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August 13, 2026

VIA E-PORTAL

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

Re: Docket No. 20260026-GU – Application for Rate Increase by Florida City Gas.

Dear Mr. Teitzman:

Attached for filing, please find the Rebuttal Testimony and Exhibits of Joanah Baugh for Florida City Gas.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 20260026-GU: Petition for rate increase by Florida City Gas

Prepared Rebuttal Testimony of Joanah Baugh

Date of Filing: August 13, 2026

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I. Introduction

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

A. My name is Joanah Baugh. My business address is 1635 Meathe Drive, West Palm Beach, FL 33411. I am employed by Chesapeake Utilities Corporation ("CUC") as Director of Regulatory Affairs. Chesapeake Utilities is the parent company of Florida City Gas ("FCG" or the "Company").

Q. Have you previously filed direct testimony in this docket?

A. Yes, I filed direct testimony on behalf of Florida City Gas which I refer to herein as either "the Company" or "FCG." For clarity, I also note that I will refer to the decision in FCG's previous rate case in Docket No. 20220069-GU as the "2023 FCG Order."

Q. Have your employment status and job responsibilities remained the same since discussed in your previous testimony?

A. Yes.

Q. Are you providing any exhibits with your rebuttal testimony?

A. Yes. I am providing Exhibit JB-4, which is the reconciliation of Staff Audit Finding Number 3, contained in Staff Witness Mouring's Exhibit CM-1, and Exhibit JB-5, which is the reconciliation of the PGA over/under recovery.

II. Purpose and Summary of Testimony

Q. What is the purpose of your rebuttal testimony?

A. My rebuttal testimony addresses certain positions in the testimonies of the Office of Public Counsel's ("OPC") witnesses Helmuth W. Schultz, III and Lane Kollen, filed July 20, 2026. In addition, my rebuttal testimony includes responses to the six findings set forth in the Staff Auditor's Report of FCG, sponsored by Commission Staff witness Curt Mouring, filed July 28, 2026. Specifically, my rebuttal testimony addresses the following:

1. The overall revenue requirement recommendation of a $5,956,640 revenue decrease described in Section IV of Mr. Schultz's direct testimony;

2. The historical comparability framework and characterization of an 82.9% O&M expense increase discussed in Section II of Mr. Schultz's direct testimony;

3. Mr. Schultz's cash working capital adjustment for clause net under-recoveries related to the Purchased Gas Adjustment ("PGA") described in Section VI.D of his direct testimony;

4. Mr. Schultz's interest synchronization adjustment discussed in Section VII.P of his direct testimony;

5. OPC's position regarding refunds tied to interim rate relief (Kollen Direct, Section I Summary; Schultz Direct, Section VII.Q); and

6. Staff Auditor's Report Findings (Exhibit CM-1).

III. Overall Revenue Requirement

Q. Please describe OPC witness Schultz's overall revenue requirement recommendation.

A. On page 24 of his direct testimony, and in his Exhibit HWS-2, Schedule C, Mr. Schultz recommends a revenue decrease for FCG for the December 31, 2027 test year of $5,956,640, which he characterizes as a $52,827,572 reduction from the Company's requested $46,870,932 net base rate revenue increase. Mr. Schultz's summary expressly incorporates the recommendations of OPC witnesses Christopher C. Walters (ROE) and Lane Kollen (capital structure, financing, affiliate expense, common plant allocation and ERP).

Q. Do you agree with Mr. Schultz's recommendation?

A. No. Mr. Schultz's recommendation would result in rates that are neither just nor reasonable. His $52.8 million swing is not the product of a single defensible adjustment but rather the accumulation of numerous, largely acquisition-themed adjustments which lack support and accuracy. While other Company witnesses will address certain specific components of Witness Schultz's recommendation, my rebuttal focuses on the framework Mr. Schultz uses to justify his recommendation.

Q. How does Mr. Schultz's $5,956,640 revenue decrease compare to the Company's analysis of a just and reasonable revenue requirement for the 2027 test year?

A. The Company's April 20, 2026 filing demonstrated the need for a total base revenue increase of $63,273,876 for the projected 2027 test year, which includes an incremental base revenue requirement of $46,870,932 and the transfer of SAFE program revenue from clause to base rates in the amount of $16,402,944. That figure is supported by MFR Schedules G-1 through G-5. Mr. Schultz's proposal would result in rates that do not permit the Company to earn at the bottom of its currently authorized range. As of the historic 2025 year, FCG earned a return of only 5.07%, which is significantly below the bottom of its current approved earnings range of 7.12%. Mr. Schultz's proposed revenue decrease would materially deteriorate the Company's financial position and, over time, degrade the Company's ability to fund the ongoing capital investment required to maintain safe and reliable natural gas service.

IV. Historical Comparability and O&M Expense Levels

Q. Mr. Schultz compares the Company's 2027 test year O&M expense to the O&M expense approved in the 2023 FCG Order and characterizes the increase as an 82.9% jump over four years. Is that comparison appropriate?

A. No. FCG did an analysis of costs per customer after the acquisition showing that FCG's costs per customer are in line with its peer companies. In addition, the Company calculated and supported the O&M benchmark variances between the 2021 historic base year used in FCG's last rate case conducted in Docket No. 20220069-GU and this rate case's historic base year of 2025, which was presented in MFR Schedule C-34 through C-38 and discussed in direct testimony of Company Witness Husted. This analysis also demonstrated that overall costs increased at appropriate levels, and variances were explained and justified for costs that exceeded a growth and inflation increase. All cost projections for 2027 were appropriately projected, necessary and supported by witnesses in this rate proceeding.

Q. Mr. Schultz proposes an alternative comparison using the Commission's Inflation & Growth Compound Multiplier applied to the 2023 approved O&M, arguing the Company's request is overstated by roughly $16 million. What is your response?

A. The Compound Multiplier approach is a simplifying benchmark, not a substitute for the detailed account-by-account, project-by-project projection required by MFR Schedule G-2 and the projected test year framework. It assumes that every cost category — payroll, benefits, incentive compensation, affiliate services, rate case expense, insurance — moves in lockstep with a single compound rate of inflation and customer growth. That assumption is not accurate for any of these categories. Company witness George Navo addresses the drivers of payroll and affiliate cost increases; Company witness Noah Russell addresses insurance; Company witness Jessica Husted addresses rate case expense; and Company witnesses William Haffecke and Brian Gilliam address capital additions. Each demonstrates that the Company's account-level projections reflect specific, known, and measurable cost drivers appropriate for a projected test year.

In addition, OPC's calculation uses the 2023 projected O&M expense approved in the last rate case, totaling $25,497,650, as a starting point. However, the actual O&M expense for the 11-month period ended November 30, 2023 - prior to CUC's acquisition of FCG – was approximately $28.7 million after Commission adjustments. This amount exceeded the Commission-approved, projected O&M level in FCG's 2022 rate case by approximately $3.2 million and would have been even higher when December 2023 expenses are added. This further demonstrates that OPC's calculation is not appropriate.

V. Cash Working Capital — Clause Net Under Recoveries (PGA)

Q. Please describe the portion of Mr. Schultz's cash working capital adjustment that you are addressing.

A. In Section VI.D of his direct testimony and Exhibit HWS-2, Schedule B-4, Mr. Schultz recommends three principal adjustments to the Company's $29,388,571 cash in working capital request. I am addressing the ($4,056,838) reduction to working capital for net under-recoveries related to the Purchased Gas Adjustment ("PGA") clause. The

Taxes Accrued-Income adjustment and the directors and officers insurance adjustment are addressed by Company witness Noah Russell in his rebuttal testimony.

Q. What is the basis of Mr. Schultz's clause net under-recoveries recommendation?

A. Mr. Schultz relies on his interpretation of the 2023 FCG Order with regard to the approved working capital, which included the impact of removing "Clause Net Under-recoveries" in the amount of ($1,053,994) at that time. He argues that the Commission-ordered adjustment has "vanished" from FCG's subsequent earnings surveillance reports and is not reflected in the interim or permanent rate test years. He recommended reducing working capital by ($4,056,838), which is the net under-recovery from the 2025 consolidated Florida Public Utilities Company ("FPUC") and FCG PGA true-up filing.

Q. Do you agree with Mr. Schultz's recommended reduction of ($4,056,838) in working capital to net the projected PGA under-recovery in 2027?

A. No. First and foremost, the Company's projection of a zero balance in the projected test year 2027 for the over/under recovery of PGA is the only appropriate assumption, because when projecting the forecast years, revenue is determined based on projected expenses and the prior year's refund or collection of the over/under recovery true-up. The nature of the PGA mechanism itself targets a zero over/under recovery by the end of the period. While swings in commodity price and usage will may lead to some level of an over or under balance in future periods, neither the direction of the over or under balance, nor the amount, can or should be estimated and imputed in future forecast years for rate making purposes. Both the revenue and the expense for the PGA are appropriately removed from NOI. Therefore, the projected over/under recovery balance included in working capital for the 2027 test year is appropriately zero and no additional adjustment in the working capital for 2027 is necessary.

Q. For rate making purposes you have addressed the appropriate level of PGA over/under balance for the projected test year of 2027. Can you also address Mr. Schultz's comments on the 2025 actual balances?

A. Mr. Schultz's adjustment is based on the consolidated PGA position of both FPUC and FCG, which reflected a net under-recovery of ($4,056,838) for the period 2025. However, this amount is the consolidated PGA activity for both FPUC and FCG and not the balance as of the end of the year 2025, which is ($4,786,499). The Company did have an FCG over-recovery balance for 2025 that was included in working capital of $6,361,451. This reduced the amount of working capital used for the historic base year, resulting in a benefit to customers in terms of the interim rates. Under-recoveries were not, however, included in working capital for 2025; thus, no adjustment is necessary to remove an under-recovery. Mr. Schultz is correct that PGA net under-recoveries should be removed from the working capital. However, here, there is nothing to be removed.

Q. Please summarize your position regarding working capital and the over and under recovery of PGA costs?

A. In summary, the Company's filed working capital for the projected test year 2027 accurately incorporates a PGA over/under recovery projection of zero, and Mr. Schultz's recommendation should be rejected.

VI. Interest Synchronization

Q. Please describe Mr. Schultz's interest synchronization adjustment.

A. In Section VII.P of his direct testimony, Mr. Schultz proposes an adjustment to interest synchronization aligned with OPC's other recommended adjustments to rate base and changes to capital structure.

Q. Did the Company make an interest synchronization adjustment in the 2027 projected test year?

A. FCG did not make an adjustment in the 2027 NOI to reflect the tax effect of synchronizing interest expense to rate base, because the interest expense presented on MFR Schedule G-2, Page 30 is already calculated using the weighted cost of debt reflected on MFR Schedule G-3, Page 2.

Q. Do you agree with Mr. Schultz's interest synchronization adjustment?

A. No. Mr. Schultz's interest synchronization adjustment of approximately $1.8 million is entirely derivative of his underlying rate base and cost of capital adjustments. To the extent the Company prevails on its cost of capital, capital structure, and rate base positions — as the Company's rebuttal witnesses demonstrate — there is no interest synchronization adjustment required. Interest is a fallout issue in the case and will be adjusted to reflect the approved cost of capital, capital structure and rate base that is ultimately approved in this case.

VII. Interim Rate Relief

Q. Has OPC proposed refunds of interim rate relief?

A. Yes. Mr. Kollen states in his Direct Testimony at page 6 that OPC will seek a refund of interim revenue "to the extent that the identified acquisition related errors have overstated the interim revenue award approved by the Commission on July 7, 2026." Mr. Schultz makes similar statements in Section VII.Q of his direct testimony.

Q. Should the Commission order refunds of the $16,244,207 interim rate relief?

A. No. The interim rate relief was calculated in accordance with Section 366.071, Florida Statutes, and Rule 25-7.040, Florida Administrative Code, based on the 2025 historical test year. As I explained in my direct testimony, the Company requires annual interim relief of $16,244,207 because, as of the historic 2025 year, FCG earned a return of only 5.07%, below the bottom of its approved earnings range. The calculation was reviewed and approved by the Commission on July 7, 2026. To the extent OPC's refund request is predicated on the Section 338(h)(10) ADIT treatment, the direct assignment of CUC acquisition long-term debt, or the RSAM Correction Liability, those underlying premises are addressed in the rebuttal testimonies of Company witnesses Michael Galtman, Noah Russell and Michael Reno. The interim relief calculation is accurate and no refund is warranted.

VIII. Staff Auditor's Report Findings

Q. Does the Company have positions with regard to the Commission Staff Witness Mouring's Exhibit CM-1, which is the staff audit report?

A. Yes, we do. The Company agrees with certain findings and aspects of others as outlined below, but takes issue with other findings, particularly Audit Findings 3 and 6.

Q. Please describe staff auditor finding 1.

A. Parent Company Allocations. Audit staff was able to confirm the totals on the parent's books for most items and reconcile those totals to the Minimum Filing Requirements (MFRs), but stated the auditor could not confirm the methodology used to calculate the allocation percentages. In addition, audit staff stated that they asked multiple times for the specific calculations of the allocations that match the MFR schedules but were not provided with those calculations. Audit staff identified this as an informational finding.

Q. What is the Company's response to staff auditor finding 1?

A. The Company believed it had responded and did not understand that staff was not satisfied with the responses provided. The Company's allocations are reasonable, properly supported, and require no adjustment to the filing. As audit staff confirmed, the allocated totals on the parent's books reconcile to the MFRs. The majority of corporate expense allocations are based on the Modified Massachusetts Method, a widely recognized and accepted allocation methodology for a multi-utility holding company, and the remaining departments use alternative bases described in the CAM. The Company applied these methodologies consistently throughout the historic base year.

Q. Please describe staff auditor finding 2.

A. Allowance for Funds Used During Construction. Audit staff identified a net $423 variance in AFUDC for Project CG000151799 for the period January 1, 2025 through December 31, 2025, resulting from the use of an incorrect AFUDC rate. As the Company explained, the variance occurred because the default rate for Florida

Regulated did not update in the Company's PowerPlan system. Recalculating AFUDC using the rates in Commission Order No. PSC-2025-0214-PAA-GU produces a corrected project amount of $16,929 versus $16,9505 recorded by the Company.

Q. What is the Company's response to staff auditor finding 2?

A. The Company does not dispute audit staff's recalculation and accepts the $423 correction to the AFUDC amount for Project CG000151799. The variance resulted from a system default rate that did not update and has been identified and corrected. The adjustment is de minimis and applies to the specific project at year end rather than to the 13-month average balance of AFUDC. The Company will reflect the corrected amount consistent with audit staff's recalculation.

Q. Please describe staff auditor finding 3.

A. <u>Accumulated Depreciation and Depreciation Expense</u>. Audit staff recalculated depreciation for 2024 and 2025 using the rates approved in Commission Order Nos. PSC-2023-0177-FOF-GU and PSC-2026-0055-FOF-GU and identified incorrect rates in Accounts 3920, 3921, 3922, and 3923. As the Company explained, the salvage rate was inadvertently included in both the depreciation rate and the salvage rate in the system. Based on audit staff's recalculation, depreciation expense for the year ended December 31, 2025 should be decreased by $787,558.

Q. What is the Company's response to staff auditor finding 3?

A. The Company disagrees with this finding. Specifically, Audit Staff recalculated 2025 depreciation expense using the depreciation rates approved in Commission Order No. PSC-2026-0055-FOF-GU. However, the Company had already incorporated the effects of the 2025 depreciation study on depreciation expense by recording an adjustment to reduce depreciation expense by $504,634. This adjustment is discussed in my direct testimony and reflected on MFR Schedule C-2, page 1, line 19.

In addition, Staff's recalculation appears to exclude the plant asset transfers that were approved as part of the 2025 depreciation study and reflected in the Company's adjustment and used incorrect rates for some of the mains and services accounts. These two items amounted to $282,294 which is shown in Exhibit JB-4. Accordingly, the Company does not believe any additional adjustment is warranted with respect to the implementation of the 2025 depreciation study.

The Company does, however, agree with Staff's finding regarding the incorrect depreciation rates applied to Accounts 3920, 3921, 3922, and 3923 in 2025. As noted by Staff, the salvage rate was inadvertently reflected both in the depreciation rate and separately in the system calculation. After correcting the rates for these accounts, the appropriate adjustment to the 2025 historic base year is an increase to depreciation expense of approximately $78,873.

Q. Please describe staff auditor finding 4.

A. Operation and Maintenance Expense. Audit staff randomly sampled 361 O&M expense items and determined that 26 invoices totaling $63,173 were dated in 2024 but charged to expense in 2025, where the service or item appeared to have been provided in 2024. The Company explained that these invoices were received late.

Q. What is the Company's response to staff auditor finding 4?

A. No adjustment to the filing is warranted. The 26 invoices identified reflect ordinary, recurring O&M expenses that are representative of the Company's ongoing utility operations. They were recorded when the late-received invoices were processed, consistent with the Company's accrual policy, under which items at or below the $25,000 threshold are not individually accrued. When using the policy consistently, the items not accrued are usually consistent with the items not accrued in the prior year. The $63,173 identified is immaterial in the context of approximately $40.1 million in adjusted O&M expense for the historic base year and reflects only a timing difference rather than any duplication or overstatement of ongoing expense.

Q. Please describe staff auditor finding 5.

A. Taxes Other Than Income Taxes. Finding 5 addresses two items. First, the Regulatory Assessment Fee (RAF) reported on the general ledger and MFRs was $794,569, while the RAF actually filed and paid was $787,288, a difference of $7,282. This occurred because RAFs are accrued monthly based on estimates; the excess accrual was reversed in January 2026 but was not reflected on MFR Schedule C-30. Second, audit staff identified variances in Gross Receipts Taxes (GRTs) for March, April, and May 2025 between the GRT returns and the general ledger and MFR Schedule C-30.

Q. What is the Company's response to staff auditor finding 5?

A. The Company accepts the RAF correction and agrees that the RAF reflected in the MFRs should be reduced by $7,282 to reflect the actual RAF calculated and paid. This adjustment reflects the reversal of the estimated over-accrual and is appropriate.

With respect to the GRT variances, as the Company explained, these resulted from an overpayment made in March and April and an overcorrection of those payments in May. Importantly, these errors were on the GRT returns as filed and not on the general ledger balances for those months, and they were subsequently corrected on the returns in January 2026. The additional variance in May 2025 included a penalty and interest amount for which the Company sought an abatement. Because the general ledger balances were correctly stated, the GRT amounts underlying the filing are properly reflected.

Q. Please describe staff auditor finding 6.

A. Working Capital. In Commission Order No. PSC-2024-0480-FOF-GU, Docket No. 20240003-GU issued November 21, 2024 authorized FPUC and FCG to consolidate purchased gas costs and recovery amounts, which had a combined under-recovery of ($4,786,499) and a total interest income of $37,182. Audit staff noted that, for ratemaking purposes, net under-recoveries should be removed from working capital and the associated interest income recorded below the line. Audit staff identified that Account 253, Other Deferred Credits, included ($4,452,951) of Purchased Gas Adjustment (PGA) under-recoveries and ($227,729) of interest income. Audit staff identified this as an informational finding.

Q. What is the Company's response to staff auditor finding 6?

A. No adjustment to the filing is warranted. Audit Staffs conclusion is based on a misunderstanding of the general ledger activity provided by the Company. The $4,452,951 identified by Staff does not represent the balance as of December 31, 2025 of PGA under-recoveries. Rather, it represents a portion of the over-recovery activities associated with the FCG PGA during 2025. In addition, Staff did not include the beginning balance of the over-under recovery.

In addition, the Company has determined that we included an over-recovery in working capital for 2025 of $6,361,451, but that there was an error in the allocation methodology to the over/under recovery. The working capital was already reduced by the PGA over-recovery balance of $6,361,451. There is an adjustment that should have been made to remove the over recovery of $6,361,451, increasing working capital. Since the appropriate allocated balance (based on the fuel revenue amounts) of the Consolidated under recovery attributable to FCG is ($2,051,654) and this was not included in working capital, no further adjustments are necessary. This resulted in an <u>understatement</u> of our interim revenue requirement in the amount of $615,576. See Exhibit JB-5 for the over-under recovery reconciliation.

Q. Does this conclude your rebuttal testimony?

A. Yes.

Florida City Gas Company
Historic Base Year Ended December 31, 2025

Docket No. 20260026-GU
Exhibit JB-4
Depreciation Expense Adjustment

Depreciation Expense Adjustment - Plant Transfers (2025 Depreciation Study)

		Plant Transfers (2025 Depreciation Study)				
Line No.	Account		Plant Transferred	Depreciation Rate		Expense Impact
1	CG-3030-Misc Intangible	$	(238,200)	6.7%	$	(15,959)
2	CG-3032-Misc Intang Plant	$	237,980	5.0%	$	11,899
3	CG-3671-Mains	$	(5,291)	0.0%	$	-
4	CG-3761-Mains ST	$	61,101	2.3%	$	1,405
5	CG-3810-Meters	$	6,894	5.3%	$	365
6	CG-3870-Other Eq	$	30,861	2.7%	$	833
7	CG-3900-Struc&Impr	$	19,800	2.5%	$	495
8	CG-3910-Offc Furn & Eq	$	(1,274,532)	7.1%	$	(90,492)
9	CG-3911-Comp & Periph	$	(66,055)	10.0%	$	(6,606)
10	CG-3912-Computer Hardware (New)	$	1,062,207	10.0%	$	106,221
11	CG-3913-Office Furniture (New)	$	1,280,582	5.0%	$	64,029
12	CG-3915-FCG Personal Comp Equip	$	(1,106,199)	10.0%	$	(110,620)
13	CG-3920-Transp Equip	$	(185,210)	1.8%	$	(3,334)
14	CG-3921-Cars	$	(1,486,404)	10.8%	$	(160,532)
15	CG-3922-Lt Truck/Van	$	1,334,824	5.2%	$	69,411
16	CG-3923-HD Truck/Bobtail	$	124,202	6.3%	$	7,825
17	CG-3940-Tools/Shop Eq	$	(12,969)	6.7%	$	(869)
18	CG-3960-Pwr Op Equip	$	53,137	6.5%	$	3,454
19	CG-3980-Misc Equip	$	155,063	5.9%	$	9,149
20		$	(8,210)		$	(113,325)

Florida City Gas Company
Historic Base Year Ended December 31, 2025

Docket No. 20250026-GU
Exhibit JB-4
Depreciation Expense Adjustment

Depreciation Expense Adjustment - Rate Corrections

Line No.	Account	PSC Rate	Rate Corrections 2025 Depreciation Study Rate	Rate Adj +/-		Expense Impact
1	CG-3761-Mains ST	1.7%	2.3%	0.6%	$	752,253
2	CG-376R-NGFR Mains ST	1.7%	2.3%	0.6%	$	51
3	CG-376S-SAFE Mains ST	1.7%	2.3%	0.6%	$	10,320
4	CG-3801-Services ST	3.0%	3.3%	0.3%	$	49,655
5	CG-3802- Services PL	3.3%	3.0%	-0.3%	$	(368,764)
6	CG-380P-SAFE Services PL	3.3%	3.0%	-0.3%	$	(47,947)
7	CG-380S-SAFE Services ST	3.0%	3.3%	0.3%	$	51
8					$	395,619

PGA Over/Under Recovery - OPC Consolidated Adjustment

		Historic Base Year (2025) - PGA Over/(Under) Activity		
Line No.	Description	FPUC	FCG	Consolidated
1	Over/(Under) Current Year	$ (8,857,666)	$ 4,763,725	$ (4,093,955)
2	Interest Provision Current Year	$ (147,679)	$ 184,797	$ 37,117
3	PGA Over/(Under) Activity - 2025	$ (9,005,345)	$ 4,948,522	$ (4,056,838)

		Historic Base Year (2025) - PGA Over/(Under) Activity		
Line No.	Description	FPUC	FCG	Consolidated
1	Over/(Under) Current Year	$ (8,857,666)	$ 4,763,725	$ (4,093,955)
2	Interest Provision Current Year	$ (147,679)	$ 184,797	$ 37,117
3	Beginning of Period - True-up/Interest	$ 802,144	$ 1,779,781	$ 2,581,925
4	True-up Collected/(Refunded)	$ (2,942,944)	$ (368,656)	$ (3,311,586)
5	Balance of Over/(Under) as of Dec 31, 2025	$ (11,146,145)	$ 6,359,647	$ (4,786,499)

		Revenue Allocation		
		FPUC	FCG	Consolidated
6	Total Revenues	$ 51,957,645	$ 38,978,107	$ 90,935,752
7	% of Total Applied	57%	43%	100%
8	Allocated O/U	$ (2,734,845)	$ (2,051,654)	$ (4,786,499)

Florida City Gas Company

PGA Over/Under Recovery - Company Adjustment

Line No.	Description	FCG 13 Month Average as of December 31, 2025	FCG Balance as of December 31, 2025
1	Over/(Under) Current Year	$ 429,873	$ (1,104,264)
2	Interest Provision Current Year	$ 14,829	$ 21,752
3	Beginning of Period - True-up/Interest	$ 3,874,720	$ 7,472,881
4	True-up Collected/(Refunded)	$ (11,540)	$ (30,721)
5	Prior Period Adjustments (NOTE A)	$ 5,596	$ 1,803
6	PGA Over Recovery Balance	$ 4,313,478	$ 6,361,451
7	Unbilled Fuel	$ 2,722,063	$ 4,794,601
8	MFR B-15, line 2	$ 7,035,541	$ 11,156,053

NOTE A: Prior Period Adjustments in FCG General Ledger were not included in the PGA Over/(Under) filing resulting in a variance of $1,803 for FCG.

Florida City Gas Company

PGA Over/Under Recovery - Caculation of O/U Adjustment Variance and Impact on Interim Rates

Line No.	Description	Interim Rate Impact Calculation	
1	Excess Reduction to Working Capital (FCG PGA Over Recovery Balance as of December 31, 2025)	$	6,361,451
2	Rate of Return		7.16%
3	Revenue Increase (Pre-conversion)	$	455,607
4	Revenue Conversion Factor		1.3511
5	Interim Rate Impact	$	615,576

Docket No. 20260026-GU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Rebuttal Testimony and Exhibits of Joanah Baugh have been furnished by Electronic Mail and/or Electronic Data Room access to the following parties of record this 13th day of August, 2026:

Major Thompson Alisha Hixon Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 mthompso@psc.state.fl.us ahixon@leg.state.fl.us discovery-gcl@psc.state.fl.us	Office of Public Counsel Walter Trierweiler/Charles Rehwinkel/Patricia Christensen/Austin Watrous c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 Trierweiler.walt@leg.state.fl.us Rehwinkel.Charles@leg.state.fl.us Watrous.Austin@leg.state.fl.us Ponce.Octavio@leg.state.fl.us opc-discovery@leg.state.fl.us
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