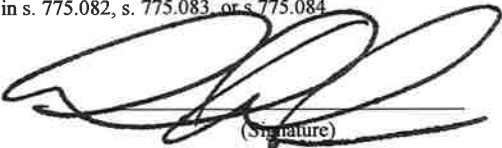


**FLORIDA CITY GAS
YEAR END RATE BASE
December 2017**

		(1) ACTUAL PER BOOKS		(2) FPSC ADJUSTMENTS		(3) FPSC ADJUSTED		(4) PRO FORMA ADJUSTMENTS		(5) PRO FORMA ADJUSTED	Reference
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>											
NET OPERATING INCOME	(a)	\$ 10,857,268	\$	(1,387,069)	\$	9,470,198	\$	460,048	\$	9,930,246	Sch.,2 page 2, Col. 11
AVERAGE RATE BASE	(a)	\$ 195,578,133	\$	36,715,096	\$	232,293,228	\$	(12,581,132)	\$	219,712,097	Sch. 2 page 1, Col. 9
AVERAGE RATE OF RETURN	(a)	5.55%				4.08%				4.52%	
<u>II. YEAR END RATE BASE (JURISDICTIONAL)</u>											
		\$ 210,708,950	\$	45,794,642	\$	256,503,592	\$	(12,151,890)	\$	244,351,702	Sch. 3, Col. 9
<u>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</u>											
<u>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</u>											
LOW		<u>5.64%</u>	Sch.4	A. INCLUDING AGL ACQ. ADJ. & REGULATORY ASSETS				<u>5.91%</u>	Sch.5		
MIDPOINT		<u>6.00%</u>	Sch.4	B. EXCLUDING AGL ACQ. ADJ. & REGULATORY ASSETS				<u>7.29%</u>	Sch. 5		
HIGH		<u>6.36%</u>	Sch.4								

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

David C. Weaver, VP External Affairs (Name and Title of Chief Financial Officer)	 (Signature)	02/15/2018 (Date)
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FLORIDA CITY GAS
AVERAGE RATE OF RETURN
RATE BASE
December 2017

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	PER BOOKS	\$ 410,986,910	\$ 171,195,253	\$ 239,791,657	\$ -	\$ 11,689,621	\$ 251,481,278	\$ (55,903,145)	\$ 195,578,133
2									
3	FPSC ADJUSTMENTS:								
4	Goodwill	(26,633,077)	-	(26,633,077)		(26,633,077)		(26,633,077)	
5	AGL Common Plant	3,201,733	676,789	2,524,943		2,524,943		2,524,943	
6	AGL Purchase Premium	21,656,835	9,143,998	12,512,837		12,512,837		12,512,837	
7	Remove AEP	-	-	-		-	(14,087,514)	(14,087,514)	
8	Nonutility plant	-	-	-		-	(46,745)	(46,745)	
9	FCG Acquisition Adjustment	-	-	-		-	-	-	
10	Accumulated Removal Cost	-	-	-		-	-	-	
11	Capital structure adjustments	-	-	-		-	64,242,837	64,242,837	
12	Gas cost/conservation/CRA underrecoveries	-	-	-		-	(809,103)	(809,103)	
13	Interest payable adjustment	-	-	-		-	(1,056,703)	(1,056,703)	
14	Nonutility storage	-	-	-		-	(674)	(674)	
15	Pension and Transition Costs Reg. Asset	-	-	-		-	68,294	68,294	
16	Fort Pierce Utility acquisition	-	-	-		-	-	-	
17	TOTAL FPSC ADJUSTMENTS	\$ (1,774,510)	\$ 9,820,787	\$ (11,595,297)	\$ -	\$ (11,595,297)	\$ 48,310,393	\$ 36,715,096	
18									
19	FPSC ADJUSTED	\$ 409,212,400	\$ 181,016,040	\$ 228,196,360	\$ -	\$ 11,689,621	\$ 239,885,981	\$ (7,592,752)	\$ 232,293,228
20									
21	FLEX RATE REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22									
23	ADJUSTED FOR FLEX RATE REVENUES	\$ 409,212,400	\$ 181,016,040	\$ 228,196,360	\$ -	\$ 11,689,621	\$ 239,885,981	\$ (7,592,752)	\$ 232,293,228
24									
25									
26									
27	PRO FORMA ADJUSTMENTS:								
28									
29	TOTAL PRO FORMA ADJUSTMENTS	\$ (21,656,835)	\$ (9,143,998)	\$ (12,512,837)	\$ -	\$ (12,512,837)	\$ (68,294)	\$ (12,581,132)	
30									
31	PRO FORMA ADJUSTED	\$ 387,555,565	\$ 171,872,042	\$ 215,683,523	\$ -	\$ 11,689,621	\$ 227,373,144	\$ (7,661,047)	\$ 219,712,097

**FLORIDA CITY GAS
AVERAGE RATE OF RETURN
INCOME STATEMENT
December 2017**

Line No.	(1) OPERATING REVENUES	(2) O&M GAS EXPENSE	(3) O&M OTHER	(4) DEPR. & AMORT.	(5) OTHER THAN INCOME TAXES	(6) INCOME TAXES CURRENT	(7) INCOME TAXES (NET)	(8) INV. TAX CREDIT (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) OPERATING EXPENSES	(11) NET OPERATING INCOME
1	PER BOOKS	\$ 86,661,356	\$ 27,033,334	\$ 21,518,070	\$ 16,311,590	\$ 7,118,362	\$ (4,723,772)	\$ 8,546,504	\$ -	\$ 75,804,088	\$ 10,857,268
2	End of year customer refund accrual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	ADJUSTED BOOKS	\$ 86,661,356	\$ 27,033,334	\$ 21,518,070	\$ 16,311,590	\$ 7,118,362	\$ (4,723,772)	\$ 8,546,504	\$ -	\$ 75,804,088	\$ 10,857,268
4											
5	FPSC ADJUSTMENTS:										
6	Fuel revenues/costs	(27,168,501)	(27,033,334)				(135,167)			(27,168,501)	-
7	Franchise/gross receipts taxes	(4,508,606)					(4,508,606)			(4,508,606)	-
8	ECP revenue/costs	-					-			-	-
10	Remove AEP	(2,615,080)			(1,232,733)	(520,178)				(1,752,911)	(862,170)
11	AGL Purchase Premium per Amort Sched				721,895	(271,649)				450,246	(450,246)
12	Energy Services Revenues and Expenses	-	-		-	-				-	-
13	Propane Sales	-			-	-				-	-
14	Propane Cost	-			-	-				-	-
15	Association dues		(16,025)			6,030				(9,995)	9,995
16	Economic development expense		(878)			330				(548)	548
17	Pension and Transition Costs Reg. Asset				164,249		(61,808)			102,441	(102,441)
18	Employee activities		(13,053)			4,911				(8,142)	8,142
19	Eliminate Gain on Disposition									-	-
20	Interest synchronization					(9,102)				(9,102)	9,102
21	TOTAL FPSC ADJUSTMENTS	<u>(34,292,188)</u>	<u>(27,033,334)</u>	<u>(29,956)</u>	<u>(346,589)</u>	<u>(789,658)</u>	<u>(61,808)</u>	<u>-</u>	<u>-</u>	<u>(32,905,118)</u>	<u>(1,387,069)</u>
22											
23	FPSC ADJUSTED	<u>\$ 52,369,168</u>	<u>\$ -</u>	<u>\$ 21,488,114</u>	<u>\$ 15,965,001</u>	<u>\$ 2,474,588</u>	<u>\$ (5,513,430)</u>	<u>\$ 8,484,696</u>	<u>\$ -</u>	<u>\$ 42,898,970</u>	<u>\$ 9,470,198</u>
24											
25	FLEX RATE REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
26	ADJUSTED FOR										
27	FLEX RATE REVENUES	<u>\$ 52,369,168</u>	<u>\$ -</u>	<u>\$ 21,488,114</u>	<u>\$ 15,965,001</u>	<u>\$ 2,474,588</u>	<u>\$ (5,513,430)</u>	<u>\$ 8,484,696</u>	<u>\$ -</u>	<u>\$ 42,898,970</u>	<u>\$ 9,470,198</u>
28											
29			12,441,464								
30	PRO FORMA ADJUSTMENTS										
31											
32	TOTAL PRO FORMA ADJUSTMENTS	<u>-</u>	<u>-</u>	<u>-</u>	<u>(886,144)</u>	<u>364,288</u>	<u>61,808</u>	<u>-</u>	<u>-</u>	<u>(460,048)</u>	<u>460,048</u>
33											
34	PRO FORMA ADJUSTED	<u>\$ 52,369,168</u>	<u>\$ -</u>	<u>\$ 21,488,114</u>	<u>\$ 15,078,857</u>	<u>\$ 2,474,588</u>	<u>\$ (5,149,142)</u>	<u>\$ 8,546,504</u>	<u>\$ -</u>	<u>\$ 42,438,922</u>	<u>\$ 9,930,246</u>

FLORIDA CITY GAS
YEAR END RATE BASE
RATE BASE
December 2017

Line No.	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	
	PLANT IN SERVICE	ACCUM. DEPR. & AMORT.	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CWIP	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE	
1	PER BOOKS	\$ 425,204,192	\$ 170,269,634	\$ 254,934,558	\$ -	\$ 12,904,625	\$ 267,839,183	\$ (57,130,233)	\$ 210,708,950
2									
3	<u>FPSC ADJUSTMENTS:</u>								
4	Goodwill	(26,633,077)	-	(26,633,077)		(26,633,077)		(26,633,077)	
5	AGL Common Plant	3,838,930	1,157,088	2,681,842		2,681,842		2,681,842	
6	AGL Acquisition Adj. Per Amort Schedule	21,656,835	9,504,945	12,151,890		12,151,890		12,151,890	
7	Remove AEP	-	-	-	-	-	(14,158,107)	(14,158,107)	
8	FCG Acquisition Adjustments	-	-	-	-	-	-	-	
9	Nonutility plant	-	-	-	-	-	-	-	
10	Capital structure adjustments	-	-	-	-	-	72,576,383	72,576,383	
11	Gas cost/conservation/CRA underrecoveries	-	-	-	-	-	(841,367)	(841,367)	
12	Interest payable adjustment	-	-	-	-	-	17,073	17,073	
13	Pension and Transition Costs Reg. Asset	-	-	-	-	-	-	-	
14	Gain on Sale of Medley Property	-	-	-	-	-	5	5	
15	Fort Pierce Utility acquisition	-	-	-	-	-	-	-	
16	TOTAL FPSC ADJUSTMENTS	(1,137,313)	10,662,033	(11,799,346)	-	(11,799,346)	57,593,987	45,794,642	
17									
18	FPSC ADJUSTED	\$ 424,066,880	\$ 180,931,667	\$ 243,135,213	\$ -	\$ 12,904,625	\$ 256,039,837	\$ 463,754	\$ 256,503,592
19									
20	<u>PRO FORMA ADJUSTMENTS:</u>								
21									
22	TOTAL PRO FORMA ADJUSTMENTS	\$ (21,656,835)	\$ (9,504,945)	\$ (12,151,890)	\$ -	\$ (12,151,890)	\$ -	\$ (12,151,890)	
23									
24	PRO FORMA ADJUSTED	\$ 402,410,045	\$ 171,426,722	\$ 230,983,323	\$ -	\$ 12,904,625	\$ 243,887,947	\$ 463,754	\$ 244,351,702

FLORIDA CITY GAS
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS

SCHEDULE 5

December 2017

A. INCLUDING AGL ACQUISITION ADJUSTMENT & REGULATORY ASSETS

Line No.		
1	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>4.08%</u>
2	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
3	LONG TERM DEBT	-1.73%
4	SHORT TERM DEBT	-0.12%
5	PREFERRED STOCK	0.00%
6	CUSTOMER DEPOSITS	-0.11%
7	TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00%</u>
8	SUBTOTAL	-1.96%
9	TOTAL	<u>2.12%</u>
10	DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>35.95%</u>
11	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>5.91%</u>
12		
13		
14		
15		
16		

B. EXCLUDING AGL ACQUISITION ADJUSTMENT & REGULATORY ASSETS

17		
18		
19	NET OPERATING INCOME EXCLUDING FLEX RATE REVENUES	\$ 9,930,246
20		
21	RATE BASE EXCLUDING FLEX RATE REVENUES	\$ 219,712,097
22		
23	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	4.52%
24	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
25	LONG TERM DEBT	-1.71%
26	SHORT TERM DEBT	-0.11%
27	PREFERRED STOCK	0.00%
28	CUSTOMER DEPOSITS	-0.11%
29	TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00%</u>
30	SUBTOTAL	-1.94%
31	TOTAL	<u>2.58%</u>
32	DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>35.43%</u>
33	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>7.29%</u>