FLORIDA PUBLIC SERVICE COMMISSION

INVESTOR-OWNED NATURAL GAS UTILITY

EARNINGS SURVEILLANCE REPORT

SCHEDULE 1

SEBRING GAS SYSTEM, INC.
EARNINGS SURVEILLANCE REPORT SUMMARY
December 2024

	(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	$ 279,801	$ 573	$ 280,374	$	$ 280,374
AVERAGE RATE BASE	$ 4,759,602	$ 0	$ 4,759,602	$	$ 4,759,602
AVERAGE RATE OF RETURN	5.88%		5.89%		5.89%
II. YEAR END RATE BASE (JURISDICTIONAL)	$ 4,828,487	$ 0	$ 4,828,487		

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

LOW	8.94%
MIDPOINT	9.57%
HIGH	10.20%

IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS)

A. INCLUDING FLEX RATE REVENUES	5.66%
B. EXCLUDING FLEX RATE REVENUES	5.66%

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)

Jerry H Melendy Jr
(Signature)

3/11/2025
(Date)

PSC/AFA13

SEBRING GAS SYSTEM, INC.
AVERAGE RATE OF RETURN
RATE BASE
December 2024

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE
PER BOOKS	8,254,152	(3,922,397)	4,331,755	0	34,317	4,366,072	393,529	4,759,602
FPSC ADJUSTMENTS:								
TOTAL FPSC ADJUSTMENTS	0	0	0	0	0	0	0	0
FPSC ADJUSTED	8,254,152	(3,922,397)	4,331,755	0	34,317	4,366,072	393,529	4,759,602
FLEX RATE REVENUES								
ADJUSTED FOR FLEX RATE REVENUES	8,254,152	(3,922,397)	4,331,755	0	34,317	4,366,072	393,529	4,759,602
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:								
TOTAL PRO FORMA ADJUSTME	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	8,254,152	(3,922,397)	4,331,755	0	34,317	4,366,072	393,529	4,759,602

SEBRING GAS SYSTEM, INC.
AVERAGE RATE OF RETURN
INCOME STATEMENT
December 2024

	(1) OPERATING REVENUES	(2) O & M GAS EXPENSE	(3) O & M OTHER	(4) DEPRECIATION & AMORTIZATION	(5) TAXES OTHER THAN INCOME	(6) INCOME TAXES CURRENT	(7) DEFERRED INCOME TAXES (NET)	(8) INVESTMENT TAX CREDIT (NET)	(9) GAIN/LOSS ON DISPOSITION	(10) TOTAL OPERATING EXPENSES	(11) NET OPERATING INCOME
PER BOOKS, as adjusted January through December 2024	1,299,251	0	634,400	293,947	47,369	47,922	(4,188)	0	0	1,019,450	279,801
FPSC ADJUSTMENTS:											
Disallowed lobbying expenses			(573)							(573)	573
TOTAL FPSC ADJUSTMENTS	0	0	(573)	0	0	0	0	0	0	(573)	573
FPSC ADJUSTED	1,299,251	0	633,827	293,947	47,369	47,922	(4,188)	0	0	1,018,877	280,374
FLEX RATE REVENUES	0	0	0	0	0	0	0	0	0	0	0
ADJUSTED FOR FLEX RATE REVENUES	1,299,251	0	633,827	293,947	47,369	47,922	(4,188)	0	0	1,018,877	280,374
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	1,299,251	0	633,827	293,947	47,369	47,922	-4,188	0	0	1,018,877	280,374
PER BOOKS CURRENT MONTH AMOUNT	132,914	0	66,080	24,834	8,782	3,994	(349)	0	0	103,341	29,574

Sebring Gas System, Inc.
Schedule 2 Worksheet - Average Rate of Return
December-24

13 Month Average	(1) Plant in Service	(2) Accumulated Depreciation Amortization	(3) Net Plant in Service	(4) Property Held for Future Use	(5) Construction Work in Progress	(6) Net Utility Plant	(7) Working Capital	(8) Total Rate Base
Dec-23	8,055,389	(3,777,887)	4,110,924	0	34,317	4,071,028	512,387	4,614,644
Jan-24	8,082,650	(3,800,445)	4,282,205	0	34,317	4,097,639	486,849	4,662,282
Feb-24	8,115,855	(3,824,746)	4,291,109	0	34,317	4,090,798	460,988	4,687,810
Mar-24	8,095,338	(3,849,066)	4,246,272	0	34,317	4,097,347	493,308	4,616,085
Apr-24	8,104,138	(3,873,374)	4,230,764	0	34,317	4,107,657	416,292	4,643,469
May-24	8,151,508	(3,897,755)	4,253,753	0	34,317	4,136,865	508,253	4,669,700
Jun-24	8,330,221	(3,922,181)	4,408,040	0	34,317	4,145,241	459,170	4,657,629
Jul-24	8,347,825	(3,946,727)	4,401,098	0	34,317	4,435,415	471,452	4,906,867
Aug-24	8,364,240	(3,971,319)	4,392,921	0	34,317	4,427,238	432,975	4,860,213
Sep-24	8,376,638	(3,995,948)	4,380,690	0	34,317	4,415,007	414,224	4,829,231
Oct-24	8,389,332	(4,020,610)	4,368,722	0	34,317	4,403,039	437,064	4,840,103
Nov-24	8,423,779	(4,045,334)	4,378,445	0	34,317	4,412,762	429,459	4,842,221
Dec-24	8,467,069	(4,065,772)	4,401,297	0	34,317	4,435,614	392,873	4,828,487
Thirteen month totals	107,303,982	(50,991,164)	56,146,240	0	446,121	55,275,650	5,915,293	61,658,739
Thirteen month averages	8,254,152	(3,922,397)	4,318,942	0	34,317	4,251,973	455,023	4,742,980

SEBRING GAS SYSTEM, INC.
YEAR END RATE BASE
December 2024

SCHEDULE 3

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE
PER BOOKS	8,467,069	(4,065,772)	4,401,297	0	34,317	4,435,614	392,873	4,828,487
FPSC ADJUSTMENTS:								
TOTAL FPSC ADJUSTMENTS	0	0	0	0	0	0	0	0
FPSC ADJUSTED	8,467,069	(4,065,772)	4,401,297	0	34,317	4,435,614	392,873	4,828,487

SEBRING GAS SYSTEM, INC.
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
December 2024

		ADJUSTMENTS				LOW POINT		MIDPOINT		HIGH POINT	
AVERAGE	PER BOOKS	SPECIFIC	PRO RATA	ADJUSTED	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	571,577		(2,817)	568,760	11.9497%	8.8540%	1.0580%	8.8540%	1.0580%	8.8540%	1.0580%
SHORT TERM DEBT	607,840		(2,996)	604,844	12.7079%	8.9242%	1.1341%	8.9242%	1.1341%	8.9242%	1.1341%
PREFERRED STOCK	0	0	0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CUSTOMER DEPOSITS	207,290		(1,022)	206,268	4.3337%	2.8807%	0.1248%	2.8807%	0.1248%	2.8807%	0.1248%
COMMON EQUITY	3,018,105	0	(14,874)	3,003,231	63.0984%	10.5000%	6.6253%	11.5000%	7.2563%	12.5000%	7.8873%
DEFERRED INCOME TAXES	378,363		(1,865)	376,498	7.9103%	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	4,783,174	0	(23,573)	4,759,602	100.0000%		8.9423%		9.5733%		10.2042%

		ADJUSTMENTS				LOW POINT		MIDPOINT		HIGH POINT	
YEAR END	PER BOOKS	SPECIFIC	PRO RATA	ADJUSTED	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	498,500		6,344	504,844	10.4555%	9.4434%	0.9874%	9.4434%	0.9874%	9.4434%	0.9874%
SHORT TERM DEBT	590,717		7,517	598,234	12.3897%	9.4434%	1.1700%	9.4434%	1.1700%	9.4434%	1.1700%
PREFERRED STOCK	0		0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
CUSTOMER DEPOSITS	211,659		2,694	214,353	4.4393%	2.8807%	0.1279%	2.8807%	0.1279%	2.8807%	0.1279%
COMMON EQUITY	3,089,814		39,320	3,129,134	64.8057%	10.5000%	6.8046%	11.5000%	7.4527%	12.5000%	8.1007%
DEFERRED INCOME TAXES	377,123		4,799	381,922	7.9098%	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	4,767,813	0	60,674	4,828,487	100.0000%		9.0899%		9.7379%		10.3860%

Sebring Gas System, Inc.
Schedule 4 Worksheet - Capital Structure
12/31/24

13 Month Average	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Average Per Books
Long-term Debt	648,500	636,000	623,500	611,000	598,500	573,500	573,500	561,000	536,000	536,000	523,500	511,000	498,500	571,577
Short-term Debt	639,387	639,387	610,610	610,610	610,610	542,865	552,865	652,865	652,865	601,379	601,379	596,379	590,717	607,840
Preferred Stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Customer Deposits	202,409	203,909	205,059	204,209	205,059	206,409	205,209	208,059	210,009	210,159	211,109	211,509	211,659	207,290
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)	248,950	69,540	98,053	129,131	152,799	101,467	114,271	152,942	128,132	149,115	182,433	190,515	203,102	147,727
Retained Earnings (Deficit	2,110,053	2,322,393	2,322,393	2,322,393	2,322,393	2,322,393	2,322,393	2,322,393	2,322,393	2,322,393	2,322,393	2,322,393	2,322,393	2,306,059
Common Equity	2,923,322	2,956,252	2,984,765	3,015,843	3,039,511	2,988,179	3,000,983	3,039,654	3,014,844	3,035,827	3,069,145	3,077,227	3,089,814	3,018,105
		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	4,789,897	4,811,830	4,800,214	4,817,942	4,829,960	4,687,233	4,708,837	4,843,104	4,795,244	4,764,891	4,786,659	4,777,641	4,767,813	4,783,174

Sebring Gas System, Inc.
Schedule 4 Worksheet - Average Interest Rates
12/31/24

13 Month Average	**Dec-23**	**Jan-24**	**Feb-24**	**Mar-24**	**Apr-24**	**May-24**	**Jun-24**	**Jul-24**	**Aug-24**	**Sep-24**	**Oct-24**	**Nov-24**	**Dec-24**	**Average Per Books**
HNB Credit Line	489,387	489,387	460,610	460,610	460,610	392,865	402,865	502,865	502,865	451,379	451,379	446,379	440,717	457,840
Interest Rate	8.00%	8.00%	8.00%	8.00%	8.00%	9.00%	9.00%	9.00%	9.00%	9.00%	8.75%	8.50%	8.50%	9.01%
Book Interest			12329			7,255	1670		9838	3515		6,642		41,249.40
Ford Credit 289 Balance														-
Ford Credit 289 Interest Rate														#DIV/0!
Book Interest		-	-	-				-	-	-				0
Heartland National Balance#224.13	798,500	786,000	773,500	761,000	748,500	723,500	723,500	711,000	686,000	686,000	673,500	661,000	648,500	721,577
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%	8.81%
Book Interest	5,412	5,492	5,415	4,971	5,234	4,973	5,059	4,812	4,892	4,806	4,573	4,640	8,736	63,603
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	1,287,887	1,275,387	1,234,110	1,221,610	1,209,110	1,116,365	1,126,365	1,213,865	1,188,865	1,137,379	1,124,879	1,107,379	1,089,217	1,179,417
	4.95%	5.07%	18.10%	4.79%	5.27%	12.90%	7.27%	4.67%	14.59%	8.90%	4.79%	12.40%	9.44%	8.89%
	5,412	5,492	17,744	4,971	5,234	12,228	6,729	4,812	14,730	8,321	4,573	11,282	8,736	104,852
Long-term Portion	648,500	636,000	623,500	611,000	598,500	573,500	573,500	561,000	536,000	536,000	523,500	511,000	498,500	571,577
	4.95%	5.07%	18.10%	4.79%	5.27%	12.90%	7.27%	4.67%	14.59%	8.90%	4.79%	12.40%	9.44%	8.85%
	2,725	2,739	8,965	2,486	2,591	6,282	3,426	2,224	6,641	3,921	2,128	5,206	3,998	50,607
Short-term Portion	639,387	639,387	610,610	610,610	610,610	542,865	552,865	652,865	652,865	601,379	601,379	596,379	590,717	607,840
	4.95%	5.07%	18.10%	4.79%	5.27%	12.90%	7.27%	4.67%	14.59%	8.90%	4.79%	12.40%	9.44%	8.92%
	2,687	2,753	8,780	2,485	2,643	5,946	3,303	2,588	8,089	4,400	2,445	6,076	4,738	54,245
Customer Deposits														
Residential	25,530	25,430	25,580	26,030	25,880	25,880	25,830	25,630	25,980	26,130	26,280	26,280	26,430	25,915
	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	42	43	43	43	43	43	43	43	44	44	44	44	519
Commercial	176,879	178,479	179,479	178,179	179,179	180,529	179,379	182,429	184,029	184,029	184,829	185,229	185,229	181,375
	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%	3.01%
	385	446	449	445	448	451	448	456	460	460	462	463	463	5,452
Total	202,409	203,909	205,059	204,209	205,059	206,409	205,209	208,059	210,009	210,159	211,109	211,509	211,659	207,290
	2.50%	2.88%	2.88%	2.87%	2.87%	2.87%	2.87%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%
	421	489	491	489	491	494	491	499	503	504	506	507	507	5,971

SCHEDULE 5

SEBRING GAS SYSTEM, INC.
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
December 2024

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	5.89%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	1.06%	
SHORT TERM DEBT	1.13%	
PREFERRED STOCK	0.00%	
CUSTOMER DEPOSITS	0.12%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%	
SUBTOTAL	2.32%	
TOTAL	3.57%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	63.10%	
JURISDICTIONAL RETURN ON COMMON EQUITY	5.66%	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	$ 280,374	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	$ 4,759,602	(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	5.8907%	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	1.06%	
SHORT TERM DEBT	1.13%	
PREFERRED STOCK	0.00%	
CUSTOMER DEPOSITS	0.12%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00%	
SUBTOTAL	2.32%	
TOTAL	3.57%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	63.10%	
JURISDICTIONAL RETURN ON COMMON EQUITY	5.66%	