

FLORIDA PUBLIC UTILITIES COMPANY  
 GAS DIVISION  
 RATE OF RETURN REPORT SUMMARY  
 Forecast December 31, 2026

SCHEDULE 1

	(1) ACTUAL PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED	(4) PRO FORMA ADJUSTMENTS	(5) PRO FORMA ADJUSTED
<b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 41,655,001	\$ (4,682,583)	\$ 36,972,418	\$ 1,139,750	\$ 38,112,168
AVERAGE RATE BASE	\$ 653,024,436	\$ (20,944,646)	\$ 632,079,791	\$ (15,196,664)	\$ 616,883,127
AVERAGE RATE OF RETURN	6.38%		5.85%		6.18%
<b>II. YEAR-END RATE OF RETURN (JURISDICTIONAL)</b>					
NET OPERATING INCOME	\$ 41,655,001	\$ (4,819,874)	\$ 36,835,128	\$ 1,139,750	\$ 37,974,878
YEAR-END RATE BASE	\$ 672,809,512	\$ (23,444,794)	\$ 649,364,718	\$ (14,626,789)	\$ 634,737,929
YEAR-END RATE OF RETURN	6.19%		5.67%		5.98%
<b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b>			<b>IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)</b>		
LOW	6.22%		A. INCLUDING ACQ. ADJ.		8.49%
MIDPOINT	6.70%				
HIGH	7.18%				

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

3/16/2026  
 Date

	(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	858,138,558.41	(199,638,674.69)	\$658,499,884	\$0	2,142,288	\$660,642,172	(7,617,735)	\$653,024,436
FPSC ADJUSTMENTS:								
1) ELIMINATIONS OF 1/2 OF D & O PREPAID	\$ -	\$ -	\$ -				(49,878.98)	(\$49,879)
2) ELIMINATE GOODWILL	(3,183,612)	-	(3,183,612)			(3,183,612)		(\$3,183,612)
3) FLEX RATE & SPECIAL CONTRACT PLANT	(24,202,099)	11,810,726	(12,391,374)			(12,391,374)		(\$12,391,374)
4) ELIM. NON-UTILITY PLANT	(525,481)	274,598	(250,883)			(250,883)		(\$250,883)
5) ELIMINATE UNDER-RECOVERIES	-	-	-			-	(\$367,938)	(\$367,938)
6) OFFSET TO ACCOUNTS RECEIVABLE	-	-	-			-	(\$2,785,357)	(\$2,785,357)
7) REMOVE UNRECOVERED AEP	-	-	-			-	(\$537,858)	(\$537,858)
8) REMOVE DEFERRED RATE CASE EXPENSE	-	-	-			-	(1,221,650)	(\$1,221,650)
9) ALLOCATE ACCRUED INTEREST FROM PARENT	-	-	-			-	(\$2,320,980)	(\$2,320,980)
10) FLEXIBLE LIABILITY ADJUSTMENT	-	-	-			-	\$0	\$0
11) ALLOCATE CORP. HEALTH INSURANCE RES.	-	-	-			-	(\$100,100)	(\$100,100)
12) ELIMINATE FLEX PLANT WORKING CAPITAL	-	-	-			-	(\$9,004)	(\$9,004)
13) ELIMINATE DEF. ENVIRONMENTAL COSTS	-	-	-			-	\$3,158,937	\$3,158,937
14) ELIMINATE AFUDC CWIP	-	-	-		(884,948)	(884,948)		(\$884,948)
TOTAL FPSC ADJUSTMENTS	(27,911,193)	12,085,324	(15,825,869)	-	(884,948)	(16,710,817)	(4,233,829)	(20,944,646)
FPSC ADJUSTED	\$ 830,227,366	\$ (187,553,351)	\$ 642,674,015	\$ -	\$ 1,257,340	\$ 643,931,355	\$ (11,851,564)	\$ 632,079,791
COMP RATE ADJ REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>ADJUSTED FOR COMP RATE ADJ REVENUE</b>	<b>\$ 830,227,366</b>	<b>\$ (187,553,351)</b>	<b>\$ 642,674,015</b>	<b>\$ -</b>	<b>\$ 1,257,340</b>	<b>\$ 643,931,355</b>	<b>\$ (11,851,564)</b>	<b>\$ 632,079,791</b>
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 18,995,830	\$ (15,196,664)	\$ -		\$ (15,196,664)	\$ -	\$ (15,196,664)
PRO FORMA ADJUSTED	\$ 796,034,873	\$ (168,557,521)	\$ 627,477,351	\$ -	\$ 1,257,340	\$ 628,734,691	\$ (11,851,564)	\$ 616,883,127

**AVERAGE RATE OF RETURN**

For the Forecasted 12 Months Ending December 31, 2026

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	\$ 175,085,058	\$ 40,746,324	\$ 49,039,923	\$ 20,560,926	\$ 12,585,436	\$ 10,497,448				\$ 133,430,057	\$ 41,655,001
FPSC ADJUSTMENTS:											
1) INTEREST SYNC						\$ 467,362				\$ 467,362	\$ (467,362)
2) ELIMINATE FUEL & SWING REVENUES AND EXP.	(30,704,116)	(30,550,448)			(153,669)	-				(30,704,116)	-
3) ELIMINATE CONSERVATION	(10,247,162)	(10,195,877)			(51,285)	-				(10,247,162)	-
4) NON-UTILITY DEPRECIATION EXPENSE				(21,009)		5,325				(15,684)	15,684
5) ELIMINATE AEP REVENUES AND EXPENSES	(102,911)			(102,303)	(515)	(24)				(102,842)	(69)
6) ELIMINATE REVENUE RELATED TAXES	(4,594,961)				(4,594,961)	-				(4,594,961)	-
7) 5% OF ECONOMIC DEVELOPMENT			(75)			19				(56)	56
8) OUT OF PERIOD ADJ											-
9) FLEX RATE & SPECIAL CONTRACTS	(6,953,589)		(466,648)	(503,590)	(193,690)	(1,467,389)				(2,631,318)	(4,322,271)
10) EXPENSE ACCRUAL ADJUSTMENT										-	-
11) INTEREST INCOME	1,298					329				329	969
12) REMOVE ENVIRONMENTAL AMORTIZATION										-	-
13) REMOVE NON-UTILITY PROPERTY TAX					(4,727)	1,198				(3,529)	3,529
14) REMOVE COMPANY EVENTS			(61,258)			15,526				(45,732)	45,732
15) REMOVE 1/2 D & O INSURANCE			(53,204)			13,485				(39,720)	39,720
16) REMOVE SERP			(1,915)			485				(1,430)	1,430
TOTAL FPSC ADJUSTMENTS	\$ (52,601,442)	\$ (40,746,324)	\$ (583,101)	\$ (626,902)	\$ (4,998,847)	\$ (963,684)	\$ -	\$ -	\$ -	\$ (47,918,859)	\$ (4,682,583)
FPSC ADJUSTED	\$ 122,483,617	\$ -	\$ 48,456,822	\$ 19,934,024	\$ 7,586,589	\$ 9,533,763	\$ -	\$ -	\$ -	\$ 85,511,199	\$ 36,972,418
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$ -					\$ -				\$ -	\$ -
ADJUSTED FOR COMP RATE ADJ REVENUES	\$ 122,483,617	\$ -	\$ 48,456,822	\$ 19,934,024	\$ 7,586,589	\$ 9,533,763	\$ -	\$ -	\$ -	\$ 85,511,199	\$ 36,972,418
PROFORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (1,491,132)	\$ -	\$ 351,382	\$ -	\$ -	\$ -	\$ (1,139,750)	\$ 1,139,750
PRO FORMA ADJUSTED	\$ 122,483,617	\$ -	\$ 48,456,822	\$ 18,442,892	\$ 7,586,589	\$ 9,885,145	\$ -	\$ -	\$ -	\$ 84,371,449	\$ 38,112,168

	(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	\$ 886,529,902	\$ (206,538,475)	\$ 679,991,427	\$ -	\$ 1,693,407	\$ 681,684,834	\$ (8,875,322)	\$ 672,809,512
FPSC ADJUSTMENTS:								
1) ELIMINATIONS OF 1/2 OF D & O PREPAID	\$ -	\$ -	\$ -			\$ -	\$ (60,648)	\$ (60,648)
2) ELIMINATE GOODWILL	(3,183,612)	-	(3,183,612)			(3,183,612)	-	(3,183,612)
3) FLEX RATE & SPECIAL CONTRACT PLANT	(24,202,099)	12,062,521	(13,146,759)			(13,146,759)	-	(13,146,759)
4) ELIM. NON-UTILITY PLANT	(524,927)	278,833	(485,895)			(485,895)	-	(485,895)
5) ELIMINATE UNDER-RECOVERIES	-	-	-			-	(367,938)	(367,938)
6) OFFSET TO ACCOUNTS RECEIVABLE	-	-	-			-	(2,785,357)	(2,785,357)
7) REMOVE UNRECOVERED AEP	-	-	-			-	(1,462,792)	(1,462,792)
8) REMOVE DEFERRED RATE CASE EXPENSE	-	-	-			-	(854,378)	(854,378)
9) ALLOCATE ACCRUED INTEREST FROM PARENT	-	-	-			-	(3,005,039)	(3,005,039)
10) FLEXIBLE LIABILITY ADJUSTMENT	-	-	-			-	-	-
11) ALLOCATE CORP. HEALTH INSURANCE RES.	-	-	-			-	898	898
12) ELIMINATE FLEX PLANT WORKING CAPITAL	-	-	-			-	(9,004)	(9,004)
13) ELIMINATE DEF. ENVIRONMENTAL COSTS	-	-	-			-	3,144,916	3,144,916
14) ELIMINATE AFUDC CWIP	-	-	-		(1,229,186)	(1,229,186)	-	(1,229,186)
TOTAL FPSC ADJUSTMENTS	<u>(27,910,638.32)</u>	<u>12,341,353.78</u>	<u>(16,816,265.65)</u>	<u>-</u>	<u>(1,229,186.09)</u>	<u>(18,045,451.74)</u>	<u>(5,399,342.55)</u>	<u>(23,444,794)</u>
FPSC ADJUSTED	\$ 858,619,264	\$ (194,197,121)	\$ 663,175,162	\$ -	\$ 464,221	\$ 663,639,382	\$ (14,274,665)	\$ 649,364,718
COMP RATE ADJ REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED FOR COMP RATE ADJ REVENUE	<u>\$ 858,619,264</u>	<u>\$ (194,197,121)</u>	<u>\$ 663,175,162</u>	<u>\$ -</u>	<u>\$ 464,221</u>	<u>\$ 663,639,382</u>	<u>\$ (14,274,665)</u>	<u>\$ 649,364,718</u>
PROFORMA ADJUSTMENTS								
TOTAL PRO FORMA ADJUSTMENTS	\$ (34,192,493)	\$ 19,565,704	\$ (14,626,789)	\$ -		\$ (14,626,789)	\$ -	\$ (14,626,789)
PRO FORMA ADJUSTED	<u>\$ 824,426,771</u>	<u>\$ (174,631,417)</u>	<u>\$ 648,548,373</u>	<u>\$ -</u>	<u>\$ 464,221</u>	<u>\$ 649,012,594</u>	<u>\$ (14,274,665)</u>	<u>\$ 634,737,929</u>

	(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	\$ 175,085,058	\$ 40,746,324	\$ 49,039,923	\$ 20,560,926	\$ 12,585,436	\$ 10,497,448				\$ 133,430,057	\$ 41,655,001
FPSC ADJUSTMENTS:											
1) INTEREST SYNC						\$ 604,653				\$ 604,653	\$ (604,653)
2) ELIMINATE FUEL & SWING REVENUES AND EXP.	(30,704,116)	(30,550,448)			(153,669)	-				(30,704,116)	-
3) ELIMINATE CONSERVATION	(10,247,162)	(10,195,877)			(51,285)	-				(10,247,162)	-
4) NON-UTILITY DEPRECIATION EXPENSE				(21,009)		5,325				(15,684)	15,684
5) ELIMINATE AEP REVENUES AND EXPENSES	(102,911)			(102,303)	(515)	(24)				(102,842)	(69)
6) ELIMINATE REVENUE RELATED TAXES	(4,594,961)				(4,594,961)	-				(4,594,961)	-
7) 5% OF ECONOMIC DEVELOPMENT			(75)			19				(56)	56
8) OUT OF PERIOD ADJ	-					-				-	-
9) FLEX RATE & SPECIAL CONTRACTS	(6,953,589)		(466,648)	(503,590)	(193,690)	(1,467,389)				(2,631,318)	(4,322,271)
10) EXPENSE ACCRUAL ADJUSTMENT			-			-				-	-
11) INTEREST INCOME	1,298					329				329	969
12) REMOVE ENVIRONMENTAL AMORTIZATION						-				-	-
13) REMOVE NON-UTILITY PROPERTY TAX					(4,727)	1,198				(3,529)	3,529
14) REMOVE COMPANY EVENTS			(61,258)			15,526				(45,732)	45,732
15) REMOVE 1/2 D & O INSURANCE			(53,204)			13,485				(39,720)	39,720
16) REMOVE SERP			(1,915)			485				(1,430)	1,430
TOTAL FPSC ADJUSTMENTS	\$ (52,601,442)	\$ (40,746,324)	\$ (583,101)	\$ (626,902)	\$ (4,998,847)	\$ (826,393)	\$ -	\$ -	\$ -	\$ (47,781,588)	\$ (4,819,874)
FPSC ADJUSTED	\$ 122,483,617	\$ -	\$ 48,456,822	\$ 19,934,024	\$ 7,586,589	\$ 9,671,054	\$ -	\$ -	\$ -	\$ 85,648,489	\$ 36,835,128
COMP RATE ADJ REVENUES - DEFICIT/(SURPLUS)	\$ -									\$ -	\$ -
ADJUSTED FOR COMP RATE ADJ REVENUES	\$ 122,483,617	\$ -	\$ 48,456,822	\$ 19,934,024	\$ 7,586,589	\$ 9,671,054	\$ -	\$ -	\$ -	\$ 85,648,489	\$ 36,835,128
PROFORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	\$ -	\$ -	\$ -	\$ (1,491,132)	\$ -	\$ 351,382	\$ -	\$ -	\$ -	\$ (1,139,750)	\$ 1,139,750
PRO FORMA ADJUSTED	\$ 122,483,617	\$ -	\$ 48,456,822	\$ 18,442,892	\$ 7,586,589	\$ 10,022,436	\$ -	\$ -	\$ -	\$ 84,508,739	\$ 37,974,878

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	\$ 318,282,151		\$ 318,282,151	\$ (10,535,417)	\$ (2,469,682)		\$ 305,277,052	48.30%	9.25%	4.47%	10.25%	4.95%
LONG TERM DEBT - CU	\$ 208,126,467		\$ 208,126,467	\$ (6,889,168)		\$ 201,237,299	31.84%	4.56%	1.45%	4.56%	1.45%	4.56%	1.45%
SHORT TERM DEBT	\$ 31,732,671		\$ 31,732,671	\$ (1,050,379)		\$ 30,682,292	4.85%	5.59%	0.27%	5.59%	0.27%	5.59%	0.27%
LONG TERM DEBT - FC	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -			\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,795,778		\$ 7,795,778			\$ 7,795,778	1.23%	2.56%	0.03%	2.56%	0.03%	2.56%	0.03%
DEFERRED INCOME TAXES	\$ 87,087,370		\$ 87,087,370			\$ 87,087,370	13.78%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST			\$ -			\$ -	0.00%	6.19%	0.00%	6.67%	0.00%	7.15%	0.00%
TOTAL AVERAGE	\$ 653,024,436	\$ -	\$ 653,024,436	\$ (18,474,964)	\$ (2,469,682)	\$ 632,079,790	100.00%		6.22%		6.70%		7.18%

YEAR-END	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	\$ 318,331,106		\$ 318,331,106	\$ (11,625,692)	\$ (2,469,682)		\$ 304,235,733	46.85%	9.25%	4.33%	10.25%	4.80%
LONG TERM DEBT - CU	\$ 215,949,020		\$ 215,949,020	\$ (7,886,621)		\$ 208,062,400	32.04%	4.14%	1.33%	4.14%	1.33%	4.14%	1.33%
SHORT TERM DEBT	\$ 40,053,935		\$ 40,053,935	\$ (1,462,800)		\$ 38,591,135	5.94%	4.16%	0.25%	4.16%	0.25%	4.16%	0.25%
LONG TERM DEBT - FC	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SHORT TERM DEBT - REFINANCED LTD	\$ -		\$ -	\$ -		\$ -	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$ 7,795,778		\$ 7,795,778			\$ 7,795,778	1.20%	3.24%	0.04%	3.24%	0.04%	3.24%	0.04%
DEFERRED INCOME TAXES	\$ 90,679,673		\$ 90,679,673			\$ 90,679,673	13.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS - WEIGHTED COST			\$ -			\$ -	0.00%	5.91%	0.00%	6.38%	0.00%	6.85%	0.00%
TOTAL YEAR-END	\$ 672,809,513	\$ -	\$ 672,809,513	\$ (20,975,112)	\$ (2,469,682)	\$ 649,364,719	100.00%		5.95%		6.42%		6.89%

**Projects in Forecast Exceeding 0.4% of Plant**

<b>Project</b>	<b>Projected Cost</b>	<b>Start</b>	<b>Close</b>
FN0096P Revenue Producing Meters	9,595,504	Monthly	Monthly
FN0106P Rev Producing Direct Services	7,193,986	Monthly	Monthly
FN0190P GUARD Rear Lot Mains	16,016,000	Monthly	Monthly
FN0192P GUARD Rear Lot Services	5,184,000	Monthly	Monthly

Plant	886,529,901.91		
	0.40%		
	3,546,119.61		

Earned Ret on Equity

FLORIDA PUBLIC UTILITIES COMPANY  
 NATURAL GAS  
 EARNED RETURN ON COMMON EQUITY  
 FPSC ADJUSTED BASIS  
 Forecast December 31, 2026

SCHEDULE 5

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

NET OPERATING INCOME INCLUDING ACQUISITION ADJUSTMENTS	\$36,972,418	(Schedule 2, p. 2 of 2)
RATE BASE INCLUDING ACQUISITION ADJUSTMENTS	<u>\$632,079,791</u>	(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN LESS: RECONCILED AVERAGE JURISDICTIONAL	5.85%	(Schedule 1)
WEIGHTED COST RATES FOR:		
LONG TERM DEBT - CU	1.45%	
SHORT TERM DEBT	0.27%	
LONG TERM DEBT - FC	0.00%	
SHORT TERM DEBT REFINANCED	0.00%	
CUSTOMER DEPOSITS	0.03%	
TAX CREDITS-WEIGHTED COST (MIDPOINT)	0.00%	
SUBTOTAL	<u>1.75%</u>	
TOTAL	4.10%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	48.30%	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>8.49%</u></u>	