



955 E 25 Street  
Hialeah, FL 33013  
Tel # (305) 835-3601

August 18, 2014

Mr. Bart Fletcher  
Public Utility Supervisor  
Division of Accounting and Finance  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

**Re: Florida City Gas  
Surveillance Report for June 2014**

Dear Mr. Fletcher:

Enclosed find Florida City Gas' June 2014 Surveillance Report.

Sincerely,

A handwritten signature in cursive script that reads "Rosie Abreu".

Rosie Abreu  
Financial Analyst

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
14 AUG 19 PM 12:01  
DIVISION OF  
ACCOUNTING & FINANCE

**FLORIDA PUBLIC SERVICE COMMISSION**

**INVESTOR-OWNED NATURAL GAS UTILITY  
EARNINGS SURVEILLANCE REPORT**

**FLORIDA CITY GAS**

**June 2014**

PSC/AFA 13 (6/94)


**FLORIDA CITY GAS  
YEAR END RATE BASE  
June 2014**

	(1)	(2)	(3)	(4)	(5)
	<u>ACTUAL</u>	<u>FPSC</u>	<u>FPSC</u>	<u>PRO FORMA</u>	<u>PRO FORMA</u>
	<u>PER BOOKS</u>	<u>ADJUSTMENTS</u>	<u>ADJUSTED</u>	<u>ADJUSTMENTS</u>	<u>ADJUSTED</u>
<b><u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u></b>					
NET OPERATING INCOME (a)	\$ 10,385,715	\$ (1,052,135)	\$ 9,333,580	\$ 432,214	\$ 9,765,794
AVERAGE RATE BASE (a)	\$ 140,878,196	\$ 33,219,531	\$ 174,097,727	\$ (15,466,311)	\$ 158,631,416
AVERAGE RATE OF RETURN (a)	7.37%		5.36%		6.16%
<b><u>II. YEAR END RATE BASE (JURISDICTIONAL)</u></b>					
	\$ 142,238,201	\$ 38,507,495	\$ 180,745,696	\$ (15,054,142)	\$ 165,691,554
<b><u>III. REQUIRED RATES OF RETURN</u></b>					
<b><u>AVERAGE CAPITAL STRUCTURE (FPSC</u></b>					
<b><u>ADJUSTED BASIS)</u></b>					
LOW	<u>5.92%</u>				
MIDPOINT	<u>6.30%</u>				
HIGH	<u>6.67%</u>				
<b><u>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</u></b>					
			A. INCLUDING AGL ACQ. ADJ. & REGULATORY ASSETS		<u>8.76%</u>
			B. EXCLUDING AGL ACQ. ADJ. & REGULATORY ASSETS		<u>11.24%</u>

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s.775.084.

Bryan E. Seas, SVP + Chief Accounting Officer  
(Name and Title of Chief Financial Officer)

  
(Signature)

8.14.2014  
(Date)

**FLORIDA CITY GAS**  
**AVERAGE RATE OF RETURN**  
**RATE BASE**  
**June 2014**

Line No.	(1) PLANT IN SERVICE	(2) ACCUM. DEPR. & AMORT.	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CWIP	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE	
<b>1</b>	<b>PER BOOKS</b>	\$ 322,380,116	\$ 146,157,126	\$ 176,222,990	\$ -	\$ 13,897,386	\$ 190,120,377	\$ (49,242,180)	\$ 140,878,196
<b>2</b>									
<b>3</b>	<b>FPSC ADJUSTMENTS:</b>								
<b>4</b>	Goodwill	(26,633,077)	-	(26,633,077)		(26,633,077)		(26,633,077)	
<b>5</b>	AGL Common Plant	4,171,129	2,757,651	1,413,478		1,413,478		1,413,478	
<b>6</b>	AGL Purchase Premium	21,656,835	6,617,367	15,039,468		15,039,468		15,039,468	
<b>7</b>	Remove AEP	-	-	-	-	-	(10,344,452)	(10,344,452)	
<b>8</b>	Nonutility plant						(88,170)	(88,170)	
<b>9</b>	FCG Acquisition Adjustment	1,497,497	679,766	817,731		817,731	-	817,731	
<b>10</b>	Accumulated Removal Cost		-	-		-	-	-	
<b>11</b>	Capital structure adjustments						53,950,741	53,950,741	
<b>12</b>	Gas cost/conservation/CRA underrecoveries						(293,079)	(293,079)	
<b>13</b>	Interest payable adjustment						(1,056,703)	(1,056,703)	
<b>14</b>	Regulatory expense						-	-	
<b>15</b>	Pension and Transition Costs Reg. Asset						426,842	426,842	
<b>16</b>	Fort Pierce Utility acquisition	<u>(34,800)</u>	<u>(21,552)</u>	<u>(13,248)</u>	-	<u>(13,248)</u>	-	<u>(13,248)</u>	
<b>17</b>	<b>TOTAL FPSC ADJUSTMENTS</b>	<b>\$ 657,583</b>	<b>\$ 10,033,231</b>	<b>\$ (9,375,648)</b>	<b>\$ -</b>	<b>\$ (9,375,648)</b>	<b>\$ 42,595,179</b>	<b>\$ 33,219,531</b>	
<b>18</b>									
<b>19</b>	<b>FPSC ADJUSTED</b>	<b>\$ 323,037,700</b>	<b>\$ 156,190,358</b>	<b>\$ 166,847,342</b>	<b>\$ -</b>	<b>\$ 13,897,386</b>	<b>\$ 180,744,729</b>	<b>\$ (6,647,002)</b>	<b>\$ 174,097,727</b>
<b>20</b>									
<b>21</b>	<b>FLEX RATE REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>22</b>									
<b>23</b>	<b>ADJUSTED FOR FLEX RATE REVENUES</b>	<b>\$ 323,037,700</b>	<b>\$ 156,190,358</b>	<b>\$ 166,847,342</b>	<b>\$ -</b>	<b>\$ 13,897,386</b>	<b>\$ 180,744,729</b>	<b>\$ (6,647,002)</b>	<b>\$ 174,097,727</b>
<b>24</b>									
<b>25</b>									
<b>26</b>									
<b>27</b>	<b>PRO FORMA ADJUSTMENTS:</b>								
<b>28</b>									
<b>29</b>	<b>TOTAL PRO FORMA ADJUSTMENTS</b>	<b>\$ (21,656,835)</b>	<b>\$ (6,617,367)</b>	<b>\$ (15,039,468)</b>	<b>\$ -</b>	<b>\$ (15,039,468)</b>	<b>\$ (426,842)</b>	<b>\$ (15,466,311)</b>	
<b>30</b>									
<b>31</b>	<b>PRO FORMA ADJUSTED</b>	<b>\$ 301,380,865</b>	<b>\$ 149,572,991</b>	<b>\$ 151,807,874</b>	<b>\$ -</b>	<b>\$ 13,897,386</b>	<b>\$ 165,705,260</b>	<b>\$ (7,073,844)</b>	<b>\$ 158,631,416</b>

FLORIDA CITY GAS  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
June 2014

Line No.	(1) OPERATING REVENUES	(2) O&M GAS EXPENSE	(3) O&M OTHER	(4) DEPR. & AMORT.	(5) TAXES OTHER THAN INCOME TAXES	(6) INCOME TAXES CURRENT	(7) DEFERRED INCOME TAXES (NET)	(8) INV. TAX CREDIT (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
1	\$ 86,039,576	\$ 32,261,336	\$ 19,367,214	\$ 12,588,135	\$ 7,113,837	\$ 2,171,235	\$ 2,153,363	\$ (1,259)	\$ -	\$ 75,653,861	\$ 10,385,715
2		\$ -		\$ -					\$ -	\$ -	\$ -
3	\$ 86,039,576	\$ 32,261,336	\$ 19,367,214	\$ 12,588,135	\$ 7,113,837	\$ 2,171,235	\$ 2,153,363	\$ (1,259)	\$ -	\$ 75,653,861	\$ 10,385,715
4											
5	<b>FPSC ADJUSTMENTS:</b>										
6	(32,422,643)	(32,261,336)			(161,307)	-				(32,422,643)	-
7	(4,511,848)				(4,511,848)	-				(4,511,848)	-
8											-
10	(1,918,852)			(994,136)		(347,971)				(1,342,107)	(576,746)
11				721,895		(271,650)				450,245	(450,245)
12	(1,089,663)	(946,268)				(53,960)				(1,000,228)	(89,435)
13	(38,075)					(14,328)				(14,328)	(23,747)
14			(41,395)			15,577				(25,818)	25,818
15			(16,025)			6,030				(9,995)	9,995
16			(878)			330				(548)	548
17				164,249			(61,807)			102,442	(102,442)
18			(13,503)			5,081				(8,422)	8,422
19						(145,697)				(145,697)	145,697
20	(39,981,081)	(33,207,604)	(71,801)	(107,992)	(4,673,155)	(806,588)	(61,807)			(38,928,947)	(1,052,135)
21											
22	\$ 46,058,495	\$ (946,268)	\$ 19,295,412	\$ 12,480,144	\$ 2,440,682	\$ 1,364,647	\$ 2,091,556	\$ (1,259)	\$ -	\$ 36,724,914	\$ 9,333,580
23											
24	<b>FLEX RATE REVENUES</b>										
25											
26	\$ 46,058,495	\$ (946,268)	\$ 19,295,412	\$ 12,480,144	\$ 2,440,682	\$ 1,364,647	\$ 2,091,556	\$ (1,259)	\$ -	\$ 36,724,914	\$ 9,333,580
27											
28											
29	<b>PRO FORMA ADJUSTMENTS</b>										
30				(886,144)		392,123	61,807			(432,214)	432,214
31											
32											
33	\$ 46,058,495	\$ (946,268)	\$ 19,295,412	\$ 11,594,000	\$ 2,440,682	\$ 1,756,770	\$ 2,153,363	\$ (1,259)	\$ -	\$ 36,292,701	\$ 9,765,794
34											
35											
36	\$ 20,617,991	\$ 7,486,763	\$ 4,692,367	\$ 3,330,361	\$ 1,748,637	\$ 1,166,761	\$ 148,893	\$ (315)	\$ -	\$ 18,573,466	\$ 2,044,524

FLORIDA CITY GAS  
YEAR END RATE BASE  
RATE BASE  
June 2014

Line No.	(1) PLANT IN SERVICE	(2) ACCUM. DEPR. & AMORT.	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CWIP	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE
1	\$ 330,266,734	\$ 152,437,190	\$ 177,829,544	\$ -	\$ 19,357,547	\$ 197,187,092	\$ (54,948,891)	\$ 142,238,201
2								
3	<b>FPSC ADJUSTMENTS:</b>							
4	(26,633,077)	-	(26,633,077)			(26,633,077)		(26,633,077)
5	4,575,698	2,969,620	1,606,078			1,606,078		1,606,078
6	21,656,835	6,978,314	14,678,521			14,678,521		14,678,521
7	-	-	-		-	-	(11,557,229)	(11,557,229)
8	1,497,497	727,658	769,839			769,839	-	769,839
9	-	-	-			-	(83,931)	(83,931)
10							59,639,628	59,639,628
11							(275,283)	(275,283)
12							-	-
13							375,621	375,621
14							-	-
15	(34,800)	(22,128)	(12,672)	-	-	(12,672)	-	(12,672)
16	<u>1,062,153</u>	<u>10,653,464</u>	<u>(9,591,311)</u>	<u>-</u>	<u>-</u>	<u>(9,591,311)</u>	<u>48,098,807</u>	<u>38,507,495</u>
17								
18	<u>\$ 331,328,887</u>	<u>\$ 163,090,654</u>	<u>\$ 168,238,233</u>	<u>\$ -</u>	<u>\$ 19,357,547</u>	<u>\$ 187,595,781</u>	<u>\$ (6,850,084)</u>	<u>\$ 180,745,696</u>
19								
20	<b>PRO FORMA ADJUSTMENTS:</b>							
21								
22	<u>\$ (21,656,835)</u>	<u>\$ (6,978,314)</u>	<u>\$ (14,678,521)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,678,521)</u>	<u>\$ (375,621)</u>	<u>\$ (15,054,142)</u>
23								
24	<u>\$ 309,672,052</u>	<u>\$ 156,112,340</u>	<u>\$ 153,559,712</u>	<u>\$ -</u>	<u>\$ 19,357,547</u>	<u>\$ 172,917,260</u>	<u>\$ (7,225,706)</u>	<u>\$ 165,691,554</u>



