

FLORIDA PUBLIC SERVICE COMMISSION

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

FLORIDA CITY GAS

DECEMBER 2021

PSC/AFA 13 (6/94)

FLORIDA CITY GAS
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER, 2021

SCHEDULE 1

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1)	(2)	(3)	(4)	(5)
NET OPERATING INCOME	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
	\$ 18,751,697	(1,646,275)	17,105,422	-	17,105,422
AVERAGE RATE BASE	\$ 400,762,589	(48,172,730)	352,589,859	-	352,589,859
AVERAGE RATE OF RETURN	4.68%		4.85%		4.85%

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

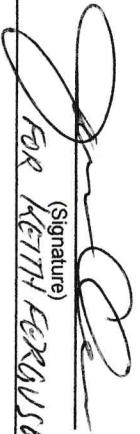
	A. RETURN ON COMMON EQUITY (AVERAGE)
LOW	4.88%
MIDPOINT	5.30%
HIGH	5.72%

III. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)

A. RETURN ON COMMON EQUITY (AVERAGE) 9.12%

I am aware that Section 837.06, Florida Statutes, provides:
Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Keith Ferguson, Vice President Accounting and Controller
(Name and Title of Chief Financial Officer)


(Signature)
FOR KEITH FERGUSON

2/15/2022
(Date)

FLORIDA CITY GAS
AVERAGE RATE BASE
DECEMBER, 2021

SCHEDULE 2

Line No.	(1) PLANT IN SERVICE	(2) ACCUM. DEPR. & AMORT.	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CWIP	(6) NET UTILITY PLANT	(7) WORKING CAPITAL	(8) TOTAL RATE BASE
1	\$ 543,279,475	199,051,908	344,227,567	-	27,602,674	371,830,241	28,932,348	400,762,589
2								
3	FPSC ADJUSTMENTS:							
4								
4	REMOVE SAFE CLAUSE PLANT	(25,094,010)	(159,897)	(24,934,113)	-	(3,658,086)	(28,592,198)	(28,592,198)
5	REMOVE AEP	-	-	-	-	-	(7,016,298)	(7,016,298)
6	INTERCOMPANY AR	-	-	-	-	-	(84,468)	(84,468)
7	CLAUSE UNDERRECOVERIES	-	-	-	-	-	(2,740,948)	(2,740,948)
8	REMOVE LEASES	(4,989,393)	(621,390)	(4,368,004)	-	(4,368,004)	-	(4,368,004)
9	ACCUM DEFERRED RETIREMENT BENEFITS	-	-	-	-	-	42,039	42,039
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-	(5,412,853)	(5,412,853)
11	TOTAL FPSC ADJUSTMENTS ⁽²⁾	(30,083,403)	(781,287)	(29,302,116)	-	(32,960,202)	(15,212,528)	(48,172,730)
12								
13	FPSC ADJUSTED	\$ 513,196,072	198,270,621	314,925,451	-	23,944,588	13,719,820	352,589,859
14								
15	TOTAL PRO FORMA ADJUSTMENTS	\$ -	-	-	-	-	-	-
16								
17	PRO FORMA ADJUSTED	\$ 513,196,072	198,270,621	314,925,451	23,944,588	338,870,039	13,719,820	352,589,859

⁽¹⁾ Recoverable AGL Acquisition Adjustment and related Accumulated Amortization are included in "Per Books" amounts.
⁽²⁾ In order to be consistent with the "Per Book" capital structure reflected on Schedule 4, certain capital structure balances are no longer presented as part of "Per Book" Rate Base on this schedule.
Therefore, no further capital structure adjustment is needed.

FLORIDA CITY GAS
NET OPERATING INCOME
DECEMBER, 2021

SCHEDULE 3

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O&M GAS EXPENSE	O&M OTHER	DEPR. & AMORT.	TAXES OTHER THAN INCOME TAXES	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INV. TAX CREDIT (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
1	\$ 109,274,361	22,734,964	31,733,501	23,053,124	9,054,448	3,499,989	560,405	-	(113,767)	90,522,654	18,791,697
2											
3	FPSC ADJUSTMENTS:										
4	\$ (23,596,888)	(23,456,285)	(135,201)	-	(7,452)	376	-	-	-	(23,598,162)	1,173
5	(5,439,176)	-	(13,527)	-	(5,439,795)	3,458	-	-	-	(5,449,864)	10,688
6	(6,421,893)	-	(6,374,554)	-	(73,315)	8,703	-	-	-	(6,438,167)	17,274
7	(7,449,311)	-	(37,247)	(7,313,768)	-	(23,739)	-	-	-	(7,374,754)	(74,589)
8	(3,171,514)	-	(15,658)	(649,403)	(505,483)	(488,922)	-	-	-	(1,659,665)	(1,511,849)
9	-	-	(25,000)	-	-	6,130	-	-	-	(18,870)	18,870
10	-	-	(3,367)	-	-	823	-	-	-	(2,544)	2,544
11	-	-	-	-	-	110,417	-	-	-	110,417	(110,417)
12	\$ (46,078,882)	(23,456,285)	(6,604,739)	(7,953,171)	(6,025,649)	(382,754)	-	-	-	(44,432,607)	(1,566,275)
13											
14	\$ 63,195,479	(721,321)	25,128,748	15,089,953	3,028,803	3,117,235	560,405	-	(113,767)	46,090,056	17,105,422
15											
16	TOTAL PRO FORMA ADJUSTMENTS										
17	\$ -	-	-	-	-	-	-	-	-	-	-
18	\$ 63,195,479	(721,321)	25,128,748	15,089,953	3,028,803	3,117,235	560,405	-	(113,767)	46,090,056	17,105,422

FLORIDA CITY GAS
 CAPITAL STRUCTURE
 FPSC ADJUSTED BASIS
 DECEMBER, 2021

SCHEDULE 4

Line No.	AVERAGE	PER BOOKS	ADJUSTMENTS			ADJUSTED	RATIO (%)	LOW POINT				MID POINT				HIGH POINT			
			SPECIFIC	PRO RATA				COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)				
1	DIVISIONAL CAPITAL	\$ 165,581,593	-	(18,298,071)	147,283,522	41.77%	9.19%	3.84%	10.19%	4.26%	11.19%	4.67%							
2	LONG TERM DEBT	100,055,235	(4,368,004)	(10,574,193)	85,113,038	24.14%	3.60%	0.87%	3.60%	0.87%	3.60%	0.87%							
3	SHORT TERM DEBT	78,787,276	-	(8,706,615)	70,080,661	19.88%	0.75%	0.15%	0.75%	0.15%	0.75%	0.15%							
4	PREFERRED STOCK	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
5	CUSTOMER DEPOSITS	3,609,806	-	(398,912)	3,210,894	0.91%	2.77%	0.03%	2.77%	0.03%	2.77%	0.03%							
6	DEFERRED INCOME TAX	32,539,772	0	(3,595,901)	28,943,871	8.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
7	FAS 109 DEFERRED INCOME TAX	20,188,907	-	(2,231,033)	17,957,873	5.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
8	TAX CREDITS - ZERO COST	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
9	TAX CREDITS - WEIGHTED COST	\$ 400,762,589	(4,368,004)	(43,804,729)	352,589,859	100.00%	0.00%	4.88%	0.00%	5.30%	0.00%	5.72%							
10	TOTAL																		

FLORIDA CITY GAS
 EARNED RETURN ON COMMON EQUITY
 FPSC ADJUSTED BASIS
 DECEMBER, 2021

SCHEDULE 5

Line No.		
1	FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	4.85%
2	LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:	
3	LONG TERM DEBT	-0.87%
4	SHORT TERM DEBT	-0.15%
5	PREFERRED STOCK	0.00%
6	CUSTOMER DEPOSITS	-0.03%
7	TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00%</u>
8	SUBTOTAL	-1.04%
9		<hr/>
10	TOTAL	3.81%
11		
12	DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>41.77%</u>
13		
14	JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.12%</u>