

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

SEBRING GAS SYSTEM, INC.
EARNINGS SURVEILLANCE REPORT SUMMARY
June 2025

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 311,075	\$ 555	\$ 311,630		\$ 311,630
AVERAGE RATE BASE	\$ 4,849,545	\$ 0	\$ 4,849,545		\$ 4,849,545
AVERAGE RATE OF RETURN	6.41%		6.43%		6.43%
II. YEAR END RATE BASE (JURISDICTIONAL)	\$ 4,858,675	\$ 0	\$ 4,858,675		

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

LOW	8.90%
MIDPOINT	9.56%
HIGH	10.21%

IV. EARNED RETURN ON EQUITY
(FPSC ADJUSTED BASIS)

A. INCLUDING FLEX RATE REVENUES	6.72%
B. EXCLUDING FLEX RATE REVENUES	6.72%

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082 or s. 775.083.

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


(Signature)

9/5/2025
(Date)

PSC/AFA13

SEBRING GAS SYSTEM, INC.
AVERAGE RATE OF RETURN
RATE BASE
June 2025

SCHEDULE 2
PAGE 1 OF 2

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	<u>8,460,274</u>	<u>(4,068,324)</u>	<u>4,391,950</u>	<u>0</u>	<u>34,317</u>	<u>4,426,267</u>	<u>423,279</u>	<u>4,849,545</u>
<u>FPSC ADJUSTMENTS:</u>								
TOTAL FPSC ADJUSTMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FPSC ADJUSTED	<u>8,460,274</u>	<u>(4,068,324)</u>	<u>4,391,950</u>	<u>0</u>	<u>34,317</u>	<u>4,426,267</u>	<u>423,279</u>	<u>4,849,545</u>
<u>FLEX RATE REVENUES</u>								
ADJUSTED FOR								
FLEX RATE REVENUES	<u>8,460,274</u>	<u>(4,068,324)</u>	<u>4,391,950</u>	<u>0</u>	<u>34,317</u>	<u>4,426,267</u>	<u>423,279</u>	<u>4,849,545</u>
<u>PRO FORMA REVENUE INCREASE AND</u>								
<u>ANNUALIZATION ADJUSTMENTS:</u>								
TOTAL PRO FORMA ADJUSTME	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
PRO FORMA ADJUSTED	<u>8,460,274</u>	<u>(4,068,324)</u>	<u>4,391,950</u>	<u>0</u>	<u>34,317</u>	<u>4,426,267</u>	<u>423,279</u>	<u>4,849,545</u>

SEBRING GAS SYSTEM, INC.
AVERAGE RATE OF RETURN
INCOME STATEMENT
June 2025

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS, as adjusted January through December 2024	1,293,442	0	585,401	298,520	47,414	48,544	2,488	0	0	982,367	311,075
<u>FPSC ADJUSTMENTS:</u>											
Disallowed lobbying expenses			(555)							(555)	555
TOTAL FPSC ADJUSTMENTS	0	0	(555)	0	0	0	0	0	0	(555)	555
FPSC ADJUSTED	1,293,442	0	584,846	298,520	47,414	48,544	2,488	0	0	981,812	311,630
<u>FLEX RATE REVENUES</u>	0	0	0	0	0	0	0	0	0	0	0
ADJUSTED FOR FLEX RATE REVENUES	1,293,442	0	584,846	298,520	47,414	48,544	2,488	0	0	981,812	311,630
<u>PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:</u>											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	1,293,442	0	584,846	298,520	47,414	48,544	2,488	0	0	981,812	311,630
PER BOOKS CURRENT MONTH AMOUNT	103,029	0	48,540	25,248	4,245	4,045	207	0	0	82,286	20,743

Sebring Gas System, Inc.
Schedule 2 Worksheet - Average Rate of Return
June-25

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Plant in	Accumulated	Net	Property	Construction	Net	Working	Total
13 Month Average	Service	Depreciation	Plant in	Held for	Work in	Utility	Capital	Rate Base
		Amortization	Service	Future Use	Progress	Plant		
Jun-24	8,330,221	(3,922,181)	4,408,040	0	34,317	4,071,028	512,387	4,614,644
Jul-24	8,347,825	(3,946,727)	4,401,098	0	34,317	4,097,639	486,849	4,662,282
Aug-24	8,364,240	(3,971,319)	4,392,921	0	34,317	4,090,798	460,988	4,687,810
Sep-24	8,376,638	(3,995,948)	4,380,690	0	34,317	4,097,347	493,308	4,616,085
Oct-24	8,389,332	(4,020,610)	4,368,722	0	34,317	4,107,657	416,292	4,643,469
Nov-24	8,423,779	(4,045,334)	4,378,445	0	34,317	4,136,865	508,253	4,669,700
Dec-24	8,467,069	(4,065,772)	4,401,297	0	34,317	4,145,241	459,170	4,657,629
Jan-25	8,480,709	(4,090,691)	4,390,018	0	34,317	4,424,335	462,435	4,886,770
Feb-25	8,499,812	(4,115,660)	4,384,152	0	34,317	4,418,469	420,744	4,839,213
Mar-25	8,553,389	(4,140,728)	4,412,661	0	34,317	4,446,978	466,513	4,913,491
Apr-25	8,560,140	(4,165,873)	4,394,267	0	34,317	4,428,584	422,184	4,850,768
May-25	8,582,599	(4,191,058)	4,391,541	0	34,317	4,425,858	414,524	4,840,382
Jun-25	8,607,803	(4,216,306)	4,391,497	0	34,317	4,425,814	432,861	4,858,675
Thirteen month totals	109,983,556	(52,888,207)	57,095,349	0	446,121	55,316,613	5,956,508	61,740,917
Thirteen month averages	8,460,274	(4,068,324)	4,391,950	0	34,317	4,255,124	458,193	4,749,301

SEBRING GAS SYSTEM, INC.
YEAR END RATE BASE
June 2025

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	<u>8,607,803</u>	<u>(4,216,306)</u>	<u>4,391,497</u>	<u>0</u>	<u>34,317</u>	<u>4,425,814</u>	<u>432,861</u>	<u>4,858,675</u>
FPSC ADJUSTMENTS:								
TOTAL FPSC ADJUSTMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FPSC ADJUSTED	<u><u>8,607,803</u></u>	<u><u>(4,216,306)</u></u>	<u><u>4,391,497</u></u>	<u><u>0</u></u>	<u><u>34,317</u></u>	<u><u>4,425,814</u></u>	<u><u>432,861</u></u>	<u><u>4,858,675</u></u>

SEBRING GAS SYSTEM, INC.
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
June 2025

AVERAGE	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		SPECIFIC	PRO RATA			COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
						(%)	(%)	(%)	(%)	(%)	(%)
LONG TERM DEBT	495,615		8,681	504,296	10.3988%	8.4239%	0.8760%	8.4239%	0.8760%	8.4239%	0.8760%
SHORT TERM DEBT	570,777		9,997	580,774	11.9759%	8.6184%	1.0321%	8.6184%	1.0321%	8.6184%	1.0321%
PREFERRED STOCK	0	0	0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CUSTOMER DEPOSITS	202,073		3,539	205,612	4.2398%	2.8658%	0.1215%	2.8658%	0.1215%	2.8658%	0.1215%
COMMON EQUITY	3,119,237	0	54,635	3,173,872	65.4468%	10.5000%	6.8719%	11.5000%	7.5264%	12.5000%	8.1809%
DEFERRED INCOME TAXES	378,363		6,627	384,990	7.9387%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - ZERO COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - WEIGHTED COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TOTAL	4,766,065	0	83,480	4,849,545	100.0000%		8.9015%		9.5560%		10.2105%

YEAR END	PER BOOKS					LOW POINT		MIDPOINT		HIGH POINT	
		ADJUSTMENTS		ADJUSTED	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
		SPECIFIC	PRO RATA								
LONG TERM DEBT	423,500		7,507	431,007	8.8709%	14.8708%	1.3192%	14.8708%	1.3192%	14.8708%	1.3192%
SHORT TERM DEBT	507,567		8,997	516,564	10.6318%	14.8708%	1.5810%	14.8708%	1.5810%	14.8708%	1.5810%
PREFERRED STOCK	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CUSTOMER DEPOSITS	188,795		3,346	192,141	3.9546%	2.8658%	0.1133%	2.8658%	0.1133%	2.8658%	0.1133%
COMMON EQUITY	3,277,068		58,087	3,335,156	68.6433%	10.5000%	7.2075%	11.5000%	7.8940%	12.5000%	8.5804%
DEFERRED INCOME TAXES	377,123		6,685	383,808	7.8994%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - ZERO COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TAX CREDITS - WEIGHTED COST	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
TOTAL	4,774,053	0	84,622	4,858,675	100.0000%		10.2211%		10.9075%		11.5939%

Sebring Gas System, Inc.
Schedule 4 Worksheet - Capital Structure
06/30/25

13 Month Average	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Average Per Books
Long-term Debt	573,500	561,000	536,000	536,000	523,500	511,000	498,500	473,500	461,000	461,000	448,500	436,000	423,500	495,615
Short-term Debt	552,865	652,865	652,865	601,379	601,379	596,379	590,717	590,717	570,717	526,217	506,217	470,217	507,567	570,777
Preferred Stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Customer Deposits	205,209	208,059	210,009	210,159	211,109	211,509	211,659	211,659	188,745	189,845	189,595	190,595	188,795	202,073
Common Stock	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Paid-in Capital	562,519	562,519	562,519	562,519	562,519	562,519	562,519	562,519	562,519	562,519	562,519	562,519	562,519	562,519
Current Year Profit (Loss)	114,271	152,942	128,132	149,115	182,433	190,515	207,278	14,984	53,728	96,402	139,658	166,624	183,078	136,858
Retained Earnings (Deficit)	2,322,393	2,322,393	2,322,393	2,322,393	2,322,393	2,322,393	2,322,393	2,529,671	2,529,671	2,529,671	2,529,671	2,529,671	2,529,671	2,418,060
Common Equity	3,000,983	3,039,654	3,014,844	3,035,827	3,069,145	3,077,227	3,093,990	3,108,974	3,147,718	3,190,392	3,233,648	3,260,614	3,277,068	3,119,237
		2												
Deferred Income Taxes	376,280	376,280	376,280	376,280	376,280	376,280	376,280	381,526	381,526	381,526	381,526	381,526	377,123	378,363
Tax Crs-Zero Crs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tx Crs-Weighted Cst	0	0	0	0	0	0	0	0	0	0	0	0	0	0
				8						8				
Total	4,708,837	4,837,860	4,789,998	4,759,645	4,781,413	4,772,395	4,771,146	4,766,376	4,749,706	4,748,980	4,759,486	4,738,952	4,774,053	4,766,065

Sebring Gas System, Inc.
Schedule 4 Worksheet - Average Interest Rates
06/30/25

13 Month Average	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Average Per Books
HNB Credit Line	402,865	502,865	502,865	451,379	451,379	446,379	440,717	440,717	420,717	376,217	356,217	320,217	357,567	420,777
Interest Rate	9.00%	9.00%	9.00%	9.00%	8.75%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	7.98%
Book Interest	1670		9838	3515		6,642		4,798.92				1,450	7349	33,592.92
Ford Credit 289 Balance														-
Ford Credit 289 Interest Rate														#DIV/0!
Book Interest	-													0
Heartland National Balance#224.13	723,500	711,000	686,000	686,000	673,500	661,000	648,500	623,500	611,000	611,000	598,500	586,000	573,500	645,615
Hartland National #224.13 Interest R:	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.88%
Book Interest	5,059	4,812	4,892	4,806	4,573	4,640	8,736	4,454	4,379	3,849	4,198	3,979	4,031	57,349
Note Payable Ally 69841 Balance														-
Ally 69841 Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	#DIV/0!
Book Interest														0
Total Debt	1,126,365	1,213,865	1,188,865	1,137,379	1,124,879	1,107,379	1,089,217	1,064,217	1,031,717	987,217	954,717	906,217	931,067	1,066,392
	7.27%	4.67%	14.59%	8.90%	4.79%	12.40%	9.44%	10.24%	5.53%	4.59%	5.35%	7.05%	14.87%	8.53%
	6,729	4,812	14,730	8,321	4,573	11,282	8,736	9,253	4,379	3,849	4,198	5,429	11,380	90,942
Long-term Portion	573,500	561,000	536,000	536,000	523,500	511,000	498,500	473,500	461,000	461,000	448,500	436,000	423,500	495,615
	7.27%	4.67%	14.59%	8.90%	4.79%	12.40%	9.44%	10.24%	5.53%	4.59%	5.35%	7.05%	14.87%	8.42%
	3,426	2,224	6,641	3,921	2,128	5,206	3,998	4,117	1,957	1,797	1,972	2,612	5,176	41,750
Short-term Portion	552,865	652,865	652,865	601,379	601,379	596,379	590,717	590,717	570,717	526,217	506,217	470,217	507,567	570,777
	7.27%	4.67%	14.59%	8.90%	4.79%	12.40%	9.44%	10.24%	5.53%	4.59%	5.35%	7.05%	14.87%	8.62%
	3,303	2,588	8,089	4,400	2,445	6,076	4,738	5,136	2,422	2,052	2,226	2,817	6,204	49,192
Customer Deposits														
Residential	25,830	25,630	25,980	26,130	26,280	26,280	26,430	26,430	26,530	26,630	26,380	26,580	26,680	26,292
	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	37	43	43	44	44	44	44	44	44	44	44	44	44	527
Commercial	179,379	182,429	184,029	184,029	184,829	185,229	185,229	185,229	162,215	163,215	163,215	164,015	162,115	175,781
	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.99%
	385	456	460	460	462	463	463	463	406	408	408	410	405	5,264
Total	205,209	208,059	210,009	210,159	211,109	211,509	211,659	211,659	188,745	189,845	189,595	190,595	188,795	202,073
	2.46%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%	2.86%	2.86%	2.86%	2.86%	2.86%	2.87%
	421	499	503	504	506	507	507	507	450	452	452	454	450	5,791

SEBRING GAS SYSTEM, INC.
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
June 2025

SCHEDULE 5

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	6.43%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	0.88%	
SHORT TERM DEBT	1.03%	
PREFERRED STOCK	0.00%	
CUSTOMER DEPOSITS	0.12%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%	
SUBTOTAL	<u>2.03%</u>	
TOTAL	4.40%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>65.45%</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>6.72%</u></u>	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$ 311,630	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$ <u>4,849,545</u>	(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>6.4260%</u>	
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	0.88%	
SHORT TERM DEBT	1.03%	
PREFERRED STOCK	0.00%	
CUSTOMER DEPOSITS	0.12%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%	
SUBTOTAL	<u>2.03%</u>	
TOTAL	4.40%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>65.45%</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>6.72%</u></u>	