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May 31, 2022

VIA ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: In re: Petition by Florida City Gas for Base Rate Increase
Docket No. 20220069-GU

Dear Mr. Teitzman:

Enclosed for filing on behalf of Florida City Gas ("FCG") in the above-referenced docket is FCG's Petition for Base Rate Increase, together with supporting testimonies, exhibits, and Minimum Filing Requirements. This filing includes the following documents:

1. Petition for Base Rate Increase
2. Direct Testimony of Kurt S. Howard and Exhibit KSH-1
3. Direct Testimony of Mark Campbell and Exhibits MC-1 through MC-6
4. Direct Testimony of Liz Fuentes and Exhibits LF-1 through LF-6
5. Direct Testimony of Tara DuBose and Exhibits TBD-1 through TBD-6
6. Direct Testimony of Jennifer Nelson and Exhibits JEN-1 through JEN-10
7. Direct Testimony of Ned Allis and Exhibits NWA-1 (2022 Depreciation Study) through NWA-5
8. Minimum Filing Requirements, Schedule A
9. Minimum Filing Requirements, Schedule B
10. Minimum Filing Requirements, Schedule C

11. Minimum Filing Requirements, Schedule D

12. Minimum Filing Requirements, Schedule E

13. Minimum Filing Requirements, Schedule G

14. Minimum Filing Requirements, Schedule H

15. Minimum Filing Requirements, Schedule I

FCG is not seeking interim rate relief and, therefore, is not providing Minimum Filing Requirements, Schedule F. Each of the above-referenced documents are being separately filed in this docket.

Please note that certain Minimum Filing Requirements contain confidential information and data, which has been redacted and will be provided with a Request for Confidential Classification filed under separate cover.

If you or your staff have any question regarding this filing, please contact me at (561) 691-7144.

Respectfully submitted,

Christopher T. Wright
Authorized House Counsel No. 1007055

Enclosed: [Document 5 of 15]

CERTIFICATE OF SERVICE
20220069-GU

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail this 31st day of May 2022 to the following parties:

Ashley Weisenfeld Walt Trierweiler Florida Public Service Commission Office of the General Counsel 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850 aweisenf@psc.state.fl.us wtrierwe@psc.state.fl.us ***For Commission Staff***	Office of Public Counsel Richard Gentry Patricia A. Christensen c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Gentry.richard@leg.state.fl.us christensen.patty@leg.state.fl.us ***For Office of Public Counsel***

s/ Christopher T. Wright
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Attorney for Florida City Gas

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20220069-GU

FLORIDA CITY GAS

DIRECT TESTIMONY OF TARA B. DUBOSE

Topics: **Revenue Forecast,**
Cost of Service Study,
Revenue Allocation,
Rate Design, Tariff Changes

Filed: May 31, 2022

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Tara B. DuBose. My business address is Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light Company ("FPL") as the Manager of Cost of Service and Load Research in the Rates & Tariffs Department.

Q. Please describe your duties and responsibilities in that position.

A. I am responsible for managing load research and cost of service activities for retail rates. In this capacity, I am responsible for the preparation of retail cost of service studies on behalf of FPL and Pivotal Utility Holdings, Inc. d/b/a Florida City Gas ("FCG" or the "Company"). Additionally, as part of this case, my responsibilities include FCG's revenue forecast, revenue allocation, and rate design.

Q. Please describe your educational background and professional experience.

A. I received a Bachelor of Science in Business Administration with a concentration in Accounting from the University of South Carolina - Aiken in 1996. In 2007, I earned a Master of Business Administration with a concentration in International Business from the University of South Carolina. I am also a Certified Public Accountant in the state of South Carolina. From 1996 to 2000, I was employed as a Financial Analyst for the Comptroller General's office for the state of South Carolina and as an Auditor in public accounting firms. From 2000 to 2011, I was employed at SCANA Corporation

(now Dominion Energy), where I held a variety of positions including Auditor III in Internal Audit, Senior Regulatory Accountant for Retail Electric and Gas Distribution Rates, and Supervisor of Electric Transmission Rates and Gas Transportation Rates. I joined FPL in 2011 as a Principal Rate Analyst for Rate Design, responsible for retail tariff and rate development and progressed to my current position of Manager of Cost of Service and Load Research.

I am a member of the Edison Electric Institute ("EEI") Rates and Regulatory Affairs Committee. I have completed various relevant training courses throughout my career including the New Mexico State University Center for Public Utilities Basics Course for gas rates, the EEI Advanced Rate Design Course for electric rates, the EEI and University of Wisconsin - Madison Transmission & Wholesale Markets School and the Association of Edison Illuminating Companies ("AEIC") Fundamentals of Customer Load Data Analysis Course. I was also a past member of the Southern Gas Association, served as the Chairman of the Southeastern Electric Exchange ("SEE") Rate & Regulatory Committee and have been a guest speaker at SEE Committee meetings.

Q. Have you previously filed testimony before this Commission?

A. Yes, I provided testimony in Docket No. 20210015-EI. I have also provided testimony before the Federal Energy Regulatory Commission ("FERC") in wholesale rate and cost of service matters.

Q. Are you sponsoring any exhibits?

A. Yes, I am sponsoring the following exhibits:

- Exhibit TBD-1 MFRs Sponsored or Co-sponsored by Tara B. DuBose
- Exhibit TBD-2 Forecast of Bills, Therms, Demand Charge Quantities, and Revenues for the 2023 Test Year at Present Rates
- Exhibit TBD-3 Comparisons of Rates of Return and Parity at Present Rates to Equalized Rates and to Proposed Rates
- Exhibit TBD-4 Parity of Major Customer Classes at Proposed Rates
- Exhibit TBD-5 Analysis of Proposed Revenue Requirement Increases
- Exhibit TBD-6 FCG Bill Comparisons

Q. Are you sponsoring or co-sponsoring any Minimum Filing Requirements ("MFRs") in this case?

A. Yes. Exhibit TBD-1 lists the MFRs I am sponsoring and co-sponsoring.

Q. What test year is the Company using for its proposed base rate increase?

A. The Company is using a projected 2023 Test Year based on the 12-month period ending December 31, 2023. The MFRs reflect information and data requested for various years since FCG's last rate case, including the 2021 Historical Test Year, 2022 Prior Year, and 2023 Test Year.

Q. What is the purpose of your testimony in this proceeding?

A. I will support and describe the specific methods employed in developing the forecast of revenues from sales for the 2022 Prior Year ending December 31, 2022, and for the 2023 Test Year ending December 31, 2023. I will support and describe the methodology used to develop the class cost of service study

("COSS"), revenue requirement allocation, and rate design for this case and present the results.

Q. Please summarize your testimony.

A. My testimony supports the results of the FCG COSS, the final proposed revenue requirement allocations, and the resulting proposed base rates and service charges that will produce revenues sufficient to recover the Company's jurisdictional revenue requirements for the 2023 Test Year. The proposed FCG COSS fairly presents each rate class's cost responsibility, rate of return ("ROR"), and parity position (*i.e.*, rate class ROR relative to system average ROR). The COSS allocates the rate base, revenues, and expenses to the individual rate classes based on the appropriate cost drivers previously approved by this Commission.

The results of the consolidated FCG rate class COSS show that at present rates several rate classes, such as RS-1, GS-1, GS-120K, and GS-1250K, are well below parity, while other rate classes, RS-100, RS-600, GS-6K, GS-25K, and Gas Lighting, are well above parity. Exhibit TBD-3, Table 1 compares the present revenue requirements, ROR, and related parity index for each rate class to equalized revenue requirements and calculates the differential. Exhibit TBD-3, Table 2 shows the same comparison at present versus final proposed revenue requirement allocations. The MFR H schedules provide the details supporting these results.

The Commission should approve the FCG COSS methodologies, the proposed revenue requirement allocations, and the proposed rates presented in my testimony.

Q. Can you please summarize the estimated bill impacts of FCG's proposed increase in base revenues?

A. Yes. As explained in the direct testimony of FCG witness Campbell, FCG is proposing a four-year rate plan based on a 2023 Test Year ending December 31, 2023. FCG's total base revenue requirements for the 2023 Test Year reflect the need for an increase in base revenues of $29 million as further described by FCG witnesses Campbell and Fuentes.[1] This revenue increase includes the transfer of $5.7 million from SAFE clause recovery to base recovery and $3.8 million related to a previously approved Liquefied Natural Gas ("LNG") Facility projected to be placed in-service in March 2023 as described by FCG witness Howard. Thus, the net incremental increase in base revenues is $19.4 million as explained by FCG witness Fuentes.[2] Exhibit TBD-5 provides an analysis of these incremental increases in revenue requirements at proposed rates.

FCG's filing proposes adjustments to rates and charges to more closely reflect the projected COSS for the various rate classes, and thus move customer classes

[1] As reflected in MFR E-2, there was a miscalculation in the original present revenue forecast, which was corrected in the COSS and revenue allocation. The corrected amount results in present revenues being $155,495 higher in the COSS MFRs than reflected in the corresponding financial MFRs, which results in a corrected total base rate increase of $28.8 million for the 2023 Test Year.

[2] See footnote 1. The corrected net incremental base rate increase for the 2023 Test Year is $19.2 million.

closer to parity. As further described below, in allocating revenues and designing rates and charges, FCG applied the Florida Public Service Commission's ("FPSC" or "Commission") guideline on gradualism — the practice of limiting base rate increases for a specific rate class to 1.5 times the system average increase in total rate class operating revenues with clauses and providing no rate decreases — and appropriately recognized the competitive nature of the natural gas industry. Exhibit TBD-4 presents the parity of major customer classes at present and proposed rates

As shown on Exhibit TBD-6, the compound annual growth rate ("CAGR") of the typical residential bill from 2019 to 2026, is projected to be approximately 4.9%.

The commercial and industrial ("CI") rate classes will experience varying increases under FCG's four-year rate plan depending on the current rate of return for each class as compared to the system average rate of return, *i.e.*, parity index for each respective class. Exhibit TBD-6 shows the CAGR for an average customer in each of the four major rate classes, is projected to range from 5.0% to 5.9%. While FCG's comparative rate standing during the four-year term obviously will be a function of gas utility rates during that same time frame, FCG will remain well positioned to provide safe, reliable, and affordable natural gas service.

As described in greater detail by FCG witnesses Campbell and Fuentes, FCG is requesting the adoption of Reserve Surplus Amortization Mechanism ("RSAM") adjusted depreciation rates that allow for the creation and utilization of a RSAM during the four-year rate plan. As described by FCG witness Fuentes, the adoption of the RSAM results in a commensurately lower annual revenue requirement of approximately $2.7 million compared to an alternative that does not adopt FCG's four-year rate plan with RSAM. FCG has provided MFRs, tariffs, and exhibits with and without the impacts of the RSAM. Adopting the proposed four-year rate plan with RSAM reduces the average residential bill by approximately $0.94 per month or $45.12 over the term of FCG's proposed four-year rate plan. For average CI customers' bills, the reductions resulting from the four-year rate plan range from $5.15 per month or $247.20 over the four-year term for GS-1 to $465.83 per month or $22,359.84 over the four-year term for GS-120K.

II. RATE DESIGN PRINCIPLES AND RATE STRUCTURE

Q. What are the overall goals that FCG seeks to achieve through its rate design?

A. FCG's overall goal is to design rates that are fair, just, and reasonable among all customers.

Q. Please provide an overview of FCG's base rates.

A. FCG's FPSC Natural Gas Tariff book ("Tariff") contains rate schedules for the various types of customers served by FCG. These include residential customers;

small, medium, and large commercial and industrial customers; special contract, load enhancement, and economic development customers; gas lighting customers; and special or limited purpose customers that include standby generators and natural gas vehicles. Each of these customers are served through different rate schedules designed to reflect the differences in the usage characteristics of each customer, the cost incurred by FCG to provide service to each customer, and the competitive nature of the natural gas industry.

Q. Please describe the various types of rate schedules.

A. Rate schedules generally contain specific prices that are applied to each customer's natural gas usage amount. Most rate schedules incorporate a Customer Charge, which is a fixed amount designed to recover a portion of the fixed costs of providing service and does not vary with usage. Another price component is the Distribution Charge, which is a per therm charge that applies to all rate schedules and is designed to recover the remainder of the fixed costs and the variable costs of providing service and varies with the amount of natural gas consumed throughout the month. Some of the larger CI rate schedules also include a demand charge, which is a customer-specific charge per Demand Quantity Charge ("DCQ") that is reset in April of each year based on the maximum daily consumption over the prior three-year period to reflect the Company's cost of supplying service to meet the maximum demand the customers place on FCG's system. Finally, each rate schedule contains general terms and conditions that describe how the customer's monthly bills are determined.

III. REVENUE FORECAST

Q. Please describe the steps for developing the forecast of base revenues by rate class.

A. First, the billing determinant forecast for customers billed, therm sales, and demand is developed by rate schedule. Next, these billing determinants are applied to the currently applicable rates to provide the base revenue forecast at present rates. The customer, distribution, and demand rates are then adjusted as discussed below in Section V and applied to the forecasted billing determinants to provide the forecasted base revenue at proposed rates.

Q. How were the DCQ billing units determined for each class?

A. The DCQ is a specific billing unit for each customer and was determined in the manner described in the Company's Tariff for the relevant rate schedules. Specifically, every April, the Company performs a three-year review of each customer's daily consumption for customers in the commercial and industrial rate schedules: GS-120K, GS-1250K, and GS-11M, and GS-25M. This analysis identifies the customer's peak daily consumption over the past three years, and if the current DCQ has been exceeded three times, the new highest peak becomes the DCQ for the coming year. Similarly, the DCQ can also decrease based on the customer's daily consumption over the prior 3-years. For purposes of the revenue forecast and COSS, FCG used the most current DCQ billing units based on the April 2021 review.

Q. Please describe FCG's base revenue forecast at present rates.

A. The customer and therms forecasts are provided by FCG witness Campbell for the 2023 Test Year. As shown in MFR E-2, the base revenue forecast at present rates was developed by applying the forecasted therms and number of customers billed for each rate schedule provided by FCG witness Campbell for the 2023 Test Year period to existing base rates for each rate schedule per the Company's Tariff. As shown on Exhibit TBD-2, FCG forecasts a total of $62.8 million revenues from present base rates for the 2023 Test Year.

Q. Are there any exemptions to this process for the revenue forecast?

A. Yes. For purposes of the revenue forecast and COSS, Rate Schedule Load Enhancement Service ("LES") was not treated as a separate rate schedule. Rate Schedule LES is an optional rate available to customers that would otherwise qualify for service under Rate Schedules KDS, TSS, OSS, GS-120K, GS-1,250K, GS-11M or GS-25M and provide verifiable documentation showing a viable alternative fuel or the opportunity to completely bypass FCG's system. Customers that qualify for the LES are eligible for a negotiated, discounted volumetric rate that is subject to approval by the Commission. Per FCG's Tariff, the discount provided to LES customers is recovered from all other customers through the Competitive Rate Adjustment ("CRA") rider. For purposes of the revenue forecast and COSS, LES customers were aggregated and their revenues were forecasted at 100% of their otherwise applicable rate schedules. This approach better aligns the revenues and costs incurred to provide service to the LES customers with the appropriate rate schedule, while

recognizing that the difference between the revenues under the tariffed rate and the negotiated LES rate are recovered through the CRA.

IV. THE CLASS COST OF SERVICE STUDY

Q. Please describe the concept of rate class and how rate classes are established.

A. In general terms, rate classes are groups of individual rate schedules with like billing attributes (such as customer type, monthly consumption, demand or load, delivery circumstances, and cost causation) and rate design inter-relationships that are combined for cost of service purposes.

Q. How are rate classes used in the class COSS?

A. The COSS allocates costs to each rate class. For FCG, most rate schedules are separate rate classes, with a few exceptions. The generator standby rate schedules RSG and CSG have been grouped into their corresponding residential and commercial rate classes, RS-100 and GS-1. Additionally, the LES customers have been included in their respective rate classes, GS-120K, GS-1250K GS-11M, or GS-25M, similar to the revenue forecast.

Q. Please describe the objectives of a COSS.

A. A COSS allocates the Company's costs among the different rate schedules based on cost causation principles. The COSS produces specific data for each rate class, including rate base, net operating income ("NOI"), rate of return

("ROR"), target revenues, and unit costs. Target revenues and unit costs serve as the initial basis in the rate design process.

There are two primary objectives in a COSS. First is the development of cost information by function (production, storage, transmission, and distribution) and classification (customer, commodity, demand, and revenue) to develop cost-based allocations for each rate class. Second is the determination of the rate of return and parity for each rate class based on present rates. This information is used as a guide to allocate the Company's proposed revenue increase by rate class as further described in Section V of my testimony.

Q. Please describe the COSS process and the cost allocation methodologies used.

A. The Company's COSS follows the presentation format contained in the H Schedules of the prescribed MFR forms. A COSS consists of three individual activities: functionalization, classification, and allocation.

Functionalization assigns plant investments and associated operating expenses to four basic functional categories: production, storage, transmission, and distribution. COSS functional categories are assigned using the FERC Uniform System of Accounts. MFR Schedule H-3, pages 2 and 3 present the functionalized cost of service, and pages 4 and 5 present the functionalized rate base. All FCG costs are in the distribution functional category.

Classification is the process of grouping functionalized costs based on cost causation. There are three common groups used to classify costs: capacity or demand, commodity, and customer.

1. Capacity or demand costs, such as those relating to mains, services, or meters, are incurred to meet the maximum demand service requirements of the total customer base. Capacity costs were allocated based upon the standard peak and average method applied in previous base rate cases.

2. Commodity costs correspond directly to the volume of gas sold or transported. Commodity related costs were allocated based on annual sales volumes.

3. Customer costs are a function of the number of customers served, as they are incurred to connect customers to the distribution system, meter and read their usage, and maintain their accounts. Customer costs were allocated based on the relative number of customers served in each customer class. The "weighted number of customers" allocator was used to distribute costs based on the relative investment in meters, regulators, and service lines required to serve representative customers in each class. The weightings can be found on MFR Schedule E-7.

The cost classification methodology used in this case is the same as that used in the 2000, 2003, and 2017 rate cases. The classification of each functionalized cost component is contained in MFR schedule H-3, pages 2 - 5.

In the last step of the COSS, functionalized and classified costs are allocated or directly assigned to the customer classes. Most costs are allocated by applying a series of factors that distribute costs based on the causal relationships between the respective customer classes and the classified costs. Only operations and maintenance costs associated with the Third-Party Supplier ("TPS") rate schedule were directly assigned to those customers. MFR Schedule H-2, page 5, details the development of allocation factors by customer class.

Q. How were customers on special contracts addressed in the COSS?

A. FCG offers special contracts to qualifying customers under Rate Schedule Contract Demand Service (KDS). The objective of this rate schedule is to enable the Company to attach incremental load to its system by providing the Company with the flexibility to negotiate individual service agreements with potential new customers considering competitive and economic market conditions and system growth opportunities. Rate Schedule KDS is available to non-residential customers that have new or incremental demand of 250,000 therms per year at one location. The distribution charge under rate schedule KDS is a negotiated rate that cannot be set lower than the incremental cost FCG incurs to serve the new customer. The negotiated rate is fixed for the duration of the term of the contract and, as such, the KDS customers' rates do not change in a base rate proceeding. Therefore, for purposes of the COSS no costs were allocated to these customers. Instead, the projected revenues generated from the KDS customers were credited to all other customers. Additionally, the KDS customers' billing units were excluded from all COSS allocators.

Q. How were revenue requirements associated with the Safety, Access, and Facility Enhancement ("SAFE") program incorporated into the COSS consistent with Order No. PSC-15-0390-TRF-GU from Docket No. 150116-GU?

A. The SAFE program costs as of December 31, 2022, were included in total revenue requirements for the test year and, thus, are part of the overall deficiency between present base revenues and proposed base revenue requirements. As explained by FCG witness Fuentes, the total revenue deficiency of $29.0 million[3] includes $5.7 million of revenue requirements related to the SAFE program.

Q. Is FCG proposing to implement the previously approved revenue increase of $3.8 million associated with the LNG Facility as part of total base rate increase requested in this proceeding?

A. Yes. As explained by FCG witnesses Fuentes and Howard, the total cost of the LNG Facility is included in the calculation of the total revenue requirements for the 2023 Test Year and is included in the total base rate increase to become effective February 1, 2023.

As explained by FCG witness Howard, as part of the Stipulation and Settlement in FCG's last rate case approved by Commission Order No. PSC-2018-0190-FOF-GU in Docket No. 20170179-GU (the "2018 Settlement"), FCG was authorized to construct a new LNG Facility and to implement a subsequent

[3] See footnote 1.

increase in its base rates and charges in an amount sufficient to recover an additional revenue requirement of $3.8 million upon the in-service date of the LNG Facility. As explained by FCG witness Howard, the LNG Facility is currently scheduled to be placed in-service in March 2023.

For purposes of determining the revenue deficiency for the 2023 Test Year, as explained by FCG witness Howard, the updated total cost of the LNG Facility is included in the 2023 Test Year Per Book forecast sponsored by FCG witness Campbell and included in the calculation of rate base and net operating income. As a result, the revenue requirements associated with the updated total cost of the LNG Facility, including the previously approved $3.8 million in annual revenue requirements, are included in FCG's requested $29.0 million[4] total base revenue increase described by FCG witness Fuentes.

For these reasons, FCG is proposing to include the total revenue requirements associated with the LNG Facility as part of its base rate increase to become effective February 1, 2023. This will avoid potential customer confusion with multiple base rate increases over just a few short months (*i.e.*, base rate increase in February 2023 followed by another base rate increase for the LNG Facility in March 2023), as well as avoid costs associated with multiple customer notifications.

[4] See footnote 2.

Q. How were the previously approved revenue requirements associated with the FCG's LNG Facility incorporated into the COSS?

A. Pursuant to the 2018 Settlement, the previously approved revenue increase of $3.8 million associated with the LNG Facility is to be allocated to the rate classes consistent with the rate design adopted and reflected in the 2018 Settlement. Therefore, for cost allocation and rate design purposes, the previously approved revenue increase of $3.8 million associated with the LNG Facility was isolated from the rest of FCG's proposed base rate increase during rate design and separately allocated to rate classes pursuant to the 2018 Settlement. This is reflected in Exhibit TBD-5, Analysis of Proposed Revenue Requirement Increases.

Q. How is the ROR by rate class determined?

A. ROR is calculated by dividing NOI by rate base. The retail jurisdictional ROR represents the jurisdictional adjusted NOI divided by the jurisdictional adjusted rate base. The ROR for each rate class is calculated once the various components of jurisdictional adjusted rate base and jurisdictional adjusted NOI are allocated to all rate classes. ROR on a total retail and on an individual rate class level are reported in the MFR H schedules.

Q. How are comparisons in ROR by rate class made?

A. A measure of how a rate class's ROR compares to the total retail ROR can be computed by dividing the class ROR by the total retail ROR. The resulting figure is referred to as the parity index. A rate class with a parity index of 100% would earn the same ROR as the retail average and deemed to be precisely at

parity. A rate class with a parity index of less than 100%, or below parity, would earn a ROR that is less than the retail average ROR, while the opposite would be true for a rate class with an index above 100%.

Q. What does the FCG COSS indicate regarding the retail average ROR and the parity indices by rate class?

A. At present rates,[5] FCG's COSS shows a projected ROR of 2.75% for the 2023 Test Year, which is the same earned ROR as shown on MFR H-1 Schedule C. The FCG COSS shows that at present rates, certain rate classes, such as RS-100, RS-600, GS-6K and GS-25K are above parity, while other rate classes, such as RS-1, GS-1, GS-120K andGS-1250K, are below parity. MFR H-1 provides the details supporting these results.

Q. Please explain the other results produced in the FCG COSS.

A. As previously mentioned, a COSS also calculates revenue requirements or proposed revenues by rate class. Revenue requirements consist of a return on rate base plus operating expenses and income taxes and represent the level of revenues required to earn a particular ROR. Consistent with the Commission's filing requirements, three sets of projected revenue requirements by rate class have been developed. One set of revenue requirements, shown in MFR H-1 Schedule C, is based on each rate class's projected individual ROR at present rates.

[5] See footnotes 1 and 2.

The second set of revenue requirements, "Equalized at Proposed Rates" presented on the last line of MFR H-1, Schedule D, provides the equalized revenue requirements by rate class, that is, at the retail ROR or at 100% parity, and underlying unit costs for each billing determinant (*i.e.*, demand, energy, and customer). The unit costs shown in MFR H-1, Schedule D are derived by dividing the customer, distribution, demand, and lighting-related revenue requirements by the appropriate billing units. The rate classes' equalized revenue requirements at the requested retail ROR serve as the initial basis in the rate design process, which is addressed in my testimony below.

The third set of revenue requirements, shown in MFR H-1 Schedule B, is based on FCG's proposed allocations to each rate class as further described below in Section V. MFR H-1, Schedule A shows proposed revenue requirements for each rate class and proposed rates.

Q. Are other COSS results included in this filing for comparative purposes?

A. Yes. As referenced in testimony of FCG witness Fuentes, FCG has prepared a set of revenue requirements that do not include the RSAM. The COSS that results from those revenue requirements without RSAM are also included in the MFR H schedules.

Q. Should the Commission approve the FCG COSS?

A. Yes, the Commission should approve the proposed FCG COSS methodology and results presented in my testimony. The methodologies used to allocate rate base, revenues, and expenses among the rate classes were accurately applied,

are consistent with the methodology used in FCG's last rate case in Docket No. 20170179-GU, and align costs and benefits to the customer classes. The FCG COSS results accurately represent the cost responsibility of all customers on FCG's system.

V. ALLOCATION OF RATE INCREASE TO RATE CLASSES

Q. Please identify the steps necessary to allocate the proposed revenue requirement into rate design.

A. There are two main steps in the process. First, the total amount of the proposed revenue requirement is allocated to the various rate classes based on the COSS. Each rate class is then analyzed to consider the Commission's guidelines for gradualism and the competitive nature of the natural gas industry. The second step is to design the specific rate components for each rate class. In developing these components – customer charge, distribution charge, and demand charge – FCG considers rate stability and applies increases and changes ratably where appropriate based on the cost of providing service while taking into consideration customer acceptance and understanding, effects on conservation, objectivity in administering rates, and the competitive nature of the natural gas industry.

Q. Please describe how the proposed revenue increase is allocated to each rate class.

A. Revenues are allocated in order to achieve FCG's requested revenue requirement. The COSS provides a guide for evaluating any proposed changes

to the level of revenues by rate class. More specifically, the allocation of any revenue requirement increase should be assessed in terms of its impact on the ROR and parity index for the respective rate class. The ROR and parity were calculated for each rate class at present rates and are provided in Exhibit TBD-3. When a rate class is under parity, its ROR is less than the overall FCG ROR. An important goal in setting rates is to move all rate classes as close to the FCG ROR as is reasonable to minimize cross-class subsidies.

FCG has set the proposed revenues by rate class to improve parity among the rate classes to the greatest extent possible, while following the Commission practice of gradualism and considering the competitive nature of the natural gas industry as further discussed below. The proposed revenues for each rate class are presented in Exhibit TBD-3, Table 2.

Q. Please explain why FCG is applying the Commission's guidelines for gradualism.

A. The Commission has clearly supported the concept that rates should be based on the fully allocated cost of service method with the objective of achieving parity among rate classes. The Commission has also supported the concept of gradualism when moving rate classes closer to parity in rate proceedings. FCG calculated the ROR and parity for each rate class at present rates, which are provided in Exhibit TBD-3. As indicated therein, parity indices vary by rate class, with some class indices well above parity while others fall well below parity. Moving all rate classes to parity could result in one or more rate classes

receiving an overly large revenue requirement increase. In response to this concern, FCG has applied the Commission's "gradualism" principle to allocate costs by rate class. The concept of gradualism, as applied in Florida, limits the revenue increase for each rate class to 1.5 times the system average increase in total operating revenues, including adjustment clauses, and provides that no rate class be decreased.

FCG has not had a general base rate increase since 2018 and is requesting a 44% increase in total revenues for the 2023 Test Year. Under the Commission's guideline of gradualism, any increase to a rate class is limited to 1.5 times 44%, or 66%. As shown on Exhibit TBD-3, under FCG's proposed rates, no class is receiving more than a 56% increase including the transfer of SAFE revenue requirements from clause to base and the addition of previously approved LNG revenues. The revenue increase net of these pre-approved items is 29.7% as shown on Exhibit TBD-5.

Q. Why is it appropriate to consider the competitive nature of the gas industry when allocating revenues?

A. Unlike electric customers, natural gas customers have many alternative fuel sources, such as electric, fossil fuels, and biofuels, and can switch from natural gas service if it becomes uneconomical. Additionally, if natural gas service becomes uneconomical, large CI customers can bypass FCG's system or relocate their business outside of FCG's service territory or even the state of Florida. If customers were to leave FCG's system, it would both reduce FCG's

revenues and the customer base from which FCG's costs are recovered. Essentially, FCG could be left with stranded, unrecovered costs and expenses that were prudent at the time the investment was made. Therefore, in designing natural gas rates it is appropriate to consider the competitive nature of the natural gas industry to mitigate the potential for fuel switching and bypass, particularly for the large CI customers who have a significant impact on FCG's revenues and costs.

FCG's COSS indicates that parity indices vary by rate class, with some class indices well above parity while others fall well below parity. Moving all rate classes to parity, even when applying the Commission's gradualism guidelines, could result in disproportionate increases to certain large CI customer classes that could, without adjustment, make switching or bypass more economical than continuing to receive natural gas service from FCG. As shown on Exhibit TBD-3 the large CI rate classes GS-120K and GS-1250K are significantly under parity at present rates and, therefore, would have received an increase of 66% if taken to the full 1.5 times system average limit of the Commission's principle of gradualism. However, to address the potential for fuel switching and bypass, FCG slightly reduced the proposed increases to rate classes GS-120k and GS-1250K.

Q. What impact would FCG's proposed revenues by rate class have on parity?

A. As shown in Exhibit TBD-3 Table 2, under FCG's proposed revenues by rate class, the parity of all rate classes except GS-120K is improved. As previously discussed, to mitigate the bill impacts on large CI customers that were significantly under parity, lower percentage increases than were allowed under gradualism, were given to the large CI rate classes GS-120K and GS-1250K. While this resulted in a rate increase to both rate classes, the increase did not improve the parity of the GS-120K rate class.

Q. How does FCG propose to achieve these proposed revenues by rate class?

A. FCG proposes to achieve these proposed revenues through changes to existing rates while incorporating proposed revisions to service charges further described below. Each element of FCG's proposal is outlined below.

VI. TARIFF CHANGES

Q. Please explain FCG's objective for the proposed changes to existing rates.

A. The proposed changes to existing rates are consistent with the objectives of providing rates that are cost-based, send appropriate price signals, and are understandable to customers.

Q. Please describe in general terms the methodology you used in developing the proposed changes to FCG's existing base rates.

A. Exhibit TBD-3 Table 1 shows the maximum increase if all rate classes were to

achieve 100% parity. To develop FCG's proposed increases by rate class shown on Exhibit TBD-3 Table 2, consideration was given to both the Commission's gradualism guidelines and the competitive nature of the natural gas industry for each class's proposed rate of return to achieve the overall rate increase by rate class.

First, the previously approved LNG revenue requirements were subtracted from each rate class based on the required allocations. Next, customer charges and demand charges were increased by 25% for all rate schedules except the standby generator schedules. For those rate schedules, customer rates were increased by 50% to account for the additional metering costs. The projected revenues from the customer and demand charges were then subtracted from the total proposed revenue requirements for each class and the balance of the increase was applied to the distribution rates. The resulting projected revenues and increases by rate class are presented in TBD-3 Table 2.

Q. Please describe the methodology used to recover the proposed revenues from the gas lighting rate class.

A. The revenue requirements allocated to the gas lighting rate class were divided by the number of therms forecasted for the rate class to develop a cents per therm gas lighting rate.

Q. Is FCG proposing any changes to the residential Tariffs?

A. No. FCG is only proposing to change the base rates in order to achieve the proposed revenues for the residential rate classes.

Q. Is the Company proposing any changes to the CI Tariffs?

A. No. FCG is only proposing to change the base rates in order to achieve the proposed revenues for the CI rate classes.

Q. Is FCG proposing any new tariffs, rate schedules, or riders?

A. No.

Q. Is the Company proposing any changes to its service charges?

A. Yes. The Company is proposing to adjust some of its miscellaneous charges to ensure that costs generated by individual customer requests are recovered from the customers requiring the service, instead of spreading them over the general body of customers. FCG's proposed service charge updates can be found in the "Summary of Other Operating Revenue" shown on MFR H-1, Schedule A. The support for these charges is set forth in MFR Schedule E-3, which is sponsored by FCG witness Howard. The resulting revenue increases are included in the COSS and accounted for in the Company's final rates as presented in MFR H-1.

Q. Which MFRs provide additional information on the proposed changes to existing rates that you have outlined?

A. Proposed changes to existing base rates by rate schedule can also be found on MFR E-2. Legislative and clean versions of FCG's proposed Tariff sheets are provided in MFR E-9.

VII. CONCLUSIONS

Q. Please summarize your cost analysis and rate design.

A. The proposed rates should be approved as they will provide revenues to meet the Company's revenue requirement in this case. The rates are designed to move the rate classes towards parity, while adhering to the Commission's practice of not increasing any class more than 1.5 times the system average increase in revenue with clauses, and not providing any rate decreases, as well as considering the competitive nature of the natural gas industry and customers' ability to switch fuel or bypass if natural gas service becomes uneconomical.

Q. Does this conclude your direct testimony?

A. Yes.

Florida City Gas

MFRs SPONSORED OR CO-SPONSORED BY TARA DUBOSE

MFR	Title
SOLE SPONSOR:	
E-5	Bill Comparisons Present vs. Proposed
E-7	Average Cost of Meter Set and Service By Rate Class
E-8	Derivation of Facilities
E-9	Tariff Sheets
H1-1	Fully Allocated Embedded Cost of Service - Proposed Rates
H1-2	Fully Allocated Embedded Cost of Service - Proposed Rate Design
H1-3	Fully Allocated Embedded Cost of Service - Rate Of Return By Class
H1-4	Fully Allocated Embedded Cost of Service - Rate Of Return By Class (Cont.)
H1-5	Fully Allocated Embedded Cost of Service - Revenue Deficiency
H1-6	Fully Allocated Embedded Cost of Service - Summary
H2-1	Fully Allocated Embedded Cost of Service - Summary - (Cont.)
H2-2	Allocation of Cost of Service to Customer Class
H2-3	Allocation of Cost of Service to Customer Class (Cont.)
H2-4	Allocation Of Rate Base To Customer Class
H2-5	Development of Allocation Factors
H2-6	Fully Allocated Embedded Cost of Service - Summary

Florida City Gas

MFRs SPONSORED OR CO-SPONSORED BY TARA DUBOSE

MFR	Title
H3-1	Fully Allocated Embedded Cost of Service - Summary
H3-2	Classification of Expenses and Derivation of Cost of Service By Cost
H3-3	Classification of Expenses and Derivation of Cost of Service By Cost (Cont.)
H3-4	Classification of Rate Base - Accumulated Depreciation
H3-5	Classification of Rate Base - Plant
CO-SPONSOR:	
E-1	Therm Sales and Revenues By Rate Class
E-2	Therm Sales and Revenues Comparisons
E-4	System Peak Month Sales By Rate Class
G2-6	Historic Base Year + 1 - Revenues and Cost of Gas
G2-7	Historic Base Year + 1 - Revenues and Cost of Gas (Cont.)
G2-8	Projected Test Year - Revenues and Cost of Gas
G2-9	Projected Test Year - Revenues and Cost of Gas (Cont.)
G2-10	Projected Test Year - Revenues and Cost of Gas (Cont.)
G2-11	Projected Test Year - Revenues and Cost of Gas (Cont.)
G6	Projected Test Year - Attrition Calculation of Major Assumptions

FLORIDA CITY GAS
2023 TEST YEAR FORECAST
NUMBER OF BILLS

RATE CLASS	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	TOTAL	AVERAGE
RS-1	30,754	30,792	30,829	30,851	30,850	30,863	30,880	30,905	30,914	30,930	30,963	31,001	370,532	30,878
RS-100	76,591	76,684	76,776	76,832	76,830	76,861	76,904	76,966	76,989	77,029	77,110	77,206	922,780	76,898
RS-600	1,353	1,348	1,346	1,348	1,349	1,350	1,350	1,350	1,349	1,349	1,349	1,349	16,192	1,349
GS-1	4,254	4,261	4,267	4,273	4,280	4,286	4,292	4,299	4,305	4,311	4,318	4,324	51,470	4,289
GS-1 (Transportation)	1,486	1,489	1,492	1,495	1,497	1,500	1,502	1,505	1,507	1,509	1,511	1,513	18,005	1,500
GS-6K	943	939	934	929	925	920	916	911	906	902	897	892	11,015	918
GS-6K (Transportation)	1,198	1,195	1,192	1,189	1,186	1,183	1,180	1,177	1,175	1,172	1,169	1,167	14,184	1,182
GS-25K	82	82	82	82	82	82	82	82	82	82	82	82	984	82
GS-25K (Transportation)	279	278	278	278	277	277	277	277	277	278	278	278	3,331	278
Gas Light	1	1	1	1	1	1	1	1	1	1	1	1	12	1
GS-120K	11	11	11	11	11	11	11	11	11	11	11	11	133	11
GS-120K (Transportation)	87	87	87	87	87	87	87	87	87	87	87	87	1,045	87
GS-1250K	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-1250K (Transportation)	9	9	9	9	9	9	9	9	9	9	9	9	108	9
GS-11 M													-	-
GS-25M	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KDS	1	1	1	1	1	1	1	1	1	1	1	1	12	1
KDS New Additions													-	-
LES	3	3	3	3	3	3	3	3	3	3	3	3	36	3
TFKDS25M	1	1	1	1	1	1	1	1	1	1	1	1	12	1
CSG*	35	35	35	35	35	35	35	35	35	35	35	35	422	35
RSG*	12	12	12	12	12	12	12	12	12	12	12	12	140	12
TPS*	10	10	10	10	10	10	10	10	10	10	10	10	120	10
Total	117,111	117,238	117,367	117,448	117,447	117,493	117,554	117,641	117,675	117,731	117,847	117,982	1,410,533	117,544

* CSG, RSG, and TPS customers were not included in the original forecast supported by witness Campbell

Docket No. 20220069-GU
Forecast of Bills, Therms, Demand Charge Quantities, and Revenues for the 2023 Test Year at Present Rates
Exhibit TBD-2, Page 1 of 4

FLORIDA CITY GAS
2023 TEST YEAR FORECAST
NUMBER OF THERMS

RATE CLASS	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	TOTAL
RS-1	279,777	278,513	257,795	234,330	211,942	193,538	178,012	183,863	170,565	185,375	201,453	262,313	2,637,477
RS-100	1,564,326	1,529,554	1,360,444	1,222,521	1,099,556	1,018,908	909,248	919,249	871,766	937,636	978,814	1,371,548	13,783,571
RS-600	143,934	124,480	134,474	126,606	104,903	79,930	65,758	63,930	65,591	82,831	88,982	125,700	1,207,119
GS-1	774,711	768,847	765,186	734,337	731,765	697,937	661,249	662,594	678,237	689,678	720,278	774,636	8,659,454
GS-1 (Transportation)	453,873	446,566	442,497	437,625	435,585	435,300	435,421	435,542	435,673	437,079	441,843	448,171	5,285,175
GS-6K	933,214	911,168	898,785	883,947	877,576	876,439	876,505	876,558	876,628	880,517	894,470	913,114	10,698,920
GS-6K (Transportation)	1,343,243	1,313,118	1,308,265	1,239,379	1,215,450	1,175,154	1,144,185	1,135,280	1,191,064	1,183,005	1,250,754	1,343,671	14,842,568
GS-25K	317,881	317,096	316,120	315,406	314,889	314,719	314,744	315,004	315,579	316,002	316,159	315,996	3,789,595
GS-25K (Transportation)	807,051	805,252	804,667	804,422	804,466	805,084	804,674	804,594	805,238	806,356	806,400	805,759	9,663,964
Gas Light**	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	1,515	18,177
GS-120K	169,854	170,512	170,927	171,105	170,900	171,013	170,909	170,541	169,928	169,834	170,224	170,406	2,046,153
GS-120K (Transportation)	2,854,028	2,717,001	2,859,966	2,662,470	2,614,007	2,472,677	2,549,503	2,465,015	2,372,406	2,829,081	2,756,214	2,895,164	32,047,533
GS-1250K	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-1250K (Transportation)	1,639,025	1,290,307	1,593,057	1,645,810	1,618,788	1,229,223	1,231,855	1,512,050	1,610,851	1,684,799	1,422,380	1,471,413	17,949,558
GS-11 M	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-25M	-	-	-	-	-	-	-	-	-	-	-	-	-
KDS*	1,010,039	685,026	865,140	844,504	264,288	225,493	126,224	305,483	410,351	912,240	1,547,596	1,128,836	8,325,221
KDS New Additions	-												
LES120K	150,055	150,930	152,062	152,661	152,558	152,370	152,018	151,746	151,506	151,262	151,287	151,485	1,819,940
LES1250K	204,182	205,373	206,914	207,728	207,588	207,332	206,854	206,483	206,157	205,825	205,859	206,128	2,476,424
TFKDS25M*	3,464,706	3,464,706	3,352,941	1,452,941	3,352,941	3,440,998	4,178,600	2,934,220	2,889,111	3,030,714	3,464,706	3,352,941	38,379,526
CSG**	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407	16,885
RSG**	28	28	28	28	28	28	28	28	28	28	28	28	341
TPS	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	16,112,851	15,181,397	15,492,189	13,138,742	14,180,154	13,499,066	14,008,709	13,145,103	13,223,601	14,505,185	15,420,371	15,740,232	173,647,601

*Therms for KDS customers where removed from cost of service calculations

** CSG, RSG, and Gas lightning therms were not included in the original forecast supported by witness Campbell

FLORIDA CITY GAS
2023 TEST YEAR FORECAST
Demand Charge Quantities for the Projected Test Year at Existing Rates

RATE CLASS	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	TOTAL
RS-1	-	-	-	-	-	-	-	-	-	-	-	-	-
RS-100	-	-	-	-	-	-	-	-	-	-	-	-	-
RS-600	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-1	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-1 (Transportation)	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-6K	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-6K (Transportation)	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-25K	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-25K (Transportation)	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas Light	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-120K	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-120K (Transportation)	226,873	226,873	226,873	226,873	226,873	226,873	226,873	226,873	226,873	226,873	226,873	226,873	226,873
GS-1250K	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-1250K (Transportation)	172,495	172,495	172,495	172,495	172,495	172,495	172,495	172,495	172,495	172,495	172,495	172,495	172,495
GS-11 M	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-25M	-	-	-	-	-	-	-	-	-	-	-	-	-
KDS	-	-	-	-	-	-	-	-	-	-	-	-	-
KDS New Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
LES120K	13,237	13,237	13,237	13,237	13,237	13,237	13,237	13,237	13,237	13,237	13,237	13,237	13,237
LES1250K	12,316	12,316	12,316	12,316	12,316	12,316	12,316	12,316	12,316	12,316	12,316	12,316	12,316
TFKDS25M	-	-	-	-	-	-	-	-	-	-	-	-	-
CSG	-	-	-	-	-	-	-	-	-	-	-	-	-
RSG	-	-	-	-	-	-	-	-	-	-	-	-	-
TPS	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	424,921	424,921	424,921	424,921	424,921	424,921	424,921	424,921	424,921	424,921	424,921	424,921	424,921

FLORIDA CITY GAS
2023 TEST YEAR FORECAST
BASE REVENUE BY RATE CLASS

RATE CLASS	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	TOTAL
RS-1	498,085	497,949	488,840	478,286	467,952	459,614	452,661	455,656	449,636	456,655	464,465	492,992	5,662,789
RS-100	1,780,589	1,767,938	1,701,035	1,646,174	1,596,487	1,564,388	1,520,748	1,525,711	1,506,887	1,534,074	1,551,932	1,711,957	19,407,920
RS-600	102,903	92,562	97,796	93,686	82,272	69,124	61,657	60,688	61,553	70,630	73,874	93,231	959,976
GS-1	606,251	601,523	598,842	585,613	584,099	571,471	557,915	558,682	564,835	569,883	583,409	606,470	6,988,993
GS-6K	848,039	830,048	823,925	795,224	784,668	770,334	759,578	756,313	775,023	773,352	800,845	838,481	9,555,830
GS-25K	419,850	418,928	418,346	417,970	417,766	417,878	417,740	417,809	418,244	418,834	418,930	418,638	5,020,932
Gas Light	897	897	897	897	897	897	897	897	897	897	897	897	10,768
GS-120K	745,915	719,477	747,254	709,011	699,580	672,212	687,078	670,633	652,569	741,053	727,015	753,975	8,525,774
GS-1250K	257,114	224,470	252,810	257,749	255,219	218,752	218,998	245,227	254,476	261,398	236,833	241,423	2,924,471
GS-11 M	-	-	-	-	-	-	-	-	-	-	-	-	-
GS-25M	-	-	-	-	-	-	-	-	-	-	-	-	-
KDS	248,635	230,750	234,511	128,823	201,448	204,159	239,285	180,673	183,962	219,372	278,215	249,022	2,598,855
LES	69,252	69,650	70,164	70,436	70,389	70,304	70,144	70,021	69,911	69,801	69,812	69,902	839,786
CSG	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	18,491
RSG	211	211	211	211	211	211	211	211	211	211	211	211	2,532
TPS	22,602	22,597	22,593	22,588	22,584	22,580	22,576	22,574	22,572	22,572	22,570	22,564	270,971
Total	5,601,885	5,478,542	5,458,764	5,208,210	5,185,114	5,043,465	5,011,030	4,966,636	4,962,317	5,140,274	5,230,550	5,501,304	62,788,089

* Difference in total present revenues from Exhibit LF-4, Page 1 relates to the following:

a) A miscalculation of $155K of LES present revenues that was corrected in Cost of Service and Rate Design

b) An adjustment of $450K for the deferred conversion & piping program that was moved from sales to other operating revenues in Cost of Service

Florida City Gas Company

Comparison of Rates of Return and Parity
by Rate Class with RSAM
For the Test Year 2023

Table 1 - Present to Equalized Comparison

	Present Revenues	Rate of Return (ROR)	Parity	Equalized Revenues	Rate of Return (ROR)	Parity	% Change Revenues
RS-1	$ 6,024,482	0.96%	35%	$ 9,102,524	7.10%	100%	51.1%
RS-100	21,300,916	4.74%	173%	24,980,400	7.11%	100%	17.3%
RS-600	1,006,639	8.65%	315%	896,344	7.12%	100%	-11.0%
GS-1	7,472,359	0.91%	33%	12,431,296	7.11%	100%	66.4%
GS-6k	10,093,356	4.25%	155%	13,092,907	7.12%	100%	29.7%
GS-25k	5,277,214	5.23%	191%	6,257,070	7.12%	100%	18.6%
GS-120k	9,755,487	1.96%	71%	16,726,696	7.05%	99%	71.5%
GS-1250k	3,528,449	-1.36%	-50%	9,874,713	7.05%	99%	179.9%
GS-11M	-			-			
GS-25M	-			-			
GAS LIGHTING	11,065	15.27%	556%	5,779	7.12%	100%	-47.8%
NGV	-			-			
Third Party Suppliers	270,971	0.00%	0%	137,428			-49.3%
	$ 64,740,939	**2.75%**	**100%**	**$ 93,505,157**	**7.09%**	**100%**	**44.4%**

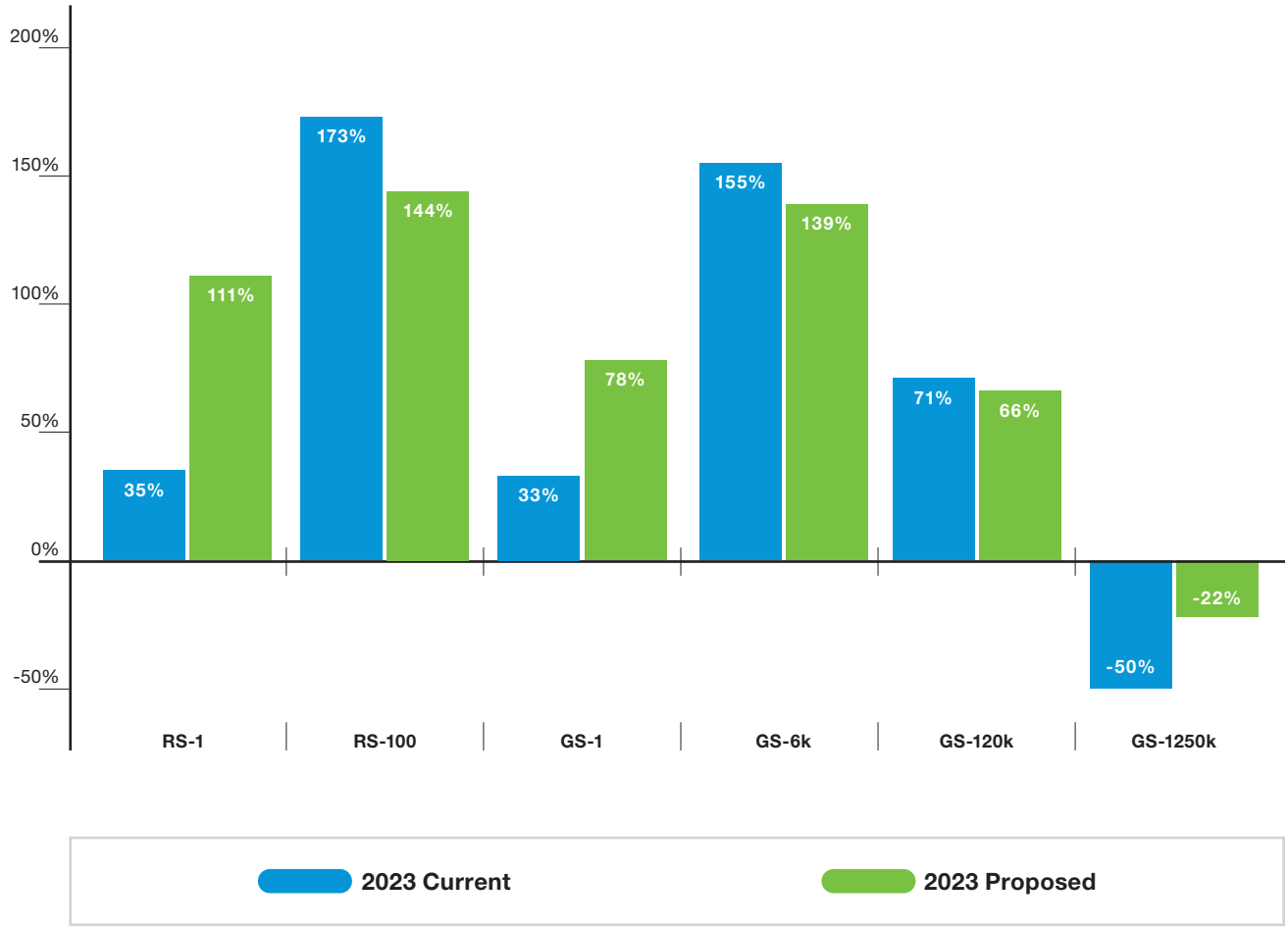
Table 2 - Present to Proposed Comparison

	Present Revenues	Rate of Return (ROR)	Parity	Proposed Revenues	Rate of Return (ROR)	Parity	% Change Revenues
RS-1	$ 6,024,482	0.96%	35%	$ 9,380,735	7.85%	111%	55.7%
RS-100	21,300,916	4.74%	173%	28,541,202	10.20%	144%	34.0%
RS-600	1,006,639	8.65%	315%	1,550,136	19.43%	274%	54.0%
GS-1	7,472,359	0.91%	33%	11,490,896	5.52%	78%	53.8%
GS-6k	10,093,356	4.25%	155%	15,199,484	9.85%	139%	50.6%
GS-25k	5,277,214	5.23%	191%	7,621,078	10.69%	151%	44.4%
GS-120k	9,755,487	1.96%	71%	14,349,764	4.70%	66%	47.1%
GS-1250k	3,528,449	-1.36%	-50%	5,084,876	-1.54%	-22%	44.1%
GS-11M	-			-			
GS-25M	-			-			
GAS LIGHTING	11,065	15.27%	556%	11,090	18.19%	256%	0.2%
NGV	-			-			
Third Party Suppliers	270,971	0.00%	0%	276,242			
	$ 64,740,939	**2.75%**	**100%**	**$ 93,505,503**	**7.09%**	**100%**	**44.4%**

Note: The total increase of $28.8MM includes the reclass of SAFE from clause to base and the previously approved LNG project on its in-service date.
* Difference in total present revenues from MFR G2-1 relates to a miscalculation of $155K of LES present revenues that was corrected in Cost of Service and Rate Design

Docket No. 20220069-GU
Comparisons of Rates of Return and Parity at
Present Rates to Equalized Rates and to Proposed Rates
Exhibit TBD-3, Page 1 of 1

Parity of Major Rate Classes



Florida City Gas Company

Analysis of Proposed Revenue Requirement Increases
by Rate Class with RSAM
For the Test Year 2023

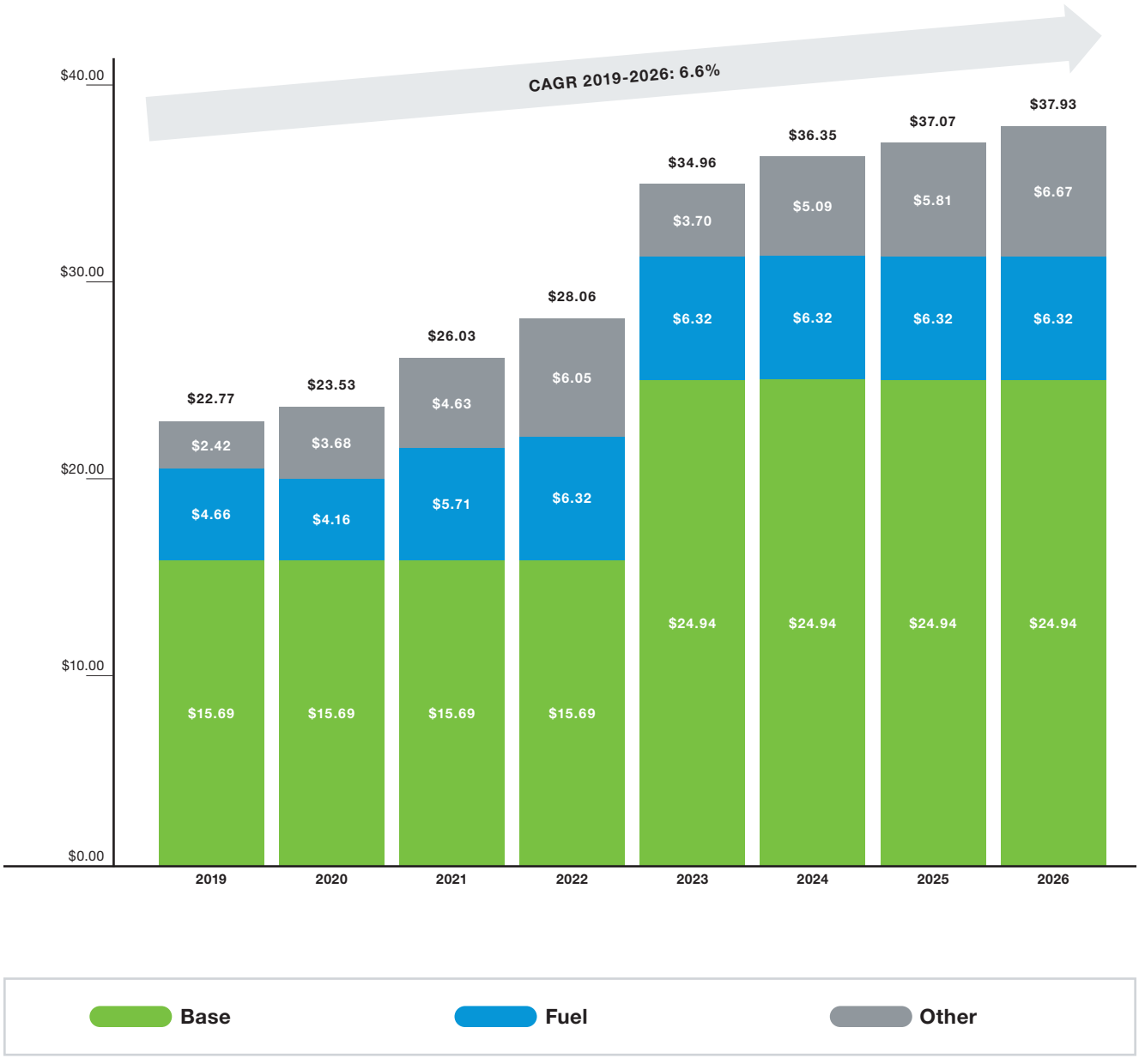
	Present Revenues (1)	Proposed Increase (2)	SAFE Reclassification (3)	LNG Pre-Approved Increase (4)	Net Incremental Increase (NII) (5) (2-3-4)	NII % Change in Revenues	Total Proposed Revenues (1+3+4+5)	Total % Change in Revenues
RS-1	$ 6,024,482	$ 3,356,254	$ 1,463,619	$ 258,868	$ 1,633,767	27.1%	$ 9,380,735	55.7%
RS-100	21,300,916	7,240,286	3,645,576	585,940	3,008,770	14.1%	28,541,202	34.0%
RS-600	1,006,639	543,497	63,958	-	479,538	47.6%	1,550,136	54.0%
GS-1	7,472,359	4,018,536	277,792	548,024	3,192,721	42.7%	11,490,896	53.8%
GS-6k	10,093,356	5,106,128	200,639	927,922	3,977,566	39.4%	15,199,484	50.6%
GS-25k	5,277,214	2,343,864	34,361	556,843	1,752,660	33.2%	7,621,078	44.4%
GS-120k	9,755,487	4,594,278	9,378	704,706	3,880,194	39.8%	14,349,764	47.1%
GS-1250k	3,528,449	1,556,427	860	246,130	1,309,436	37.1%	5,084,876	44.1%
GS-11M	-	-	-		-		-	
GS-25M	-	-	-		-		-	
GAS LIGHTING	11,065	25	28		(2)	0.0%	11,090	0.2%
NGV	-	-	-		-		-	
Third Party Suppliers	270,971	5,271	-		5,271	1.9%	276,242	1.9%
	$ 64,740,939	**$ 28,764,564**	**$ 5,696,211**	**$ 3,828,433**	**$ 19,239,920**	**29.7%**	**$ 93,505,503**	**44.4%**

Note: The total increase of $29MM includes the reclass of SAFE from clause to base and the previously approved LNG project on its in-service date.
The difference in total present revenues from MFR G2-1 relates to a miscalculation of $155K of LES present revenues that was corrected in Cost of Service and Rate Design

Docket No. 20220069-GU
Analysis of Proposed Revenue Requirement Increases
Exhibit TBD-5, Page 1 of 1

Residential Bill Impact

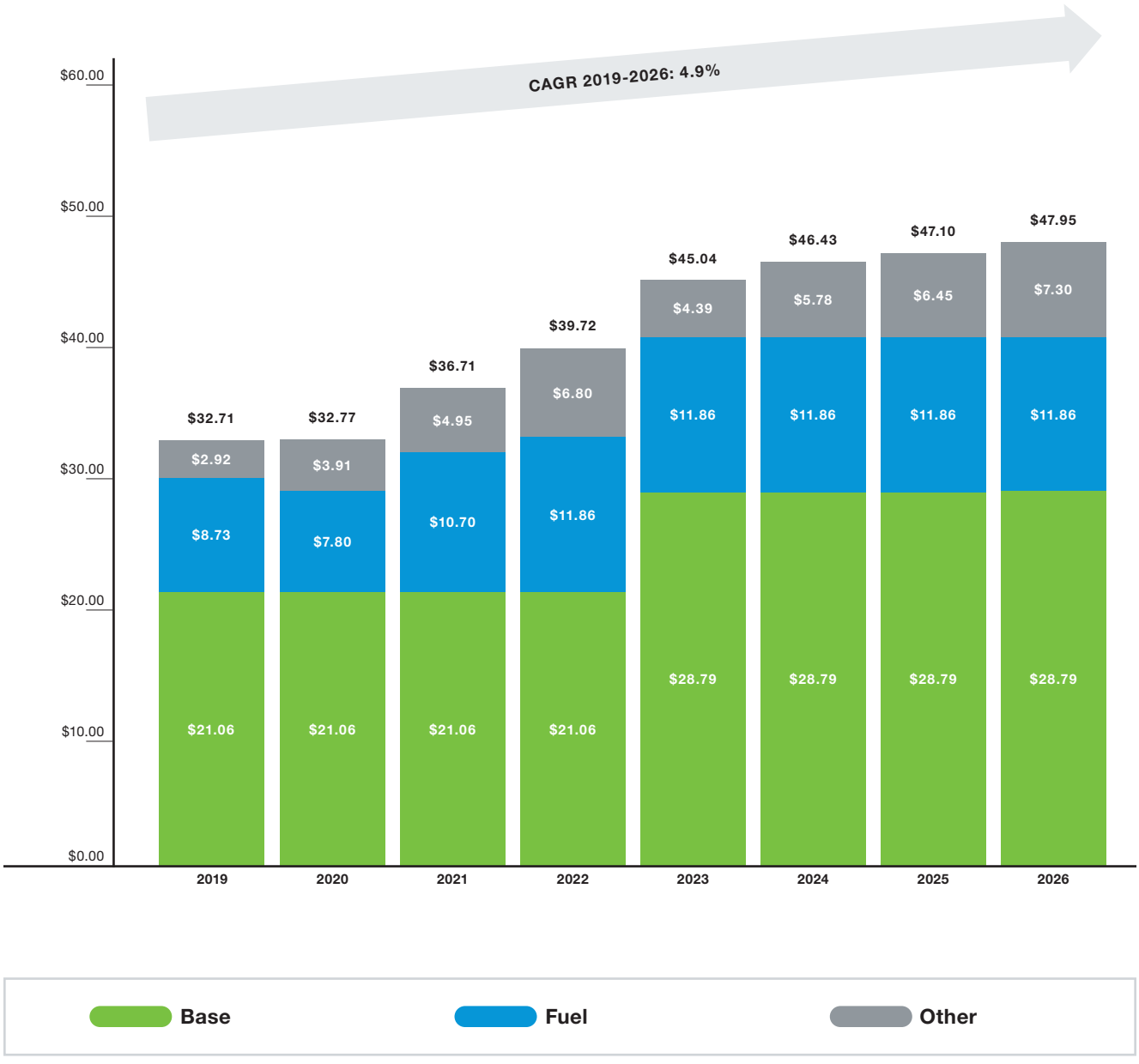
Residential RS-1 Bill – 8 Therms per month



Other includes clause and gross receipt tax

Residential Bill Impact

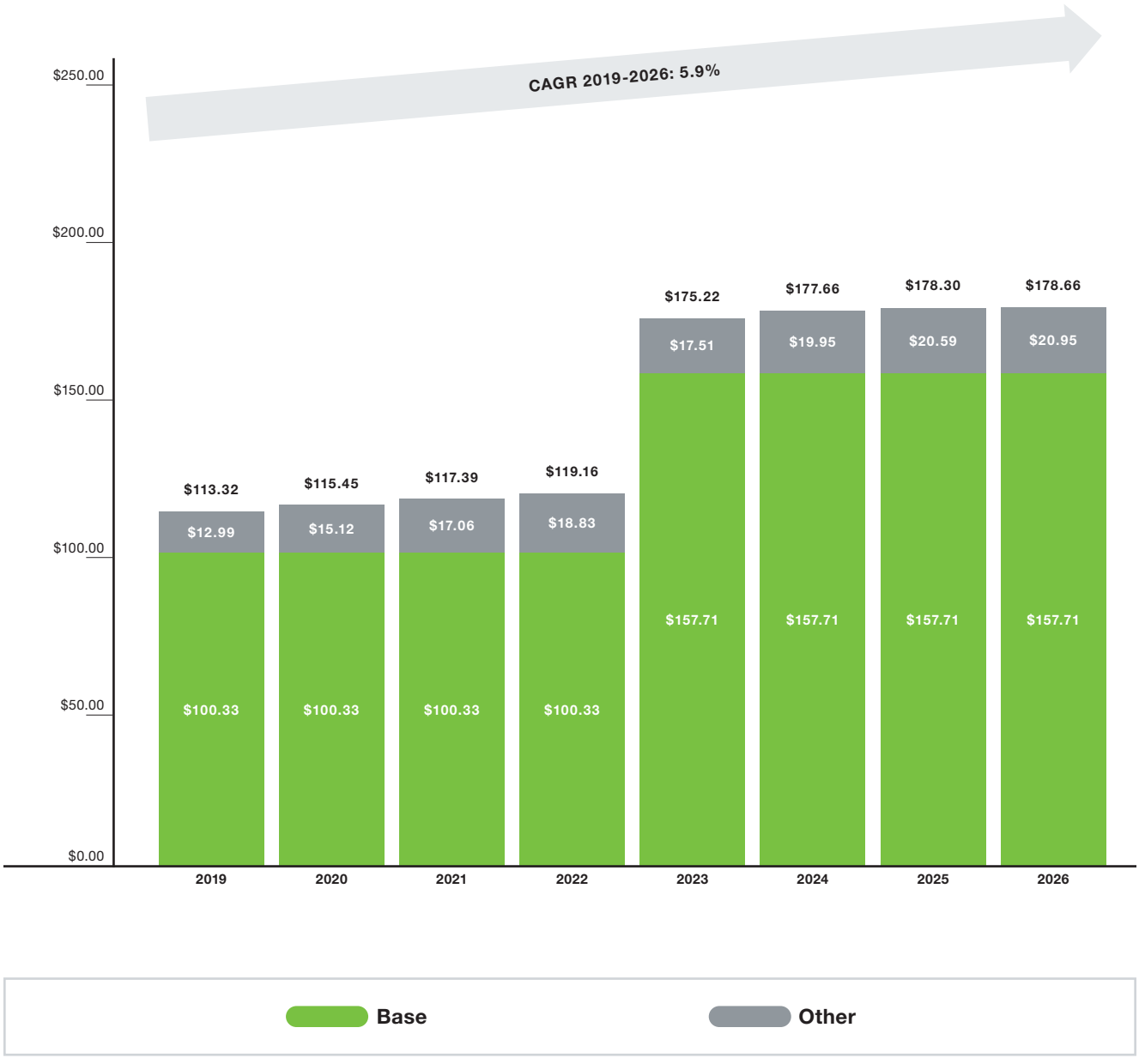
Residential RS-100 Bill – 15 Therms per month



Other includes clause and gross receipt tax

Small Commercial Bill Impact

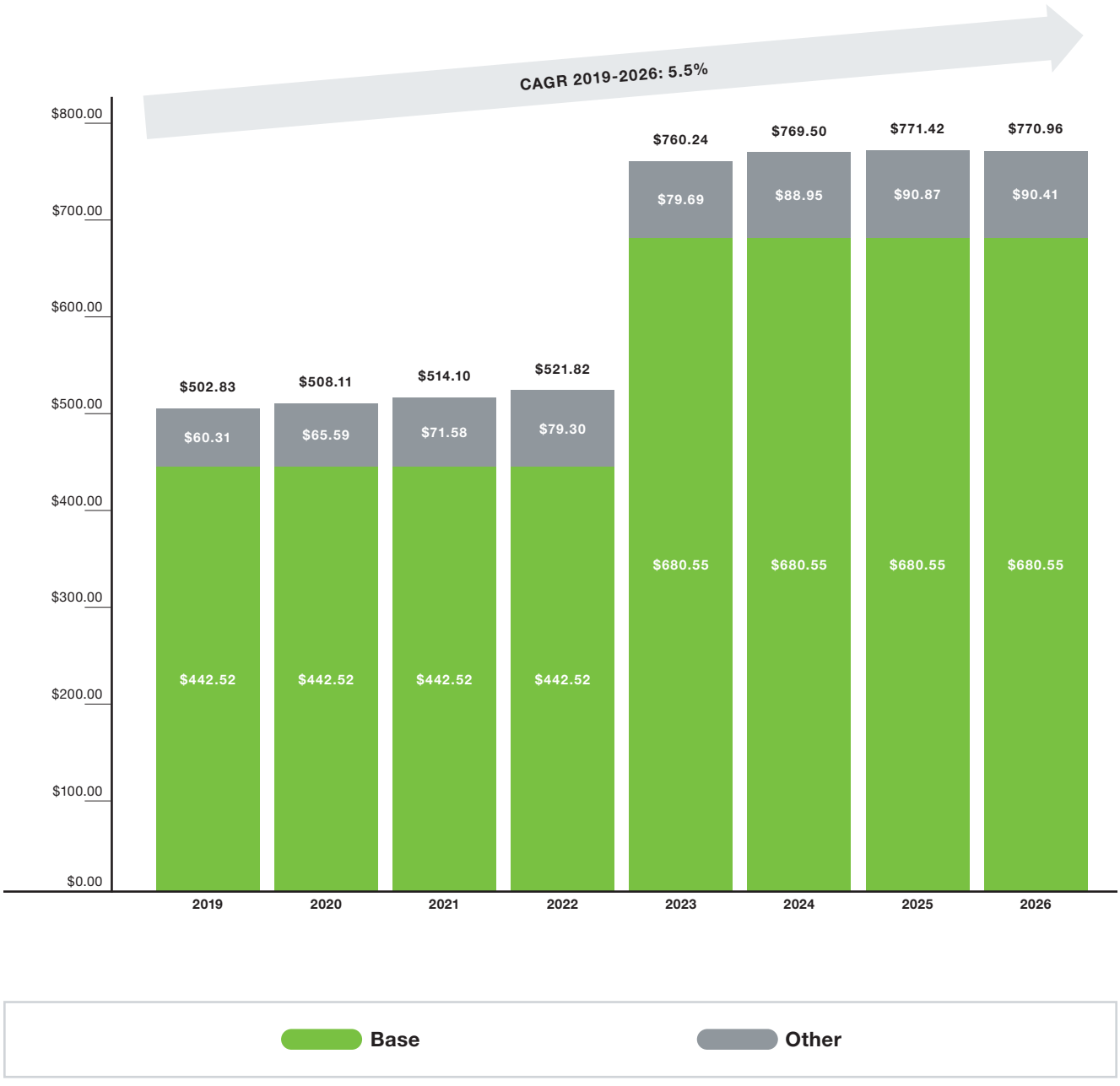
Commercial GS-1 Bill – 200 Therms per month
Transportation Customer



Other includes clause and gross receipt tax

Medium Commercial Bill Impact

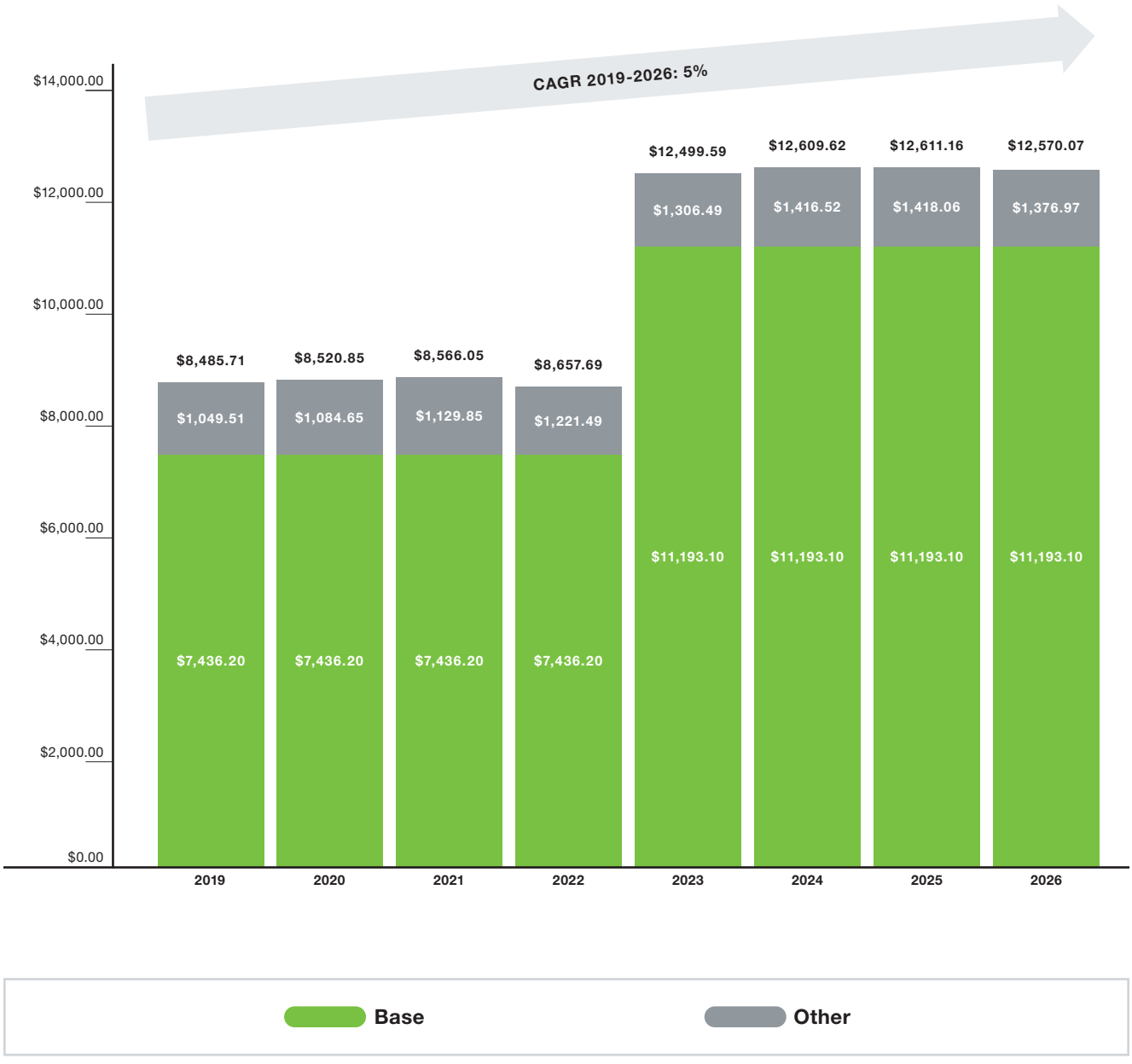
Commercial GS-6K Bill – 1,200 Therms per month
Transportation Customer



Other includes clause and gross receipt tax

Large Commercial Bill Impact

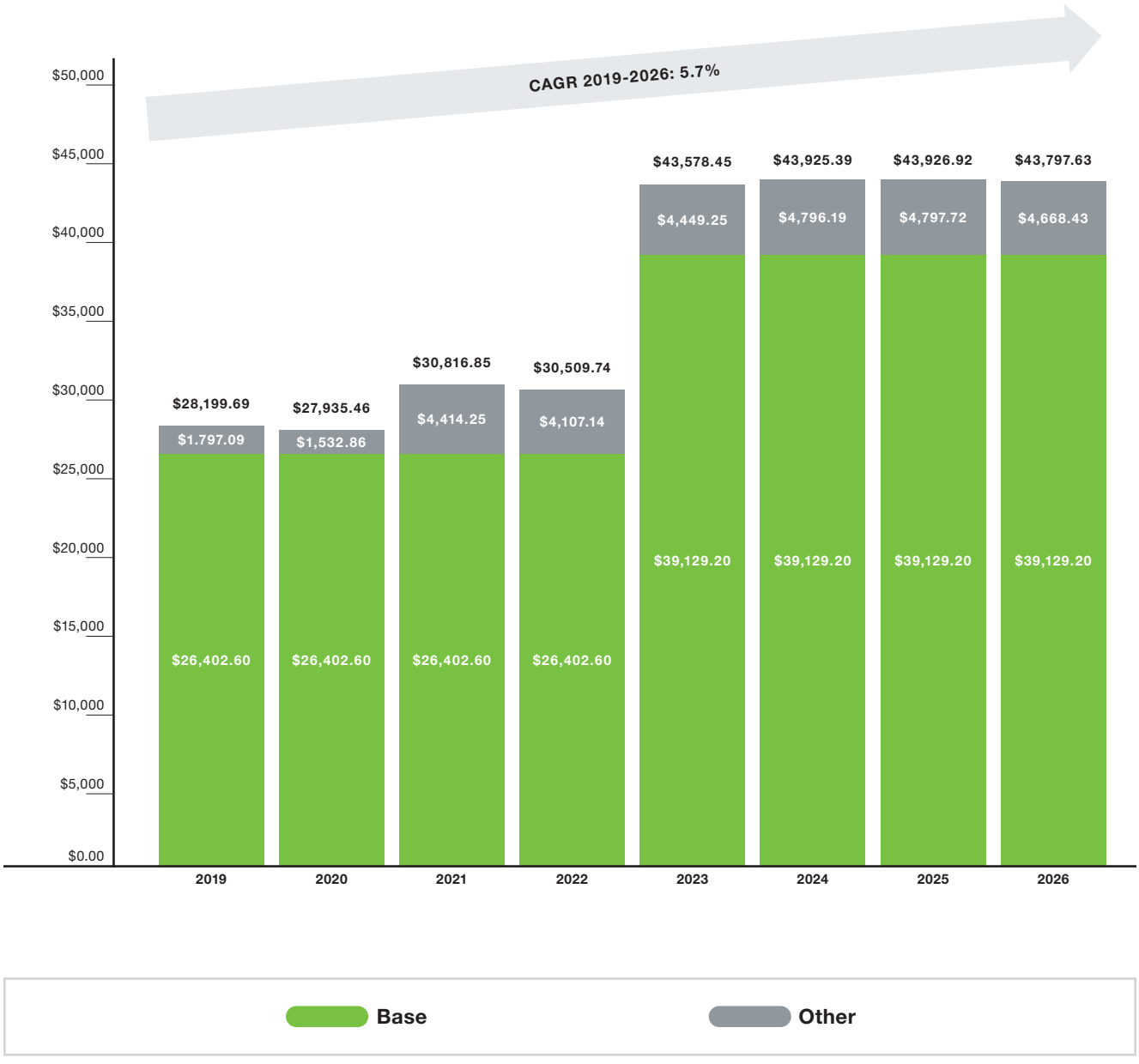
Commercial GS-120K Bill – 30,000 Therms per month
Transportation Customer; 2,300 Demand Therms



Other includes clause and gross receipt tax

Large Commercial Bill Impact

Commercial GS-1250K Bill – 160,000 Therms per month
Transportation Customer; 19,000 Demand Therms



Other includes clause and gross receipt tax