

FLORIDA CITY GAS
 NATURAL GAS
 RATE OF RETURN REPORT SUMMARY
 For the 12 Months Ending March 31, 2024

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 39,661,873	\$ (4,714,054)	\$ 34,947,819	\$ -	\$ 34,947,819
AVERAGE RATE BASE	\$ 660,951,894	\$ (186,871,025)	\$ 474,080,869	\$ -	\$ 474,080,869
AVERAGE RATE OF RETURN	6.00%		7.37%		7.37%

III. REQUIRED RATES OF RETURN
 AVERAGE CAPITAL STRUCTURE
 (FPSC ADJUSTED BASIS)

LOW	6.58%
MIDPOINT	7.11%
HIGH	7.64%

IV. EARNED RETURN ON EQUITY
 (FPSC ADJUSTED BASIS)

A. RETURN ON EQUITY	10.00%
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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.

Michelle D. Napier
 Director, Regulatory Affairs Distribution

Michelle Napier
 Signature

7/8/2024
 Date

FLORIDA CITY GAS
NATURAL GAS
AVERAGE RATE OF RETURN
For the 12 Months Ending March 31, 2024
RATE BASE

SCHEDULE 2
PAGE 1 OF 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$ 821,158,084	\$ (216,909,509)	\$ 604,248,576	\$ -	\$ 24,201,373	\$ 628,449,949	\$ 32,501,945	\$ 660,951,894
FPSC ADJUSTMENTS:								
1) ELIMINATIONS OF 1/2 OF D & O PREPAID							\$ (8,921)	\$ (8,921)
2) REMOVE SAFE CLAUSE PLANT	(14,170,975)	320,171	(13,850,805)		(2,426,888)	(16,277,693)		(16,277,693)
3) INTERCOMPANY ACCOUNTS RECEIVABLE			-			-	(144,070)	(144,070)
4) REMOVE LEASES	(15,073,438)	1,876,051	(13,197,387)			(13,197,387)		(13,197,387)
5) ELIMINATE UNDER-RECOVERIES							(2,289,542)	(2,289,542)
6) ACCUM. DEFERRED RETIREMENT BENEFITS							(27,154)	(27,154)
7) REMOVE UNRECOVERED AEP			-			-	(1,161,100)	(1,161,100)
8) REMOVE DEFERRED RATE CASE EXPENSE			-			-	(1,301,903)	(1,301,903)
9) OTHER RATE CASE ADJUSTMENTS (1)		(246,181)	(246,181)			(246,181)		(246,181)
10) TEMPORARY CASH INVESTMENTS			-			-	(10,357,419)	(10,357,419)
11) REMOVE GOODWILL	(141,859,655)		(141,859,655)			(141,859,655)		(141,859,655)
TOTAL FPSC ADJUSTMENTS	\$ (171,104,068)	\$ 1,950,040	\$ (169,154,028)	\$ -	\$ (2,426,888)	\$ (171,580,917)	\$ (15,290,108)	\$ (186,871,025)
FPSC ADJUSTED	\$ 650,054,016	\$ (214,959,469)	\$ 435,094,547	\$ -	\$ 21,774,485	\$ 456,869,032	\$ 17,211,837	\$ 474,080,869
			\$ -			\$ -		\$ -
ADJUSTED	\$ 650,054,016	\$ (214,959,469)	\$ 435,094,547	\$ -	\$ 21,774,485	\$ 456,869,032	\$ 17,211,837	\$ 474,080,869
PROFORMA ADJUSTMENTS			\$ -			\$ -		\$ -
			\$ -			\$ -		\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 650,054,016	\$ (214,959,469)	\$ 435,094,547	\$ -	\$ 21,774,485	\$ 456,869,032	\$ 17,211,837	\$ 474,080,869

1) RSAM

Michelle D. Napier
Director, Regulatory Affairs Distribution

FLORIDA CITY GAS
 NATURAL GAS
 AVERAGE RATE OF RETURN
 For the 12 Months Ending March 31, 2024
 INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 133,501,551	\$ 32,081,999	\$ 40,427,798	\$ 3,849,574	\$ 9,884,341	\$ 7,595,967				\$ 93,839,677	\$ 39,661,873
FPSC ADJUSTMENTS:											
1) INTEREST SYNC						1,785,158				1,785,158	(1,785,158)
2) ELIMINATE FUEL & SWING REVENUES AND EXP.	(28,422,972)	(28,071,089)	(148,384)		(41,872)	(40,964)				(28,302,309)	(120,663)
3) ELIMINATE CONSERVATION	(7,274,408)		(7,206,398)		(67,097)	(232)				(7,273,726)	(682)
4) ELIMINATE SAFE REVENUES AND COSTS	(1,508,405)		(6,931)	(129,576)	(136,303)	(313,162)				(585,971)	(922,433)
5) ELIMINATE AEP REVENUES AND EXPENSES	(818,657)		(3,348)	(596,104)	(4,097)	(54,519)				(658,069)	(160,588)
6) ELIMINATE REVENUE RELATED TAXES	(6,746,640)		(21,685)		(6,746,640)	5,496				(6,762,829)	16,189
7) 5% OF ECONOMIC DEVELOPMENT			(1,316)			333				(982)	982
8) INDUSTRY ASSOCIATION DUES			-			-				-	-
9) EXECUTIVE INCENTIVE COMPENSATION			(266,325)			67,500				(198,825)	198,825
10) OTHER RATE CASE ADJUSTMENTS (1)				2,613,988		(662,515)				1,951,473	(1,951,473)
11) REMOVE 1/2 D & O INSURANCE			(14,665)			3,717				(10,948)	10,948
TOTAL FPSC ADJUSTMENTS	\$ (44,771,081)	\$ (28,071,089)	\$ (7,669,051)	\$ 1,888,308	\$ (6,996,009)	\$ 790,813	\$ -	\$ -	\$ -	\$ (40,057,027)	\$ (4,714,054)
FPSC ADJUSTED	\$ 88,730,470	\$ 4,010,910	\$ 32,758,747	\$ 5,737,882	\$ 2,888,332	\$ 8,386,780	\$ -	\$ -	\$ -	\$ 53,782,651	\$ 34,947,819
						\$ -				\$ -	\$ -
ADJUSTED	\$ 88,730,470	\$ 4,010,910	\$ 32,758,747	\$ 5,737,882	\$ 2,888,332	\$ 8,386,780	\$ -	\$ -	\$ -	\$ 53,782,651	\$ 34,947,819
						\$ -				\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 88,730,470	\$ 4,010,910	\$ 32,758,747	\$ 5,737,882	\$ 2,888,332	\$ 8,386,780	\$ -	\$ -	\$ -	\$ 53,782,651	\$ 34,947,819

(1) RSAM

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FLORIDA CITY GAS
 NATURAL GAS
 CAPITAL STRUCTURE
 For the 12 Months Ending March 31, 2024
 FPSC ADJUSTED BASIS

SCHEDULE 4

	ADJUSTMENTS					RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC		BALANCE	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 341,475,548		\$ 341,475,548	\$ (91,555,211)		\$ 249,920,336	52.72%	8.50%	4.48%	9.50%	5.01%	10.50%	5.54%
LONG TERM DEBT	\$ 239,524,876		\$ 239,524,876	\$ (60,682,122)	\$ (13,197,387)	\$ 165,645,366	34.94%	5.22%	1.82%	5.22%	1.82%	5.22%	1.82%
SHORT TERM DEBT	\$ 32,957,484		\$ 32,957,484	\$ (8,836,444)		\$ 24,121,040	5.09%	5.21%	0.27%	5.21%	0.27%	5.21%	0.27%
CUSTOMER DEPOSITS	\$ 5,261,186		\$ 5,261,186	\$ (1,410,610)		\$ 3,850,575	0.81%	1.60%	0.01%	1.60%	0.01%	1.60%	0.01%
DEFERRED INCOME TAXES	\$ 23,242,967		\$ 23,242,967	\$ (6,231,822)		\$ 17,011,146	3.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	\$ 18,489,833		\$ 18,489,833	\$ (4,957,428)		\$ 13,532,405	2.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL AVERAGE	660,951,894	\$ -	\$ 660,951,894	\$ (173,673,638)	\$ (13,197,387)	\$ 474,080,869	100.00%		6.58%		7.11%		7.64%
						\$ -							

Michelle D. Napier
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Earned Ret on Equity

SCHEDULE 5

FLORIDA CITY GAS
NATURAL GAS
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
For the 12 Months Ending March 31, 2024

A. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY
INCLUDING ACQUISITION ADJUSTMENTS

NET OPERATING INCOME INCLUDING ACQUISITION ADJUSTMENTS	\$34,947,819
RATE BASE INCLUDING ACQUISITION ADJUSTMENTS	<u>\$474,080,869</u>
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	7.37%
LESS: RECONCILED AVERAGE JURISDICTIONAL	
WEIGHTED COST RATES FOR:	
LONG TERM DEBT - CU	1.82%
SHORT TERM DEBT	0.27%
CUSTOMER DEPOSITS	0.01%
TAX CREDITS-WEIGHTED COST (MIDPOINT)	0.00%
SUBTOTAL	<u>2.10%</u>
TOTAL	5.27%
DIVIDED BY RECONCILED COMMON EQUITY RATIO	52.72%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>10.00%</u></u>

Michelle D. Napier
Director, Regulatory Affairs Distribution

**FLORIDA CITY GAS
RESERVE AMOUNT BALANCE AS OF MARCH 31, 2024**

ATTACHMENT 1

	AMOUNT	RELATED ORDER
Total Reserve Amount Available Under Current Settlement Agreement	\$ 25,000,000	PSC-2023-0177-FOF-GU
Actual Amortization from 5/31/2023 - 12/31/2023 ⁽¹⁾ :		
January, 2023		
February, 2023		
March, 2023		
April, 2023		
May, 2023	\$ -	
June, 2023	\$ (6,301,154)	
July, 2023		
August, 2023		
September, 2023	\$ (385,699)	
October, 2023	\$ (908,029)	
November, 2023	\$ 3,180,759	
December, 2023	\$ (5,458,460)	
Total Amortization from 5/31/2023 - 12/31/2023:	<u>\$ (9,872,583)</u>	
Remaining Reserve Amount - 12/31/2023	<u>\$ 15,127,417</u>	
January, 2024	\$ -	
February, 2024	\$ -	
March, 2024	\$ (3,308,549)	
April, 2024	\$ -	
May, 2024	\$ -	
June, 2024	\$ -	
July, 2024	\$ -	
August, 2024	\$ -	
September, 2024	\$ -	
October, 2024	\$ -	
November, 2024	\$ -	
December, 2024	\$ -	
Reserve projected to be used in 2024	<u>\$ (3,308,549)</u>	
Remaining Reserve Amount - 12/31/2024	<u>\$ 11,818,868</u>	
Reserve used in 2025	<u>\$ (11,818,868)</u>	
Remaining Reserve Amount - 12/31/2025	\$ -	
Reserve used in 2026	\$ -	

Note

(1) Reserve amortization debits/credits are recorded on a quarterly basis.