
	c. Eligible Replacements - Services, Steel	690	-	-	-	-	-	-	-	-	-	-	-	-	690
	d. Eligible Replacements - Meters	425,669	289	-	(11,564)	371,058	21,855	2,129	172,176	14,650	12,283	58,966	43,460	(155,500)	955,471
	e. Land Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<u>15,561,730</u>	<u>274,441</u>	<u>92,575</u>	<u>(220,444)</u>	<u>8,158,089</u>	<u>840,646</u>	<u>584,589</u>	<u>3,833,839</u>	<u>303,245</u>	<u>847,701</u>	<u>1,334,982</u>	<u>1,908,422</u>	<u>1,840,522</u>	<u>35,560,337</u>
2.a	Gross Plant-in-Service/Depreciation Base - Mains	13,283,695	13,556,367	13,648,943	13,505,029	19,489,354	20,136,746	20,578,119	23,157,451	23,351,873	23,969,259	24,896,903	26,490,226	26,414,352	26,414,352
2.b	Gross Plant-in-Service/Depreciation Base - Services, Plastic	1,851,676	1,853,156	1,853,156	1,788,189	3,590,894	3,762,294	3,903,381	4,985,711	5,079,884	5,297,916	5,646,288	5,917,928	7,989,823	7,989,823
2.c	Gross Plant-in-Service/Depreciation Base - Services, Steel	690	690	690	690	690	690	690	690	690	690	690	690	690	690
2.d	Gross Plant-in-Service/Depreciation Base - Meters	425,669	425,958	425,958	414,394	785,452	807,307	809,436	981,612	996,262	1,008,545	1,067,511	1,110,971	955,471	955,471
2.e	Gross Plant In-Service-Land Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Less: Accumulated Depreciation	(459,513)	(473,713)	(508,295)	(542,738)	(585,639)	(658,121)	(692,104)	(750,787)	(813,881)	(878,188)	(944,809)	(1,014,865)	(1,088,915)	(1,088,915)
4.	CWIP - NonInterest Bearing	7,596,257	7,647,049	9,685,485	10,449,240	2,724,385	3,368,444	3,411,642	152,451	115,343	683,379	1,018,229	-	148,063	148,063
5.	Net Book Value (Lines 2 + 3 + 4)	<u>22,718,474</u>	<u>23,009,507</u>	<u>25,105,935</u>	<u>25,614,803</u>	<u>26,005,138</u>	<u>27,437,360</u>	<u>28,010,564</u>	<u>28,527,129</u>	<u>28,730,171</u>	<u>30,081,602</u>	<u>31,684,813</u>	<u>32,504,950</u>	<u>34,419,484</u>	<u>34,419,484</u>
6.	Average Net Investment		22,863,990	24,057,721	25,360,369	25,809,971	26,721,249	27,723,962	28,268,846	28,628,650	29,405,887	30,883,208	32,094,881	33,462,217	
7.	Return on Average Net Investment														
	a. Equity component (Grossed up for taxes - reduced for tax reform (A))		106,843	112,421	118,508	120,609	124,868	129,553	132,100	133,781	137,413	144,316	149,979	156,368	1,566,760
	b. Debt component (B)		20,114	21,165	22,311	22,706	23,308	24,390	24,869	25,186	25,870	27,169	28,235	29,438	294,960
8.	Investment Expenses														
	a. Depreciation (C)		34,200	34,582	34,443	42,301	52,482	53,983	58,684	63,094	64,307	66,621	70,056	74,051	649,403
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		34,487	36,287	38,252	38,930	40,305	41,817	42,639	43,182	44,354	46,382	48,410	50,472	505,715
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		<u>193,644</u>	<u>204,455</u>	<u>213,514</u>	<u>225,146</u>	<u>241,162</u>	<u>249,743</u>	<u>258,291</u>	<u>265,242</u>	<u>271,943</u>	<u>284,689</u>	<u>296,679</u>	<u>310,329</u>	<u>3,016,838</u>
10.	Collections		(215,092)	(209,861)	(224,085)	(218,178)	(216,279)	(218,230)	(218,820)	(219,691)	(218,919)	(219,088)	(210,837)	(226,804)	(2,615,885)
11.	Estimated Net under(over) collection booked		(34,891)	2,092	6,205	12,728	35,336	47,913	55,717	64,622	64,847	75,319	98,392	91,216	
12.	Actual Net under(over) collection (Lines 9 + 10)		(19,449)	(5,406)	(10,572)	6,968	24,883	31,513	39,471	45,551	53,025	63,600	85,843	83,525	400,953
13.	True-Up (Lines 12 - 11)	7,789	15,443	(7,497)	(16,777)	(5,760)	(10,453)	(16,400)	(16,247)	(19,071)	(11,823)	(9,718)	(12,549)	(7,690)	
14.	Cumulative Net under(over) collection		(117,328)	(99,800)	(101,099)	(105,152)	(75,579)	(58,121)	1,194	49,569	95,346	158,845	247,525	326,202	326,202
15.	Interest		(7)	(6)	(4)	(3)	(3)	(2)	(1)	1	3	6	11	14	10
16.	Cumulative Net under(over) collection (Lines 14 + 15)		(90,225)	(117,334)	(99,806)	(101,103)	(105,155)	(75,582)	(58,123)	1,194	49,570	95,349	158,851	247,536	326,217

Notes:	Jan 2021 - Dec 2021
(A) Cost of Equity	5.60757%
(B) WACC	1.05569%
(C.1) Applicable Mains depreciation rate	2.50000%
(C.2) Applicable Services, Plastic depreciation rate	2.54000%
(C.3) Applicable Services, Steel depreciation rate	2.70000%
(C.4) Applicable Meters depreciation rate	6.10000%
(D) Ad Valorem Tax Rate	1.81000%

Florida City Gas
Attachment C, Schedule 2 - SAFE Program Revenue Requirement
January 2022 through December 2022

Line	Description	Beginning of Period Amount	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	End of Period Total
			January-22	February-22	March-22	April-22	May-22	June-22	July-22	August-22	September-22	October-22	November-22	December-22	
1	Investments														
a	Eligible Replacements - Mains	26,414,352	(815,615)	848,689	943,670	267,697	415,279	241,494	559,719	949,625	841,443	534,221	321,911	193,350	31,715,837
b	Eligible Replacements - Services, Plastic	7,989,823	(141,874)	218,617	364,055	92,195	87,359	88,869	571,409	511,664	543,897	202,299	136,648	-	10,464,959
c	Eligible Replacements - Services, Steel	690	-	-	-	-	-	-	-	-	-	-	-	-	690
d	Eligible Replacements - Meters	955,471	(23,094)	33,345	6,285	4,163	3,091	(181)	-	-	-	-	-	-	981,080
e	Land Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<u>35,360,337</u>	<u>(980,581)</u>	<u>1,102,651</u>	<u>1,314,008</u>	<u>364,055</u>	<u>505,729</u>	<u>330,182</u>	<u>951,128</u>	<u>1,461,289</u>	<u>1,385,340</u>	<u>736,520</u>	<u>458,559</u>	<u>193,350</u>	<u>45,162,567</u>
2 a	Gross Plant-in-Service/Depreciation Base - Mains	26,414,352	25,598,739	26,447,428	27,391,098	27,658,795	28,074,074	28,315,568	28,875,287	29,824,912	30,666,355	31,200,576	31,522,487	31,715,837	31,715,837
2 b	Gross Plant-in-Service/Depreciation Base - Services, Plastic	7,989,823	7,847,949	8,066,566	8,430,619	8,522,814	8,610,173	8,699,042	9,070,451	9,582,115	10,126,012	10,328,311	10,464,959	10,464,959	10,464,959
2 c	Gross Plant-in-Service/Depreciation Base - Services, Steel	690	690	690	690	690	690	690	690	690	690	690	690	690	690
2 d	Gross Plant-in-Service/Depreciation Base - Meters	955,471	952,377	967,722	974,007	978,170	981,261	981,080	981,080	981,080	981,080	981,080	981,080	981,080	981,080
2 e	Gross Plant In-Service-Land Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Less: Accumulated Depreciation	(1,088,915)	(1,163,915)	(1,239,049)	(1,316,728)	(1,396,167)	(1,476,519)	(1,557,746)	(1,641,115)	(1,726,990)	(1,815,849)	(1,906,929)	(1,999,261)	(2,092,274)	(2,092,274)
4	CWIP - NonInterest Bearing	148,063	214,538	742,928	159,130	191,897	474,329	553,659	465,564	730,645	692,670	368,260	229,279	96,675	96,675
5	Net Book Value (Lines 2 + 3 + 4)	<u>34,419,484</u>	<u>33,430,378</u>	<u>34,986,285</u>	<u>35,638,816</u>	<u>35,956,199</u>	<u>36,664,008</u>	<u>36,992,293</u>	<u>37,751,958</u>	<u>39,392,452</u>	<u>40,650,959</u>	<u>40,971,988</u>	<u>41,199,235</u>	<u>41,166,968</u>	<u>41,166,968</u>
6	Average Net Investment		33,924,931	34,208,332	35,312,551	35,797,508	36,310,104	36,828,151	37,372,125	38,572,205	40,021,706	40,811,474	41,085,611	41,183,101	
7	Return on Average Net Investment														
a	Equity component (Grossed up for taxes - reduced for tax reform (A))		161,527	162,876	168,134	170,443	172,883	173,350	177,940	183,654	190,555	194,316	195,621	196,085	2,149,383
b	Debt component (B)		29,789	30,038	31,007	31,433	31,883	32,338	32,816	33,870	35,142	35,836	36,076	36,162	396,390
8	Investment Expenses														
a	Depreciation (C)		75,000	75,134	77,679	79,439	80,352	81,227	83,369	85,875	88,858	91,081	92,351	93,013	1,003,358
b	Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
c	Property Taxes (D)		50,674	51,098	52,747	53,471	54,237	55,011	55,824	57,616	59,781	60,961	61,370	61,516	674,307
d	Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9	Revenue Requirements (Lines 7 + 8)		<u>316,990</u>	<u>319,145</u>	<u>329,567</u>	<u>334,786</u>	<u>339,336</u>	<u>343,926</u>	<u>349,948</u>	<u>361,015</u>	<u>374,337</u>	<u>382,193</u>	<u>385,399</u>	<u>386,776</u>	<u>4,223,438</u>
10	Collections		(378,770)	(355,269)	(405,396)	(381,008)	(354,187)	(407,444)	(389,058)	(389,058)	(389,058)	(389,058)	(389,058)	(389,058)	(4,616,422)
11	Estimated Net under(over) collection booked		(35,903)	(19,267)	(55,464)	(22,226)	7,684	(38,872)	(59,110)	(28,043)	(14,721)	(6,865)	(3,659)	(2,282)	
12	Actual Net under(over) collection (Lines 9 + 10)		(61,780)	(36,124)	(75,829)	(46,222)	(14,831)	(63,518)	(39,110)	(28,043)	(14,721)	(6,865)	(3,659)	(2,282)	(392,984)
13	True-Up (Lines 12 + 11)		(7,690)	(25,877)	(16,857)	(20,365)	(23,996)	(22,515)	(24,646)	-	-	-	-	-	
14	Cumulative Net under(over) collection		282,623	237,493	165,206	122,666	106,407	45,087	(18,594)	(46,620)	(61,383)	(68,318)	(72,060)	(74,433)	(74,433)
15	Interest		14	34	50	53	67	76	17	(42)	(70)	(84)	(91)	(95)	(70)
16	Cumulative Net under(over) collection (Lines 14 + 15)		326,217	282,637	237,527	165,257	122,719	106,474	45,163	(18,577)	(46,662)	(61,453)	(68,401)	(72,151)	(74,528)

Notes:	Jan 2022 - Dec 2022
(A) Cost of Equity, See Attachment C, Schedule 3.1	5.71356%
(B) WACC, See Attachment C, Schedule 3.1	1.05370%
(C.1) Applicable Mains depreciation rate	2.50000%
(C.2) Applicable Services, Plastic depreciation rate	2.54000%
(C.3) Applicable Services, Steel depreciation rate	2.70000%
(C.4) Applicable Meters depreciation rate	6.10000%
(D) Ad Valorem Tax Rate	1.79246%

Florida City Gas

Attachment C, Schedule 3.2 - Cost of Capital and Ad Valorem Tax Rate for 2022

January 2022 through December 2022

2021 YE Surveillance with ADFIT Consistency and Proration Adjustments adjusted to 48% Equity Ratio

	System Per Sys Per Book	Consistency & Proration Adj.	System Per Books Adj'd	Retail Per Books	Pro Rata Adj	Specific Adj	Adjusted Retail	Cap Ratio	Reallocation to 48% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost
Common Equity	168,681,216	(307,447)	168,373,769	165,274,189	(18,264,101)	-	147,010,089	41.69%	144,918,644	41.10%	10.19%	4.19%
Long Term Debt	100,068,353	(182,390)	99,885,963	99,872,870	(10,554,041)	(4,368,004)	84,950,826	24.09%	86,097,795	24.42%	3.60%	0.88%
Short Term Debt	78,798,077	(143,621)	78,654,456	78,643,674	(8,690,746)	-	69,952,928	19.84%	70,897,403	20.11%	0.75%	0.15%
Cust Dep Active	3,610,301	(6,580)	3,603,721	3,603,227	(398,185)	-	3,205,042	0.91%	3,205,042	0.91%	2.77%	0.03%
Cust Dep InActive	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Invest Tax Cr	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Deferred Inc Tax	52,735,908	640,038	53,375,946	53,368,630	(5,897,654)	-	47,470,975	13.46%	47,470,975	13.46%	0.00%	0.00%
Total	403,893,854	-	403,893,854	400,762,589	(43,804,726)	(4,368,004)	352,589,859	100.00%	352,589,859	100.00%		5.24%

Florida City Gas
Attachment C, Schedule 3.3 - Calculation of Interest Provision
January 2022 through December 2022

2022 Interest Calculation	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. Beginning True-up Amount	326,217	282,637	237,527	165,257	122,719	106,474	45,163	(18,577)	(46,662)	(61,453)	(68,401)	(72,151)	(74,528)
2. Ending True-up Amount Before Interest	282,623	237,493	165,206	122,666	106,407	45,087	(18,594)	(46,620)	(61,383)	(68,318)	(72,060)	(74,433)	(74,528)
3. Total of Beginning & Ending True-up	608,840	520,130	402,733	287,922	229,126	151,561	26,569	(65,197)	(108,045)	(129,770)	(140,462)	(146,584)	(149,055)
4. Average True-up Amount (50% of Line 3)	304,420	260,065	201,367	143,961	114,563	75,780	13,284	(32,598)	(54,023)	(64,885)	(70,231)	(73,292)	(74,528)
5. Interest Rate-First day of reporting business month	0.05%	0.06%	0.25%	0.35%	0.54%	0.86%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%
6. Interest Rate-First day of subsequent business month	0.06%	0.25%	0.35%	0.54%	0.86%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%
7. Total (Line 5 & 6)	0.11%	0.31%	0.60%	0.89%	1.40%	2.41%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	0.00%
8. Average Interest Rate (50 % of Line 7)	0.06%	0.16%	0.30%	0.45%	0.70%	1.21%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	0.00%
9. Monthly Average Interest Rate (Line 8/12)	0.005%	0.013%	0.025%	0.037%	0.058%	0.100%	0.129%	0.129%	0.129%	0.129%	0.129%	0.129%	0.000%
10. Interest Provision for the month (Line 4 *Line 9)	14	34	50	53	67	76	17	(42)	(70)	(84)	(91)	(95)	

Totals may not match Revenue Req due to rounding

Florida City Gas
Attachment C - Schedule 4 - SAFE Program Revenue Requirement
January 2023 through December 2023

Line	Description	Beginning of	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	End of Period	
		Period Amount	January-23	February-23	March-23	April-23	May-23	June-23	July-23	August-23	September-23	October-23	November-23	December-23	Total
1.	Investments														
a.	Eligible Replacements - Mains		340,206	523,996	724,726	447,677	865,720	321,091	768,279	1,143,657	1,132,460	473,731	337,440	144,356	7,223,339
b.	Eligible Replacements - Services, Plastic		39,821	53,111	264,756	491,341	352,435	380,930	342,917	338,573	1,208,112	408,185	238,517	234,475	4,555,189
c.	Eligible Replacements - Services, Steel		-	-	-	-	-	-	-	-	-	-	-	-	-
d.	Eligible Replacements - Meters		-	-	-	-	-	-	-	-	-	-	-	-	-
e.	Land Rights		-	-	-	-	-	-	-	-	-	-	-	-	-
			<u>380,027</u>	<u>559,106</u>	<u>989,482</u>	<u>939,018</u>	<u>1,398,176</u>	<u>702,020</u>	<u>1,111,195</u>	<u>1,502,230</u>	<u>2,340,572</u>	<u>881,914</u>	<u>575,956</u>	<u>378,831</u>	<u>11,738,527</u>
2 a	Gross Plant-in-Service/Depreciation Base - Mains	-	340,206	864,202	1,588,927	2,036,605	2,902,325	3,223,416	3,991,694	5,135,352	6,267,811	6,741,543	7,078,982	7,223,339	7,223,339
2 b	Gross Plant-in-Service/Depreciation Base - Services, Plastic	-	39,821	74,931	339,687	831,028	1,363,483	1,744,413	2,087,330	2,445,903	3,654,014	4,062,197	4,300,714	4,535,189	4,535,189
2 c	Gross Plant-in-Service/Depreciation Base - Services, Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 d	Gross Plant-in-Service/Depreciation Base - Meters	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 e	Gross Plant In-Service-Land Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Less: Accumulated Depreciation	-	(397)	(1,773)	(4,767)	(9,782)	(17,250)	(26,920)	(38,491)	(52,796)	(71,130)	(92,848)	(116,095)	(140,344)	(140,344)
4.	CWIP - NonInterest Bearing	-	190,013	279,553	494,741	469,309	699,088	351,010	555,598	751,113	1,170,286	440,957	287,978	189,415	189,415
5.	Net Book Value (Lines 2 + 3 + 4)	-	<u>569,643</u>	<u>1,216,914</u>	<u>2,418,589</u>	<u>3,327,359</u>	<u>4,947,647</u>	<u>5,291,919</u>	<u>6,596,131</u>	<u>8,279,573</u>	<u>11,020,982</u>	<u>11,151,850</u>	<u>11,551,580</u>	<u>11,807,599</u>	<u>11,807,599</u>
6	Average Net Investment		284,822	893,278	1,817,751	2,872,974	4,137,503	5,119,783	5,944,025	7,437,852	9,630,278	11,086,416	11,351,715	11,679,589	
7.	Return on Average Net Investment														
a.	Equity component (Grossed up for taxes-reduced for tax reform (A))		1,397	4,381	8,914	14,089	20,291	23,108	29,150	36,476	47,325	54,368	55,669	57,277	354,445
b.	Debt component (B)		1,448	1,378	2,805	4,433	6,384	7,899	9,171	11,476	14,890	17,106	17,515	18,021	112,525
8.	Investment Expenses														
a.	Depreciation (C)		397	1,376	2,994	5,016	7,467	9,670	11,571	14,305	18,334	21,718	23,247	24,250	140,344
b.	Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
c.	Property Taxes (D)		422	1,322	2,691	4,253	6,125	7,579	8,799	11,011	14,286	16,412	16,805	17,290	106,996
d.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9	Revenue Requirements (Lines 7 + 8)		<u>3,663</u>	<u>8,457</u>	<u>17,404</u>	<u>27,791</u>	<u>40,267</u>	<u>50,257</u>	<u>58,691</u>	<u>73,268</u>	<u>94,835</u>	<u>109,604</u>	<u>113,236</u>	<u>116,838</u>	<u>714,310</u>
10	Collections		(53,315)	(53,315)	(53,315)	(53,315)	(53,315)	(53,315)	(53,315)	(53,315)	(53,315)	(53,315)	(53,315)	(53,315)	(639,783)
11	Net under(over) collection		<u>(49,652)</u>	<u>(44,858)</u>	<u>(35,911)</u>	<u>(25,525)</u>	<u>(13,049)</u>	<u>(3,059)</u>	<u>5,376</u>	<u>19,952</u>	<u>41,520</u>	<u>56,289</u>	<u>59,921</u>	<u>63,523</u>	
11 a	Cumulative Net under(over) collection		<u>(124,180)</u>	<u>(169,038)</u>	<u>(204,949)</u>	<u>(230,473)</u>	<u>(243,522)</u>	<u>(246,581)</u>	<u>(241,204)</u>	<u>(221,252)</u>	<u>(179,732)</u>	<u>(123,444)</u>	<u>(63,523)</u>	-	-
12	Interest		-	-	-	-	-	-	-	-	-	-	-	-	-
13	Cumulative Net under(over) SAFE Clause	(74,528)	<u>(124,180)</u>	<u>(169,038)</u>	<u>(204,949)</u>	<u>(230,473)</u>	<u>(243,522)</u>	<u>(246,581)</u>	<u>(241,204)</u>	<u>(221,252)</u>	<u>(179,732)</u>	<u>(123,444)</u>	<u>(63,523)</u>	-	-

Notes	Jan 2023 - Dec 2023
(A) Cost of Equity - See Attachment C, Schedule 5 1	5.88486%
(B) WACC - See Attachment C, Schedule 5 1	1.85152%
(C.1) Applicable Mains depreciation rate	2.50000%
(C.2) Applicable Services, Plastic depreciation rate	2.54000%
(C.3) Applicable Services, Steel depreciation rate	2.70000%
(C.4) Applicable Meters depreciation rate	6.10000%
(D) Ad Valorem Tax Rate	1.77646%

Florida City Gas
Attachment C Schedule 51 - Cost of Capital and Ad Valorem Tax Rate for 2023
January 2023 through December 2023

Line No	AVERAGE	RATIO (%)	Midpoint		WEIGHTED COST (%)	Revenue Expansion Factor	Cost of Equity
			COST RATE (%)	COST RATE (%)			
1	EQUITY CAPITAL	42.33%	10.19%	10.19%	4.3138%	1.36420	5.8849%
2							
3	LONG TERM DEBT	40.54%	4.28%	4.28%	1.7364%		
4							
5	SHORT TERM DEBT	5.32%	1.78%	1.78%	0.0940%		
6							
7	PREFERRED STOCK	0.00%	0.00%	0.00%	0.0000%		
8							
9	CUSTOMER DEPOSITS	0.78%	2.64%	2.64%	0.0205%		
10							
11	TAX CREDITS - ZERO COST	0.00%	0.00%	0.00%	0.0000%		
12							
13	TAX CREDITS - WEIGHTED COST	0.00%	0.60%	0.60%	0.0000%		
14							
15	ACC DEF IRC TAXES- ZERO COST	11.03%	0.00%	0.00%	0.0000%		
16	TOTAL	100.00%			6.17%		

Weighted Average Cost of Debt	1.8515%
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Ad Valorem Tax Rate Calculation

2021 Property Tax Expense \$ 2,744,094

2021 Property Value \$ 154,520,865

Applicable Ad Valorem Tax Rate: 1.7765%

2023 Clause Projection Filing												
2023 Projected WACC at current approved ROE % midpoint and adjusted to 48% Equity Ratio												
	Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Adj	Adj'd Retail	Cap Ratio	Reallocation to 48% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost		
Common Equity	262,522,863	262,522,863	(6,369,972)	-	256,152,891	52.55%	206,315,237	42.33%	10.19%	4.31%		
Long Term Debt	165,323,588	165,323,588	(3,818,099)	(7,973,660)	153,531,918	31.50%	197,590,464	40.54%	4.28%	1.74%		
Short Term Debt	20,639,405	20,639,405	(500,804)	-	20,138,602	4.13%	25,917,709	5.32%	1.78%	0.09%		
Cust Dep Active	3,881,270	3,881,270	(94,177)	-	3,787,093	0.78%	3,787,093	0.78%	2.64%	0.02%		
Cust Dep InActive	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%		
Invest Tax Cr	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%		
Deferred Inc Tax	55,150,517	55,150,517	(1,338,197)	-	53,812,321	11.04%	53,812,321	11.03%	0.00%	0.00%		
Total	507,517,644	507,517,644	(12,121,159)	(7,973,660)	487,422,825	100.00%	487,422,825	100.00%		6.16%		pretax WACC 7.74%
2023 Projected WACC with ADEFT Consistency and Proration Adjustments adjusted to 48% Equity Ratio												
	System Per Sys Per Book	Consistency A Proration Adj	System Per Books Adj'd	Retail Per Books	Pro Rata Adj	Specific Adj	Adjusted Retail	Cap Ratio	Reallocation to 48% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost
Common Equity	262,522,863	27,373	262,550,237	262,550,237	(6,362,789)	-	256,187,448	52.56%	206,342,845	42.33%	10.19%	4.31%
Long Term Debt	165,323,588	16,653	165,340,241	165,340,241	(3,814,248)	(7,973,660)	153,552,332	31.50%	197,617,055	40.54%	4.28%	1.74%
Short Term Debt	20,639,405	2,044	20,641,450	20,641,450	(500,303)	-	20,141,146	4.13%	25,921,026	5.32%	1.78%	0.09%
Cust Dep Active	3,881,270	400	3,881,670	3,881,670	(94,075)	-	3,787,595	0.78%	3,787,595	0.78%	2.64%	0.02%
Cust Dep InActive	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Invest Tax Cr	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Deferred Inc Tax	55,150,517	(46,471)	55,104,047	55,104,047	(1,349,743)	-	53,754,304	11.03%	53,754,304	11.03%	0.00%	0.00%
Total	507,517,644	0	507,517,644	507,517,644	(12,121,159)	(7,973,660)	487,422,825	100.00%	487,422,825	100.00%		6.17%
Proration Adjustment and Consistency Adjustment to Reflect Projected ADEFT Consistent with Projection Year												
	Month	ADFT Bal	Deprac-Related ADFT Bal +	Deprac-Related ADEFT Activity	Days to Prorate	Future Days in Period	Prorated Deprac-Related ADEFT Activity	Prorated Deprac-Related ADEFT Bal				
projected	Dec-22	\$4,270,459	\$4,270,459					\$4,270,459				
projected	Jan-23	\$4,390,656	\$4,421,228	150,769	31	335	138,377	\$4,408,836				
projected	Feb-23	\$4,528,388	\$4,568,763	147,535	28	307	124,091	\$4,532,927				
projected	Mar-23	\$4,964,078	\$4,790,485	131,722	31	276	99,603	\$4,632,530				
projected	Apr-23	\$5,066,428	\$4,816,979	116,494	30	246	78,514	\$4,711,044				
projected	May-23	\$5,157,311	\$4,930,742	113,763	31	215	67,011	\$4,778,055				
projected	Jun-23	\$5,244,728	\$5,041,932	111,190	30	185	56,357	\$4,834,412				
projected	Jul-23	\$5,327,934	\$5,151,566	108,634	31	154	45,835	\$4,880,246				
projected	Aug-23	\$5,406,689	\$5,256,648	106,082	31	123	35,748	\$4,915,995				
projected	Sep-23	\$5,523,104	\$5,360,159	103,511	30	93	26,374	\$4,942,369				
projected	Oct-23	\$5,611,538	\$5,461,038	100,879	31	62	17,136	\$4,959,504				
projected	Nov-23	\$5,690,645	\$5,559,236	98,198	30	32	8,069	\$4,968,113				
projected	Dec-23	\$5,774,760	\$5,654,760	95,524	31	1	262	\$4,968,375				
		\$5,150,517	\$5,014,846	1,384,302	365		697,917	\$4,968,375				
2023 (13 mo Avg)		\$5,150,517	\$5,014,846					13 Mo Avg Bal	\$5,014,846			
Consistency/Proration Total Adjuster			(46,471)					Proration Adj	(46,471)			

Florida City Gas

Attachment C, Schedule 5.2 - Cost of Capital and Ad Valorem Tax Rate for 2023

January 2023 through December 2023

2023 Projected WACC with ADFIT Consistency and Proration Adjustments adjusted to 48% Equity Ratio

	System Per Sys Per Book	Consistency & Proration Adj.	System Per Books Adj'd	Retail Per Books	Pro Rata Adj	Specific Adj	Adjusted Retail	Cap Ratio	Reallocation to 48% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost
Common Equity	262,522,863	27,373	262,550,237	262,550,237	(6,362,789)	-	256,187,448	52.56%	206,342,845	42.33%	10.19%	4.31%
Long Term Debt	165,323,588	16,653	165,340,241	165,340,241	(3,814,248)	(7,973,660)	153,552,332	31.50%	197,617,055	40.54%	4.28%	1.74%
Short Term Debt	20,639,405	2,044	20,641,450	20,641,450	(500,303)	-	20,141,146	4.13%	25,921,026	5.32%	1.78%	0.09%
Cust Dep Active	3,881,270	400	3,881,670	3,881,670	(94,075)	-	3,787,595	0.78%	3,787,595	0.78%	2.64%	0.02%
Cust Dep InActive	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Invest Tax Cr	-	-	-	-	-	-	-	0.00%	-	0.00%	0.00%	0.00%
Deferred Inc Tax	55,150,517	(46,471)	55,104,047	55,104,047	(1,349,743)	-	53,754,304	11.03%	53,754,304	11.03%	0.00%	0.00%
Total	507,517,644	0	507,517,644	507,517,644	(12,121,159)	(7,973,660)	487,422,825	100.00%	487,422,825	100.00%		6.17%

Florida City Gas
Attachment C, Schedule 6 - 2022 SAFE Program Rates
January 2023 through December 2023

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (1)	Monthly Customer Surcharge
RS-1	25.61%	\$163,821	370,532	\$0.44
RS-100	63.77%	\$407,982	922,780	\$0.44
RS-600	1.12%	\$7,159	16,192	\$0.44
GS-1	4.80%	\$30,717	69,476	\$0.44
GS-6K	3.85%	\$24,625	25,198	\$0.98
GS-25K	0.66%	\$4,217	4,315	\$0.98
GS-120K	0.18%	\$1,149	1,176	\$0.98
GS-1250K	0.02%	\$106	108	\$0.98
GS-11M	0.00%	\$1	1	\$0.98
GS-25M	0.00%	\$1	1	\$0.98
Gas Lighting	0.00%	\$5	12	\$0.44
Total	100%	\$639,783		
2023 Revenue Requirement		\$714,310		
2022 Projected under(over) recovery		(\$74,528)		

Note:
(1) 12 months ending December 2023

Florida City Gas
Attachment C, Schedule 7 - Pipe Allocated to all Customers
January 2023 through December 2023

All Customers

Material	Mileage	Footage	Current Budget Cost per Foot	Total Cost
2"	209.2	1,104,576	\$68.38	\$75,530,907
Grand Total	254.5	1,343,760		\$75,530,907

Larger Customers Only

Material	Mileage	Footage	Incremental Cost per Foot	Total Cost
4"	45.3	239,184	\$8.35	\$1,997,186
Grand Total	45.3	239,184	\$76.73	\$1,997,186

Billing Unit Allocation Percentages

Class	Annual Billing Units	Minimum Size 2" Pipe Cost	Incremental 4" Pipe Cost	Total	Percentage Allocation
RS-1	370,532	19,851,612		\$19,851,612	25.61%
RS-100	922,780	49,438,824		\$49,438,824	63.77%
RS-600	16,192	867,492		\$867,492	1.12%
GS-1	69,476	3,722,251		\$3,722,251	4.80%
GS-6K	25,198	1,350,007	\$1,633,985	\$2,983,992	3.85%
GS-25K	4,315	231,180	\$279,810	\$510,990	0.66%
GS-120K	1,176	63,005	\$76,259	\$139,264	0.18%
GS-1250K	108	5,786	\$7,003	\$12,790	0.02%
GS-11M	1	54	\$65	\$118	0.00%
GS-25M	1	54	\$65	\$118	0.00%
Gas Lighting	12	643		\$643	0.00%
Total	1,409,791	75,530,907	\$1,997,186	\$77,528,093	100.0%

ATTACHMENT D

Revised SAFE Tariff
Volume No. 10, Fourth Revised Sheet No. 79
Volume No. 10, Third Revised Sheet No. 81
(Clean and Legislative Formats)

RIDER "D"

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

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

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

The cost recovery factors including tax multiplier for the twelve-month period from January 1, ~~2022~~2023-through December 31, ~~2022~~2023 are:

<u>Rate Class</u>	<u>Rates Per Customer</u>
Rate Schedule RS-1	<u>\$3,170.44</u>
Rate Schedule RS-100	<u>\$3,170.44</u>
Rate Schedule RS-600	<u>\$3,170.44</u>
Rate Schedule GS-1	<u>\$3,170.44</u>
Rate Schedule GS-6K	<u>\$6,390.98</u>
Rate Schedule GS-25K	<u>\$6,390.98</u>
Rate Schedule GS-120K	<u>\$6,390.98</u>
Rate Schedule GS-1,250K	<u>\$6,390.98</u>
Rate Schedule GS-11M	<u>\$6,390.98</u>
Rate Schedule GS-25M	<u>\$6,390.98</u>
Rate Schedule GL	<u>\$3,170.44</u>

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;
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The cost recovery factors including tax multiplier for the twelve-month period from January 1, 2023 through December 31, 2023 are:

<u>Rate Class</u>	<u>Rates Per Customer</u>
Rate Schedule RS-1	\$0.44
Rate Schedule RS-100	\$0.44
Rate Schedule RS-600	\$0.44
Rate Schedule GS-1	\$0.44
Rate Schedule GS-6K	\$0.98
Rate Schedule GS-25K	\$0.98
Rate Schedule GS-120K	\$0.98
Rate Schedule GS-1,250K	\$0.98
Rate Schedule GS-11M	\$0.98
Rate Schedule GS-25M	\$0.98
Rate Schedule GL	\$0.44

Issued by: Kurt Howard
General Manager, Florida City Gas

Effective:

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 on Tariff Sheet No. 78.

The SAFE Revenue Requirements shall be calculated as follows:

Line	Description	Value	Source
1	Revenue Expansion Factor	1.34930 1.36420	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 calculated weighted average cost of capital
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

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 on Tariff Sheet No. 78.

The SAFE Revenue Requirements shall be calculated as follows:

Line	Description	Value	Source
1	Revenue Expansion Factor	1.36420	As calculated in most recent base rate proceeding, using current tax rates
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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
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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: Kurt Howard
 General Manager, Florida City Gas

Effective: