



DOCKET NO. 20230108-GU

FILED 9/19/2023

DOCUMENT NO. 05276-2023

FPSC - COMMISSION CLERK

Writer's Direct Dial Number: (850) 521-1706
Writer's E-Mail Address: bkeating@gunster.com

September 19, 2023

BY E-PORTAL

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

Re: [New Docket] - Petition of Florida City Gas for Approval to Establish an AFUDC Rate.

Dear Mr. Teitzman:

Attached for electronic filing, please find Florida City Gas's Petition for Approval to Establish an AFUDC Rate.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

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

MEK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition of Florida City Gas for Approval
to Establish an AFUDC Rate

Docket No. _____

Filed: September 19, 2023

**PETITION OF FLORIDA CITY GAS FOR
APPROVAL TO ESTABLISH AN AFUDC RATE**

Florida City Gas (“FCG” or “the Company”) hereby files this Petition requesting the Florida Public Service Commission (“Commission”) approve an allowance for funds used during construction (“AFUDC”) rate of 5.85% to become effective July 1, 2023, pursuant to Rule 25-7.0141, Florida Administrative Code. 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 T. Wright
Managing Attorney
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 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.

4. The Commission is vested with jurisdiction in this matter in accordance with Sections 366.04, 366.041, 366.05, and 366.06, Florida Statutes, which authorize the Commission to establish rates and charges for public utilities, including the relief requested herein.

5. This Petition, representing an initial request to establish an AFUDC rate, is submitted to the Commission, which is the affected agency, located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

6. Pursuant to subsection (6) of Rule 25-7.0141, a utility shall not charge and accrue AFUDC without prior Commission approval. FCG herein requests the Commission approve an AFUDC rate of 5.85% (0.474898% monthly). In support of this request, attached hereto are Schedules A through C required by subsection (5) of Rule 25-7.0141.

7. **Appendix A** to this Petition provides the capital structure, cost rates, and weighted average cost of capital that are the basis for the requested AFUDC rate, which have been calculated in accordance with subsection (3) of Rule 25-7.0141.

8. **Appendix B** to this Petition provides the capital structure adjustments, including the unadjusted capital structure, reconciling adjustments, and adjusted capital structure, that are the basis for the requested AFUDC rate, which have been calculated in accordance with subsection (3) of Rule 25-7.0141.

9. **Appendix C** to this Petition provides the calculation of the monthly AFUDC rate using the methodology set out in subsection (4) of Rule 25-7.0141.

10. The AFUDC rate proposed herein is based on the actuals for the 12-month period ending June 2023. Therefore, in accordance with Subsection (6) of Rule 25-7.0141,¹ FCG requests that the proposed new AFUDC rate be approved with an effective date of July 1, 2023.

11. FCG will continue to monitor the cost of capital for material changes and, if appropriate, will request a change to its AFUDC rate.

12. Attached as **Appendix D** to this Petition is the Affidavit of Ina Laney, Director of Financial Forecasting at Florida Power & Light Company,² certifying the truth and accuracy of the information and data provided in this Petition and supporting Schedules A through C.

WHEREFORE, FCG respectfully requests that the Commission enter its order approving the proposed AFUDC rate to become effective July 1, 2023, as set forth above and in the supporting Appendix and Schedules

Respectfully submitted this 19th day of September 2023,



Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, Florida 32301

Attorney for Florida City Gas

¹ Subsection (6) of Rule 25-7.0141 provides that the “AFUDC rate will be effective the month following the end of the 12-month period used to establish that rate and may not be retroactively applied to a previous fiscal year unless authorized by the Commission.”

² FCG is a wholly-owned, direct subsidiary of Florida Power & Light Company.

Appendix A

Capital Structure, Cost Rates, and Weighted Average Cost of Capital

(Rule 25-7.0141(5)(a), F.A.C.)

FLORIDA CITY GAS
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
JUNE, 2023

APPENDIX A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 155,152,376	37.52%	3.88%	1.46%
SHORT TERM DEBT	20,071,697	4.85%	1.92% *	0.09%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	3,980,696	0.96%	2.67% *	0.03%
COMMON EQUITY	186,247,430	45.04%	9.50%	4.28%
DEFERRED INCOME TAX	31,135,304	7.53%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	16,905,738	4.09%	0.00%	0.00%
INVESTMENT TAX CREDITS	-	0.00%	0.00%	0.00%
TOTAL	\$ 413,493,241	100.00%		5.85%

* 13-MONTH AVERAGE

NOTE:
TOTALS MAY NOT SUM DUE TO ROUNDING.

Appendix B

Capital Structure Adjustments

(Rule 25-7.0141(5)(b), F.A.C.)

FLORIDA CITY GAS
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
JUNE, 2023

APPENDIX B: PAGE 1 OF 1

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS *		ADJUSTED RETAIL 5
			PRO RATA 3	SPECIFIC 4	
LONG TERM DEBT	\$ 181,340,896	\$ 181,340,896	\$ (18,758,414)	\$ (7,430,106)	\$ 155,152,376
SHORT TERM DEBT	22,498,429	22,498,429	(2,426,732)	-	20,071,697
PREFERRED STOCK	-	-	-	-	-
COMMON EQUITY	208,765,334	208,765,334	(22,517,904)	-	186,247,430
CUSTOMER DEPOSITS	4,461,974	4,461,974	(481,279)	-	3,980,696
DEFERRED INCOME TAX	34,899,661	34,899,661	(3,764,357)	(0)	31,135,304
FAS 109 DEFERRED INCOME TAX	18,949,695	18,949,695	(2,043,957)	(0)	16,905,738
INVESTMENT TAX CREDITS	-	-	-	-	-
TOTAL	\$ 470,915,990	\$ 470,915,990	\$ (49,992,643)	\$ (7,430,106)	\$ 413,493,241

* FOR ADJUSTMENTS DETAILS, SEE SCHEDULE 2. FOR ADJUSTMENTS SPLIT BETWEEN PRO RATA AND SPECIFIC SEE SCHEDULE 4.

NOTE:
TOTALS MAY NOT SUM DUE TO ROUNDING.

Appendix C

Calculation of the Monthly AFUDC Rate

(Rule 25-7.0141(5)(c), F.A.C.)

FLORIDA CITY GAS
 METHODOLOGY FOR MONTHLY COMPOUNDING
 OF THE AFUDC RATE
 JUNE, 2023

APPENDIX C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{12})-1 =$	APPROVED RATE
$((1+R/12)^{12})-1 =$	5.85%
$((1+R/12)^{12}) =$	1.05850000
$(1+R/12) =$	1.00474898
$(R/12) =$	0.00474898

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JUL	1.00000000	0.00474898	0.00474898
AUG	1.00474898	0.00477153	0.00952050
SEP	1.00952050	0.00479419	0.01431469
OCT	1.01431469	0.00481696	0.01913165
NOV	1.01913165	0.00483983	0.02397148
DEC	1.02397148	0.00486282	0.02883429
JAN	1.02883429	0.00488591	0.03372020
FEB	1.03372020	0.00490911	0.03862931
MAR	1.03862931	0.00493242	0.04356174
APR	1.04356174	0.00495585	0.04851759
MAY	1.04851759	0.00497938	0.05349697
JUN	1.05349697	0.00500303	0.05850000

Appendix D

Affidavit of Ina Laney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition of Florida City Gas for Approval
to Establish an AFUDC Rate

Docket No. _____

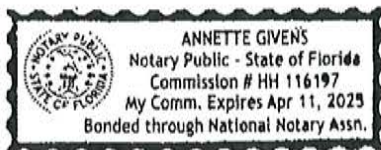
AFFIDAVIT OF INA LANEY

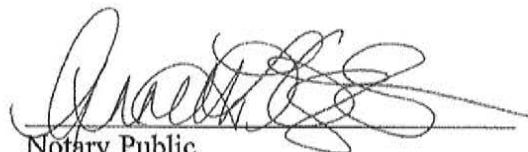
STATE OF FLORIDA)

COUNTY OF Palm Beach

I hereby certify that on this 7th day of September, 2023, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared **Ina Laney**, Director of Financial Forecasting at Florida Power & Light Company, who is personally known to me, and she acknowledged before me that the facts and information provided in the **Petition of Florida City Gas for Approval to Establish an AFUDC Rate** and the data and calculations provided in **Appendices A through C** are true and correct to the best of her knowledge and belief.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 7th day of September, 2023.




Notary Public
State of Florida, at Large

My Commission Expires:
April 11, 2025

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 19th day of September 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
---	--



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

Attorney for Florida City Gas