DOCKET NO. 150116-GU
FILED APR 07, 2015
DOCUMENT NO. 01933-15
FPSC - COMMISSION CLERK

GUNSTER
FLORIDA'S LAW FIRM FOR BUSINESS

Writer's E-Mail Address: bkeating@gunster.com

April 7, 2015

HAND DELIVERY

Ms. Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: **[New Docket] - Petition for Approval of Safety, Access, and Facility Enhancement Program and Associated Cost Recovery Methodology by Florida City Gas**

Dear Ms. Stauffer:

Enclosed for filing, please find the original and seven (7) copies of the Petition of Florida City Gas for Approval of a Safety, Access, and Facility Enhancement Program and Associated Cost Recovery Methodology. Included with this Petition, as Exhibit E, are new tariff pages for proposed program, Rider "F," as follows:

Volume No. 8, Original Sheet No. 70

Volume No. 8, Original Sheet No. 71

Volume No. 8, Original Sheet No. 72

Volume No. 8, Original Sheet No. 73

Thank you for your assistance in connection with this filing. If you have any questions whatsoever, please do not hesitate to let me know.

Sincerely,

Beth Keating

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

COM ___
AFD 2
APA 1
ECO 3
ENG ___
GCL 1
IDM ___
TEL ___
CLK ___

RECEIVED-FPSC
15 APR -7 PM 2:59
COMMISSION CLERK

Cc://J.R. Kelly, Public Counsel

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval Safety, Access, and Value Enhancement Program by Florida City Gas.	) Docket No._______________) Filed: April 7, 2015

PETITION FOR APPROVAL OF SAFETY, ACCESS, AND FACILITY ENHANCEMENT PROGRAM AND ASSOCIATED COST RECOVERY METHODOLOGY

Florida City Gas ("FCG" or "Company"), by and through its undersigned attorneys, hereby requests, in accordance with Section 366.06, Florida Statutes, that the Florida Public Service Commission ("Commission") approve a new main and associated facility relocation and replacement program, the Safety, Access, and Facility Enhancement ("SAFE Program"), which will enable FCG to enhance the safety and accessibility of portions of its natural gas distribution system by relocating certain existing gas facilities located in or associated with rear lot easements to the street front. This will allow for more direct access to facilities and will enhance the level of service to all customers through improved safety and reliability. The program will recover appropriate costs, along with a reasonable return, for the relocation of certain existing gas facilities located in or associated with rear lot easements. The existing location of these mains, services and in some cases above-ground facilities presents significant operational risks and challenges for the Company and its customers. Therefore, the Company is submitting this Petition for consideration and approval to accelerate the remediation of those issues by relocating the mains from rear lot easements and reconnecting the customers to the new mains. In addition to new mains, new services will be required, and in some limited cases, replacement and relocation of above-ground facilities, such as meters and regulator sets, located at the rear of structures, which may be moved to a front or side location or curb valves may be installed. The current location of these facilities makes access difficult resulting in a number of operating risks and challenges.

Tariff sheets reflecting the proposed new program are submitted with this filing in clean and legislative format. To the extent that Section 366.06(3), F.S., is deemed applicable, the Company waives the 60-day requirement for Commission action on the tariffs submitted with this Petition. In support of this request, FCG states:

1. The name and address of the petitioner are:

Florida City Gas
933 East 25th Street
Hialeah, FL 33013-3498

2. The names and mailing addresses of the persons to whom notices, orders and correspondence regarding this petition are to be sent are:

Beth Keating
Gunster Law Firm
215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706

John Cogburn, Director, Regulatory
Reporting and Strategic Planning
AGL Resources Inc.
10 Peachtree Place
Atlanta, GA 30309

3. FCG is a natural gas local distribution company ("LDC") providing sales and transportation delivery of natural gas in parts of Florida, and is a public utility subject to the Commission's regulatory jurisdiction under Chapter 366, Florida Statutes.

4. By this petition, FCG seeks the Commission's approval of a 10-year program and cost recovery mechanism to allow the Company to expedite relocation and replacement of gas facilities located in or associated with rear lot easements which have been shown to be of the greatest relative risk through FCG's Distribution Integrity Management Plan (DIMP) assessment. The primary goal of the Company's proposal herein is to address public concerns regarding the safety of gas infrastructure, as well as the Company's own concerns about the accessibility of certain facilities for purposes of addressing any existing and future operations,

safety or reliability issues. This program is not designed to fund expansion of FCG's system to serve new customers or new load.

5. The Commission has broad jurisdiction, including jurisdiction to grant the relief requested herein, under Sections 366.04, 366.041, 366.05 and 366.06, Florida Statutes, pursuant to which the Commission is authorized to establish rates and charges for public utilities, and in doing so, to consider, among other things, the adequacy of the utility's facilities and the utility's ability to improve such facilities. The Commission's authority to act upon this request to establish a surcharge to recover a discrete set of costs arising in unusual, urgent circumstances has been recognized by the Courts.[1] The Commission is also authorized, under Section 368.05(2), Florida Statutes, to require improvements in natural gas distribution facilities when necessary to promote the public's safety.

BACKGROUND

6. The Company believes that implementation of this new program will further the ongoing safety enhancement initiatives of the Department of Transportation/Pipeline and Hazardous Material Safety Administration ("PHMSA") first undertaken when PHMSA amended the federal pipeline safety regulations in 2009 to require natural gas distribution pipeline operators to develop facility integrity management programs. The paramount importance of safety and pipeline infrastructure-related issues was further reinforced by Congress's passage of the "Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011," ("Pipeline Safety Act of 2011" or "the Act")[2].

[1] See, Order No. PSC-12-0476-TR-GU, at p. 8, citing Action Group v. Deason, 615 So. 2d 683 (Fla. 1993)(upholding approval of a rider charged to customers to recover existing debt of bankrupt system acquired by a utility).

[2] Pub. L. 112–90 (2012); 125 Stat. 1910, et seq.

7. With the ongoing implementation of the Act, safety remains at the forefront of federal attention, as emphasized in remarks by Congressman Jeff Denham, Chair of the House Subcommittee on Railroads, Pipelines and Hazardous Materials just last year at the May 14, 2014 hearing of the Subcommittee:

> "While the data shows that federal pipeline safety programs have been on the right track, Congress enacted the 2011 pipeline safety bill to strengthen our efforts, as stakeholders understood there was room for improvement. The law included 42 congressional mandates of PHMSA….."

Chairman Denham further noted that:

> We believe in a risk-based, data-driven approach to pipeline safety that focuses private investment in pipeline safety on those areas of higher risk. As PHMSA develops rules to implement the mandates contained in the 2011 act, it is critically important that we must provide regulatory certainty necessary for pipeline owners and operators to plan infrastructure investments, and do so with input from the safety community and industry.

8. The States have been proactive in supporting the safety initiatives by encouraging more expeditious replacement of higher risk facilities and approving programs that allow utilities to fully recover the costs of expedited replacement, as well as earn an appropriate return on investment in the improved facilities. The Florida Commission, for instance, approved infrastructure cost recovery programs for Peoples Gas (Docket No. 110320-GU) and Florida Public Utilities Company/Chesapeake Utilities Corporation (Docket No. 120036-GU), which are somewhat similar to the program FCG proposes herein. As a result of states encouraging such activity, at least 81 utilities in 40 states and the District of Columbia are using full or limited special rate mechanisms to recover their replacement infrastructure investments.[3] In addition, 10 states have enacted legislation or issued generic regulations that give utilities in three additional

[3] "Innovative Rates, Non-Volumetric Rates, and Tracking Mechanisms: Current List" (American Gas Association, February. 2015)

states the authority to implement these mechanisms, while seven additional states allow recover of these investments using rate stabilized tariffs.[4] Together, these regulatory programs are helping natural gas utilities maintain and enhance the safety and reliability of natural gas service to the nation's natural gas customers.

9. As further explained below, FCG believes that now is the time for it to move forward with its own replacement program in order to facilitate a more rapid replacement of higher risk facilities. The Company serves in densely populated areas of South Florida, and the current location of many of these facilities, as further detailed below, has historically made it difficult for Company inspectors and repair personnel to access the facilities to identify and address problems. In addition to these geographic characteristics, the facilities selected for remediation are categorized as presenting a higher risk under the Company's DIMP Program due to their material composition thus the SAFE Program will support the broader pipeline renewal needs of the Company. To be clear, the Company maintains and operates its facilities in a safe manner and these facilities do not present an immediate threat to the public safety, but the SAFE Program would give FCG the ability to take proactive measures to enhance the safety and reliability of its system for years to come.

10. Approval of the program proposed herein will enable FCG to expedite replacement and relocation of these facilities, consistent with safety regulations. Replacement and relocation of facilities will be prioritized based on the Company's DIMP analysis, and recover the costs will be done in a manner that is not unduly burdensome to customers. The cost recovery described herein is appropriate for these activities because, as noted previously herein, the SAFE Program is not designed to expand the Company's service; thus, the Company will be unable to offset the

[4] "Gas Distribution Infrastructure: Pipeline Replacement and Upgrades – Cost Recovery Issues and Approaches," Yardley Associates (American Gas Association July 2012).

additional costs associated with the relocation and replacement activities with any additional revenues. The Company therefore asks that the Commission approve the SAFE Program as further described herein, which will enable the Company to expedite the necessary residential facility relocation and replacement activities without necessitating a more costly general rate proceeding.

SAFETY, ACCESS, AND FACILITY ENHANCEMENT PROGRAM

11. The SAFE Program is specifically designed to expedite relocation and replacement of approximately 250 miles of 4-inch and smaller mains plus associated service lines and in some instances above ground facilities that are associated with rear lot easements in FCG's service territory. As noted above, the SAFE Program will target those facilities with the highest relative risk as identified in FGC's periodic DIMP analyses. As described below in more detail in Paragraph 13, the DIMP analysis involves reviewing factors including geographic location data of distribution facilities, neighborhood characteristics, and material and type of distribution facilities. This information is used to establish the risk that a facility will fail and the impact of a potential failure on the population.

12. The primary driver for the program is the fact that the location of the subject facilities presents challenges in terms of access to the facilities for purposes of operating and maintaining the system, and conducting inspections and repairs, as well as an increased risk associated with property use and improvements on the property itself. For instance, property fencing and landscaping often make it difficult to access the areas where the facilities are located for purposes of conducting those activities. These challenges are occasionally exacerbated by the presence of dogs on the fenced property, which may present additional risks to FCG service

personnel. Also, owner construction of out buildings, pools, and patios can further increase the risk of failure of facilities located in rear easements. In addition, such easements have contributed to increased opportunities for gas theft or diversion, which greatly escalates the risk of a safety incident. In addition to addressing the access challenge, by applying the Company's DIMP analysis the Company will also address the system segments that pose higher risks related leakage, corrosion, and other threats.

13. Under the SAFE Program, FCG will utilize the same methodology advocated by PHMSA for replacement of cast iron and recognized as appropriate for both cast iron and bare steel in Order No. PSC-12-0476-TRF-GU.[5] Specifically, FCG will prioritize the replacement of these facilities using the following factors:

1) The Spatial Risk Assessment for Rear Lot Mains and Services will prioritize pipeline relocation based on the following factors:
    a) Location of Pipeline
    b) Material of Pipeline
    c) Leak incident rates
    d) Grouped Pipeline Based on Neighborhood Characteristics
    e) The potential safety risk to the population for the rear lot facilities will be weighted evenly based on factors including maintenance access complications, compliance difficulties, customer encroachments and other issues.
2) The results of the spatial risk assessment will be reviewed by FCG Subject Matter Experts to make a final determination of what projects will be included and scope of work to be completed in those projects.

[5] See, Order No. PSC-12-0476-TRF-GU, at p. 5.

This process will be conducted annually to ensure all areas are being assessed and that the highest risk areas are being addressed earlier in the program. The DIMP analysis will be used annually to prioritize SAFE projects comprising a total capital budget of no more than \$9,500,000 in the first full calendar year of the program with a growth rate of 3% per year. Attached hereto as Exhibit A is a more thorough discussion of the analysis process and of the facilities currently identified for replacement under the SAFE Program. The facilities described here were selected in accordance with the current DIMP analysis, and are shown by diameter of the facility and by material.

14. Polyethylene pipe will be used for most of the replacement segments. In some instances, coated steel will be used in order to maintain cathodic protection continuity for existing large segments. Mains subject to replacement that are smaller than 2" will be replaced with 2" piping, while mains ranging between 2" and 4" will be replaced with 2" or 4" piping depending on the specific operational requirements in the area. No pipe sizes other than 2" or 4" will be used for purposes of maintaining consistency across the system.

15. In order to allow the Company to appropriately offset costs associated with this expedited program, without embarking on a costly rate proceeding, FCG proposes a surcharge mechanism similar to that which the Commission has approved for Peoples Gas and for Florida Public Utilities Company/Florida Division of Chesapeake Utilities Corporation.[6] Consistent with those previously approved surcharge mechanisms, a surcharge factor would be established for each of

---

[6] Order No. 12-0476-TRF-GU, issued September 18, 2012, in Docket No. 110320-GU (Petition for approval of Cast Iron/Bare Steel Pipe Replacement Rider (Rider CI/BSR), by Peoples Gas System); and Order No. PSC-12-0490-TRF-GU, issued September 24, 2012, in Docket No. 120036-GU (Joint petition for approval of Gas Reliability Infrastructure Program (GRIP) by Florida Public Utilities Company and the Florida Division of Chesapeake Utilities Corporation).

FCG's rate classes. Additionally, because the facilities being replaced are an integral part to the distribution system, and thus, common to all customers, FCG is proposing that the surcharge be applicable to all customers other than those specified as excluded in the tariff because of pre-existing contractual pricing. FCG is also proposing an adjusted allocation methodology across the rate classes that differs somewhat from the "peak and average" allocation methodology approved in the Company's last rate case. Specifically, the Company is proposing an allocation methodology that focuses on the cost drivers for this program. As noted herein, the facilities to be relocated are almost entirely in residential neighborhoods, and no facilities directly connected to large commercial and industrial customers are included for replacement in this program. As such, FCG's cost allocation methodology proposed herein is weighted to allocate costs more fairly to the true cost causer rate classes, but at the same time the proposed method does not ignore the general benefits of a more reliable system that accrue to all customers, large and small, resulting from the SAFE system enhancements.

16. FCG's proposed cost allocation methodology, as illustrated in Exhibit C, allocates the cost associated with replacing all pipe that requires replacement to all customers on a per customer basis at cost of 2" pipe, and then allocates the incremental cost of replacing pipe with larger than 2" pipe to customers who use 6,000 or more therms per year. Allocating cost on a per customer basis recognizes that the cost driver of the program is the reconnection of existing customers, and allocating the cost of a 2" system to all customers recognizes the network benefits that all customers will enjoy. Moreover, the smaller customers on the FCG system, majority of them being residential, would be harmed by the loss of FCG's higher volume customers Due to the amount of demand on the system, these high volume customers are responsible for just under half of FCG's cost recovery. Losing these high volume customers

would result in the need to reallocate a significant amount cost recovery among those customer remaining lower volume customers on the system, resulting in significant rate increases for those customers. Therefore, residential customers benefit from large volume customers who remain on the system. Consequently, cost sharing is appropriate.

17. As proposed herein, the Company's SAFE Program will allow the Company to relocate and replace distribution facilities on an expedited basis and recover its revenue requirements on the actual facility investment amounts through the surcharge factor. Consistent with other Commission-approved Florida infrastructure replacement programs, the recovery of the revenue requirements would include return on investment initially calculated using the equity and debt components of the weighted average cost of capital from FCG's last rate case as reflected in its December 2014 earnings surveillance report. For subsequent "true-up" filings, the most recent earnings surveillance report would be used.

18. The surcharge will also allow the Company to recover depreciation expense at the rates approved in the Company's most recent Depreciation Study.[7] To be clear, only the revenue requirements, including depreciation expense, associated with the replacement pipe will be recovered through the surcharge mechanism. The costs incurred to remove from service the existing distribution facilities will be recovered through FCG's existing depreciation rates.

19. The Company is also seeking to include expense associated with the various public noticing requirements that will be associated with this program. Such notices include the: 1) noticing required for regulatory purposes of the approval of the program and the attendant surcharge; 2) notice to customers directly affected by replacement activities; and 3) general publication of notice of the planned activities in the impacted geographic area. The Commission

[7] See, Order No. PSC-14-0514-PAA-GU, issued September 25, 2014, and Consummating Order No. 14-0588-CO-GU, issued October 20, 2014, in Docket No. 140051-GU, approving FCG's 2014 Depreciation Study.

has previously recognized that recovery of such costs directly associated with an infrastructure replacement program is appropriate; FCG asks that it be allowed to likewise recover such noticing expenses.[8]

20. With regard to ad valorem taxes, the Company anticipates that it will see increases as a result of the capital investments undertaken through this program. As such, FCG asks that it also be allowed to include for recovery through the surcharge applicable ad valorem taxes, grossed up for federal and state income taxes. The composite ad valorem tax rate for 2014 was 0099 mills, or 0.99%. The actual composite ad valorem tax rate for each calendar year period will be applied through the annual true-up process.

21. Calculation of the SAFE Program revenue requirement on a monthly basis in Exhibit B and the monthly surcharge factors are reflected on the schedules included in Exhibit C attached hereto and is based upon the total number of connected customer in each rate schedule. FCG proposes that the initial factors be implemented January 1, 2016. As was discussed above, the cost driver of the proposed program is the reconnection of existing customers, not the addition of new customers so allocating costs based on the number of customer being reconnected and the facilities required to reconnect those customers is appropriate. As calculated, the rate impact in the first year of the program for FCG customers using less than 6,000 therms per year $0.71/month. FCG customers using 6,000 therms or more per year will pay $1.31/month. Exhibit D provides annual expected bill impact for all customer classes for the SAFE Program by year.

22. Once the initial surcharge factors are approved for implementation, FCG proposes that the surcharge be reviewed and reset by the Commission on an annual basis, consistent with the

[8] See Order No. PSC-12-0490-TRG-GU, issued in Docket No. 120036-GU, on September 24, 2012, at p. 8.

process currently used for the other companies. FCG would file its annual petition to revise its surcharge by October 1 of each year to implement a new surcharge effective January 1 of the following year and include therein the following components:

A. A final true-up showing the actual replacement costs and actual surcharge revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to the annual petition filing, including the final over- or under-recovery for the final true-up period;

B. An actual/estimated true-up showing seven months of actual and five months of projected costs and revenues associated with the SAFE Program; and

C. A projection showing 12 months of projected SAFE Program revenue requirement for the period beginning January 1 following the annual filing.[9]

The information would be subject to ongoing Commission review and audit with regard to accuracy, as well as overall effectiveness of the program and rate impact on customers. In addition, FCG will report in the annual filing upon any Operations and Maintenance (O&M) and depreciation expense savings or incremental costs associated with the program that may occur, beginning with the second "true-up" filing.

23. As an additional point of information, FCG anticipates that the SAFE program could lead to the creation of additional construction related jobs associated with the activity under the program and presents an opportunity for further utilize the AGL Resources Inc. ("AGL") corporate commitment to Supplier Diversity. For example, consistent with AGL's enterprise wide goal of achieving a minimum of 20% of our purchases from Minority, Women, and Veteran Owned Business, the Company will actively work to expand the use and development of

---

[9] See, Order No. PSC-12-0476-TRF-GU, at p. 8.

diverse suppliers in support of pipeline construction and other required technical and professional support services required to implement the SAFE Program.

24. FCG believes that implementation of this program now, as opposed to later or on a more gradual basis, may have the added benefit of construction-related savings over the life of the program. Specifically, as the economy rebounds and construction in general starts to increase, the Company anticipates that construction contractor costs may increase as a direct result of the increased opportunities in the market. Addressing the Company's construction needs now, before the market fully recovers, may avoid or at least limit, some impact of market increases to the extent much of FCG's replacement activity may be addressed on the front end of the SAFE Program

25. FCG submits with this Petition, as Exhibit E, the necessary tariff sheets (in legislative and clean format) for the SAFE Program, reflecting the surcharge factors for each of the Company's rate classes and asks that they be approved.

WHEREFORE, Florida City Gas hereby respectfully requests that the Commission approve the Company's proposed SAFE Program for expedited replacement and relocation of certain natural gas distribution facilities, as well as the associated tariff pages and surcharge factors attached and incorporated herein by reference with an effective date of January 1, 2016.

Respectfully submitted this 7th day of April, 2015, by:

Beth Keating

Beth Keating
Florida Bar #0022756
Gunster Law Firm
215 South Monroe Street
Suite 601
Tallahassee, FL 32301

Attorneys for Florida City Gas

EXHIBIT A

(SAFE Program Facility Identification)

FCG SAFE Program

Overview of the Proposed Program

Florida City Gas ("FCG" or "Company") has approximately 1,200 miles main and associated services located in rear property easements within its distribution system. These mains present various operational and safety challenges which would be eliminated by relocation to the road right of way. FCG proposes to relocate the approximately 250 miles of this rear lot main with the highest risk main located in rear easements over a ten year period. The proposed replacement program would replace nearly 20% of the total main located in rear lot easements.

Concerns of Rear Lot Mains and Service Taps

Due to the high population density through which FCG serves its natural gas customers, safe access and operation of our system is critical. Mains and service taps that are located in rear property easements present operational and safety concerns including:

- Fencing and landscaping and overgrowth of vegetation/trees prohibiting access to mains and services
- Age of rear easement facilities with varying installation standards
- Customer encroachments on easements (*e.g.,* construction of buildings, patios, pools, etc..) prohibiting access to mains and services
- Increased company expenditures for maintenance work, such as leak surveys and service connection work
- Increased opportunities for gas theft or diversion
- Increased opportunity for damages

The pictures below demonstrate the access challenges presented by rear lot main locations. Picture 1 shows FCG's mains in yellow running at the rear of the lots throughout this neighborhood. The blue box shows the vantage point from which the two following pictures, Pictures 2 and 3 are taken. Picture 2 is the view looking east from the street and Picture 3 is the view to the west. It is clear that accessing the main used to serve the residences on either side of this street is very difficult.

Picture 1 – Illustration of access issues

Picture 2 – veiw to east

Picture 3 – view to west

Concerns of Unprotected or Ineffectively Coated Steel Mains and Services

PHMSA recognized the threat of corrosion on steel pipe, and as a result amended Part 192.455, Code of Federal Regulations (CFR), to prohibit the installation of steel pipeline after July 31, 1971, unless the operator could demonstrate by tests, investigation, or experience in the area using, at a minimum, soil resistivity measurements and tests for corrosion accelerating bacteria, that a corrosive environment does not exist.

Steel pipeline installed after August 1, 1971, uses cathodic protection to help insulate the pipeline from the corrosive environment. Cathodic protection is required under the amended Part 192.455, CFR, to reduce corrosion. Cathodic protection consists of an electric current applied to the pipeline in such a manner as to cause metals to be deposited on the pipeline instead of being eroded from it.

The Company currently maintains 61.3 miles of unprotected steel main installed prior to 1971 in its distribution system, nearly all of which is located in the Miami service territory in rear easements. By implementing this program to eliminate the rear lot main, FCG will be eliminating the majority of unprotected steel as well, thus removing these potential risk points in the distribution system.

Method of Determining the Order of Pipeline Replacement

Florida City Gas has developed a Distribution Integrity Management Program ("DIMP" or "DIM Program"). The Florida City Gas's DIM Plan includes a spatial pipeline risk assessment that will provide guidance in determining which pipes should be replaced first based on the relative risk of the pipelines. PHMSA urged the states in an advisory regarding cast iron to consider replacing the highest risk pipes first. The Company believes a similar methodology should be carried out throughout the replacement of rear lot and inaccessible mains.

The Company will prioritize the replacement of these mains using the following factors:

1. The Spatial Risk Assessment for Rear Lot Mains and Services will prioritize pipeline based on the following factors:

    a. Location of Pipeline
    b. Material of Pipeline
    c. Leak incident rates
    d. Grouped Pipeline Based on Neighborhood Characteristics
    e. Consequence for the rear lot mains will be weighted evenly based on factors including maintenance access complications, compliance difficulties, customer encroachments and other issues.

The spatial risk assessment combines distribution system materials data with geographic location information to analyze the historical performance data among connected mains of similar size and vintage and population proximity and density. The results of the spatial risk assessment will be reviewed by FCG's Subject Matter Experts ("SME") to make final determination and extent of projects. The inclusion of SMEs in the process, ensures that local knowledge of the unique operating conditions and access challenges are given due consideration. The SMEs input will be critical in assessing the degree to which a particular rear easement impedes overall access to facilities and will help identify situations in which above ground facilities (*e.g.,* meters and regulators) should be moved from the rear of a building to a side or front location. The DIMP process will be conducted annually to ensure all areas are being assessed and that the highest risk areas are being mitigated.

Current DIMP Analysis Results and Program Cost

The current DIMP analysis has prioritized 254.5 miles of rear lot main because of an elevated relative risk score. The prioritized mileage correlates to approximately 20% of the identified rear lot main mileages. It is important to note, the spatial risk assessment and SME reviews are performed annually and will cause shifts in mileages associated with size and material. The shift in mileages will be a result of the Company continually identifying and prioritizing segments that are more at-risk. The table below illustrates that the pipelines that pose the highest risks are small pipelines. The mileage shown below is based on the 2014 DIMP Plan and may shift as the program matures.

Pipe Diameter	**Grand Total**
2" and Smaller	209.2
4" and Greater than 2"	45.3
Grand Total (miles)	**254.5**

The table below shows that the majority of the materials to be replaced are steel. The mileage shown below is based on the 2014 DIMP Plan and may shift as the program matures.

Material	**Grand Total**
PL	10.1
ST	244.3
Grand Total	**254.5**

While most the material being replaced is steel, the Company expects most replacement pipe to be plastic. The table below show the expected replacement footages and average cost per foot of installing that material.

Material	**Mileage**	**Footage**	**Historic Cost per Foot**	**Total Cost**
2"	209.2	1104576	$53.98	$59,625,012
4"	45.3	239184	$60.57	$14,487,375
Grand Total	**254.5**	**1343760**		**$74,112,387**

In current dollar and at recent historical costs per foot for installation, the Company would expect the program to $74,112,387. If the Company installed an equal amount of footage each year and the per foot price increase by 3% per year, the ten year program cost would as shown below in the total column.

10 year plan							
Year	2" Rate	2" Footage	2" Cost	4" Rate	4" Footage	4" Cost	**Total**
1	$55.60	132549.1	$7,369,651.54	$62.39	28702.08	$1,790,639.54	**$9,160,291.08**
2	$57.27	132549.1	$7,590,741.09	$64.26	28702.08	$1,844,358.72	**$9,435,099.81**
3	$58.99	132549.1	$7,818,463.32	$66.19	28702.08	$1,899,689.48	**$9,718,152.80**
4	$60.75	132549.1	$8,053,017.22	$68.17	28702.08	$1,956,680.17	**$10,009,697.39**
5	$62.58	132549.1	$8,294,607.74	$70.22	28702.08	$2,015,380.57	**$10,309,988.31**
6	$64.45	132549.1	$8,543,445.97	$72.32	28702.08	$2,075,841.99	**$10,619,287.96**
7	$66.39	132549.1	$8,799,749.35	$74.49	28702.08	$2,138,117.25	**$10,937,866.60**
8	$68.38	132549.1	$9,063,741.83	$76.73	28702.08	$2,202,260.77	**$11,266,002.60**
9	$70.43	132549.1	$9,335,654.08	$79.03	28702.08	$2,268,328.59	**$11,603,982.67**
10	$72.54	132549.1	$9,615,723.71	$81.40	28702.08	$2,336,378.45	**$11,952,102.15**
						Program Total	**$105,012,471.37**

EXHIBIT B

(Revenue Requirement)

Florida City Gas
Exhibit B - SAFE Program Revenue Requirement
January 2015 through December 2015

Line	Description	January-15	February-15	March-15	April-15	May-15	June-15	July-15	August-15	September-15	October-15	November-15	December-15	End of Period Total
1.	Investments													
	a. Eligible Replacements - Mains	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 763,358	$ 763,358	$ 763,358	$ 2,290,073
	b. Eligible Replacements - Services	0	0	0	0	0	0	0	0	0	$ -	$ -	$ -	
	c. Eligible Replacements - Regulator Stations	0	0	0	0	0	0	0	0	0	$ -	$ -	$ -	
	d. Other	0	0	0	0	0	0	0	0	0	$ -	$ -	$ -	
2.	Gross Plant-in-Service/Depreciation Base	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 763,358	$ 1,526,715	
3.	Less: Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	(1,972)	(5,916)	
4.	CWIP - NonInterest Bearing	-	-	-	-	-	-	-	-	-	763,358	763,358	763,358	
5.	Net Book Value (Lines 2 + 3 + 4)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 763,358	$ 1,524,743	$ 2,284,157	
6.	Average Net Investment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 381,679	$ 1,144,050	$ 1,904,450	
7.	Return on Average Net Investment													
	a. Equity component Grossed up for taxes (A)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,316	$ 6,943	$ 11,558	$ 20,817
	b. Debt component (B)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 668	$ 2,002	$ 3,333	$ 6,003
8.	Investment Expenses													
	a. Depreciation (C)	-	-	-	-	-	-	-	-	-	-	1,972	3,944	5,916
	b. Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)	-	-	-	-	-	-	-	-	-	331	992	1,651	2,973
	d. Other	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,315	$ 11,909	$ 20,485	$ 35,709

Notes:

(A)	Line 6 x 7.1194% x 1/12. Based on Roe of 11.25%, and weighted income tax rate of 37.63%, expansion factor of 1.6329	7.2827%
(B)	Line 6 x 1.96% x 1/12	2.10%
(C)	Applicable depreciation rate is 3.1%	3.10%
(D)	Ad Valorem Tax Rate is 1.04%	1.04%

Florida City Gas
Exhibit B - SAFE Program Revenue Requirement
January 2016 through December 2016

Line	Description	Beginning of Period Amount	January-16	February-16	March-16	April-16	May-16	June-16	July-16	August-16	September-16	October-16	November-16	December-16	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains		$ 769,083	$ 769,083	$ 769,083	$ 769,083	$ 769,083	$ 769,083	$ 769,083	$ 769,083	$ 769,083	$ 769,083	$ 769,083	$ 769,083	$ 9,228,993
	b. Eligible Replacements - Services		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Eligible Replacements - Regulator Stations		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Other		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
2.	Gross Plant-in-Service/Depreciation Base	$ 1,526,715	$ 2,290,073	$ 3,059,156	$ 3,828,238	$ 4,597,321	$ 5,366,404	$ 6,135,487	$ 6,904,569	$ 7,673,652	$ 8,442,735	$ 9,211,818	$ 9,980,900	$ 10,749,983	
3.	Less: Accumulated Depreciation	(5,916)	(11,832)	(19,735)	(29,624)	(41,501)	(55,364)	(71,214)	(89,051)	(108,875)	(130,685)	(154,482)	(180,266)	(208,037)	
4.	CWIP - NonInterest Bearing	763,358	769,083	769,083	769,083	769,083	769,083	769,083	769,083	769,083	769,083	769,083	769,083	769,083	
5.	Net Book Value (Lines 2 + 3 + 4)	$ 2,284,157	$ 3,047,323	$ 3,808,503	$ 4,567,697	$ 5,324,903	$ 6,080,123	$ 6,833,355	$ 7,584,601	$ 8,333,860	$ 9,081,133	$ 9,826,418	$ 10,569,717	$ 11,311,029	
6.	Average Net Investment		$ 2,665,740	$ 3,427,913	$ 4,188,100	$ 4,946,300	$ 5,702,513	$ 6,456,739	$ 7,208,978	$ 7,959,231	$ 8,707,497	$ 9,453,776	$ 10,198,068	$ 10,940,373	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes (A)		$ 16,178	$ 20,804	$ 25,417	$ 30,019	$ 34,608	$ 39,185	$ 43,751	$ 48,304	$ 52,845	$ 57,374	$ 61,891	$ 66,396	$ 496,773
	b. Debt component (B)		$ 4,665	$ 5,999	$ 7,329	$ 8,656	$ 9,979	$ 11,299	$ 12,616	$ 13,929	$ 15,238	$ 16,544	$ 17,847	$ 19,146	$ 143,247
8.	Investment Expenses														
	a. Depreciation (C)		5,916	7,903	9,890	11,876	13,863	15,850	17,837	19,824	21,810	23,797	25,784	27,771	202,121
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		2,310	2,971	3,630	4,287	4,942	5,596	6,248	6,898	7,546	8,193	8,838	9,482	70,941
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		$ 29,070	$ 37,676	$ 46,266	$ 54,838	$ 63,393	$ 71,931	$ 80,451	$ 88,954	$ 97,440	$ 105,909	$ 114,360	$ 122,794	$ 913,081

Notes:

(A)	Line 6 x 7.1194% x 1/12. Based on Roe of 11.25%, and weighted income tax rate of 37.63%, expansion factor of 1.6329	7.2827%
(B)	Line 6 x 1.96% x 1/12	2.10%
(C)	Applicable depreciation rate is 3.1%	3.10%
(D)	Ad Valorem Tax Rate is 1.04%	1.04%

Florida City Gas
Exhibit B - SAFE Program Revenue Requirement
January 2017 through December 2017

Line	Description	Beginning of Period Amount	January-17	February-17	March-17	April-17	May-17	June-17	July-17	August-17	September-17	October-17	November-17	December-17	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains		$ 792,155	$ 792,155	$ 792,155	$ 792,155	$ 792,155	$ 792,155	$ 792,155	$ 792,155	$ 792,155	$ 792,155	$ 792,155	$ 792,155	$ 9,505,863
	b. Eligible Replacements - Services		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Eligible Replacements - Regulator Stations		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Other		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
2.	Gross Plant-in-Service/Depreciation Base	$ 10,749,983	$ 11,519,066	$ 12,311,221	$ 13,103,377	$ 13,895,532	$ 14,687,687	$ 15,479,842	$ 16,271,998	$ 17,064,153	$ 17,856,308	$ 18,648,463	$ 19,440,619	$ 20,232,774	
3.	Less: Accumulated Depreciation	(208,037)	(237,794)	(269,598)	(303,449)	(339,346)	(377,289)	(417,278)	(459,314)	(503,397)	(549,526)	(597,701)	(647,922)	(700,190)	
4.	CWIP - NonInterest Bearing	769,083	792,155	792,155	792,155	792,155	792,155	792,155	792,155	792,155	792,155	792,155	792,155	792,155	
5.	Net Book Value (Lines 2 + 3 + 4)	$ 11,311,029	$ 12,073,427	$ 12,833,778	$ 13,592,083	$ 14,348,341	$ 15,102,553	$ 15,854,719	$ 16,604,838	$ 17,352,911	$ 18,098,938	$ 18,842,918	$ 19,584,851	$ 20,324,739	
6.	Average Net Investment		$ 11,692,228	$ 12,453,602	$ 13,212,931	$ 13,970,212	$ 14,725,447	$ 15,478,636	$ 16,229,779	$ 16,978,875	$ 17,725,924	$ 18,470,928	$ 19,213,885	$ 19,954,795	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes (A)		$ 70,959	$ 75,580	$ 80,188	$ 84,784	$ 89,368	$ 93,939	$ 98,497	$ 103,043	$ 107,577	$ 112,099	$ 116,607	$ 121,104	$ 1,153,745
	b. Debt component (B)		$ 20,461	$ 21,794	$ 23,123	$ 24,448	$ 25,770	$ 27,088	$ 28,402	$ 29,713	$ 31,020	$ 32,324	$ 33,624	$ 34,921	$ 332,688
8.	Investment Expenses														
	a. Depreciation (C)		29,758	31,804	33,850	35,897	37,943	39,990	42,036	44,082	46,129	48,175	50,222	52,268	492,154
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		10,133	10,793	11,451	12,108	12,762	13,415	14,066	14,715	15,362	16,008	16,652	17,294	164,760
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		$ 131,311	$ 139,971	$ 148,612	$ 157,236	$ 165,842	$ 174,431	$ 183,001	$ 191,554	$ 200,089	$ 208,606	$ 217,105	$ 225,587	$ 2,143,346

Notes:

(A)	Line 6 x 7.1194% x 1/12. Based on Roe of 11.25%, and weighted income tax rate of 37.63%, expansion factor of 1.6329	7.2827%
(B)	Line 6 x 1.96% x 1/12	2.10%
(C)	Applicable depreciation rate is 3.1%	3.10%
(D)	Ad Valorem Tax Rate is 1.04%	1.04%

Florida City Gas
Exhibit B - SAFE Program Revenue Requirement
January 2018 through December 2018

Line	Description	Beginning of Period Amount	January-18	February-18	March-18	April-18	May-18	June-18	July-18	August-18	September-18	October-18	November-18	December-18	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains		$ 815,920	$ 815,920	$ 815,920	$ 815,920	$ 815,920	$ 815,920	$ 815,920	$ 815,920	$ 815,920	$ 815,920	$ 815,920	$ 815,920	$ 9,791,039
	b. Eligible Replacements - Services		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Eligible Replacements - Regulator Stations		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Other		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
2.	Gross Plant-in-Service/Depreciation Base	$ 20,232,774	$ 21,024,929	$ 21,840,849	$ 22,656,769	$ 23,472,689	$ 24,288,609	$ 25,104,529	$ 25,920,449	$ 26,736,368	$ 27,552,288	$ 28,368,208	$ 29,184,128	$ 30,000,048	
3.	Less: Accumulated Depreciation	(700,190)	(754,505)	(810,927)	(869,457)	(930,095)	(992,840)	(1,057,694)	(1,124,655)	(1,193,724)	(1,264,901)	(1,338,185)	(1,413,577)	(1,491,078)	
4.	CWIP - NonInterest Bearing	792,155	815,920	815,920	815,920	815,920	815,920	815,920	815,920	815,920	815,920	815,920	815,920	815,920	
5.	Net Book Value (Lines 2 + 3 + 4)	$ 20,324,739	$ 21,086,344	$ 21,845,842	$ 22,603,232	$ 23,358,514	$ 24,111,688	$ 24,862,755	$ 25,611,714	$ 26,358,565	$ 27,103,308	$ 27,845,943	$ 28,586,471	$ 29,324,890	
6.	Average Net Investment		$ 20,705,541	$ 21,466,093	$ 22,224,537	$ 22,980,873	$ 23,735,101	$ 24,487,222	$ 25,237,234	$ 25,985,139	$ 26,730,936	$ 27,474,625	$ 28,216,207	$ 28,955,681	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes (A)		$ 125,660	$ 130,276	$ 134,879	$ 139,469	$ 144,046	$ 148,611	$ 153,163	$ 157,702	$ 162,228	$ 166,741	$ 171,242	$ 175,730	$ 1,809,746
	b. Debt component (B)		$ 36,235	$ 37,566	$ 38,893	$ 40,217	$ 41,536	$ 42,853	$ 44,165	$ 45,474	$ 46,779	$ 48,081	$ 49,378	$ 50,672	$ 521,849
8.	Investment Expenses														
	a. Depreciation (C)		54,314	56,422	58,530	60,638	62,746	64,853	66,961	69,069	71,177	73,285	75,392	77,500	790,887
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		17,945	18,604	19,261	19,917	20,570	21,222	21,872	22,520	23,167	23,811	24,454	25,095	258,439
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		$ 234,154	$ 242,868	$ 251,563	$ 260,240	$ 268,899	$ 277,539	$ 286,161	$ 294,765	$ 303,351	$ 311,918	$ 320,467	$ 328,997	$ 3,380,921

Notes:

(A)	Line 6 x 7.1194% x 1/12. Based on Roe of 11.25%, and weighted income tax rate of 37.63%, expansion factor of 1.6329	7.2827%
(B)	Line 6 x 1.96% x 1/12	2.10%
(C)	Applicable depreciation rate is 3.1%	3.10%
(D)	Ad Valorem Tax Rate is 1.04%	1.04%

Florida City Gas
Exhibit B - SAFE Program Revenue Requirement
January 2019 through December 2019

Line	Description	Beginning of Period Amount	January-19	February-19	March-19	April-19	May-19	June-19	July-19	August-19	September-19	October-19	November-19	December-19	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains		$ 840,398	$ 840,398	$ 840,398	$ 840,398	$ 840,398	$ 840,398	$ 840,398	$ 840,398	$ 840,398	$ 840,398	$ 840,398	$ 840,398	$ 10,084,770
	b. Eligible Replacements - Services		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Eligible Replacements - Regulator Stations		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Other		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
2.	Gross Plant-in-Service/Depreciation Base	$ 30,000,048	$ 30,815,968	$ 31,656,366	$ 32,496,763	$ 33,337,161	$ 34,177,558	$ 35,017,956	$ 35,858,353	$ 36,698,751	$ 37,539,148	$ 38,379,546	$ 39,219,943	$ 40,060,341	
3.	Less: Accumulated Depreciation	(1,491,078)	(1,570,685)	(1,652,464)	(1,736,414)	(1,822,535)	(1,910,827)	(2,001,290)	(2,093,925)	(2,188,730)	(2,285,706)	(2,384,853)	(2,486,171)	(2,589,660)	
4.	CWIP - NonInterest Bearing	815,920	840,398	840,398	840,398	840,398	840,398	840,398	840,398	840,398	840,398	840,398	840,398	840,398	
5.	Net Book Value (Lines 2 + 3 + 4)	$ 29,324,890	$ 30,085,680	$ 30,844,299	$ 31,600,746	$ 32,355,023	$ 33,107,128	$ 33,857,063	$ 34,604,826	$ 35,350,418	$ 36,093,840	$ 36,835,090	$ 37,574,170	$ 38,311,078	
6.	Average Net Investment		$ 29,705,285	$ 30,464,989	$ 31,222,522	$ 31,977,884	$ 32,731,075	$ 33,482,095	$ 34,230,944	$ 34,977,622	$ 35,722,129	$ 36,464,465	$ 37,204,630	$ 37,942,624	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes (A)		$ 180,279	$ 184,889	$ 189,487	$ 194,071	$ 198,642	$ 203,200	$ 207,745	$ 212,276	$ 216,795	$ 221,300	$ 225,792	$ 230,271	$ 2,464,746
	b. Debt component (B)		$ 51,984	$ 53,314	$ 54,639	$ 55,961	$ 57,279	$ 58,594	$ 59,904	$ 61,211	$ 62,514	$ 63,813	$ 65,108	$ 66,400	$ 710,721
8.	Investment Expenses														
	a. Depreciation (C)		79,608	81,779	83,950	86,121	88,292	90,463	92,634	94,805	96,976	99,147	101,318	103,489	1,098,583
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		25,745	26,403	27,060	27,714	28,367	29,018	29,667	30,314	30,959	31,603	32,244	32,884	351,976
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		$ 337,616	$ 346,385	$ 355,136	$ 363,868	$ 372,581	$ 381,275	$ 389,950	$ 398,606	$ 407,244	$ 415,862	$ 424,462	$ 433,043	$ 4,626,026

Notes:

(A)	Line 6 x 7.1194% x 1/12. Based on Roe of 11.25%, and weighted income tax rate of 37.63%, expansion factor of 1.6329	7.2827%
(B)	Line 6 x 1.96% x 1/12	2.10%
(C)	Applicable depreciation rate is 3.1%	3.10%
(D)	Ad Valorem Tax Rate is 1.04%	1.04%

Florida City Gas
Exhibit B - SAFE Program Revenue Requirement
January 2020 through December 2020

Line	Description	Beginning of Period Amount	January-20	February-20	March-20	April-20	May-20	June-20	July-20	August-20	September-20	October-20	November-20	December-20	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains		$ 865,609	$ 865,609	$ 865,609	$ 865,609	$ 865,609	$ 865,609	$ 865,609	$ 865,609	$ 865,609	$ 865,609	$ 865,609	$ 865,609	$ 10,387,313
	b. Eligible Replacements - Services		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Eligible Replacements - Regulator Stations		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Other		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
2.	Gross Plant-in-Service/Depreciation Base	$ 40,060,341	$ 40,900,738	$ 41,766,348	$ 42,631,957	$ 43,497,566	$ 44,363,176	$ 45,228,785	$ 46,094,395	$ 46,960,004	$ 47,825,614	$ 48,691,223	$ 49,556,833	$ 50,422,442	
3.	Less: Accumulated Depreciation	(2,589,660)	(2,695,321)	(2,803,217)	(2,913,350)	(3,025,718)	(3,140,323)	(3,257,164)	(3,376,241)	(3,497,555)	(3,621,104)	(3,746,890)	(3,874,912)	(4,005,170)	
4.	CWIP - NonInterest Bearing	840,398	865,609	865,609	865,609	865,609	865,609	865,609	865,609	865,609	865,609	865,609	865,609	865,609	
5.	Net Book Value (Lines 2 + 3 + 4)	$ 38,311,078	$ 39,071,027	$ 39,828,740	$ 40,584,217	$ 41,337,458	$ 42,088,462	$ 42,837,231	$ 43,583,763	$ 44,328,059	$ 45,070,119	$ 45,809,943	$ 46,547,530	$ 47,282,882	
6.	Average Net Investment		$ 38,691,052	$ 39,449,884	$ 40,206,478	$ 40,960,837	$ 41,712,960	$ 42,462,846	$ 43,210,497	$ 43,955,911	$ 44,699,089	$ 45,440,031	$ 46,178,736	$ 46,915,206	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes (A)		$ 234,813	$ 239,418	$ 244,010	$ 248,588	$ 253,152	$ 257,703	$ 262,241	$ 266,765	$ 271,275	$ 275,772	$ 280,255	$ 284,724	$ 3,118,716
	b. Debt component (B)		$ 67,709	$ 69,037	$ 70,361	$ 71,681	$ 72,998	$ 74,310	$ 75,618	$ 76,923	$ 78,223	$ 79,520	$ 80,813	$ 82,102	$ 899,296
8.	Investment Expenses														
	a. Depreciation (C)		105,660	107,896	110,133	112,369	114,605	116,841	119,077	121,313	123,550	125,786	128,022	130,258	1,415,509
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		33,532	34,190	34,846	35,499	36,151	36,801	37,449	38,095	38,739	39,381	40,022	40,660	445,366
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		$ 441,715	$ 450,542	$ 459,349	$ 468,137	$ 476,906	$ 485,656	$ 494,386	$ 503,096	$ 511,787	$ 520,459	$ 529,111	$ 537,744	$ 5,878,887

Notes:

(A)	Line 6 x 7.1194% x 1/12. Based on Roe of 11.25%, and weighted income tax rate of 37.63%, expansion factor of 1.6329	7.2827%
(B)	Line 6 x 1.96% x 1/12	2.10%
(C)	Applicable depreciation rate is 3.1%	3.10%
(D)	Ad Valorem Tax Rate is 1.04%	1.04%

Florida City Gas
Exhibit B - SAFE Program Revenue Requirement
January 2021 through December 2021

Line	Description	Beginning of Period Amount	January-21	February-21	March-21	April-21	May-21	June-21	July-21	August-21	September-21	October-21	November-21	December-21	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains		$ 891,578	$ 891,578	$ 891,578	$ 891,578	$ 891,578	$ 891,578	$ 891,578	$ 891,578	$ 891,578	$ 891,578	$ 891,578	$ 891,578	$ 10,698,933
	b. Eligible Replacements - Services		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Eligible Replacements - Regulator Stations		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Other		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
2.	Gross Plant-in-Service/Depreciation Base	$ 50,422,442	$ 51,288,051	$ 52,179,629	$ 53,071,207	$ 53,962,785	$ 54,854,362	$ 55,745,940	$ 56,637,518	$ 57,529,095	$ 58,420,673	$ 59,312,251	$ 60,203,829	$ 61,095,406	
3.	Less: Accumulated Depreciation	(4,005,170)	(4,137,664)	(4,272,461)	(4,409,562)	(4,548,966)	(4,690,673)	(4,834,683)	(4,980,997)	(5,129,613)	(5,280,534)	(5,433,757)	(5,589,283)	(5,747,113)	
4.	CWIP - NonInterest Bearing	865,609	891,578	891,578	891,578	891,578	891,578	891,578	891,578	891,578	891,578	891,578	891,578	891,578	
5.	Net Book Value (Lines 2 + 3 + 4)	$ 47,282,882	$ 48,041,965	$ 48,798,746	$ 49,553,223	$ 50,305,397	$ 51,055,267	$ 51,802,835	$ 52,548,099	$ 53,291,060	$ 54,031,717	$ 54,770,072	$ 55,506,123	$ 56,239,871	
6.	Average Net Investment		$ 47,662,424	$ 48,420,356	$ 49,175,984	$ 49,929,310	$ 50,680,332	$ 51,429,051	$ 52,175,467	$ 52,919,579	$ 53,661,388	$ 54,400,894	$ 55,138,097	$ 55,872,997	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes (A)		$ 289,259	$ 293,859	$ 298,445	$ 303,017	$ 307,575	$ 312,119	$ 316,649	$ 321,165	$ 325,666	$ 330,154	$ 334,629	$ 339,089	$ 3,771,625
	b. Debt component (B)		$ 83,409	$ 84,736	$ 86,058	$ 87,376	$ 88,691	$ 90,001	$ 91,307	$ 92,609	$ 93,907	$ 95,202	$ 96,492	$ 97,778	$ 1,087,565
8.	Investment Expenses														
	a. Depreciation (C)		132,494	134,797	137,101	139,404	141,707	144,010	146,314	148,617	150,920	153,223	155,527	157,830	1,741,944
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		41,307	41,964	42,619	43,272	43,923	44,572	45,219	45,864	46,507	47,147	47,786	48,423	538,604
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		$ 546,470	$ 555,356	$ 564,223	$ 573,069	$ 581,895	$ 590,702	$ 599,488	$ 608,254	$ 617,001	$ 625,727	$ 634,433	$ 643,119	$ 7,139,737

Notes:

(A)	Line 6 x 7.1194% x 1/12. Based on Roe of 11.25%, and weighted income tax rate of 37.63%, expansion factor of 1.6329	7.2827%
(B)	Line 6 x 1.96% x 1/12	2.10%
(C)	Applicable depreciation rate is 3.1%	3.10%
(D)	Ad Valorem Tax Rate is 1.04%	1.04%

Florida City Gas
Exhibit B - SAFE Program Revenue Requirement
January 2022 through December 2022

Line	Description	Beginning of Period Amount	January-22	February-22	March-22	April-22	May-22	June-22	July-22	August-22	September-22	October-22	November-22	December-22	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains		$ 918,325	$ 918,325	$ 918,325	$ 918,325	$ 918,325	$ 918,325	$ 918,325	$ 918,325	$ 918,325	$ 918,325	$ 918,325	$ 918,325	$ 11,019,901
	b. Eligible Replacements - Services		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Eligible Replacements - Regulator Stations		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Other		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
2.	Gross Plant-in-Service/Depreciation Base	$ 61,095,406	$ 61,986,984	$ 62,905,309	$ 63,823,634	$ 64,741,959	$ 65,660,284	$ 66,578,609	$ 67,496,934	$ 68,415,259	$ 69,333,584	$ 70,251,909	$ 71,170,234	$ 72,088,560	
3.	Less: Accumulated Depreciation	(5,747,113)	(5,907,246)	(6,069,752)	(6,234,629)	(6,401,879)	(6,571,502)	(6,743,497)	(6,917,864)	(7,094,603)	(7,273,715)	(7,455,199)	(7,639,055)	(7,825,284)	
4.	CWIP - NonInterest Bearing	891,578	918,325	918,325	918,325	918,325	918,325	918,325	918,325	918,325	918,325	918,325	918,325	918,325	
5.	Net Book Value (Lines 2 + 3 + 4)	$ 56,239,871	$ 56,998,063	$ 57,753,882	$ 58,507,330	$ 59,258,405	$ 60,007,107	$ 60,753,438	$ 61,497,396	$ 62,238,981	$ 62,978,195	$ 63,715,036	$ 64,449,504	$ 65,181,600	
6.	Average Net Investment		$ 56,618,967	$ 57,375,973	$ 58,130,606	$ 58,882,867	$ 59,632,756	$ 60,380,273	$ 61,125,417	$ 61,868,189	$ 62,608,588	$ 63,346,615	$ 64,082,270	$ 64,815,552	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes (A)		$ 343,616	$ 348,210	$ 352,790	$ 357,355	$ 361,906	$ 366,443	$ 370,965	$ 375,473	$ 379,966	$ 384,445	$ 388,910	$ 393,360	$ 4,423,440
	b. Debt component (B)		$ 99,083	$ 100,408	$ 101,729	$ 103,045	$ 104,357	$ 105,665	$ 106,969	$ 108,269	$ 109,565	$ 110,857	$ 112,144	$ 113,427	$ 1,275,519
8.	Investment Expenses														
	a. Depreciation (C)		160,133	162,505	164,878	167,250	169,622	171,995	174,367	176,739	179,112	181,484	183,856	186,229	2,078,171
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		49,070	49,726	50,380	51,032	51,682	52,330	52,975	53,619	54,261	54,900	55,538	56,173	631,686
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		$ 651,902	$ 660,849	$ 669,776	$ 678,682	$ 687,568	$ 696,433	$ 705,277	$ 714,101	$ 722,904	$ 731,686	$ 740,448	$ 749,190	$ 8,408,815

Notes:

(A)	Line 6 x 7.1194% x 1/12. Based on Roe of 11.25%, and weighted income tax rate of 37.63%, expansion factor of 1.6329	7.2827%
(B)	Line 6 x 1.96% x 1/12	2.10%
(C)	Applicable depreciation rate is 3.1%	3.10%
(D)	Ad Valorem Tax Rate is 1.04%	1.04%

Florida City Gas
Exhibit B - SAFE Program Revenue Requirement
January 2023 through December 2023

Line	Description	Beginning of Period Amount	January-23	February-23	March-23	April-23	May-23	June-23	July-23	August-23	September-23	October-23	November-23	December-23	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains		$ 945,875	$ 945,875	$ 945,875	$ 945,875	$ 945,875	$ 945,875	$ 945,875	$ 945,875	$ 945,875	$ 945,875	$ 945,875	$ 945,875	$ 11,350,498
	b. Eligible Replacements - Services		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Eligible Replacements - Regulator Stations		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Other		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
2.	Gross Plant-in-Service/Depreciation Base	$ 72,088,560	$ 73,006,885	$ 73,952,759	$ 74,898,634	$ 75,844,509	$ 76,790,384	$ 77,736,259	$ 78,682,133	$ 79,628,008	$ 80,573,883	$ 81,519,758	$ 82,465,633	$ 83,411,507	
3.	Less: Accumulated Depreciation	(7,825,284)	(8,013,885)	(8,204,930)	(8,398,418)	(8,594,350)	(8,792,725)	(8,993,544)	(9,196,806)	(9,402,511)	(9,610,661)	(9,821,253)	(10,034,289)	(10,249,769)	
4.	CWIP - NonInterest Bearing	918,325	945,875	945,875	945,875	945,875	945,875	945,875	945,875	945,875	945,875	945,875	945,875	945,875	
5.	Net Book Value (Lines 2 + 3 + 4)	$ 65,181,600	$ 65,938,874	$ 66,693,704	$ 67,446,091	$ 68,196,034	$ 68,943,534	$ 69,688,590	$ 70,431,203	$ 71,171,372	$ 71,909,097	$ 72,644,379	$ 73,377,218	$ 74,107,613	
6.	Average Net Investment		$ 65,560,237	$ 66,316,289	$ 67,069,898	$ 67,821,063	$ 68,569,784	$ 69,316,062	$ 70,059,896	$ 70,801,287	$ 71,540,234	$ 72,276,738	$ 73,010,799	$ 73,742,415	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes (A)		$ 397,880	$ 402,468	$ 407,042	$ 411,600	$ 416,144	$ 420,673	$ 425,188	$ 429,687	$ 434,172	$ 438,642	$ 443,096	$ 447,537	$ 5,074,128
	b. Debt component (B)		$ 114,730	$ 116,054	$ 117,372	$ 118,687	$ 119,997	$ 121,303	$ 122,605	$ 123,902	$ 125,195	$ 126,484	$ 127,769	$ 129,049	$ 1,463,148
8.	Investment Expenses														
	a. Depreciation (C)		188,601	191,045	193,488	195,932	198,375	200,819	203,262	205,706	208,149	210,593	213,036	215,480	2,424,485
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		56,819	57,474	58,127	58,778	59,427	60,074	60,719	61,361	62,002	62,640	63,276	63,910	724,607
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		$ 758,030	$ 767,040	$ 776,029	$ 784,997	$ 793,944	$ 802,869	$ 811,773	$ 820,656	$ 829,518	$ 838,358	$ 847,178	$ 855,976	$ 9,686,368

Notes:

(A)	Line 6 x 7.1194% x 1/12. Based on Roe of 11.25%, and weighted income tax rate of 37.63%, expansion factor of 1.6329	7.2827%
(B)	Line 6 x 1.96% x 1/12	2.10%
(C)	Applicable depreciation rate is 3.1%	3.10%
(D)	Ad Valorem Tax Rate is 1.04%	1.04%

Florida City Gas
Exhibit B - SAFE Program Revenue Requirement
January 2024 through December 2024

Line	Description	Beginning of Period Amount	January-24	February-24	March-24	April-24	May-24	June-24	July-24	August-24	September-24	October-24	November-24	December-24	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains		$ 974,251	$ 974,251	$ 974,251	$ 974,251	$ 974,251	$ 974,251	$ 974,251	$ 974,251	$ 974,251	$ 974,251	$ 974,251	$ 974,251	$ 11,691,013
	b. Eligible Replacements - Services		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	c. Eligible Replacements - Regulator Stations		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	d. Other		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
2.	Gross Plant-in-Service/Depreciation Base	$ 83,411,507	$ 84,357,382	$ 85,331,633	$ 86,305,884	$ 87,280,135	$ 88,254,386	$ 89,228,637	$ 90,202,888	$ 91,177,140	$ 92,151,391	$ 93,125,642	$ 94,099,893	$ 95,074,144	
3.	Less: Accumulated Depreciation	(10,249,769)	(10,467,692)	(10,688,133)	(10,911,089)	(11,136,563)	(11,364,554)	(11,595,061)	(11,828,085)	(12,063,626)	(12,301,684)	(12,542,258)	(12,785,350)	(13,030,958)	
4.	CWIP - NonInterest Bearing	945,875	974,251	974,251	974,251	974,251	974,251	974,251	974,251	974,251	974,251	974,251	974,251	974,251	
5.	Net Book Value (Lines 2 + 3 + 4)	$ 74,107,613	$ 74,863,941	$ 75,617,752	$ 76,369,046	$ 77,117,823	$ 77,864,084	$ 78,607,828	$ 79,349,055	$ 80,087,765	$ 80,823,958	$ 81,557,634	$ 82,288,794	$ 83,017,437	
6.	Average Net Investment		$ 74,485,777	$ 75,240,846	$ 75,993,399	$ 76,743,435	$ 77,490,954	$ 78,235,956	$ 78,978,441	$ 79,718,410	$ 80,455,861	$ 81,190,796	$ 81,923,214	$ 82,653,115	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes (A)		$ 452,048	$ 456,630	$ 461,198	$ 465,750	$ 470,286	$ 474,807	$ 479,314	$ 483,804	$ 488,280	$ 492,740	$ 497,185	$ 501,615	$ 5,723,657
	b. Debt component (B)		$ 130,350	$ 131,671	$ 132,988	$ 134,301	$ 135,609	$ 136,913	$ 138,212	$ 139,507	$ 140,798	$ 142,084	$ 143,366	$ 144,643	$ 1,650,443
8.	Investment Expenses														
	a. Depreciation (C)		217,923	220,440	222,957	225,474	227,990	230,507	233,024	235,541	238,058	240,575	243,091	245,608	2,781,189
	b. Amortization		-	-	-	-	-	-	-	-	-	-	-	-	-
	c. Property Taxes (D)		64,554	65,209	65,861	66,511	67,159	67,804	68,448	69,089	69,728	70,365	71,000	71,633	817,362
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		$ 864,876	$ 873,951	$ 883,004	$ 892,035	$ 901,045	$ 910,032	$ 918,998	$ 927,942	$ 936,864	$ 945,764	$ 954,642	$ 963,499	$ 10,972,651

Notes:

(A)	Line 6 x 7.1194% x 1/12. Based on Roe of 11.25%, and weighted income tax rate of 37.63%, expansion factor of 1.6329	7.2827%
(B)	Line 6 x 1.96% x 1/12	2.10%
(C)	Applicable depreciation rate is 3.1%	3.10%
(D)	Ad Valorem Tax Rate is 1.04%	1.04%

Florida City Gas
Exhibit B - SAFE Program Revenue Requirement
January 2025 through December 2025

Line	Description	Beginning of Period Amount	January-25	February-25	March-25	April-25	May-25	June-25	July-25	August-25	September-25	October-25	November-25	December-25	End of Period Total
1.	Investments														
	a. Eligible Replacements - Mains		$ 996,009	$ 996,009	$ 996,009	$ 996,009	$ 996,009	$ 996,009	$ 996,009	$ 996,009	$ 996,009	$ -	$ -	$ -	$ 8,964,077
	b. Eligible Replacements - Services		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0	0	0	
	c. Eligible Replacements - Regulator Stations		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0	0	0	
	d. Other		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0	0	0	
2.	Gross Plant-in-Service/Depreciation Base	$ 95,074,144	$ 96,048,395	$ 97,044,403	$ 98,040,412	$ 99,036,420	$ 100,032,429	$ 101,028,437	$ 102,024,446	$ 103,020,454	$ 104,016,463	$ 104,016,463	$ 104,016,463	$ 104,016,463	
3.	Less: Accumulated Depreciation	(13,030,958)	(13,279,083)	(13,529,781)	(13,783,052)	(14,038,896)	(14,297,313)	(14,558,303)	(14,821,866)	(15,088,003)	(15,356,712)	(15,625,421)	(15,894,130)	(16,162,839)	
4.	CWIP - NonInterest Bearing	974,251	996,009	996,009	996,009	996,009	996,009	996,009	996,009	996,009	996,009	-	-	-	
5.	Net Book Value (Lines 2 + 3 + 4)	$ 83,017,437	$ 83,765,320	$ 84,510,631	$ 85,253,368	$ 85,993,533	$ 86,731,124	$ 87,466,143	$ 88,198,588	$ 88,928,460	$ 89,655,760	$ 88,391,042	$ 88,122,333	$ 87,853,623	
6.	Average Net Investment		$ 83,391,379	$ 84,137,976	$ 84,882,000	$ 85,623,451	$ 86,362,328	$ 87,098,633	$ 87,832,365	$ 88,563,524	$ 89,292,110	$ 89,023,401	$ 88,256,687	$ 87,987,978	
7.	Return on Average Net Investment														
	a. Equity component Grossed up for taxes (A)		$ 506,095	$ 510,626	$ 515,142	$ 519,642	$ 524,126	$ 528,594	$ 533,047	$ 537,485	$ 541,906	$ 540,276	$ 535,622	$ 533,992	$ 6,326,553
	b. Debt component (B)		$ 145,935	$ 147,241	$ 148,543	$ 149,841	$ 151,134	$ 152,423	$ 153,707	$ 154,986	$ 156,261	$ 155,791	$ 154,449	$ 153,979	$ 1,824,291
8.	Investment Expenses														
	a. Depreciation (C)		248,125	250,698	253,271	255,844	258,417	260,990	263,563	266,136	268,709	268,709	268,709	268,709	3,131,882
	b. Amortization		-	1	2	3	4	5	6	7	8	9	10	11	66
	c. Property Taxes (D)		72,273	72,920	73,564	74,207	74,847	75,485	76,121	76,755	77,386	77,154	76,489	76,256	903,458
	d. Other		-	-	-	-	-	-	-	-	-	-	-	-	-
9.	Revenue Requirements (Lines 7 + 8)		$ 972,428	$ 981,486	$ 990,523	$ 999,537	$ 1,008,528	$ 1,017,498	$ 1,026,444	$ 1,035,369	$ 1,044,271	$ 1,041,938	$ 1,035,280	$ 1,032,947	$ 12,186,250

Notes:

(A)	Line 6 x 7.1194% x 1/12. Based on Roe of 11.25%, and weighted income tax rate of 37.63%, expansion factor of 1.6329	7.2827%
(B)	Line 6 x 1.96% x 1/12	2.10%
(C)	Applicable depreciation rate is 3.1%	3.10%
(D)	Ad Valorem Tax Rate is 1.04%	1.04%

Florida City Gas
SAFE Program
Exhibit B - Work Paper 1

Revenue Requirements

		Calendar Yr	Rate Year	Incremental Calendar Year	Incremental Rate Year
Year	2015	$ 35,709		$ 35,709	$ -
	2016	$ 913,081	$ 913,081	$ 877,372	$ 913,081
	2017	$ 2,143,346	$ 2,143,346	$ 1,230,265	$ 1,230,265
	2018	$ 3,380,921	$ 3,380,921	$ 1,237,575	$ 1,237,575
	2019	$ 4,626,026	$ 4,626,026	$ 1,245,105	$ 1,245,105
	2020	$ 5,878,887	$ 5,878,887	$ 1,252,861	$ 1,252,861
	2021	$ 7,139,737	$ 7,139,737	$ 1,260,850	$ 1,260,850
	2022	$ 8,408,815	$ 8,408,815	$ 1,269,078	$ 1,269,078
	2023	$ 9,686,368	$ 9,686,368	$ 1,277,553	$ 1,277,553
	2024	$ 10,972,651	$ 10,972,651	$ 1,286,282	$ 1,286,282
	2025	$ 12,186,250	$ 12,186,250	$ 1,213,599	$ 1,213,599
	2026		$ -		
	Total	$ 65,371,793	$ 65,336,084		

Florida City Gas
SAFE Program
Exhibit B - Work Paper 2

10 Year Plan								
Base Rates	2"	$53.98	4"	$60.57	Growth Rate	0.03		
Year	2" Rate	2" Footage	2" Cost	4" Rate	4" Footage	4" Cost	**Total**
1	$55.60	132549.1	$7,369,651.54	$62.39	28702.08	$1,790,639.54	**$9,160,291.08**
2	$57.27	132549.1	$7,590,741.09	$64.26	28702.08	$1,844,358.72	**$9,435,099.81**
3	$58.99	132549.1	$7,818,463.32	$66.19	28702.08	$1,899,689.48	**$9,718,152.80**
4	$60.75	132549.1	$8,053,017.22	$68.17	28702.08	$1,956,680.17	**$10,009,697.39**
5	$62.58	132549.1	$8,294,607.74	$70.22	28702.08	$2,015,380.57	**$10,309,988.31**
6	$64.45	132549.1	$8,543,445.97	$72.32	28702.08	$2,075,841.99	**$10,619,287.96**
7	$66.39	132549.1	$8,799,749.35	$74.49	28702.08	$2,138,117.25	**$10,937,866.60**
8	$68.38	132549.1	$9,063,741.83	$76.73	28702.08	$2,202,260.77	**$11,266,002.60**
9	$70.43	132549.1	$9,335,654.08	$79.03	28702.08	$2,268,328.59	**$11,603,982.67**
10	$72.54	132549.1	$9,615,723.71	$81.40	28702.08	$2,336,378.45	**$11,952,102.15**
						Program Total	**$105,012,471.37**

2015	$2,290,072.77	$2,290,072.77
2016	$9,228,993.26	$9,228,993.26
2017	$9,505,863.06	$9,505,863.06
2018	$9,791,038.95	$9,791,038.95
2019	$10,084,770.12	$10,084,770.12
2020	$10,387,313.22	$10,387,313.22
2021	$10,698,932.62	$10,698,932.62
2022	$11,019,900.60	$11,019,900.60
2023	$11,350,497.62	$11,350,497.62
2024	$11,691,012.54	$11,691,012.54
2025	$8,964,076.62	$8,964,076.62
2026	$105,012,471.37	$105,012,471.37

EXHIBIT C

(Rate Design)

Florida City Gas
Exhibit C - SAFE Program Rates
January 2016 through December 2016

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (2)	Monthly Customer Surcharge
GS-1	22.49%	$ 205,396.27	290,138	$ 0.71
GS-100	42.60%	$ 388,933.90	549,399	$ 0.71
GS-220	26.23%	$ 239,486.45	338,293	$ 0.71
GS-600	1.29%	$ 11,764.32	16,618	$ 0.71
GS-1200	2.58%	$ 23,575.36	33,302	$ 0.71
GS-6000	3.81%	$ 34,831.23	26,614	$ 1.31
GS-25000	0.53%	$ 4,868.57	3,720	$ 1.31
GS-60000	0.12%	$ 1,130.77	864	$ 1.31
GS-120K	0.08%	$ 740.76	566	$ 1.31
GS-250K	0.07%	$ 619.04	473	$ 1.31
GS-1250K	0.01%	$ 109.94	84	$ 1.31
GAS LIGHTING	0.18%	$ 1,624.69	2,295	$ 0.71
Total	100%	$ 913,081.27		

Note:

(1) - Peak and Average Therms from FCG's most recent rate case

(2) - 2014 actual billing units

Florida City Gas
Exhibit C - SAFE Program Rates
January 2017 through December 2017

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (2)	Monthly Customer Surcharge
GS-1	22.49%	$ 482,142.44	290,138	$ 1.66
GS-100	42.60%	$ 912,974.42	549,399	$ 1.66
GS-220	26.23%	$ 562,164.94	338,293	$ 1.66
GS-600	1.29%	$ 27,615.28	16,618	$ 1.66
GS-1200	2.58%	$ 55,340.24	33,302	$ 1.66
GS-6000	3.81%	$ 81,762.01	26,614	$ 3.07
GS-25000	0.53%	$ 11,428.37	3,720	$ 3.07
GS-60000	0.12%	$ 2,654.33	864	$ 3.07
GS-120K	0.08%	$ 1,738.83	566	$ 3.07
GS-250K	0.07%	$ 1,453.12	473	$ 3.07
GS-1250K	0.01%	$ 258.06	84	$ 3.07
GAS LIGHTI	0.18%	$ 3,813.76	2,295	$ 1.66
Total	100%	$ 2,143,345.81		

Note:

(1) - Peak and Average Therms from FCG's most recent rate case

(2) - 2014 actual billing units

Florida City Gas
Exhibit C - SAFE Program Rates
January 2018 through December 2018

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (2)	Monthly Customer Surcharge
GS-1	22.49%	$ 760,533.14	290,138	$ 2.62
GS-100	42.60%	$ 1,440,128.99	549,399	$ 2.62
GS-220	26.23%	$ 886,760.91	338,293	$ 2.62
GS-600	1.29%	$ 43,560.44	16,618	$ 2.62
GS-1200	2.58%	$ 87,293.89	33,302	$ 2.62
GS-6000	3.81%	$ 128,971.68	26,614	$ 4.85
GS-25000	0.53%	$ 18,027.15	3,720	$ 4.85
GS-60000	0.12%	$ 4,186.95	864	$ 4.85
GS-120K	0.08%	$ 2,742.84	566	$ 4.85
GS-250K	0.07%	$ 2,292.16	473	$ 4.85
GS-1250K	0.01%	$ 407.06	84	$ 4.85
GAS LIGHTI	0.18%	$ 6,015.84	2,295	$ 2.62
Total	100%	$ 3,380,921.06		

Note:
(1) - Peak and Average Therms from FCG's most recent rate case
(2) - 2014 actual billing units

Florida City Gas
Exhibit C - SAFE Program Rates
January 2019 through December 2019

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (2)	Monthly Customer Surcharge
GS-1	22.49%	$ 1,040,617.70	290,138	$ 3.59
GS-100	42.60%	$ 1,970,491.02	549,399	$ 3.59
GS-220	26.23%	$ 1,213,331.88	338,293	$ 3.59
GS-600	1.29%	$ 59,602.62	16,618	$ 3.59
GS-1200	2.58%	$ 119,441.96	33,302	$ 3.59
GS-6000	3.81%	$ 176,468.60	26,614	$ 6.63
GS-25000	0.53%	$ 24,666.08	3,720	$ 6.63
GS-60000	0.12%	$ 5,728.90	864	$ 6.63
GS-120K	0.08%	$ 3,752.96	566	$ 6.63
GS-250K	0.07%	$ 3,136.31	473	$ 6.63
GS-1250K	0.01%	$ 556.98	84	$ 6.63
GAS LIGHTI	0.18%	$ 8,231.32	2,295	$ 3.59
Total	100%	$ 4,626,026.32		

Note:

(1) - Peak and Average Therms from FCG's most recent rate case

(2) - 2014 actual billing units

Florida City Gas
Exhibit C - SAFE Program Rates
January 2010 through December 2020

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (2)	Monthly Customer Surcharge
GS-1	22.49%	$ 1,322,446.95	290,138	$ 4.56
GS-100	42.60%	$ 2,504,156.75	549,399	$ 4.56
GS-220	26.23%	$ 1,541,937.10	338,293	$ 4.56
GS-600	1.29%	$ 75,744.73	16,618	$ 4.56
GS-1200	2.58%	$ 151,790.28	33,302	$ 4.56
GS-6000	3.81%	$ 224,261.38	26,614	$ 8.43
GS-25000	0.53%	$ 31,346.37	3,720	$ 8.43
GS-60000	0.12%	$ 7,280.45	864	$ 8.43
GS-120K	0.08%	$ 4,769.37	566	$ 8.43
GS-250K	0.07%	$ 3,985.71	473	$ 8.43
GS-1250K	0.01%	$ 707.82	84	$ 8.43
GAS LIGHTI	0.18%	$ 10,460.59	2,295	$ 4.56
Total	100%	$ 5,878,887.50		

Note:

(1) - Peak and Average Therms from FCG's most recent rate case

(2) - 2014 actual billing units

Florida City Gas
Exhibit C - SAFE Program Rates
January 2021 through December 2021

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (2)	Monthly Customer Surcharge
GS-1	22.49%	$ 1,606,073.22	290,138	$ 5.54
GS-100	42.60%	$ 3,041,225.29	549,399	$ 5.54
GS-220	26.23%	$ 1,872,637.60	338,293	$ 5.54
GS-600	1.29%	$ 91,989.76	16,618	$ 5.54
GS-1200	2.58%	$ 184,344.86	33,302	$ 5.54
GS-6000	3.81%	$ 272,358.90	26,614	$ 10.23
GS-25000	0.53%	$ 38,069.25	3,720	$ 10.23
GS-60000	0.12%	$ 8,841.89	864	$ 10.23
GS-120K	0.08%	$ 5,792.26	566	$ 10.23
GS-250K	0.07%	$ 4,840.53	473	$ 10.23
GS-1250K	0.01%	$ 859.63	84	$ 10.23
GAS LIGHTI	0.18%	$ 12,704.09	2,295	$ 5.54
Total	100%	$ 7,139,737.27		

Note:

(1) - Peak and Average Therms from FCG's most recent rate case

(2) - 2014 actual billing units

Florida City Gas
Exhibit C - SAFE Program Rates
January 2022 through December 2022

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (2)	Monthly Customer Surcharge
GS-1	22.49%	$ 1,891,550.43	290,138	$ 6.52
GS-100	42.60%	$ 3,581,798.71	549,399	$ 6.52
GS-220	26.23%	$ 2,205,496.24	338,293	$ 6.52
GS-600	1.29%	$ 108,340.81	16,618	$ 6.52
GS-1200	2.58%	$ 217,111.90	33,302	$ 6.52
GS-6000	3.81%	$ 320,770.30	26,614	$ 12.05
GS-25000	0.53%	$ 44,836.01	3,720	$ 12.05
GS-60000	0.12%	$ 10,413.52	864	$ 12.05
GS-120K	0.08%	$ 6,821.82	566	$ 12.05
GS-250K	0.07%	$ 5,700.92	473	$ 12.05
GS-1250K	0.01%	$ 1,012.43	84	$ 12.05
GAS LIGHTI	0.18%	$ 14,962.22	2,295	$ 6.52
Total	100%	$ 8,408,815.30		

Note:

(1) - Peak and Average Therms from FCG's most recent rate case

(2) - 2014 actual billing units

Florida City Gas
Exhibit C - SAFE Program Rates
January 2023 through December 2023

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (2)	Monthly Customer Surcharge
GS-1	22.49%	$ 2,178,934.09	290,138	$ 7.51
GS-100	42.60%	$ 4,125,982.16	549,399	$ 7.51
GS-220	26.23%	$ 2,540,577.76	338,293	$ 7.51
GS-600	1.29%	$ 124,801.05	16,618	$ 7.51
GS-1200	2.58%	$ 250,097.76	33,302	$ 7.51
GS-6000	3.81%	$ 369,505.00	26,614	$ 13.88
GS-25000	0.53%	$ 51,647.95	3,720	$ 13.88
GS-60000	0.12%	$ 11,995.65	864	$ 13.88
GS-120K	0.08%	$ 7,858.26	566	$ 13.88
GS-250K	0.07%	$ 6,567.06	473	$ 13.88
GS-1250K	0.01%	$ 1,166.24	84	$ 13.88
GAS LIGHTI	0.18%	$ 17,235.43	2,295	$ 7.51
Total	100%	$ 9,686,368.43		

Note:

(1) - Peak and Average Therms from FCG's most recent rate case

(2) - 2014 actual billing units

Florida City Gas
Exhibit C - SAFE Program Rates
January 2024 through December 2024

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (2)	Monthly Customer Surcharge
GS-1	22.49%	$ 2,468,281.41	290,138	$ 8.51
GS-100	42.60%	$ 4,673,883.95	549,399	$ 8.51
GS-220	26.23%	$ 2,877,948.85	338,293	$ 8.51
GS-600	1.29%	$ 141,373.76	16,618	$ 8.51
GS-1200	2.58%	$ 283,309.00	33,302	$ 8.51
GS-6000	3.81%	$ 418,572.70	26,614	$ 15.73
GS-25000	0.53%	$ 58,506.44	3,720	$ 15.73
GS-60000	0.12%	$ 13,588.59	864	$ 15.73
GS-120K	0.08%	$ 8,901.79	566	$ 15.73
GS-250K	0.07%	$ 7,439.13	473	$ 15.73
GS-1250K	0.01%	$ 1,321.11	84	$ 15.73
GAS LIGHTI	0.18%	$ 19,524.18	2,295	$ 8.51
Total	100%	$ 10,972,650.92		

Note:

(1) - Peak and Average Therms from FCG's most recent rate case

(2) - 2014 actual billing units

Florida City Gas
Exhibit C - SAFE Program Rates
January 2025 through December 2025

Class	Percentage Allocation to Customer Class	Revenue to be collected From Rate Class	Total Annual Billing Units (2)	Monthly Customer Surcharge
GS-1	22.49%	$ 2,741,278.67	290,138	$ 9.45
GS-100	42.60%	$ 5,190,825.61	549,399	$ 9.45
GS-220	26.23%	$ 3,196,256.21	338,293	$ 9.45
GS-600	1.29%	$ 157,010.01	16,618	$ 9.45
GS-1200	2.58%	$ 314,643.59	33,302	$ 9.45
GS-6000	3.81%	$ 464,867.74	26,614	$ 17.47
GS-25000	0.53%	$ 64,977.38	3,720	$ 17.47
GS-60000	0.12%	$ 15,091.52	864	$ 17.47
GS-120K	0.08%	$ 9,886.34	566	$ 17.47
GS-250K	0.07%	$ 8,261.91	473	$ 17.47
GS-1250K	0.01%	$ 1,467.23	84	$ 17.47
GAS LIGHTI	0.18%	$ 21,683.59	2,295	$ 9.45
Total	100%	$ 12,186,249.81		

Note:

(1) - Peak and Average Therms from FCG's most recent rate case

(2) - 2014 actual billing units

Workpaper 1 - Exhibit C

Rate Year Beginning	Rate Year Revenue Requirement
1-Jan-16	$ 913,081.27
1-Jan-17	$ 2,143,345.81
1-Jan-18	$ 3,380,921.06
1-Jan-19	$ 4,626,026.32
1-Jan-20	$ 5,878,887.50
1-Jan-21	$ 7,139,737.27
1-Jan-22	$ 8,408,815.30
1-Jan-23	$ 9,686,368.43
1-Jan-24	$ 10,972,650.92
1-Jan-25	$ 12,186,249.81

Workpaper 2 - Exhibit C

Pipe to be Allocated to All Customers

All Customers

Material	Mileage	Footage	Currnet Budget Cost per Foot	Total Cost
2"	254.5	1,343,760	$ 53.98	$72,536,165
Grand Tota	254.5	1,343,760		$72,536,165

Larger Customers Only

Material	Mileage	Footage	Incremental Cost per Foot	Total Cost
4"	45.3	239,184	$ 6.59	$1,576,223
Grand Tota	254.5	239,184		$1,576,223

Billing Unit Allocation Percentages

Class	Annual Billing Units	Minimum Size 2" Pipe Cost	Incremental 4" Pipe Cost	Total	Percentage Allocation
GS-1	290,138	$ 16,671,471		$ 16,671,471	22.5%
GS-100	549,399	$ 31,568,734		$ 31,568,734	42.6%
GS-220	338,293	$ 19,438,480		$ 19,438,480	26.2%
GS-600	16,618	$ 954,878		$ 954,878	1.3%
GS-1200	33,302	$ 1,913,549		$ 1,913,549	2.6%
GS-6000	26,614	$ 1,529,253	$ 1,297,905	$ 2,827,158	3.8%
GS-25000	3,720	$ 213,753	$ 181,416	$ 395,169	0.5%
GS-60000	864	$ 49,646	$ 42,135	$ 91,781	0.1%
GS-120K	566	$ 32,523	$ 27,603	$ 60,125	0.1%
GS-250K	473	$ 27,179	$ 23,067	$ 50,246	0.1%
GS-1250K	84	$ 4,827	$ 4,096	$ 8,923	0.0%
GAS LIGHTI	2,295	$ 131,872		$ 131,872	0.2%
Total	1,262,366	$ 72,536,165	$ 1,576,223	$ 74,112,387	100%

Workpaper 3 - Exhibit C

Percentage Allocation to Customer Class	Billing Units	Class	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
			$ 903,531	**$ 2,121,167**	**$ 3,346,131**	**$ 4,578,645**	**$ 5,818,934**	**$ 7,067,233**	**$ 8,323,781**	**$ 9,588,825**	**$ 10,862,621**	**$ 12,064,630**
22.49%	290,138	GS-1	$ 8.41	$ 19.73	$ 31.13	$ 42.60	$ 54.14	$ 65.75	$ 77.44	$ 89.21	$ 101.06	$ 112.25
42.60%	549,399	GS-100	$ 8.41	$ 19.73	$ 31.13	$ 42.60	$ 54.14	$ 65.75	$ 77.44	$ 89.21	$ 101.06	$ 112.25
26.23%	338,293	GS-220	$ 8.41	$ 19.73	$ 31.13	$ 42.60	$ 54.14	$ 65.75	$ 77.44	$ 89.21	$ 101.06	$ 112.25
1.29%	16,618	GS-600	$ 8.41	$ 19.73	$ 31.13	$ 42.60	$ 54.14	$ 65.75	$ 77.44	$ 89.21	$ 101.06	$ 112.25
2.58%	33,302	GS-1200	$ 8.41	$ 19.73	$ 31.13	$ 42.60	$ 54.14	$ 65.75	$ 77.44	$ 89.21	$ 101.06	$ 112.25
3.81%	26,614	GS-6000	$ 15.54	$ 36.48	$ 57.55	$ 78.75	$ 100.09	$ 121.56	$ 143.17	$ 164.93	$ 186.84	$ 207.51
0.53%	3,720	GS-25000	$ 15.54	$ 36.48	$ 57.55	$ 78.75	$ 100.09	$ 121.56	$ 143.17	$ 164.93	$ 186.84	$ 207.51
0.12%	864	GS-60000	$ 15.54	$ 36.48	$ 57.55	$ 78.75	$ 100.09	$ 121.56	$ 143.17	$ 164.93	$ 186.84	$ 207.51
0.08%	566	GS-120K	$ 15.54	$ 36.48	$ 57.55	$ 78.75	$ 100.09	$ 121.56	$ 143.17	$ 164.93	$ 186.84	$ 207.51
0.07%	473	GS-250K	$ 15.54	$ 36.48	$ 57.55	$ 78.75	$ 100.09	$ 121.56	$ 143.17	$ 164.93	$ 186.84	$ 207.51
0.01%	84	GS-1250K	$ 15.54	$ 36.48	$ 57.55	$ 78.75	$ 100.09	$ 121.56	$ 143.17	$ 164.93	$ 186.84	$ 207.51
0.18%	2,295	GAS LIGHTING	$ 8.41	$ 19.73	$ 31.13	$ 42.60	$ 54.14	$ 65.75	$ 77.44	$ 89.21	$ 101.06	$ 112.25

EXHIBIT D

(Bill Comparison)

Florida City Gas
Exhibit D - SAFE Program Billing Comparison
2016 through 2025

Rate Class	Current Customer Charge	Current Demand Charge	Current per Therm Rate	Total Annual Billing Units	Annual Volumes in Therms	Annual DCQ in Therms	Gas Cost at Current PGA $0.65/Therm	Total Average Bill at FCG PGA Gas cost without SAVE Program
GS-1	$ 8.00		$ 0.5621	290,138	2,087,176		$ 1,356,664	$ 201
GS-100	$ 9.50		$ 0.5225	549,399	6,627,222		$ 4,307,694	$ 284
GS-220	$ 11.00		$ 0.4953	338,293	6,961,504		$ 4,524,977	$ 415
GS-600	$ 12.00		$ 0.4366	16,618	1,077,134		$ 700,137	$ 989
GS-1200	$ 15.00		$ 0.3172	33,302	9,414,816		$ 6,119,631	$ 3,461
GS-6000	$ 30.00		$ 0.2749	26,614	23,973,921		$ 15,583,049	$ 10,357
GS-25000	$ 80.00		$ 0.2762	3,720	9,848,176		$ 6,401,315	$ 30,383
GS-60000	$ 150.00		$ 0.2748	864	4,971,638		$ 3,231,565	$ 65,656
GS-120K	$ 250.00	$ 0.289	$ 0.1808	566	9,974,557	668,497	$ 6,483,462	$ 182,798
GS-250K	$ 300.00	$ 0.289	$ 0.1719	473	17,429,227	2,103,798	$ 11,328,997	$ 382,456
GS-1250K	$ 500.00	$ 0.289	$ 0.1223	84	15,150,025	173,340	$ 9,847,516	$ 1,684,529
GAS LIGHTING	$ 11.70		$ 0.5954	2,295	15,504		$ 10,078	$ 241

Annual SAVE Program Rider Cost

Rate Class	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GS-1	$ 8.52	$ 19.92	$ 31.44	$ 43.08	$ 54.72	$ 66.48	$ 78.24	$ 90.12	$ 102.12	$ 113.40
GS-100	$ 8.52	$ 19.92	$ 31.44	$ 43.08	$ 54.72	$ 66.48	$ 78.24	$ 90.12	$ 102.12	$ 113.40
GS-220	$ 8.52	$ 19.92	$ 31.44	$ 43.08	$ 54.72	$ 66.48	$ 78.24	$ 90.12	$ 102.12	$ 113.40
GS-600	$ 8.52	$ 19.92	$ 31.44	$ 43.08	$ 54.72	$ 66.48	$ 78.24	$ 90.12	$ 102.12	$ 113.40
GS-1200	$ 8.52	$ 19.92	$ 31.44	$ 43.08	$ 54.72	$ 66.48	$ 78.24	$ 90.12	$ 102.12	$ 113.40
GS-6000	$ 15.72	$ 36.84	$ 58.20	$ 79.56	$ 101.16	$ 122.76	$ 144.60	$ 166.56	$ 188.76	$ 209.64
GS-25000	$ 15.72	$ 36.84	$ 58.20	$ 79.56	$ 101.16	$ 122.76	$ 144.60	$ 166.56	$ 188.76	$ 209.64
GS-60000	$ 15.72	$ 36.84	$ 58.20	$ 79.56	$ 101.16	$ 122.76	$ 144.60	$ 166.56	$ 188.76	$ 209.64
GS-120K	$ 15.72	$ 36.84	$ 58.20	$ 79.56	$ 101.16	$ 122.76	$ 144.60	$ 166.56	$ 188.76	$ 209.64
GS-250K	$ 15.72	$ 36.84	$ 58.20	$ 79.56	$ 101.16	$ 122.76	$ 144.60	$ 166.56	$ 188.76	$ 209.64
GS-1250K	$ 15.72	$ 36.84	$ 58.20	$ 79.56	$ 101.16	$ 122.76	$ 144.60	$ 166.56	$ 188.76	$ 209.64
GAS LIGHTING	$ 8.52	$ 19.92	$ 31.44	$ 43.08	$ 54.72	$ 66.48	$ 78.24	$ 90.12	$ 102.12	$ 113.40

Percentage increase in Total Bill from SAVE Program

Rate Class	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GS-1	4.25%	9.93%	15.67%	21.47%	27.27%	33.13%	39.00%	44.92%	50.90%	56.52%
GS-100	3.00%	7.02%	11.08%	15.18%	19.29%	23.43%	27.58%	31.76%	35.99%	39.97%
GS-220	2.05%	4.80%	7.58%	10.39%	13.19%	16.03%	18.86%	21.72%	24.62%	27.34%
GS-600	0.86%	2.01%	3.18%	4.36%	5.53%	6.72%	7.91%	9.11%	10.32%	11.46%
GS-1200	0.25%	0.58%	0.91%	1.24%	1.58%	1.92%	2.26%	2.60%	2.95%	3.28%
GS-6000	0.15%	0.36%	0.56%	0.77%	0.98%	1.19%	1.40%	1.61%	1.82%	2.02%
GS-25000	0.05%	0.12%	0.19%	0.26%	0.33%	0.40%	0.48%	0.55%	0.62%	0.69%
GS-60000	0.02%	0.06%	0.09%	0.12%	0.15%	0.19%	0.22%	0.25%	0.29%	0.32%
GS-120K	0.01%	0.02%	0.03%	0.04%	0.06%	0.07%	0.08%	0.09%	0.10%	0.11%
GS-250K	0.00%	0.01%	0.02%	0.02%	0.03%	0.03%	0.04%	0.04%	0.05%	0.05%
GS-1250K	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
GAS LIGHTING	3.53%	8.25%	13.03%	17.85%	22.67%	27.54%	32.42%	37.34%	42.31%	46.98%

EXHIBIT E

(Tariff Pages – Clean and Legislative)

RIDER "F"

SAFETY, ACCESS, AND FACILITYENHANCEMENT (SAFE) PROGRAM

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

Through its SAFE Program, the Company has identified the potential replacement projects focusing initially on area of limited access/pipe overbuilds, and risk assessment for Rear Lot Mains and Services considering:

i. The pipe material;
ii. Leak incident rates;
iii. Age of pipeline;
iv. Pressure under which the pipeline is operating.

The Eligible Infrastructure Replacement includes the following:

1. Company investment in mains and service lines, as replacements for existing Rear Lot Facilities, and regulatory station and other distribution system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities that:

   i. do not increase revenues by directly connecting new customers to the plant asset;
   ii. are in service and used and useful in providing utility service; and
   iii. that were not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.

The company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report;

2. Depreciation expense (calculated using the currently approved depreciation rates);

RIDER "F"

SAFETY AND ACCESS VERIFICAITON EXPEDITED (SAVE) PROGRAM
Continued

3. Customer and general public notification expenses associated with the SAFE Program incurred for:

    i. all customers regarding the implementation of the SAFE Program and the approved surcharge factors;
    ii. the immediately affected customers where the eligible infrastructure is being replaced; and
    iii. the general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities;

4. Ad valorem taxes ; and

5. federal and state income taxes.

The Company is utilizing a surcharge mechanism in order to recover the costs associated with the SAFE Program. The Company has developed the revenue requirement for the SAFE Program using the same methodology approved in its most recent rate case. The SAFE revenue requirement will be allocated to each customer class (Rate Schedule) using allocation factors established by the Florida Public Service Commission for the SAFE Program. The per Customer SAFE surcharge is calculated by dividing the revenue requirement allocated to each customer class by the number of customer in the class

The cost recovery factors including tax multiplier for the twelve month period from January 1, 2016 through December 31, 2016 are:

Rate Class	Rates Per Customer	
Rate Schedule GS-1	$	0.71
Rate Schedule GS-100	$	0.71
Rate Schedule GS-220	$	0.71
Rate Schedule GS-600	$	0.71
Rate Schedule GS-1.2k	$	0.71
Rate Schedule GS-6k	$	1.31
Rate Schedule GS-25k	$	1.31
Rate Schedule GS-60k	$	1.31
Rate Schedule GS-120k	$	1.31
Rate Schedule GS-250k	$	1.31
Rate Schedule GS-1.250k	$	1.31
Rate Schedule GL	$	0.71
Rate Schedule RSE	$	0.71

RIDER "F"

SAFETY AND ACCESS VERIFICAITON EXPEDITED (SAVE) PROGRAM
Continued

Rate Schedule CGS	$	0.71

Procedure for Establishing SAFE Revenue Requirement

The SAFE Revenue Requirements and any changes thereto shall be calculated and implemented in accordance with the provisions contained in this Rider. SAFE Revenues shall be subject to refund based upon a finding and order of the Commission to the extent provided in this Rider.

The Company shall calculate its SAFE Revenue Requirements annually in the manner prescribed by this Rider and shall file the appropriate petitions with the Commission seeking to establish or change the SAFE Revenue Requirements and Surcharge. The annual filings shall include the following:

1. An annual final true-up filing showing the actual Eligible Replacement costs and actual SAFE Revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to the annual petition filing. As part of this filing, the Company shall include a summary comparison of the actual Eligible Replacement costs and SAFE Revenues to the estimated total Eligible Replacement costs and SAFE Revenues previously reported for the same period covered by the filing in paragraph (2) of this section. The filing shall also include the final over- or under-recovery of total SAFE Revenue Requirements for the final true-up period.

2. An annual estimated/actual true-up filing showing seven months actual and five months projected Eligible Replacement costs and any SAFE Revenues collected or projected to be collected during the estimated/actual true-up period. The filing shall also include the estimated/actual over- or under-recovery of total Eligible Replacement costs for the estimated/actual true-up period.

3. An annual projection filing showing 12 months projected SAFE Revenue Requirements for the period beginning January 1 following the annual filing hearing.

4. An annual petition setting forth proposed SAFE Revenue Requirements and Surcharges to be effective for the 12-month period beginning January 1 following the annual hearing. Such proposed SAFE Revenue Requirements and Surcharges shall take into account the data filed pursuant to paragraphs (1), (2), and (3) of this section.

The Company shall establish separate accounts or subaccounts for each Eligible Replacement for purposes of recording the costs incurred for each project. The Company shall also establish a separate account or subaccount for any revenues derived from SAFE Surcharges.

Calculation of the SAFE Revenue Requirements and SAFE Surcharges

RIDER "F"

SAFETY AND ACCESS VERIFICAITON EXPEDITED (SAVE) PROGRAM
Continued

In determining the SAFE Revenue Requirements, the Commission shall consider only (a) the net original cost of Eligible Replacements (i.e., the original cost); (b) the applicable depreciation rates as determined and approved by the Commission based on the Company's most recent depreciation study; (c) the accumulated depreciation associated with the Eligible Replacements; and (d) the current state and federal income and ad valorem taxes; and (e) the Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report.

The SAFE Revenue Requirements shall be calculated as Follows:

Line	Description	Value	Source
1	Revenue Expansion Factor	1.6280	As calculated in most recent base rate proceeding, using current tax rates
2	Ad Valorem Tax Rate	%	Effective Property Tax Rate for most recent 12 Months ended December 31.
3	Mains	$	Eligible Replacements Mains
4	Services	$	Eligible Replacement Services
5	Regulators	$	Eligible Replacement Regulators
6	Other	$	Eligible Replacement Other
7	Gross Plant	$	L3+L4+L5+L6
8	Accumulated Depreciation	$	Previous Period Balance +L13
9	Construction Work In Progress	$	Noninterest Bearing
10	Net Book Value	$	L7-L8+L9
11	Average Net Book Value	$	(L10 + Balance From Previous Period)/2
12	Return on Average Net Book Value	$	L 11 X Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report.
13	Depreciation Expense	$	Lines 3,4,5 & 6 X applicable approved Depreciation Rates
14	Property Tax	$	(L7-L8) X L 2
15	Customer and general public notification and other applicable expense	$	O&M expense incurred as a result of eligible plant replacement
16	SAFE Revenue Requirement	$	(L12+L13+L14+L15) X L 1

RIDER "F"

SAFETY, ACCESS, AND FACILITYENHANCEMENT (SAFE) PROGRAM

Applicable to all Customers served under the Rate Schedules shown in the table below except for those Customers receiving a discount under the AFD Rider.

Through its SAFE Program, the Company has identified the potential replacement projects focusing initially on area of limited access/pipe overbuilds, and risk assessment for Rear Lot Mains and Services considering:

- i. The pipe material;
- ii. Leak incident rates;
- iii. Age of pipeline;
- iv. Pressure under which the pipeline is operating.

The Eligible Infrastructure Replacement includes the following:

1. Company investment in mains and service lines, as replacements for existing Rear Lot Facilities, and regulatory station and other distribution system components, the installation of which is required as a consequence of the replacement of the aforesaid facilities that:

   - i. do not increase revenues by directly connecting new customers to the plant asset;
   - ii. are in service and used and useful in providing utility service; and
   - iii. that were not included in the Company's rate base for purposes of determining the Company's base rates in its most recent general base rate proceeding.

The company is recovering its revenue requirement on the actual investment amounts. The revenue requirements are inclusive of:

1. Return on investment as calculated using the Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report;

2. Depreciation expense (calculated using the currently approved depreciation rates);

RIDER "F"

SAFETY AND ACCESS VERIFICAITON EXPEDITED (SAVE) PROGRAM
Continued

3. Customer and general public notification expenses associated with the SAFE Program incurred for:

    i. all customers regarding the implementation of the SAFE Program and the approved surcharge factors;
    ii. the immediately affected customers where the eligible infrastructure is being replaced; and
    iii. the general public through publications (newspapers) covering the geographic areas of the eligible infrastructure replacement activities;

4. Ad valorem taxes ; and

5. federal and state income taxes.

The Company is utilizing a surcharge mechanism in order to recover the costs associated with the SAFE Program. The Company has developed the revenue requirement for the SAFE Program using the same methodology approved in its most recent rate case. The SAFE revenue requirement will be allocated to each customer class (Rate Schedule) using allocation factors established by the Florida Public Service Commission for the SAFE Program. The per Customer SAFE surcharge is calculated by dividing the revenue requirement allocated to each customer class by the number of customer in the class

The cost recovery factors including tax multiplier for the twelve month period from January 1, 2016 through December 31, 2016 are:

Rate Class	Rates Per Customer
Rate Schedule GS-1	$ 0.71
Rate Schedule GS-100	$ 0.71
Rate Schedule GS-220	$ 0.71
Rate Schedule GS-600	$ 0.71
Rate Schedule GS-1.2k	$ 0.71
Rate Schedule GS-6k	$ 1.31
Rate Schedule GS-25k	$ 1.31
Rate Schedule GS-60k	$ 1.31
Rate Schedule GS-120k	$ 1.31
Rate Schedule GS-250k	$ 1.31
Rate Schedule GS-1.250k	$ 1.31
Rate Schedule GL	$ 0.71
Rate Schedule RSE	$ 0.71

RIDER "F"

SAFETY AND ACCESS VERIFICAITON EXPEDITED (SAVE) PROGRAM
Continued

Rate Schedule CGS	$ 0.71

Procedure for Establishing SAFE Revenue Requirement

The SAFE Revenue Requirements and any changes thereto shall be calculated and implemented in accordance with the provisions contained in this Rider. SAFE Revenues shall be subject to refund based upon a finding and order of the Commission to the extent provided in this Rider.

The Company shall calculate its SAFE Revenue Requirements annually in the manner prescribed by this Rider and shall file the appropriate petitions with the Commission seeking to establish or change the SAFE Revenue Requirements and Surcharge. The annual filings shall include the following:

1. An annual final true-up filing showing the actual Eligible Replacement costs and actual SAFE Revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to the annual petition filing. As part of this filing, the Company shall include a summary comparison of the actual Eligible Replacement costs and SAFE Revenues to the estimated total Eligible Replacement costs and SAFE Revenues previously reported for the same period covered by the filing in paragraph (2) of this section. The filing shall also include the final over- or under-recovery of total SAFE Revenue Requirements for the final true-up period.

2. An annual estimated/actual true-up filing showing seven months actual and five months projected Eligible Replacement costs and any SAFE Revenues collected or projected to be collected during the estimated/actual true-up period. The filing shall also include the estimated/actual over- or under-recovery of total Eligible Replacement costs for the estimated/actual true-up period.

3. An annual projection filing showing 12 months projected SAFE Revenue Requirements for the period beginning January 1 following the annual filing hearing.

4. An annual petition setting forth proposed SAFE Revenue Requirements and Surcharges to be effective for the 12-month period beginning January 1 following the annual hearing. Such proposed SAFE Revenue Requirements and Surcharges shall take into account the data filed pursuant to paragraphs (1), (2), and (3) of this section.

The Company shall establish separate accounts or subaccounts for each Eligible Replacement for purposes of recording the costs incurred for each project. The Company shall also establish a separate account or subaccount for any revenues derived from SAFE Surcharges.

Calculation of the SAFE Revenue Requirements and SAFE Surcharges

RIDER "F"

SAFETY AND ACCESS VERIFICAITON EXPEDITED (SAVE) PROGRAM
Continued

In determining the SAFE Revenue Requirements, the Commission shall consider only (a) the net original cost of Eligible Replacements (i.e., the original cost); (b) the applicable depreciation rates as determined and approved by the Commission based on the Company's most recent depreciation study; (c) the accumulated depreciation associated with the Eligible Replacements; and (d) the current state and federal income and ad valorem taxes; and (e) the Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report.

The SAFE Revenue Requirements shall be calculated as Follows:

Line	Description	Value	Source
1	Revenue Expansion Factor	1.6280	As calculated in most recent base rate proceeding, using current tax rates
2	Ad Valorem Tax Rate	%	Effective Property Tax Rate for most recent 12 Months ended December 31.
3	Mains	$	Eligible Replacements Mains
4	Services	$	Eligible Replacement Services
5	Regulators	$	Eligible Replacement Regulators
6	Other	$	Eligible Replacement Other
7	Gross Plant	$	L3+L4+L5+L6
8	Accumulated Depreciation	$	Previous Period Balance +L13
9	Construction Work In Progress	$	Noninterest Bearing
10	Net Book Value	$	L7-L8+L9
11	Average Net Book Value	$	(L10 + Balance From Previous Period)/2
12	Return on Average Net Book Value	$	L 11 X Company's weighted average cost of capital as calculated in the Company's most recent year-end surveillance report.
13	Depreciation Expense	$	Lines 3,4,5 & 6 X applicable approved Depreciation Rates
14	Property Tax	$	(L7-L8) X L 2
15	Customer and general public notification and other applicable expense	$	O&M expense incurred as a result of eligible plant replacement
16	SAFE Revenue Requirement	$	(L12+L13+L14+L15) X L 1