



GUNSTER
FLORIDA'S LAW FIRM FOR BUSINESS

DOCKET NO. 20230097-GU

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FPSC - COMMISSION CLERK

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

August 31, 2023

E-PORTAL

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

Re: [NEW FILING/DOCKET]: Petition of Florida City Gas for Approval of Safety, Access, and Facility Enhancement Program True-Up and 2024 Cost Recovery Factors

Dear Mr. Teitzman:

Attached for electronic filing, please find Florida City Gas's Petition for Approval of Safety, Access, and Facility Enhancement Program True-Up and 2024 Cost Recovery Factors. Included with this filing are the following revised tariff pages:

Volume No. 10, Fourth Revised Sheet No. 78.

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

Volume No. 10, Fifth Revised Sheet No. 81.

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

Sincerely,

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida City Gas for
Approval of the Safety, Access, and Facility
Enhancement Program True-Up and 2024
Surcharge Factors

Docket No. _____

Filed: August 31, 2023

**PETITION OF FLORIDA CITY GAS FOR APPROVAL OF THE
SAFETY, ACCESS, AND FACILITY ENHANCEMENT PROGRAM
TRUE-UP AND 2024 COST RECOVERY FACTORS**

Florida City Gas (“FCG” or “the Company”) hereby files this Petition requesting the Florida Public Service Commission (“Commission”) approve: (a) the 2022 Safety, Access, and Facility Enhancement (“SAFE”) Program final true-up amount for the period January 1, 2022 through December 1, 2022; (b) the 2023 SAFE Program actual/estimated true-up amount for the period January 1, 2023 through December 31, 2023; (c) the 2024 SAFE Program Factors to be applied to bills issued during the projected period of January 1, 2024 through December 31, 2024; and (d) the investment/construction schedule and term for both the continuation of SAFE and replacement of vintage orange pipe pursuant to Commission Order No. PSC-2023-0177-FOF-GU.

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
BKeating@gunster.com

Christopher Wright
Senior Counsel
Florida Power & Light Company
700 Universe Boulevard (JB/LAW)
Juno Beach, Florida 33408
(561) 691-7144
Christopher.Wright@fpl.com

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. In this filing, FCG seeks Commission approval of the SAFE Program true-up and 2024 SAFE Program Factors.

5. 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.

6. 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.

7. 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.

8. 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.

9. As originally approved, the SAFE Program is set to expire in 2025 based on an original estimate of 254.3 miles of mains and services to be relocated from rear property easements to the street front over the ten-year program. On June 9, 2023, the Commission approved the continuation of the SAFE Program beyond its 2025 expiration date and inclusion of approximately 150 miles of additional mains and services that are located in rear property easements and eligible for replacement under the SAFE program. *In re: Petition for rate increase by Florida City Gas*, Order No. PSC-2023-0177-FOF-GU, Docket NO. 20220069-GU (FPSC June 9, 2023) ("*Rate Case Order*").

10. In the *Rate Case Order*, the Commission also approved the expansion of the SAFE Program to include the capital investments necessary for the expedited replacement of

approximately 160 miles of orange pipe installed before 1990 that has been studied by the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (“PHMSA”) and shown through industry research to exhibit premature failure in the form of cracking.

11. The *Rate Case Order* requires FCG to propose a new investment/construction schedule and term for both the continuation of SAFE and replacement of orange pipe as part of this annual SAFE filing. Pursuant thereto, FCG proposes to extend the SAFE Program for an additional 10-year period through 2035. Under this proposal, the replacement of the approximately 160 miles of orange pipe would begin in 2024 and continue through 2033, with an average replacement of approximately 16 miles of orange pipe per year. The continuation of SAFE would begin in 2026, after the expiration of the originally approved program, and continue through 2035, with an average relocation of approximately 15 miles of mains and services per year. Detailed investment schedules and estimated bill impacts for the continuation of SAFE and orange pipe replacement are provided in **Attachment A** to this petition.

12. FCG submits that these proposed investment and construction schedules are reasonable and appropriate given the significant safety and operational risks and challenges associated with both the rear located mains and services and the orange pipe as previously found by the Commission’s *SAFE Order* and *Rate Case Order*.

13. The actual and forecasted mains and service replacements from 2015 through the proposed 2035 end of the SAFE Program are provided by year in **Attachment B** to this Petition, which has been updated to reflect actuals through the end of June 2023. In addition, general descriptions and overviews of the 2022, 2023, and 2024 SAFE Program projects, including location and types of replacements, are provided in **Attachment C**.

14. 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. As required by the *SAFE Order*, 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.

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

16. Attached to this Petition and incorporated herein by reference is **Attachment D, Schedules 1 through 7**, which provides the information required by the *SAFE Order* and FCG's SAFE Tariff. Attachment D fully supports FCG's calculation of the 2022 final true-up, the 2023 actual/estimated true-up, and the 2024 SAFE Program Factors for the period of January 1, 2024 through December 31, 2024, as summarized below.

17. In the *Rate Case Order*, the Commission approved a return on equity ("ROE") midpoint of 9.50% and a capital structure with a 59.60% equity ratio. As shown on Attachment D to this Petition, FCG's calculation of the SAFE Program true-up amounts and 2024 SAFE Program Factors used a midpoint ROE of 9.50% and a capital structure with a 59.60% equity ratio.

18. 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.¹ As shown on Schedule 3.3 of Attachment D to this Petition, FCG has included interest in the SAFE Program true-up amounts.

19. On December 30, 2019, the Commission issued a tariff order that, among other things, approved an adjustment to the Weighted Average Cost of Capital (“WACC”) used to calculate the SAFE revenue requirements in order to be consistent with the normalization rules of the Internal Revenue Code.² As shown on Schedules 5.1 and 5.2 of Attachment D to this Petition, FCG’s calculation of the WACC is consistent with this requirement and has been incorporated into the calculation of the 2024 SAFE Program Factors.

20. The 2022 SAFE Program final net true-up amount for the period January 2022 through December 2022 is an over-recovery of \$257,427. *See* Attachment D, Schedule 1, line 12.

21. The 2023 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 2023 through December 2023 is an under-recovery of \$1,831,789. *See* Attachment D, Schedule 2, line 12.

22. The SAFE Program total, cumulative net true-up for 2022 and 2023, inclusive of interest, is an under-recovery of \$1,966,710. *See* Attachment D, Schedule 2, line 16. The interest calculation is provided in Attachment D, Schedule 3.3.

¹ *See* Transcript of Commission Conference Agenda Item No. 16 at p. 4, Docket No. 20180164 (Oct. 30, 2018).

² *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.

23. The Company’s projected total revenue requirement for the SAFE Program for the period January 1, 2024 through December 31, 2024 is \$2,682,570, inclusive of the orange pipe replacement costs proposed to begin in 2024. *See* Attachment D, Schedule 4, line 9. Applying the total, cumulative net true up for 2022 and 2023, the total amount to be collected through the SAFE Program Factors during 2024 is \$4,649,281. *See* Attachment D, Schedule 4, line 10.

24. When the total amount to be collected through the SAFE Program Factors during 2024 is allocated based upon the methodology approved in the *SAFE Order*, the proposed 2024 SAFE Program Factors for the period January 1, 2024 through December 31, 2024 are as follows:

<u>Rate Class</u>	<u>SAFE Factor</u>
RS-1	\$3.17
RS-100	\$3.17
RS-600	\$3.17
GS-1	\$3.17
GS-6K	\$5.44
GS-25K	\$5.44
GS-120K	\$5.44
GS-1250K	\$5.44
GS-11M	\$5.44
GS-25M	\$5.44
Gas Lighting	\$3.17

See Attachment D, Schedule 6.

25. **Attachment E** to this Petition provides the Company’s revised tariff pages in clean and legislative format, reflecting its proposed 2024 SAFE Program Factors.

26. Upon approval of the proposed 2024 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 2024. In addition, an updated rate schedule will be made available online at: <https://www.floridacitygas.com/rates-and-tariff.html>.

27. FCG submits that its calculation of the 2024 SAFE Program Factors is consistent with the methodology and requirements of the Commission's *SAFE Order* and *Rate Case Order*, as well as FCG's SAFE Tariff. FCG therefore asks that they be approved and become effective for the first billing cycle in January 2024 through the last billing cycle December 2024, and continuing until modified by subsequent order of this Commission.

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

- (a) FCG's investment and construction schedule for the continuation of the SAFE Program to include approximately 150 miles of mains and services as set forth in Appendix A;
- (b) FCG's investment and construction schedule for the expansion of the SAFE program to include approximately 160 miles of orange pipe replacement as set forth in Appendix A;
- (c) FCG's 2022 SAFE Program final true-up over-recovery amount of \$257,427 for the period of January 1, 2022 through December 31, 2022;
- (d) FCG's 2023 SAFE Program actual/estimated true-up under-recovery amount of \$1,831,789 for the period of January 1, 2023 through December 31, 2023; and
- (e) FCG's 2024 SAFE Program Factors, as set forth herein and the Attachments hereto, for application to bills beginning the first billing cycle in January 2024 through the last billing cycle December 2024, and continuing until modified by subsequent order of this Commission.

Respectfully submitted this 31st day of August 2023,



Beth Keating
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215 South Monroe St., Suite 601
Tallahassee, FL 32301

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 furnished by Electronic Mail to the following this 31st day of August 2023:

Keith Hetrick Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 khetrick@psc.state.fl.us	Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Trierweiler.walt@leg.state.fl.us rehwinkel.charles@leg.state.fl.us wessling.mary@leg.state.fl.us
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Beth Keating
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215 South Monroe St., Suite 601
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ATTACHMENT A

Investment Schedule and Estimated Bill Impacts for
Continuation of SAFE Program and
Replacement Of Orange Pipe

2024-2033 Deployment Schedule for Replacement of Orange Pipe											
YEAR	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
MILES	10	25	15	15	15	16	16	16	16.5	15.5	160
Est. Cost/Mile	\$ 557,544.77	\$ 574,271.11	\$ 591,499.24	\$ 609,244.22	\$ 627,521.55	\$ 646,347.19	\$ 665,737.61	\$ 685,709.74	\$ 706,281.03	\$ 727,469.46	N/A
Est. Total Cost	\$ 5,575,447.68	\$ 14,356,777.78	\$ 8,872,488.67	\$ 9,138,663.33	\$ 9,412,823.23	\$ 10,341,555.12	\$ 10,651,801.77	\$ 10,971,355.82	\$ 11,653,637.01	\$ 11,275,776.66	\$ 102,250,327.06
Est. Revenue Requirement	\$ 364,000.23	\$ 1,635,882.01	\$ 3,061,767.52	\$ 4,139,016.74	\$ 5,230,262.44	\$ 6,376,533.42	\$ 7,576,069.97	\$ 8,789,954.11	\$ 10,041,845.11	\$ 11,283,526.04	N/A

Notes: a. Cost/mile is based on current costs in 2023 under existing SAFE program, and assumes a 3% annual increase in costs of materials and construction
b. Estimated revenue requirement is for orange pipe replacement only, and does not include revenues for current or continuation of SAFE Program

Estimated Bill Impacts for Replacement of Orange Pipe (\$/Customer)											
YEAR	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
RS-1	\$ 0.25	\$ 1.12	\$ 2.08	\$ 2.78	\$ 3.49	\$ 4.21	\$ 5.00	\$ 5.80	\$ 6.62	\$ 7.45	
RS-100	\$ 0.25	\$ 1.12	\$ 2.08	\$ 2.78	\$ 3.49	\$ 4.21	\$ 5.00	\$ 5.80	\$ 6.62	\$ 7.45	
RS-600	\$ 0.25	\$ 1.12	\$ 2.08	\$ 2.78	\$ 3.49	\$ 4.21	\$ 5.00	\$ 5.80	\$ 6.62	\$ 7.45	
GS-1	\$ 0.25	\$ 1.12	\$ 2.08	\$ 2.78	\$ 3.49	\$ 4.21	\$ 5.00	\$ 5.80	\$ 6.62	\$ 7.45	
GS-6K	\$ 0.30	\$ 1.36	\$ 2.53	\$ 3.39	\$ 4.25	\$ 5.15	\$ 6.11	\$ 7.09	\$ 8.10	\$ 8.68	
GS-25K	\$ 0.30	\$ 1.36	\$ 2.53	\$ 3.39	\$ 4.25	\$ 5.15	\$ 6.11	\$ 7.09	\$ 8.10	\$ 8.68	
GS-120K	\$ 0.30	\$ 1.36	\$ 2.53	\$ 3.39	\$ 4.25	\$ 5.15	\$ 6.11	\$ 7.09	\$ 8.10	\$ 8.68	
GS-1250K	\$ 0.30	\$ 1.36	\$ 2.53	\$ 3.39	\$ 4.25	\$ 5.15	\$ 6.11	\$ 7.09	\$ 8.10	\$ 8.68	
GS-11M	\$ 0.30	\$ 1.36	\$ 2.53	\$ 3.39	\$ 4.25	\$ 5.15	\$ 6.11	\$ 7.09	\$ 8.10	\$ 8.68	
GS-25M	\$ 0.30	\$ 1.36	\$ 2.53	\$ 3.39	\$ 4.25	\$ 5.15	\$ 6.11	\$ 7.09	\$ 8.10	\$ 8.68	
Gas Lighting	\$ 0.25	\$ 1.12	\$ 2.08	\$ 2.78	\$ 3.49	\$ 4.21	\$ 5.00	\$ 5.80	\$ 6.62	\$ 7.45	

Notes: c. Estimated bill impacts are for orange pipe replacement only, and do not include revenues for current or continuation of SAFE Program

2026-2035 Deployment Schedule for Continuation of SAFE Program												
YEAR	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total	
MILES	14.5	14.5	14	12.5	12	11.5	10	10.5	25.5	25	150	
Est. Cost/Mile	\$ 591,499.24	\$ 609,244.22	\$ 627,521.55	\$ 646,347.19	\$ 665,737.61	\$ 685,709.74	\$ 706,281.03	\$ 727,469.46	\$ 749,293.55	\$ 771,772.35	N/A	
Est. Total Cost	\$ 8,576,739.04	\$ 8,834,041.21	\$ 8,785,301.68	\$ 8,079,339.94	\$ 7,988,851.33	\$ 7,885,662.00	\$ 7,067,810.31	\$ 7,638,429.35	\$ 19,106,985.42	\$ 19,294,308.81	\$ 103,252,469.09	
Est. Revenue Requirement	\$ 559,943.37	\$ 1,651,372.97	\$ 2,732,120.69	\$ 3,742,528.87	\$ 4,683,539.18	\$ 5,593,132.00	\$ 6,423,613.51	\$ 7,223,349.60	\$ 8,789,594.65	\$ 11,037,760.70	N/A	

Notes: a. Cost/mile is based on current costs in 2023 under existing SAFE program, and assumes a 3% annual increase in costs of materials and construction
b. Estimated revenue requirement is for continuation of SAFE Program only, and does not include revenues for orange pipe replacement or current SAFE Program

Estimated Bill Impacts for Continuation of SAFE Program (\$/Customer)											
YEAR	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
RS-1	\$ 0.38	\$ 1.11	\$ 1.82	\$ 2.47	\$ 3.09	\$ 3.69	\$ 4.24	\$ 4.76	\$ 5.79	\$ 7.28	
RS-100	\$ 0.38	\$ 1.11	\$ 1.82	\$ 2.47	\$ 3.09	\$ 3.69	\$ 4.24	\$ 4.76	\$ 5.79	\$ 7.28	
RS-600	\$ 0.38	\$ 1.11	\$ 1.82	\$ 2.47	\$ 3.09	\$ 3.69	\$ 4.24	\$ 4.76	\$ 5.79	\$ 7.28	
GS-1	\$ 0.38	\$ 1.11	\$ 1.82	\$ 2.47	\$ 3.09	\$ 3.69	\$ 4.24	\$ 4.76	\$ 5.79	\$ 7.28	
GS-6K	\$ 0.46	\$ 1.35	\$ 2.22	\$ 3.02	\$ 3.78	\$ 4.51	\$ 5.18	\$ 5.82	\$ 7.09	\$ 8.90	
GS-25K	\$ 0.46	\$ 1.35	\$ 2.22	\$ 3.02	\$ 3.78	\$ 4.51	\$ 5.18	\$ 5.82	\$ 7.09	\$ 8.90	
GS-120K	\$ 0.46	\$ 1.35	\$ 2.22	\$ 3.02	\$ 3.78	\$ 4.51	\$ 5.18	\$ 5.82	\$ 7.09	\$ 8.90	
GS-1250K	\$ 0.46	\$ 1.35	\$ 2.22	\$ 3.02	\$ 3.78	\$ 4.51	\$ 5.18	\$ 5.82	\$ 7.09	\$ 8.90	
GS-11M	\$ 0.46	\$ 1.35	\$ 2.22	\$ 3.02	\$ 3.78	\$ 4.51	\$ 5.18	\$ 5.82	\$ 7.09	\$ 8.90	
GS-25M	\$ 0.46	\$ 1.35	\$ 2.22	\$ 3.02	\$ 3.78	\$ 4.51	\$ 5.18	\$ 5.82	\$ 7.09	\$ 8.90	
Gas Lighting	\$ 0.38	\$ 1.11	\$ 1.82	\$ 2.47	\$ 3.09	\$ 3.69	\$ 4.24	\$ 4.76	\$ 5.79	\$ 7.28	

Notes: c. Estimated bill impacts is for continuation of SAFE Program only, and do not include revenues for orange pipe replacement or current SAFE Program

Estimated Combined Bill Impacts for Expansion and Continuation of SAFE Program												
YEAR	(\$/Customer)											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Combined Revenue Requirement	\$ 2,504,770.28	\$ 4,644,573.92	\$ 6,742,704.92	\$ 8,843,723.73	\$ 10,948,841.85	\$ 13,038,645.70	\$ 15,112,312.25	\$ 17,168,918.91	\$ 19,184,416.11	\$ 21,158,957.82	\$ 23,112,956.11	\$ 25,045,189.26
RS-1	\$ 2.46	\$ 3.14	\$ 4.57	\$ 5.95	\$ 7.30	\$ 8.61	\$ 9.98	\$ 11.33	\$ 12.65	\$ 13.97	\$ 15.24	\$ 16.51
RS-100	\$ 2.46	\$ 3.14	\$ 4.57	\$ 5.95	\$ 7.30	\$ 8.61	\$ 9.98	\$ 11.33	\$ 12.65	\$ 13.97	\$ 15.24	\$ 16.51
RS-600	\$ 2.46	\$ 3.14	\$ 4.57	\$ 5.95	\$ 7.30	\$ 8.61	\$ 9.98	\$ 11.33	\$ 12.65	\$ 13.97	\$ 15.24	\$ 16.51
GS-1	\$ 2.46	\$ 3.14	\$ 4.57	\$ 5.95	\$ 7.30	\$ 8.61	\$ 9.98	\$ 11.33	\$ 12.65	\$ 13.97	\$ 15.24	\$ 16.51
GS-6K	\$ 4.26	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63	\$ 20.19
GS-25K	\$ 4.26	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63	\$ 20.19
GS-120K	\$ 4.26	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63	\$ 20.19
GS-1250K	\$ 4.26	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63	\$ 20.19
GS-11M	\$ 4.26	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63	\$ 20.19
GS-25M	\$ 4.26	\$ 5.44	\$ 5.56	\$ 7.24	\$ 8.90	\$ 10.53	\$ 12.20	\$ 13.85	\$ 15.47	\$ 16.28	\$ 18.63	\$ 20.19
Gas Lighting	\$ 2.46	\$ 3.14	\$ 4.57	\$ 5.95	\$ 7.30	\$ 8.61	\$ 9.98	\$ 11.33	\$ 12.65	\$ 13.97	\$ 15.24	\$ 16.51

Notes: a. Estimated bill impacts are for orange pipe replacement and continuation of SAFE Program, and do not include revenues for current SAFE Program

ATTACHMENT B

SAFE Program
Actual And Forecasted
Mains And Service Replacements

ATTACHMENT B
Florida City Gas
SAFE Program
Actual and Forecasted Replacements

Year	SAFE Replacements			Orange Pipe Replacements		
	Replaced (miles)	Remaining at Year End (miles)	Total Miles Remaining	Replaced (miles)	Remaining at Year End (miles)	Total Miles Remaining
2014	-	254.3	254.3	-	-	-
2015	-	254.3	254.3	-	-	-
2016	17.1	237.2	237.2	-	-	-
2017	37.5	199.7	199.7	-	-	-
2018	27.6	172.1	172.1	-	-	-
2019	37.8	134.3	134.3	-	-	-
2020	25.5	108.8	108.8	-	-	-
2021	26.0	82.8	82.8	-	-	-
2022	29.0	53.8	53.8	-	-	-
2023	26.0	27.8	27.8	-	160.0 ^(a)	160.0 ^(a)
2024	27.8	0.0	0.0	10.0	150.0	150.0
2025	-	150.0 ^(b)	150.0 ^(b)	25.0	125.0	125.0
2026	14.5	135.5	135.5	15.0	110.0	110.0
2027	14.5	121.0	121.0	15.0	95.0	95.0
2028	14.0	107.0	107.0	15.0	80.0	80.0
2029	12.5	94.5	94.5	16.0	64.0	64.0
2030	12.0	82.5	82.5	16.0	48.0	48.0
2031	11.5	71.0	71.0	16.0	32.0	32.0
2032	10.0	61.0	61.0	16.5	15.5	15.5
2033	10.5	50.5	50.5	15.5	-	-
2034	25.5	25.0	25.0	-	-	-
2035	25.0	-	-	-	-	-

Notes:

^(a) The expansion of the SAFE program to include the capital investments necessary for the expedited replacement of approximately 160 miles of orange pipe installed before 1990 was approved by Commission Order No. PSC-2023-0177-FOF-GU.

^(b) The continuation of the SAFE program beyond its 2025 expiration date and inclusion of an additional approximately 150 miles of mains and services was approved by Commission Order No. PSC-2023-0177-FOF-GU.

ATTACHMENT C

Description of the SAFE Program Projects Undertaken or to be Undertaken by FCG in 2022 (Actuals), 2023 (Actual/Estimated) and 2024 (Projection)

ATTACHMENT C
Florida City Gas
SAFE Program
Overview of SAFE and Orange Pipe Replacement Projects

- I. **SAFE Replacement Projects** – General overviews of the actual, estimated, and projected SAFE replacement projects undertaken or to be undertaken by Florida City Gas during calendar years 2022, 2023, and 2024 are provided below.

Actual Projects for Calendar Year 2022:

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. The project provided the installation of 26,125 feet of mains and 163 services. The Miami SAFE 34 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. The project provided 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. The project provided installation of 14,484 feet of mains and 211 services. The Brevard SAFE 5 project retired 17,077 feet of rear easement mains in 2022.
5. The Miami SAFE 36 project is located in unincorporated Miami-Dade County, FL. The project provided the installation of 17,900 feet of mains and 120 services. The Miami SAFE 36 project retired 15,153 feet of rear easement mains in 2022.
6. The Miami SAFE 37 project is located in the city of West Park, FL. The project provided installation of 28,173 feet of mains and 182 services. The Miami SAFE 37 project retired 38,018 feet of rear easement mains in 2022.
7. The Miami SAFE 43 project is located in the city of Cutler Bay, FL. The project provided the installation of 3,237 feet of mains and 17 services. The Miami SAFE 43 project retired 2,683 feet of rear easement mains in 2022.
8. The Miami SAFE 46 Project is located in unincorporated Miami Dade County, FL. The project provided the installation of 2,550 feet of mains and 28 services. The Miami SAFE 46 project retired 3,612 feet of rear easement mains in 2022.

Actual/Estimated Projects for Calendar Year 2023:

1. The Miami SAFE 42 project is located in the city of Cutler Bay, FL. The Miami SAFE 42 project is forecasted to retire 25,248 feet of rear easement mains by end of Q3 2023.
2. The Miami SAFE 44 Project is located in unincorporated Miami Dade County, FL. The Miami SAFE 44 project is forecasted to retire 27,462 feet of rear easement mains by end of Q3 2023.
3. The Miami SAFE 41 project is located in unincorporated Miami Dade County, FL. It is forecasted by end of Q3 2023 that the project will provide the installation of 24,110 feet of mains and 260 services. The Miami SAFE 41 project is forecasted to retire 28,397 feet of rear easement mains by end of Q3 2023.
4. The Miami SAFE 39 project is located in unincorporated Miami Dade County, FL. It is forecasted by end of Q3 2023 that the project will provide the installation of 22,500 feet of mains and 166 services. The Miami SAFE 39 project is forecasted to retire 18,553 feet of rear easement mains by end of Q3 2023.
5. The Miami SAFE 40 project is located in unincorporated Miami Dade County, FL. It is forecasted by end of Q3 2023 that the project will provide the installation of 24,550 feet of mains and 212 services. The Miami SAFE 40 project is forecasted to retire 24,427 feet of rear easement mains by end of Q3 2023.
6. The Miami SAFE 45 project will be 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.
7. The Miami SAFE 47 project will be 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.

Projected Projects for Calendar Year 2024:

1. The Miami SAFE 48 project will be located in unincorporated Miami-Dade County, FL. It is forecasted that by Q2 2024, the project will provide the installation of 20,557 feet of mains and 282 services. The Miami SAFE 48 project is forecasted to retire 38,615 feet of rear easement mains by Q3 2024.
2. The Miami SAFE 49 project will be located in unincorporated Miami-Dade County, FL. It is forecasted that by Q2 2024, the project will provide the installation of 31,214 feet of mains and 316 services. The Miami SAFE 49 project is forecasted to retire 31,000 feet of rear easement mains by Q3 2024.
3. The BRE SAFE 7 project will be located in Brevard County. It is forecasted that by Q3 2024, the project will provide the installation of 14,361 feet of mains. The BRE SAFE 7 project is forecasted to retire 21,010 feet of rear easement mains by Q4 2024.

II. Orange Pipe Replacement Projects – General overviews of the actual, estimated, and projected orange pipe replacement projects undertaken or to be undertaken by Florida City Gas during calendar years 2022, 2023, and 2024 are provided below.

Actual Projects for Calendar Year 2022:

None. As proposed, orange pipe replacement will begin in 2024.

Actual/Estimated Projects for Calendar Year 2023:

None. As proposed, orange pipe replacement will begin in 2024.

Projected Projects for Calendar Year 2024:

1. The Miami ORANGE 1 project will be located in unincorporated Miami-Dade County, FL. It is forecasted that by Q3 2024, the project will provide the installation of 21,000 feet of mains and 324 services. The Miami ORANGE 1 project is forecasted to retire 21,052 of vintage plastic mains by Q4 2024.
2. The Miami ORANGE 2 project will be located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2024, the project will provide the installation of 44,000 feet of mains and 432 services. The Miami ORANGE 2 project is forecasted to retire 44,102 of vintage plastic mains by year-end 2024.
3. The Miami ORANGE 3 project will be located in unincorporated Miami-Dade County, FL. It is forecasted that by year-end 2024, the project will provide the installation of 48,440 feet of mains and 675 services. The Miami ORANGE 3 project is forecasted to retire 48,440 of vintage plastic mains by year-end 2024.

ATTACHMENT D

SAFE Schedules 1 through 7

Florida City Gas
Attachment D, Schedule 1 - SAFE Program Revenue Requirement
January 2022 through December 2022

Line	Description	Beginning of Period Amount	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
		January-22	February-22	March-22	April-22	May-22	June-22	July-22	August-22	September-22	October-22	November-22	December-22	End of Period Total
1.	Investments													
	a. Eligible Replacements - Mains	(815,613)	848,653	943,610	267,697	415,279	241,404	169,025	(104,453)	60,914	18,654	256,599	1,453,317	3,774,054
	b. Eligible Replacements - Services, Plastic	(141,874)	218,617	354,053	92,195	87,359	88,669	228,511	31,655	27,147	9,911	59,150	695,141	1,910,714
	c. Eligible Replacements - Services, Steel	-	-	-	-	-	-	-	-	-	-	-	-	-
	d. Eligible Replacements - Meters	(23,094)	35,345	6,285	4,163	3,091	(181)	(37,030)	874	2,123	(1,659)	2,433	90,488	82,774
	e. Land Rights	-	-	-	-	-	-	-	159,338	-	-	-	-	159,338
		(980,581)	1,102,651	1,314,008	364,055	506,729	330,182	359,505	87,308	110,184	26,916	357,916	2,348,946	5,916,929
2.	a. Gross Plant-In-Service/Depreciation Base - Mains	26,414,352	25,598,739	26,447,428	27,391,098	27,658,794	28,074,073	28,315,567	28,483,593	28,379,104	28,460,618	28,478,702	28,735,099	30,188,416
	b. Gross Plant-In-Service/Depreciation Base - Services, Plastic	7,959,823	7,847,950	8,056,516	8,430,619	8,522,614	8,610,173	8,693,042	8,927,553	8,959,183	8,986,335	8,996,246	9,035,386	9,900,537
	c. Gross Plant-In-Service/Depreciation Base - Services, Steel	690	690	690	690	690	690	690	690	690	690	690	690	690
	d. Gross Plant-In-Service/Depreciation Base - Meters	555,478	932,377	967,722	974,007	928,191	931,261	931,600	944,050	944,874	946,937	945,338	947,797	1,033,265
	e. Gross Plant-In-Service-Land Rights	-	-	-	-	-	-	-	-	159,338	159,338	159,338	159,338	159,338
3.	Less: Accumulated Depreciation	(1,058,915)	(1,163,915)	(1,239,048)	(1,316,728)	(1,356,167)	(1,476,519)	(1,557,745)	(1,639,678)	(1,721,698)	(1,804,160)	(1,886,560)	(1,969,374)	(2,065,069)
4.	CWIP - Non Interest Bearing	117,312	170,960	686,564	102,765	155,533	417,964	497,234	1,027,513	1,436,810	1,259,459	1,765,450	239,426	89,604
5.	Net Book Value (Lines 2 + 3 + 4)	34,358,733	33,356,821	34,923,922	35,587,422	35,659,835	36,007,643	36,935,928	37,143,720	38,158,100	38,109,107	38,459,178	37,208,251	39,331,950
6.	Average Net Investment	33,897,777	34,158,371	35,256,187	35,741,143	36,253,739	36,771,726	37,339,824	37,590,913	38,133,606	38,284,143	37,833,765	38,270,166	
7.	Return on Average Net Investment													
	a. Equity component Grossed up for taxes - reduced for tax reform (A)	163,116	164,438	169,723	172,058	174,525	177,019	179,754	182,696	183,755	184,300	182,132	184,232	2,117,587
	b. Debt component (B)	43,481	43,828	45,397	45,859	46,517	47,181	47,910	48,694	48,928	49,122	48,544	49,104	564,607
8.	Investment Expenses													
	a. Depreciation (C)	75,000	75,134	77,679	79,459	80,352	81,227	81,933	82,220	82,262	82,405	82,609	85,695	966,154
	b. Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)	50,619	51,023	52,663	53,387	54,153	54,927	55,775	56,688	56,961	57,165	56,513	57,165	657,660
	d. Other	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)	332,235	334,423	345,202	350,743	355,547	360,354	365,372	370,238	371,727	373,013	369,693	376,196	4,305,203
10.	Collections	(378,770)	(355,269)	(406,319)	(381,008)	(384,187)	(407,444)	(357,599)	(383,559)	(410,877)	(384,096)	(356,303)	(387,684)	(4,562,635)
11.	Estimated Net under/over collection booked	(35,903)	(19,267)	(55,464)	(22,724)	7,684	(38,872)	11,016	(25,749)	(57,161)	(29,369)	(2,256)	(38,013)	
12.	Actual Net under/over collection (Lines 9 + 10)	(45,535)	(20,846)	(60,094)	(30,265)	1,360	(47,690)	7,376	(13,302)	(39,151)	(11,083)	13,690	(11,489)	(257,427)
13.	True-Up (Lines 12 + 11)	(7,799)	(10,632)	(4,650)	(8,003)	(6,374)	(8,218)	(3,640)	12,447	13,010	18,265	15,946	26,225	
14.	Cumulative Net under/over collection	282,510	252,625	195,617	168,816	168,529	123,431	126,376	97,150	57,694	41,511	57,679	35,768	35,768
15.	Interest	14	35	56	69	93	147	203	218	175	138	156	160	1,415
16.	Cumulative Net under/over collection (Lines 14 + 15)	306,212	282,524	252,669	195,673	168,854	168,637	123,578	126,579	97,403	57,899	41,649	57,835	35,929

Notes:
Jan 2022 - Dec 2022
(A) Cost of Equity 5.7165%
(B) WACC 15.137%
(C.1) Applicable Mains depreciation rate 2.50%
(C.2) Applicable Services, Plastic depreciation rate 2.54%
(C.3) Applicable Services, Steel depreciation rate 2.70%
(C.4) Applicable Meters depreciation rate 6.10%
(C) Ad Valorem Tax Rate 1.75%

Florida City Gas
Attachment D, Schedule 2 - SAFE Program Revenue Requirement
January 2023 through December 2023

Line	Description	Beginning of Period Amount	Actual's January-23	Actual's February-23	Actual's March-23	Actual's April-23	Actual's May-23	Actual's June-23	Estimated July-23	Estimated August-23	Estimated September-23	Estimated October-23	Estimated November-23	Estimated December-23	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains	3,774,654	1,458,363	652,832	581,458	1,508,157	(10,091,318)	617,439	768,279	1,143,657	1,132,450	473,731	337,440	144,356	(17,412,093)
	b. Eligible Replacements - Services, Plastic	1,910,714	605,482	210,555	391,341	43,322	(10,328,491)	27,824	347,917	358,573	1,205,112	403,163	218,517	234,475	(4,148,568)
	c. Eligible Replacements - Services, Steel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	d. Eligible Replacements - Meters	87,724	16,514	23,848	(5,753)	8,859	(1,050,043)	(1,000)	-	-	-	-	-	-	(974,653)
	e. Land Rights	159,338	-	-	-	-	-	-	-	-	-	-	-	-	159,338
		5,926,959	2,290,359	887,235	957,029	1,560,378	(41,410,839)	644,323	1,111,196	1,502,230	2,340,572	881,914	575,956	378,831	(22,343,396)
2.	a. Gross Plant-in-Service/Depreciation Base - Mains	10,183,416	31,656,779	37,309,611	32,891,069	34,349,226	43,627,837	4,655,316	5,753,615	6,697,272	8,029,792	8,593,454	8,840,903	8,935,260	8,935,260
	b. Gross Plant-in-Service/Depreciation Base - Services, Plastic	9,900,537	10,706,019	10,916,974	11,303,315	11,351,637	1,022,236	1,050,060	1,392,977	1,751,549	2,059,661	2,367,844	3,606,361	3,840,835	3,840,835
	c. Gross Plant-in-Service/Depreciation Base - Services, Steel	600	600	600	600	600	600	600	600	600	600	600	600	600	600
	d. Gross Plant-in-Service/Depreciation Base - Meters	1,013,265	1,054,779	1,078,737	1,072,658	1,081,867	31,818	30,818	30,818	30,818	30,818	30,818	30,818	30,818	30,818
	e. Gross Plant-in-Service-Land Rights	159,338	159,338	159,338	159,338	159,338	159,338	159,338	159,338	159,338	159,338	159,338	159,338	159,338	159,338
	Less - Accumulated Depreciation	(2,065,069)	(2,145,690)	(2,239,683)	(2,335,637)	(2,434,256)	(2,497,971)	(52,205)	(62,674)	(75,244)	(91,320)	(110,520)	(131,033)	(152,557)	(152,557)
4.	COV - Non-Interest Bearing	59,824	18,205	252,239	845,101	6,720	7,159	10,445	555,508	751,115	1,170,256	449,957	287,978	169,415	169,415
5.	Net Book Value (Lines 2 + 3 + 4)	19,331,910	41,459,179	42,477,695	43,942,843	44,565,241	5,516,056	6,184,422	7,850,361	9,535,538	12,259,205	13,997,550	12,758,005	13,053,743	13,053,743
6.	Average Net Investment		40,391,060	41,564,037	43,210,369	44,234,042	25,055,669	5,865,259	7,007,391	8,672,949	10,637,371	12,325,697	12,593,797	12,924,337	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes - reduced for tax reform (A)		221,924	230,618	237,478	243,214	137,702	32,255	38,512	47,665	59,835	67,741	69,214	71,091	1,437,233
	b. Debt component (B)		40,240	41,697	43,043	44,028	24,902	5,843	6,991	8,640	10,847	12,360	12,547	12,876	264,158
8.	Investment Expenses														
	a. Depreciation (C)		90,621	93,992	95,555	98,599	(16,158)	9,292	10,409	12,570	16,076	19,200	20,562	21,485	392,692
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		58,794	62,123	63,658	65,513	37,692	8,683	10,374	12,839	16,117	18,247	18,644	19,133	392,526
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		472,638	478,260	479,449	451,414	101,597	56,063	66,775	81,715	101,875	117,459	120,566	124,524	2,566,526
10.	Collections		(77,455)	(51,910)	(59,392)	(53,146)	(56,207)	(56,706)	(53,315)	(53,315)	(53,315)	(53,315)	(53,315)	(53,315)	(674,737)
11.	Estimated Net under/over collection book-td		315,615	374,117	378,765	395,944	169,512	4,368	12,500	28,400	49,660	64,153	67,651	71,209	
12.	Actual Net under/over collection (Lines 9 + 10)		335,153	376,640	381,057	353,268	47,350	(653)	12,500	28,400	49,660	64,153	67,651	71,209	1,831,789
13.	True-Up (Lines 12 - 11)		26,535	9,528	2,322	2,324	(116,171)								
14.	Cumulative Net under/over collection		359,316	773,725	1,157,275	1,559,269	1,710,600	1,625,649	1,640,735	1,676,119	1,732,769	1,804,210	1,879,422	1,958,506	1,958,506
15.	Interest		763	2,179	3,758	5,475	6,804	7,146	6,934	7,091	7,287	7,561	7,875	8,204	71,160
16.	Cumulative Net under/over collection (Lines 14 + 15)		37,236	350,149	775,697	1,161,073	1,564,764	1,737,404	1,632,799	1,647,719	1,683,210	1,740,657	1,811,771	1,887,237	1,966,710

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

Florida City Gas
Attachment D, Schedule 3.1 - Cost of Capital and Ad Valorem Tax Rate for 2023
January 2023 through December 2023

Line No.	AVERAGE	Midpoint		WEIGHTED COST (%)	Revenue Expansion Factor	Cost of Equity
		RATIO (%)	COST RATE (%)			
1	EQUITY CAPITAL	51.32%	9.50%	4.8755%	1.35270	6.5950%
2						
3	LONG TERM DEBT	30.78%	3.68%	1.1933%		
4						
5	SHORT TERM DEBT	4.01%	0.91%	0.0365%		
6						
7	PREFERRED STOCK	0.00%	0.00%	0.0000%		
8						
9	CUSTOMER DEPOSITS	0.96%	2.68%	0.0257%		
10						
11	TAX CREDITS - ZERO COST	0.00%	0.00%	0.0000%		
12						
13	TAX CREDITS - WEIGHTED COST	0.00%	0.00%	0.0000%		
14						
15	ACC DEF INC TAXES-ZERO COST	12.93%	0.00%	0.0000%		
16	TOTAL	100.00%		6.07%		

Weighted Average Cost of Debt
1.1955%

Ad Valorem Tax Rate Calculation

2021 Property Tax Expense \$	2,744,994
2021 Property Value \$	154,520,865
Applicable Ad Valorem Tax Rate:	1.7765%

2023 Actual/Estimated Clause Filing

2022 YE Surveillance (13-month average) at ROE % midpoint and adjusted to 59.6% Equity Ratio										
	System Per Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Adj.	Adj'd Retail	Cap Ratio	Reallocation to 59.6% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost
Common Equity	183,824,848	183,608,662	(20,534,191)	(0)	163,274,471	43.01%	195,875,858	51.60%	9.50%	4.90%
Long Term Debt	172,462,519	172,448,012	(18,404,984)	(7,703,993)	146,339,635	38.55%	117,491,033	30.95%	3.68%	1.14%
Short Term Debt	21,432,692	21,430,805	(2,394,143)	(0)	19,036,662	5.01%	15,283,878	4.03%	0.91%	0.04%
Cust Dep Active	4,132,450	4,132,086	(461,616)	0	3,670,470	0.97%	3,670,470	0.97%	2.68%	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	53,247,322	53,242,634	(5,948,003)	(0)	47,294,631	12.46%	47,294,631	12.46%	0.00%	0.00%
Total	435,099,832	435,062,199	(47,742,337)	(7,703,993)	379,615,869	100.00%	379,615,869	100.00%	pretax WACC	7.83%

2022 YE Surveillance with ADFIT Consistency and Proration Adjustments adjusted to 59.6% 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 59.6% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost
Common Equity	183,824,848	(999,684)	182,855,164	182,839,067	(20,425,873)	(0)	162,413,194	42.78%	194,821,091	51.32%	9.50%	4.88%
Long Term Debt	172,462,519	(999,747)	171,552,772	171,538,341	(16,302,760)	(7,703,993)	145,531,588	38.34%	116,855,022	30.76%	3.68%	1.13%
Short Term Debt	21,432,692	(113,058)	21,319,634	21,317,757	(1,381,514)	(0)	18,936,243	4.95%	15,204,912	4.01%	0.91%	0.04%
Cust Dep Active	4,132,450	(21,799)	4,110,651	4,110,289	(459,181)	0	3,651,108	0.96%	3,651,108	0.96%	2.68%	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	53,247,322	2,014,289	55,261,611	55,256,745	(6,173,009)	(0)	49,083,736	12.93%	49,083,736	12.93%	0.00%	0.00%
Total	435,099,832	-	435,099,832	435,062,199	(47,742,337)	(7,703,993)	379,615,869	100.00%	379,615,869	100.00%	pretax WACC	7.79%

Proration Adjustment and Consistency Adjustment to Reflect Projected ADFIT Consistent with Actual/Estimated Year									
	Month	ADIT Bal	Deprec-Related ADFIT Bal *	Deprec-Related ADFIT Activity	Days to Prorate	Future Days In Period	Prorated Deprec-Related ADFIT Activity	Prorated Deprec-Related ADFIT Bal	
Actual	Dec-22	53,478,218	53,478,218	-	-	-	-	53,478,218	
Projected	Jan-23	53,581,450	53,581,450	158,018	31	335	145,030	53,623,248	
Projected	Feb-23	53,643,605	53,643,605	198,023	28	307	166,556	53,789,805	
Projected	Mar-23	54,161,753	54,161,753	175,743	31	276	132,890	53,922,695	
Projected	Apr-23	54,196,840	54,196,840	172,325	30	246	116,142	54,038,837	
Projected	May-23	54,480,605	54,480,605	406,874	31	215	239,665	54,278,502	
Projected	Jun-23	56,288,280	56,288,280	214,182	30	185	108,598	54,387,060	
Projected	Jul-23	56,414,135	56,414,135	211,336	31	154	89,166	54,476,227	
Projected	Aug-23	56,534,610	56,534,610	209,175	31	123	70,489	54,546,716	
Projected	Sep-23	56,600,511	56,600,511	206,006	30	93	52,642	54,599,358	
Projected	Oct-23	56,732,934	56,732,934	203,364	31	62	34,544	54,633,902	
Projected	Nov-23	56,860,659	56,860,659	199,880	30	32	17,524	54,651,426	
Projected	Dec-23	56,031,456	56,031,456	195,523	31	1	538	54,651,964	
		55,308,081	55,308,081	2,552,048	365		1,173,746	54,651,964	
2022 YE Surv Bal. (13 mo. Avg.)		53,247,322						55,308,081	
Consistency Adjustment			2,060,759					(656,117)	
Original Projected Prorated Deprec-Related ADFIT			55,104,047						
Original Projected 13-Month Average Deprec-Related ADFIT			55,150,517						
Original Proration Adjustment			(46,471)						
Revised Projected Deprec-Related ADFIT Activity			2,552,048						
Original Projected Deprec-Related ADFIT Activity			1,384,302						
Diff. (If revised is > than original keep initial proration adj.)			1,167,746						
Required Proration Adjustment			(46,471)						
Required Consistency/Proration Adjustment			2,014,289						

Florida City Gas
Attachment D, Schedule 3.2 - Cost of Capital and Ad Valorem Tax Rate for 2023
January 2023 through December 2023
2022 YE Surveillance with ADFIT Consistency and Proration Adjustments

	System Per	Consistency &	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Reallocation to	Revised Cap	Cost	Weighted
	Sys Per Book	Proration Adj.	Books Adj'd	Books	Adj	Adj	Retail	Ratio	59.6% Equity Ratio	Ratio	Rate	Cost
Common Equity	183,824,848	(969,684)	182,855,164	182,839,067	(20,425,873)	(0)	162,413,194	42.78%	194,821,091	51.32%	9.50%	4.88%
Long Term Debt	172,462,519	(909,747)	171,552,772	171,538,341	(18,302,760)	(7,703,993)	145,531,588	38.34%	116,855,022	30.78%	3.68%	1.13%
Short Term Debt	21,432,692	(113,058)	21,319,634	21,317,757	(2,381,514)	(0)	18,936,243	4.99%	15,204,912	4.01%	0.91%	0.04%
Cust Dep Active	4,132,450	(21,799)	4,110,651	4,110,289	(459,181)	0	3,651,108	0.96%	3,651,108	0.96%	2.68%	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	53,247,322	2,014,289	55,261,611	55,256,745	(6,173,009)	(0)	49,083,736	12.93%	49,083,736	12.93%	0.00%	0.00%
Total	435,099,832	-	435,099,832	435,062,199	(47,742,337)	(7,703,993)	379,615,869	100.00%	379,615,869	100.00%	0.00%	6.07%

Florida City Gas
Attachment D, Schedule 3.3 - Calculation of Interest Provision
January 2023 through December 2023

2023 Interest Calculation	January	February	March	April	May	June	July	August	September	October	November	December	Total
1. Beginning True-up Amount	35,929	390,149	775,967	1,161,073	1,564,764	1,737,404	1,632,796	1,647,719	1,683,210	1,740,057	1,811,771	1,887,297	1,966,710
2. Ending True-up Amount Before Interest	389,386	773,795	1,157,275	1,559,289	1,730,600	1,625,649	1,640,735	1,676,119	1,732,769	1,804,210	1,879,422	1,958,506	1,966,710
3. Total of Beginning & Ending True-up	425,315	1,163,944	1,933,243	2,720,363	3,295,364	3,363,053	3,273,531	3,323,838	3,415,979	3,544,267	3,691,194	3,845,803	3,933,421
4. Average True-up Amount (50% of Line 3)	212,657	581,972	966,621	1,360,181	1,647,682	1,681,527	1,636,766	1,661,919	1,707,990	1,772,134	1,845,597	1,922,902	1,966,710
5. Interest Rate-First day of reporting business month	4.25%	4.36%	4.60%	4.83%	4.83%	5.08%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%
6. Interest Rate-First day of subsequent business month	4.36%	4.60%	4.83%	4.83%	5.08%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%
7. Total (Line 5 & 6)	8.61%	8.96%	9.43%	9.66%	9.91%	10.20%	10.24%	10.24%	10.24%	10.24%	10.24%	10.24%	10.24%
8. Average Interest Rate (50 % of Line 7)	4.31%	4.48%	4.72%	4.83%	4.96%	5.10%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%	5.12%
9. Monthly Average Interest Rate (Line 8/12)	0.359%	0.373%	0.393%	0.403%	0.413%	0.425%	0.427%	0.427%	0.427%	0.427%	0.427%	0.427%	0.427%
10. Interest Provision for the month (Line 4 *Line 9)	763	2,173	3,798	5,475	6,804	7,146	6,984	7,091	7,287	7,561	7,875	8,204	

Totals may not match Revenue Req due to rounding

Florida City Gas
Attachment D, Schedule 5.1 - Cost of Capital and Ad Valorem Tax Rate for 2024
January 2024 through December 2024

Line No.	Midpoint			WEIGHTED COST (%)	Revenue Expansion	
	AVERAGE	RATIO (%)	COST RATE (%)		Factor	Cost of Equity
1	EQUITY CAPITAL	52.48%	9.50%	4.9860%	1.35270	6.7445%
2						
3	LONG TERM DEBT	31.28%	4.47%	1.3995%	} Weighted Average Cost of Debt 1.6858%	
4						
5	SHORT TERM DEBT	4.29%	6.12%	0.2627%		
6						
7	PREFERRED STOCK	0.00%	0.00%	0.0000%		
8						
9	CUSTOMER DEPOSITS	1.03%	2.30%	0.0236%		
10						
11	TAX CREDITS - ZERO COST	0.00%	0.00%	0.0000%		
12						
13	TAX CREDITS - WEIGHTED COST	0.00%	0.00%	0.0000%		
14						
15	ACC DEF INC TAXES-ZERO COST	10.91%	0.00%	0.0000%		
16	TOTAL	100.00%		6.67%		

Ad Valorem Tax Rate Calculation

2022 Property Tax Expense \$	3,408,697
2022 Property Value \$	197,972,002
Applicable Ad Valorem Tax Rate:	1.7218%

2024 Clause Projection Filing

2024 Projected WACC at current approved ROE % midpoint and adjusted to 59.6% Equity Ratio											
	Sys Per Book	Retail Per Book	Pro Rata Adj	Specific Adj.	Adj'd Retail	Cap Ratio	Reallocation to 59.6% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost	
Common Equity	273,801,573	273,801,573	(12,884,124)	0	260,917,450	52.01%	262,921,822	52.41%	9.50%	4.98%	
Long Term Debt	173,493,588	173,493,588	(7,825,236)	(7,198,862)	158,469,491	31.59%	156,707,088	31.24%	4.47%	1.40%	
Short Term Debt	22,831,421	22,831,421	(1,074,365)	0	21,757,056	4.34%	21,515,087	4.29%	6.12%	0.26%	
Cust Dep Active	5,399,619	5,399,619	(254,087)	-	5,145,532	1.03%	5,145,532	1.03%	2.30%	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	58,107,856	58,107,856	(2,734,348)	0	55,373,508	11.04%	55,373,508	11.04%	0.00%	0.00%	
Total	533,634,057	533,634,057	(24,772,159)	(7,198,862)	501,663,036	100.00%	501,663,036	100.00%			pretax WACC 8.42%

2024 Projected WACC with ADFIT Consistency and Proration Adjustments adjusted to 59.6% 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 59.6% Equity Ratio	Revised Cap Ratio	Cost Rate	Weighted Cost
Common Equity	273,801,573	379,874	274,181,447	274,181,447	(12,901,999)	0	261,279,448	52.08%	263,292,274	52.48%	9.50%	4.99%
Long Term Debt	173,493,588	240,706	173,734,295	173,734,295	(7,836,562)	(7,198,862)	158,698,871	31.63%	156,929,021	31.28%	4.47%	1.40%
Short Term Debt	22,831,421	31,676	22,863,097	22,863,097	(1,075,856)	0	21,787,242	4.34%	21,544,265	4.29%	6.12%	0.26%
Cust Dep Active	5,399,619	7,491	5,407,110	5,407,110	(254,439)	-	5,152,671	1.03%	5,152,671	1.03%	2.30%	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	58,107,856	(659,748)	57,448,107	57,448,107	(2,703,303)	0	54,744,805	10.91%	54,744,805	10.91%	0.00%	0.00%
Total	533,634,057	(659,748)	533,634,057	533,634,057	(24,772,159)	(7,198,862)	501,663,036	100.00%	501,663,036	100.00%		pretax WACC 8.43%

Proration Adjustment and Consistency Adjustment to Reflect Projected ADFIT Consistent with Projection Year											
	Month	ADFIT Bal	Deprec-Related ADFIT Bal *	Deprec-Related ADFIT Activity	Days to Prorate	Future Days In Period	Prorated Deprec-Related ADFIT Activity	Prorated Deprec-Related ADFIT Bal			
projected	Dec-23	56,031,456	56,031,456					56,031,456			
projected	Jan-24	56,256,974	56,256,974	263,227	31	336	241,651	56,273,107			
projected	Feb-24	56,459,419	56,459,419	260,708	29	307	218,681	56,491,788			
projected	Mar-24	56,587,428	56,587,428	258,301	31	276	194,785	56,686,573			
projected	Apr-24	56,772,442	56,772,442	255,978	30	246	172,051	56,858,624			
projected	May-24	56,955,115	56,955,115	253,738	31	215	149,053	57,007,677			
projected	Jun-24	59,079,258	59,079,258	251,558	30	185	127,153	57,134,831			
projected	Jul-24	59,258,985	59,258,985	249,425	31	154	104,949	57,239,780			
projected	Aug-24	59,435,834	59,435,834	247,324	31	123	83,117	57,322,897			
projected	Sep-24	59,531,109	59,531,109	245,228	30	93	62,312	57,385,209			
projected	Oct-24	59,723,751	59,723,751	243,097	31	62	41,180	57,426,389			
projected	Nov-24	59,900,928	59,900,928	240,936	30	32	21,065	57,447,455			
projected	Dec-24	59,414,425	59,414,425	238,806	31	1	652	57,448,107			
		58,107,856	58,107,856	3,008,325	366		1,416,651	57,448,107			
2024 (13 mo. Avg.)		58,107,856	58,107,856				13 Mo Avg Bal	58,107,856			
Consistency/Proration Total Adjustment			(659,748)				Proration Adj.	(659,748)			

Florida City Gas
Attachment D, Schedule 5.2 - Cost of Capital and Ad Valorem Tax Rate for 2024
January 2024 through December 2024
2024 Projection with ADFIT Consistency and Proration Adjustments

	System Per	Consistency &	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Reallocation to	Revised Cap	Cost	Weighted
	Sys Per Book	Proration Adj.	Books Adj'd	Books	Adj	Adj	Retail	Ratio	59.6% Equity Ratio	Ratio	Rate	Cost
Common Equity	273,801,573	379,874	274,181,447	274,181,447	(12,901,999)	0	261,279,448	52.08%	263,292,274	52.48%	9.50%	4.99%
Long Term Debt	173,493,588	240,706	173,734,295	173,734,295	(7,836,562)	(7,198,862)	158,698,871	31.63%	156,929,021	31.28%	4.47%	1.40%
Short Term Debt	22,831,421	31,676	22,863,097	22,863,097	(1,075,856)	0	21,787,242	4.34%	21,544,265	4.29%	6.12%	0.26%
Cust Dep Active	5,399,619	7,491	5,407,110	5,407,110	(254,439)	-	5,152,671	1.03%	5,152,671	1.03%	2.30%	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	58,107,856	(659,748)	57,448,107	57,448,107	(2,703,303)	0	54,744,805	10.91%	54,744,805	10.91%	0.00%	0.00%
Total	533,634,057	-	533,634,057	533,634,057	(24,772,159)	(7,198,862)	501,663,036	100.00%	501,663,036	100.00%	0.00%	6.67%

Florida City Gas
Attachment D, Schedule 6 - 2024 SAFE Program Rates
January 2024 through December 2024

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (1)	Monthly Customer Surcharge
RS-1	28.38%	\$ 1,319,243	416,321	\$ 3.17
RS-100	61.52%	\$ 2,860,413	902,677	\$ 3.17
RS-600	1.40%	\$ 65,251	20,592	\$ 3.17
GS-1	4.49%	\$ 208,851	65,908	\$ 3.17
GS-6K	3.54%	\$ 164,737	30,296	\$ 5.44
GS-25K	0.51%	\$ 23,562	4,333	\$ 5.44
GS-120K	0.14%	\$ 6,467	1,189	\$ 5.44
GS-1250K	0.01%	\$ 587	108	\$ 5.44
GS-11M	0.00%	\$ 65	12	\$ 5.44
GS-25M	0.00%	\$ 65	12	\$ 5.44
Gas Lighting	0.00%	\$ 38.03	12	\$ 3.17
Total	100%	\$ 4,649,281		
2024 Revenue Requirement		\$ 2,682,570		
2023 Projected Over-Recovery		\$ 1,966,710		

Note:

(1) - billing units for 12 months ending December 2024

Florida City Gas
Attachment D, Schedule 7 - Pipe Allocated to all Customers
January 2024 through December 2024

SAFE

Material	Mileage	Footage	Current Budget Cost per Foot	Incremental Cost per Foot	Total Cost
2"	209.2	1,104,576	\$ 70.43	\$ -	\$77,795,288
4"	45.3	239,184	\$ 79.03	\$ 8.60	\$2,056,982
Grand Total	254.5	1,343,760			\$79,852,270

Orange Pipe

Material	Mileage	Footage	Current Budget Cost per Foot	Incremental Cost per Foot	Total Cost
2"	153.6	811,008	\$ 105.06	\$ -	\$85,204,500
4"	6.4	33,792	\$ 118.45	\$ 13.39	\$452,475
Grand Total	160	844,800			\$85,656,975

Total

Material	Mileage	Footage	Current Budget Cost per Foot	Incremental Cost per Foot	Total Cost
2"	362.8	1,915,584	\$ 87.75	\$ -	\$168,082,918
4"	51.7	272,976	\$ 98.74	\$ 11.00	\$3,001,371
Grand Total	414.5	2,188,560			\$171,084,289

Billing Unit Allocation Percentages

Class	Annual Billing Units	Minimum Size 2" Pipe Cost	Incremental 4" Pipe Cost	Total	Percentage Allocation
RS-1	416,321	\$ 48,545,511.55		\$ 48,545,512	28.38%
RS-100	902,677	\$ 105,257,531.54		\$ 105,257,532	61.52%
RS-600	20,592	\$ 2,401,101.11		\$ 2,401,101	1.40%
GS-1	65,908	\$ 7,685,314.97		\$ 7,685,315	4.49%
GS-6K	30,296	\$ 3,532,708.73	\$2,529,298.45	\$ 6,062,007	3.54%
GS-25K	4,333	\$ 505,271.43	\$361,757.04	\$ 867,028	0.51%
GS-120K	1,189	\$ 138,687.48	\$99,295.48	\$ 237,983	0.14%
GS-1250K	108	\$ 12,593.45	\$9,016.48	\$ 21,610	0.01%
GS-11M	12	\$ 1,399.27	\$1,001.83	\$ 2,401	0.00%
GS-25M	12	\$ 1,399.27	\$1,001.83	\$ 2,401	0.00%
Gas Lighting	12	\$ 1,399.27		\$ 1,399	0.00%
Total	1,441,460	\$168,082,918	\$3,001,371	\$ 171,084,289	100.0%

ATTACHMENT E

Revised SAFE Tariff

Volume No. 10, Fourth Revised Sheet No. 78

Volume No. 10, Sixth Revised Sheet No. 79

Volume No. 10, Fifth Revised Sheet No. 81

(Clean and Legislative Formats)

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 under RSG, CSG, NGV, KDS and special contract rates ~~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, early vintage polymer pipeline 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, early vintage polymer pipelines 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 following:
 - a.) Equity balance from the most recent year-end surveillance report and the ROE and equity ratio cap from the most recent rate case;
 - b.) Debt and customer deposit components from the Company's most recent year-end surveillance report; and
 - c.) Accumulated deferred income tax balance from the Company's most recent year-end surveillance report as adjusted, if applicable, consistent with the normalization rules of the Internal Revenue Code.
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

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers under RSG, CSG, NGV, KDS and special contract rates.

Through its SAFE Program, the Company has identified the potential replacement projects focusing initially on area of limited access/pipe overbuilds, early vintage polymer pipeline 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, early vintage polymer pipelines 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 following:
 - a.) Equity balance from the most recent year-end surveillance report and the ROE and equity ratio cap from the most recent rate case;
 - b.) Debt and customer deposit components from the Company's most recent year-end surveillance report; and
 - c.) Accumulated deferred income tax balance from the Company's most recent year-end surveillance report as adjusted, if applicable, consistent with the normalization rules of the Internal Revenue Code.
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 January 1, ~~2023~~2024 through December 31, ~~2023~~2024 are:

<u>Rate Class</u>	<u>Rates Per Customer</u>
Rate Schedule RS-1	<u>\$0.443.17</u>
Rate Schedule RS-100	<u>\$0.443.17</u>
Rate Schedule RS-600	<u>\$0.443.17</u>
Rate Schedule GS-1	<u>\$0.443.17</u>
Rate Schedule GS-6K	<u>\$0.985.44</u>
Rate Schedule GS-25K	<u>\$0.985.44</u>
Rate Schedule GS-120K	<u>\$0.985.44</u>
Rate Schedule GS-1,250K	<u>\$0.985.44</u>
Rate Schedule GS-11M	<u>\$0.985.44</u>
Rate Schedule GS-25M	<u>\$0.985.44</u>
Rate Schedule GL	<u>\$0.443.17</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;
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, 2024 through December 31, 2024 are:

<u>Rate Class</u>	<u>Rates Per Customer</u>
Rate Schedule RS-1	\$3.17
Rate Schedule RS-100	\$3.17
Rate Schedule RS-600	\$3.17
Rate Schedule GS-1	\$3.17
Rate Schedule GS-6K	\$5.44
Rate Schedule GS-25K	\$5.44
Rate Schedule GS-120K	\$5.44
Rate Schedule GS-1,250K	\$5.44
Rate Schedule GS-11M	\$5.44
Rate Schedule GS-25M	\$5.44
Rate Schedule GL	\$3.17

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 1.35270	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:

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1	Revenue Expansion Factor	1.35270	As calculated in most recent base rate proceeding, using current tax rates
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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