

FLORIDA PUBLIC SERVICE COMMISSION

INVESTOR-OWNED NATURAL GAS UTILITY
EARNINGS SURVEILLANCE REPORT

SEBRING GAS SYSTEM, INC.
EARNINGS SURVEILLANCE REPORT SUMMARY
 December 2025

SCHEDULE 1

I. AVERAGE RATE OF RETURN (JURISDICTIONAL) NET OPERATING INCOME AVERAGE RATE BASE AVERAGE RATE OF RETURN II. YEAR END RATE BASE (JURISDICTIONAL)	(1) ACTUAL PER BOOKS \$ 309,372 \$ 4,821,276 6.42% \$ 4,794,686	(2) FPSC ADJUSTMENTS 189 \$ 0 \$ 0 \$	(3) FPSC ADJUSTED 309,561 \$ 4,821,276 \$ 6.42% 4,794,686	(4) PRO FORMA ADJUSTMENTS \$ \$ \$	(5) PRO FORMA ADJUSTED 309,561 4,821,276 6.42%
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III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS) LOW MIDPOINT HIGH	8.84% 9.52% 10.20%	IV. EARNED RETURN ON EQUITY (FPSC ADJUSTED BASIS) A. INCLUDING FLEX RATE REVENUES B. EXCLUDING FLEX RATE REVENUES	6.94% 6.94%
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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)

03/12/2026
 (Date)

SEBRING GAS SYSTEM, INC.
AVERAGE RATE OF RETURN
RATE BASE
December 2025

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	8,612,455	(4,216,646)	4,395,809	0	34,317	4,430,126	391,150	4,821,276

FPSC ADJUSTMENTS:

TOTAL FPSC ADJUSTMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FPSC ADJUSTED	8,612,455	(4,216,646)	4,395,809	0	34,317	4,430,126	391,150	4,821,276
<u>FLEX RATE REVENUES</u> ADJUSTED FOR FLEX RATE REVENUES	<u>8,612,455</u>	<u>(4,216,646)</u>	<u>4,395,809</u>	<u>0</u>	<u>34,317</u>	<u>4,430,126</u>	<u>391,150</u>	<u>4,821,276</u>
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:								
TOTAL PRO FORMA ADJUSTME	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
PRO FORMA ADJUSTED	<u>8,612,455</u>	<u>(4,216,646)</u>	<u>4,395,809</u>	<u>0</u>	<u>34,317</u>	<u>4,430,126</u>	<u>391,150</u>	<u>4,821,276</u>

SEBRING GAS SYSTEM, INC.
AVERAGE RATE OF RETURN
INCOME STATEMENT
December 2025

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	OPERATING REVENUES	O & M GAS EXPENSE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	CURRENT INCOME TAXES	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
PER BOOKS, as adjusted January through December 2025	1,302,579	0	580,749	304,537	44,833	71,103	-8,015	0	0	993,207	309,372
<u>FPSC ADJUSTMENTS:</u>											
Disallowed lobbying expenses			(189)							(189)	189
TOTAL FPSC ADJUSTMENTS	0	0	(189)	0	0	0	0	0	0	(189)	189
FPSC ADJUSTED	1,302,579	0	580,560	304,537	44,833	71,103	(8,015)	0	0	993,018	309,561
FLEX RATE REVENUES ADJUSTED FOR FLEX RATE REVENUES	0	0	0	0	0	0	0	0	0	0	0
1,302,579	0	580,560	304,537	44,833	71,103	(8,015)	0	0	993,018	309,561	
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	1,302,579	0	580,560	304,537	44,833	71,103	-8,015	0	0	993,018	309,561
PER BOOKS CURRENT MONTH AMOUNT	127,251	0	56,134	26,066	3,677	5,925	(668)	0	0	91,134	36,117

Sebring Gas System, Inc.
Schedule 2 Worksheet - Average Rate of Return
December-25

	(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	Utility Plant Net	Working Capital	Total Rate Base
13 Month Average								
Dec-24	8,467,069	(4,065,772)	4,401,297	0	34,317	4,145,241	459,170	4,614,644
Jan-25	8,480,709	(4,090,691)	4,390,018	0	34,317	4,424,335	462,435	4,662,282
Feb-25	8,499,812	(4,115,660)	4,384,152	0	34,317	4,418,469	420,744	4,687,810
Mar-25	8,553,389	(4,140,728)	4,412,661	0	34,317	4,446,978	466,513	4,616,085
Apr-25	8,560,140	(4,165,873)	4,394,267	0	34,317	4,428,584	422,184	4,643,469
May-25	8,582,599	(4,191,058)	4,391,541	0	34,317	4,425,858	414,524	4,669,700
Jun-25	8,607,803	(4,216,306)	4,391,497	0	34,317	4,425,814	424,217	4,657,629
Jul-25	8,617,737	(4,241,599)	4,376,138	0	34,317	4,410,455	400,627	4,811,082
Aug-25	8,629,631	(4,266,919)	4,362,712	0	34,317	4,397,029	376,746	4,773,775
Sep-25	8,709,610	(4,292,496)	4,417,114	0	34,317	4,451,431	330,134	4,781,565
Oct-25	8,734,105	(4,318,347)	4,415,758	0	34,317	4,450,075	343,576	4,793,651
Nov-25	8,745,244	(4,344,244)	4,401,000	0	34,317	4,435,317	358,876	4,794,192
Dec-25	8,774,066	(4,366,699)	4,407,367	0	34,317	4,441,684	353,002	4,794,686
Thirteen month totals	111,961,914	(54,816,392)	57,145,522	0	446,121	57,301,271	5,232,747	61,300,570
Thirteen month averages	8,612,455	(4,216,646)	4,395,809	0	34,317	4,407,790	402,519	4,715,428

SEBRING GAS SYSTEM, INC.
YEAR END RATE BASE
December 2025

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
PER BOOKS	8,774,066	(4,366,699)	4,407,367	0	34,317	4,441,684	353,002	4,794,686

FPSC ADJUSTMENTS:

TOTAL FPSC ADJUSTMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FPSC ADJUSTED	<u>8,774,066</u>	<u>(4,366,699)</u>	<u>4,407,367</u>	<u>0</u>	<u>34,317</u>	<u>4,441,684</u>	<u>353,002</u>	<u>4,794,686</u>

SEBRING GAS SYSTEM, INC.
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
December 2025

	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		SPECIFIC	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
AVERAGE	420,615	8,646	429,261	8.9035%	7.9338%	0.7064%	7.9338%	0.7064%	7.9338%	0.7064%	
LONG TERM DEBT	521,625	10,722	532,347	11.0416%	8.0223%	0.8858%	8.0223%	0.8858%	8.0223%	0.8858%	
SHORT TERM DEBT	0	0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
PREFERRED STOCK	0	0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
CUSTOMER DEPOSITS	193,766	3,983	197,749	4.1016%	2.8385%	0.1164%	2.8385%	0.1164%	2.8385%	0.1164%	
COMMON EQUITY	3,209,802	65,977	3,275,779	67.9442%	10.5000%	7.1341%	11.5000%	7.8136%	12.5000%	8.4930%	
DEFERRED INCOME TAXES	378,383	7,777	386,140	8.0091%	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 TOTAL	4,724,171	97,105	4,821,276	100.0000%	0.0000%	8.8427%	0.0000%	9.5222%	0.0000%	10.2016%	

YEAR END	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		SPECIFIC	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	348,500	8,062	356,562	7.4366%	7.4170%	0.5516%	7.4170%	0.5516%	7.4170%	0.5516%	
SHORT TERM DEBT	511,249	11,827	523,076	10.9095%	7.4170%	0.8092%	7.4170%	0.8092%	7.4170%	0.8092%	
PREFERRED STOCK	0	0	0	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
CUSTOMER DEPOSITS	192,745	4,459	197,204	4.1130%	2.8385%	0.1167%	2.8385%	0.1167%	2.8385%	0.1167%	
COMMON EQUITY	3,256,657	75,340	3,331,997	69.4835%	10.5000%	7.2968%	11.5000%	7.9818%	12.5000%	8.6867%	
DEFERRED INCOME TAXES	377,123	8,724	385,847	8.0474%	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 TOTAL	4,686,273	108,413	4,794,686	100.0000%	0.0000%	8.7743%	0.0000%	9.4692%	0.0000%	10.1642%	

Sebring Gas System, Inc.
 Schedule 4 Worksheet - Capital Structure
 12/31/25

	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Average Per Books
13 Month Average														
Long-Term Debt	498,500	473,500	461,000	461,000	448,500	436,000	423,500	411,000	398,500	386,000	361,000	361,000	348,500	420,615
Short-Term Debt	590,717	590,717	570,717	526,217	506,217	470,217	507,567	507,567	488,737	488,704	511,249	511,249	511,249	521,625
Deferred Stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Customer Deposits	211,659	211,659	188,745	189,845	189,595	190,595	188,795	189,645	191,345	191,345	191,345	191,645	192,745	193,766
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
Retained 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)	207,278	14,984	53,728	96,402	139,658	166,624	139,220	145,850	129,011	145,840	157,098	154,470	162,667	131,756
Retained Earnings (Deficit)	2,322,393	2,529,671	2,529,671	2,529,671	2,529,671	2,529,671	2,529,671	2,529,671	2,529,671	2,529,671	2,529,671	2,529,671	2,529,671	2,513,727
Common Equity	3,093,990	3,108,974	3,147,718	3,190,392	3,233,648	3,260,614	3,233,211	3,239,840	3,223,001	3,239,830	3,251,088	3,248,460	3,256,657	3,209,802
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 Cts-Debt Cts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Cts-Weighted Cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	4,771,146	4,761,132	4,744,460	4,743,734	4,754,240	4,733,706	4,729,353	4,729,578	4,683,109	4,687,404	4,696,207	4,693,880	4,686,273	4,724,171

Sebring Gas System, Inc.
 Schedule 4 Worksheet - Average Interest Rates
 12/31/25

	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Average Per Books
13 Month Average														
HNB Credit Line	440,717	440,717	420,717	376,217	356,217	320,217	357,567	357,567	338,737	338,704	361,249	361,249	361,249	371,625
Interest Rate	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	7.75%	7.50%	7.25%	7.41%
Book Interest	4,798.92	4,798.92	8,000	8,000	8,000	1,450	7349	8,000	6170	6170	8,000	6,820	958	27,546.22
Ford Credit 289 Balance														
Ford Credit 289 Interest Rate														
Book Interest														#DIV/0!
Heartland National Balance#224.13	648,500	623,500	611,000	611,000	598,500	586,000	573,500	561,000	548,500	536,000	511,000	511,000	498,500	570,615
Heartland National #224.13 Interest R	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	7.75%	7.75%	7.50%	7.25%	8.35%
Book Interest	8,736	4,454	4,379	3,849	4,198	3,979	4,031	3,809	3,845	3,770	3,445	3,453	4,458	47,671
Note Payable Ally 69841 Balance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-	-	-	#DIV/0!
Ally 69841 Interest Rate														0
Book Interest														
Total Debt	1,089,217	1,064,217	1,031,717	987,217	954,717	906,217	931,067	918,567	887,237	874,704	872,249	872,249	859,749	942,240
	9.44%	10.24%	5.53%	4.59%	5.35%	7.05%	14.87%	4.88%	13.29%	5.24%	4.65%	14.33%	7.42%	7.98%
	8,736	9,253	4,379	3,849	4,198	5,429	11,380	3,809	10,015	3,770	3,445	10,273	5,416	75,217
Long-Term Portion	498,500	473,500	461,000	461,000	448,500	436,000	423,500	411,000	398,500	386,000	361,000	361,000	348,500	420,615
	9.44%	10.24%	5.53%	4.59%	5.35%	7.05%	14.87%	4.88%	13.29%	5.24%	4.65%	14.33%	7.42%	7.93%
	3,998	4,117	1,957	1,797	1,972	2,612	5,176	1,704	4,498	1,664	1,426	4,252	2,195	33,371
Short-Term Portion	590,717	590,717	570,717	526,217	506,217	470,217	507,567	507,567	488,737	488,704	511,249	511,249	511,249	521,625
	9.44%	10.24%	5.53%	4.59%	5.35%	7.05%	14.87%	4.88%	13.29%	5.24%	4.65%	14.33%	7.42%	8.02%
	4,738	5,136	2,422	2,052	2,226	2,817	6,204	2,105	5,517	2,106	2,019	6,021	3,221	41,846
Customer Deposits	26,430	26,430	26,530	26,630	26,380	26,580	26,680	27,030	27,130	26,930	26,930	27,230	27,330	26,788
Residential	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%
Commercial	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%	2,97%
Total	211,659	211,659	188,745	189,845	189,595	190,595	188,795	189,645	191,345	191,345	191,345	191,645	192,745	193,766
	2.39%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.84%
	421	507	450	452	452	454	450	452	456	456	456	456	459	5,500

SEBRING GAS SYSTEM, INC.
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
December 2025

SCHEDULE 5

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>6.42%</u>	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	0.71%	
SHORT TERM DEBT	0.89%	
PREFERRED STOCK	0.00%	
CUSTOMER DEPOSITS	0.12%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00%</u>	
SUBTOTAL	<u>1.71%</u>	
 TOTAL	 4.71%	
 DIVIDED BY RECONCILED COMMON EQUITY RATIO	 <u>67.94%</u>	
 JURISDICTIONAL RETURN ON COMMON EQUITY	 <u><u>6.94%</u></u>	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$ 309,561	(Schedule 2, p. 2 of 2)
 RATE BASE EXCLUDING FLEX RATE REVENUES	 <u>\$ 4,821,276</u>	 (Schedule 2, p. 1 of 2)
 FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	 <u>6.4207%</u>	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	0.71%	
SHORT TERM DEBT	0.89%	
PREFERRED STOCK	0.00%	
CUSTOMER DEPOSITS	0.12%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	<u>0.00%</u>	
SUBTOTAL	<u>1.71%</u>	
 TOTAL	 4.71%	
 DIVIDED BY RECONCILED COMMON EQUITY RATIO	 <u>67.94%</u>	
 JURISDICTIONAL RETURN ON COMMON EQUITY	 <u><u>6.94%</u></u>	