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February 16, 2018

BY E-PORTAL

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

Re: DOCKET NO. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas.

Dear Ms. Stauffer:

Attached, for electronic filing, please find the testimony and exhibits of Florida City Gas' rebuttal witness Daniel Nikolich. (Document 10 of 10)

Sincerely,

A handwritten signature in cursive script, appearing to read 'Beth Keating', written over a horizontal line.

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

ATTACHMENTS

cc:// Office of Public Counsel
FEA

1 Before the Florida Public Service Commission

2 Docket No. 20170179-GU: Petition for rate increase by Florida City Gas.

3 Prepared Rebuttal Testimony of Daniel J. Nikolich

4 Date of Filing: February 16, 2017

5

6 Q. Please state your name, business address, and occupation.

7 A. My name is Daniel J. Nikolich. My business address is Southern Company
8 Gas, Ten Peachtree Place, Atlanta, Georgia 30309. I am currently
9 employed as Manager, Rates, Southern Operations for Southern Company
10 Gas.

11

12 Q. Have you previously filed testimony in this proceeding?

13 A. Yes. I filed direct testimony on behalf of Florida City Gas (“FCG” or
14 “Company”) on October 23, 2017.

15

16 Q. What is the purpose of your rebuttal testimony?

17 A. The purpose of my rebuttal testimony is to address the inaccuracies in the
18 testimony of the Federal Executive Agencies’ (“FEA”) witness Brian C.
19 Collins regarding cost of service and rate design, as well as the distribution
20 of FCG’s proposed revenue increase and allocation of our interstate
21 capacity costs. I will also respond to the testimony of Office of Public
22 Counsel (“OPC”) witness David Dismukes to the extent he addresses
23 allocation of the costs of the Company’s proposed LNG facility to only
24 certain customers. I will also respond to OPC’s witness Marshall Willis’s
25 assessment that FCG’s proposal to include the SAFE surcharge in base

1 rates results is a double recovery.

2 Q. Are there other aspects of Witness Collins's testimony that will be
3 addressed by other witnesses on behalf of FCG?

4 A. Yes. FCG's witness Carolyn Bermudez will address Witness Collins's
5 testimony regarding the Company's service obligations.

6

7 Q. Are you sponsoring any rebuttal exhibits?

8 A. Yes. Below is a list of my other exhibits:

- 9 • Exhibit No. ____ (DJN-15) presents the FCG System Design by Rate
10 Class .
- 11 • Exhibit No. ____ (DJN-16) presents the FCG System Minimum Size
12 Study and Development of CCOS Capacity Allocators
- 13 • Exhibit No. ____ (DJN-17) is the Class Cost of Service MFR H-1
14 revised for the Tax Law Changes and FEA's Proposed Allocation
15 Methods
- 16 • Exhibit No. ____ (DJN-18) is the Class Cost of Service MFR H-2
17 revised for the Tax Law Changes and FEA's Proposed Allocation
18 Methods
- 19 • Exhibit No. ____ (DJN-19) is the Class Cost of Service MFR H-3
20 revised for the Tax Law Changes and FEA's Proposed Allocation
21 Methods.
- 22 • Exhibit No. ____ (DJN-20) is the Rate Design Impact Summary based
23 upon the Tax Law Changes and FEA's Proposed Allocation Methods.
- 24 • Exhibit No. ____ (DJN-21) is the Comparison of the Company's
25 proposed to Current Rates MFR E-2 revised for the Tax Law

1 Changes.

2

3

I. THE CLASS COST OF SERVICE STUDY

4 Q. Please summarize Witness Collins's criticisms of FCG's class cost of service
5 study ("CCOS") and its cost allocation methodology.¹

6 A. Witness Collins disagrees with FCG's use of the Peak and Average
7 methodology for allocating costs. He also disagrees with employing
8 customer usage as a basis for assessing cost causation.

9

10 Q. Has Witness Collins accurately described the methodology and inputs
11 utilized in FCG's CCOS?

12 A. No, Mr. Collins appears to not understand how the Peak and Average
13 method allocates mains' cost to each class. Rather than a pure Design Day/
14 Peak usage allocation methodology, Mr. Collins proposes layering in an
15 additional methodology to capture the customer component of mains as
16 another allocator, that being a minimum system allocator. The Peak and
17 Average methodology accomplishes this directly through the use of the
18 average consumption as the method's name implies. This leads to the
19 customer component of mains being effectively included.

20

21 Q. Do you agree with Witness Collins's conclusions with regard to FCG's
22 CCOS?

23 A. No. Mr. Collins assumes that there is only one acceptable way to allocate
24 the costs of mains. Florida City Gas's Peak and Average methodology has

¹ Direct Testimony of Brian Collins, 8:1-9:9; 10:4-11:7; 11:17-14:6.

1 been approved by the Florida Public Service Commission in FCG's past
2 base rate proceedings. It is also commonly among the methods considered
3 by state utility commissions, even in those states where the methodologies
4 proposed by Mr. Collins are more typically used.

5

6 Q. Does Witness Collins propose the use of a different cost allocation
7 methodology for purposes of FCG's CCOS?²

8 A. Yes, he proposes a method that weights almost all of the allocation of mains
9 to the classes based on a theoretical Design Day. To ameliorate the over-
10 weighting of Design Day demand, he then proposes the use of the minimum
11 system method to allocate a base cost of mains to each customer class.

12

13 Q. Would the allocation methodology proposed by Witness Collins be
14 appropriate for use in FCG's CCOS?

15 A. No. Mr. Collins's proposed methodology is more appropriate for a more
16 northern utility with a colder climate. Parts of FCG's service territory are
17 located in the southern most portion of the Florida peninsula. As such,
18 almost 50% of FCG's ratepayers are located in Miami where the annual
19 average daily temperature is over 65°F with a normal weather pattern of only
20 114 heating degree days annually. Hence, FCG's load profile is not as peak
21 sensitive as that of a typical utility elsewhere in the United States.
22 Consequently, FCG's load profile is not as well-suited to the Design
23 Day/Peak Day allocation method Witness Collins proposes.

24

² Direct Testimony of Brian Collins, 16:14-17:6.

1 Specifically, the method Mr. Collins proposes fails to account for actual
2 utilization of the mains. Residential customers annually flow only 13% of the
3 gas on FCG's system, while commercial and industrial users flow 87% of
4 the gas. The method Mr. Collins proposes would shift costs away from those
5 who are using the pipes most each year, to the residential class, which uses
6 the system the least even though this class represents our greatest number
7 of customers. The result would be that 72% of the costs would be assigned
8 to the residential class, while only 28% would be assigned to the commercial
9 and industrial classes.

10

11 Q. Does the Peak and Average ("P&A") methodology utilized in FCG's CCOS
12 equitably allocate costs across the customer classes?

13 A. Yes. While still adjusting for some peak generated costs, the Company's
14 proposed P&A method assigns 17% of the mains' costs to the residential
15 class, and 84% to the commercial and industrial classes. While not exact,
16 the P&A average method, in the case of FCG's system, produces a cost
17 allocation that reasonably matches how the ratepayers use the distribution
18 system. This more accurately tracks the "cost causer pays" theory of
19 regulatory cost allocation.

20

21 Q. Do you agree with Witness Collins that the "primary goal' must always be to
22 allocate costs in a way that best reflects cost causation?"³

23 A. Yes, but the method should reasonably and fully reflect all forms of cost
24 causation. Mr. Collins's proposed methods fail to reflect the costs by not

³ Direct Testimony of Brian C. Collins, 9:25-10:2.

1 considering how and who uses the system throughout the year. If the
2 residential class only uses 13% of the system over the course of a year is it
3 fair for them to bear 72% of the cost? Of course it is not fair.

4

5 Q. Do you agree with Witness Collins' assessment that the Company's filed
6 CCOS does not "best" reflect cost causation?

7 A. No. The method employed by the Company in this and previous rate cases
8 takes into account not just initial sizing and peak demand, but regular
9 utilization of the Company's mains.

10

11 Q. Do you agree with Witness Collins' conclusions that the P&A methodology
12 utilized in FCG's CCOS fails to appropriately allocate capacity costs and
13 distribution main costs consistent with cost of service principles?⁴

14 A. No. There is no perfect method for allocating costs. However, there are
15 methods that better match the conditions under which a utility and its
16 customers operate. The methods Mr. Collins puts forth would produce an
17 allocation of capacity-related costs totally different from how the FCG
18 ratepayers use the system. The method the Company employed much more
19 closely matches the ratepayers' actual behavior.

20

21 Q. Why is it appropriate to allocate costs utilizing annual usage as an input?

22 A. Annual usage should be considered as a factor to allocate costs because it
23 assigns costs based on who uses the system.

24

⁴ Direct Testimony of Brian C. Collins, 11:9-25.

1 Q. Do you agree with Witness Collins's assessment that annual usage is not a
2 reasonable basis for the allocation of the cost of distribution mains?

3 A. No. Annual usage reflects who actually uses the Company's system.
4

5 Q. Do you agree with Witness Collins' assessment that a cost allocation based
6 partially on annual usage is inferior?

7 A. No, again, using annual usage to allocate cost, is in part, based upon who
8 uses the Company's system. For a utility, such as FCG, whose system is,
9 for an overwhelming majority of the year, operating closer to baseload
10 levels rather than design day conditions, utilizing an allocation methodology
11 that takes into account annual usage is a reasonable and fair way to balance
12 cost allocation between design and usage causation.
13

14 **II. RATE DESIGN**

15 Q. Does Witness Collins agree with FCG's distribution of the proposed
16 revenue increase across its rate classes?⁵

17 A. No.
18

19 Q. What would be the impact of implementing Witness Collins's suggestion that
20 any increase should be allocated in accordance with the cost allocation
21 methodology he proposes?

22 A. The attached exhibits DJN-15 through 21 present the CCOS prepared in
23 the manner that Mr. Collins proposes. Using these methods would
24 recommend a 110% average increase in residential base rates. The

⁵ Direct Testimony of Brian Collins, 18:6-14.

1 smallest customer class, RS-1, consists of residential customers who use
2 less than 100 therms per year. This class would see their energy rates
3 increase from \$0.56213 per therm to \$3.5793 per therm. Meanwhile,
4 commercial and industrial rates would decrease by 50% on average.

5

6 Q. Would this be appropriate?

7 A. No.

8

9 Q. Why not?

10 A. First, such a rate increase to residential customers would produce rate
11 shock if such a change were implemented in one shot, thereby, violating the
12 important rate design principles of gradualism and incrementalism. Second,
13 the Company does not accept that Mr. Collins's methods appropriately
14 allocate distribution system capacity costs.

15

16 Q. Is the allocation methodology utilized for FCG's CCOS and rate design
17 unique in Florida?

18 A. No. It is my understanding that there are other gas utilities in Florida that
19 have also used the P&A allocation methodology. In my experience, many
20 other states request a version of a utility's CCOS such as has been
21 historically approved for use by FCG, in addition to the method proposed
22 by Mr. Collins.

23 Q. Is the methodology proposed by Witness Collins regarding cost allocation
24 and rate design utilized in Florida?

25 A. To my knowledge, no. Speaking only for FCG, Mr. Collins method has not

1 been utilized in the Company's prior three rate cases.

2

3 Q. Is the methodology proposed by Witness Collins utilized in other states?

4 A. Yes. However, in my experience, other states typically ask for versions of
5 the rate design and the CCOS based upon P&A, as well as a version
6 based upon Design Day/Peak Day.

7

8 Q. Why doesn't the methodology Witness Collins proposes make sense for
9 Florida gas utilities?

10 A. As previously stated, Mr. Collins's proposals make more sense for a more
11 northern utility in a colder climate. Further, his proposals fail to assign cost
12 to those ratepayers and classes in the manner they actually use the
13 system. Finally, utilizing Mr. Collins' preferred method to set rates would
14 lead to extreme rate shock for the FCG rate payers.

15

16 Q. Please summarize your conclusions regarding Witness Collins's criticisms
17 of your cost analysis and rate design.

18 A. Mr. Collins's criticisms are based upon a faulty assumption that there is only
19 one correct method by which to allocate distribution system capacity costs.
20 That simply is not true. Mr. Collins' preferred methods are but one of many,
21 and are seldom used as the sole criteria for rate design when employed. In
22 fact, Mr. Collins's proposed method has never been approved by the Florida
23 Public Service Commission for use by FCG in any prior rate case. Mr.
24 Collins also fails to realize that a minimum size allocation is employed with a
25 Design Day method to correct for a flaw in allocation that the P&A method

1 does not have. Finally, Mr. Collins's criticisms rely on a faulty assumption
2 that how ratepayers actually use the distribution system should not be taken
3 into consideration.

4

5 **III. ALLOCATION OF INTERSTATE CAPACITY COSTS AND LNG FACILITY**

6 Q. Do you agree with Witness Collins's statement on page 21, lines 5-7, of his
7 testimony that FCG is unable to verify the specific transportation
8 arrangements of its transportation customers with their third party suppliers?

9 A. I do agree that we are not privy to the contracts between our transportation
10 customers and their third party suppliers. However, as further outlined in
11 the rebuttal testimony of Witness Becker, we have solid evidence that the
12 third party suppliers providing service to transportation customers on FCG's
13 system do not hold firm interstate capacity in the amounts necessary to
14 reliably serve the transportation customers on our system.

15

16 Q. Do you agree with Witness Collins's assessment on page 21, lines 18-23, of
17 his testimony that FCG's proposal does not recognize that some customers
18 may be able to operate on a curtailable basis by reducing their gas usage
19 when necessary or obtaining alternative supplies?

20 A. Yes.

21 Q. Would it have made sense to do so?

22 A. No. Historically we have seen customers request curtailable service for the
23 benefit of the lower rates but opt to endure the penalties rather than reducing
24 or ceasing their usage during curtailment. Additionally, such a service would
25 not address FCG's capacity issues during a design day. As for alternative

1 supply, we have no indication as to whether, or which, customers may or
2 may not have alternative supply. Based on the information we do have, as
3 discussed by FCG Witness Becker, it does not appear that transportation
4 customers on FCG's have alternative supply options, at least in terms of
5 interstate pipeline capacity. As such, it would be impossible for us to take
6 availability of alternative supplies into account in our allocation of costs.

7

8 Q. Do you agree with Witness Collins that, under the Company's proposal,
9 transportation customers may pay for more capacity than they actually
10 need?⁶

11 A. I do not. As more fully explained in the rebuttal testimony of FCG witness
12 Becker, the additional firm interstate capacity is being obtained to ensure
13 that third party suppliers on FCG's system have the firm capacity necessary
14 to serve the transportation service customers on our system. As such, the
15 additional firm interstate capacity will be assigned to third party suppliers on
16 FCG's system according to the capacity needs of the customers they serve.
17 Upon release by FCG of the interstate capacity to these third party suppliers,
18 the third party suppliers will become responsible for payments to the
19 interstate pipeline for that capacity. Thereafter, FCG will not be involved in
20 how those third party suppliers then allocate those costs to their customers.

21

22 Q. Would creation of a stand-by or backup service tariff solve or mitigate the
23 issue of the need for additional capacity as suggested by Witness Collins at
24 page 22 of his testimony?⁷

⁶ Direct Testimony of Brian Collins, 22: 1-6.

⁷ Direct Testimony of Brian Collins, 22:9-21.

1 A. No. Prior to the 2003 rate case, FCG offered standby and interruptible
2 services. Few, if any customers elected to purchase standby service. Most
3 eligible customers elected interruptible service even though they actually
4 needed firm service or were otherwise an “essential use” facility. They did so
5 in the well-founded belief that FCG would not need to ever interrupt them
6 due to the warm Florida climate. As such, interruptible service, for all
7 intents, provided a customer a lower rate for a service that, from a cost to
8 serve perspective, was virtually indistinguishable from firm service.
9 Moreover, even if FCG reinstated an interruptible service, having customers
10 on that tariff would not mitigate the need for additional capacity. As
11 explained in greater detail by FCG rebuttal witnesses Becker and Bermudez,
12 just because a customer is on interruptible service does not mean that the
13 customer’s service can actually be turned off in the time frames necessary to
14 avoid a system issue, nor does it mean that there is a “traffic cop” at the
15 meter that can prevent that customer from taking gas when that customer’s
16 contracted gas does not arrive from the interstate system.

17
18 Q. Witness Dismukes states that FCG’s proposed LNG facility and additional
19 pipeline capacity will provide no incremental benefit to FCG’s sales
20 customers.⁸ Do you agree?

21 A. No. The proposed LNG facility will benefit all customers. Witnesses Becker
22 and Wassell have described the LNG facility as a peaking facility. This
23 means that it will be employed at times of the year when the more weather-
24 sensitive residential sales and small commercial sales customer classes will

⁸ Direct Testimony of David Dismukes, 63:17-64:1.

1 drive the combined system sales and transportation daily demand above
2 and beyond the Company's currently held interstate capacity. The facility
3 will also allow the Company to release additional currently held capacity
4 used to service to sales customers to Third Party Suppliers for the
5 transportation customers. This, in turn, further reduces the capacity charges
6 that are recovered through the Purchase Gas Adjustment clause.

7

8 Q. Will the gas injected from the LNG facility be directed to transportation
9 customers in situations where their supply from a third party does not arrive
10 on FCG's system?

11 A. No. As explained in greater detail by Witness Becker, once the gas is
12 injected into the system, and gas is allowed to be displaced elsewhere on
13 the system, there is no "traffic cop" to direct it to specific customers or
14 classes of customers. The gas injected or displaced will flow to any all
15 customers on the system. This is precisely why implementing the LNG
16 facility as a peaker on our system benefits all customers. Because there is
17 no "traffic cop" at customers' meters, transportation customers will continue
18 to flow gas from FCG's system, even in instances where their supply does
19 not arrive at FCG's citygate. Because they will continue to draw from FCG's
20 system unless and until they are physically closed off, the LNG facility
21 provides assurance that FCG will be able to maintain its system pressure
22 and continue to maintain its service to all customers. But, again, the actual
23 demand that would create such a need on FCG's system would be driven by
24 FCG's weather-sensitive sales customers. Peak demand by the sales
25 classes would approach FCG's capacity limitations, thereby reducing or

1 eliminating our system's ability to handle imbalance situations associated
2 with our transportation customers.

3

4 Q. Witness Dismukes argues that, because FCG can meet the demands of its
5 current sales customers, the LNG facility and additional pipeline capacity will
6 only benefit FCG's current transportation customers and that, therefore, the
7 transportation customers are the cost causers and should bear the full cost
8 of the LNG facility.⁹ Do you agree?

9 A. No. As explained above, the LNG facility will benefit all of FCG's customers,
10 both sales and transportation. Therefore, from a cost allocation perspective,
11 the appropriate treatment is as another asset to meet system capacity needs
12 for all customers, which should be allocated accordingly.

13

14 IV. SAFE RECOVERY

15 Q. OPC's witness Willis has identified concerns with FCG's proposal to roll the
16 SAFE surcharge into base rates, correct?¹⁰

17 A. Yes, he does. He believes that the SAFE assets, expense and capital
18 components have been included in the projected rate base, income
19 statement, and cost of capital for FCG's 2018 test year and that the
20 projected revenue requirement, therefore, fully accounts for the SAFE
21 program. Thus, he perceives that rolling in the surcharge as an addition to
22 base rates results in an over-recovery.

23 Q. Is his assessment correct?

24 A. No. As FCG witness Morley also describes, failure to roll the SAFE

⁹ Direct Testimony of David Dismukes, 64: 19-21.

¹⁰ Direct Testimony on Marshall W. Willis, 5:21 – 7:19.

1 surcharge into base rates will result in a failure to recover the \$3.5 million
2 associated with the SAFE assets. Specifically, as set forth in my Exhibit
3 DJN-21, the Company is also proposing along with rolling the SAFE assets
4 into rate base, resetting the SAFE charges to zero. Since the SAFE assets
5 are included in rate base, any return on these assets will come from the
6 resulting new base rates. Because the Company is proposing to reset the
7 SAFE rates to zero, this will prevent double recovery for all investment prior
8 to when the new base rates would take effect. All earlier SAFE investment
9 would be recovered solely through base rates, and only new SAFE
10 investments for periods after rates are implemented would be applied in
11 future SAFE filings.

12

13 Q. Does this conclude your rebuttal testimony?

14 A. Yes, it does.

15

16

17

18

19

Florida City Gas

Design Day Allocation By Class and Division

EXHIBIT DJN-15
 FLORIDA CITY GAS
 DOCKET NO. 20170179-GU
 PAGE 1 OF 1

Class Name	Rate Class	Brevard	Miami	PSL	Total	Allocator	Direct Assignment
Residential	GS-1	2,564	1,246	499	4,309	3.943%	5.557%
	GS-100	9,625	5,414	2,073	17,112	15.659%	22.066%
	GS-600	430	186	213	829	0.759%	1.069%
Residential No Heat sub-Total		12,620	6,845	2,785	22,251	20.361%	28.691%
Commercial	GS-1	2,235	3,130	421	5,787	5.295%	7.462%
	GS-6k	3,569	8,250	1,084	12,903	11.807%	16.638%
	GS-25k	2,187	4,674	434	7,295	6.676%	9.407%
	NGV	0	0	0	0	0.000%	0.000%
Commercial Sales sub-Total		7,992	16,054	1,940	25,985	23.779%	33.507%
Total before Large Customers		20,612	22,900	4,724	48,236	44.140%	62.198%
Large Customers	GS-120K	5,602	10,365	1,267	17,235	15.771%	19.568%
	GS-1250K	12,179	5,747	1,962	19,888	18.199%	18.234%
	KDS	0	0	23,922	23,922	21.890%	0.000%
Large Customer sub-Total		17,781	16,112	27,151	61,044	55.860%	37.802%
Total		38,393	39,011	31,875	109,280	100.000%	100.000%
Direct Assignment	GS-120K		2,059		2,059		
	GS-1250K		5,747		5,747		
	KDS			23,922	23,922		
Total Direct Assignment		0	7,806	23,922	31,728		
Total After Direct Assignment		38,393	31,205	7,954	77,552		

Replacement Cost and Minimum Size Study

Steel Mains					
NOMINAL DIAMETER	MATERIAL	FEET	MILES	Replacement Type	Replacement Cost Per Foot
0.5	Steel	23,821	4.51	2" ST	\$ 51.53
0.75	Steel	40,453	7.66	2" ST	\$ 51.53
1	Steel	1,991,156	377.12	2" ST	\$ 51.53
1.125	Steel	1,100	0.21	2" ST	\$ 51.53
1.25	Steel	1,824,768	345.6	2" ST	\$ 51.53
1.5	Steel	8,514	1.62	2" ST	\$ 51.53
2	Steel	3,186,242	603.45	2" ST	\$ 51.53
2.5	Steel	577	0.11	2" ST	\$ 51.53
3	Steel	362,583	68.67	4" ST	\$ 68.69
4	Steel	1,517,570	287.43	4" ST	\$ 68.69
6	Steel	1,083,640	205.24	6" ST	\$ 156.26
8	Steel	345,300	65.4	8" ST	\$ 188.63
10	Steel	5,335	1.01	10" ST	\$ 226.35
12	Steel	312,485	59.19	12" ST	\$ 271.62
16	Steel	30	0.01	16" ST	\$ 271.62
30	Steel	2	0	n/a	
	Steel	245	0.05	n/a	

Total Replacement Cost	Minimum Size Cost	Cost to Be Allocated
\$ 1,227,496	\$ 1,012,154	\$ 215,342
\$ 2,084,543	\$ 1,718,848	\$ 365,695
\$ 102,604,269	\$ 84,604,218	\$ 18,000,050
\$ 56,683	\$ 46,739	\$ 9,944
\$ 94,030,295	\$ 77,534,392	\$ 16,495,903
\$ 438,726	\$ 361,760	\$ 76,967
\$ 164,187,050	\$ 135,383,423	\$ 28,803,628
\$ 29,733	\$ 24,517	\$ 5,216
\$ 24,905,826	\$ 15,406,152	\$ 9,499,675
\$ 104,241,883	\$ 64,481,549	\$ 39,760,334
\$ 169,329,586	\$ 46,043,864	\$ 123,285,723
\$ 65,133,939	\$ 14,671,797	\$ 50,462,142
\$ 1,207,577	\$ 226,684	\$ 980,893
\$ 84,877,176	\$ 13,277,488	\$ 71,599,688
\$ 8,149	\$ 1,275	\$ 6,874

Plastic Mains					
NOMINAL DIAMETER	MATERIAL	FEET	MILES	Replacement Type	Replacement Cost Per Foot
0.5	Plastic	11,000	2.08	2" PE	\$ 42.49
0.625	Plastic	5,214	0.99	2" PE	\$ 42.49
0.75	Plastic	3,012	0.57	2" PE	\$ 42.49
1	Plastic	3,436	0.65	2" PE	\$ 42.49
1.125	Plastic	78,014	14.78	2" PE	\$ 42.49
1.25	Plastic	2,204,503	417.52	2" PE	\$ 42.49
1.375	Plastic	765	0.14	2" PE	\$ 42.49
2	Plastic	4,910,083	929.94	2" PE	\$ 42.49
3	Plastic	1,462	0.28	4" PE	\$ 61.11
4	Plastic	1,055,401	199.89	4" PE	\$ 61.11
6	Plastic	433,450	82.09	6" PE	\$ 99.60
8	Plastic	20,200	3.82	8" PE	\$ 119.52
	Plastic	3	0	n/a	

\$ 467,390	\$ 467,390	\$ -
\$ 221,543	\$ 221,543	\$ -
\$ 127,980	\$ 127,980	\$ -
\$ 145,996	\$ 145,996	\$ -
\$ 3,314,815	\$ 3,314,815	\$ -
\$ 93,669,332	\$ 93,669,332	\$ -
\$ 32,505	\$ 32,505	\$ -
\$ 208,629,427	\$ 208,629,427	\$ -
\$ 89,348	\$ 62,120	\$ 27,228
\$ 64,499,631	\$ 44,843,988	\$ 19,655,642
\$ 43,170,227	\$ 18,417,291	\$ 24,752,937
\$ 2,414,226	\$ 858,298	\$ 1,555,928

Mains (Other)					
NOMINAL DIAMETER	MATERIAL	FEET	MILES	Replacement Type	Replacement Cost Per Foot
4	HDPE	4,055	0.77	4" PE	\$ 61.11

\$ 247,817	\$ 172,297	\$ 75,520
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Total	\$ 1,231,393,169	\$ 825,757,841	\$ 405,635,328
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Per Customer	\$ 11,244	\$ 7,540	\$ 3,704
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**Development of Capacity Allocators using Minimum Size and Design Day
and Comparison to Peak and Average**

EXHIBIT DJN-16
FLORIDA CITY GAS
DOCKET NO. 20170179-GU
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Rate Class	Avg.		Design Day		Total Repl. Cost-Mains	Allocation %	Straight Peak & Average Allocation
	Customers	Minimum Main	Design Day	Allocated Mains			
RS-1	33,864	\$ 255,388,388	5.5566%	\$ 22,539,511	\$ 277,927,899	23%	3%
RS-100	66,473	\$ 501,311,406	22.0656%	\$ 89,505,780	\$ 590,817,186	48%	13%
RS-600	969	\$ 7,310,350	1.0690%	\$ 4,336,341	\$ 11,646,691	1%	1%
GS-1	4,993	\$ 37,652,200	7.4617%	\$ 30,267,344	\$ 67,919,544	6%	11%
GS-6k	2,378	\$ 17,935,245	16.6380%	\$ 67,489,731	\$ 85,424,977	7%	25%
GS-25k	390	\$ 2,939,977	9.4071%	\$ 38,158,491	\$ 41,098,468	3%	15%
GS-120k	97	\$ 731,538	19.5678%	\$ 79,373,979	\$ 80,105,517	7%	27%
GS-1250k	2	\$ 15,083	18.2341%	\$ 73,964,149	\$ 73,979,233	6%	4%
GS-11M	-	\$ -		\$ -	\$ -	0%	0%
GS-25M	-	\$ -		\$ -	\$ -	0%	0%
GAS LIGHTING	328	\$ 2,473,654	0.0000%	\$ -	\$ 2,473,654	0%	0%
NGV	-	\$ -		\$ -	\$ -	0%	0%
Contract Demand	-	\$ -	0.0000%	\$ -	\$ -	0%	0%
Total	109,493	\$ 825,757,841	100.0000%	\$ 405,635,328	\$ 1,231,393,169	100%	100%

	Annual Volume in Therms		Capacity Cost Allocators		
	in Therms	Percentage	Revised	P&A	
Residential	15,933,526	13%	72%	17%	
Commercial	57,895,386	47%	16%	51%	
Industrial	50,052,482	40%	13%	32%	
Total	123,881,394	100%	100%	100%	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC D/B/A FLORIDA CITY GAS

CALCULATION OF PROPOSED RATES SCHEDULE A

WITNESS: D. NIKOLICH

	SALES & TRANSPORTATION SERVICES:										GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M					
PROPOSED TOTAL TARGET REVENUES	\$ 16,127,161	\$ 34,590,191	\$ 618,956	\$ 3,925,955	\$ 2,574,522	\$ 864,393	\$ 2,658,480	\$ 4,341,324			\$ 15,909	\$ -	\$ 173,618	\$ 265,891	\$ 66,154,379
LESS: OTHER OPERATING REVENUE	\$ 917,943	\$ 1,866,717	\$ 29,934	\$ 185,838	\$ 108,186	\$ 29,794	\$ 11,074	\$ 12,223			\$ 348	\$ -	\$ 2,020	\$ -	\$ 3,164,078
Less: Proposed Customer Charge Revenues															
Proposed Customer charges: SALES & TRANSPORTATION	\$ 12.00	\$ 15.00	\$ 20.00	\$ 25.00	\$ 35.00	\$ 150.00	\$ 300.00	\$ 500.00	\$ 1,000.00	\$ 2,000.00		\$ 25.00	\$ 500.00	\$ 400.00	
TIMES: NUMBER OF BILLS: SALES & TRANSPORTATION	406,366	797,671	11,632	59,911	28,538	4,678	1,212	84	0	0	3,936	0	12	132	1,314,172
EQUALS: CUSTOMER CHARGE REVENUES	\$ 4,876,392	\$ 11,965,065	\$ 232,640	\$ 1,497,775	\$ 998,830	\$ 701,700	\$ 363,600	\$ 42,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,000	\$ 52,800	\$ 20,736,802
Less: Proposed Demand Charge Revenues															
Proposed demand charges: SALES & TRANSPORTATION	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 0	\$ 0	\$ 0	\$ 6.05	
TIMES: DCC: SALES & TRANSPORTATION	-	-	-	-	-	-	206,816	238,651	-	-	-	-	-	33,807	479,275
EQUALS: DEMAND CHARGE REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,189,194	\$ 1,372,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,422	\$ 2,765,860
EQUALS: PER-THERM TARGET REVENUES	\$ 10,332,826	\$ 20,758,409	\$ 356,382	\$ 2,242,342	\$ 1,467,506	\$ 132,899	\$ 1,094,612	\$ 2,914,857	\$ -	\$ -	\$ 15,561	\$ -	\$ 165,598	\$ 8,669	\$ 39,487,639
DIVIDED BY: NUMBER OF THERMS	2,886,825	12,240,769	767,899	12,382,178	28,127,107	17,386,101	34,439,382	15,613,100	-	-	38,033	-	5,492,320	-	129,373,714
EQUALS: PER-THERM RATES (Unrounded)	\$ 3.579305	\$ 1.695842	\$ 0.464099	\$ 0.181094	\$ 0.052174	\$ 0.007644	\$ 0.031784	\$ 0.186693	\$ 0.080000	\$ 0.040000	\$ 0.409149	\$ 0.181094		\$ -	
PER-THERM RATES (Rounded)	\$ 3.57930	\$ 1.69584	\$ 0.46410	\$ 0.18109	\$ 0.05217	\$ 0.00764	\$ 0.03178	\$ 0.18669	\$ 0.08000	\$ 0.04000	\$ 0.40915	\$ 0.18109		\$ -	
PER-THERM-RATE REVENUES (Rounded Rates)	\$ 10,332,812	\$ 20,758,365	\$ 356,382	\$ 2,242,289	\$ 1,467,391	\$ 132,830	\$ 1,094,484	\$ 2,914,810	\$ -	\$ -	\$ 15,561	\$ -	\$ 165,593	\$ -	\$ 39,480,536

SUMMARY: PROPOSED TARIFF RATES

CUSTOMER CHARGES	\$ 12.00	\$ 15.00	\$ 20.00	\$ 25.00	\$ 35.00	\$ 150.00	\$ 300.00	\$ 500.00	\$ 1,000.00	\$ 2,000.00	\$ -	\$ 25.00		\$ 400.00
DEMAND CHARGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ -	\$ -		\$ 6.05
ENERGY CHARGES														
NON-GAS (CENTS PER THERM)	357.9305	169.5842	46.4099	18.1094	5.2174	0.7644	3.1784	18.6693	8.0000	4.0000	40.0000	18.1094		-
PURCHASED GAS ADJUSTMENT	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000		-
TOTAL (INCLUDING PGA)	411.9305	223.5842	100.4099	72.1094	59.2174	54.7644	57.1784	72.6693	62.0000	58.0000	94.0000	72.1094		-

SUMMARY: PRESENT TARIFF RATES

CUSTOMER CHARGES														
RESIDENTIAL	\$ 8.00	\$ 9.86	\$ 12.50											
COMMERCIAL AND INDUSTRIAL SALES				\$ 14.07	\$ 30.00	\$ 93.21	\$ 267.33	\$ 500.00				\$ 15.00		
DEMAND CHARGES NON-GAS (CENTS PER THERM)														
RESIDENTIAL														
COMMERCIAL AND INDUSTRIAL							28.9000	28.9000						
ENERGY CHARGES NON-GAS (CENTS PER THERM)														
RESIDENTIAL	56.2130	51.3242	39.8577								56.2130			
COMMERCIAL AND INDUSTRIAL				33.4308	27.4870	27.5660	21.4152	12.2250				23.2320		
PURCHASED GAS ADJUSTMENT	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	54.0000	
TOTAL (INCLUDING PGA)														
RESIDENTIAL	110.2130	105.3242	93.8577								110.2130			
COMMERCIAL AND INDUSTRIAL				87.4308	81.4870	81.5660	75.4152	66.2250	54.0000	54.0000		77.2320	56.3000	

SUMMARY: OTHER OPERATING REVENUE

	PRESENT REVENUE	PROPOSED REVENUE
CONNECTION CHARGE	\$50.00-\$110.00 \$695,821	\$50.00-\$200.00 \$ 1,121,632
COLLECTION IN LIEU OF DISCONNECT CHARGE	\$20.00 \$263,406	\$25.00-\$32.00 \$331,467
RECONNECT CHARGE	\$37.00-\$80.00 \$139,591	\$40.00-\$100.00 \$150,523
BAD CHECKS	\$25.00 \$37,766	\$25.00 \$37,775
LATE PAYMENT CHARGES	\$5.00 OR 1.5% \$1,107,835	\$5.00 OR 1.5% \$1,107,835
DAMAGE BILLING	\$192,297	\$192,297
CHANGE OF ACCOUNT		
METER READ		\$15.00-\$22.00 \$100,766
TEMPORARY DISCONNECT		\$35.00-\$45.00 \$103,562
FAILED TRIP		\$20.00 \$18,220
TOTAL	\$2,436,716	\$3,164,078

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC
D/B/A FLORIDA CITY GAS

PROPOSED RATE DESIGN
SCHEDULE B

WITNESS: D. NIKOLICH

	SALES & TRANSPORTATION SERVICES:											GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION	
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M							
PRESENT RATES (projected test year)																	
GAS SALES (due to growth)	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331		
OTHER OPERATING REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331		
RATE OF RETURN INDEX	-3.97%	-1.98%	8.01%	12.15%	31.62%	44.03%	24.20%	-0.96%			-9.65%		-3.80%	-60.24%	3.57%		
	-1.11	-0.56	2.24	3.40	8.86	12.33	6.78	-0.27			-2.70		-1.06	-16.88	1.00		
PROPOSED RATES																	
GAS SALES	\$ 15,209,218	\$ 32,723,474	\$ 589,022	\$ 3,740,117	\$ 2,466,336	\$ 834,599	\$ 2,647,406	\$ 4,329,101	\$ -	\$ -	\$ 15,561	\$ -	\$ 171,598	\$ 265,891	\$ 62,990,301		
OTHER OPERATING REVENUE	\$ 917,943	\$ 1,866,717	\$ 29,834	\$ 185,838	\$ 108,186	\$ 29,794	\$ 11,074	\$ 12,223	\$ -	\$ -	\$ 348	\$ -	\$ 2,020	\$ -	\$ 3,164,078		
TOTAL	\$ 16,127,161	\$ 34,590,191	\$ 618,856	\$ 3,925,955	\$ 2,574,522	\$ 864,393	\$ 2,658,480	\$ 4,341,324	\$ -	\$ -	\$ 15,909	\$ -	\$ 173,618	\$ 265,891	\$ 66,154,379		
TOTAL REVENUE INCREASE	\$ 9,683,108	\$ 17,241,891	\$ (52,174)	\$ (1,387,344)	\$ (6,422,373)	\$ (4,534,288)	\$ (4,175,391)	\$ 1,955,304	\$ -	\$ -	\$ (5,058)	\$ -	\$ 2,020	\$ 3,373	\$ 12,307,048		
PERCENT INCREASE	150.26%	99.39%	-7.77%	-26.11%	-71.38%	-83.99%	-61.10%	81.95%			-24.12%		1.18%	0.00%	22.86%		
RATE OF RETURN INDEX	6.80%	6.80%	6.77%	6.77%	6.72%	6.68%	6.55%	6.59%			-16.29%		-7.38%	6.57%	6.57%		
	1.04	1.03	1.03	1.03	1.02	1.02	1.00	1.00			-2.48		-1.12	1.00	1.00		

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC
 D/B/A FLORIDA CITY GAS
 DOCKET NO: 20170179-GU

EXPLANATION: FULLY ALLOCATED EMBEDDED COST
 OF SERVICE STUDY

TYPE OF DATA SHOWN:
 PROJECTED TEST YEAR: 12/31/2018
 WITNESS: D. NIKOLICH

RATE OF RETURN BY CUSTOMER CLASS
 SCHEDULE C PAGE 1 OF 2 (PRESENT RATES)

	SALES & TRANSPORTATION SERVICES:											GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M						
REVENUES: (projected test year)																
Gas Sales (due to growth)	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020				\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
Other Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
EXPENSES:																
Purchased Gas Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
O&M Expenses	\$ 4,783,776	\$ 10,801,368	\$ 235,918	\$ 1,739,664	\$ 1,667,496	\$ 824,470	\$ 1,375,772	\$ 1,147,163	\$ -	\$ -	\$ -	\$ 37,833	\$ -	\$ 25,689	\$ 264,759	\$ 22,903,906
Depreciation Expenses	\$ 3,403,190	\$ 7,439,737	\$ 152,614	\$ 986,372	\$ 984,298	\$ 462,709	\$ 921,291	\$ 1,116,273	\$ -	\$ -	\$ -	\$ 28,460	\$ -	\$ 204,360	\$ -	\$ 15,699,304
Amortization Expenses	\$ 145,940	\$ 333,906	\$ 8,037	\$ 69,052	\$ 101,630	\$ 56,822	\$ 105,047	\$ 57,867	\$ -	\$ -	\$ -	\$ 1,235	\$ -	\$ 12,878	\$ -	\$ 892,414
Taxes Other Than Income--Fixed	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ -	\$ -	\$ -	\$ 5,252	\$ -	\$ 40,687	\$ -	\$ 2,900,349
Taxes Other Than Income--Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses excluding Income Taxes	\$ 8,960,962	\$ 19,948,048	\$ 424,735	\$ 2,977,152	\$ 2,935,063	\$ 1,429,385	\$ 2,572,122	\$ 2,527,352	\$ -	\$ -	\$ -	\$ 72,781	\$ -	\$ 283,614	\$ 264,759	\$ 42,395,973
INCOME TAXES:	\$ 136,402	\$ 298,422	\$ 6,130	\$ 38,690	\$ 38,869	\$ 18,305	\$ 36,618	\$ 44,345	\$ -	\$ -	\$ -	\$ 1,119	\$ -	\$ 9,003	\$ 8	\$ 627,912
NET OPERATING INCOME:	\$ (2,653,310)	\$ (2,898,171)	\$ 240,265	\$ 2,297,457	\$ 6,022,962	\$ 3,950,991	\$ 4,225,131	\$ (185,676)	\$ -	\$ -	\$ -	\$ (52,833)	\$ -	\$ (121,019)	\$ (2,249)	\$ 10,823,447
RATE BASE:	\$ 66,777,234	\$ 146,039,858	\$ 2,998,369	\$ 18,905,698	\$ 19,049,121	\$ 8,973,906	\$ 17,460,806	\$ 19,273,800	\$ -	\$ -	\$ -	\$ 548,644	\$ -	\$ 3,185,780	\$ 3,733	\$ 303,216,950
RATE OF RETURN	-3.97%	-1.98%	8.01%	12.15%	31.62%	44.03%	24.20%	-0.96%				-9.65%		-3.80%	-60.24%	3.57%

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC
D/B/A FLORIDA CITY GAS

RATE OF RETURN BY CUSTOMER CLASS
SCHEDULE C PAGE 2 OF 2 (PROPOSED RATES)

WITNESS: D. NIKOLICH

	SALES & TRANSPORTATION SERVICES:														
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
REVENUES:															
Gas Sales	\$ 15,209,218	\$ 32,723,474	\$ 589,022	\$ 3,740,117	\$ 2,466,336	\$ 834,599	\$ 2,647,406	\$ 4,329,101	\$ -	\$ -	\$ 15,561	\$ -	\$ 169,578	\$ 265,891	\$ 62,990,301
Revenue Adjustment: Bad Debt															
Adjusted Gas Sales	\$ 15,209,218	\$ 32,723,474	\$ 589,022	\$ 3,740,117	\$ 2,466,336	\$ 834,599	\$ 2,647,406	\$ 4,329,101	\$ -	\$ -	\$ 15,561	\$ -	\$ 169,578	\$ 265,891	\$ 62,990,301
Other Operating Revenue	\$ 917,943	\$ 1,866,717	\$ 29,934	\$ 185,838	\$ 108,186	\$ 29,794	\$ 11,074	\$ 12,223	\$ -	\$ -	\$ 348	\$ -	\$ 2,020	\$ -	\$ 3,164,078
Total	\$ 16,127,161	\$ 34,590,191	\$ 618,956	\$ 3,925,955	\$ 2,574,522	\$ 864,393	\$ 2,658,480	\$ 4,341,324	\$ -	\$ -	\$ 15,909	\$ -	\$ 171,598	\$ 265,891	\$ 66,154,379
EXPENSES:															
Purchased Gas Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
O&M Expenses	\$ 4,825,600	\$ 10,875,619	\$ 235,666	\$ 1,733,437	\$ 1,639,256	\$ 804,568	\$ 1,357,375	\$ 1,155,568	\$ -	\$ -	\$ 38,362	\$ -	\$ 27,611	\$ 264,774	\$ 22,957,834
Depreciation Expenses	\$ 3,403,190	\$ 7,439,737	\$ 152,614	\$ 986,372	\$ 984,298	\$ 462,709	\$ 921,291	\$ 1,116,273	\$ -	\$ -	\$ 28,460	\$ -	\$ 204,360	\$ -	\$ 15,699,304
Amortization Expenses	\$ 145,940	\$ 333,906	\$ 8,037	\$ 69,052	\$ 101,630	\$ 56,822	\$ 105,047	\$ 57,867	\$ -	\$ -	\$ 1,235	\$ -	\$ 12,878	\$ -	\$ 892,414
Taxes Other Than Income--Fixed	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ -	\$ -	\$ 5,252	\$ -	\$ 40,687	\$ -	\$ 2,900,349
Taxes Other Than Income--Revenue	\$ 47,723	\$ 84,724	\$ (267)	\$ (7,105)	\$ (32,222)	\$ (22,709)	\$ (20,991)	\$ 9,590	\$ -	\$ -	\$ 603	\$ -	\$ 2,193	\$ 17	\$ 61,533
Total Expenses excluding Income Taxes	\$ 9,050,509	\$ 20,107,024	\$ 424,195	\$ 2,963,819	\$ 2,874,601	\$ 1,386,774	\$ 2,532,735	\$ 2,545,347	\$ -	\$ -	\$ 73,911	\$ -	\$ 287,729	\$ 264,791	\$ 42,511,434
PRE TAX NOI:	\$ 7,076,653	\$ 14,483,167	\$ 194,760	\$ 962,136	\$ (300,079)	\$ (522,382)	\$ 125,745	\$ 1,795,978	\$ -	\$ -	\$ (58,002)	\$ -	\$ (116,131)	\$ 1,100	\$ 23,642,945
INCOME TAXES:	\$ 2,532,871	\$ 4,552,940	\$ (6,305)	\$ (318,116)	\$ (1,579,230)	\$ (1,122,040)	\$ (1,017,484)	\$ 525,922	\$ -	\$ -	\$ 31,383	\$ -	\$ 119,112	\$ 855	\$ 3,717,908
NET OPERATING INCOME:	\$ 4,543,782	\$ 9,930,227	\$ 203,065	\$ 1,280,252	\$ 1,279,150	\$ 599,658	\$ 1,143,229	\$ 1,270,056	\$ -	\$ -	\$ (89,385)	\$ -	\$ (235,243)	\$ 245	\$ 19,925,037
RATE BASE:	\$ 66,777,234	\$ 146,039,858	\$ 2,998,369	\$ 18,905,698	\$ 19,049,121	\$ 8,973,906	\$ 17,460,806	\$ 19,273,800	\$ -	\$ -	\$ 548,644	\$ -	\$ 3,185,780	\$ 3,733	\$ 303,216,950
RATE OF RETURN	6.80%	6.80%	6.77%	6.77%	6.72%	6.68%	6.55%	6.59%			-16.29%		-7.38%	6.57%	6.57%

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC
D/B/A FLORIDA CITY GAS

DERIVATION OF REVENUE DEFICIENCY SCHEDULE D

WITNESS: D. NIKOLICH

	SALES & TRANSPORTATION SERVICES:										GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M					
CUSTOMER COSTS	\$ 5,638,572	\$ 13,066,383	\$ 288,908	\$ 2,157,191	\$ 1,386,058	\$ 610,695	\$ 473,280	\$ 67,603	\$ -	\$ -	\$ 39,919	\$ -	\$ 48,563	\$ 265,012	\$ 24,042,182
CAPACITY COSTS	\$ 7,818,679	\$ 16,620,893	\$ 327,645	\$ 1,910,715	\$ 2,403,179	\$ 1,156,184	\$ 2,714,990	\$ 3,491,652	\$ -	\$ -	\$ 69,589	\$ -	\$ 434,234	\$ -	\$ 36,947,759
COMMODITY COSTS	\$ 45,337	\$ 192,237	\$ 12,060	\$ 194,458	\$ 441,727	\$ 273,043	\$ 540,859	\$ 245,199	\$ -	\$ -	\$ 597	\$ -	\$ 13,115	\$ -	\$ 1,958,632
REVENUE COSTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 13,502,588	\$ 29,879,513	\$ 628,613	\$ 4,262,364	\$ 4,230,963	\$ 2,039,921	\$ 3,729,129	\$ 3,804,453	\$ -	\$ -	\$ 110,105	\$ -	\$ 495,912	\$ 265,012	\$ 62,948,573
less: REVENUE AT PRESENT RATES (in the projected test year)	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
less: REVENUE ADJUSTMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
equals: REVENUE AT PRESENT RATES	\$ 6,444,054	\$ 17,348,299	\$ 671,130	\$ 5,313,299	\$ 8,996,894	\$ 5,398,680	\$ 6,833,871	\$ 2,386,020	\$ -	\$ -	\$ 20,967	\$ -	\$ 171,598	\$ 262,518	\$ 53,847,331
equals: GAS SALES RETURN (NOI) DEFICIENCY	\$ 7,058,534	\$ 12,531,213	\$ (42,518)	\$ (1,050,935)	\$ (4,765,931)	\$ (3,358,759)	\$ (3,104,742)	\$ 1,418,433	\$ -	\$ -	\$ 89,138	\$ -	\$ 324,314	\$ 2,494	\$ 9,101,242
plus: DEFICIENCY DUE TO REVENUE EXPANSION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REGULATORY ASSESSMENT	\$ 47,723	\$ 84,724	\$ (287)	\$ (7,105)	\$ (32,222)	\$ (22,709)	\$ (20,991)	\$ 9,590	\$ -	\$ -	\$ 603	\$ -	\$ 2,193	\$ 17	\$ 61,533
BAD DEBT	\$ 41,824	\$ 74,252	\$ (252)	\$ (6,227)	\$ (28,240)	\$ (19,902)	\$ (18,397)	\$ 8,405	\$ -	\$ -	\$ 528	\$ -	\$ 1,922	\$ 15	\$ 53,928
STATE INCOME TAX	\$ 520,025	\$ 923,215	\$ (3,132)	\$ (77,426)	\$ (351,122)	\$ (247,451)	\$ (228,736)	\$ 104,501	\$ -	\$ -	\$ 6,567	\$ -	\$ 23,893	\$ 184	\$ 670,518
FEDERAL INCOME TAX	\$ 1,876,444	\$ 3,331,303	\$ (11,303)	\$ (279,381)	\$ (1,266,977)	\$ (892,894)	\$ (825,366)	\$ 377,077	\$ -	\$ -	\$ 23,697	\$ -	\$ 86,216	\$ 663	\$ 2,419,478
plus: DEFICIENCY IN OTHER OPERATING REV.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
equals: TOTAL REVENUE DEFICIENCY	\$ 9,544,550	\$ 16,944,706	\$ (57,492)	\$ (1,421,074)	\$ (6,444,492)	\$ (4,541,714)	\$ (4,198,232)	\$ 1,918,005	\$ -	\$ -	\$ 120,533	\$ -	\$ 438,538	\$ 3,373	\$ 12,306,700
UNIT COSTS:															
Customer	\$ 23.68	\$ 25.67	\$ 22.57	\$ 24.00	\$ (25.41)	\$ (160.10)	\$ (49.12)	\$ 1,210.53	\$ -	\$ -	\$ 21.24	\$ -	\$ 7,625.65	\$ -	\$ 18.30
Capacity	\$ 4.62288	\$ 2.12786	\$ 0.38765	\$ 0.10286	\$ (0.04470)	\$ (0.08156)	\$ (0.00992)	\$ 0.33638	\$ -	\$ -	\$ 3.83270	\$ -	\$ 0.14898	\$ -	\$ 0.28559
Commodity	\$ 0.02681	\$ 0.02461	\$ 0.01427	\$ 0.01047	\$ (0.00822)	\$ (0.01926)	\$ (0.00198)	\$ 0.02362	\$ -	\$ -	\$ 0.03290	\$ -	\$ 0.00450	\$ -	\$ 0.01514

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY (SUMMARY PAGE)

TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC
D/B/A FLORIDA CITY GAS

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

SALES & TRANSPORTATION SERVICES:

SUMMARY	RS-1	RS-100	RS-600	GS-1	GS-6k	GS-25k	GS-120k	GS-1250k	GS-11M	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
Rate Base	\$ 66,777,234	\$ 146,039,858	\$ 2,998,369	\$ 18,905,698	\$ 19,049,121	\$ 8,973,906	\$ 17,460,806	\$ 19,273,800	\$ -	\$ -	\$ 548,644	\$ -	\$ 3,185,780	\$ 3,733	\$ 303,216,950
O&M	\$ 4,783,776	\$ 10,801,368	\$ 235,918	\$ 1,739,664	\$ 1,667,496	\$ 824,470	\$ 1,375,772	\$ 1,147,163	\$ -	\$ -	\$ 37,833	\$ -	\$ 25,689	\$ 264,759	\$ 22,903,906
DEPRECIATION	\$ 3,403,190	\$ 7,439,737	\$ 152,614	\$ 986,372	\$ 984,298	\$ 462,709	\$ 921,291	\$ 1,116,273	\$ -	\$ -	\$ 28,460	\$ -	\$ 204,360	\$ -	\$ 15,699,304
AMORTIZATION EXPENSES	\$ 145,940	\$ 333,906	\$ 8,037	\$ 69,052	\$ 101,630	\$ 56,822	\$ 105,047	\$ 57,867	\$ -	\$ -	\$ 1,235	\$ -	\$ 12,878	\$ -	\$ 892,414
TAXES OTHER THAN INCOME - OTHER	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ -	\$ -	\$ 5,252	\$ -	\$ 40,687	\$ -	\$ 2,900,349
TAXES OTHER THAN INCOME - REV. RELATED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INCOME TAXES TOTAL	\$ 136,402	\$ 298,422	\$ 6,130	\$ 38,690	\$ 38,869	\$ 18,305	\$ 36,618	\$ 44,345	\$ -	\$ -	\$ 1,119	\$ -	\$ 9,003	\$ 8	\$ 627,912
REVENUE CREDITED TO COS:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COST - CUSTOMER	\$ 5,638,572	\$ 13,066,383	\$ 288,908	\$ 2,157,191	\$ 1,386,058	\$ 610,695	\$ 473,280	\$ 67,603	\$ -	\$ -	\$ 39,919	\$ -	\$ 48,563	\$ 265,012	\$ 24,042,182
TOTAL COST - CAPACITY	\$ 7,818,679	\$ 16,620,893	\$ 327,645	\$ 1,910,715	\$ 2,403,179	\$ 1,156,184	\$ 2,714,990	\$ 3,491,652	\$ -	\$ -	\$ 69,589	\$ -	\$ 434,234	\$ -	\$ 36,947,759
TOTAL COST - COMMODITY	\$ 45,337	\$ 192,237	\$ 12,060	\$ 194,458	\$ 441,727	\$ 273,043	\$ 540,859	\$ 245,199	\$ -	\$ -	\$ 597	\$ -	\$ 13,115	\$ -	\$ 1,958,632
TOTAL COST - REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NO. OF CUSTOMERS: SALES	33,864	66,473	969	4,993	2,378	390	101	7	-	-	328	-	1	-	109,503
Peak & Avg. Mon. Sales Vol.(therms)	277,927,899	590,817,186	11,646,691	67,919,544	85,424,977	41,098,468	80,105,517	73,979,233	-	-	2,473,654	-	-	-	1,231,393,169
ANNUAL SALES	2,886,825	12,240,769	767,899	12,382,178	28,127,107	17,386,101	34,439,382	15,613,100	-	-	38,033	-	5,492,320	-	129,373,714

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PIVOTAL UTILITY HOLDINGS, INC
 D/B/A FLORIDA CITY GAS
 DOCKET NO: 20170179-GU

EXPLANATION: FULLY ALLOCATED EMBEDDED COST
 OF SERVICE STUDY (SUMMARY PAGE)

TYPE OF DATA SHOWN:
 PROJECTED TEST YEAR: 12/31/2018
 WITNESS: D. NIKOLICH

SALES & TRANSPORTATION SERVICES:

SALES & TRANSPORTATION SERVICES:

SUMMARY	RS-1	RS-100	RS-600	GS-1	GS-6000	GS-25000	GS-120k	GS-1250k	GS-11m	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	TOTAL SALES & TRANSPORTATION
RATE BASE	\$ 66,777,234	\$ 146,039,658	\$ 2,998,369	\$ 18,905,698	\$ 19,048,121	\$ 8,973,906	\$ 17,460,806	\$ 19,273,800	\$ 0	\$ 0	\$ 548,644	\$ 0	\$ 3,165,780	\$ 3,733	\$ 303,216,950
O&M	\$ 4,783,776	\$ 10,801,368	\$ 235,918	\$ 1,739,664	\$ 1,667,496	\$ 824,470	\$ 1,375,772	\$ 1,147,163	\$ 0	\$ 0	\$ 37,833	\$ 0	\$ 26,669	\$ 264,759	\$ 22,903,906
DEPRECIATION	\$ 3,403,190	\$ 7,439,737	\$ 152,614	\$ 986,372	\$ 984,298	\$ 462,709	\$ 921,291	\$ 1,116,273	\$ 0	\$ 0	\$ 28,460	\$ 0	\$ 204,350	\$ 0	\$ 15,699,304
AMORTIZATION EXPENSES	\$ 145,940	\$ 333,906	\$ 8,037	\$ 69,052	\$ 101,630	\$ 56,822	\$ 105,047	\$ 57,867	\$ 0	\$ 0	\$ 1,235	\$ 0	\$ 12,678	\$ 0	\$ 892,414
TAXES OTHER THAN INCOME - OTHER	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ 0	\$ 0	\$ 5,252	\$ 0	\$ 40,687	\$ 0	\$ 2,900,349
TAXES OTHER THAN INCOME - REV. RELATED	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
INCOME TAXES TOTAL	\$ 136,402	\$ 298,422	\$ 6,130	\$ 38,690	\$ 38,869	\$ 18,305	\$ 36,618	\$ 44,345	\$ 0	\$ 0	\$ 1,119	\$ 0	\$ 9,003	\$ 8	\$ 627,912
REVENUE CREDITED TO COS:	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL COST - CUSTOMER	\$ 5,639,572	\$ 13,095,383	\$ 289,908	\$ 2,157,191	\$ 1,386,058	\$ 610,695	\$ 473,280	\$ 67,603	\$ 0	\$ 0	\$ 39,919	\$ 0	\$ 48,563	\$ 265,012	\$ 24,042,182
TOTAL COST - CAPACITY	\$ 7,818,679	\$ 16,620,893	\$ 327,645	\$ 1,910,715	\$ 2,403,179	\$ 1,156,184	\$ 2,714,990	\$ 3,491,652	\$ 0	\$ 0	\$ 69,589	\$ 0	\$ 434,234	\$ 0	\$ 36,947,759
TOTAL COST - COMMODITY	\$ 45,337	\$ 192,237	\$ 12,060	\$ 194,458	\$ 441,727	\$ 273,043	\$ 540,859	\$ 245,199	\$ 0	\$ 0	\$ 597	\$ 0	\$ 13,115	\$ 0	\$ 1,958,632
TOTAL COST - REVENUE	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
NO. OF CUSTOMERS: SALES & TRANSPORTATION	33,864	66,473	969	4,993	2,378	390	101	7	0	0	328	0	1	0	109,503
Peak & Avg. Mon. Sales Vol.(therms)	277,927,899	590,817,166	11,646,691	67,919,544	85,424,977	41,098,468	80,105,517	73,979,233	0	0	2,473,654	0	0	0	1,231,393,169
ANNUAL SALES (therms)	2,866,825	12,240,769	767,699	12,382,176	26,127,107	17,366,101	34,439,382	15,613,100	0	0	38,033	0	5,492,320	0	129,373,714

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC
D/B/A FLORIDA CITY GAS
DOCKET NO: 20170179-GU

ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES
SCHEDULE E (PAGE 1 OF 2)

WITNESS: D. NIKOLICH

OPERATIONS AND MAINTENANCE EXP DIRECT AND SPECIAL ASSIGNMENTS:	SALES & TRANSPORTATION SERVICES:										SALES & TRANSPORTATION SERVICES:				TOTAL SALES & TRANSPORTATION		
	RS-1	RS-100	RS-600	GS-1	GS-6000	GS-25000	GS-120k	GS-1250k	GS-11m	GS-25M	GAS LIGHTING	NATURAL GAS/VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER			
Customer																	
876 Meters and House Regulators	\$ 229,065	\$ 553,991	\$ 12,249	\$ 92,933	\$ 59,712	\$ 26,309	\$ 20,399	\$ 2,912	\$ 0	\$ 0	\$ 1,720	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,009,281
893 Maint. of Meters & House Reg.	\$ 53,248	\$ 122,392	\$ 2,728	\$ 20,899	\$ 13,300	\$ 5,850	\$ 4,541	\$ 649	\$ 0	\$ 0	\$ 383	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 224,799
874 Mains & Services	\$ 117,413	\$ 272,083	\$ 6,016	\$ 45,642	\$ 29,327	\$ 12,921	\$ 10,014	\$ 1,430	\$ 0	\$ 0	\$ 845	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 495,691
892 Maint. of Services	\$ 42,302	\$ 98,028	\$ 2,167	\$ 16,444	\$ 10,586	\$ 4,655	\$ 3,608	\$ 515	\$ 0	\$ 0	\$ 304	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 178,591
All Other	\$ 2,423,611	\$ 5,616,265	\$ 124,180	\$ 942,142	\$ 605,354	\$ 268,718	\$ 208,703	\$ 29,525	\$ 0	\$ 0	\$ 17,434	\$ 0	\$ 0	\$ 0	\$ 0	\$ 264,759	\$ 10,466,710
Total	\$ 2,875,639	\$ 6,663,779	\$ 147,341	\$ 1,117,861	\$ 718,256	\$ 316,463	\$ 245,255	\$ 35,032	\$ 0	\$ 0	\$ 20,686	\$ 0	\$ 0	\$ 0	\$ 0	\$ 264,759	\$ 12,405,074
Capacity																	
876 Measuring & Reg. Sta. Eq.-I	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
890 Maint. of Meters & Reg. Sta. Eq.-I	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
874 Mains and Services	\$ 364,859	\$ 775,615	\$ 15,290	\$ 89,164	\$ 112,144	\$ 53,953	\$ 105,161	\$ 97,119	\$ 0	\$ 0	\$ 3,247	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,616,552
874 Mains and Services LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 128,628
897 Maint. of Mains	\$ 79,573	\$ 189,157	\$ 3,335	\$ 19,446	\$ 24,458	\$ 11,767	\$ 22,935	\$ 21,181	\$ 0	\$ 0	\$ 708	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 352,560
887 Maint. of Mains LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,723
All Other	\$ 1,413,607	\$ 3,005,036	\$ 59,238	\$ 345,455	\$ 434,492	\$ 209,037	\$ 407,436	\$ 376,276	\$ 0	\$ 0	\$ 12,562	\$ 0	\$ 25,689	\$ 0	\$ 0	\$ 0	\$ 6,263,156
All Other LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 384,738
LOCAL STORAGE PLANT	\$ 11,854	\$ 24,774	\$ 488	\$ 2,848	\$ 3,582	\$ 1,723	\$ 3,359	\$ 3,102	\$ 0	\$ 0	\$ 104	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 51,635
LOCAL STORAGE PLANT LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 775	\$ 2,369	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,144
Total	\$ 1,869,694	\$ 3,974,561	\$ 76,350	\$ 456,912	\$ 574,676	\$ 276,480	\$ 671,897	\$ 904,216	\$ 0	\$ 0	\$ 16,641	\$ 0	\$ 25,689	\$ 0	\$ 0	\$ 0	\$ 8,649,136
Commodity																	
Account #	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Account #	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other	\$ 38,443	\$ 163,007	\$ 10,226	\$ 164,890	\$ 374,561	\$ 231,526	\$ 458,620	\$ 207,916	\$ 0	\$ 0	\$ 506	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,649,696
Total	\$ 38,443	\$ 163,007	\$ 10,226	\$ 164,890	\$ 374,561	\$ 231,526	\$ 458,620	\$ 207,916	\$ 0	\$ 0	\$ 506	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,649,696
TOTAL O&M	\$ 4,783,776	\$ 10,801,368	\$ 235,918	\$ 1,739,664	\$ 1,667,496	\$ 824,470	\$ 1,375,772	\$ 1,147,163	\$ -	\$ -	\$ 37,833	\$ -	\$ 25,689	\$ 264,759	\$ -	\$ -	\$ 22,903,808
DEPRECIATION EXPENSE:																	
Customer																	
Capacity	\$ 1,071,695	\$ 2,483,462	\$ 54,911	\$ 416,605	\$ 267,681	\$ 117,940	\$ 91,402	\$ 13,056	\$ 0	\$ 0	\$ 7,709	\$ 0	\$ 16,204	\$ 0	\$ 0	\$ 0	\$ 4,540,665
Capacity LV	\$ 2,331,495	\$ 4,956,275	\$ 97,702	\$ 589,767	\$ 716,617	\$ 344,789	\$ 671,993	\$ 620,600	\$ 0	\$ 0	\$ 20,751	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,329,969
Total	\$ 3,403,190	\$ 7,439,737	\$ 152,614	\$ 966,372	\$ 984,298	\$ 462,709	\$ 921,891	\$ 1,116,273	\$ 0	\$ 0	\$ 28,460	\$ 0	\$ 168,156	\$ 0	\$ 0	\$ 0	\$ 15,699,304
AMORT. OF GAS PLANT:																	
Capacity	\$ (25,677)	\$ (54,565)	\$ (1,076)	\$ (6,275)	\$ (7,892)	\$ (3,797)	\$ (7,401)	\$ (6,835)	\$ 0	\$ 0	\$ (229)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (113,767)
AMORT. OF LIMITED TERM INVEST.																	
Capacity	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
AMORT. OF ACQUISITION ADJ.:																	
Customer	\$ 53,540	\$ 124,069	\$ 2,743	\$ 20,813	\$ 13,373	\$ 5,892	\$ 4,566	\$ 652	\$ 0	\$ 0	\$ 385	\$ 0	\$ 810	\$ 0	\$ 0	\$ 0	\$ 226,842
Capacity	\$ 111,734	\$ 237,524	\$ 4,892	\$ 27,305	\$ 34,343	\$ 16,523	\$ 32,205	\$ 29,220	\$ 0	\$ 0	\$ 984	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 493,052
Total	\$ 165,274	\$ 361,593	\$ 7,426	\$ 48,118	\$ 47,716	\$ 22,415	\$ 36,771	\$ 30,394	\$ 0	\$ 0	\$ 1,369	\$ 0	\$ 810	\$ 0	\$ 0	\$ 0	\$ 721,895
AMORT. OF CONVERSION COSTS:																	
Commodity	\$ 6,344	\$ 26,898	\$ 1,687	\$ 27,209	\$ 61,807	\$ 38,204	\$ 75,677	\$ 34,308	\$ 0	\$ 0	\$ 84	\$ 0	\$ 12,069	\$ 0	\$ 0	\$ 0	\$ 284,286

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/2016

COMPANY: PIVOTAL UTILITY HOLDINGS, INC
D/B/A FLORIDA CITY GAS
DOCKET NO: 20170179-GU*

ALLOCATION OF COST OF SERVICE TO CUSTOMER CLASSES SCHEDULE E (PAGE 2 OF 2)

WITNESS: D. NIKOLICH

	SALES & TRANSPORTATION SERVICES:										SALES & TRANSPORTATION SERVICES:				TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-5000	GS-25000	GS-1200	GS-1250	GS-11m	GS-25M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER	
TAXES OTHER THAN INCOME TAXES:															
Customer	\$ 197,989	\$ 458,804	\$ 10,145	\$ 76,965	\$ 49,452	\$ 21,789	\$ 16,886	\$ 2,412	\$ 0	\$ 0	\$ 1,424	\$ 0	\$ 2,994	\$ 0	\$ 836,860
Capacity	\$ 430,067	\$ 914,234	\$ 18,022	\$ 105,099	\$ 132,187	\$ 63,596	\$ 123,956	\$ 114,476	\$ 0	\$ 0	\$ 3,826	\$ 0	\$ 0	\$ 0	\$ 1,905,465
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,170	\$ 89,160	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,693	\$ 0	\$ 156,024
Subtotal	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ 0	\$ 0	\$ 5,252	\$ 0	\$ 40,687	\$ 0	\$ 2,900,349
Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 628,056	\$ 1,373,038	\$ 28,167	\$ 182,064	\$ 181,639	\$ 85,385	\$ 170,012	\$ 206,048	\$ 0	\$ 0	\$ 5,252	\$ 0	\$ 40,687	\$ 0	\$ 2,900,349
RETURN (NOI)															
Customer	\$ 1,395,724	\$ 3,234,341	\$ 71,514	\$ 508,909	\$ 326,989	\$ 144,071	\$ 111,653	\$ 15,948	\$ 0	\$ 0	\$ 9,417	\$ 0	\$ 27,684	\$ 245	\$ 5,846,494
Capacity	\$ 3,008,967	\$ 6,386,440	\$ 126,032	\$ 735,326	\$ 924,847	\$ 444,950	\$ 887,257	\$ 800,931	\$ 0	\$ 0	\$ 26,781	\$ 0	\$ 0	\$ 0	\$ 13,331,590
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 135,118	\$ 412,994	\$ 0	\$ 0	\$ 0	\$ 0	\$ 174,597	\$ 0	\$ 722,709
Commodity	\$ 533	\$ 2,281	\$ 142	\$ 2,287	\$ 5,195	\$ 3,211	\$ 6,361	\$ 2,884	\$ 0	\$ 0	\$ 7	\$ 0	\$ 1,014	\$ 0	\$ 23,896
Total	\$ 4,405,224	\$ 9,633,042	\$ 197,748	\$ 1,246,522	\$ 1,257,031	\$ 592,232	\$ 1,120,389	\$ 1,332,757	\$ 0	\$ 0	\$ 36,205	\$ 0	\$ 203,295	\$ 245	\$ 19,924,689
INCOME TAXES															
Customer	\$ 43,985	\$ 101,828	\$ 2,254	\$ 16,038	\$ 10,305	\$ 4,540	\$ 3,519	\$ 593	\$ 0	\$ 0	\$ 297	\$ 0	\$ 872	\$ 8	\$ 184,248
Capacity	\$ 92,400	\$ 196,423	\$ 3,872	\$ 22,581	\$ 28,400	\$ 13,664	\$ 26,632	\$ 24,595	\$ 0	\$ 0	\$ 822	\$ 0	\$ 0	\$ 0	\$ 409,389
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,287	\$ 19,156	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,098	\$ 0	\$ 33,522
Commodity	\$ 17	\$ 71	\$ 4	\$ 72	\$ 164	\$ 101	\$ 200	\$ 91	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32	\$ 0	\$ 753
Total	\$ 136,402	\$ 298,422	\$ 6,130	\$ 38,690	\$ 38,869	\$ 18,305	\$ 36,618	\$ 44,345	\$ 0	\$ 0	\$ 1,119	\$ 0	\$ 9,003	\$ 8	\$ 627,912
REVENUE CREDITED TO COS:															
Customer	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL COST OF SERVICE:															
Customer	\$ 5,638,572	\$ 13,066,363	\$ 288,908	\$ 2,157,191	\$ 1,386,056	\$ 810,695	\$ 473,280	\$ 67,803	\$ 0	\$ 0	\$ 39,919	\$ 0	\$ 48,563	\$ 265,012	\$ 24,042,182
Capacity	\$ 7,818,679	\$ 16,620,893	\$ 327,645	\$ 1,910,715	\$ 2,403,179	\$ 1,156,184	\$ 2,254,307	\$ 2,083,556	\$ 0	\$ 0	\$ 69,589	\$ 0	\$ 0	\$ 0	\$ 34,644,746
Capacity LV	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 460,684	\$ 1,408,066	\$ 0	\$ 0	\$ 0	\$ 0	\$ 434,234	\$ 0	\$ 2,303,013
Commodity	\$ 45,337	\$ 192,237	\$ 12,080	\$ 194,458	\$ 441,727	\$ 273,043	\$ 540,859	\$ 245,198	\$ 0	\$ 0	\$ 597	\$ 0	\$ 13,115	\$ 0	\$ 1,858,632
Subtotal	\$ 13,502,588	\$ 29,879,513	\$ 628,613	\$ 4,262,364	\$ 4,230,963	\$ 2,039,921	\$ 3,729,129	\$ 3,804,453	\$ 0	\$ 0	\$ 110,105	\$ 0	\$ 495,912	\$ 265,012	\$ 62,948,573
Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Total	\$ 13,502,588	\$ 29,879,513	\$ 628,613	\$ 4,262,364	\$ 4,230,963	\$ 2,039,921	\$ 3,729,129	\$ 3,804,453	\$ 0	\$ 0	\$ 110,105	\$ 0	\$ 495,912	\$ 265,012	\$ 62,948,573

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC
 D/B/A FLORIDA CITY GAS
 DOCKET NO: 20170179-GU

EXPLANATION: FULLY ALLOCATED EMBEDDED COST
 OF SERVICE STUDY

TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/2018

ALLOCATION OF RATE BASE TO CUSTOMER CLASSES
 SCHEDULE F

WITNESS: D. NIKOLICH

RATE BASE BY CUSTOMER CLASS	SALES & TRANSPORTATION SERVICES:										SALES & TRANSPORTATION SERVICES:					TOTAL SALES & TRANSPORTATION
	RS-1	RS-100	RS-600	GS-1	GS-6000	GS-25000	GS-120k	GS-1250k	GS-11m	GS-29M	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER		
DIRECT AND SPECIAL ASSIGNMENTS:																
Customer																
Meters	\$ 5,200,269	\$ 12,050,694	\$ 285,450	\$ 2,021,526	\$ 1,298,889	\$ 572,288	\$ 443,515	\$ 63,351	\$ 0	\$ 0	\$ 37,408	\$ 0	\$ 178,873	\$ 0	\$ 22,133,264	
House Regulators	\$ 1,317,639.38	\$ 3,053,393.55	\$ 67,512.88	\$ 3,001,437	\$ 1,928,510	\$ 849,698	\$ 858,504	\$ 94,060	\$ 0	\$ 0	\$ 55,542	\$ 0	\$ 136,560	\$ 0	\$ 4,438,546	
Services	\$ 7,721,040	\$ 17,892,129	\$ 395,609	\$ 2,721,866	\$ 1,748,762	\$ 770,502	\$ 597,128	\$ 85,293	\$ 0	\$ 0	\$ 50,365	\$ 0	\$ 105,961	\$ 3,733	\$ 32,733,089	
All Other	\$ 7,001,395	\$ 16,224,481	\$ 358,736	\$ 2,721,866	\$ 1,748,762	\$ 770,502	\$ 597,128	\$ 85,293	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,687,942	
Total	\$ 21,240,344	\$ 49,220,697	\$ 1,088,307	\$ 7,744,646	\$ 4,976,152	\$ 2,192,488	\$ 1,699,148	\$ 242,704	\$ 0	\$ 0	\$ 143,315	\$ 0	\$ 421,294	\$ 3,733	\$ 88,972,640	
Capacity																
Industrial Meas. & Reg. Sta. Eq.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,122	\$ 390,762	\$ -	\$ -	\$ -	\$ -	\$ 92,007	\$ -	\$ 905,891	
Meas. & Reg. Sta. Eq. - Gen.	\$ 613,253	\$ 1,303,648	\$ 25,699	\$ 149,866	\$ 188,492	\$ 90,684	\$ 176,754	\$ 163,236	\$ -	\$ -	\$ 5,456	\$ -	\$ -	\$ -	\$ 2,717,090	
Mains	\$ 30,315,808	\$ 64,445,134	\$ 1,270,387	\$ 7,408,525	\$ 9,317,982	\$ 4,482,937	\$ 8,737,746	\$ 8,099,504	\$ -	\$ -	\$ 269,821	\$ -	\$ -	\$ -	\$ 134,317,855	
Mains Large Volume	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,056,250	\$ 6,285,000	\$ -	\$ -	\$ -	\$ -	\$ 2,657,041	\$ -	\$ 10,998,291	
LNG Storage	\$ 947,066	\$ 2,013,285	\$ 39,687	\$ 231,442	\$ 291,094	\$ 140,047	\$ 272,967	\$ 252,091	\$ -	\$ -	\$ 8,429	\$ -	\$ -	\$ -	\$ 4,196,088	
LNG Storage Large Volume	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,991	\$ 142,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,526	
All Other	\$ 13,652,649	\$ 29,022,706	\$ 572,120	\$ 3,336,411	\$ 4,196,330	\$ 2,018,880	\$ 3,935,022	\$ 3,634,061	\$ -	\$ -	\$ 121,913	\$ -	\$ -	\$ -	\$ 60,489,713	
Total	\$ 45,528,776	\$ 96,784,753	\$ 1,907,903	\$ 11,126,244	\$ 13,993,898	\$ 6,732,548	\$ 15,864,853	\$ 18,987,210	\$ -	\$ -	\$ 435,222	\$ -	\$ 2,749,048	\$ -	\$ 213,880,455	
Commodity																
Account #	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Account #	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Account #	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
All Other	\$ 8,115	\$ 34,407	\$ 2,158	\$ 34,805	\$ 79,062	\$ 48,870	\$ 96,805	\$ 43,887	\$ -	\$ -	\$ 107	\$ -	\$ 15,438	\$ -	\$ 363,854	
Total	\$ 8,115	\$ 34,407	\$ 2,158	\$ 34,805	\$ 79,062	\$ 48,870	\$ 96,805	\$ 43,887	\$ -	\$ -	\$ 107	\$ -	\$ 15,438	\$ -	\$ 363,854	
TOTAL	\$ 68,777,234	\$ 146,039,858	\$ 2,998,369	\$ 18,905,698	\$ 19,049,121	\$ 8,973,905	\$ 17,460,805	\$ 19,273,800	\$ -	\$ -	\$ 548,644	\$ -	\$ 3,185,780	\$ 3,733	\$ 303,216,950	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST OF SERVICE STUDY

TYPE OF DATA SHOWN: PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC
D/B/A FLORIDA CITY GAS

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

DEVELOPMENT OF ALLOCATION FACTORS

CUSTOMER COSTS	SALES & TRANSPORTATION SERVICES:										SALES & TRANSPORTATION SERVICES:				TOTAL SALES & TRANSPORTATION			
	RS-1	RS-100	RS-600	GS-1	GS-6000	GS-25000	GS-1200	GS-12500	GS-1100	GS-250	GAS LIGHTING	NATURAL GAS VEHICLES	CONTRACT DEMAND	THIRD PARTY SUPPLIER				
No. of Customers: RESIDENTIAL SALES	33,864	66,473	969															101,634
No. of Customers: COMMERCIAL & INDUSTRIAL SALES				4,993	2,378	390	101	7										7,870
No. of Customers: Total	33,864	66,473	969	4,993	2,378	390	101	7	0	0	328	0	1					109,503
Weighting	1.00	1.18	1.79	2.64	3.56	9.56	28.60	58.93	121.09	233.04	9.74	3.86	512.02					NA
Weighted No. of Customers	33,864	78,473	1,735	13,164	8,458	3,727	2,888	413	0	0	244	0	512					143,478
Allocation Factors	0.236022	0.546936	0.012093	0.091750	0.058952	0.025974	0.020130	0.002875	0.000000	0.000000	0.001698	0.000000	0.003569					1.00
No. of Customers: Total Annual Bills	406,366	797,671	11,632	59,911	28,538	4,678	1,212	84	0	0	3,936	0	12	0				1,314,040
CAPACITY COSTS																		
Peak & Avg. Mon. Sales Vol.(therms)	277,927,899	590,817,186	11,646,691	67,919,544	85,424,977	41,098,468	80,105,517	73,979,233	0	0	2,473,654	0	0					1,231,393,169
DCD's																		
Allocation Factors	0.225702	0.479796	0.009458	0.055157	0.069373	0.033376	0.065053	0.060378	0.000000	0.000000	0.002009	0.000000	0.000000					1.00
Mains Allocation LV	0.225702	0.479796	0.009458	0.055157	0.069373	0.033376	0.065053	0.060378	0.000000	0.000000	0.002009	0.000000	0.000000					1.00
COMMODITY COSTS																		
Annual Sales Vol.(therms)																		
Residential	2,886,825	12,240,769	767,899															
Commercial & Industrial Sales				12,382,178	28,127,107	17,386,101	34,439,362	15,613,100	0	0	38,033	0	5,492,320					15,895,493
Total Annual Sales Vol.(therms)	2,886,825	12,240,769	767,899	12,382,178	28,127,107	17,386,101	34,439,362	15,613,100	0	0	38,033	0	5,492,320					113,478,221
Allocation Factors	0.022314	0.094616	0.005936	0.095709	0.217410	0.134387	0.266201	0.120682	0.000000	0.000000	0.000294	0.000000	0.042453					1.00
REVENUE-RELATED COSTS																		
Tax on Cust.Cap.& Commod.	\$ 50,770	\$ 112,347	\$ 2,364	\$ 16,026	\$ 15,908	\$ 7,670	\$ 14,022	\$ 14,305	\$ -	\$ -	\$ 414	\$ -	\$ 1,855	\$ 996	\$ -	\$ -	\$ -	\$ 236,687
Allocation Factors	0.214502	0.474665	0.009986	0.067712	0.067213	0.032406	0.059241	0.060437	0.000000	0.000000	0.001749	0.000000	0.007678	0.004210				1.00

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: FULLY ALLOCATED EMBEDDED COST
OF SERVICE STUDY (SUMMARY)

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/2018
WITNESS: D. NIKOLICH

COMPANY: PIVOTAL UTILITY HOLDINGS, INC
D/B/A FLORIDA CITY GAS
DOCKET NO: 20170179-GU

SUMMARY:	TOTAL	CAPACITY	CUSTOMER	COMMODITY	REVENUE
ATTRITION	\$ -	\$ -	\$ -	\$ -	\$ -
O&M	\$ 22,903,906	\$ 8,849,136	\$ 12,405,074	\$ 1,649,696	\$ -
less O&M direct assignments	\$ (4,109,805)	\$ (2,201,242)	\$ (1,908,363)	\$ -	\$ -
NET O&M	\$ 18,794,101	\$ 6,647,894	\$ 10,496,711	\$ 1,649,696	\$ -
DEPRECIATION	\$ 19,699,304	\$ 11,159,630	\$ 4,540,665	\$ -	\$ -
AMORTIZATION OF OTHER GAS PLANT	\$ (113,767)	\$ (113,767)	\$ -	\$ -	\$ -
AMORTIZATION OF PROPERTY LOSS	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF LIMITED TERM INVESTMENT	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF ACQUISITION ADJUSTMENT	\$ 721,895	\$ 495,052	\$ 226,842	\$ -	\$ -
AMORTIZATION OF CONVERSION COSTS	\$ 284,286	\$ -	\$ -	\$ 284,286	\$ -
TOTAL TAXES OTHER THAN INCOME	#REF!	\$ 2,061,489	\$ 838,860	\$ -	\$ -
RETURN	\$ 19,924,689	\$ 14,054,299	\$ 5,846,484	\$ 23,896	\$ -
INCOME TAXES	\$ 627,912	\$ 442,911	\$ 184,248	\$ 753	\$ -
REVENUES CREDITED TO COST OF SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COST OF SERVICE	#REF!	\$ 35,947,759	\$ 24,042,192	\$ 1,956,632	\$ -
RATE BASE	\$ 303,218,850	\$ 213,880,455	\$ 88,972,840	\$ 360,654	\$ -
less Rate Base direct assignments	\$ (212,695,840)	\$ (153,390,742)	\$ (59,304,899)	\$ -	\$ -
NET RATE BASE	\$ 90,521,310	\$ 60,489,713	\$ 29,667,941	\$ 363,654	\$ -

KNOWN DIRECT & SPECIAL ASSIGNMENTS:
RATE BASE ITEMS(PLANT-ACC.DEPR):

361-382 METERS	\$ 22,133,264	\$ -	\$ 22,133,264	\$ -	\$ -
363-384 HOUSE REGULATORS	\$ 4,438,546	\$ -	\$ 4,438,546	\$ -	\$ -
385 INDUSTRIAL MEAS.& REG.EQ.	\$ 905,891	\$ 905,891	\$ -	\$ -	\$ -
376 MAINS	\$ 145,315,146	\$ 145,315,146	\$ -	\$ -	\$ -
380 SERVICES	\$ 32,733,089	\$ -	\$ 32,733,089	\$ -	\$ -
378 MEAS.& REG.STA.EQ.-GEN.	\$ 2,717,090	\$ 2,717,090	\$ -	\$ -	\$ -
364 LNG Plant	\$ 4,451,614	\$ 4,451,614	\$ -	\$ -	\$ -
Total Rate Base Direct Assignments	\$ 212,695,840	\$ 153,390,742	\$ 59,304,899	\$ -	\$ -

O&M ITEMS

892 Maint. of Services O & M ITEMS	\$ 178,591	\$ -	\$ 178,591	\$ -	\$ -
876 MEAS.& REG.STA.EQ.-IND.	\$ -	\$ -	\$ -	\$ -	\$ -
878 METER & HOUSE REG.	\$ 1,009,281	\$ -	\$ 1,009,281	\$ -	\$ -
890 MAINT.OF MEAS.& REG.STA.EQ.-IND.	\$ -	\$ -	\$ -	\$ -	\$ -
893 MAINT.OF METERS AND HOUSE REG.	\$ 224,799	\$ -	\$ 224,799	\$ -	\$ -
874 MAINS AND SERVICES	\$ 2,240,871	\$ 1,745,180	\$ 495,691	\$ -	\$ -
887 MAINT. OF MAINS	\$ 401,282	\$ 401,282	\$ -	\$ -	\$ -
364 LNG Plant	\$ 54,780	\$ 54,780	\$ -	\$ -	\$ -
Total O&M Direct Assignments	\$ 4,109,805	\$ 2,201,242	\$ 1,908,363	\$ -	\$ -

SUPPORTING SCHEDULES: H-3 p.1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED

TYPE OF DATA SHOWN:

PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC

COST OF SERVICE STUDY

WITNESS: D. NIKOLICH

D/B/A FLORIDA CITY GAS

(SUMMARY)

DOCKET NO: 20170179-GU

SUMMARY:	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE
ATTRITION	\$ -	\$ -	\$ -	\$ -	\$ -
O&M	\$ 22,903,906	\$ 12,405,074	\$ 8,849,136	\$ 1,649,696	\$ -
less O&M direct assignments	\$ (4,109,605)	\$ (1,908,363)	\$ (2,201,242)	\$ -	\$ -
NET O&M	\$ 18,794,301	\$ 10,496,710	\$ 6,647,894	\$ 1,649,696	\$ -
DEPRECIATION	\$ 15,699,304	\$ 4,540,665	\$ 11,158,639	\$ -	\$ -
AMORTIZATION OF OTHER GAS PLANT	\$ (113,767)	\$ -	\$ (113,767)	\$ -	\$ -
AMORTIZATION OF PROPERTY LOSS	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF LIMITED TERM INVESTMENT	\$ -	\$ -	\$ -	\$ -	\$ -
AMORTIZATION OF ACQUISITION ADJUSTMENT	\$ 721,895	\$ 226,842	\$ 495,052	\$ -	\$ -
AMORTIZATION OF CONVERSION COSTS	\$ 284,286	\$ -	\$ -	\$ 284,286	\$ -
TOTAL TAXES OTHER THAN INCOME	#REF!	\$ 838,860	\$ 2,081,489	\$ -	\$ -
RETURN	\$ 19,924,689	\$ 5,846,494	\$ 14,054,299	\$ 23,896	\$ -
INCOME TAXES	\$ 627,912	\$ 184,248	\$ 442,911	\$ 753	\$ -
REVENUES CREDITED TO COST OF SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COST OF SERVICE	#REF!	\$ 24,042,182	\$ 36,947,759	\$ 1,958,632	\$ -
RATE BASE	\$ 303,216,950	\$ 88,972,840	\$ 213,880,455	\$ 363,654	\$ -
less Rate Base direct assignments	\$ (212,695,640)	\$ (59,304,899)	\$ (153,390,742)	\$ -	\$ -
NET RATE BASE	\$ 90,521,310	\$ 29,667,942	\$ 60,489,713	\$ 363,654	\$ -

KNOWN DIRECT & SPECIAL ASSIGNMENTS:

RATE BASE ITEMS(PLANT-ACC.DEPR):					
381-382 METERS	\$ 22,133,264	\$ 22,133,264	\$ -	\$ -	\$ -
383-384 HOUSE REGULATORS	\$ 4,438,546	\$ 4,438,546	\$ -	\$ -	\$ -
385 INDUSTRIAL MEAS.& REG.EQ.	\$ 905,891	\$ -	\$ 905,891	\$ -	\$ -
376 MAINS	\$ 145,316,146	\$ -	\$ 145,316,146	\$ -	\$ -
380 SERVICES	\$ 32,733,089	\$ 32,733,089	\$ -	\$ -	\$ -
378 MEAS.& REG.STA.EQ.-GEN.	\$ 2,717,090	\$ -	\$ 2,717,090	\$ -	\$ -
364 LNG Plant	\$ 4,451,614	\$ -	\$ 4,451,614	\$ -	\$ -
Total Rate Base Direct Assignments	\$ 212,695,640	\$ 59,304,899	\$ 153,390,742	\$ -	\$ -

O&M ITEMS

892 Maint. of Services O & M ITEMS	\$ 178,591	\$ 178,591	\$ -	\$ -	\$ -
876 MEAS.& REG.STA.EQ.IND.	\$ -	\$ -	\$ -	\$ -	\$ -
878 METER & HOUSE REG.	\$ 1,009,281	\$ 1,009,281	\$ -	\$ -	\$ -
890 MAINT.OF MEAS.& REG.STA.EQ.-IND.	\$ -	\$ -	\$ -	\$ -	\$ -
893 MAINT.OF METERS AND HOUSE REG.	\$ 224,799	\$ 224,799	\$ -	\$ -	\$ -
874 MAINS AND SERVICES	\$ 2,240,871	\$ 495,691	\$ 1,745,180	\$ -	\$ -
887 MAINT. OF MAINS	\$ 401,282	\$ -	\$ 401,282	\$ -	\$ -
LOCAL STORAGE PLANT:	\$ 54,780	\$ -	\$ 54,780	\$ -	\$ -
Total O&M Direct Assignments	\$ 4,109,605	\$ 1,908,363	\$ 2,201,242	\$ -	\$ -

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC
 D/B/A FLORIDA CITY GAS
 DOCKET NO: 20170179-GU

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED
 COST OF SERVICE STUDY
 CLASSIFICATION OF EXPENSES AND
 DERIVATION OF COST OF SERVICE BY COST CLASSIFICATION
 SCHEDULE H 1 OF 2

TYPE OF DATA SHOWN:
 PROJECTED TEST YEAR: 12/31/2018
 WITNESS: D. NIKOLICH

OPERATIONS AND MAINTENANCE EXPENSES	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:	\$ 54,780	\$ -	\$ 54,780	\$ -	ac 301-320
PRODUCTION PLANT					100% capacity
DISTRIBUTION:					
Operation Supervision and Engineering	\$ 2,660	\$ 1,471	\$ 1,189	\$ -	ac 871-879
Distribution Load Dispatching	\$ -	\$ -	\$ -	\$ -	100% capacity
Compressor Station Labor and Expenses	\$ -	\$ -	\$ -	\$ -	ac 377
Compr.Sta.Fuel & Power	\$ -	\$ -	\$ -	\$ -	100% commodity
Mains and Services Expenses	\$ 2,240,871	\$ 495,691	\$ 1,745,180	\$ -	ac376+ac380
Measuring and Regulating Station Expenses-General	\$ 1,163	\$ -	\$ 1,163	\$ -	ac 378
Measuring and Regulating Station Expenses-Industrial	\$ -	\$ -	\$ -	\$ -	ac 385
Measuring and Regulating Station Expenses-City Gate Check	\$ 78,287	\$ -	\$ 78,287	\$ -	ac 379
Meter and House Regulator Expenses	\$ 1,009,281	\$ 1,009,281	\$ -	\$ -	ac381+ac383
Customer Installations Expenses	\$ 752,271	\$ 752,271	\$ -	\$ -	ac 386
Other Expenses	\$ 256,815	\$ 135,832	\$ 120,983	\$ -	ac 387
Rents	\$ -	\$ -	\$ -	\$ -	100% capacity
Maintenance Supervision and Engineering	\$ -	\$ -	\$ -	\$ -	ac886-894
Maintenance of Structures and Improvements	\$ -	\$ -	\$ -	\$ -	ac375
Maintenance of Mains	\$ 401,282	\$ -	\$ 401,282	\$ -	ac376
Maintenance of Compressor Station Equipment	\$ 593	\$ -	\$ 593	\$ -	ac 377
Maintenance of Meas. and Reg. Sta. Equip.-General	\$ 130,290	\$ -	\$ 130,290	\$ -	ac 378
Maintenance of Meas. and Reg. Sta. Equip.-Industrial	\$ -	\$ -	\$ -	\$ -	ac 385
Maintenance of Meas. and Reg. Sta. Equip.-City Gate Check	\$ -	\$ -	\$ -	\$ -	ac 379
Maintenance of Services	\$ 178,591	\$ 178,591	\$ -	\$ -	ac 380
Maintenance of Meters and House Regulators	\$ 224,799	\$ 224,799	\$ -	\$ -	ac381-383
Maintenance of Other Equipment	\$ 30,148	\$ 8,018	\$ 21,130	\$ -	ac387
Total Distribution Expenses	\$ 5,307,054	\$ 2,806,956	\$ 2,500,098	\$ -	
CUSTOMER ACCOUNTS:					
Supervision	\$ -	\$ -	\$ -	\$ -	100% customer
Meter Reading Expenses	\$ 140,890	\$ 140,890	\$ -	\$ -	100% customer
Customer Records and Collection Expenses	\$ 87,609	\$ 87,609	\$ -	\$ -	100% customer
Uncollectible Accounts	\$ 476,292	\$ -	\$ -	\$ 476,292	100% commodity
Miscellaneous Customer Accounts Expenses	\$ 989	\$ -	\$ -	\$ -	100% customer
Total Customer Accounts	\$ 705,780	\$ 229,488	\$ -	\$ 476,292	
Supervision	\$ -	\$ -	\$ -	\$ -	100% customer
Customer Assistance Expenses	\$ 10,412	\$ 10,412	\$ -	\$ -	
Informational and Instructional Expenses	\$ 2,268	\$ 1,228	\$ 876	\$ 163	
Miscellaneous Customer Service and Informational Expenses	\$ (25)	\$ (25)	\$ -	\$ -	
Supervision	\$ 6	\$ 6	\$ -	\$ -	100% customer
Demonstrating and Selling Expenses	\$ 14,851	\$ 14,851	\$ -	\$ -	
Advertising Expenses	\$ 519,842	\$ 519,842	\$ -	\$ -	
Miscellaneous Sales Expenses	\$ -	\$ -	\$ -	\$ -	
Administrative and General Salaries	\$ 10,805,790	\$ 5,852,566	\$ 4,174,917	\$ 778,307	O&M excl. A&G
Office Supplies and Expenses	\$ 1,347,290	\$ 729,711	\$ 520,538	\$ 97,041	
Administrative Expenses Transferred-Cr.	\$ (2,907,083)	\$ (1,574,517)	\$ (1,123,179)	\$ (209,388)	
Outside Services Employed	\$ 2,077,545	\$ 1,125,227	\$ 802,679	\$ 149,639	
Property Insurance	\$ 308,850	\$ 167,277	\$ 119,327	\$ 22,245	
Injuries and Damages	\$ 163,923	\$ 88,783	\$ 63,333	\$ 11,807	
Employee Pensions and Benefits	\$ 2,013,919	\$ 1,090,767	\$ 778,096	\$ 145,056	
Franchise Requirements	\$ -	\$ -	\$ -	\$ -	
Regulatory Commission Expenses	\$ -	\$ -	\$ -	\$ -	
Duplicate Charges (CR)	\$ -	\$ -	\$ -	\$ -	
General Advertising Expenses	\$ -	\$ -	\$ -	\$ -	
Miscellaneous General Expenses	\$ 1,121,733	\$ 607,546	\$ 433,392	\$ 80,795	
Rents	\$ 381,484	\$ 206,617	\$ 147,390	\$ 27,477	
Maintenance of General Plant	\$ 975,488	\$ 528,338	\$ 376,889	\$ 70,261	general plant
TOTAL O&M EXPENSE	\$ 22,903,906	\$ 12,405,074	\$ 8,849,136	\$ 1,649,696	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED
COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC
D/B/A FLORIDA CITY GAS
DOCKET NO: 20170179-GU

CLASSIFICATION OF EXPENSES AND DERIVATION
OF COST OF SERVICE BY COST CLASSIFICATION
SCHEDULE H 2 OF 2

WITNESS: D. NIKOLICH

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	REVENUE	CLASSIFIER
DEPRECIATION AND AMORTIZATION EXPENSE:						
Depreciation Expense	\$ 15,899,304	\$ 4,540,665	\$ 11,158,639	\$ -	\$ -	net plant
Amort. & Depl. of Utility Plant	\$ (113,767)	\$ -	\$ (113,767)	\$ -	\$ -	100% capacity
Amort. of Acquisition Adj.	\$ 721,895	\$ 226,842	\$ 495,052	\$ -	\$ -	intangible,distribution,and general plant
Amort. of Conversion Costs	\$ 284,286	\$ -	\$ -	\$ 284,286	\$ -	100% commodity
Regulatory Debits	\$ -	\$ -	\$ -	\$ -	\$ -	100% capacity
Total Deprec. and Amort. Expense	\$ 16,591,718	\$ 4,767,507	\$ 11,539,925	\$ 284,286	\$ -	
TAXES OTHER THAN INCOME TAXES:						
Revenue Related		\$ -	\$ -	\$ -	\$ -	100% revenue
Other	\$ 2,900,349	\$ 838,860	\$ 2,061,489	\$ -	\$ -	net plant
Total Taxes other than Income Taxes	#REF!	\$ 838,860	\$ 2,061,489	\$ -	\$ -	
REV.CRDT TO COS(NEG.OF OTHR OPR.REV)		\$ -	\$ -	\$ -	\$ -	100% customer
RETURN (REQUIRED NOI)	\$ 19,924,689	\$ 5,846,494	\$ 14,054,299	\$ -23,896	\$ -	rate base
INCOME TAXES	\$ 627,912	\$ 184,248	\$ 442,911	\$ 753	\$ -	return(not)
TOTAL OVERALL COST OF SERVICE	#REF!	\$ 24,042,182	\$ 36,947,759	\$ 1,958,632	\$ -	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED
COST OF SERVICE STUDY

TYPE OF DATA SHOWN:
PROJECTED TEST YEAR: 12/31/2018

COMPANY: PIVOTAL UTILITY HOLDINGS, INC
D/B/A FLORIDA CITY GAS

WITNESS: D. NIKOLICH

DOCKET NO: 20170179-GU

CLASSIFICATION OF RATE BASE - PLANT
SCHEDULE 1 OF 2

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT					
302 FRANCHISES AND CONSENTS	\$ 320,147	\$ -	\$ 320,147	\$ -	100% capacity
303 MISC INTANGIBLE PLANT:	\$ 220	\$ -	\$ 220	\$ -	
364 LNG Plant	\$ 4,461,538	\$ -	\$ 4,461,538	\$ -	100% capacity
PRODUCTION PLANT					
DISTRIBUTION PLANT:					
365 LAND AND LAND RIGHTS TRANSMISSION	\$ -	\$ -	\$ -	\$ -	
367 TRANSMISSION MAIN	\$ -	\$ -	\$ -	\$ -	
367.1 TRANSMISSION MAIN-STEEL	\$ -	\$ -	\$ -	\$ -	
367.2 TRANSMISSION MAIN-PLASTIC	\$ -	\$ -	\$ -	\$ -	100% capacity
369 MEASURING/REPLAING EQUIPMENT	\$ -	\$ -	\$ -	\$ -	
371 OTHER EQUIPMENT	\$ -	\$ -	\$ -	\$ -	
374 Land and Land Rights	\$ 659,737	\$ -	\$ 659,737	\$ -	100% capacity
374.1 Land	\$ 72,437	\$ -	\$ 72,437	\$ -	100% capacity
374.3 RIGHT-OF-WAY	\$ 11,132	\$ -	\$ 11,132	\$ -	100% capacity
375 Structures and Improvements	\$ -	\$ -	\$ -	\$ -	100% capacity
376 Mains	\$ -	\$ -	\$ -	\$ -	100% capacity
376.10 MAINS-STEEL	\$ 109,400,818	\$ -	\$ 109,400,818	\$ -	100% capacity
376.20 MAINS-PLASTIC	\$ 146,111,846	\$ -	\$ 146,111,846	\$ -	100% capacity
376.30 MAINS-CAST IRON	\$ 1,754	\$ -	\$ 1,754	\$ -	100% capacity
376.50 MAINS-MISC	\$ -	\$ -	\$ -	\$ -	100% capacity
376.99 MAINS-CIAC	\$ (194,159)	\$ -	\$ (194,159)	\$ -	100% capacity
377 Comp.Sta.Eq.	\$ -	\$ -	\$ -	\$ -	100% capacity
378 Meas.& Reg.Sta.Eq.-Gen	\$ 2,851,518	\$ -	\$ 2,851,518	\$ -	100% capacity
379 Meas.& Reg.Sta.Eq.-CG	\$ 10,001,910	\$ -	\$ 10,001,910	\$ -	100% capacity
380 Services	\$ -	\$ -	\$ -	\$ -	100% customer
380.1 Services-Steel	\$ 14,608,049	\$ 14,608,049	\$ -	\$ -	100% customer
380.1 Services-Plastic	\$ 61,562,546	\$ 61,562,546	\$ -	\$ -	100% customer
381 Meters	\$ 17,963,071	\$ 17,963,071	\$ -	\$ -	100% customer
381.1 Meters-ERTs	\$ 1,563,533	\$ 1,563,533	\$ -	\$ -	100% customer
382 Meters Installation	\$ 7,167,574	\$ 7,167,574	\$ -	\$ -	100% customer
382.1 Meters Installation - ERTs	\$ 4,694,678	\$ 4,694,678	\$ -	\$ -	100% customer
383 House Regulators	\$ 5,884,588	\$ 5,884,588	\$ -	\$ -	100% customer
384 House Regulator Installation	\$ 2,308,977	\$ 2,308,977	\$ -	\$ -	100% customer
385 Industrial Meas.& Reg.Eq.	\$ 3,045,476	\$ -	\$ 3,045,476	\$ -	100% capacity
386 Property on Customer Premises	\$ -	\$ -	\$ -	\$ -	ac 374-385
387 Other Equipment	\$ 836,929	\$ 250,346	\$ 586,583	\$ -	ac 374-386
Total Distribution Plant	\$ 393,334,319	\$ 116,003,362	\$ 277,330,957	\$ -	
GENERAL PLANT:	\$ 40,883,493	\$ 20,441,746	\$ 20,441,746	\$ -	50% customer,50%, capacity
PLANT ACQUISITION ADJUSTMENT:	\$ 21,656,835	\$ -	\$ 21,656,835	\$ -	100% capacity
GAS PLANT FOR FUTURE USE:	\$ -	\$ -	\$ -	\$ -	100% capacity
CWIP:	\$ 30,952,948	\$ 9,131,687	\$ 21,831,261	\$ -	dist.plant
TOTAL PLANT	\$ 486,837,595	\$ 145,576,796	\$ 341,260,799	\$ -	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: PROVIDE A FULLY ALLOCATED EMBEDDED
COST OF SERVICE STUDY

TYPE OF DATA SHOWN:

COMPANY: PIVOTAL UTILITY HOLDINGS, INC

D/B/A FLORIDA CITY GAS

CLASSIFICATION OF RATE BASE
ACCUMULATED DEPRECIATION

PROJECTED TEST YEAR: 12/31/2018

DOCKET NO: 20170179-GU

WITNESS: D. NIKOLICH

SCHEDULE 1 2 OF 2

	TOTAL	CUSTOMER	CAPACITY	COMMODITY	CLASSIFIER
LOCAL STORAGE PLANT:					
302 FRANCHISES AND CONSENTS	\$ 176,579	\$ -	\$ 176,579	\$ -	related plant
303 MISC INTANGIBLE PLANT:	\$ (2,978)	\$ -	\$ (2,978)	\$ -	rel.plant account
364 LNG PLANT	\$ 9,924	\$ -	\$ 9,924	\$ -	"
PRODUCTION PLANT					
DISTRIBUTION PLANT:					
365 LAND AND LAND RIGHTS TRANSMISSION	\$ 12,808	\$ -	\$ 12,808	\$ -	"
367 TRANSMISSION MAIN	\$ -	\$ -	\$ -	\$ -	"
367.1 TRANSMISSION MAIN-STEEL	\$ 304,885	\$ -	\$ 304,885	\$ -	"
369 MEASURING/REPLAING EQUIPMENT	\$ -	\$ -	\$ -	\$ -	"
371 OTHER EQUIPMENT	\$ 8,268	\$ -	\$ 8,268	\$ -	"
374 Land and Land Rights	\$ -	\$ -	\$ -	\$ -	"
374.1 Land	\$ -	\$ -	\$ -	\$ -	"
374.3 RIGHT-OF-WAY	\$ 27	\$ -	\$ 27	\$ -	"
375 Structures and Improvements	\$ (81,195)	\$ -	\$ (81,195)	\$ -	"
376 Mains	\$ -	\$ -	\$ -	\$ -	"
376.10 MAINS-STEEL	\$ 70,064,176	\$ -	\$ 70,064,176	\$ -	"
376.20 MAINS-PLASTIC	\$ 39,959,507	\$ -	\$ 39,959,507	\$ -	"
376.30 MAINS-CAST IRON	\$ 342	\$ -	\$ 342	\$ -	"
376.50 MAINS-MISC	\$ -	\$ -	\$ -	\$ -	"
376.99 MAINS-CIAC	\$ (19,912)	\$ -	\$ (19,912)	\$ -	"
377 Compressor Sta. Eq.	\$ -	\$ -	\$ -	\$ -	"
378 Meas.& Reg.Sta. Eq.-Gen	\$ 134,428	\$ -	\$ 134,428	\$ -	"
379 Meas.& Reg.Sta. Eq.-CG	\$ 4,651,714	\$ -	\$ 4,651,714	\$ -	"
380 Services	\$ -	\$ -	\$ -	\$ -	"
380.1 Services-Steel	\$ 22,435,002	\$ 22,435,002	\$ -	\$ -	"
380.1 Services-Plastic	\$ 21,002,503	\$ 21,002,503	\$ -	\$ -	"
381 Meters	\$ 3,200,991	\$ 3,200,991	\$ -	\$ -	"
381.1 Meters-ERTs	\$ 275,381	\$ 275,381	\$ -	\$ -	"
382 Meters Installation	\$ 3,000,959	\$ 3,000,959	\$ -	\$ -	"
382.1 Meters Installation - ERTs	\$ 2,778,262	\$ 2,778,262	\$ -	\$ -	"
383 House Regulators	\$ 2,609,611	\$ 2,609,611	\$ -	\$ -	"
384 House Regulator Installation	\$ 1,145,408	\$ 1,145,408	\$ -	\$ -	"
385 Indust.Meas.& Reg.Sta.Eq.	\$ 2,139,585	\$ -	\$ 2,139,585	\$ -	"
386 Property on Customer Premises	\$ -	\$ -	\$ -	\$ -	"
387 Other Equipment	\$ 330,087	\$ 98,737	\$ 231,350	\$ -	"
Total A.D. on Dist. Plant	\$ 173,952,838	\$ 56,546,855	\$ 117,405,983	\$ -	"
GENERAL PLANT:	\$ 6,900,616	\$ 3,450,308	\$ 3,450,308	\$ -	general plant
PLANT ACQUISITION ADJUSTMENT:	\$ 9,865,892	\$ -	\$ 9,865,892	\$ -	acquisition adjustments
RETIREMENT WORK IN PROGRESS:	\$ (2,233,352)	\$ (658,667)	\$ (1,574,685)	\$ -	distribution plant
TOTAL ACCUMULATED DEPRECIATION	\$ 188,669,518	\$ 59,338,496	\$ 129,331,023	\$ -	
NET PLANT (Plant less Accum.Dep.)	\$ 298,168,077	\$ 86,238,301	\$ 211,929,776	\$ -	
less:CUSTOMER ADVANCES	\$ -	\$ -	\$ -	\$ -	50%-50% cust-cap
plus:WORKING CAPITAL	\$ 5,048,873	\$ 2,734,540	\$ 1,950,679	\$ 363,654	oper. and maint. exp.
equals:TOTAL RATE BASE	\$ 303,216,950	\$ 88,972,840	\$ 213,880,455	\$ 363,654	

Rate Design Impact Summary

Rates based off CCOS Methods Proposed by FEA Witness Collins

Class	Number of Customers	Demand Vol.(therms)	Annual Volumes (therms)	Rate Base	Current Revenues	Proposed Rates				
						Proposed Revenues	Increase	% Rev Inc.	NOI	ROR
RS-1	33,864		2,886,825	66,777,234	\$6,444,054	\$ 16,127,161	\$ 9,683,108	150.26%	4,543,782	6.80%
RS-100	66,473		12,240,769	146,039,858	\$17,348,299	\$ 34,590,191	\$ 17,241,891	99.39%	9,930,227	6.80%
RS-600	969		767,899	2,998,369	\$671,130	\$ 618,956	\$ (52,174)	-7.77%	203,065	6.77%
GS-1	4,993		12,382,178	18,905,698	\$5,313,299	\$ 3,925,955	\$ (1,387,344)	-26.11%	1,280,252	6.77%
GS-6k	2,378		28,127,107	19,049,121	\$8,996,894	\$ 2,574,522	\$ (6,422,373)	-71.38%	1,279,150	6.72%
GS-25k	390		17,386,101	8,973,906	\$5,398,680	\$ 864,393	\$ (4,534,288)	-83.99%	599,658	6.68%
GS-120k	101	172,347	34,439,382	17,460,806	\$6,833,871	\$ 2,658,480	\$ (4,175,391)	-61.10%	1,143,229	6.55%
GS-1250k	7	198,876	15,613,100	19,273,800	\$2,386,020	\$ 4,341,324	\$ 1,955,304	81.95%	1,270,056	6.59%
GS-11M	-		-	-	-	-	-	-	-	-
GS-25M	-		-	-	-	-	-	-	-	-
GAS LIGHTING	328		38,033	548,644	\$20,967	\$ 15,561	\$ (5,406)	-25.78%	(89,385)	-16.29%
NATURAL GAS VEHICLES	-		-	-	-	-	-	-	-	-
CONTRACT DEMAND	1		5,492,320	3,185,780	\$171,598	\$ 171,598		0.00%	(235,243)	-7.38%
THIRD PARTY SUPPLIER	13		-	3,733	\$262,518	\$ 265,891	\$ 3,373	1.28%	245	6.57%
Total All Classes	109,516	371,223	123,881,394	\$303,216,950	\$ 53,847,331	\$ 66,154,031	\$ 12,306,700	22.85%	\$ 19,925,037	6.57%
Summary										
Residential	101,634	-	15,933,526	216,364,105	\$24,484,450	\$ 51,351,869	\$ 26,867,419	109.73%	14,587,689	6.74%
Commercial and Industrial	7,870	371,223	113,440,188	86,849,112	\$29,100,363	\$ 14,536,272	\$ (14,564,091)	-50.05%	5,337,103	6.15%

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.
 D/B/A FLORIDA CITY GAS
 DOCKET NO.: 20170179-GU

EXPLANATION: PROVIDE REVENUES CALCULATED AT PRESENT RATES, PRESENT RATES
 ADJUSTED FOR GROWTH ONLY FOR THE PROJECTED TEST YEAR, AND FINAL RATES
 AS PROPOSED.

OPC ROG 8-175

TYPE OF DATA SHOWN:
 HISTORIC BASE YEAR: 12/31/16
 PROJECTED TEST YEAR: 12/31/18
 WITNESS: D. NIKOLICH

LINE NO.	RATE SCHEDULE	PRESENT RATE STRUCTURE			PRESENT RATES ADJ FOR GROWTH ONLY			FINAL PROPOSED RATE STRUCTURE					
		BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PRESENT RATES	REVENUE	RATE SCHEDULE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE		
RESIDENTIAL													
1	GS-1	CUSTOMER CHARGE	320,481	\$8.00000	\$2,563,848	406,366	\$8.00000	\$3,250,928	RS-1	CUSTOMER CHARGE	406,366	\$12.0000	\$4,876,392
2		ENERGY CHARGE	2,047,031	\$0.56213	\$1,150,698	2,886,825	\$0.56213	\$1,622,771		ENERGY CHARGE	2,886,825	\$0.5095	\$1,470,896
3		SAFE CHARGE	320,481	\$2.62000	\$839,660	406,366	\$2.62000	\$1,064,679		SAFE CHARGE	406,366	\$0.0000	\$0
4		TOTAL			\$4,554,206			\$5,938,378		TOTAL			\$6,347,288
5	GS-100	CUSTOMER CHARGE	601,645	\$9.50000	\$5,715,628	606,380	\$9.50000	\$5,760,610	RS-100	CUSTOMER CHARGE	606,380	\$15.0000	\$9,095,700
6		ENERGY CHARGE	7,519,951	\$0.52248	\$3,929,024	8,078,916	\$0.52248	\$4,221,072		ENERGY CHARGE	8,078,916	\$0.4114	\$3,323,410
7		SAFE CHARGE	601,645	\$2.62000	\$1,576,310	606,380	\$2.62000	\$1,588,716		SAFE CHARGE	606,380	\$0.0000	\$0
8		TOTAL			\$11,220,961			\$11,570,398		TOTAL			\$12,419,110
9	GS-220	CUSTOMER CHARGE	266,061	\$11.00000	\$2,926,671	191,291	\$11.00000	\$2,104,201	RS-100	CUSTOMER CHARGE	191,291	\$15.0000	\$2,869,365
10		ENERGY CHARGE	5,465,062	\$0.49531	\$2,706,900	4,161,853	\$0.49531	\$2,061,407		ENERGY CHARGE	4,161,853	\$0.4114	\$1,712,054
11		SAFE CHARGE	266,061	\$2.62000	\$697,080	191,291	\$2.62000	\$501,182		SAFE CHARGE	191,291	\$0.0000	\$0
12		TOTAL			\$6,330,651			\$4,666,791		TOTAL			\$4,581,419
13	GS-600	CUSTOMER CHARGE	9,805	\$12.00000	\$117,660	9,696	\$12.00000	\$116,352	RS-600	CUSTOMER CHARGE	9,696	\$20.0000	\$193,920
14		ENERGY CHARGE	481,723	\$0.43663	\$210,335	523,334	\$0.43663	\$228,503		ENERGY CHARGE	523,334	\$0.4022	\$210,469
15		SAFE CHARGE	9,805	\$2.62000	\$25,689	9,696	\$2.62000	\$25,404		SAFE CHARGE	9,696	\$0.0000	\$0
16		TOTAL			\$353,684			\$370,259		TOTAL			\$404,389
17	GS-1.2K	CUSTOMER CHARGE	1,794	\$15.00000	\$26,910	1,936	\$15.00000	\$29,040	RS-600	CUSTOMER CHARGE	1,936	\$20.0000	\$38,720
18		ENERGY CHARGE	191,309	\$0.31715	\$60,673	244,566	\$0.31715	\$77,564		ENERGY CHARGE	244,566	\$0.4022	\$98,357
19		SAFE CHARGE	1,794	\$2.62000	\$4,700	1,936	\$2.62000	\$5,072		SAFE CHARGE	1,936	\$0.0000	\$0
20		TOTAL			\$92,284			\$111,676		TOTAL			\$137,077
21	GS-6K	CUSTOMER CHARGE	15	\$30.00000	\$450	0	\$30.00000	\$0	RS-600	CUSTOMER CHARGE	0	\$20.0000	\$0
22		ENERGY CHARGE	15,405	\$0.27487	\$4,234	0	\$0.27487	\$0		ENERGY CHARGE	0	\$0.4022	\$0
19		SAFE CHARGE	15	\$4.85000	\$73	0	\$4.85000	\$0		SAFE CHARGE	0	\$0.0000	\$0
24		TOTAL			\$4,684			\$0		TOTAL			\$0
25	GAS LIGHTING	CUSTOMER CHARGE	2,373	\$0.00000	\$0	3,936	\$0.00000	\$0	GAS LIGHTING	CUSTOMER CHARGE	3,936	\$0.0000	\$0
26		ENERGY CHARGE	14,854	\$0.59535	\$8,843	38,033	\$0.59535	\$42,179		ENERGY CHARGE	38,033	\$0.4000	\$28,339
27		SAFE CHARGE	2,373	\$2.62000	\$6,217	3,936	\$2.62000	\$10,312		SAFE CHARGE	3,936	\$0.0000	\$0
28		TOTAL			\$15,061			\$52,492		TOTAL			\$28,339

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.
 D/B/A FLORIDA CITY GAS
 DOCKET NO.: 20170179-GU

EXPLANATION: PROVIDE REVENUES CALCULATED AT PRESENT RATES, PRESENT RATES
 ADJUSTED FOR GROWTH ONLY FOR THE PROJECTED TEST YEAR, AND FINAL RATES
 AS PROPOSED.

OPC ROG 8-175

TYPE OF DATA SHOWN:
 HISTORIC BASE YEAR: 12/31/16
 PROJECTED TEST YEAR: 12/31/18
 WITNESS: D. NIKOLICH

LINE NO.	RATE SCHEDULE	PRESENT RATE STRUCTURE			PRESENT RATES ADJ FOR GROWTH ONLY			FINAL PROPOSED RATE STRUCTURE					
		BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PRESENT RATES	REVENUE	RATE SCHEDULE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE		
COMMERCIAL SALES AND TRANSPORTATION													
1	GS-1	CUSTOMER CHARGE	7,657	\$8.00000	\$61,256	9,416	\$8.00000	\$75,328	GS-1	CUSTOMER CHARGE	9,416	\$25.0000	\$235,400
2		ENERGY CHARGE	227,586	\$0.56213	\$127,933	258,728	\$0.56213	\$145,439		ENERGY CHARGE	258,728	\$0.4003	\$103,582
3		SAFE CHARGE	7,657	\$2.62000	\$20,061	9,416	\$2.62000	\$24,670		SAFE CHARGE	9,416	\$0.0000	\$0
4		TOTAL			\$209,250			\$245,437		TOTAL			\$338,982
5	GS-100	CUSTOMER CHARGE	3,177	\$9.50000	\$30,182	3,166	\$9.50000	\$30,077	GS-1	CUSTOMER CHARGE	3,166	\$25.0000	\$79,150
6		ENERGY CHARGE	171,974	\$0.52248	\$89,853	157,497	\$0.52248	\$82,289		ENERGY CHARGE	157,497	\$0.4003	\$63,054
7		SAFE CHARGE	3,177	\$2.62000	\$8,324	3,166	\$2.62000	\$8,295		SAFE CHARGE	3,166	\$0.0000	\$0
8		TOTAL			\$128,358			\$120,661		TOTAL			\$142,204
9	GS-220	CUSTOMER CHARGE	5,181	\$11.00000	\$56,991	5,602	\$11.00000	\$61,622	GS-1	CUSTOMER CHARGE	5,602	\$25.0000	\$140,050
10		ENERGY CHARGE	249,977	\$0.49531	\$123,816	282,920	\$0.49531	\$140,133		ENERGY CHARGE	282,920	\$0.4003	\$113,267
11		SAFE CHARGE	5,181	\$2.62000	\$13,574	5,602	\$2.62000	\$14,677		SAFE CHARGE	5,602	\$0.0000	\$0
12		TOTAL			\$194,381			\$216,432		TOTAL			\$253,317
13	GS-600	CUSTOMER CHARGE	6,090	\$12.00000	\$73,080	6,736	\$12.00000	\$80,832	GS-1	CUSTOMER CHARGE	6,736	\$25.0000	\$168,400
14		ENERGY CHARGE	691,898	\$0.43663	\$302,103	780,635	\$0.43663	\$340,849		ENERGY CHARGE	780,635	\$0.4003	\$312,527
15		SAFE CHARGE	6,090	\$2.62000	\$15,956	6,736	\$2.62000	\$17,648		SAFE CHARGE	6,736	\$0.0000	\$0
16		TOTAL			\$391,139			\$439,329		TOTAL			\$480,927
17	GS-1.2K	CUSTOMER CHARGE	34,265	\$15.00000	\$513,975	34,991	\$15.00000	\$524,865	GS-1	CUSTOMER CHARGE	34,991	\$25.0000	\$874,775
18		ENERGY CHARGE	10,152,722	\$0.31715	\$3,219,936	10,902,398	\$0.31715	\$3,457,696		ENERGY CHARGE	10,902,398	\$0.4003	\$4,364,768
19		SAFE CHARGE	34,265	\$2.62000	\$89,774	34,991	\$2.62000	\$91,676		SAFE CHARGE	34,991	\$0.0000	\$0
20		TOTAL			\$3,823,685			\$4,074,237		TOTAL			\$5,239,543
21	GS-6K	CUSTOMER CHARGE	28,792	\$30.00000	\$863,760	28,538	\$30.00000	\$856,140	GS-6K	CUSTOMER CHARGE	28,538	\$35.0000	\$998,830
22		ENERGY CHARGE	25,720,064	\$0.27487	\$7,069,674	28,127,107	\$0.27487	\$7,731,298		ENERGY CHARGE	28,127,107	\$0.3581	\$10,073,650
23		SAFE CHARGE	28,792	\$4.85000	\$139,641	28,538	\$4.85000	\$138,409		SAFE CHARGE	28,538	\$0.0000	\$0
24		TOTAL			\$8,073,075			\$8,725,847		TOTAL			\$11,072,480
25	GS-25K	CUSTOMER CHARGE	3,880	\$80.00000	\$310,400	3,795	\$80.00000	\$303,600	GS-25K	CUSTOMER CHARGE	3,795	\$150.0000	\$569,250
26		ENERGY CHARGE	10,518,645	\$0.27618	\$2,905,039	10,966,089	\$0.27618	\$3,028,614		ENERGY CHARGE	10,966,089	\$0.3382	\$3,708,916
27		SAFE CHARGE	3,880	\$4.85000	\$18,818	3,795	\$4.85000	\$18,406		SAFE CHARGE	3,795	\$0.0000	\$0
28		TOTAL			\$3,234,257			\$3,350,620		TOTAL			\$4,278,166
29	GS-60K	CUSTOMER CHARGE	854	\$150.00000	\$128,100	883	\$150.00000	\$132,450	GS-25K	CUSTOMER CHARGE	883	\$150.0000	\$132,450
30		ENERGY CHARGE	7,753,377	\$0.27477	\$2,130,395	6,420,012	\$0.27477	\$1,764,027		ENERGY CHARGE	6,420,012	\$0.3382	\$2,171,356
31		SAFE CHARGE	854	\$4.85000	\$4,142	883	\$4.85000	\$4,283		SAFE CHARGE	883	\$0.0000	\$0
32		TOTAL			\$2,262,637			\$1,900,759		TOTAL			\$2,303,806
33	GS-120K	CUSTOMER CHARGE	507	\$250.00000	\$126,750	612	\$250.00000	\$153,000	GS-120K	CUSTOMER CHARGE	612	\$300.0000	\$183,600
34		DEMAND CHARGE	516,160	\$0.28900	\$149,170	527,971	\$0.28900	\$152,584		DEMAND CHARGE	527,971	\$0.5750	\$303,584
35		ENERGY CHARGE	8,079,386	\$0.18084	\$1,461,076	9,316,392	\$0.18084	\$1,684,776		ENERGY CHARGE	9,316,392	\$0.2723	\$2,537,002
36		SAFE CHARGE	507	\$4.85000	\$2,459	612	\$4.85000	\$2,968		SAFE CHARGE	527,971	\$0.0000	\$0
37		TOTAL			\$1,612,706			\$1,840,328		TOTAL			\$2,840,586
38	GS-250K	CUSTOMER CHARGE	555	\$300.00000	\$166,500	600	\$300.00000	\$180,000	GS-120K	CUSTOMER CHARGE	600	\$300.0000	\$180,000
39		DEMAND CHARGE	1,995,610	\$0.28900	\$576,731	1,496,532	\$0.28900	\$432,498		DEMAND CHARGE	1,496,532	\$0.5750	\$860,506
40		ENERGY CHARGE	23,876,304	\$0.17191	\$4,104,575	25,122,990	\$0.17191	\$4,318,893		ENERGY CHARGE	25,122,990	\$0.2723	\$6,841,390
41		SAFE CHARGE	555	\$4.85000	\$2,692	600	\$4.85000	\$2,910		SAFE CHARGE	1,496,532	\$0.0000	\$0
42		TOTAL			\$4,683,998			\$4,754,301		TOTAL			\$7,701,897

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: PIVOTAL UTILITY HOLDINGS, INC.
 D/B/A FLORIDA CITY GAS
 DOCKET NO.: 20170179-GU

EXPLANATION: PROVIDE REVENUES CALCULATED AT PRESENT RATES, PRESENT RATES
 ADJUSTED FOR GROWTH ONLY FOR THE PROJECTED TEST YEAR, AND FINAL RATES
 AS PROPOSED.

TYPE OF DATA SHOWN:
 HISTORIC BASE YEAR: 12/31/16
 PROJECTED TEST YEAR: 12/31/18
 WITNESS: D. NIKOLICH

OPC ROG 8-175

LINE NO.	RATE SCHEDULE	PRESENT RATE STRUCTURE			PRESENT RATES ADJ FOR GROWTH ONLY			FINAL PROPOSED RATE STRUCTURE			
		BILLING DETERMINANTS	PRESENT RATES	REVENUE	BILLING DETERMINANTS	PRESENT RATES	REVENUE	RATE SCHEDULE	BILLING DETERMINANTS	PROPOSED RATES	REVENUE
1	GS-1,250K CUSTOMER CHARGE	62	\$500.00000	\$31,000	48	\$500.00000	\$24,000	GS-1,250K CUSTOMER CHARGE	48	\$500.00000	\$24,000
2	DEMAND CHARGE	1,342,095	\$0.28900	\$387,866	1,494,284	\$0.28900	\$431,848	DEMAND CHARGE	1,494,284	\$0.57500	\$859,213
3	ENERGY CHARGE	14,748,734	\$0.12225	\$1,803,033	8,514,500	\$0.12225	\$1,040,898	ENERGY CHARGE	8,514,500	\$0.14060	\$1,197,101
4	SAFE CHARGE	62	\$4.85000	\$301	48	\$4.85000	\$233	SAFE CHARGE	1,494,284	\$0.00000	\$0
5	TOTAL			\$2,191,199			\$1,472,979	TOTAL			\$2,056,315
6	NATURAL GAS CUSTOMER CHARGE	0	\$15.00000	\$0	0	\$15.00000	\$0	NATURAL GAS CUSTOMER CHARGE	0	\$25.00000	\$0
7	VEHICLES ENERGY CHARGE	0	\$0.23232	\$0	0	\$0.23232	\$0	VEHICLES ENERGY CHARGE	0	\$0.40035	\$0
8	TOTAL			\$0			\$0	TOTAL			\$0
9	LES CUSTOMER CHARGE	36	\$500.00000	\$18,000	36	\$500.00000	\$18,000	LES CUSTOMER CHARGE	36	\$500.00000	\$18,000
10	DEMAND CHARGE	309,145	\$0.28900	\$89,343	309,135	\$0.28900	\$89,340	DEMAND CHARGE	309,135	\$0.57500	\$177,753
11	ENERGY CHARGE	5,849,394	\$0.12225	\$715,088	7,098,600	\$0.12225	\$867,804	ENERGY CHARGE	7,098,600	\$0.14060	\$998,032
12	TOTAL			\$822,431			\$975,144	TOTAL			\$1,193,785
13	CONTRACT CUSTOMER CHARGE	12	\$400.00000	\$4,800	12	\$400.00000	\$4,800	CONTRACT CUSTOMER CHARGE	12	\$500.00000	\$6,000
14	DEMAND ENERGY CHARGE	16,450,792	\$0.04751	\$781,546	5,492,320	\$0.03000	\$164,770	DEMAND ENERGY CHARGE	5,492,320	\$0.07156	\$393,040
15	TOTAL			\$786,346			\$169,570	TOTAL			\$399,040
16	TPS CUSTOMER CHARGE	156	\$400.00000	\$62,400	156	\$400.00000	\$62,400	TPS CUSTOMER CHARGE	156	\$400.00000	\$62,400
17	Per CUSTOMER CHARGE	31,662	\$5.92000	\$187,439	33,795	\$5.92000	\$200,066	Per CUSTOMER CHAR	33,795	\$6.05	\$204,349
19	TOTAL			\$249,839			\$262,466	TOTAL			\$266,749
20	GRAND TOTAL			\$51,230,148			\$51,258,103				\$62,485,418

SUPPORTING SCHEDULES: E-1, H-1 p.3-3

RECAP SCHEDULES: