

FLORIDA CITY GAS  
 NATURAL GAS  
 RATE OF RETURN REPORT SUMMARY  
 For the 12 Months Ending December 31, 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	\$ 36,949,247	\$ (9,532,452)	\$ 27,416,795	\$ -	\$ 27,416,795
AVERAGE RATE BASE	\$ 1,074,319,755	\$ (533,692,425)	\$ 540,627,329	\$ -	\$ 540,627,329
AVERAGE RATE OF RETURN	3.44%		5.07%		5.07%

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

LOW	7.12%
MIDPOINT	7.60%
HIGH	8.07%

III. EARNED RETURN ON EQUITY  
 (FPSC ADJUSTED BASIS)

4.17%

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.

Joanah Baugh  
 Director, Regulatory Affairs Distribution

*Joanah Baugh*  
 Signature

4/3/2026  
 Date

FLORIDA CITY GAS  
 NATURAL GAS  
 AVERAGE RATE OF RETURN  
 For the 12 Months Ending December 31, 2025  
 RATE BASE

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	NET PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	\$ 1,203,190,963	\$ (214,958,920)	\$ 988,232,043	\$ -	\$ 56,416,099	\$ 1,044,648,142	\$ 29,671,613	\$ 1,074,319,755
FPSC ADJUSTMENTS:								
1) ELIMINATIONS OF 1/2 OF D & O PREPAID	\$ -	\$ -	\$ -			\$ -	\$ (31,577)	\$ (31,577)
2) REMOVE GOODWILL	\$ (445,460,721)		\$ (445,460,721)			\$ (445,460,721)		\$ (445,460,721)
3) REMOVE SAFE CAUSE PLANT	(61,335,774)	852,966	(60,482,808)		(6,685,376)	(67,168,184)		(67,168,184)
4) REMOVE LEASES	(60,876)	43,798	(17,079)			(17,079)		(17,079)
5) ELIMINATE UNDER-RECOVERIES	-	-	-			-	-	-
6) CWIP ADJUSTMENT					(1,414,359)	(1,414,359)		(1,414,359)
7) REMOVE UNRECOVERED AEP							(775,177)	(775,177)
8) REMOVE DEFERRED RATE CASE EXPENSE							(995,276)	(995,276)
9) OTHER RATE CASE ADJUSTMENTS (1)								
10)RELOCATION CLAUSE	(158,823)	347	(158,476)		(489,957)	(648,434)		(648,434)
11) ELIMINATE AFUDC CWIP					(17,512,723)	(17,512,723)		(17,512,723)
12) CORRECT ACCRUAL ENTRY IN DECEMBER							(173,529)	(173,529)
13) 2025 DEPRECIATION STUDY IMPACT		504,634	504,634			504,634		504,634
TOTAL FPSC ADJUSTMENTS	\$ (507,016,195)	\$ 1,401,745	\$ (505,614,450)	\$ -	\$ (26,102,415)	\$ (531,716,865)	\$ (1,975,560)	\$ (533,692,425)
FPSC ADJUSTED	\$ 696,174,768	\$ (213,557,175)	\$ 482,617,593	\$ -	\$ 30,313,684	\$ 512,931,277	\$ 27,696,053	\$ 540,627,329
			\$ -			\$ -		\$ -
ADJUSTED	\$ 696,174,768	\$ (213,557,175)	\$ 482,617,593	\$ -	\$ 30,313,684	\$ 512,931,277	\$ 27,696,053	\$ 540,627,329
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 696,174,768	\$ (213,557,175)	\$ 482,617,593	\$ -	\$ 30,313,684	\$ 512,931,277	\$ 27,696,053	\$ 540,627,329

FLORIDA CITY GAS  
 NATURAL GAS  
 AVERAGE RATE OF RETURN  
 For the 12 Months Ending December 31, 2025  
 INCOME STATEMENT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPREC. & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	D.I.T. (NET)	I.T.C. (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS	\$ 153,075,698	\$ 39,885,203	\$ 38,588,689	\$ 18,649,018	\$ 16,905,706	\$ 2,097,835				\$ 116,126,451	\$ 36,949,247
FPSC ADJUSTMENTS:											
1) INTEREST/INCOME TAX SYNC						3,579,899				3,579,899	(3,579,899)
2) ELIMINATE FUEL & SWING REVENUES AND EXP.	(34,841,119)	(34,583,036)			(196,304)	(15,658)				(34,794,998)	(46,121)
3) ELIMINATE CONSERVATION	(5,434,648)	(5,302,167)			(27,199)	(26,684)				(5,356,050)	(78,598)
4) REMOVE SAFE REVENUE AND EXPENSE	(8,449,987)		-	(872,036)	(1,352,229)	(1,577,909)				(3,802,175)	(4,647,812)
5) ELIMINATE AEP REVENUES AND EXPENSES	(356,284)			(297,228)	(1,792)	(14,513)				(313,534)	(42,750)
6) ELIMINATE REVENUE RELATED TAXES	(7,623,085)				(7,623,085)	-				(7,623,085)	-
7) 5% OF ECONOMIC DEVELOPMENT			(185)			47				(138)	138
8) OUT OF PERIOD ADJ			697,451			(176,769)				520,682	(520,682)
9) FIVE YEAR AVERAGE BAD DEBT EXPENSE			639,004			(161,955)				477,048	(477,048)
10) EXECUTIVE INCENTIVE COMPENSATION			(337,109)			85,440				(251,669)	251,669
11) INTEGRATION COSTS			1,102,379			(279,398)				822,981	(822,981)
15)REMOVE 1/2 D & O INSURANCE			(68,673)			17,405				(51,268)	51,268
16)RELOCATION CLAUSE			-	(2,112)	(2,750)	1,232				(3,630)	3,630
17) 2025 DEPRECIATION STUDY IMPACT				(504,634)		127,900				(376,735)	376,735
TOTAL FPSC ADJUSTMENTS	\$ (56,705,123)	\$ (39,885,203)	\$ 2,032,866	\$ (1,676,011)	\$ (9,203,360)	\$ 1,559,037	\$ -	\$ -	\$ -	\$ (47,172,671)	\$ (9,532,452)
FPSC ADJUSTED	\$ 96,370,575	\$ -	\$ 40,621,554	\$ 16,973,008	\$ 7,702,346	\$ 3,656,872	\$ -	\$ -	\$ -	\$ 68,953,780	\$ 27,416,795
						\$ -				\$ -	\$ -
ADJUSTED	\$ 96,370,575	\$ -	\$ 40,621,554	\$ 16,973,008	\$ 7,702,346	\$ 3,656,872	\$ -	\$ -	\$ -	\$ 68,953,780	\$ 27,416,795
						-				\$ -	\$ -
						\$ -				\$ -	\$ -
						\$ -				\$ -	\$ -
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRO FORMA ADJUSTED	\$ 96,370,575	\$ -	\$ 40,621,554	\$ 16,973,008	\$ 7,702,346	\$ 3,656,872	\$ -	\$ -	\$ -	\$ 68,953,780	\$ 27,416,795

FLORIDA CITY GAS  
 NATURAL GAS  
 CAPITAL STRUCTURE  
 For the 12 Months Ending December 31, 2025  
 FPSC ADJUSTED BASIS

SCHEDULE 3

AVERAGE	ADJUSTMENTS					RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT		
	PER BOOKS	NON-UTILITY	ADJUSTED BOOKS	PRO-RATA	SPECIFIC		BALANCE	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
COMMON EQUITY	\$ 509,385,600		\$ 509,385,600	\$ (252,962,365)		\$ 256,423,235	47.43%	8.50%	4.03%	9.50%	4.51%	10.50%	4.98%
LONG TERM DEBT	\$ 457,718,671		\$ 457,718,671	\$ (227,295,935)	\$ (17,079)	\$ 230,405,658	42.62%	6.53%	2.78%	6.53%	2.78%	6.53%	2.78%
SHORT TERM DEBT	\$ 62,708,235		\$ 62,708,235	\$ (31,141,091)		\$ 31,567,144	5.84%	5.11%	0.30%	5.11%	0.30%	5.11%	0.30%
CUSTOMER DEPOSITS	\$ 6,485,874		\$ 6,485,874	\$ (3,220,904)		\$ 3,264,970	0.60%	2.44%	0.01%	2.44%	0.01%	2.44%	0.01%
DEFERRED INCOME TAXES	\$ 21,442,098		\$ 21,442,098	\$ (10,648,208)	\$ (173,529)	\$ 10,620,360	1.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST	\$ -		\$ -			\$ -	0.00%	7.11%	0.00%	7.59%	0.00%	8.06%	0.00%
REG. LIAB FAS 109 Deferred TAX	\$ 16,579,277		\$ 16,579,277	\$ (8,233,317)		\$ 8,345,960	1.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL AVERAGE	1,074,319,754	\$ -	\$ 1,074,319,754	\$ (533,501,820)	\$ (190,608)	\$ 540,627,328	100.00%		7.12%		7.60%		8.07%

FLORIDA CITY GAS  
 NATURAL GAS  
 EARNED RETURN ON COMMON EQUITY  
 FPSC ADJUSTED BASIS  
 For the 12 Months Ending December 31, 2025

SCHEDULE 5

A. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY  
 INCLUDING ACQUISITION ADJUSTMENTS

NET OPERATING INCOME INCLUDING ACQUISITION ADJUSTMENTS	\$27,416,795
RATE BASE INCLUDING ACQUISITION ADJUSTMENTS	<u>\$540,627,329</u>
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	5.07%
LESS: RECONCILED AVERAGE JURISDICTIONAL	
WEIGHTED COST RATES FOR:	
LONG TERM DEBT - CU	2.78%
SHORT TERM DEBT	0.30%
CUSTOMER DEPOSITS	0.01%
TAX CREDITS-WEIGHTED COST (MIDPOINT)	0.00%
SUBTOTAL	<u>3.09%</u>
TOTAL	1.98%
DIVIDED BY RECONCILED COMMON EQUITY RATIO	47.43%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>4.17%</u></u>

**FLORIDA PUBLIC UTILITIES COMPANY  
GAS DIVISION  
BASIS FOR THE REQUESTED AFUDC RATE  
FPSC ADJUSTED BASIS  
DECEMBER 2025**

**SCHEDULE A:**

<b>CAPITAL COMPONENTS</b>	<b>JURISDICTIONAL 13- MONTH AVERAGE</b>	<b>CAPITAL RATIO</b>	<b>COST OF CAPITAL</b>	<b>AFUDC WEIGHTED COMPONENTS</b>
COMMON EQUITY	\$ 256,423,235	47.42%	9.50% *	4.50%
LONG TERM DEBT	230,405,658	42.60%	6.45% **	2.75%
SHORT TERM DEBT	31,567,144	5.84%	5.11% ***	0.30%
CUSTOMER DEPOSITS	3,264,970	0.60%	2.44% ***	0.01%
DEFERRED INCOME TAX	10,793,890	2.00%	0.00%	0.00%
REGULATORY TAX LIABILITY	8,345,960	1.54%	0.00%	0.00%
INVESTMENT TAX CREDITS	-	0.00%	0.00%	0.00%
<b>TOTAL</b>	<b>\$ 540,800,856</b>	<b>100.00%</b>		<b>7.56%</b>

Rate Currently Approved 5.85% Docket 20230108-GU

\* Based on the midpoint approved equity return in Docket No. 20220069-GU

\*\* Based on year end long term debt rate per the December 2025 rate of return report.

\*\*\* Based on 13-month average cost rates per the December 2025 rate of return report.

**FLORIDA PUBLIC UTILITIES COMPANY**  
**GAS DIVISION**  
**BASIS FOR THE REQUESTED AFUDC RATE**  
**FPSC ADJUSTED BASIS**  
**DECEMBER 2025**

**SCHEDULE B**

<b>CAPITAL COMPONENTS</b>	<b>PER BOOKS</b>	<b>COMMISSION ADJUSTMENTS</b>	<b>ADJUSTED AVERAGE BALANCE</b>
COMMON EQUITY	\$ 509,385,600	\$ (252,962,365)	\$ 256,423,235
LONG TERM DEBT	457,718,671	(227,313,014)	230,405,658
SHORT TERM DEBT	62,708,235	(31,141,091)	31,567,144
CUSTOMER DEPOSITS	6,485,874	(3,220,904)	3,264,970
DEFERRED INCOME TAX	21,442,098	(10,648,208)	10,793,890
REGULATORY TAX LIABILITY	16,579,277	(8,233,317)	8,345,960
INCOME TAX CREDITS			
TOTAL	\$ 1,074,319,754	\$ (533,518,899)	\$ 540,800,856