

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION

2018 MAR 16 AM 8:06

DIVISION OF  
ACCOUNTING & FINANCE

**SEBRING GAS SYSTEM, INC.**  
**FLORIDA PUBLIC SERVICE COMMISSION**  
**INVESTOR-OWNED NATURAL GAS UTILITY**  
**EARNINGS SURVEILLANCE REPORT**  
**December 31, 2017**

**FLORIDA PUBLIC SERVICE COMMISSION**

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

**PSC/AFA 13 ( / 96)**

**SEBRING GAS SYSTEM, INC.**  
**EARNINGS SURVEILLANCE REPORT SUMMARY**  
**December 2017**

SCHEDULE 1

	(1)	(2)	(3)	(4)	(5)
	<u>ACTUAL</u> <u>PER BOOKS</u>	<u>FPSC</u> <u>ADJUSTMENTS</u>	<u>FPSC</u> <u>ADJUSTED</u>	<u>PRO FORMA</u> <u>ADJUSTMENTS</u>	<u>PRO FORMA</u> <u>ADJUSTED</u>
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
<u>NET OPERATING INCOME</u>	\$ 228,227	\$ 391	\$ 228,618		\$ 228,618
<u>AVERAGE RATE BASE</u>	\$ 3,853,375	\$ 0	\$ 3,853,375		\$ 3,853,375
<u>AVERAGE RATE OF RETURN</u>	<u>5.92%</u>		<u>5.93%</u>		<u>5.93%</u>
II. YEAR END RATE BASE (JURISDICTIONAL)					
<u></u>	\$ 3,867,311	\$ 0	\$ 3,867,311		

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)	
LOW	<u>7.52%</u>
MIDPOINT	<u>7.99%</u>
HIGH	<u>8.45%</u>

IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)	
A. INCLUDING	
FLEX RATE REVENUES	<u>7.06%</u>
B. EXCLUDING	
FLEX RATE REVENUES	<u>7.06%</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 or s. 775.083.

Jerry H. Melendy, Jr. - President  
 (Name and Title of Chief  
 Financial Officer)

*Jerry H. Melendy, Jr.*  
 (Signature)

03/15/2018  
 (Date)

PSC/AFA13

**SEBRING GAS SYSTEM, INC.**  
**AVERAGE RATE OF RETURN**  
**RATE BASE**  
**December 2017**

SCHEDULE 2  
PAGE 1 OF 2

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	<u>6,060,216</u>	<u>(2,406,832)</u>	<u>3,653,384</u>	<u>0</u>	<u>1,334</u>	<u>3,654,718</u>	<u>198,657</u>	<u>3,853,375</u>
<u>FPSC ADJUSTMENTS:</u>								
TOTAL FPSC ADJUSTMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FPSC ADJUSTED	<u>6,060,216</u>	<u>(2,406,832)</u>	<u>3,653,384</u>	<u>0</u>	<u>1,334</u>	<u>3,654,718</u>	<u>198,657</u>	<u>3,853,375</u>
<u>FLEX RATE REVENUES</u>								
ADJUSTED FOR FLEX RATE REVENUES	<u>6,060,216</u>	<u>(2,406,832)</u>	<u>3,653,384</u>	<u>0</u>	<u>1,334</u>	<u>3,654,718</u>	<u>198,657</u>	<u>3,853,375</u>
<u>PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:</u>								
TOTAL PRO FORMA ADJUSTME	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
PRO FORMA ADJUSTED	<u>6,060,216</u>	<u>(2,406,832)</u>	<u>3,653,384</u>	<u>0</u>	<u>1,334</u>	<u>3,654,718</u>	<u>198,657</u>	<u>3,853,375</u>

**SEBRING GAS SYSTEM, INC.  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
December 2017**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRECIATION & TAXES AMORTIZATION	OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS, as adjusted July 2016 through June 2017	961,563	0	511,406	193,727	28,203	0	0	0	0	733,336	228,227
<b>FPSC ADJUSTMENTS:</b>											
Disallowed lobbying expenses			(391)							(391)	391
<b>TOTAL FPSC ADJUSTMENTS</b>	<u>0</u>	<u>0</u>	<u>(391)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(391)</u>	<u>391</u>
<b>FPSC ADJUSTED</b>	<u>961,563</u>	<u>0</u>	<u>511,015</u>	<u>193,727</u>	<u>28,203</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>732,945</u>	<u>228,618</u>
<b>FLEX RATE REVENUES ADJUSTED FOR FLEX RATE REVENUES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>PER BOOKS CURRENT MONTH AMOUNT</b>	<u>78,823</u>	<u>0</u>	<u>62,449</u>	<u>16,016</u>	<u>2,243</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>80,708</u>	<u>(1,885)</u>
<b>TOTAL PRO FORMA ADJUSTMENTS</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>PRO FORMA ADJUSTED</b>	<u>961,563</u>	<u>0</u>	<u>511,015</u>	<u>193,727</u>	<u>28,203</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>732,945</u>	<u>228,618</u>

**Sebring Gas System, Inc.**  
**Schedule 2 Worksheet - Average Rate of Return**  
**Dec-17**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Plant in Service	Accumulated Depreciation Amortization	Net Plant in Service	Property Held for Future Use	Construction Work in Progress	Net Utility Plant	Working Capital	Total Rate Base
<b>13 Month Average</b>								
Dec-16	5,957,689	(2,326,950)	3,630,739	0	737	3,631,476	168,027	3,799,503
Jan-17	5,973,003	(2,348,295)	3,624,708	0	737	3,625,445	183,304	3,808,749
Feb-17	5,979,339	(2,364,121)	3,615,218	0	737	3,615,955	189,705	3,805,660
Mar-17	6,020,201	(2,352,516)	3,667,685	0	737	3,668,422	185,394	3,853,816
Apr-17	6,028,212	(2,368,613)	3,659,599	0	737	3,660,336	212,630	3,872,966
May-17	6,043,874	(2,384,735)	3,659,139	0	947	3,660,086	222,322	3,882,408
Jun-17	6,063,701	(2,400,904)	3,662,797	0	947	3,663,744	182,597	3,846,341
Jul-17	6,083,072	(2,417,128)	3,665,944	0	947	3,666,891	209,996	3,876,888
Aug-17	6,102,270	(2,433,402)	3,668,868	0	947	3,669,815	197,537	3,867,352
Sep-17	6,114,190	(2,449,717)	3,664,473	0	947	3,665,420	194,204	3,859,624
Oct-17	6,124,199	(2,466,059)	3,658,140	0	1,147	3,659,287	212,898	3,872,185
Nov-17	6,136,773	(2,482,432)	3,654,341	0	1,147	3,655,488	225,587	3,881,075
Dec-17	6,156,285	(2,493,941)	3,662,344	0	6,632	3,668,976	198,335	3,867,311
Thirteen month totals	<u>78,782,808</u>	<u>(31,288,813)</u>	<u>47,493,995</u>	<u>0</u>	<u>17,346</u>	<u>47,511,341</u>	<u>2,414,510</u>	<u>50,093,878</u>
Thirteen month averag	<u>6,060,216</u>	<u>(2,406,832)</u>	<u>3,653,384</u>	<u>0</u>	<u>1,334</u>	<u>3,654,719</u>	<u>185,732</u>	<u>3,853,375</u>

**SEBRING GAS SYSTEM, INC.  
YEAR END RATE BASE  
December 2017**

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	<u>6,156,285</u>	<u>(2,493,941)</u>	<u>3,662,344</u>	<u>0</u>	<u>6,632</u>	<u>3,668,976</u>	<u>198,335</u>	<u>3,867,311</u>
<u>FPSC ADJUSTMENTS:</u>								
TOTAL FPSC ADJUSTMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FPSC ADJUSTED	<u><u>6,156,285</u></u>	<u><u>(2,493,941)</u></u>	<u><u>3,662,344</u></u>	<u><u>0</u></u>	<u><u>6,632</u></u>	<u><u>3,668,976</u></u>	<u><u>198,335</u></u>	<u><u>3,867,311</u></u>

**SEBRING GAS SYSTEM, INC.**  
**CAPITAL STRUCTURE**  
**FPSC ADJUSTED BASIS**  
**December 2017**

AVERAGE	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		SPECIFIC	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,651,475		29,814	1,681,289	43.6316%	5.0991%	2.2248%	5.0991%	2.2248%	5.0991%	2.2248%
SHORT TERM DEBT	260,757		4,708	265,465	6.8891%	5.1304%	0.3534%	5.1304%	0.3534%	5.1304%	0.3534%
PREFERRED STOCK	0	0	0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CUSTOMER DEPOSITS	123,707		2,233	125,940	3.2683%	2.8748%	0.0940%	2.8748%	0.0940%	2.8748%	0.0940%
COMMON EQUITY	1,749,104	0	31,577	1,780,681	46.2109%	10.5000%	4.8521%	11.5000%	5.3143%	12.5000%	5.7784%
DEFERRED INCOME TAXES	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - ZERO COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - WEIGHTED COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TOTAL	<u>3,785,043</u>	<u>0</u>	<u>68,332</u>	<u>3,853,375</u>	<u>100.0000%</u>		<u>7.5244%</u>		<u>7.9865%</u>		<u>8.4486%</u>

YEAR END	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		SPECIFIC	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,575,708		24,560	1,600,268	41.3793%	5.3693%	2.2218%	5.3693%	2.2218%	5.3693%	2.2218%
SHORT TERM DEBT	261,689		4,079	265,768	6.8722%	5.3693%	0.3690%	5.3693%	0.3690%	5.3693%	0.3690%
PREFERRED STOCK	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CUSTOMER DEPOSITS	140,405		2,188	142,593	3.6871%	2.8748%	0.1060%	2.8748%	0.1060%	2.8748%	0.1060%
COMMON EQUITY	1,830,156		28,526	1,858,682	48.0613%	10.5000%	5.0464%	11.5000%	5.5271%	12.5000%	6.0077%
DEFERRED INCOME TAXES	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - ZERO COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - WEIGHTED COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TOTAL	<u>3,807,958</u>	<u>0</u>	<u>59,353</u>	<u>3,867,311</u>	<u>100.0000%</u>		<u>7.7432%</u>		<u>8.2236%</u>		<u>8.7045%</u>



Sebring Gas System, Inc.  
Schedule 4 Worksheet - Capital Structure  
12/31/17

13 Month Average	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Average Per Books
Long-term Debt	1,709,830	1,696,890	1,683,947	1,892,362	1,690,557	1,676,246	1,649,458	1,647,511	1,633,179	1,618,842	1,604,497	1,590,144	1,575,708	1,651,475
Short-term Debt	252,648	251,907	251,184	266,355	265,658	264,957	264,252	263,668	262,957	261,450	261,529	261,610	261,689	260,757
Preferred Stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Customer Deposits	112,880	113,380	112,830	113,430	113,530	113,580	115,730	132,980	132,980	132,805	133,755	139,905	140,405	123,707
Common Stock	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Paid-in Capital	774,880	774,880	774,880	774,880	774,880	774,880	774,880	774,880	774,880	774,880	774,880	774,880	774,880	774,880
Current Year Profit (Loss)	105,170	121,013	129,802	122,640	154,889	178,299	185,721	30,295	38,186	62,057	84,292	106,067	92,051	108,499
Retained Earnings (Deficit)	781,129	781,129	781,129	781,129	781,129	781,129	775,704	961,425	961,425	961,425	961,425	961,425	961,425	863,925
Common Equity	1,662,979	1,678,822	1,687,611	1,680,449	1,712,698	1,736,108	1,738,105	1,768,400	1,776,291	1,800,162	1,822,397	1,844,172	1,830,156	1,749,104
Deferred Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Crs-Zero Crs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tx Crs-Weighted Cst	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3,738,337	3,741,001	3,735,552	3,752,596	3,782,443	3,790,891	3,767,545	3,812,559	3,805,407	3,813,259	3,822,178	3,835,831	3,807,958	3,785,043

Sebring Gas System, Inc.  
Schedule 4 Worksheet - Average Interest Rates  
12/31/17

13 Month Average	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Average Per Books
HNB Credit Line	89,693	89,693.00	89,693	89,693	89,693	89,693	89,693	89,693.00	89,693	89,693	89,693	89,693	89,693	89,693.00
Interest Rate			5%	5%	5%	5%	5%	5.00%	5%	5%	5%	5%	5%	5%
Book Interest	1009	-		1121			1134	-			1146		1146	4,547.00
Ford Credit 289 Balance	16,488	16,071	15,652	15,231	14,808	14,383	13,956	13,527	13,096	12,664	12,229	11,792	11,304	13,939
Ford Credit 289 Interest Rate	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.49%	5.32%
Book Interest	79	77	75	73	71	69	67	65	63	61	59	57	5	742
Hartland National Balance#224.13	1,848,500	1,836,000	1,823,500	1,798,500	1,798,500	1,786,000	1,761,000	1,761,000	1,748,500	1,736,000	1,723,500	1,711,000	1,698,500	1,771,577
Hartland National #224.13 Interest F	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.12%
Book Interest	7,751	7,952	7,905	7,706	7,792	7,483	7,679	7,384	7,570	7,525	7,233	7,410	7,127	90,768
Ford Credit 969 Balance	7,797	7,033	6,266	5,495	4,721	3,943	3,161	2,376	1,586					3,260
Ford Credit 969 Interest Rate	5.69%	5.69%	5.69%	5.69%	5.69%	5.69%	5.69%	5.69%	5.69%	5.69%	5.69%	5.69%	5.69%	6.13%
Book Interest	41	37	33	30	26	22	19	15	11	7				200
Notes Payable Ally 65377				49,798	48,493	47,184	45,900	44,583	43,261	41,935	40,604	39,269	37,900	33,764
Ford Credit 969 Interest Rate				4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	3.95%
Book Interest				166	161	166	152	148	144	139	135	135	101	1,332
Total Debt	1,962,476	1,948,797	1,935,111	1,958,717	1,956,215	1,941,203	1,913,710	1,911,179	1,896,136	1,880,292	1,866,026	1,851,754	1,837,397	1,912,232
	5.33%	4.87%	5.40%	5.37%	5.01%	4.69%	5.78%	4.69%	4.84%	5.01%	5.41%	4.99%	5.37%	5.10%
	8,880	8,066	8,013	8,932	8,055	7,735	9,085	7,616	7,792	7,737	8,577	7,602	8,379	97,589
Long-term Portion	1,709,830	1,696,890	1,683,947	1,692,362	1,690,557	1,676,246	1,649,458	1,647,511	1,633,179	1,618,842	1,604,497	1,590,144	1,575,708	1,651,475
	5.33%	4.87%	5.40%	5.37%	5.01%	4.69%	5.78%	4.69%	4.84%	5.01%	5.41%	4.99%	5.37%	5.10%
	7,737	7,023	6,973	7,717	6,961	6,679	7,831	6,565	6,711	6,661	7,375	6,528	7,186	84,211
Short-term Portion	252,648	251,907	251,164	266,355	265,658	264,957	264,252	263,668	262,957	261,450	261,529	261,610	261,689	260,757
	5.33%	4.87%	5.40%	5.37%	5.01%	4.69%	5.78%	4.69%	4.84%	5.01%	5.41%	4.99%	5.37%	5.13%
	1,143	1,043	1,040	1,215	1,094	1,056	1,254	1,051	1,081	1,076	1,202	1,074	1,193	13,378
<u>Customer Deposits</u>														
Residential	17,230	17,730	17,680	17,930	18,030	18,080	18,330	18,230	18,230	18,380	18,430	18,580	18,680	18,118
	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.01%
	29	30	29	30	30	30	31	30	30	31	31	31	31	364
Commercial	95,650	95,650	95,150	95,500	95,500	95,500	97,400	114,750	114,750	114,425	115,325	121,325	121,725	105,588
	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.02%
	239	239	236	239	239	239	244	287	287	286	288	303	304	3,193
Total	112,880	113,380	112,830	113,430	113,530	113,580	115,730	132,980	132,980	132,805	133,755	139,905	140,405	123,707
	2.85%	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%	2.86%	2.86%	2.86%	2.86%	2.87%	2.87%	2.87%
	268	269	267	269	269	269	274	317	317	317	319	334	335	3,556

**SEBRING GAS SYSTEM, INC.**  
**EARNED RETURN ON COMMON EQUITY**  
**FPSC ADJUSTED BASIS**  
**December 2017**

SCHEDULE 5

A. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY  
INCLUDING FLEX RATE REVENUES

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>5.93%</u>	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	2.22%	
SHORT TERM DEBT	0.35%	
PREFERRED STOCK	0.00%	
CUSTOMER DEPOSITS	0.09%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00%</u>	
SUBTOTAL	<u>2.67%</u>	
 TOTAL	 3.26%	
 DIVIDED BY RECONCILED COMMON EQUITY RATIO	 <u>46.21%</u>	
 JURISDICTIONAL RETURN ON COMMON EQUITY	 <u><u>7.06%</u></u>	

B. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY  
EXCLUDING FLEX RATE REVENUES

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$ 228,618	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$ <u>3,853,375</u>	(Schedule 2, p. 1 of 2)
 FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	 <u>5.9329%</u>	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	2.22%	
SHORT TERM DEBT	0.35%	
PREFERRED STOCK	0.00%	
CUSTOMER DEPOSITS	0.09%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00%</u>	
SUBTOTAL	<u>2.67%</u>	
 TOTAL	 3.26%	
 DIVIDED BY RECONCILED COMMON EQUITY RATIO	 <u>46.21%</u>	
 JURISDICTIONAL RETURN ON COMMON EQUITY	 <u><u>7.06%</u></u>	