BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION STAFF DIRECT TESTIMONY OF CURT MOURING

DOCKET NO. 20260026-GU

JULY 28, 2026

Q. Please state your name and business address.

A. My name is Curt Mouring. My business address is 2540 Shumard Oak Boulevard, Tallahassee, FL, 32399.

Q. By whom are you presently employed and in what capacity?

A. I am employed by the Florida Public Service Commission (FPSC or Commission) as the Director of the Office of Auditing and Performance Analysis. I have been employed by the Commission since April 2008.

Q. Please give a brief description of your educational background and professional experience.

A. I received a Bachelor of Science Degree in Finance from Florida State University in 2007. I have worked for the FPSC since April 2008, and I have experience in electric, gas, and water and wastewater regulation. I have worked on multiple utility dockets, including rate cases and cost recovery clauses, which require the review and implementation of Auditor's Reports. In the course of my career, I have reviewed multiple Auditor's Reports and the accompanying work papers. I am also familiar with sections of the Commission's Administrative Procedures Manual related to auditing and the Commission's Auditing Standard Operating Procedures.

Q. Please describe your current responsibilities.

A. As Director, my responsibilities include the oversight and review of all audit reports issued.

Q. Have you previously presented testimony before this Commission?

A. Yes. I filed testimony in the Sunshine Water Services Company rate case, Docket No. 20240068-WS, Duke Energy Florida, LLC Storm Restoration, Docket No. 20230116-EI, and CSWR- Florida Utility Operating Company, LLC Rate Case, Docket No. 20250052-WS.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to sponsor the staff Auditor's Report of Florida City Gas which addresses the Utility's filing in Docket No. 20260026-GU. This report is filed with my testimony and is identified as Exhibit CM-1.

Q. Was this audit completed by you or under your direction?

A. Yes. It was completed under my direction.

Q. Please describe the objectives of the audit and the procedures performed during the audit?

A. The objectives and procedures are listed in the Objectives and Procedures section of the attached Exhibit CM-1 pages 4 through 9.

Q. Please review the audit findings in this Auditor's Report.

A. There were six findings in this Auditor's Report and are found in the Audit Findings section of the attached Exhibit CM-1 pages 10 through 15.

Q. Does that conclude your testimony?

A. Yes.

State of Florida

Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Auditor's Report

Florida City Gas
Rate Case Audit

Twelve Months Ended December 31, 2025

Docket No. 20260026-GU
Audit Control No. 2026-132-1-1
July 27, 2026

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Division of Accounting & Finance in its audit service request dated May 7, 2026. We have applied these procedures to the attached schedules prepared by Florida City Gas in support of its filing for rate relief in Docket No. 20260026-GU.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definitions

FCG/Company refers to Florida City Gas.

FERC refers to the Federal Energy Regulatory Commission.

USoA refers to the FERC Uniform System of Accounts as adopted by Commission Rule 25-7.014 – Records and Reports in General, Florida Administrative Code. (F.A.C.)

MFR refers to Minimum Filing Requirement.

Background

Florida City Gas is a natural gas distribution company providing sales and transportation of natural gas. The Company serves approximately 125,000 residential and commercial customers across eight counties. FCG is a subsidiary of Chesapeake Utilities Corporation. (Parent or CUC)

The Company's last Rate Case was granted in Docket No. 20220069-GU, in Commission Order No. PSC-2023-0177-FOF-GU, issued June 9, 2023. In that case, the Auditor's Report was issued on August 19, 2022, with Audit Control No. 2022-161-2-1.

Further, the Company had a change of ownership on December 1, 2023. Audit staff requested detailed data from the time period between the historical test year of the prior rate case order (12/31/2021) and the time of the transfer (12/1/2023). The availability of this information was limited. Thus for all balance sheet items, audit staff's testing was on the time period from January 1, 2024 to December 31, 2025.

Objectives: The objectives were to determine whether the Company's filing for the historical test year ended December 31, 2025 in Docket No. 20260026-GU is consistent and in compliance with Sections 366.04, 366.06, and 366.076, Florida Statutes, and Rules 25-7.039 and 25-7.042, Florida Administrative Code. (F.A.C.)

Procedures: We performed the following specific objectives and procedures to satisfy the overall objectives identified above.

Rate Base

Utility Plant in Service

Objectives: The objectives were to determine whether the Utility Plant in Service (UPIS) 1) Consists of property that exists and is owned by the Company, 2) Additions are authentic, recorded at original cost, and properly classified as a capital item in compliance with Commission Rules and FERC USoA, 3) Retirements are made when replacement item is put into service, 4) UPIS balances are properly stated based on Commission adjustments in the prior rate case and to determine the 13-month average balance for UPIS as of December 31, 2025.

Procedures: We requested the Plant in Service and Common Plant general ledgers from January 1, 2022, to December 31, 2025. We reconciled the common plant balances for historical test year ended December 31, 2025, from the MFR to the general ledger. We recalculated and reconciled the 13-month average balance for the twelve months ended December 31, 2025. We judgmentally selected a sample of plant additions from 2024 to 2025 and traced to the supporting documentation.

Land & Land Rights

Objectives: The objectives were to determine whether the utility land was recorded at original cost is used for utility operations and was owned or secured under a long-term lease.

Procedures: We reconciled the land balances for historical test year ended December 31, 2025, from the MFR to the general ledger. We obtained a ledger of all the purchases and sales of land and obtained supporting documentation for purchases and sales for years 2021 to 2025. We recalculated the 13-month average balance for the twelve months ended December 31, 2025. Audit staff notes that included in the land balance is $3,269 in 2021 property taxes resulting from the sale of the land from an unrelated third party to the prior owner of FCG. We also note that the Company transferred land valued at $348,802 to Peninsula Pipeline Company, a sister company of FCG who is also owned by CUC.

Construction Work in Progress and Allowance for Funds Used During Construction

Objectives: The objectives were to verify that Construction Work in Progress (CWIP) and Allowance for Funds Used During Construction (AFUDC) were properly stated in rate base for the historical test year ended December 31, 2025.

Procedures: We obtained the general ledger for CWIP and reconciled the 13-month average of CWIP for the historical test year ended December 31, 2025, to MFR Schedule B-8. We judgmentally selected a sample of CWIP projects for 2025 and traced to the supporting documentation. We obtained the supporting details and contracts of AFUDC for 2024 and 2025 and recalculated the totals with the rates approved in Commission Order No. PSC-2025-0214-PAA-GU. We found that the Company used the incorrect rate for Project CG000151799. See Finding 2.

Acquisition Adjustment

Objectives: The objectives were to verify that the Acquisition Adjustment and Accumulated Amortization of the Acquisition Adjustment were properly amortized and reconciled to the general ledger.

Procedures: We obtained the general ledger summary of Acquisition Adjustments, and recalculated the monthly amortization, and reconciled to Order No. PSC-07-0913-PAA-GU approving the acquisition adjustment. No exceptions were noted.

Accumulated Depreciation

Objectives: The objectives were to determine whether: 1) Accruals to accumulated depreciation are properly recorded in compliance with Commission rules and the FERC USoA, 2) Depreciation accruals are calculated using the 'Commission's authorized rates and that retirements are properly recorded, 3) Adjustments required in the Company's last rate case proceeding were recorded in its books and records, and 4) Where accruals to accumulated depreciation were allocated from the corporate offices, the basis of the allocation is reviewed.

Procedures: We obtained the general ledgers for the depreciation reserve balances for plant in service. We recalculated the balances using the approved depreciation rates from Commission Order Nos. PSC-2023-0177-FOF-GU and PSC-2026-0055-FOF-GU and compared them to the balances in MFR Schedule B-9. We compared the depreciation reserve balances for common plant for the year ended December 31, 2025, from the general ledger to MFR Schedule B-11. We found the Company was using incorrect depreciation rates for direct plant depreciation. See Finding 3.

Working Capital

Objectives: The objectives were to determine whether: 1) Working capital calculation is consistent with Commission orders, 2) Working capital accounts are interest-bearing, 3) Transactions in working capital were properly recorded, 4) Non-utility items are included in the working capital accounts, 5) Purchased fuel over-recoveries are included and the under-recoveries are excluded from working capital.

Procedures: We recalculated the monthly balances and 13-month average of working capital allowance for the historical test year ended December 31, 2025, from general ledger. We reconciled the 13-month average to the balance sheet, and traced to MFR Schedules B-1, B-13, B-14 and B-15. We judgmentally sampled the transactions in clearing accounts, prepayments, miscellaneous deferred debits, other deferred credits, accrued liabilities, and all other accounts of assets and liabilities in working capital, and traced to the supporting documentation. We confirmed the interest-bearing accounts in working capital were removed. Audit staff notes that it appears that net PGA under-recoveries are included in Account 253 in Working Capital. See Finding 6.

Capital Structure

Common Equity

Objectives: The objectives were to determine whether equity balances were representative of actual equity, and whether the equity was properly recorded in compliance with USoA for the test year ended December 31, 2025.

Procedures: We obtained the ledger of common equity and traced it to MFR Schedule D-1. We also traced the Return on Equity (ROE) to the Commission Order No. PSC-2023-0177-FOF-GU. No exceptions were noted.

Long-Term Debt

Objectives: The objectives were to determine whether Long-Term Debt (LTD) balances were representative of the actual obligations of the Company, and whether they were properly recorded in compliance with USoA for the test year ended December 31, 2025.

Procedures: We obtained a sample of long-term debt notes from the Company and traced them to MFR Schedule D-2. We also reconciled the ledger of long-term debt to MFR Schedule D-1. No exceptions were noted.

Short-Term Debt

Objectives: The objectives were to determine whether Short-Term Debt (STD) balances were representative of the actual obligations of the Company, and whether they were properly recorded in compliance with USoA for the test year ended December 31, 2025.

Procedures: We obtained a sample of short-term notes from the Company and traced the ledger of short-term debt to MFR Schedule D-3. No exceptions were noted.

Customer Deposits

Objectives: The objectives were to determine whether customer deposit balances represented actual obligations of the Company, and to verify whether customer deposits were properly recorded and reflected on MFR Schedule D-6.

Procedures: We scheduled the customer deposits and reconciled the deposits to MFR Schedule D-6. We judgmentally selected a sample from the customer deposits and traced the sample to supporting documentation. No exceptions were noted.

Accumulated Deferred Income Taxes

Objectives: The objectives were to determine whether Accumulated Deferred Income Taxes (ADIT) represented actual obligations of the Company, and to verify whether accumulated deferred income taxes were properly recorded and reflected on MFR Schedules D-1 and B-18.

Procedures: We reconciled the ledger of accumulated deferred income taxes to MFR Schedules D-1 and B-18. No exceptions were noted.

Net Operating Income

Operating Revenue

Objectives: The objective was to determine whether the revenues, billing determinants, and customers was properly booked and recorded for the test year ended December 31, 2025.

Procedures: We reconciled and recalculated the monthly revenues reported in the MFR to the Company's general ledger. We traced and recalculated unbilled revenue for the historical test year to the MFR and the general ledger. We reviewed and recalculated customer bills using the Commission-approved tariff rates and examined revenue adjustments for accuracy. No exceptions were noted.

Operation and Maintenance (O&M) Expense

Objectives: The objectives were to determine whether: 1) O&M expenses were properly recorded in compliance with Commission Rules, 2) O&M expenses are appropriately allocated to non-utility, and 3) O&M expenses are representative of ongoing utility operations.

Procedures: We recalculated and reconciled the O&M expenses reported in the MFR to the general ledger. We judgmentally selected samples of O&M expenses and traced the transactions to supporting documentation. Audit staff noted that some of the selected samples were for invoices (and services performed) outside of the test year. See Finding 4.

Depreciation and Amortization Expense

Objectives: The objective was to determine whether depreciation expense for UPIS was properly recorded in compliance with Commission Rules, and that it accurately represented the depreciation of UPIS assets for ongoing utility operations.

Procedures: We reconciled the depreciation expense from the MFR to the general ledger. We found the Company was using incorrect depreciation rates for several accounts in 2025. See Finding 3.

Taxes Other Than Income

Objectives: The objective was to determine the appropriate amounts for Taxes Other Than Income tax (TOTI) for the historical test year ended December 31, 2025.

Procedures: We recalculated the Regulatory Assessment Fee (RAF) from the general ledger and reconciled to MFR Schedule C-30. We reconciled the Federal Unemployment Tax, the State Unemployment Tax, FICA, Franchise Fees, Corporate Payroll Taxes, US Department of Transportation Pipeline Assessments, and Gross Receipts Taxes (GRTs) from the general ledger and supporting documentation to MFR Schedule C-30. We found the Company was using estimated RAFs in the GL that were trued-up in January 2026, but not reflected on MFR Schedule C-30. Additionally, audit staff noted the variances in the GRT recalculation and was not able to fully reconcile with the GRT returns. See Finding 5.

Federal and State Income Taxes

Objectives: The objective was to determine whether the test year income taxes were properly recorded in compliance with the USoA.

Procedures: We obtained the applicable ledger and other supporting documentation of Federal and State Income Taxes from the Company and traced to MFR Schedule C-1. We obtained the applicable ledger and other supporting documentation of interest in tax expense calculation from the Company and traced to MFR Schedule C-22. We requested the 2025 Income Tax returns from the Company; however, the Company requested an extension to file its 2025 Corporate Federal tax return, which is estimated to be available in October 2026. No exceptions were noted.

Other

Affiliate Transactions

Objectives: The objectives were to review intercompany charges to and from divisions, affiliated companies, and non-regulated operations, to determine if costs were allocated pursuant to Commission Rules, and to determine the original amounts allocated, whether the methodology was reasonable, and to check for accuracy and consistent application.

Procedures: Audit staff reviewed the Company's policies and procedures relating to the recording of affiliate transactions and the cost/allocation manual for employees. During the review of rate base and net operating income, we examined items that were allocated as per the Company's policies and procedures. Audit staff was not able to obtain the calculations of allocation percentages for rate base or NOI items. See Finding 1.

Audit Findings

Finding 1: Parent Company Allocations

Audit Analysis: Audit staff obtained and reviewed the cost allocation manual (CAM) between FCG and the Parent. Upon review, we found it contained very little detail in terms of actual formulas used for calculating the allocation percentages. In MFR Schedule C-6, the Company states "The majority of corporate expense allocations are based on a Modified Massachusetts Method. However, some departments utilize other allocations basis's which are explained in our Cost Allocation Manual". Audit staff asked multiple times for the specific calculations of the allocations that match with the MFR schedules but were not provided with those calculations. We were able to confirm the totals on the parents' books for most items and reconcile those totals to the MFRs, audit staff could not confirm the methodology in calculating the allocation percentages.

Effect on the General Ledger: The company should determine the effect on the general ledger.

Effect on the Filing: This is an informational finding and Audit staff requests technical staff to determine what, if any, the effect is on the Filing.

Finding 2: Allowance for Funds Used During Construction

Audit Analysis: In recalculating AFUDC, audit staff found there was a net $423 variance in AFUDC for Project CG000151799 between January 1, 2025, and December 31, 2025. Audit staff asked for an explanation for variances and the use of the incorrect rate. Per the Company, this error in rate was due to the default rate for Florida Regulated did not update in its Power Plan. Based on our recalculation of AFUDC using the rates set forth in Commission Order No. PSC-2025-0214-PAA-GU, audit staff determined that correct AFUDC. The adjustment in the table below does not reflect an adjustment to the 13 month average balance of AFUDC but the adjustment to the specific Project at year end. See Table 2-1.

Table 2-1

	Amount Per Audit	Adjustment	Amount Per Utility
Total	**$ 16,929**	**$ 423**	**$ 16,505**

Effect on the General Ledger: The company should determine the effect on the general ledger.

Effect on the Filing: Audit staff requests technical staff to determine the disposition of this concern and the effect on the filing.

Finding 3: Accumulated Depreciation & Depreciation Expense

Audit Analysis: There was a net $7,351,232 increase in depreciation reserve between January 1, 2025, and December 31, 2025. Audit staff recalculated depreciation for 2024 and 2025 using the rates set forth in Commission Order Nos. PSC-2023-0177-FOF-GU and PSC-2026-0055-FOF-GU. We then asked for an explanation for the identified variances from the Company. Per the Company, Accounts 3920, 3921, 3922, and 3923 have incorrect rates in the system. The salvage rate was inadvertently included in both the depreciation rate and salvage rate in the system. See Table 3-1. From staff's recalculation of depreciation expense, we found there should be a decrease of $787,558 to depreciation expense for the test year ended December 31, 2025, see Table 3-2. Further, as noted in the background of this report, we did not have access to detailed ledgers for 2022 and 2023 and were unable to calculate the full effect the variance in depreciation calculation had on accumulated depreciation.

Table 3-1

Account Descrpition	Depreciation Rates per Audit	Adjustment	Depreciation Rates Per Utility
CG-3920-Transp Equip	1.80%	-11.04%	12.84%
CG-3921-Cars	10.80%	5.55%	5.25%
CG-3922-Lt Truck/Van	5.20%	-0.59%	5.79%
CG-3923-HD Truck/Bobtail	6.30%	-1.08%	7.38%
Total	**24.10%**	**-7.16%**	**31.26%**

Table 3-2

Depreciation Expense Per Audit	Adj	Depreciation Expense Per Utility
$ 17,782,938	$ (787,558)	$ 18,570,496

Effect on the General Ledger: To be determined by the Company.

Effect on the Filing: Audit staff requests technical staff to determine the disposition of this concern and the effect on the filing.

Finding 4: Operation and Maintenance Expense

Audit Analysis: Audit staff judgmentally sampled 361 O&M expense items from the Company. Audit staff determined that 26 invoices totaling $63,173 were dated in 2024 but charged to expense in 2025. The service/item purchased appears to have been provided in 2024. Audit staff requested an explanation and the Company stated that the invoices had been received late and that Company policy is that any expenses over $25,000 at year end is accrued and then reversed in the following year when paid. The Company states that an attempt will be made to accrue expenses below $25,000, but if unrecorded, are not subject to the Company's accrual policy. Audit staff found that all the items from outside of the test year are under $25,000. Audit staff also found that many of these invoices were dated in mid 2024.

Effect on the General Ledger: To be determined by the Company.

Effect on the Filing: Audit staff requests technical staff to determine the disposition of this concern and the effect on the filing.

Finding 5: Taxes Other Than Income

Audit Analysis: The RAF amount reported on the GL and MFRs is $794,569. The RAF reported on the RAF Return filed and paid is $787,288. This is a difference of $7,282. The Company explained that this is because RAF in the GL are accrued monthly based on estimates. The difference between the returns (and audit amounts) and MFR Schedule C-30 is from the difference between the estimates accrued and what was paid. The excess accrued was reversed in January 2026 but was not reflected on MFR Schedule C-30. See Table 5-1.

For GRTs, there were variances in the months of March, April, and May between the GRT returns and the GL/MFR schedule C-30. The Company explained that these were due to an overpayment made in March and April, and an overcorrection of these payments in May. The Company stated that these errors were on the GRT returns filed and not the general ledger balances for those months, and was subsequently corrected on the returns in January 2026. The Company also explained that the additional variance in May 2025 included a penalty and interest due which the Company sought an abatement of. See Table 5-2.

Table 5-1

RAF per Audit	Adjustment	RAF per C-30
$ 787,288	$ (7,282)	$ 794,570

Table 5-2

Month	GRT per Company	Adjustment	GRT per Audit (GRT Bills)
January	$ 335,332.64	$ -	$ 335,332.64
February	$ 341,893.50	$ (22.25)	$ 341,871.25
March	$ 303,386.43	$ 33,752.69	$ 337,139.12
April	$ 317,343.18	$ 33,716.31	$ 351,059.49
May	$ 277,265.98	$ (83,455.76)	$ 193,810.22
June	$ 252,290.94	$ (165.55)	$ 252,125.39
July	$ 182,945.98	$ (91.50)	$ 182,854.48
August	$ 225,013.77	$ -	$ 225,013.77
September	$ 223,200.23	$ 458.36	$ 223,658.59
October	$ 228,011.43	$ -	$ 228,011.43
November	$ 247,124.72	$ -	$ 247,124.72
December	$ 253,944.20	$ -	$ 253,944.20
Total	**$ 3,187,753.00**	**$ (15,807.70)**	**$ 3,171,945.30**

Effect on the General Ledger: The effect on the general ledger be determined by the Company.

Effect on the Filing: RAFs reflected in the MFRs should be reduced by $7,282 to reflect the correct RAF calculation (and actual RAFs paid). Audit staff requests technical staff to evaluate and determine the appropriate disposition of the GRT variance and the effect on the filing.

Finding 6: Working Capital

Audit Analysis: For ratemaking purposes, net under-recoveries should be removed from the working capital and the interest income recorded below-the-line. The auditing of Account 253 – Other Deferred Credits revealed the Company recorded ($4,452,951) of the Purchased Gas Adjustment (PGA) under-recoveries and ($227,729) of interest income in this Account. These amounts should be adjusted from the working capital. Table 6-1 displays the adjustments of the under recoveries and the interest income.

Table 6-1

PGA Under Recoveries

Account Code	Description	Sum of Amount
CG00-00000-26PG-2530	PGA Over/Under	$ (4,452,951)

Interest Income - PGA Under Recoveries

Account Code	Description	Sum of Amount
CG00-00000-26PG-2530	PGA Interest	$ (227,729)

As Chesapeake Utilities Corporation owns both Florida Public Utilities Company (FPUC) and Florida City Gas Company (FCG), Commission Order No. PSC-2024-0480-FOF-GU, Docket No. 2024003-GU issued November 21, 2024 authorized FPUC and FCG to consolidate their purchased gas costs and recovery amounts, which had a combined under-recovery of ($4,786,499) and a total interest income of $37,182. The under recoveries and the interest income amounts from the table above were solely associated to FCG general ledger.

Effect on the General Ledger: The Company should determine the effect on the general ledger.

Effect on the Filing: This is an informational finding.

Exhibits

Exhibit 1: Rate Base

Schedule B-2 | Rate Base - 13 Month Average | Page 1 of 1

Florida Public Service Commission

Company: Florida City Gas

Docket No.: 20260026-GU

Explanation: Provide a schedule calculating a 13-month average rate base as adjusted for the historic base year.

Type Of Data Shown:
Historic Base Year Data: 12/31/2025
Witness: G. Navo, J. Baugh

Line No.	Utility Plant	Average Per Books	Adjustment	Adjusted Average
1	PLANT IN SERVICE	$ 731,794,432	$ (61,494,597)	$ 670,299,834
2	COMMON PLANT ALLOCATED	4,218,098	-	4,218,098
3	ACQUISITION ADJUSTMENT	21,656,835	-	21,656,835
4	COMPLETED NOT CLASSIFIED PLANT	-	-	-
5	OPERATING LEASES	60,876	(60,876)	0
6	CONSTRUCTION WORK IN PROGRESS	56,416,099	(26,102,415)	30,313,684
7	GOODWILL	445,460,721	(445,460,721)	-
8	TOTAL PLANT	$ 1,259,607,062	$ (533,118,610)	$ 726,488,452
	DEDUCTIONS			
9	ACCUM. DEPR. - UTILITY PLANT	$ (198,977,033)	$ 1,357,947	$ (197,619,086)
10	ACCUM. DEPR. - COMMON PLANT	(1,415,094)	-	(1,415,094)
11	ACCUM. AMORT. - ACQ. ADJ.	(14,923,781)	-	(14,923,781)
12	RETIREMENT WORK IN PROCESS	400,786	-	400,786
13	OPERATING LEASES	(43,798)	43,798	0
14	CUSTOMER ADV. FOR CONST.	-	-	-
15	TOTAL DEDUCTIONS	$ (214,958,920)	$ 1,401,745	$ (213,557,175)
16	PLANT NET	$ 1,044,648,142	$ (531,716,865)	$ 512,931,278
	ALLOWANCE FOR WORKING CAPITAL			
17	BALANCE SHEET METHOD	$ 29,671,613	$ (1,975,560)	$ 27,696,052
18	TOTAL RATE BASE	$ 1,074,319,755	$ (533,692,425)	$ 540,627,330
19	NET OPERATING INCOME	$ 36,949,241	$ (9,552,794)	$ 27,396,447
20	RATE OF RETURN	3.44%		5.07%

Supporting Schedules: B-1, B-3, B-4, B-5, B-6, B-8, B-9, B-10, B-11, B-12, B-13, C-1

Recap Schedules:

FCG MFR000018

Exhibit 2: Capital Structure

Schedule D-1 — Cost of Capital - 13-Month Average - Consolidated — Page 1 of 2

Florida Public Service Commission

Company: Florida City Gas

Docket No.: 20260026-GU

Explanation: Provide the company's 13-month average reconciled jurisdictional capital structure and cost rates for each class of capital for the historic base year of the current case and the historic base year or test year of the last rate case.

Type of Data Shown:
His. Base YR Last Case: 12/31/2021
His. Base YR Current Case: 12/31/2025
Witness: N.Russell, J. Baugh

		Last Rate Case - Historic Base Year Ended 12/31/2021		Cost Rate		Weighted Cost		Present Rate Case - Historic Base Year Ended 12/31/2025	Adjustments					
Line No.	(1) Class of Capital	(2) Dollars	(3) Ratio	(4) Requested	(5) Approved	(6) Requested	(7) Approved	(8) Amount Books	(9) Specific	(10) Prorata	(11) Net	(12) Ratio	(13)* Cost Rate	(14) Weighted Cost
1	COMMON EQUITY	$ 147,283,522	41.77%	10.75%	9.50%	4.49%	4.99%	$ 509,385,600	$ -	$ (252,962,363)	$ 256,423,238	47.43%	9.50%	4.51%
2	LONG TERM DEBT	85,113,038	24.14%	3.60%	4.28%	0.87%	1.35%	27,072,028	(17,079)	(13,444,049)	13,610,901	2.52%	4.36%	0.11%
3	LONG TERM DEBT - FCG DIRECT	-	0.00%	0.00%	0.00%	0.00%	0.00%	430,646,643	-	(213,851,887)	216,794,756	40.10%	6.67%	2.67%
4	SHORT TERM DEBT	70,080,661	19.88%	0.75%	1.78%	0.15%	0.07%	62,708,235	-	(31,141,091)	31,567,144	5.84%	5.11%	0.30%
5	PREFERRED STOCK	-	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	0.00%	0.00%	0.00%
6	CUSTOMER DEPOSITS	3,210,894	0.91%	2.77%	2.64%	0.03%	0.02%	6,485,874	-	(3,220,904)	3,264,970	0.60%	2.44%	0.01%
7	TAX CRDTS - 0 COST	-	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	0.00%	0.00%	0.00%
8	TX CRDTS - WTD CST	-	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	0.00%	7.59%	0.00%
9	ACCUM DEFERRED INC TAXES - 0 COST	46,901,744	13.30%	0.00%	0.00%	0.00%	0.00%	21,442,098	(173,529)	(10,648,208)	10,620,360	1.96%	0.00%	0.00%
10	OTHER (FAS 109)	-	0.00%	0.00%	0.00%	0.00%	0.00%	16,579,277	-	(8,233,317)	8,345,960	1.54%	0.00%	0.00%
11	TOTAL	$ 352,589,859	100%			5.53%	6.44%	$ 1,074,319,755	$ (190,608)	$ (533,501,817)	$ 540,627,330	100.00%	35.66%	7.60%

PARENT CAPITAL STRUCTURE		
13-MONTH AVERAGE		
COMMON EQUITY	$ 1,494,909,483	49.46%
LONG TERM DEBT	1,343,280,969	44.45%
SHORT TERM DEBT	184,031,774	6.09%
	$ 3,022,222,226	100.0%

RATE BASE MINUS DIRECT	$ 1,029,812,507					
LTD CITY GAS ONLY	430,646,643	94.09%	430,629,564	40.08%	6.67%	6.28%
LTD CONSOLIDATED	27,072,028	5.91%	27,072,028	2.52%	4.36%	0.26%
LTD - CU	457,718,672	44.45%	457,701,593	42.60%		
SHORT TERM DEBT	62,708,235	6.09%	62,708,235	5.84%		
COMMON EQUITY	509,385,600	49.46%	509,385,600	47.42%		
CUSTOMER DEPOSITS	6,485,874		6,485,874	0.60%		
DEFERRED TAXES	21,442,098		21,442,098	2.00%		
FAS 109	16,579,277		16,579,277	1.54%		
			$1,074,302,676	100%		6.53%

* The cost rate for common equity is the approved rate in the Company's last rate case in Docket No.20220069-GU

Supporting Schedules: B-1 p.2, D-2 p.1, D-3, D-4, D-5, D-6 — Recap Schedules: A-1, C-22

Exhibit 3: Net Operating Income

Schedule C-1 | Net Operating Income | Page 1 of 1

Florida Public Service Commission

Company: Florida City Gas

Docket No.: 20260026-GU

Explanation: Provide the calculation of net operating income per books for the historic base year and the prior year.

Type of Data Shown:
Historic Base Year Data: 12/31/2025
Historic Base Year - 1: 12/31/2024
Witness: G. Navo, J. Baugh

Net Operating Income - Historic Base Year Ended 12/31/2025

Line No.		(1) Prior Year Ended 12/31/2024 Total Company Per Books	(2) Current Historic Base Year Ended 12/31/2025 Total Company Per Books	(3) Adjustments	(4) Company Adjusted (2) - (3)	(5) Revenue Adjustment	(6) Jurisdictional Amount Proposed Rates
1	OPERATING REVENUES	$ 135,271,033	$ 153,075,697	$ (56,705,122)	$ 96,370,576	N/A	$ 96,370,576
2	OPERATING EXPENSES:						
3	COST OF GAS	$ 23,622,972	$ 34,579,319	$ (34,579,319)	$ -		$ -
4	OPERATION & MAINTENANCE	46,495,467	43,376,211	(3,245,768)	40,130,443		40,130,443
5	DEPRECIATION & AMORTIZATION	964,146	19,167,382	(1,676,011)	17,491,371		17,491,371
6	TAXES OTHER THAN INCOME TAXES	16,130,289	16,905,708	(9,203,361)	7,702,347		7,702,347
7	INCOME TAXES:						
8	- FEDERAL	(12,275,680)	(7,258,145)	1,492,860	(5,765,285)		(5,765,285)
9	- STATE	875,778	5,045,336	59,271	5,104,606		5,104,606
10	DEFERRED INCOME TAXES						
11	- FEDERAL	15,898,347	8,962,592	-	8,962,592		8,962,592
12	- STATE	(35,596)	(4,651,946)	-	(4,651,946)		(4,651,946)
13	INVESTMENT TAX CREDIT - NET		-	-	-		
14	TOTAL OPERATING EXPENSES	$ 91,675,723	$ 116,126,457	$ (47,152,328)	$ 68,974,129		$ 68,974,129
15	OPERATING INCOME	$ 43,595,310	$ 36,949,241	$ (9,552,794)	$ 27,396,447		$ 27,396,447

Supporting Schedules: C-2 p. 1, C-2 p.2, C-3, C-5, C-17, C-20, C-21

Recap Schedules:

FCG MFR000046

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for rate increase by Florida City Gas.	DOCKET NO. 20260026-GU DATED: JULY 28, 2026

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of STAFF'S DIRECT TESTIMONY OF CURT MOURING has been served by electronic mail to the following this 28th day of July, 2026:

Beth Keating Gunster, Yoakley & Steart, P.A. 215 South Monroe Street Suite 601 Tallahassee, Florida 32301 bkeating@gunster.com Joanah Baugh, Director Regulatory Affairs Chesapeake Utilities Corp./Florida City Gas 1635 Meathe Drive West Palm Beach, Florida 33411 jbaugh@chpk.com Thomas A. Jernigan Leslie R. Newton, Maj, USAF Matthew R. Vondrasek, Capt, USAF Ebony M. Payton James B. Ely, MSgt, USAF 139 Barnes Drive, Suite 1 Tyndall Air Force Base, Florida 32403 Thomas.jernigan.3@us.af.mil Leslie.newton.1@us.af.mil Matthew.vondrasek.1@us.af.mil Ebony.payton.ctr@us.af.mil James.ely@us.af.mil ULFSC.Tyndall@us.af.mil	Matthew Everngam, AVP Regulatory Affairs Chesapeake Utilities Corp./Florida City Gas 208 Wildlight Avenue Yulee, Florida 32097 meverngam@chpk.com Walt Trierweiler / Charles Rehwinkel / Austin Watrous Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, Florida 32399 Trierweiler.walt@leg.state.fl.us Rehwinkel.charles@leg.state.fl.us Watrous.austin@leg.state.fl.us Opc-discovery@leg.state.fl.us

/s/ Major Thompson

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