GU608-20-AR

ANNUAL REPORT OF

NATURAL GAS UTILITIES

PEOPLES GAS SYSTEM

(EXACT NAME OF RESPONDENT)

702 N. Franklin Street

Tampa, Florida 33602

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2020

Officer or other person to whom correspondence should be addressed concerning this report:

Name Rosemary Barbour	Title Accounting Director	
Address P.O Box 2562	City Tampa	State FL 33601-2562
Telephone No. (813) 228-4191		PSC/AFD 020-G (12/03)

Ernst & Young LLP
One Tampa City Center
Suite 2400
201 North Franklin Street
Tampa, Florida 33602

Tel: +1 813 225 4800
Fax: +1 813 225 4711
ey.com

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Report of Independent Auditors

To the Board of Directors of Tampa Electric Company

We have audited the accompanying financial statements of Peoples Gas System (the "Company"), a division of Tampa Electric Company, which comprise the balance sheet as of December 31, 2020 and 2019, and the related statements of income and retained earnings for the years then ended and the related notes to the financial statements, included on pages 6 through 11 of the accompanying Annual Report of Natural Gas Utilities, and related notes filed with the Florida Public Service Commission as required by Rule 25-7.135 (2).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these regulatory basis financial statements in conformity with the financial reporting provisions of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases as described in the opening paragraph in the notes; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peoples Gas System as of December 31, 2020 and 2019, and the results of its operations for the years then ended, on the basis of the financial reporting provisions of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases described in the opening paragraph in the notes.

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Regulatory Basis of Accounting

As described in the opening paragraph in the notes to the financial statements, the financial statements have been prepared by Peoples Gas System on the basis of the financial reporting provisions of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than U.S. generally accepted accounting principles, to meet the requirements of the FERC. Our opinion is not modified with respect to this matter.

Restriction on Use

Our report is intended solely for the information and use of Tampa Electric Company and the Florida Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

April 29, 2021

INSTRUCTIONS FOR FILING THE ANNUAL REPORT OF NATURAL GAS UTILITIES

GENERAL INSTRUCTIONS

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.

II. Enter in whole numbers (dollars or Mcf) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.

III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.

IV. For any page that is not applicable to the respondent, enter the words "Not Applicable" on the particular page.

V. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement to the page being supplemented on 8 1/2 by 11 inch paper. Provide the appropriate identification information on the supplemental page, including the title of the page and the page number. Do not change the page numbers.

VI. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.

VII. Wherever schedule pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why different figures were used.

VIII. Report all gas volumes on a pressure base of 14.73 psia and a temperature base of 60° F.

DEFINITIONS

I. Btu per cubic foot - The total heating value expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60° F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.665 cm per sec. ^{2}) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)

II. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

01 Exact Legal Name of Respondent Peoples Gas System, a Division of Tampa Electric Company	02 Year of Report 2020
03 Previous Name and Date of Change (if name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 702 N. Franklin Street Tampa, Florida 33602	
05 Name of Contact Person Rosemary Barbour	06 Title of Contact Person Accounting Director
07 Address of Contact Person (Street, City, State, Zip Code) P.O Box 2562 Tampa, Florida 33601-2562	
08 Telephone of Contact Person, Including Area Code (813) 228 - 4191	09 Date of Report (Mo., Day, Yr) Dec. 31, 2020

ATTESTATION

I certify that I am the responsible accounting officer of

Peoples Gas System ;

that I have examined the following report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2020 to December 31, 2020, inclusive.

I also certify that all affiliated transfer prices and affiliated cost allocations were determined consistent with the methods reported to this Commission on the appropriate forms included in this report.

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 or her official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in S. 775.082 and S. 775.083.

Rosemary Barbour
Signature

4/29/21
Date

Rosemary Barbour
Name

Director General Accounting
Title

TABLE OF CONTENTS

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s).
2. If the above required information is available from the SEC 10K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.

Peoples Gas System is a division of Tampa Electric Company, which is a wholly owned subsidiary of TECO Energy.

On July 1, 2016, TECO Energy and Emera completed the Merger contemplated by the Merger Agreement entered into on September 4, 2015. As a result of the Merger, the Merger Sub Company merged with and into TECO Energy with TECO Energy continuing as the surviving corporation and becoming a wholly owned indirect subsidiary of Emera. The acquisition method of accounting was not pushed down to TECO Energy or its subsidiaries, including TEC (PGS).

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
TECO Partners	Marketing Services	100%	

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is $50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policymaking functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.

Title (a)	Name of Officer (b)	Salary for Year (c)
President Peoples Gas System	T. Szelistowski	$ 330,000
VP Marketing and Sales, PGS	J. Wehle	$ 133,173
VP Gas Operations, PGS	R. Wall	$ 254,678
VP Business Development, PGS	T. O'Connor	$ 218,148
VP Customer Experience 1/2020-8/2020	M. Whiting	$ 43,482
VP Customer Experience 10/2020-12/2020	K. Sparkman	$ 16,313
Controller, PGS	S. Hillary	$ 184,370
VP Strategy, PGS	C. Richard	$ 158,314
VP Pipeline Safety & Regulatory Affairs	L. Buzard	$ 191,475
Chief Operating Officer 10/2020-12/2020	H. Wesley	$ 53,922

Salaries for the year represent the Peoples Gas System share of individual salaries.

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
Peoples Gas System, as a division of Tampa Electric Company, has no Directors.			

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not complied within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became vested with voting rights and give others important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders.

	VOTING SECURITIES			
	Number of votes as of (date):			
Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
TOTAL votes of all voting securities				
TOTAL number of security holders				
TOTAL votes of security holders listed below				
Peoples Gas System, as a division of Tampa Electric Company, has no outstanding shares of common stock. All outstanding shares of Tampa Electric Company common stock were held by its parent, TECO Energy, Inc. As disclosed on page 3, on July 1, 2016, TECO Energy and Emera completed the Merger contemplated by the Merger Agreement entered into on September 4, 2015. Therefore, TEC continues to be a wholly owned subsidiary of TECO Energy and became an indirect wholly owned subsidiary of Emera as of July 1, 2016. Pursuant to the Merger Agreement, upon the closing of the Merger, each issued and outstanding share of TECO Energy common stock was cancelled and converted automatically into the right to receive $27.55 in cash, without interest.				

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquires. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.
1. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions.
2. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required.
3. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased also the approximate number of customers added or lost and approximate annual revenues of each class of service.
4. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
5. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

1 None
2 None
3 February 5, 2020 entered in to a territorial Agreement between PGS and the City of Leesburg, The Villages Land Company, LLC and Sumter Gas Utility. Transfer date was June 2020. Approximately 3,500 additional residential customers.
4 Please see the Commitments and Contingencies section of the included Notes to the Financial Statements - page 11-W.
5 None

Name of Respondent				For the Year Ended
Peoples Gas System				Dec. 31, 2020

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	12	1,947,846,992	2,197,237,545
3	Construction Work in Progress (107)	12	71,222,206	140,807,878
4	TOTAL Utility Plant Total of lines 2 and 3)		2,019,069,198	2,338,045,423
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	784,450,415	814,871,257
6	Net Utility Plant (Total of line 4 less 5)		1,234,618,783	1,523,174,166
7	Utility Plant Adjustments (116)	11		
8	Gas Stored (117.1, 117.2, 117.3, 117.4)	-		
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)	-		
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-		
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-	902,043	1,208,346
14	Other Investments (124)	-		
15	Special Funds (125, 126, 128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		902,043	1,208,346
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	8,303,869	-
19	Special Deposits (132-134)	-	25,000	25,000
20	Working Funds (135)	-	2,950	2,950
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	28,445,716	29,061,274
24	Other Accounts Receivable (143)	-	1,394,531	621,523
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-	(36,809)	(1,047,189)
26	Notes Receivable from Associated Companies (145)	-		9,933,659
27	Accounts Receivable from Associated Companies (146)	-	1,028,392	692,220
28	Fuel Stock (151)	-		
29	Fuel Stock Expense Undistributed (152)	-		
30	Residuals (Electric) and Extracted Products (Gas) (153)	-		
31	Plant Material and Operating Supplies (154)	-	2,401,229	2,998,336
32	Merchandise (155)	-		
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Underground & LNG Stored (164.1-164.3)	-		
36	Prepayments (165)	18	1,409,779	1,156,913
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-	12,585,260	15,058,285
41	Miscellaneous Current and Accrued Assets (174)	-		
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		55,559,917	58,502,971
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-	2,233,061	2,130,262
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18		
47	Other Regulatory Assets (182.3)	19	59,279,093	68,727,179
48	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)	-		
49	Clearing Accounts (184)	-		
50	Temporary Facilities (185)	-		
51	Miscellaneous Deferred Debits (186)	19	4,808,375	4,055,965
52	Deferred Losses from Disposition of Utility Plant. (187)	-		
53	Research, Development and Demonstration Expenditures (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	20		
55	Accumulated Deferred Income Taxes (190)	24	54,966,422	58,693,569
56	Unrecovered Purchased Gas Costs (191)	-	(5,610,499)	(1,887,381)
57	TOTAL Deferred Debits (Total of lines 44 through 56)		115,676,452	131,719,594
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		1,406,757,195	1,714,605,077

Name of Respondent | For the Year Ended

Peoples Gas System | Dec. 31, 2020

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock (201, 202, 203, 205, 206, 207)	-		
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-214)	-	415,550,169	545,550,169
5	Retained Earnings (215, 216)	10	115,649,893	116,111,278
6	Other Comprehensive Income (219)		(348,624)	(323,998)
7	Unappropriated Undistributed Subsidiary Earnings (216.1)	10	453,354	759,657
8	(Less) Reacquired Capital Stock (217)	-		
9	TOTAL Proprietary Capital (Total of lines 2 through 8)		531,304,792	662,097,106
10	LONG-TERM DEBT			
11	Bonds (221)	21		
12	(Less) Reacquired Bonds (222)	21		
13	Advances from Associated Companies (223)	21		
14	Other Long-Term Debt (224)	21	336,764,680	336,764,680
15	Unamortized Premium on Long-Term Debt (225)	21		
16	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	21	(1,151,479)	(1,103,546)
17	TOTAL Long-Term Debt (Total of lines 11 through 16)		335,613,201	335,661,134
18	OTHER NONCURRENT LIABILITIES			
19	Obligations Under Capital Leases - Noncurrent (227)	-		
20	Accumulated Provision for Property Insurance (228.1)	-	84,356	141,856
21	Accumulated Provision for Injuries and Damages (228.2)	-	4,329,964	4,855,734
22	Accumulated Provision for Pensions and Benefits (228.3)	-	27,985,644	32,810,770
23	Accumulated Miscellaneous Operating Provisions (228.4)	-	88,501	152,995
24	Accumulated Provision for Rate Refunds (229)	-		
25	TOTAL Other Noncurrent Liabilities (Total of lines 19 through 24)		32,488,465	37,961,355
26	CURRENT AND ACCRUED LIABILITIES			
27	Notes Payable (231)	-	91,138,979	214,352,135
28	Accounts Payable (232)	-	59,685,490	80,684,738
29	Notes Payable to Associated Companies (233)	-		
30	Accounts Payable to Associated Companies (234)	-	11,465,300	14,186,404
31	Customer Deposits (235)	-	26,273,516	25,669,278
32	Taxes Accrued (236)	-	4,000,873	6,793,553
33	Interest Accrued (237)	-	1,450,837	1,444,461
34	Dividends Declared (238)	-		
35	Matured Long-Term Debt (239)	-		
36	Matured Interest (240)	-		
37	Tax Collections Payable (241)	-	827,365	1,112,228
38	Miscellaneous Current and Accrued Liabilities (242)	22	27,099,277	25,201,689
39	Obligations Under Capital Leases-Current (243)	-		-
40	Derivative Liabilities (245)			
41	TOTAL Current and Accrued Liabilities (Total of lines 27 through 40)		221,941,637	369,444,486
42	DEFERRED CREDITS			
43	Customer Advances for Construction (252)	-	12,952,701	15,681,265
44	Other Deferred Credits (253)	22	5,996,478	8,261,983
45	Other Regulatory Liabilities (254)	22	91,671,584	93,574,070
46	Accumulated Deferred Investment Tax Credits (255)	23		
47	Deferred Gains from Disposition of Utility Plant (256)	-		
48	Unamortized Gain on Reacquired Debt (257)	20		
49	Accumulated Deferred Income Taxes (281-283)	24	174,788,337	191,923,678
50	TOTAL Deferred Credits (Total of lines 43 through 49)		285,409,100	309,440,996
51	TOTAL Liabilities and Other Credits (Total of lines 9, 17, 25, 41 and 50)		1,406,757,195	1,714,605,077

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

STATEMENT OF INCOME

1. Use page 11 for important notes regarding the statement of income or any account thereof.
2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.
3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

Line No.	Account (a)	Ref. Page No. (b)	Total Gas Utility Current Year (c)	Total Gas Utility Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	26	411,567,312	439,797,556
3	Operating Expenses			
4	Operation Expenses (401)	27-29	242,179,038	269,518,916
5	Maintenance Expenses (402)	27-29	8,823,005	9,472,693
6	Depreciation Expense (403)	15-16	42,969,675	39,011,147
7	Amortization & Depletion of Utility Plant (404-405)	-	2,396,481	2,109,290
8	Amortization of Utility Plant Acquisition Adjustment (406)	-	129,709	149,146
9	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	-		
10	Amortization of Conversion Expenses (407.2)	-		
11	Regulatory Debits (407.3)	-	7,616,536	4,960,498
12	(Less) Regulatory Credits (407.4)	-	(7,824,324)	(7,080,111)
13	Taxes Other Than Income Taxes (408.1)	23	40,893,043	41,229,532
14	Income Taxes - Federal (409.1)	-	638,333	5,100,264
15	- Other (409.1)	-	(1,197,793)	(336,687)
16	Provision for Deferred Income Taxes (410.1)	24	15,080,004	12,238,375
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	24		
18	Investment Tax Credit Adjustment - Net (411.4)	23		
19	(Less) Gains from Disposition of Utility Plant (411.6)	-		
20	Losses from Disposition of Utility Plant (411.7)	-		
21	Other Operating Income (412-414)	-	1,807,533	1,945,439
22	TOTAL Utility Operating Expenses (Total of lines 4 -21)		349,896,174	374,427,624
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		61,671,138	65,369,932

Name of Respondent				For the Year Ended
Peoples Gas System				Dec. 31, 2020

STATEMENT OF INCOME (Continued)

Line No.	Account (a)	Ref. Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 8)		61,671,138	65,369,932
26	**Other Income and Deductions**			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	(2,127)	(782)
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-	(7,941)	11,511
31	Revenues From Nonutility Operations (417)	-		
32	(Less) Expenses of Nonutility Operations (417.1)	-		
33	Nonoperating Rental Income (418)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	10	3,280,081	3,616,890
35	Interest and Dividend Income (419)	-	81,044	26,450
36	Allowance for Other Funds Used During Construction (419.1)	-	3,121,604	470,414
37	Miscellaneous Nonoperating Income (421)	-	31,724	133,673
38	Gain on Disposition of Property (421.1)	-	1,025,533	2,140,586
39	TOTAL Other Income (Total of lines 29 through 38)		7,529,918	6,398,742
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-	51,653	
42	Miscellaneous Amortization (425)	33		
43	Miscellaneous Income Deductions (426.1-426.5)	33	543,559	474,197
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		595,212	474,197
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-		
47	Income Taxes - Federal (409.2)	-	(98,810)	60,576
48	Income Taxes - Other (409.2)	-	(21,955)	13,459
49	Provision for Deferred Income Taxes (410.2)	24	-	816
50	(Less) Provision for Deferred Income Taxes - Credit (411.2)	24		
51	Investment Tax Credit Adjustment - Net (411.5)	-		
52	(Less) Investment Tax Credits (420)	-		
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 through 52)		(120,765)	74,851
54	Net Other Income and Deductions (Total of lines 39,44,53)		7,055,471	5,849,694
55	**Interest Charges**			
56	Interest on Long-Term Debt (427)	-	15,429,008	14,925,536
57	Amortization of Debt Discount and Expense (428)	21	185,662	174,489
58	Amortization of Loss on Reacquired Debt (428.1)	-		
59	(Less) Amortization of Premium on Debt - Credit (429)	21		
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-		
61	Interest on Debt to Associated Companies (430)	33		
62	Other Interest Expense (431)	33	2,198,602	2,241,474
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-	(1,002,052)	(151,006)
64	Net Interest Charges (Total of lines 56 through 63)		16,811,220	17,190,493
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		51,915,389	54,029,133
66	**Extraordinary Items**			
67	Extraordinary Income (434)	-		
68	(Less) Extraordinary Deductions (435)	-		
69	Net Extraordinary Items (Total of line 67 less line 68)			
70	Income Taxes - Federal and Other (409.3)	-		
71	Extraordinary Items After Taxes (Total of line 69 less line 70)			
72	Net Income (Total of lines 65 and 71)		51,915,389	54,029,133

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

STATEMENT OF RETAINED EARNINGS

1. Report all changes in appropriated retained earnings, and unappropriated retained earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 11.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		115,754,623
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439):		
4	Credit:		
5	Credit:		
6	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 4 and 5)		
7	Debit:		
8	Debit:		
9	TOTAL Debits to Retained Earnings (Account 439) (Total of lines 7 and 8)		
10	Balance Transferred from Income (Account 433 less Account 418.1)		48,635,308
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(51,147,701)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		3,280,081
15	FAS 133 Other Comprehensive Income		24,627
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		116,546,938
	APPROPRIATED RETAINED EARNINGS (Account 215)		
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.		
17			
18			
19			
20			
21			
22			
23	TOTAL Appropriated Retained Earnings (Account 215)		
	TOTAL Retained Earnings (Account 215 and 216) (Total of lines 16 and 23)		116,546,938

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 8-10, such notes may be attached hereto.

DEFINITIONS

Acronyms and defined terms used in this and other filings with the U.S. Securities and Exchange Commission include the following:

Term	Meaning
AFUDC	allowance for funds used during construction
AFUDC-debt	debt component of allowance for funds used during construction
AFUDC-equity	equity component of allowance for funds used during construction
APBO	accumulated postretirement benefit obligation
ARO	asset retirement obligation
ASC	Accounting Standards Codification
BCF	billion cubic feet
CAIR	Clean Air Interstate Rule
CCRs	coal combustion residuals
CMO	collateralized mortgage obligation
CNG	compressed natural gas
CO_2	carbon dioxide
COVID-19	coronavirus disease 2019
CPI	consumer price index
CSAPR	Cross State Air Pollution Rule
CT	combustion turbine
ECRC	environmental cost recovery clause
Emera	Emera Inc., a geographically diverse energy and services company headquartered in Nova Scotia, Canada
EPA	U.S. Environmental Protection Agency
ERISA	Employee Retirement Income Security Act
EROA	expected return on plan assets
EUSHI	Emera US Holdings Inc., a wholly owned subsidiary of Emera, which is the sole shareholder of TECO Energy's common stock
FASB	Financial Accounting Standards Board
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
GHG	greenhouse gas
IGCC	integrated gasification combined-cycle
IOU	investor owned utility
IRS	Internal Revenue Service
ITCs	investment tax credits
kWac	kilowatt on an alternating current basis
LNG	liquefied natural gas
MBS	mortgage-backed securities
MD&A	the section of this report entitled Management's Discussion and Analysis of Financial Condition and Results of Operations
Merger	Merger of Merger Sub Company with and into TECO Energy, with TECO Energy as the surviving corporation
MGP	manufactured gas plant
MMBTU	one million British Thermal Units
MRV	market-related value
MW	megawatt(s)
MWH	megawatt-hour(s)
NAV	net asset value
Note	Note to consolidated financial statements
NPNS	normal purchase normal sale
O&M expenses	operations and maintenance expenses
OCI	other comprehensive income
OPC	Office of Public Counsel
OPEB	other postemployment benefits
Parent	TECO Energy, Inc., the direct parent company of Tampa Electric Company
PBGC	Pension Benefit Guarantee Corporation
PBO	projected benefit obligation

Term	Meaning
PGA	purchased gas adjustment
PGS	Peoples Gas System, the gas division of Tampa Electric Company
PPA	power purchase agreement
PRP	potentially responsible party
R&D	research and development
REIT	real estate investment trust
RFP	request for proposal
ROE	return on common equity
Regulatory ROE	return on common equity as determined for regulatory purposes
S&P	Standard and Poor's
SCR	selective catalytic reduction
SEC	U.S. Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
SoBRAs	solar base rate adjustments
SPP	storm protection plan
STIF	short-term investment fund
Tampa Electric	Tampa Electric, the electric division of Tampa Electric Company
TEC	Tampa Electric Company
TECO Energy	TECO Energy, Inc., the direct parent company of Tampa Electric Company
TSI	TECO Services, Inc.
U.S. GAAP	generally accepted accounting principles in the United States

The accompanying financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published in accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). These requirements differ from GAAP related to (1) the presentation of long-term debt, (2) the presentation of deferred income taxes, (3) the presentation of certain income tax related regulatory assets and liabilities, (4) the presentation of transactions as operating or non-operating, (5) the presentation of accruals associated with cost of removal included within accumulated depreciation reserve, (6) the presentation of storm costs including storm and property insurance reserve and corresponding regulatory liability, (7) the presentation of derivatives, (8) the presentation of plant leased to others under capital leases, and (9) the presentation of current portions of regulatory assets and liabilities. See Note 18 for additional information.

Tampa Electric Company's (TEC) Notes to the Financial Statements have been combined with People's Gas Systems (PGS) and are prepared in conformity with generally accepted accounting principles. Accordingly, certain footnotes are not reflective of PGS's Financial Statements contained herein.

TAMPA ELECTRIC COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Description of the Business

TEC has two operating segments. Its Tampa Electric division provides retail electric services in West Central Florida, and PGS, its natural gas division, is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in Florida. TEC's significant accounting policies are as follows:

Principles of Consolidation and Basis of Presentation

TEC maintains its accounts in accordance with recognized policies prescribed or permitted by the FPSC and the FERC. These policies conform with U.S. GAAP in all material respects. The use of estimates is inherent in the preparation of financial statements in accordance with U.S. GAAP. Actual results could differ from these estimates.

TEC is a wholly owned subsidiary of TECO Energy, Inc. and contains electric and natural gas divisions. Intercompany balances and transactions within the divisions have been eliminated in consolidation. TECO Energy is a wholly owned indirect subsidiary of Emera. Therefore, TEC is an indirect, wholly owned subsidiary of Emera.

In 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. While management considered the impact of the COVID-19 pandemic in TEC's estimates and results, the financial statements as of and for the year ended December 31, 2020 were not materially impacted by the COVID-19 pandemic. However, it is not possible to reliably estimate the length and severity of the COVID-19 pandemic and the impact on the financial results and condition of TEC in future periods.

Cash Equivalents

Cash equivalents are highly liquid, high-quality investments purchased with an original maturity of three months or less. The carrying amount of cash equivalents approximated fair market value because of the short maturity of these instruments.

Property, Plant and Equipment

Property, plant and equipment is stated at original cost, which includes labor, material, applicable taxes, overhead and AFUDC. Concurrent with a planned major maintenance outage or with new construction, the cost of adding or replacing retirement units-of-property is capitalized in conformity with the regulations of FERC and FPSC. The cost of maintenance, repairs and replacement of minor items of property is expensed as incurred.

As regulated utilities, Tampa Electric and PGS must file depreciation and dismantlement studies periodically and receive approval from the FPSC before implementing new depreciation rates. Included in approved depreciation rates is either an implicit net salvage factor or a cost of removal factor, expressed as a percentage. The net salvage factor is principally comprised of two components—a salvage factor and a cost of removal or dismantlement factor. TEC uses current cost of removal or dismantlement factors as part of the estimation method to approximate the amount of cost of removal in accumulated depreciation. The original cost of utility plant retired or otherwise disposed of and the cost of removal or dismantlement, less salvage value, is charged to accumulated depreciation and the accumulated cost of removal reserve reported as a regulatory liability, respectively.

For other property dispositions, the cost and accumulated depreciation are removed from the balance sheet and a gain or loss is recognized.

Property, plant and equipment consisted of the following assets:

(millions)	Estimated Useful Lives	December 31, 2020	December 31, 2019
Electric generation	21-56 years	$ 5,694	$ 5,370
Electric transmission	28-77 years	1,008	940
Electric distribution	14-56 years	2,859	2,732
Gas transmission and distribution	16-77 years	2,076	1,848
General plant and other	8-43 years	723	675
Total cost		12,360	11,565
Less accumulated depreciation		(3,712)	(3,472)
Construction work in progress		1,472	1,038
Total property, plant and equipment, net		$ 10,120	$ 9,131

Depreciation

The provision for total regulated utility plant in service, expressed as a percentage of the original cost of depreciable property, was 3.2%, 3.4% and 3.5% for 2020, 2019 and 2018, respectively. Construction work in progress is not depreciated until the asset is placed in service. Total depreciation expense for the years ended December 31, 2020, 2019 and 2018 was $381 million, $359 million and $345 million, respectively. See **Note 3** for information regarding agreements approved by the FPSC that, among other things, allow Tampa Electric to continue to depreciate certain retired assets until the FPSC approves Tampa Electric's next depreciation and dismantlement study and allowed Tampa Electric to eliminate its $16 million accumulated amortization reserve surplus for intangible software assets through a credit to amortization expense in 2020.

Tampa Electric and PGS compute depreciation and amortization using the following methods:

- the group remaining life method, approved by the FPSC, is applied to the average investment, adjusted for anticipated costs of removal less salvage, in functional classes of depreciable property;
- the amortizable life method, approved by the FPSC, is applied to the net book value to date over the remaining life of those assets not classified as depreciable property above.

Allowance for Funds Used During Construction

AFUDC is a non-cash credit to income with a corresponding charge to utility plant which represents the cost of borrowed funds and a reasonable return on other funds used for construction. Tampa Electric's FPSC-approved rate used to calculate AFUDC is revised periodically to reflect significant changes in Tampa Electric's cost of capital. In 2020, 2019 and 2018, Tampa Electric's rate was 6.46%. In July 2019, the FPSC approved a petition filed by PGS for authority to record AFUDC at an annual rate of 5.97% as part of its plans to develop three expansion projects in 2019 and 2020. Total AFUDC for the years ended December 31, 2020, 2019 and 2018 was $44 million, $16 million and $15 million, respectively. The increase in 2020 is primarily a result of the construction of solar projects and the repowering of Big Bend Unit 1 with natural gas combined-cycle technology.

Inventory

TEC values materials, supplies and fossil fuel inventory (natural gas, coal, petcoke and oil) using a weighted-average cost method. These materials, supplies and fuel inventories are carried at the lower of weighted-average cost or net realizable value.

Regulatory Assets and Liabilities

Tampa Electric and PGS are subject to accounting guidance for the effects of certain types of regulation (see **Note 3**).

Deferred Income Taxes

TEC uses the asset and liability method in the measurement of deferred income taxes. Under the asset and liability method, the temporary differences between the financial statement and tax bases of assets and liabilities are reported as deferred taxes measured at enacted tax rates. Tampa Electric and PGS are regulated, and their books and records reflect approved regulatory treatment, including certain adjustments to accumulated deferred income taxes and the establishment of a corresponding regulatory tax liability reflecting the amount payable to customers through future rates. See **Note 4** for additional details.

Investment Tax Credits

ITCs have been recorded as deferred credits and are being amortized as reductions to income tax expense over the service lives of the related property.

Stranded Tax Effects in Accumulated Other Comprehensive Income

TEC utilizes a portfolio approach to determine the timing and extent to which stranded income tax effects from items that were previously recorded in accumulated other comprehensive income are released.

Revenue Recognition

Regulated electric revenue

Electric revenues, including energy charges, demand charges, basic facilities charges and applicable clauses and riders, are recognized when obligations under the terms of a contract are satisfied. This occurs primarily when electricity is delivered to customers over time as the customer simultaneously receives and consumes the benefits of the electricity. Electric revenues are recognized on an accrual basis and include billed and unbilled revenues. Revenues related to the sale of electricity are recognized at rates approved by the respective regulator and recorded based on metered usage, which occur on a periodic, systematic basis, generally monthly. At the end of each reporting period, the electricity delivered to customers, but not billed, is estimated and the corresponding unbilled revenue is recognized. Tampa Electric's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of MWH delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions as to the pattern of energy demand, timing of meter reads and line losses.

Regulated gas revenue

Gas revenues, including energy charges, demand charges, basic facilities charges and applicable clauses and riders, are recognized when obligations under the terms of a contract are satisfied. This occurs primarily when gas is delivered to customers over time as the customer simultaneously receives and consumes the benefits of the gas. Gas revenues are recognized on an accrual basis and include billed and unbilled revenues. Revenues related to the distribution and sale of gas are recognized at rates approved by the regulator and recorded based on metered usage, which occur on a periodic, systematic basis, generally monthly. At the end of each reporting period, the gas delivered to customers, but not billed, is estimated and the corresponding unbilled revenue is recognized. PGS's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of therms delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions as to the pattern of usage, weather, and inter-period changes to customer classes.

Other

See Accounting for Franchise Fees and Gross Receipts below for the accounting for gross receipts taxes. Sales and other taxes TEC collects concurrent with revenue-producing activities are excluded from revenue.

Revenues and Cost Recovery

Revenues include amounts resulting from cost-recovery clauses which provide for monthly billing charges to reflect increases or decreases in fuel, purchased power, conservation and environmental costs for Tampa Electric and purchased gas, interstate pipeline capacity, replacement of cast iron/bare steel pipe and conservation costs for PGS. These adjustment factors are based on costs incurred and projected for a specific recovery period. Any over- or under-recovery of costs plus an interest factor are taken into account in the process of setting adjustment factors for subsequent recovery periods. Over-recoveries of costs are recorded as regulatory liabilities, and under-recoveries of costs are recorded as regulatory assets.

Certain other costs incurred by the regulated utilities are allowed to be recovered from customers through prices approved in the regulatory process. These costs are recognized as the associated revenues are recognized.

Receivables and Allowance for Credit Losses

Receivables from contracts with customers, which consist of services to residential, commercial, industrial and other customers, were \$214 million and \$205 million as of December 31, 2020 and 2019, respectively. An allowance for credit losses is established based on TEC's collection experience and reasonable and supportable forecasts that affect the collectibility of the reported amount. Circumstances that impact Tampa Electric's and PGS's estimates of credit losses include, but are not limited to, customer credit issues, fuel prices, customer deposits and general economic conditions, including the impacts of the COVID-19 pandemic. Accounts are reserved in the allowance or written off once they are deemed to be uncollectible.

The regulated utilities accrue base revenues for services rendered but unbilled to provide for matching of revenues and expenses (see **Note 3**). As of December 31, 2020 and 2019, unbilled revenues of $73 million and $61 million, respectively, are included in the "Receivables" line item on TEC's Consolidated Balance Sheets.

Accounting for Franchise Fees and Gross Receipts Taxes

Tampa Electric and PGS are allowed to recover certain costs incurred on a dollar-for-dollar basis from customers through rates approved by the FPSC. The amounts included in customers' bills for franchise fees and gross receipt taxes are included as revenues on the Consolidated Statements of Income. Franchise fees and gross receipt taxes payable by Tampa Electric and PGS are included as an expense on the Consolidated Statements of Income in "Taxes, other than income". These amounts totaled $109 million, $117 million and $120 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Deferred Credits and Other Liabilities

Other deferred credits primarily include accrued pension and other postretirement benefits (see **Note 5**), MGP environmental remediation liability (see **Note 8**), asset retirement obligations (see **Note 12**), lease liabilities (see **Note 13**) and a reserve for auto, general and workers' compensation liability claims.

TECO Energy and its subsidiaries, including TEC, have a self-insurance program supplemented by excess insurance coverage for the cost of claims whose ultimate value exceeds the company's retention amounts. TEC estimates its liabilities for auto, general and workers' compensation using discount rates mandated by statute or otherwise deemed appropriate for the circumstances. Discount rates used in estimating these other self-insurance liabilities at December 31, 2020 and 2019 ranged from 2.43% to 4.00% and 2.66% to 4.00%, respectively.

Cash Flows Related to Derivatives and Hedging Activities

TEC classifies cash inflows and outflows related to derivative and hedging instruments in the appropriate cash flow sections associated with the item being hedged. For natural gas, the cash inflows and outflows are included in the operating section of the Consolidated Statements of Cash Flows. For interest rate swaps that settle coincident with the debt issuance, the cash inflows and outflows are treated as premiums or discounts and included in the financing section of the Consolidated Statements of Cash Flows. See **Note 14** for further information regarding derivatives.

2. New Accounting Pronouncements

Change in Accounting Policy

The new U.S. GAAP accounting policies that are applicable to, and adopted by TEC in 2020, are described as follows:

Measurement of Credit Losses on Financial Instruments

TEC adopted Accounting Standard Update (ASU) 2016-13, *Measurement of Credit Losses on Financial Instruments* effective January 1, 2020. The standard provides guidance regarding the measurement of credit losses for financial assets and certain other instruments that are not accounted for at fair value through net income, including trade and other receivables, debt securities, net investment in leases, and off-balance sheet credit exposures. The new guidance requires companies to replace the current incurred loss impairment methodology with a methodology that measures all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts. There was no material impact on the consolidated financial statements as a result of the adoption of this standard.

Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes*. The standard simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740 related to the approach for intraperiod tax allocation. It also simplifies aspects of accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The guidance is effective for annual reporting periods, including interim reporting within those periods, beginning after December 15, 2020, with early adoption permitted. The standard is applied on both a prospective and retrospective basis. TEC early adopted the standard effective January 1, 2020. There was no impact on the consolidated financial statements as a result of the adoption of this standard.

Facilitation of the Effects of Reference Rate Reform on Financial Reporting

TEC adopted ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* in the fourth quarter of 2020. The standard provides options and exceptions for applying U.S. GAAP to contract modifications and hedging relationships that reference LIBOR or another reference rate that is expected to be discontinued. The guidance was effective as of the date of issuance and entities may elect to apply the guidance prospectively through December 31, 2022. The transition from reference rates will not have a material impact on the consolidated financial statements. In November 2020, the Federal Reserve extended the phase-out of LIBOR until June 2023. TEC will continue to monitor the impact this may have on application of the standard.

3. Regulatory

Tampa Electric's retail business and PGS are regulated separately by the FPSC. Tampa Electric is also subject to regulation by the FERC in various respects, including wholesale power sales, certain wholesale power purchases, transmission and ancillary services and accounting practices. The FPSC sets rates based on a cost of service methodology which allows utilities to collect total revenues (revenue requirements) equal to their prudently incurred cost of providing service or products, plus a reasonable return on equity invested or assets. As a result, Tampa Electric and PGS qualify for the application of accounting guidance for certain types of regulation. This guidance recognizes that the actions of a regulator can provide reasonable assurance of the existence of an asset or liability. Regulatory assets and liabilities arise as a result of a difference between U.S. GAAP and the accounting principles imposed by the regulatory authorities. Regulatory assets generally represent incurred costs that have been deferred, as their future recovery in customer rates is probable. Regulatory liabilities generally represent obligations to make refunds to customers from previous collections for costs that are not likely to be incurred. In addition to regulatory assets and regulatory liabilities, rate regulation impacts other financial statement balances and activity, including, but not limited to, property, plant, and equipment, revenues, and expenses.

Tampa Electric Base Rates

Tampa Electric's results for 2020, 2019 and 2018 reflect an amended and restated settlement agreement, approved by the FPSC on November 6, 2017, that replaced the previous 2013 base rate settlement agreement and extended it another four years through 2021. The agreement provided for Tampa Electric's allowed regulatory ROE to be a mid-point of 10.25% with a range of plus or minus 1%. The agreement stated that Tampa Electric could not file for additional base rate increases to be effective sooner than December 31, 2021, unless its earned ROE were to fall below 9.25% before that time. If its earned ROE were to rise above 11.25%, any party to the agreement other than Tampa Electric could seek a review of its base rates. Under the agreement, the allowed equity in the capital structure is 54% from investor sources of capital. The amended agreement provides for SoBRAs for TEC's substantial investments in solar generation. Tampa Electric expects to invest approximately $850 million in these solar projects during the period from 2017 to 2021, of which approximately $820 million has been invested through December 31, 2020, and is accruing AFUDC during construction. The agreement includes a sharing provision that allows customers to benefit from 75% of any cost savings for projects below $1,500/kWac.

On December 12, 2017, TEC filed its first petition regarding the SoBRAs along with supporting tariffs demonstrating the cost-effectiveness of the September 1, 2018 tranche representing 145 MW and $24 million annually in estimated revenue requirements. The FPSC approved the tariffs on the first SoBRA filing on May 8, 2018 and TEC began receiving these revenues in September 2018. On June 29, 2018, TEC filed its second SoBRA petition along with supporting tariffs demonstrating the cost-effectiveness of the January 1, 2019 tranche representing 260 MW and $46 million annually in estimated revenue requirements. The FPSC approved the tariffs on the second SoBRA filing on October 29, 2018 and TEC began receiving these revenues in January 2019. On June 28, 2019, TEC filed its third SoBRA petition along with supporting tariffs demonstrating the cost-effectiveness of the January 1, 2020 tranche representing 149 MW and $26 million annually in estimated revenue requirements. The FPSC approved the tariffs on this SoBRA filing, including an adjustment to reflect the reduction in the state corporate income tax discussed below, on December 10, 2019 and TEC began receiving these revenues in January 2020. On July 31, 2020, TEC filed its fourth and final SoBRA petition along with supporting tariffs demonstrating the cost-effectiveness of the January 1, 2021 tranche representing 46 MW and $8 million annually in estimated revenues. The FPSC approved the tariffs on this SoBRA filing on November 3, 2020 and TEC began receiving these revenues in January 2021.

The true-up filing for SoBRA tranche 1 and 2 revenue requirement estimates that were included in base rates as of September 2018 and January 2019, respectively, was submitted on April 30, 2020, and the FPSC approved the amount on August 18, 2020. The $5 million true-up was returned to customers in 2020. The true-ups for SoBRA tranches 3 and 4 will be filed in 2021 and 2022, respectively.

The 2017 settlement agreement further contains a provision related to tax reform. See "Tampa Electric Storm Restoration Cost Recovery" below for information regarding the impact of tax reform. An asset optimization provision that allows Tampa Electric to share in the savings for optimization of its system once certain thresholds are achieved is also included. Additionally, Tampa

Electric agreed to a financial hedging moratorium for natural gas ending on December 31, 2022 and that it will make no investments in gas reserves.

On November 13, 2019, as required by the 2017 settlement agreement, TEC filed its petition to reduce base rates and charges to reflect the impact of the temporary reduction of the state corporate income tax from 5.5% to 4.5%. The tax rate reduction was issued on September 12, 2019 and is effective retroactive from January 1, 2019 through December 31, 2021. The estimated base rate reduction due to customers of $5 million is subject to true-up, and the actual rate reduction may vary from year to year. The base rate reduction was approved on December 10, 2019 for rates effective January 2020.

On February 1, 2021, Tampa Electric notified the FPSC of its intent to seek a base rate increase, reflecting revenue requirements of approximately $280 million to $295 million, effective in January 2022. Tampa Electric's proposed 2022 rates include recovery for the costs of the first phase of the Big Bend modernization project, 225 MW of utility-scale solar projects, the AMI investment, and accelerated recovery of the remaining net book value of retiring assets. Tampa Electric also intends to seek approval for Generation Base Rate Adjustments of $130 million to recover the costs of the second phase of the Big Bend modernization project and additional utility-scale solar projects in subsequent years. These filing amounts are estimates until Tampa Electric completes its analysis and files the case. Tampa Electric expects to file its detailed case on or after April 2, 2021, and the FPSC is expected to decide the case by the end of the year.

Tampa Electric Big Bend Power Station

Tampa Electric expects to invest approximately $850 million during 2018 through 2023 to modernize the Big Bend Power Station, of which approximately $526 million has been invested through December 31, 2020. The Big Bend modernization project will repower Big Bend Unit 1 with natural gas combined-cycle technology and eliminate coal as this unit's fuel. As part of the Big Bend modernization project, on June 1, 2020, Tampa Electric retired the Unit 1 components that will not be used in the modernized plant. At June 1, 2020 and December 31, 2020, Tampa Electric's balance sheet included $223 million and $200 million, respectively, in electric utility plant and $90 million and $88 million, respectively, in accumulated depreciation related to Unit 1 components. In accordance with Tampa Electric's 2017 settlement agreement approved by the FPSC, Tampa Electric will continue to account for its existing investment in Unit 1 in electric utility plant and depreciate the assets using the current depreciation rates until the FPSC approves Tampa Electric's next depreciation and dismantlement study. In addition, Tampa Electric plans to retire Big Bend Unit 2 in 2021 as part of the Big Bend modernization project. In accordance with Tampa Electric's 2017 settlement agreement, Tampa Electric was not required to request an asset recovery schedule for retired assets until the next depreciation study. On December 30, 2020, Tampa Electric filed a depreciation and dismantlement study and request for capital recovery schedule with the FPSC.

Tampa Electric plans to retire Big Bend Unit 3 in 2023 as it is in the best interest of customers from economic, environmental risk and operational perspectives. Similar to the retirement plan for Unit 1 and Unit 2, Tampa Electric will continue to account for its existing investment in Unit 3 in electric utility plant and depreciate the assets using the current depreciation rates until the FPSC approves a new Tampa Electric depreciation and dismantlement study.

Tampa Electric Storm Protection Cost Recovery Clause and Settlement Agreement

On October 3, 2019, the FPSC issued a rule to implement a Storm Protection Plan (SPP) Cost Recovery Clause. This new clause provides a process for Florida investor-owned utilities, including Tampa Electric, to recover transmission and distribution storm hardening costs for incremental activities not already included in base rates. Tampa Electric submitted its storm protection plan with the FPSC on April 10, 2020. On April 27, 2020, Tampa Electric submitted a settlement agreement with the FPSC which specified a $15 million base rate reduction for SPP program costs previously recovered in base rates beginning January 1, 2021. On June 9, 2020, the FPSC approved this settlement agreement. On August 3, 2020, Tampa Electric submitted another settlement agreement to the FPSC for approval, including cost recovery of approximately $39 million in proposed storm protection project costs for 2020 and 2021. This cost recovery includes the $15 million of costs removed from base rates. This settlement agreement was approved on August 10, 2020 and Tampa Electric's cost recovery began in January 2021. The current approved plan will apply for the years 2020, 2021 and 2022, and Tampa Electric will file a new plan in 2022 to determine cost recovery in 2023, 2024, and 2025.

The June 9, 2020 settlement agreement approved by the FPSC disclosed above also included approval of Tampa Electric's petition to eliminate its $16 million accumulated amortization reserve surplus for intangible software assets through a credit to depreciation and amortization expense in 2020.

Tampa Electric Storm Restoration Cost Recovery

As a result of Tampa Electric's 2013 rate case settlement, in the event of a named storm that results in damage to its system, Tampa Electric can petition the FPSC to seek recovery of those costs over a 12-month period or longer as determined by the FPSC, as well as replenish its reserve to $56 million, the level of the reserve as of October 31, 2013. In the third quarter of 2017, Tampa Electric was impacted by Hurricane Irma and incurred storm restoration costs of approximately $102 million, of which $90 million was charged to the storm reserve, $3 million was charged to O&M expense and $9 million was charged to capital expenditures. Tampa Electric petitioned the FPSC on December 28, 2017 for recovery of estimated Hurricane Irma storm costs plus approximately $10 million in restoration costs from prior named storms and to replenish the balance in the reserve to the $56 million level that existed as of October 31, 2013.

On March 1, 2018, the FPSC approved a settlement agreement filed by Tampa Electric that addressed both the recovery of storm costs and the return of tax reform benefits to customers while keeping customer rates stable in 2018. Beginning on April 1, 2018, the agreement authorized Tampa Electric to net the estimated amount of storm cost recovery against Tampa Electric's estimated 2018 tax reform benefits of $103 million. As a result, during 2018, Tampa Electric recorded O&M expense and a reduction of the storm reserve regulatory asset of $47 million and O&M expense and an increase in the storm reserve regulatory liability of $56 million to reflect effective recovery of the storm costs due to the allowed netting of storm cost recovery with tax reform benefits. On August 20, 2018, the FPSC approved lowering base rates by $103 million annually beginning on January 1, 2019 as a result of lower tax expense.

On April 9, 2019, Tampa Electric reached a settlement agreement with consumer parties regarding eligible storm costs, which was approved by the FPSC on May 21, 2019. As a result, Tampa Electric refunded $12 million to customers in January 2020, resulting in minimal impact to the Consolidated Statements of Income.

In 2019, Tampa Electric incurred storm restoration preparation costs for Hurricane Dorian of approximately $8 million, which was charged to the storm reserve regulatory liability.

PGS Base Rates

PGS's base rates for 2020, 2019 and 2018 were originally established in May 2009. The allowed equity in its capital structure was 54.7% from all investor sources of capital.

On February 7, 2017, the FPSC approved a settlement agreement filed by PGS and the OPC agreeing to new depreciation rates, accelerate the amortization of the regulatory asset associated with environmental remediation costs as described below, include obsolete plastic pipe replacements through the existing cast iron and bare steel replacement rider, and establish an ROE range of 9.25% to 11.75%. The settlement agreement provided that the bottom of the range will remain until the earlier of new base rates established in PGS's next general base rate proceeding or December 31, 2020 and the ROE of 10.75% will continue to be used for the calculation of return on investment for clauses and riders.

As part of the 2017 settlement, PGS and the OPC agreed that at least $32 million of PGS's regulatory asset associated with the environmental liability for current and future remediation costs related to former MGP sites, to the extent expenses are reasonably and prudently incurred, will be amortized over the period 2016 through 2020. At least $21 million of that amount will be amortized over a two-year recovery period beginning in 2016. In 2017 and 2016, PGS recorded $5 million and $16 million, respectively, of this amortization expense.

In 2018, the FPSC approved a settlement agreement authorizing PGS to accelerate in 2018 the remaining amortization of PGS's regulatory asset associated with the MGP environmental liability up to the $32 million to net it against the estimated 2018 tax reform benefits. Therefore, PGS recorded amortization expense and a regulatory asset reduction of $11 million in 2018. In January 2019, PGS reduced its base rates by $12 million for the impact of tax reform and reduced depreciation rates by $10 million in accordance with the settlement agreement.

PGS was permitted to initiate a general base rate proceeding during 2020 regardless of its earned ROE at the time, provided the new rates do not become effective before January 1, 2021. On June 8, 2020, PGS filed a petition for an increase in rates and service charges effective January 2021. On November 19, 2020, the FPSC approved a settlement agreement filed by PGS. The settlement agreement allows for an increase in base rates by $58 million annually effective January 2021, which is a $34 million increase in revenue and $24 million increase of revenues previously recovered through the cast iron and bare steel replacement rider. This settlement agreement includes an allowed regulatory ROE range of 8.90% to 11.00% with a 9.90% midpoint. It provides PGS the ability to reverse a total of $34 million of accumulated depreciation through 2023 and sets new depreciation rates going into effect January 1, 2021 that are consistent with PGS's current overall average depreciation rate. Under the agreement, base rates are frozen from January 1, 2021 to December 31, 2023, unless its earned ROE were to fall below 8.90% before that time with an allowed equity in the capital structure of 54.7% from investor sources of capital. The settlement agreement further addresses tax rate changes. The agreement contains a provision whereby PGS agrees to quantify the future impact of a decrease in tax rates on net operating income through a reduction in base revenues within 120 days of when such tax change becomes law. If on the contrary, tax legislation results in a tax rate increase, PGS can establish a regulatory asset to neutralize the impact of the increase in income tax rate to be addressed in a future proceeding and with recovery beginning no sooner than January 2024.

Regulatory Assets and Liabilities

Details of the regulatory assets and liabilities are presented in the following table:

Regulatory Assets and Liabilities

(millions)	December 31, 2020	December 31, 2019
Regulatory assets:		
Regulatory tax asset [1]	$ 90	$ 74
Cost-recovery clauses [2]	38	12
Environmental remediation [3]	22	20
Postretirement benefits [4]	309	295
Asset retirement obligation [5]	13	25
Other	13	11
Total regulatory assets	485	437
Less: Current portion	79	41
Long-term regulatory assets	$ 406	$ 396
Regulatory liabilities:		
Regulatory tax liability [6]	$ 691	$ 699
Cost-recovery clauses [2]	23	37
Accumulated reserve—cost of removal [7]	498	506
Storm reserve [8]	48	48
Other	1	13
Total regulatory liabilities	1,261	1,303
Less: Current portion	67	93
Long-term regulatory liabilities	$ 1,194	$ 1,210

(1) The regulatory tax asset is primarily associated with the depreciation and recovery of AFUDC-equity. This asset does not earn a return but rather is included in the capital structure, which is used in the calculation of the weighted cost of capital used to determine revenue requirements. It will be recovered over the expected life of the related assets. The regulatory tax asset balance reflects the impact of the federal tax rate reduction.

(2) These assets and liabilities are related to FPSC clauses and riders. They are recovered or refunded through cost-recovery mechanisms approved by the FPSC on a dollar-for-dollar basis in a subsequent period.

(3) This asset is related to costs associated with environmental remediation primarily at MGP sites. The balance is included in rate base, partially offsetting the related liability, and earns a rate of return as permitted by the FPSC. The timing of recovery is based on a settlement agreement approved by the FPSC.

(4) This asset is related to the deferred costs of postretirement benefits and it is amortized over the remaining service life of plan participants. Deferred costs of postretirement benefits that are included in expense are recognized as cost of service for rate-making purposes as permitted by the FPSC.

(5) This asset is related to costs associated with an asset retirement obligation, which is a legal obligation for the future retirement of certain tangible, long-lived assets. This regulatory asset does not earn a return because it is offset with related assets and liabilities within rate base. It is recovered and removed as the obligation is settled and removed as the activities for the retirement of the related assets have been completed.

(6) The regulatory tax liability is primarily related to the revaluation of TEC's deferred income tax balances recorded on December 31, 2017 at the lower income tax rate due to U.S. tax reform. The liability related to the revaluation of the deferred income tax balances is amortized and returned to customers through rate reductions or other revenue offsets based on IRS regulations and the settlement agreement for tax reform benefits approved by the FPSC.

(7) This item represents the non-ARO cost of removal in the accumulated reserve for depreciation. AROs are costs for legally required removal of property, plant and equipment. Non-ARO cost of removal represents estimated funds received from customers through depreciation rates to cover future non-legally required cost of removal of property, plant and equipment, net of salvage value upon retirement, which reduces rate base for ratemaking purposes. This liability is reduced as costs of removal are incurred.

(8) See "Tampa Electric Storm Restoration Cost Recovery" discussion above for information regarding this reserve.

4. Income Taxes

CARES Act

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the Act) was signed into law. The Act includes several business provisions including deferral in employer payroll taxes and an employee retention payroll tax credit. On December 27, 2020, the Consolidated Appropriations Act, 2021 (the 2021 Act) was signed into law. The 2021 Act provides for modifications and expansion of the employee retention payroll tax credit enacted under the CARES Act. The 2021 Act also extends the solar ITC for two years. These Acts did not have a material impact to TEC's financial statements.

FERC Consideration of the TCJA and State Tax Rate Change

On November 15th, FERC issued a policy statement, Docket No. PL19-2-000, requiring companies to disclose the following items related to the accounting and rate treatment of excess and deficient Accumulated Deferred Income Taxes (ADIT) that resulted from the U.S. Federal Income Tax rate change from 35% to 21%, as enacted by the TCJA on December 22, 2017 and made effective January 1, 2018.

On September 12, 2019, the state of Florida issued a corporate tax rate reduction from 5.5% to 4.46% effective January 1, 2019 through December 31, 2021.

Peoples Gas System remeasured all federal and state ADIT balances in accounts 190, 282 and 283 at December 31, 2017 and September 30, 2019, respectively and recorded the excess deferred taxes in account 282 and its corresponding gross-up to account 283. As the excess ADIT reverse through the amortization periods shown in the table below, the regulatory liability will reverse with an offset to the income statement account 411.1 - provision for deferred income taxes – credit. The liability related to the revaluation of the deferred income tax balances will be amortized and returned to customers through rate reductions or other revenue offsets based on IRS regulations and a settlement agreement for the tax reform benefits approved by the FPSC.

The accounts that increased and (decreased) due to the remeasurement of accumulated deferred income taxes as a result of the decrease in the federal and state income tax rates are reflected below.

(millions)

254		282		283	
$	93	$	(70)	$	(24)

The estimated amortization period based on FPSC, IRS regulations, and the account that the amortization will be reported is reflected below:

(millions) As of December 31,		**2020**		**2019**		Debit/(Credit) 411.1	**Amortization Period**
Protected	$	83	$	85	$	(2)	Estimated 41 years under ARAM
Unprotected - Federal		(14)		(16)		2	10 years per FPSC
Unprotected - State		1		1		-	2 years per FPSC beginning in 2021
	$	70	$	70	$	0	

In the table above, ARAM refers to the Average Rate Assumption Method.

Prior year beginning balance did not include the Unprotected State Amortization balance.

Income Tax Expense

TEC is included in a consolidated U.S. federal income tax return with EUSHI and its subsidiaries. TEC's income tax expense is based upon a separate return method, modified for the benefits-for-loss allocation in accordance with respective tax sharing agreements of TECO Energy and EUSHI. To the extent that TEC's cash tax positions are settled differently than the amount reported as realized under the tax sharing agreement, the difference is accounted for as either a capital contribution or a distribution.

In 2020, 2019 and 2018, TEC recorded net tax provisions of $82 million, $77 million and $81 million, respectively.

Income tax expense consists of the following components:

Income Tax Expense (Benefit)

(millions) *For the year ended December 31,*	*2020*	*2019*	*2018*
Current income taxes			
Federal	$ 35	$ 56	$ 72
State	(7)	6	10
Deferred income taxes			
Federal	32	7	(13)
State	29	13	13
Investment tax credits amortization	(7)	(5)	(1)
Total income tax expense	$ 82	$ 77	$ 81

For the three years presented, the overall effective tax rate differs from the U.S. federal statutory rate as presented below:

Effective Income Tax Rate

(millions) *For the year ended December 31,*	*2020*	*2019*	*2018*
Income before provision for income taxes	$ 506	$ 447	$ 422
Federal statutory income tax rates	21%	21%	21%
Income taxes, at statutory income tax rate	106	94	89
Increase (decrease) due to			
State income tax, net of federal income tax	17	15	19
Excess deferred tax amortization	(26)	(25)	(24)
ITC amortization	(7)	(5)	(1)
AFUDC-equity	(6)	(2)	(2)
Tax credits	(8)	(1)	(2)
Other	6	1	2
Total income tax expense on consolidated statements of income	$ 82	$ 77	$ 81
Income tax expense as a percent of income before income taxes	16.2%	17.2%	19.2%

Deferred Income Taxes

Deferred taxes result from temporary differences in the recognition of certain liabilities or assets for tax and financial reporting purposes. The principal components of TEC's deferred tax assets and liabilities recognized in the balance sheet are as follows:

(millions) *As of December 31,*	*2020*	*2019*
Deferred tax liabilities (1)		
Property related	$ 1,121	$ 1,036
Pension and postretirement benefits	116	111
Total deferred tax liabilities	1,237	1,147
Deferred tax assets (1)		
Loss and credit carryforwards (2)	301	243
Medical benefits	27	27
Insurance reserves	16	16
Pension and postretirement benefits	66	63
Capitalized energy conservation assistance costs	18	17
Other	26	23
Total deferred tax assets	454	389
Total deferred tax liability, net	$ 783	$ 758

(1) Certain property related assets and liabilities have been netted.

(2) Deferred tax assets for net operating loss and tax credit carryforwards have been reduced by unrecognized tax benefits of $9 million.

At December 31, 2020, TEC had cumulative unused federal and Florida NOLs for income tax purposes of $340 million and $88 million, respectively, expiring between 2032 and 2037. TEC has unused general business credits of $242 million expiring between 2027 and 2040, of which $222 million relate to ITCs expiring between 2034 and 2040. As a result of the Merger with Emera, TECs NOLs and credits will be utilized by EUSHI, in accordance with the benefits-for-loss allocation which provide that tax attributes are utilized by the consolidated tax return group of EUSHI.

Unrecognized Tax Benefits

TEC accounts for uncertain tax positions as required by U.S. GAAP. This guidance addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Authoritative guidance related to accounting for uncertainty in income taxes requires an enterprise to recognize in its financial statements the best estimate of the impact of a tax position by determining if the weight of the available evidence indicates that it is more likely than not, based solely on the technical merits, that the position will be sustained upon examination, including resolution of any related appeals and litigation processes.

The following table provides details of the change in unrecognized tax benefits as follows:

(millions)	*2020*	*2019*	*2018*
Balance at January 1,	$ 9	$ 8	$ 8
Decreases due to tax positions related to prior year	(2)	0	0
Increases due to tax positions related to prior year	1	1	0
Increases due to tax positions related to current year	1	0	0
Balance at December 31,	$ 9	$ 9	$ 8

As of December 31, 2020 and 2019, TEC's uncertain tax positions for federal R&D tax credits were $9 million, all of which was recorded as a reduction of deferred income tax assets for tax credit carryforwards. TEC's unrecognized federal tax benefits decreased in the fourth quarter of 2020 by approximately $2 million due to an adjustment related to its 2016 federal R&D credits issue with IRS Appeals. The recognition of these tax benefits decreased the effective tax rate resulting in an income tax benefit of approximately $2 million. TEC expects to be effectively settled with this issue early 2021. TEC had $9 million of unrecognized tax benefits at December 31, 2020 and 2019 that, if recognized, would reduce TEC's effective tax rate.

TEC recognizes interest accruals related to uncertain tax positions in "Other income" or "Interest expense", as applicable, and penalties in "Operation and maintenance expense" in the Consolidated Statements of Income. In 2020, 2019 and 2018, TEC did not recognize any pre-tax charges (benefits) for interest. Additionally, TEC did not have any accrued interest or amounts recorded for penalties at December 31, 2020, 2019 and 2018.

The short tax year ending June 30, 2016 is currently under examination by the IRS under its Compliance Assurance Program (CAP). EUSHI's 2016 consolidated federal income tax return, which includes TEC's short tax year ending December 31, 2016, is also currently under examination by the IRS. The U.S. federal statute of limitations remains open for the year 2016 and forward. Florida's statute of limitations is three years from the filing of an income tax return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. Years still open to examination by Florida's tax authorities include 2005 and forward as a result of TECO Energy's consolidated Florida net operating loss still being utilized.

5. Employee Postretirement Benefits

Pension Benefits

TEC is a participant in the comprehensive retirement plans of TECO Energy, including a qualified, non-contributory defined benefit retirement plan that covers substantially all employees. Benefits are based on the employees' age, years of service and final average earnings. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to TEC are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Energy retirement plans.

Amounts disclosed for pension benefits in the following tables and discussion also include the fully-funded obligations for the SERP and the unfunded obligations of the Restoration Plan. The SERP is a non-qualified, non-contributory defined benefit retirement plan available to certain members of senior management. The Restoration Plan is a non-qualified, non-contributory defined benefit retirement plan that allows certain members of senior management to receive contributions as if no IRS limits were in place.

Effective October 21, 2019, the defined benefit retirement plan was amended to freeze further crediting of service and earnings for certain participants covered by the International Brotherhood of Electrical Workers (the IBEW) collective bargaining agreement. As of December 31, 2019, 24% of TEC's employees were represented by the IBEW. As a result, a curtailment and a remeasurement of the plan occurred in the fourth quarter of 2019. See curtailment-related line items in tables below.

As the result of a reorganization of shared services functions, certain employees and their associated pension benefits were transferred from TSI to TEC effective December 2019. Deferred costs related to pension benefits that were recognized by TSI in AOCI are now recognized in TEC as regulatory assets. The balances at December 31, 2020 and 2019 are reflective of this transfer.

Other Postretirement Benefits

TECO Energy and its subsidiaries currently provide certain postretirement health care and life insurance benefits (other benefits) for most employees retiring after age 50 meeting certain service requirements. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to TEC are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Energy postretirement health care and life insurance plans. Postretirement benefit levels are substantially unrelated to salary. TECO Energy reserves the right to terminate or modify the plans in whole or in part at any time.

As the result of a reorganization of shared services functions, certain employees and their associated other postretirement benefits were transferred from TSI to TEC effective December 2019. Deferred costs related to other postretirement benefits that were recognized by TSI in AOCI are now recognized in TEC as regulatory assets. The balances at December 31, 2020 and 2019 are reflective of this transfer.

Obligations and Funded Status

TEC recognizes in its statement of financial position the over-funded or under-funded status of its allocated portion of TECO Energy's postretirement benefit plans. This status is measured as the difference between the fair value of plan assets and the PBO in the case of its defined benefit plan, or the APBO in the case of its other postretirement benefit plan. Changes in the funded status are reflected, net of estimated tax benefits, in benefit liabilities and regulatory assets. The results of operations are not impacted.

The following table provides a detail of the change in TECO Energy's benefit obligations and change in plan assets for combined pension plans (pension benefits) and TECO Energy's Florida-based other postretirement benefit plan (other benefits).

TECO Energy Obligations and Funded Status *(millions)*	Pension Benefits		Other Benefits [(2)]	
	2020	*2019*	*2020*	*2019*
Change in benefit obligation				
Benefit obligation at beginning of year	$ 843	$ 750	$ 180	$ 173
Service cost	20	20	2	1
Interest cost	26	31	6	7
Plan participants' contributions	0	0	4	4
Plan curtailment	0	(10)	0	0
Plan settlement	0	(5)	0	0
Benefits paid	(54)	(49)	(17)	(14)
Actuarial loss	84	106	37	9
Benefit obligation at end of year	$ 919	$ 843	$ 212	$ 180
Change in plan assets				
Fair value of plan assets at beginning of year	$ 796	$ 659	$ 0	$ 0
Actual return on plan assets	142	165	0	0
Employer contributions	19	20	0	0
Employer direct benefit payments	1	6	13	10
Plan participants' contributions	0	0	4	4
Plan settlement	0	(5)	0	0
Benefits paid	(54)	(48)	0	0
Direct benefit payments	(1)	(1)	(17)	(14)
Fair value of plan assets at end of year [(1)]	$ 903	$ 796	$ 0	$ 0

(1) The MRV of plan assets is used as the basis for calculating the EROA component of periodic pension expense. MRV reflects the fair value of plan assets adjusted for experience gains and losses (i.e. the differences between actual investment returns and expected returns) spread over five years.

(2) Represent amounts for TECO Energy's Florida-based other postretirement benefit plan.

Gains in the benefit obligation for the year ended December 31, 2020 relate to decreases in the discount rate used to calculate the benefit obligation, the incorporation of new census data as of January 1, 2020 and the updating of the withdrawal, retirement rate and form of payment assumptions as the result of an experience study performed during the year. In addition, participation and persistency assumptions were updated for the other postretirement benefit plan.

At December 31, the aggregate financial position for TECO Energy pension plans and Florida-based other postretirement plans with projected benefit obligations and accumulated projected benefit obligations in excess of plan assets was as follows:

TECO Energy **Funded Status**	**Pension Benefits**		**Other Benefits** [(1)]	
(millions)	*2020*	*2019*	*2020*	*2019*
Benefit obligation (PBO/APBO)	$ 919	$ 843	$ 212	$ 180
Less: Fair value of plan assets	903	796	0	0
Funded status at end of year	$ (16)	$ (47)	$ (212)	$ (180)

(1) Represent amounts for TECO Energy's Florida-based other postretirement benefit plan.

The accumulated benefit obligation for TECO Energy consolidated defined benefit pension plans was $876 million at December 31, 2020 and $801 million at December 31, 2019.

The amounts recognized in TEC's Consolidated Balance Sheets for pension and other postretirement benefit obligations and plan assets at December 31 were as follows:

TEC **Amounts recognized in balance sheet**	**Pension Benefits**		**Other Benefits**	
(millions)	*2020*	*2019*	*2020*	*2019*
Accrued benefit costs and other current liabilities	$ (1)	$ (1)	$ (12)	$ (11)
Deferred credits and other liabilities	(15)	(42)	(186)	(156)
	$ (16)	$ (43)	$ (198)	$ (167)

Unrecognized gains and losses and prior service credits and costs are recorded in regulatory assets for TEC. The following table provides a detail of the unrecognized gains and losses and prior service credits and costs.

TEC **Amounts recognized in regulatory assets**	**Pension Benefits**		**Other Benefits**	
(millions)	*2020*	*2019*	*2020*	*2019*
Net actuarial loss (gain)	$ 221	$ 244	$ 88	$ 51
Amount recognized	$ 221	$ 244	$ 88	$ 51

Assumptions used to determine benefit obligations at December 31:

	Pension Benefits		**Other Benefits**	
	2020	*2019*	*2020*	*2019*
Discount rate	2.37%	3.21%	2.47%	3.32%
Rate of compensation increase	3.07%	3.79%	3.07%	3.79%
Healthcare cost trend rate				
Immediate rate	n/a	n/a	5.74%	6.03%
Ultimate rate	n/a	n/a	4.50%	4.50%
Year rate reaches ultimate	n/a	n/a	2038	2038

The discount rate assumption used to determine the December 31, 2020 and 2019 benefit obligation was based on a cash flow matching technique that matches yields from high-quality (AA-rated, non-callable) corporate bonds to TECO Energy's projected cash flows for the plans to develop a present value that is converted to a discount rate assumption.

Amounts recognized in Net Periodic Benefit Cost, OCI and Regulatory Assets

TECO Energy	**Pension Benefits**			**Other Benefits** [1]		
	2020	*2019*	*2018*	*2020*	*2019*	*2018*
(millions)						
Service cost	$ 20	$ 20	$ 21	$ 2	$ 1	$ 2
Interest cost	26	31	29	6	7	7
Expected return on plan assets	(50)	(51)	(49)	0	0	0
Amortization of:						
Actuarial loss	20	16	19	1	1	1
Prior service (benefit) cost	0	0	0	(3)	(2)	(2)
Settlement loss	0	1 (3)	2 (2)	0	0	0
Net periodic benefit cost	$ 16	$ 17	$ 22	$ 6	$ 7	$ 8
Net loss (gain) arising during the year (includes curtailment gain)	$ (8)	$ (17)	$ 62	$ 38	$ 9	$ (14)
Amounts recognized as component of net periodic benefit cost:						
Amortization or curtailment recognition of prior service (benefit) cost	0	0	0	2	2	2
Amortization or settlement of actuarial loss	(20)	(17)	(20)	(1)	(1)	(1)
Total recognized in OCI and regulatory assets	$ (28)	$ (34)	$ 42	$ 39	$ 10	$ (13)
Total recognized in net periodic benefit cost, OCI and regulatory assets	$ (12)	$ (17)	$ 64	$ 45	$ 17	$ (5)

(1) Represents amounts for TECO Energy's Florida-based other postretirement benefit plan

(2) Represents TECO Energy's SERP settlement charge as a result of retirements that occurred subsequent to the Merger with Emera. The charge did not impact TEC's financial statements.

(3) Represents TECO Energy's SERP and Restoration settlement charges as a result of the retirement of certain executives. These charges did impact TEC's financial statements.

TEC's portion of the net periodic benefit costs for pension benefits was $12 million, $12 million and $16 million for 2020, 2019 and 2018, respectively. TEC's portion of the net periodic benefit costs for other benefits was $7 million, $7 million and $8 million for 2020, 2019 and 2018, respectively. TEC's portion of net periodic benefit costs for pension and other benefits is included as an expense on the Consolidated Statements of Income in "Operations & maintenance".

TEC recognized a settlement charge of $1 million in 2018 relating to the retirement of an executive in the SERP plan. TEC recognized a settlement charge of approximately $1 million in 2019 related to the retirement of a SERP participant. TEC recognized settlement charges of approximately $1 million in 2019 related to the retirement of Restoration plan participants.

Assumptions used to determine net periodic benefit cost for years ended December 31:

	Pension Benefits			Other Benefits		
	2020	*2019*	*2018*	*2020*	*2019*	*2018*
Discount rate	3.21%	4.33%	3.62%	3.32%	4.38%	3.70%
Expected long-term return on plan assets	7.00%	7.35%/7.00% (1)	6.85%	n/a	n/a	n/a
Rate of compensation increase	3.79%	3.75%	3.32%	3.79%	3.75%	3.31%
Healthcare cost trend rate						
Initial rate	n/a	n/a	n/a	6.03%	6.31%	6.58%
Ultimate rate	n/a	n/a	n/a	4.50%	4.50%	4.50%
Year rate reaches ultimate	n/a	n/a	n/a	2038	2038	2038

(1) The expected return on assets was 7.35% as of January 1, 2019 and 7.00% as of October 31, 2019 when a plan remeasurement occurred as a result of a plan curtailment.

The discount rate assumption used to determine the benefit cost for 2020, 2019 and 2018 was based on the same technique that was used to determine the December 31, 2020 and 2019 benefit obligation as discussed above.

The expected return on assets assumption was based on historical returns, fixed income spreads and equity premiums consistent with the portfolio and asset allocation. A change in asset allocations could have a significant impact on the expected return on assets. Additionally, expectations of long-term inflation, real growth in the economy and a provision for active management and expenses paid were incorporated in the assumption. For the year ended December 31, 2020, TECO Energy's pension plan's actual earned returns were approximately 19%.

The compensation increase assumption was based on the same underlying expectation of long-term inflation together with assumptions regarding real growth in wages and company-specific merit and promotion increases.

Pension Plan Assets

Pension plan assets (plan assets) are invested in a mix of equity and fixed income securities. TECO Energy's investment objective is to obtain above-average returns while minimizing volatility of expected returns and funding requirements over the long term. TECO Energy's strategy is to hire proven managers and allocate assets to reflect a mix of investment styles, emphasize preservation of principal to minimize the impact of declining markets, and stay fully invested except for cash to meet benefit payment obligations and plan expenses.

TECO Energy			**Actual Allocation, End of Year**	
Asset Category	**2020 Target Allocation**	**2019 Target Allocation**	*2020*	*2019*
Equity securities	50%-70%	57%-63%	60%	58%
Fixed income securities	30%-50%	37%-43%	40%	42%
Total	100%	100%	100%	100%

TECO Energy reviews the plan's asset allocation periodically and re-balances the investment mix to maximize asset returns, optimize the matching of investment yields with the plan's expected benefit obligations, and minimize pension cost and funding. TECO Energy expects to take additional steps to more closely match plan assets with plan liabilities over the long term.

The plan's investments are held by a trust fund administered by The Bank of New York Mellon. Investments are valued using quoted market prices on an exchange when available. Such investments are classified Level 1. In some cases where a market exchange price is available but the investments are traded in a secondary market, acceptable practical expedients are used to calculate fair value.

If observable transactions and other market data are not available, fair value is based upon third-party developed models that use, when available, current market-based or independently-sourced market parameters such as interest rates, currency rates or option volatilities. Items valued using third-party generated models are classified according to the lowest level input or value driver that is most significant to the valuation. Thus, an item may be classified in Level 3 even though there may be significant inputs that are readily observable.

As required by the fair value accounting standards, the investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The plan's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. For cash equivalents, the cost approach was used in determining fair value. For bonds and U.S. government agencies, the income approach was used. For other investments, the market approach was used. The following table sets forth by level within the fair value hierarchy the plan's investments.

Pension Plan Investments

TECO Energy *(millions)*	At Fair Value as of December 31, 2020				
	Level 1	**Level 2**	**Level 3**	**Using NAV (1)**	**Total**
Cash	$ 9	$ 0	$ 0	$ 0	$ 9
Accounts receivable	10	0	0	0	10
Accounts payable	(88)	0	0	0	(88)
Short-term investment funds (STIFs)	35	0	0	0	35
Common stocks	66	0	0	0	66
Real estate investment trusts (REITs)	8	0	0	0	8
Mutual funds	69	0	0	0	69
Municipal bonds	0	1	0	0	1
Government bonds	0	90	0	0	90
Corporate bonds	0	79	0	0	79
Mortgage backed securities (MBS)	0	1	0	0	1
Collateralized mortgage obligations (CMOs)	0	1	0	0	1
Short Sales	0	(4)	0	0	(4)
Long Futures	(2)	0	0	0	(2)
Swaps	0	1	0	0	1
Investments not utilizing the practical expedient	107	169	0	0	276
Common and collective trusts (1)	0	0	0	553	553
Mutual fund (1)	0	0	0	74	74
Total investments	$ 107	$ 169	$ 0	$ 627	$ 903

(1) In accordance with accounting standards, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are to permit reconciliation of the fair value hierarchy to amounts presented in the Consolidated Balance Sheet of TECO Energy.

TECO Energy *(millions)*	**At Fair Value as of December 31, 2019**				
	Level 1	**Level 2**	**Level 3**	**Using NAV** [1]	**Total**
Cash	$ 7	$ 0	$ 0	$ 0	$ 7
Accounts receivable	27	0	0	0	27
Accounts payable	(64)	0	0	0	(64)
Cash collateral	1	0	0	0	1
Short-term investment funds (STIFs)	22	0	0	0	22
Common stocks	50	0	0	0	50
Real estate investment trusts (REITs)	4	0	0	0	4
Mutual funds	153	0	0	0	153
Municipal bonds	0	1	0	0	1
Government bonds	0	51	0	0	51
Corporate bonds	0	70	0	0	70
Mortgage backed securities (MBS)	0	5	0	0	5
Collateralized mortgage obligations (CMOs)	0	2	0	0	2
Long Futures	(4)	0	0	0	(4)
Swaps	0	1	0	0	1
Investments not utilizing the practical expedient	196	130	0	0	326
Common and collective trusts [1]	0	0	0	412	412
Mutual fund [1]	0	0	0	58	58
Total investments	$ 196	$ 130	$ 0	$ 470	$ 796

(1) In accordance with accounting standards, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are to permit reconciliation of the fair value hierarchy to amounts presented in the Consolidated Balance Sheet of TECO Energy.

The following list details the pricing inputs and methodologies used to value the investments in the pension plan:

- Cash collateral is valued at cash posted due to its short-term nature.
- The STIF is valued at net asset value (NAV). The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make the STIF a level 1 asset.
- The primary pricing inputs in determining the fair value of the Common stocks and REITs are closing quoted prices in active markets.
- The primary pricing inputs in determining the level 1 mutual funds are the mutual funds' NAVs. The funds are registered open-end mutual funds and the NAVs are validated with purchases and sales at NAV. Since the fair values are determined and published, they are considered readily-determinable fair values and therefore Level 1 assets.
- The primary pricing inputs in determining the fair value of Municipal bonds are benchmark yields, historical spreads, sector curves, rating updates, and prepayment schedules. The primary pricing inputs in determining the fair value of Government bonds are the U.S. treasury curve, CPI, and broker quotes, if available. The primary pricing inputs in determining the fair value of Corporate bonds are the U.S. treasury curve, base spreads, YTM, and benchmark quotes. CMOs are priced using to-be-announced (TBA) prices, treasury curves, swap curves, cash flow information, and bids and offers as inputs. MBS are priced using TBA prices, treasury curves, average lives, spreads, and cash flow information.
- Swaps are valued using benchmark yields, swap curves, and cash flow analyses.
- Options are valued using the bid-ask spread and the last price.
- The primary pricing input in determining the fair value of the mutual fund utilizing the practical expedient is its NAV. It is an unregistered open-end mutual fund. The fund holds primarily corporate bonds, debt securities and other similar instruments issued by U.S. and non-U.S. public- or private-sector entities. The fund may purchase or sell securities on a when-issued basis. These transactions are made conditionally because a security has not yet been issued in the market, although it is authorized. A commitment is made regarding these transactions to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. Since this mutual fund is an open-end mutual fund and the prices are not published to an external source, it uses NAV as a practical expedient. The redemption frequency is daily. The redemption notice period is the same day. There were no unfunded commitments as of December 31, 2020.
- The common collective trusts are private funds valued at NAV. The NAVs are calculated based on bid prices of the underlying securities. Since the prices are not published to external sources, NAV is used as a practical expedient. Certain

funds invest primarily in equity securities of domestic and foreign issuers while others invest in long duration U.S. investment-grade fixed income assets and seeks to increase return through active management of interest rate and credit risks. The redemption frequency of the funds ranges from daily to weekly and the redemption notice period ranges from 1 business day to 30 business days. There were no unfunded commitments as of December 31, 2020.

- Treasury bills are valued using benchmark yields, reported trades, broker dealer quotes, and benchmark securities.
- Futures are valued using futures data, cash rate data, swap rates, and cash flow analyses.

Additionally, the non-qualified SERP had $10 million and $10 million of assets as of December 31, 2020 and 2019, respectively. Since the plan is non-qualified, its assets are included in the "Deferred charges and other assets" line item in the Consolidated Balance Sheets rather than being netted with the related liability. The non-qualified trust holds investments in a money market fund. The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make it a level 1 asset. The SERP was fully funded as of December 31, 2020 and 2019.

Other Postretirement Benefit Plan Assets

There are no assets associated with TECO Energy's Florida-based other postretirement benefits plan.

Contributions

The qualified pension plan's actuarial value of assets, including credit balance, was 111.66% of the Pension Protection Act funded target as of January 1, 2020 and is estimated at 109.67% of the Pension Protection Act funded target as of January 1, 2021.

TECO Energy's policy is to fund the qualified pension plan at or above amounts determined by its actuaries to meet ERISA guidelines for minimum annual contributions and minimize PBGC premiums paid by the plan. TEC's contribution is first set equal to its service cost. If a contribution in excess of service cost for the year is made, TEC's portion is based on TEC's proportion of the TECO Energy unfunded liability. TECO Energy made contributions to this plan in 2020, 2019 and 2018, which met the minimum funding requirements for 2020, 2019 and 2018. TEC's portion of the contribution in 2020 was $16 million and in 2019 was $15 million. These amounts are reflected in the "Other" line on the Consolidated Statements of Cash Flows. TEC estimates its portion of the 2021 contribution to be $17 million. The amount TECO Energy expects to contribute is in excess of the minimum funding required under ERISA guidelines.

TEC's portion of the contributions to the SERP in 2020, 2019 and 2018 was zero. Since the SERP is fully funded, TECO Energy does not expect to make significant contributions to this plan in 2021. TEC made SERP payments of approximately $1 million and $5 million from the trust in 2020 and 2019, respectively, and expects to make a SERP payment of approximately $1 million from the trust in 2021.

The other postretirement benefits are funded annually to meet benefit obligations. TECO Energy's contribution toward health care coverage for most employees who retired after the age of 55 between January 1, 1990 and June 30, 2001 is limited to a defined dollar benefit based on service. TECO Energy's contribution toward pre-65 and post-65 health care coverage for most employees retiring on or after July 1, 2001 is limited to a defined dollar benefit based on an age and service schedule. In 2021, TEC expects to make a contribution of about $12 million. Postretirement benefit levels are substantially unrelated to salary.

Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Expected Benefit Payments
TECO Energy
(including projected service and net of employee contributions)

(millions)	Pension Benefits	Other Postretirement Benefits
2021	$ 58	$ 13
2022	66	13
2023	62	13
2024	64	13
2025	66	13
2026-2030	331	61

Defined Contribution Plan

TECO Energy has a defined contribution savings plan covering substantially all employees of TECO Energy and its subsidiaries that enables participants to save a portion of their compensation up to the limits allowed by IRS guidelines. TECO Energy and its subsidiaries match 75% of the first 6% of the participant's payroll savings deductions. Effective January 1, 2017, the employer matching contributions increased from 70% to 75% with an additional incentive match of up to 25% of eligible participant contributions based on the achievement of certain operating company financial goals. For the years ended December 31, 2020, 2019 and 2018, TEC's portion of expense totaled $21 million, $11 million and $11 million, respectively, related to the matching contributions made to this plan. TEC's portion of the expense related to the matching contribution is included on the Consolidated Statements of Income in "Operations & maintenance".

Effective October 21, 2019, TECO Energy amended the defined contribution plan such that certain participants covered by the IBEW collective bargaining agreement shall not be eligible to participate in the plan for purposes of receiving the fixed matching contribution. This has been replaced with a non-elective employer contribution on a bi-weekly basis equal to a percentage of the member's compensation for that period based on years of tenure of employment. For the years ended December 31, 2020 and 2019, TEC recognized expense totaling $9 million and $1 million, respectively, related to the contributions made to this plan. TEC's portion of the expense related to this contribution is included on the Consolidated Statements of Income in "Operations & maintenance".

COVID-19

The COVID-19 pandemic could impact key actuarial assumptions used to account for employee postretirement benefits including the anticipated rates of return on plan assets and discount rates used in determining the accrued benefit obligation, benefit costs and annual pension funding requirements. The extent of the future impact of the COVID-19 pandemic on TEC's financial results and business operations cannot be predicted at this time and will depend on future developments, including the duration and severity of the pandemic, further potential government actions, future economic activity and energy usage. Actual results may differ significantly from these estimates.

6. Short-Term Debt

Credit Facilities

	December 31, 2020			*December 31, 2019*		
(millions)	Credit Facilities	Borrowings Outstanding (1)	Letters of Credit Outstanding	Credit Facilities	Borrowings Outstanding (1)	Letters of Credit Outstanding
5-year facility (2)	$ 800	$ 345	$ 1	$ 400	$ 295	$ 1
3-year accounts receivable facility (3)	150	130	0	150	53	0
1-year term facility (4)	300	300	0	0	0	0
Total	$ 1,250	$ 775	$ 1	$ 550	$ 348	$ 1

(1) Borrowings outstanding are reported as notes payable.
(2) This 5-year facility matures March 22, 2023.
(3) This 3-year facility matures March 22, 2021.
(4) This 1-year term facility matures on April 29, 2021.

At December 31, 2020, these credit facilities required commitment fees ranging from 12.5 to 35.0 basis points. The weighted-average interest rate on borrowings outstanding under the credit facilities at December 31, 2020 and 2019 was 0.89% and 2.56%, respectively.

Tampa Electric Company Non-Revolving Term Loan

On February 6, 2020, TEC entered into a 364-day, $300 million credit agreement with a group of banks. The credit agreement had a maturity date of February 4, 2021; contains customary representations and warranties, events of default, and financial and other covenants; and provides for interest to accrue at variable rates based on either the London interbank deposit rate, Wells Fargo Bank's prime rate, or the federal funds rate, plus a margin. On January 29, 2021, TEC extended the maturity date of the agreement to April 29, 2021.

Tampa Electric Company Accounts Receivable Facility

On March 23, 2018, TEC amended its $150 million accounts receivable collateralized borrowing facility in order to extend the scheduled termination date to March 22, 2021, by entering into a Second Amended Loan and Servicing Agreement, among TEC, certain lenders and the program agent (the Loan Agreement). Throughout the term of the facility, TEC will pay program and liquidity fees, which total 70 basis points at December 31, 2020. Interest rates on the borrowings are based on prevailing asset-backed commercial paper rates, unless such rates are not available from conduit lenders, in which case the rates will be at an interest rate equal to either The Bank of Tokyo-Mitsubishi UFJ, Ltd.'s prime rate, the federal funds rate, or the London interbank deposit rate, plus a margin. In the case of default, as defined under the terms of the Loan Agreement, TEC has pledged as collateral a pool of receivables equal to the borrowings outstanding. TEC continues to service, administer and collect the pledged receivables, which are classified as receivables on the balance sheet. On July 14, 2020 and October 30, 2020, TEC amended the agreement in order to change performance ratios. As of December 31, 2020, TEC was in compliance with the requirements of the Loan Agreement.

Tampa Electric Company 5-Year Credit Facility

On March 22, 2017, TEC amended its $325 million bank credit facility, entering into a Fifth Amended and Restated Credit Agreement. The amendment extended the maturity date of the credit facility from December 17, 2018 to March 22, 2022 (subject to further extension with the consent of each lender); provides for an interest rate based on either the London interbank deposit rate, Wells Fargo Bank's prime rate, or the federal funds rate, plus a margin. On December 19, 2019, TEC increased the amount by $75 million to $400 million with no other changes from the prior agreement.

On December 18, 2020, TEC amended and restated its bank credit facility, entering into a Sixth Amended and Restated Credit Agreement. The amendment extended the maturity date of the credit facility from March 22, 2022 to March 22, 2023 (subject to further extension with the consent of each lender); increased the amount of the commitment by the lenders to $800 million; and provided for an interest rate based on either the London interbank deposit rate, Wells Fargo Bank's prime rate, or the federal funds rate, plus a margin; allows TEC to borrow funds on a same-day basis under a swingline loan provision, which loans mature on the fourth banking day after which any such loans are made and bear interest at an interest rate as agreed by the borrower and the relevant swingline lender prior to the making of any such loans; continues to allow TEC to request the lenders to increase their commitments under the credit facility by up to $100 million in the aggregate; includes a $80 million letter of credit facility; and made other technical changes.

7. Long-Term Debt

A substantial part of Tampa Electric's tangible assets are pledged as collateral to secure its first mortgage bonds. There are currently no bonds outstanding under Tampa Electric's first mortgage bond indenture, and Tampa Electric could cause the lien associated with this indenture to be released at any time.

Tampa Electric Company 3.625% Notes due 2050

On July 24, 2019, TEC completed a sale of $300 million aggregate principal amount of 3.625% unsecured notes due June 15, 2050. Until December 15, 2049, TEC may redeem all or any part of the Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum of the present value of the remaining payments of principal and interest on the Notes to be redeemed, discounted at an applicable treasury rate (as defined in the indenture), plus 20 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after December 15, 2049, TEC may, at its option, redeem the Notes, in whole or in part, at 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to but excluding the date of redemption.

Tampa Electric Company 4.45% Notes due 2049

On October 4, 2018, TEC completed a sale of $375 million aggregate principal amount of 4.45% unsecured notes due June 15, 2049. Until December 15, 2048, TEC may redeem all or any part of the Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum of the present value of the remaining payments of principal and interest on the Notes to be redeemed, discounted at an applicable treasury rate (as defined in the indenture), plus 20 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after December 15, 2048, TEC may, at its option, redeem the Notes, in whole or in part, at 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption.

Tampa Electric Company 4.3% Notes due 2048

On June 7, 2018, TEC completed a sale of $350 million aggregate principal amount of 4.3% unsecured notes due June 15, 2048. Until December 15, 2047, TEC may redeem all or any part of the Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum of the present value of the remaining payments of principal and interest on the Notes to be redeemed, discounted at an applicable treasury rate (as defined in the indenture), plus 20 basis points;

in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after December 15, 2047, TEC may, at its option, redeem the Notes, in whole or in part, at 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption.

8. Commitments and Contingencies

Legal Contingencies

From time to time, TEC and its subsidiaries are involved in various legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies in the ordinary course of business. Where appropriate, accruals are made in accordance with accounting standards for contingencies to provide for matters that are probable of resulting in an estimable loss.

Superfund and Former Manufactured Gas Plant Sites

TEC, through its Tampa Electric and PGS divisions, is a PRP for certain superfund sites and, through its PGS division, for certain former MGP sites. While the joint and several liability associated with these sites presents the potential for significant response costs, as of December 31, 2020 and 2019, TEC has estimated its ultimate financial liability to be $17 million and $21 million, respectively, primarily at PGS. This amount has been accrued and is primarily reflected in the long-term liability section under "Deferred credits and other liabilities" on the Consolidated Balance Sheets. The environmental remediation costs associated with these sites are expected to be paid over many years.

The estimated amounts represent only the portion of the cleanup costs attributable to TEC. The estimates to perform the work are based on TEC's experience with similar work, adjusted for site-specific conditions and agreements with the respective governmental agencies. The estimates are made in current dollars, are not discounted and do not assume any insurance recoveries.

In instances where other PRPs are involved, most of those PRPs are creditworthy and are likely to continue to be creditworthy for the duration of the remediation work. However, in those instances that they are not, TEC could be liable for more than TEC's actual percentage of the remediation costs.

Factors that could impact these estimates include the ability of other PRPs to pay their pro-rata portion of the cleanup costs, additional testing and investigation which could expand the scope of the cleanup activities, additional liability that might arise from the cleanup activities themselves or changes in laws or regulations that could require additional remediation. Under current regulations, these costs are recoverable through customer rates established in subsequent base rate proceedings.

Long-Term Commitments

TEC has commitments for various purchases as disclosed below, including payment obligations for capital projects, such as Tampa Electric's solar projects (see **Note 3**) and the modernization of the Big Bend power station, and contractual agreements for fuel, fuel transportation and power purchases that are recovered from customers under regulatory clauses. The following is a schedule of future payments under minimum lease payments with non-cancelable lease terms in excess of one year and other net purchase obligations/commitments at December 31, 2020:

(millions)	*Purchased Power*	*Transportation*[1]	*Capital Projects*	*Fuel and Gas Supply*	*Long-term Service Agreements*	*Operating Leases*	*Demand Side Management*	*Total*
Year ended December 31:								
2021	$ 10	$ 232	$ 237	$ 238	$ 11	$ 3	$ 4	$ 735
2022	0	232	76	41	13	3	3	368
2023	0	213	60	1	16	3	0	293
2024	0	207	0	0	16	3	0	226
2025	0	189	0	0	17	2	0	208
Thereafter	0	1,998	0	0	54	48	0	2,100
Total future minimum payments	$ 10	$ 3,071	$ 373	$ 280	$ 127	$ 62	$ 7	$ 3,930

(1) As of December 31, 2020, $117 million is related to a gas transportation contract through 2040 between PGS and SeaCoast, a related party.

Financial Covenants

TEC must meet certain financial tests, including a debt to capital ratio, as defined in the applicable debt agreements. TEC has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2020 and 2019, TEC was in compliance with all required financial covenants.

9. Revenue

The following disaggregates TEC's revenue by major source:

(millions)	Tampa Electric	PGS	Eliminations	Tampa Electric Company
For the year ended December 31, 2020				
Electric revenue				
Residential	$ 1,018	$ 0	$ 0	$ 1,018
Commercial	506	0	0	506
Industrial	133	0	0	133
Regulatory deferrals and unbilled revenue	(25)	0	0	(25)
Other (1)	217	0	(4)	213
Total electric revenue	1,849	0	(4)	1,845
Gas revenue				
Residential	0	158	0	158
Commercial	0	135	0	135
Industrial (2)	0	23	0	23
Other (3)	0	117	(6)	111
Total gas revenue	0	433	(6)	427
Total revenue	$ 1,849	$ 433	$ (10)	$ 2,272
For the year ended December 31, 2019				
Electric revenue				
Residential	$ 1,046	$ 0	$ 0	$ 1,046
Commercial	562	0	0	562
Industrial	156	0	0	156
Regulatory deferrals and unbilled revenue	(49)	0	0	(49)
Other (1)	250	0	(4)	246
Total electric revenue	1,965	0	(4)	1,961
Gas revenue				
Residential	0	154	0	154
Commercial	0	146	0	146
Industrial (2)	0	21	0	21
Other (3)	0	140	(18)	122
Total gas revenue	0	461	(18)	443
Total revenue	$ 1,965	$ 461	$ (22)	$ 2,404
For the year ended December 31, 2018				
Electric revenue				
Residential	$ 1,067	$ 0	$ 0	$ 1,067
Commercial	582	0	0	582
Industrial	161	0	0	161
Regulatory deferrals and unbilled revenue	(2)	0	0	(2)
Other (1)	258	0	(3)	255
Total electric revenue	2,066	0	(3)	2,063
Gas revenue				
Residential	0	157	0	157
Commercial	0	151	0	151
Industrial (2)	0	21	0	21
Other (3)	0	159	(27)	132
Total gas revenue	0	488	(27)	461
Total revenue	$ 2,066	$ 488	$ (30)	$ 2,524

(1) Other includes sales to public authorities, off-system sales to other utilities and various other items.
(2) Industrial includes sales to power generation customers.
(3) Other includes off-system sales to other utilities and various other items.

Remaining Performance Obligations

Remaining performance obligations primarily represent lighting contracts and gas transportation contracts with fixed contract terms. As of December 31, 2020 and 2019, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately $135 million and $140 million, respectively. As allowed under ASC 606, this amount excludes contracts with an original expected length of one year or less and variable amounts for which TEC recognizes revenue at the amount to which it has the right to invoice for services performed. TEC expects to recognize revenue for the remaining performance obligations through 2033.

10. Related Party Transactions

A summary of activities between TEC and its affiliates follows:

Net transactions with affiliates:

(millions)		*2020*		*2019*		*2018*
Natural gas sales to/(from) affiliates	$	(139)	$	(111)	$	(38)
Services received from affiliates		6		65		65
Dividends to TECO Energy		408		373		362
Equity contributions from TECO Energy		505		395		345

In 2019 and 2018, services received from affiliates primarily included shared services provided to TEC from TSI, TECO Energy's centralized services company subsidiary. In December 2019, most TSI employees were transferred to Tampa Electric. The transfer of these employees to Tampa Electric did not materially impact shared service costs or the TEC Consolidated Statement of Income. In 2020, the shared service costs were not recorded through TSI but rather directly recorded in TEC's O&M expenses on the TEC Consolidated Statement of Income.

Amounts due from or to affiliates at December 31,

(millions)		*2020*		*2019*
Accounts receivable related to asset management agreements to Emera Energy Services Inc. (1)	$	4	$	4
Accounts receivable excluding asset management agreements (1)		7		10
Accounts payable (1)		27		16
Taxes payable (2)		19		4

(1) Accounts receivable and accounts payable were incurred in the ordinary course of business and do not bear interest.
(2) Taxes payable were due to EUSHI. See **Note 4** for additional information.

11. Segment Information

Segments are determined based on how management evaluates, measures and makes decisions with respect to the operations of the entity. Management reports segments based on each segment's contribution of revenues, net income and total assets as required by the accounting guidance for disclosures about segments of an enterprise and related information. All significant intercompany transactions are eliminated in the Consolidated Financial Statements of TEC but are included in determining reportable segments.

TEC is a public utility operating within the State of Florida and has two segments, Tampa Electric and PGS. Through its Tampa Electric division, it is engaged in the generation, purchase, transmission, distribution and sale of electric energy to approximately 792,500 customers in West Central Florida. Its PGS division is engaged in the purchase, distribution and marketing of natural gas for approximately 426,000 residential, commercial, industrial and electric power generation customers in the State of Florida.

(millions)	Tampa Electric	PGS	Eliminations	TEC
2020				
Revenues - external	$ 1,845	$ 427	$ 0	$ 2,272
Sales to affiliates	4	6	(10)	0
Total revenues	1,849	433	(10)	2,272
Depreciation and amortization	339	45	0	384
Total interest charges	113	17	0	130
Provision for income taxes	66	16	0	82
Net income	372	52	0	424
Total assets	9,800	1,901	(653) (1)	11,048
Capital expenditures	1,028	333	0	1,361
2019				
Revenues - external	$ 1,961	$ 443	$ 0	$ 2,404
Sales to affiliates	4	18	(22)	0
Total revenues	1,965	461	(22)	2,404
Depreciation and amortization	336	41	0	377
Total interest charges	117	17	0	134
Provision for income taxes	59	18	0	77
Net income	316	54	0	370
Total assets	9,007	1,593	(593) (1)	10,007
Capital expenditures	1,055	228	0	1,283
2018				
Revenues - external	$ 2,063	$ 461	$ 0	$ 2,524
Sales to affiliates	3	27	(30)	0
Total revenues	2,066	488	(30)	2,524
Depreciation and amortization	312	60	0	372
Total interest charges	102	16	0	118
Provision for income taxes	65	16	0	81
Net income	294	47	0	341
Total assets	8,235	1,407	(487) (1)	9,155
Capital expenditures	940	169	0	1,109

(1) Amounts relate to consolidated deferred tax reclassifications. Deferred tax assets are reclassified and netted with deferred tax liabilities upon consolidation.

12. Asset Retirement Obligations

TEC accounts for AROs at fair value at inception of the obligation if there is a legal obligation under applicable law, a written or oral contract, or by legal construction under the doctrine of promissory estoppel. Retirement obligations are recognized only if the legal obligation exists in connection with or as a result of the permanent retirement, abandonment or sale of a long-lived asset. When the liability is initially recorded in "Deferred credits and other liabilities" in the Consolidated Balance Sheets, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is accreted to its estimated future value. The corresponding amount capitalized at inception is depreciated over the remaining useful life of the asset. The ARO estimates are reviewed quarterly. Any updates are revalued based on current market prices.

Reconciliation of beginning and ending carrying amount of asset retirement obligations:

	December 31,	
(millions)	*2020*	*2019*
Beginning balance	$ 49	$ 64
Additional liabilities	8	0
Liabilities settled [1]	(19)	(18)
Other [2]	1	3
Ending balance	$ 39	$ 49

(1) Tampa Electric produces ash and other by-products, collectively known as CCRs, at its Big Bend and Polk power stations. The decreases in the ARO in 2020 and 2019 are due to the closure of CCR management facilities.

(2) Includes accretion recorded as a deferred regulatory asset.

13. Leases

TEC determines whether a contract contains a lease at inception by evaluating if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease ROU assets and operating lease liabilities are recognized on the Consolidated Balance Sheets based on the present value of the future minimum lease payments over the lease term at commencement date. As most of TEC's leases do not provide an implicit rate, the incremental borrowing rate at commencement of the lease is used in determining the present value of future lease payments. Lease expense is recognized on a straight-line basis over the lease term and is recorded as "Operations and maintenance expenses" on the Consolidated Statements of Income.

Where TEC is the lessor, a lease is a sales-type lease if certain criteria is met and the arrangement transfers control of the underlying asset to the lessee. For arrangements where the criteria are met due to the presence of a third-party residual value guarantee, the lease is a direct financing lease.

For direct finance leases, a net investment in the lease is recorded that consists of the sum of the minimum lease payments and residual value (net of estimated executory costs and unearned income). The difference between the gross investment and the cost of the leased item is recorded as unearned income at the inception of the lease. Unearned income is recognized in income over the life of the lease using a constant rate of interest equal to the internal rate of return on the lease.

TEC has certain contractual agreements that include lease and non-lease components, which management has elected to account for as a single lease component for all leases in which TEC is the lessee.

Lessee

TEC has operating leases for buildings, land, telecommunication services and rail cars. TEC's leases have remaining lease terms of 1 year to 65years, some of which include options to extend the leases for up to an additional 65 years. These options are included as part of the lease term when it is considered reasonably certain that they will be exercised.

(millions)	*Classification*	*December 31, 2020*	*December 31, 2019*
Right-of-use asset	Other deferred debits	$ 26	$ 28
Lease liabilities			
Current	Other current liabilities	$ 2	$ 2
Long-term	Deferred credits and other liabilities	25	27
Total lease liabilities		$ 27	$ 29

TEC has recorded operating lease expense for the year ended December 31, 2020 and 2019 of $4 million and $4 million, respectively.

Future minimum lease payments under non-cancellable operating leases for each of the next five years and in aggregate thereafter consisted of the following at December 31, 2020:

(millions) Year ended December 31:	2021	2022	2023	2024	2025	Thereafter	Total
Minimum lease payments	$ 3	$ 3	$ 3	$ 3	$ 2	$ 48	$ 62
Less imputed interest							(35)
Total future minimum payments							$ 27

Additional information related to TEC's leases is as follows:

Year ended December 31,	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases (millions)	$ 5	$ 3
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases (millions)	$ 0	$ 11
Weighted average remaining lease term (years)	43	43
Weighted average discount rate - operating leases	4.3%	4.3%

Lessor

TEC leases CNG stations to other companies, which are classified as direct finance leases. The net investment in direct finance leases consists of the following:

(millions)	December 31, 2020	December 31, 2019
Total minimum lease payments to be received	$ 31	$ 33
Less amounts representing estimated executory costs	(12)	(13)
Minimum lease payments receivable	$ 19	$ 20
Less unearned finance lease income	(10)	(11)
Net investment in direct finance and sales-type leases	$ 9	$ 9
Principal due within one year (included in "Receivables")	(2)	(2)
Net investment in direct finance and sales-type leases - long-term (included in "Other deferred debits")	$ 7	$ 7

The unearned income related to these direct finance leases is recognized in income over the life of the lease using a constant rate of interest equal to the internal rate of return on the lease and is recorded as "Gas revenues" on the Consolidated Statements of Income. Customers have the option to purchase the assets related to the CNG stations at any time after year five of the agreements, which is in 2021, by paying a make-whole payment at the date of the purchase based on a targeted internal rate of return. Alternatively, the customer may take possession of the CNG station asset at the end of the lease term for no cost.

As of December 31, 2020, future minimum direct finance lease payments to be received for each of the next five years and in aggregate thereafter consisted of the following:

(millions) Year ended December 31:	2021	2022	2023	2024	2025	Thereafter	Total
Minimum lease payments to be received	$ 2	$ 2	$ 2	$ 2	$ 2	$ 21	$ 31
Less executory costs							(12)
Total minimum lease payments receivable							$ 19

14. Accounting for Derivative Instruments and Hedging Activities

From time to time, TEC enters into futures, forwards, swaps and option contracts for the following purposes:

- To limit the exposure to price fluctuations for physical purchases and sales of natural gas in the course of normal operations, and
- To optimize the utilization of Tampa Electric's physical natural gas storage capacity and PGS's firm transportation capacity on interstate pipelines.

TEC uses derivatives only to reduce normal operating and market risks, not for speculative purposes. TEC's primary objective in using derivative instruments for regulated operations is to reduce the impact of market price volatility on customers and to optimize the utilization of its physical natural gas storage capacity and firm transportation capacity on interstate pipelines.

The risk management policies adopted by TEC provide a framework through which management monitors various risk exposures. Daily and periodic reporting of positions and other relevant metrics are performed by a centralized risk management group, which is independent of all operating companies.

On November 6, 2017, the FPSC approved an amended and restated settlement agreement filed by Tampa Electric, which included a provision for a moratorium on hedging of natural gas purchases ending on December 31, 2022 (see **Note 3**). TEC was hedging its exposure to the variability in future cash flows until November 30, 2018 for financial natural gas contracts. TEC had zero and $1 million of derivative liabilities related to natural gas storage optimization as of December 31, 2020 and 2019, respectively, and zero derivative assets on its Consolidated Balance Sheets as of December 31, 2020 and 2019.

TEC applies the accounting standards for derivative instruments and hedging activities. These standards require companies to recognize derivatives as either assets or liabilities in the financial statements and to measure those instruments at fair value. TEC also applies the accounting standards for regulated operations to financial instruments used to hedge the purchase of natural gas and optimize natural gas storage capacity for its regulated companies. These standards, in accordance with the FPSC, permit the changes in fair value of natural gas derivatives to be recorded as regulatory assets or liabilities reflecting the impact of these activities on the fuel recovery clause. As a result, these changes are not recorded in OCI or net income (see **Note 3**).

TEC's physical contracts qualify for the NPNS exception to derivative accounting rules, provided they meet certain criteria. Generally, NPNS applies if TEC deems the counterparty creditworthy, if the counterparty owns or controls resources within the proximity to allow for physical delivery of the commodity, if TEC intends to receive physical delivery and if the transaction is reasonable in relation to TEC's business needs. As of December 31, 2020, all of TEC's physical contracts qualified for the NPNS exception, which was elected.

TEC is exposed to credit risk by entering into derivative instruments with counterparties to limit its exposure to the commodity price fluctuations associated with natural gas and to optimize the value of natural gas storage capacity. Credit risk is the potential loss resulting from a counterparty's nonperformance under an agreement. TEC manages credit risk with policies and procedures for, among other things, counterparty analysis, exposure measurement and exposure monitoring and mitigation.

It is possible that volatility in commodity prices could cause TEC to have material credit risk exposures with one or more counterparties. If such counterparties fail to perform their obligations under one or more agreements, TEC could suffer a material financial loss. However, as of December 31, 2020, substantially all of the counterparties with transaction amounts outstanding in TEC's derivative positions were either rated investment grade by the major rating agencies or held with affiliates. TEC assesses credit risk internally for counterparties that are not rated.

TEC has entered into commodity master arrangements with its counterparties to mitigate credit exposure to those counterparties. TEC generally enters into standardized master arrangements in the electric and gas industry. TEC believes that entering into such agreements reduces the risk from default by creating contractual rights relating to creditworthiness, collateral and termination.

TEC has implemented procedures to monitor the creditworthiness of its counterparties and to consider nonperformance risk in determining the fair value of counterparty positions. Net liability positions generally do not require a nonperformance risk adjustment as TEC uses derivative transactions as hedges and has the ability and intent to perform under each of these contracts. In the instance of net asset positions, TEC considers general market conditions and the observable financial health and outlook of specific counterparties in evaluating the potential impact of nonperformance risk to derivative positions.

Certain TEC derivative instruments contain provisions that require TEC's debt to maintain an investment grade credit rating from any or all of the major credit rating agencies. If debt ratings were to fall below investment grade, it could trigger these provisions, and the counterparties to the derivative instruments could demand immediate and ongoing full overnight collateralization on derivative instruments in net liability positions. TEC has no other contingent risk features associated with any derivative instruments.

15. Fair Value Measurements

Items Measured at Fair Value on a Recurring Basis

Accounting guidance governing fair value measurements and disclosures provides that fair value represents the amount that would be received in selling an asset or the amount that would be paid in transferring a liability in an orderly transaction between market participants. As a basis for considering assumptions that market participants would use in pricing an asset or liability, accounting guidance also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs, such as quoted prices in active markets;

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

There were no Level 3 assets or liabilities for the periods presented.

As of December 31, 2020 and 2019, the fair value of TEC's short-term debt was not materially different from the carrying value due to the short-term nature of the instruments and because the stated rates approximate market rates. The fair value of TEC's short-term debt is determined using Level 2 measurements.

See **Note 5** and **Consolidated Statements of Capitalization** for information regarding the fair value of the pension plan investments and long-term debt, respectively.

16. Stock-Based Compensation

Performance Share Unit Plan

Emera has a performance share unit (PSU) plan. The PSU liability is marked-to-market at the end of each period based on an average common share price at the end of the period. Emera common shares are traded on the Toronto Stock Exchange under the symbol EMA.

Under the PSU plan, certain executive and senior employees are eligible for long-term incentives payable through the PSU plan. PSUs are granted annually for three-year overlapping performance cycles, resulting in a cash payment. PSUs are granted based on the average of Emera's stock closing price for the fifty trading days prior to the effective grant date. Dividend equivalents are awarded and are paid in the form of additional PSUs. The PSU value varies according to the Emera common share market price and corporate performance.

PSUs vest at the end of the three-year cycle and the payouts will be calculated and approved by the Emera Management Resources and Compensation Committee (MRCC) early in the following year. The value of the payout considers actual service over the performance cycle and may be pro-rated in certain departure scenarios.

A summary of the activity related to TEC employee PSUs is presented in the following table:

	Number of Units (Thousands)	Weighted Average Grant Date Fair Value (Per Unit)	Aggregate Intrinsic Value (Millions)
Outstanding as of December 31, 2019	504	$ 45.45	$ 28
Granted including DRIP	78	52.68	4
Exercised	(162)	45.41	9
Forfeited	(27)	46.08	0
Transferred	(3)	44.85	0
Outstanding as of December 31, 2020	390	46.87	21

Compensation cost recognized for the PSU plan for the years ended December 31, 2020, 2019 and 2018 was $8 million, $8 million and $4 million, respectively. Tax benefits related to this compensation cost for share units realized for the years ended December 31, 2020, 2019 and 2018 were $2 million, $2 million and $1 million, respectively. Cash payments made during the year ended December 31, 2020, 2019 and 2018 associated with the PSU plan were $9 million, zero and zero, respectively. As of December 31, 2020 and 2019, there was $5 million and $4 million, respectively, of unrecognized compensation cost related to non-vested PSUs that is expected to be recognized over a weighted-average period of two years.

17. Long-Term PPAs

In 2018, Tampa Electric had long-term PPAs with wholesale energy providers in Florida, which expired in December 2018. These agreements ranged in size from 121 MW to 250 MW of available capacity, were with similar entities and contained similar provisions. In 2019, Tampa Electric entered into a long-term PPA with a wholesale energy provider in Florida with up to 515 MW of available capacity, which expires in 2021. Because some of these provisions provide for the transfer or sharing of a number of risks inherent in the generation of energy, these agreements meet the definition of being variable interests. These risks include: operating and maintenance, regulatory, credit, commodity/fuel and energy market risk. Tampa Electric reviewed these risks and determined that the owners of these entities retain the majority of these risks over the expected life of the underlying generating assets, have the power to direct the most significant activities, and have the obligation or right to absorb losses or benefits. As a result, Tampa Electric was not the primary beneficiary and was not required to consolidate any of these entities. Tampa Electric purchased $36 million, $25 million and $15 million under these long-term PPAs for the three years ended December 31, 2020, 2019 and 2018, respectively.

TEC does not provide any material financial or other support to any of the variable interests it is involved with, nor is TEC under any obligation to absorb losses associated with these variable interests. Excluding the payments for energy under these contracts, TEC's involvement with these variable interests does not affect its Consolidated Balance Sheets, Statements of Income or Cash Flows.

18. Difference between Uniform System of Accounts and GAAP

In accordance with the PSC/AFD 020-G page 11 instructions, these notes are a replica of those included in the Company's published annual reports which may include reclassifications not made for PSC/AFD 020-G reporting purposes. These financial statements are prepared in accordance with the accounting requirements as set forth in the applicable FERC Uniform System of Accounts for Natural Gas Companies and published accounting releases. This is a comprehensive basis of accounting consistent with GAAP, except for:

- the balance sheet classification of cost of removal collections from customers,
- the balance sheet classification of plant leased to others under capital leases,
- the balance sheet classification of ASC 740-10-45 deferred income tax,
- the balance sheet classification of regulatory assets and liabilities,
- the income statement classification of buy for resale transactions,
- the balance sheet classification of debt issuance costs.
- the balance sheet classification of the current portion of long-term debt
- the accounting for uncertainty in income taxes in accordance with ASC 740-10-25
- the equity method of accounting for wholly owned subsidiaries.

19. Subsequent Events

On March 18, 2021, TEC completed the sale of $400 million aggregate principal amount of 2.40% Notes due 2031 and the sale of $400 million aggregate principal amount of 3.45% Notes due 2051. Management has evaluated the impact of other events occurring after December 31, 2020 up to February 16, 2021, the date that the Tampa Electric Company GAAP financial statements were filed with the United States Securities and Exchange Commission and has updated such evaluation for disclosure purposes through April 29, 2021. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2020

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Line No.	Item (a)	Total (b)	Gas (c)
1	UTILITY PLANT		
2	In Service		
3	101 Plant in Service (Classified)	1,869,700,334	1,869,700,334
4	101.1 Property Under Capital Leases	-	-
5	102 Plant Purchased or Sold	-	-
6	106 Completed Construction not Classified	307,437,320	307,437,320
7	103 Experimental Plant Unclassified	-	-
8	104 Leased to Others	13,128,442	13,128,442
9	105 Held for Future Use	1,939,552	1,939,552
10	114 Acquisition Adjustments	5,031,897	5,031,897
11	TOTAL Utility Plant (Total of lines 3 through 10)	2,197,237,546	2,197,237,546
12	107 Construction Work in Progress	140,807,878	140,807,878
13	Accum. Provision for Depreciation, Amortization, & Depletion	814,871,256	814,871,256
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	1,523,174,168	1,523,174,168
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	807,098,205	807,098,205
18	111 Amort. and Depl. of Producing Nat. Gas Land & Land Rights	-	
19	111 Amort. of Underground Storage Land and Land Rights	-	
20	119 Amortization of Other Utility Plant	-	
21	TOTAL in Service (Total of lines 17 through 20)	807,098,205	807,098,205
22	Leased to Others		
23	108 Depreciation	2,785,859	2,785,859
24	111 Amortization and Depletion	-	
25	TOTAL Leased to Others (Total of lines 23 and 24)	2,785,859	2,785,859
26	Held for Future Use		
27	108 Depreciation	-	
28	111 Amortization	-	
29	TOTAL Held for Future Use (Enter. Tot. of lines 27 and 28)	-	-
30	111 Abandonment of Leases (Natural Gas)	-	
31	115 Amortization of Plant Acquisition Adjustment	4,987,192	4,987,192
32	TOTAL Accum. Provisions (Should agree with line 14 above) (Total of lines 21, 25, 29, 30, and 31)	814,871,256	814,871,256

Annual Status Report
Analysis of Plant in Service Accounts
Company: Peoples Gas System
For the Year Ended December 31, 2020

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:									
30100	Organization	0	12,620	-	-	-	-	-	12,620
30200	Franchise & Consents	4	-	-	-	-	-	-	-
30300	Misc Intangible Plant	0	815,325	-	-	-	-	-	815,325
30301	Custom Intangible Plant	6.7	32,175,007	16,693,591	(390,337)	-	-	-	48,478,260
37402	Land Rights	1.3	4,268,873	-	-	-	-	-	4,268,873
39002	Structures & Improve Leases	2.5	134,160	-	-	-	-	-	134,160
	Subtotal		37,405,984	16,693,591	(390,337)	-	-	-	53,709,238
Depreciable Assets:									
37400	Land Distribution	0	15,545,204	-	(6,174,610)	-	-	-	9,370,594
37500	Structures & Improvements	2.5	25,121,265	388,571	(166,136)	-	-	-	25,343,701
37600	Mains Steel	2.2	489,687,155	82,082,787	(2,449,326)	-	-	-	569,320,615
37602	Mains Plastic	2.4	579,726,541	78,603,912	(1,704,602)	-	-	-	656,625,851
37800	Meas & Reg Station Eqp Gen	3.3	18,885,293	2,040,068	(28,860)	-	-	-	20,896,501
37900	Meas & Reg Station Eqp City	3.3	68,450,344	2,650,101	(27,373)	-	-	-	71,073,072
38000	Services Steel	3.7	55,497,231	4,015,821	(398,710)	-	-	-	59,114,342
38002	Services Plastic	3.3	385,825,604	52,674,458	(760,402)	-	-	-	437,739,660
38100	Meters	5.9	74,177,863	4,881,070	(572,194)	-	-	-	78,486,740
38200	Meter Installations	4.5	66,118,655	6,978,240	(158,439)	-	-	-	72,938,457
38300	House Regulators	3.6	16,958,401	515,586	(51,809)	-	-	-	17,422,178
38400	House Regulator Installs	4.4	25,563,040	2,247,742	(60,928)	-	-	-	27,749,854
38500	Meas & Reg Station Eqp Ind	3.1	12,194,965	3,492,500	(654,447)	-	-	-	15,033,019
38700	Other Equipment	6.3	9,624,237	1,117,833	(1,946)	-	-	-	10,740,124
39000	Structures & Improvements	2.5	28,184	-	-	-	-	-	28,184
39100	Office Furniture	6.7	2,501,870	31,058	(82,730)	-	-	-	2,450,198
39101	Computer Equipment	12.3	4,500,269	576,336	(20,695)	-	-	-	5,055,910
39102	Office Equipment	6.7	1,454,113	16,626	(58,022)	-	-	-	1,412,718
39201	Vehicles up to 1/2 Tons	11.4	8,118,794	886,263	(623,639)	-	-	-	8,381,418
39202	Vehicles from 1/2 - 1 Tons	13	12,134,491	2,087,043	(423,493)	-	-	-	13,798,041
39204	Trailers & Other	4	2,014,459	1,047,486	(1,659)	-	-	-	3,060,286
39205	Vehicles over 1 Ton	7.5	1,900,118	1,001,935	-	-	-	-	2,902,053
39300	Stores Equipment	3.9	1,283	-	-	-	-	-	1,283
39400	Tools, Shop & Garage Equip	6.7	7,050,050	141,766	-	-	-	-	7,191,815
39401	CNG Stations	5	29,821	12,918	-	6,680	-	-	49,419
39500	Laboratory Equipment	5	-	-	-	-	-	-	-
39600	Power Operated Equipment	6.3	3,021,306	74,103	(38,842)	-	-	-	3,056,567
39700	Communication Equipment	8.2	3,946,499	-	(30,587)	-	-	-	3,915,912
39800	Miscellaneous Equipment	6	264,060	8,109	(2,267)	-	-	-	269,902
39900	Other Tangible Property	0	-	-	-	-	-	-	-

Annual Status Report

Analysis of Plant in Service Accounts

Company: Peoples Gas System

For the Year Ended December 31, 2020

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Total Account 101 and 106*			1,927,747,101	264,265,921	(14,882,049)	6,680	-	-	2,177,137,654
10400	Lease to Others	0.0	13,135,122	-		(6,680)			13,128,442
10500	Property Held for Future Use	0.0	1,939,552						1,939,552
11400	Acquisition Adjustment	3.0	5,031,897						5,031,897
	Subtotal		20,106,571	-	-	(6,680)	-	-	20,099,891
Total Utility Plant **			1,947,853,672	264,265,921	(14,882,049)	-	-	-	2,197,237,545

Note: * The total of ending balances must agree to acct. 101,106, Plant in Service, Line 3, and Line 6, Page 12.

Note: ** The total of ending balances must agree to Line 11, Page 12.

Annual Status Report

Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System

For the Year Ended December 31, 2020

Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
30100	Organization	-	-	-	-	-				-
30200	Franchise & Consents	-	-	-	-	-				-
30300	Misc Intangible Plant	798,454	16,871	-	-	-				815,325
30301	Custom Intangible Plant	14,970,869	2,320,761	(390,337)	-	-				16,901,292
37402	Land Rights	872,648	55,495	-	-	-				928,144
39002	Structures & Improve Leases	23,393	3,354	-	-	-				26,747
	Subtotal 108 - 404 *	16,665,364	2,396,481	(390,337)	-	-	-	-	-	18,671,508
Items necessary to reconcile the total amortization accrual amount to Acct. 404.3, Amortization Expense, shown on Line 7, Page 8										
Depreciable Assets:										
37400	Land Distribution	(60,224)	-	(6,174,610)	-	-		6,174,610		(60,224)
37500	Structures & Improvements	6,572,395	628,839	(166,136)	-	-				7,035,098
37600	Mains Steel	202,521,521	9,194,953	(2,449,326)	(2,991,958)	26,200				206,301,391
37602	Mains Plastic	202,345,973	8,556,279	(1,704,602)	(2,113,004)	30,434				207,115,081
37800	Meas & Reg Station Eqp Gen	3,697,216	657,074	(28,860)	(6,576)	-				4,318,853
37900	Meas & Reg Station Eqp City	12,639,950	2,363,691	(27,373)	-	-				14,976,268
38000	Services Steel	38,914,671	1,489,720	(398,710)	(1,631,976)	4,721				38,378,426
38002	Services Plastic	179,201,697	9,400,320	(760,402)	(2,335,017)	33,343				185,539,941
38100	Meters	26,675,633	3,421,022	(572,194)	(1,212)	1,767				29,525,017
38200	Meter Installations	32,897,826	1,922,056	(158,439)	(380,745)	-				34,280,699
38300	House Regulators	7,874,388	617,529	(51,809)	(1,304)	-				8,438,805
38400	House Regulator Installs	13,106,663	1,178,593	(60,928)	(149)	-				14,224,179
38500	Meas & Reg Station Eqp Ind	6,564,089	379,719	(654,447)	-	-				6,289,362
38700	Other Equipment	4,038,171	640,380	(1,946)	-	-				4,676,606
39000	Structures & Improvements	13,502	705	-	-	-				14,206
39100	Office Furniture	1,183,034	164,156	(82,730)	-	-				1,264,461
39101	Computer Equipment	3,352,409	597,829	(20,695)	-	-				3,929,544
39102	Office Equipment	635,071	94,684	(58,022)	-	-				671,733
39201	Vehicles up to 1/2 Tons	4,550,320	941,650	(623,639)	(12,382)	99,966				4,955,915
39202	Vehicles from 1/2 - 1 Tons	5,042,131	1,638,398	(423,493)	(24,950)	60,696				6,292,782
39204	Trailers & Other	413,315	95,436	(1,659)	(47)	1,718				508,763
39205	Vehicles over 1 Ton	856,830	193,753	-	(1,801)	1,760				1,050,542
39300	Stores Equipment	380	50	-	-	-				430
39400	Tools, Shop & Garage Equip	2,925,675	475,482	-	-	-			-	3,401,157
39401	CNG Stations	964	1,564	-	-	-			-	2,529
39500	Laboratory Equipment	-	-	-	-	-				-
39600	Power Operated Equipment	1,745,564	191,056	(38,842)	(349)	4,044				1,901,474
39700	Communication Equipment	2,896,755	321,314	(30,587)	-	-				3,187,482
39800	Miscellaneous Equipment	192,545	15,902	(2,267)	-	-				206,180
39900	Other Tangible Property	-	-	-	-	-				-

Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System

For the Year Ended December 31, 2020

Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)										
		-	-	-	-	-	-	-	-	-
Capital Recovery Schedules:										
	Subtotal 108-403 *	777,463,827	47,578,636	(14,882,049)	(9,501,469)	264,649	-	6,174,610	-	807,098,204
Items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on Line 6, Page 8										
10400	Lease to Others	2,129,103	656,756	-	-	-			-	2,785,859
10500	Property Held for Future Use	-	-	-	-	-				-
11400	Acquisition Adjustment	4,857,484	129,709	-	-	-				4,987,192
	Subtotal	6,986,587	786,465	-	-	-	-	-	-	7,773,052
Total Accumulated Reserve**		784,450,414	48,365,101	(14,882,049)	(9,501,469)	264,649	-	6,174,610	-	814,871,256

Note: * The total of ending balances must agree to Line 17, Page 12.

Note: ** The total of ending balances must agree to Line 32, Page 12.

Per rule 25-7.045(9), there has been no change of plans or utility experience requiring a change of rates, amortization or capital recovery schedule.

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than $500,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Cast Iron / Bare Steel Main Replacements	5,392,532	19,729,527
2	Cathodic Protection	226,627	1,475,324
3	Distribution System Improvement	1,417,216	6,055,788
4	Improvements to Property	122,341	2,705,444
5	Main Replacements	3,179,540	14,083,511
6	Measuring & Regulating Station and Equipment	468,684	6,092,995
7	Meter Meter & Regulator Installations Blankets	80,511	-
8	Miscellaneous Non-Revenue Producing	380,644	105,698
9	Governmental / Municipal Improvements	1,294,098	7,535,271
10	New Revenue Main Installations	8,251,502	12,940,536
11	Service Lines Blankets	519,784	-
12	Office / Furniture Equipment	217,235	1,640,400
13	Power / Testing / Tools Equipment	44,661	1,547,356
14	Problematic Plastic Pipe Replacements	4,366,540	21,513,575
15	**TOTAL (Continued on 17b)**	25,961,915	95,425,425

CONSTRUCTION OVERHEADS-GAS

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.
2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.
3. Enter on this page engineering, supervision, administrative,, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1			
2			
3			
4			
5	**See Page 17b**		
6			
7			
8			
9			
10			
11			
12	TOTAL		

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than $500,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Strategic	1,199,223	57,155,215
2	Software	8,589,286	9,518,467
3	Transportation Vehicles	1,457,798	5,734,400
4	CNG	627,785	4,804,449
5	City Gates	25,419,652	8,468,195
6	New Revenue Mains - System Growth	71,310,380	60,786,386
7	Mains - Reliability	4,527,383	66,639,013
8	New Revenue Mains - New Developments	1,714,456	623,668
9			
10			
11			
12			
13			
14			
15	**TOTAL (including pg 17a)**	140,807,878	309,155,218

CONSTRUCTION OVERHEADS-GAS

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.
2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.
3. Enter on this page engineering, supervision, administrative,, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	Supervision and Management	12,412,720	319,266,253
2	(These costs are allocated to WIP as outlined		
3	in instruction 3 above)		
4			
5	Corporate G&A	8,013,966	331,678,973
6			
7			
8			
9			
10			
11			
12	TOTAL	20,426,686	

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

PREPAYMENTS (Account 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Prepayment (a)	Balance at End of Year (In Dollars) (b)
1	Prepaid Insurance	88,653
2	Line of Credit	546,058
3	Software/Technology Maint.	352,017
4	Easements	170,185
5		
6		
7		
8	TOTAL	1,156,913

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1						
2						
3	n/a					
4						
5						
6						
7						
8						
9						
10	TOTAL					

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1						
2						
3	n/a					
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL					

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

OTHER REGULATORY ASSETS (Account 182.3)

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includible in other amounts).

2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (amounts less than $25,000) may be grouped by classes.

				Credits		
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Account Charged (d)	Amounts (e)	Balance End of Year (f)
1	Cast Iron Bare Steel Replacement Rider	3,382,549	2,858,108	407	1,659,445	4,581,212
2						
3	Competitive Rate Adjustment	3,035,608	3,436,480	142/4XX	3,234,209	3,237,879
4						
5	FAS 158 - Current portion	1,097,401	69,758	242	242,501	924,658
6						
7	FAS 109 - Reg Asset FAS109 ITax	158,392	1,138,163	283	89,828	1,206,727
8						
9	Energy Conservation (ECCR)	3,036,822	2,765,762	407/253	3,917,482	1,885,102
10						
11	FAS 158 - Non-current portion	28,607,784	7,653,003	228	2,853,496	33,407,291
12						
13	Environmental MGP	0	5,593,168	232/407	4,593,168	1,000,000
14						
15	Environmental MGP - Non-Current	(844,525)	4,502,096	232/407	56,521	3,601,050
16						
17	Environmental Liability	20,805,063	17,404,076	242	20,805,063	17,404,076
18						
19	Deferred Loss on Property Sale		6,180,036	421	5,983,755	196,281
20						
21	Software Implementation Costs		52,454	232		52,454
22						
23	Rate Case Expense	-	1,230,449	186	-	1,230,449
24	TOTAL	59,279,094	52,883,553		43,435,468	68,727,179

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (amounts less than $25,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Beginning of Year (b)	Debits (c)	Account Charged (d)	Amount (e)	Balance End of Year (f)
1						
2	Deferred Debit SERP Trust	1,876,487		228	-	1,876,487
3						
4	Contract Amortization (167 months)	2,353,293		495	215,569	2,137,724
5						
6	Hurricane Michael Related Costs	37,364		multiple	37,364	0
7						
8	Deferred Regulatory Comm. Expenses	265,489	964,960	182	1,230,449	0
9						
10						
11						
12						
13						
14	Misc. Work in Progress	275,740				41,753
15						
16	TOTAL	4,808,373				4,055,965

SECURITIES ISSUED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR

1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses.
2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded.
3. Included in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.

Securities Retired

Total Retired $0

Securities Issued

Total Issued $0

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debit-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1						
2						
3	None					
4						
5						-
6						
7						
8						-
9						
10						
11						-
12					-	
13						-

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
3. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
4. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Original Amount Issued (d)	Interest for Year Rate (in %) (e)	Interest for Year Amount (f)	Total Amount Outstanding (g)
1	Other Long Term Debt - Acct 224						
2							
3							
4							
5	Note Issued by Tampa Electric PD0020	05/25/07	05/15/37	60,000,000	6.15	3,690,000	60,000,000
6	Note Issued by Tampa Electric PD0019	12/09/10	05/15/21	46,764,680	5.40	2,525,293	46,764,680
7	Note Issued by Tampa Electric PD0025	06/05/12	06/01/42	50,000,000	4.10	2,050,000	50,000,000
8	Note Issued by Tampa Electric PD0026	09/28/12	09/01/22	25,000,000	2.60	650,000	25,000,000
9	Note Issued by Tampa Electric PD0027	05/15/14	05/15/44	10,000,000	4.35	435,000	10,000,000
10	Note Issued by Tampa Electric PD0028	05/20/15	05/15/45	20,000,000	4.20	840,000	20,000,000
11	Note Issued by Tampa Electric PD0034	06/07/18	06/15/48	75,000,000	4.30	3,225,000	75,000,000
12	Note Issued by Tampa Electric PD0035	10/04/18	06/15/49	25,000,000	4.45	1,112,500	25,000,000
13	Note Issued by Tampa Electric PD0036	07/22/19	06/15/50	25,000,000	3.625	901,215	25,000,000
14							
15							
16							
17							
18							
19							
20	TOTAL			336,764,680		15,429,008	336,764,680

UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.
6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt issued (b)	Total Expense Premium or Discount (c)	Amortization Period Date From (d)	Amortization Period Date To (e)	Balance at beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
1								
2	Unamortized Debt Exp-Acct 181							
3								
4								
5								
6	36-Note/Tampa Electric 6.15%	60,000,000	347,571	05-2007	05-2037	201,589	(11,586)	190,003
7	39-Note/Tampa Electric 4.10%	50,000,000	513,521	06-2012	06-2042	383,716	(17,117)	366,599
8	40-Note/Tampa Electric 2.60%	25,000,000	196,352	12-2012	09-2022	53,998	(19,635)	34,363
9	27-Note/Tampa Electric 4.35%	10,000,000	108,129	05-2014	05-2044	87,856	(3,604)	84,252
10	28-Note/Tampa Electric 4.20%	20,000,000	220,028	05-2015	05-2045	186,396	(7,334)	179,062
11	34-Note/Tampa Electric 4.30%	75,000,000	823,199	06-2018	06-2048	779,751	(27,440)	752,311
12	35-Note/Tampa Electric 4.45%	25,000,000	263,993	10-2018	06-2049	253,231	(8,608)	244,623
13	36-Note/Tampa Electric 3.625%	25,000,000	290,436	07-2019	06-2050	286,523	(9,417)	277,106
14					Acct 428		(104,741)	
15	2020 Charges to 181							
16	36-Note/Tampa Electric 3.625%	25,000,000	290,436	07-2019	06-2050		476	476
17	Term Loan	60,000,000	17,605	02-2020	01-2021		1,467	1,467
18						2,233,060		2,130,262

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
3. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
4. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Original Amount Issued (d)	Interest for Year: Rate (in %) (e)	Interest for Year: Amount (f)	Total Amount Outstanding (g)
1							
2	blank						
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTAL			0		0	0

UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.
6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt issued (b)	Total Expense Premium or Discount (c)	Amortization Period: Date From (d)	Amortization Period: Date To (e)	Balance at beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
1	Unamortized Debt Disc - Acct 226							
2	36-Note/Tampa Electric 6.15%	60,000,000	340,200	05-2007	05-2037	197,316	(11,340)	185,976
3	39-Note/Tampa Electric 4.10%	50,000,000	138,000	06-2012	06-2042	103,117	(4,600)	98,517
4	40-Note/Tampa Electric 2.60%	25,000,000	30,500	12-2012	09-2022	8,387	(3,050)	5,337
5	27-Note/Tampa Electric 4.35%	10,000,000	6,700	05-2014	05-2044	5,445	(223)	5,222
6	28-Note/Tampa Electric 4.20%	20,000,000	37,200	05-2015	05-2045	31,515	(1,240)	30,275
7	34-Note/Tampa Electric 4.30%	75,000,000	402,000	06-2018	06-2048	380,784	(13,400)	367,384
8	35-Note/Tampa Electric 4.45%	25,000,000	127,750	10-2018	06-2049	122,544	(4,166)	118,378
9	36-Note/Tampa Electric 3.625%	25,000,000	306,500	07-2019	06-2050	302,371	(9,914)	292,457
10					Acct 428		(47,933)	
11								
12						-		
13						1,151,479		1,103,546
14	Unamortized Debt Disc/Prem - OCI							
15	(6.10% & 4.20% Interest Rate Settlements)							
16	28-Note/Tampa Electric 4.20%	20,000,000	(347,040)	05-2015	05-2045	(294,020)	11,568	(282,452)
17	39-Note/Tampa Electric 4.10%	50,000,000	1,326,300	06-2012	06-2042	991,040	(44,210)	946,830
18	27-Note/Tampa Electric 4.35%	10,000,000	10,356	05-2014	05-2044	8,415	(345)	8,070

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.
2. Minor items (less than $50,000) may be grouped under appropriate title.

Line No.	Item	Balance at End of Year
1	Vacation Liability	4,225,242
2		
3	SERP Liability FAS 158 - Current	249,912
4		
5	FAS 106 Liability FAS 158 - Current	1,089,990
6		
7	Manufactured Gas Plant Estimated Environmental Liability	17,404,076
8		
9	Long Term Incentive	2,032,920
10		
11	Other	199,549
12		
13	TOTAL	25,201,689

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor Items (less than $25,000) may be grouped by classes.

Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	DEBITS Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance End of Year (f)
1	Contractor Retention	4,133,004	CWIP	67,577,622	69,402,562	5,957,944
2						
3	Settlement Reserve	-	131	250,000	342,000	92,000
4						
5	Deferred Billing Credit-JEA	187,917	488	205,000	205,000	187,917
6						
7	Long term incentive	1,484,105	242/926	6,223,880	6,224,639	1,484,864
8						
9	Settlement Holdback	-	CWIP		500,000	500,000
10						
11	Hurricane Michael	140,931	182	140,931	-	-
12						
13	Other	50,521		466,599	455,337	39,259
14	TOTAL	5,996,478		74,864,032	77,129,538	8,261,983

OTHER REGULATORY LIABILITIES (Account 254)

1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	Debits Contra Account (b)	Debits Amount (c)	Credits (d)	Balance End of Year (e)
1						
2	FAS 106 Tax	90,472,776	282 283	222,465	2,950,970	93,201,281
3						
4	Gas Technology Research	128,515	930	247,393	491,667	372,789
5						
6	Property Sale-Gain Amortization	1,070,293	421.1	1,271,055	200,762	-
7	(4 year amort.)					
8						
9						
10						
11						
12						
13	TOTAL	91,671,584		1,740,913	3,643,399	93,574,070

Name of Respondent | For the Year Ended

Peoples Gas System | Dec. 31, 2020

TAXES OTHER THAN INCOME TAXES (Account 408.1)

	Name of Taxing Authority	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environ-mental, Excise	Franchise	Other*	Total
1	Various FL Counties	12,919,835									12,919,835
2	Internal Revenue Service (FICA)				3,718,111						3,718,111
3	FL Public Service Commission						1,936,852				1,936,852
4	FL Dept of Revenue					13,607,772					13,607,772
5	Various FL Municipalities								10,209,940		10,209,940
6	Internal Revenue Svc (FUTA)				26,472						26,472
7	Internal Revenue Svc (SUTA)				4,412						4,412
8	Various FL Counties (tags)										-
9	Various FL Municipalities									16,799	16,799
10	Federal							185			185
11	Employee Retention Credit FICA				(236,946)						(236,946)
12	Out of Period Adj - account 408.1						(369)				(369)
13	Less:charged to other revenue (495)						(90,371)				(90,371)
14	Less: Charged to Construction				(1,018,238)						(1,018,238)
15	Less: Charged to clearing, jobbing, AR				(201,411)		-				(201,411)
16	TOTAL Taxes Charged During Year										
	(Lines 1-15) to Account 408.1	12,919,835	-	-	2,292,400	13,607,772	1,846,112	185	10,209,940	16,799	40,893,043

Note: *List separately each item in excess of $500.

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below the information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment to the account balance shown in column (f).

Line No.	Account Subdivisions (a)	Balance Beginning of Year (b)	Amount Deferred for Year (c)	Allocations to Current Year's Income: Acct. No. (d)	Allocations to Current Year's Income: Amount (e)	Adjustments (f)	Balance End of Year (g)	Average Period of Allocation to Income (h)
1	Gas Utility							
2	3%	0		411	0		0	
3	4%							
4	7%							
5	10%							
6								
7								
8								
9								
10	TOTAL	0			0		0	

Notes

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. At Other (Specify), include deferrals relating to other income and deductions.

2. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided.

Line No.		Balance at Beginning of Year	Changes During Year: Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Adjustments: Debits Account No.	Debits Amount	Credits Account No.	Credits Amount	Balance at End of Year
1	GAS										
2	FAS 158	11,314,111					190	1,172,653			12,486,764
3	FAS 133	619,984							190	8,361	611,623
4											
5	Gas	38,143,250	1,666,290								39,809,540
6	NOL	3,963,755	-								3,963,755
7	Tax Credit	925,322	896,565								1,821,887
8		-									-
9											
10											
11	TOTAL Gas (Lines 2 - 10)	54,966,422	2,562,855					1,172,653		8,361	58,693,569
12	Other (Specify)										
13	TOTAL (Account 190) (Total of lines 11 and 12)	54,966,422	2,562,855					1,172,653		8,361	58,693,569

Notes

	Federal	State	Total	
Deferred Income Tax Other Adjustments Includes:	(6,546)	(1,815)	(8,361)	FAS 133
	918,181	254,472	1,172,653	FAS 158
	911,635	252,657	1,164,292	

ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, 283)

Line No.		Balance at Beginning of Year	Changes During Year: Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Adjustments: Debits Account No.	Debits Amount	Credits Account No.	Credits Amount	Balance at End of Year
1	Account 281 - Accelerated Amortization Property										
2	Electric										
3	Gas										
4	Other										
5	TOTAL Account 281 (Lines 2 thru 4)										
6	Account 282 - Other Property										
7	Electric										
8	Gas	242,590,386	17,122,318								259,712,704
9	Other	(67,414,057)					282	1,274,838			(68,688,895)
10	TOTAL Account 282 (Lines 7 thru 9)	175,176,329	17,122,318					1,274,838		-	191,023,809
11	Account 283 - Other										
12	Electric										
13	Gas	22,787,599	520,540	-					283	1,172,653	24,480,792
14	Other	(23,175,591)					283	405,332			(23,580,923)
15	TOTAL Account 283 - Other (Lines 12 thru 14)	(387,992)	520,540	-				405,332		1,172,653	899,869
16	GAS										
17	Federal Income Tax	143,355,450	13,383,867						282/283	1,514,486	158,253,803
18	State Income Tax	31,432,887	4,258,990				282/283	2,022,003			33,669,874
19											-
20	TOTAL Gas (Lines 17 thru 19)	174,788,337	17,642,857					2,022,003		1,514,486	191,923,677
21	OTHER										
22	Federal Income Tax										
23	State Income Tax										
24	TOTAL Other (Lines 22 and 23)	-									
25	TOTAL (Total of lines 5, 10 and 15)	174,788,337	17,642,858					1,680,170		1,172,653	191,923,678

NOTES:

	Federal	State	Total	
Deferred income tax adjustment includes:				
	(918,181)	(254,472)	(1,172,653)	FAS 158
	(596,305)	2,276,475	1,680,170	FAS 109
Total 283	(1,514,486)	2,022,003	507,517	

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 9)	51,915,389
2	Reconciling Items for the Year	
3	Federal Income Tax	
4	*Taxable Income Not Reported on Books*	
5	AIAC	2,728,564
6		
7	**Total**	**2,728,564**
8	*Deductions Recorded on Books Not Deducted for Return*	
9	FAS112	1,014,496
10	Capitalized ECA Costs Tax Amortization	5,379,451
11	Energy conservation	1,151,720
12	Insurance reserve	4,319,004
13	Interest Capitalized	3,987,583
14	Bad Debt	914,888
15	Payroll Tax	1,772,351
16	Other	19,597,266
17	**Total**	**38,136,760**
18	*Income Recorded on Books Not Included in Return*	
19	Equity Earnings	3,280,081
20		
21		
22	**Total**	**3,280,081**
23	*Deductions on Return Not Charged Against Book Income*	
24	Depreciation	33,444,682
25	Repairs capitalized on books	31,192,091
26	Environmental disposition costs	5,445,575
27	AFUDC Equity	3,121,604
28	Pension	1,292,646
29	Rate Case expense	1,230,449
30	CI-BS Replacement	1,198,663
31	Other	7,603,344
32	**Total**	**84,529,054**
33		
34	Federal Taxable Net Income	4,971,578
35	*Show Computation of Tax:*	
36	Federal Taxable Net Income	4,971,578
37	Federal Income Tax @ 21%	1,044,031
38	Prior Year True-up Provision to Actual Per Return and NOL Reclass to Deferred	(504,508)
39	Federal Income Tax	539,523
40	Federal Income Tax Allocation to Other Income	(98,810)

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

Additional information in response to Question 2, Page 25a:

The consolidated federal income tax liability is currently being apportioned in accordance with Internal Revenue Service Regulations Section 1.1552-1(a)(2). These regulations provide for allocation of the consolidated tax liability on the basis of the percentage of the total tax to the tax which each member would bear if the tax were computed on a separate return basis. The tax liability allocated to each company cannot exceed the tax liability computed as if each had filed a separate return.

Peoples Gas System participates in the filing of a consolidated federal income tax return.

Affiliates included in the consolidated return are:

Emera US Holdings Inc.
Bangor Line Co.
Bangor Fiber Company
Emera Maine
Bangor Var Co., Inc.
BHE Holdings Inc.
Emera Energy Generation Inc.
Clean Power Northeast Development
Emera CNG Holdings, Inc.
Emera Energy Services Inc.
EUSHI Finance, Inc.
New Mexico Gas Company, Inc.
New Mexico Gas Intermediate, Inc.
Peoples Gas System (Florida), Inc.
SECI Mitland Corporation
Tampa Electric Company
TEC Receivables Corporation
TECO Clean Advantage Corporation.
TECO Coalbed Methane Florida, Inc.
TECO Diversified, Inc.
TECO Energy Inc.
TECO EnergySource, Inc.
TECO Finance, Inc.
TECO Gemstone, Inc.
TECO Guatemala, Inc.
TECO Oil & Gas, Inc.
TECO Partners, Inc.
TECO Pipeline Holding Company, LLC
TECO Properties Corporation
TECO Services, Inc.
TECO Wholesale Generation, Inc.
Emera Technologies Florida

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

GAS OPERATING REVENUES (Account 400)

1. Report below natural gas operating revenues for each prescribed account in total.
2. Report number of customers, columns (f) and (g), on the basis of meters, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
3. Report quantities of natural gas sold in therms (14.73 psia at 60 F).
4. Report gas service revenues and therms sold by rate schedule.
5. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues: Amount for Year (b)	Operating Revenues: Amount for Previous Year (c)	Therms of Natural Gas Sold: Current Year (d)	Therms of Natural Gas Sold: Previous Year (e)	Avg. No. of Natural Gas Customers Per Mo.: Current Year (f)	Avg. No. of Natural Gas Customers Per Mo.: Previous Year (g)
1	Gas Service Revenues						
2	Firm Sales Service						
3	480 Residential RS1 - RS3	149,952,011	145,415,390	76,549,365	69,953,001	376,405	359,263
4	480 Residential GS1	4,757,914	5,220,574	3,868,396	3,976,233	1,400	1,457
5	480 Residential GS2	426,478	504,048	388,535	428,568	38	35
6	480 Residential GS3	55,048	36,402	7,206	7,113	28	20
7	481 Commercial Street Lighting	30,806	39,219	30,904	35,699	-	
8	481 Small General Service	6,681,063	7,692,411	4,089,381	4,557,865	7,033	7,153
9	481 General Service 1	15,906,582	17,667,578	13,076,856	13,650,130	4,575	4,157
10	481 General Service 2	9,952,656	10,705,152	9,168,646	9,157,279	727	607
11	481 General Service 3	1,918,766	3,234,777	1,850,071	2,869,495	53	45
12	481 General Service 4	979,428	237,709	1,066,654	383,776	7	3
13	481 General Service 5	1,631,803	553,672	1,892,579	593,817	3	2
14	481 Commercial Gas Heat Pump	3,238	200	2,783	-	1	-
15	Interruptible Sales Service						
16	481 Small Interruptible Service	22,144	45,895	49,226	85,443	-	-
17	481 Interruptible Lg. Vol - 1	279,427	109,645	713,900	235,441		
18	481 Interruptible Lg. Vol - 2	0	(10,000)	0	0		
19	481 Interruptible Contract Service	(1,136,174)	(768,367)	430,939	1,165,157		
20	481 Mutually Beneficial	2,308,914	440,000	11,683,660	1,100,000	1	-
21	481 Off System Sales	27,712,741	54,803,251	114,559,300	186,548,990	5	9
22	Firm Transportation Service						
23	489 Res-General Svc 1	669,751	712,484	1,841,810	2,016,334	408	397
24	489 Res-General Svc 2	1,436,496	1,511,279	5,425,564	5,727,027	258	269
25	489 Res-General Svc 3	723,140	762,866	3,061,883	3,255,440	46	47
26	489 Commercial Street Lighting	86,958	86,931	466,716	467,108	-	-
27	489 Natural Gas Vehicles	12,872	12,318	48,062	46,989	4	4
28	489 Small General Service	2,723,358	2,976,814	4,162,087	4,834,607	4,286	4,334
29	489 General Service 1	22,498,533	24,340,389	62,637,297	69,951,203	13,081	12,769
30	489 General Service 2	28,841,115	33,584,634	104,769,428	125,148,653	6,856	6,800
31	489 General Service 3	15,158,694	16,855,007	66,869,189	75,019,444	741	741
32	489 General Service 4	10,832,243	11,103,523	69,736,003	71,526,089	171	166
33	489 General Service 5	15,497,137	15,686,974	131,946,496	135,020,375	151	147
34	489 Interruptible Contract Serv.Trans.	16,126,862	14,353,861	1,234,373,562	1,113,178,151	20	17
35	489 Small Interruptible Transp	2,929,617	2,947,315	42,017,276	42,181,757	24	26
36	489 Interruptible Transp LG - 1	4,626,969	4,118,316	137,319,724	120,633,762	13	13
37	489 Interruptible Transp LG - 2	0	36,000		4,906,710	-	-
38	482 Other Sales to Public Authorities					-	
39	484 Flex Rate - Refund						
40	TOTAL Sales to Ultimate Consumers	343,646,589	375,016,266	2,104,103,498	2,068,661,656	416,335	398,481
41	483 Sales for Resale	1,790,776	1,444,147	4,221,541	4,037,903	11	11
42	Off-System Sales						
43	TOTAL Nat. Gas Service Revenues	345,437,365	376,460,414				
44	TOTAL Gas Service Revenues	345,437,365	376,460,414				
45	Other Operating Revenues						
46	485 Intracompany Transfers						
47	487 Forfeited Discounts	1,258,049	1,078,234				
48	488 Misc. Service Revenues	4,235,532	5,050,516				
49	488						
50	488 Individual Transp Charge	562,123	580,124				
51	489 Rev. from Trans. of Gas of Others						
52	not included in above rate schedules)						
53	493 Rent from Gas Property	206,357	205,381				
54	494 Interdepartmental Rents						
55	495 Other Gas Revenues						
56	Gross Recpts Tax/Franch Fee Coll	23,994,669	25,023,424				
57	Reconnect for Cause						
58	Collection in lieu of disconnect						
59	Returned Check						
60	Other	35,873,217	31,399,464				
61	495.1 Overrecoveries Purchased Gas						
62	TOTAL Other Operating Revenues	66,129,947	63,337,142				
63	TOTAL Gas Operating Revenues	409,776,536	438,353,409				
64	(Less) 496 Provision for Rate Refunds						
65	TOTAL Gas Operating Revenues						
66	Net of Provision for Refunds	409,776,536	438,353,409				
67	Sales for Resale	1,790,776	1,444,147				
68	Other Sales to Public Authority						
69	Interdepartmental Sales						
70	TOTAL	411,567,312	439,797,556	2,108,325,039	2,072,699,559		

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Account	Amount for Current Year	Amount for Previous Year
1	**1. Production Expenses**		
2	A. TOTAL Manufactured Gas Production (Total of Accounts 700-742)		
3	B. TOTAL Natural Gas Prod. and Gathering (Total of Accts. 750 - 769)		
4	C. TOTAL Products Extraction (Total of Accounts 770 through 791)		
5	D. TOTAL Exploration and Development (Total of Accts. 795 through 798)		
6	E. Other Gas Supply Expenses		
7	Operation		
8	800 Natural Gas Well Head Purchases		
9	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
10	801 Natural Gas Field Line Purchases	55,370,775	79,028,536
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases	75,014,289	69,751,964
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases		
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)	(3,881,066)	7,744,301
17	TOTAL Purchased Gas (Total of Lines 8 to 16)	126,503,998	156,524,801
18	806 Exchange Gas		
19	Purchased Gas Expenses		
20	807.1 Well Expenses--Purchased Gas		
21	807.2 Operation of Purchased Gas Measuring Stations		
22	807.3 Maintenance of Purchased Gas Measuring Stations		
23	807.4 Purchased Gas Calculations Expenses		
24	807.5 Other Purchased Gas Expenses		
25	TOTAL Purchased Gas Expenses (Total of lines 20 through 24)		
26	808.1 Gas Withdrawn from Storage--Debit		
27	(Less) 808.2 Gas Delivered to Storage--Credit		
28	809.1 Withdrawals of Liquefied Natural Gas for Processing--Debit		
29	(Less) 809.2 Deliveries of Natural Gas for Processing--Credit		
30	Gas Used in Utility Operations--Credit		
31	810 Gas Used for Compressor Station Fuel--Credit		
32	811 Gas Used for Products Extraction--Credit		
33	812 Gas Used for Other Utility Operations--Credit	(336,508)	(373,916)
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(336,508)	(373,916)
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35)	126,167,490	156,150,885
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	126,167,490	156,150,885
38	**2. Natural Gas Storage, Terminaling and Processing Expenses**		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)		
40	B. TOTAL Other Storage Expenses (Total of Accounts 840 through 843.9)		
41	C. TOTAL Liquefied Nat Gas Terminaling & Processing Expenses (Total of Accounts 844.1 through 847.8)		
42	TOTAL Natural Gas Storage (Total of lines 39, 40, and 41)	-	-
43	**3. Transmission Expenses**		
44	TOTAL Transmission Expenses (Total of Accounts 850 through 867)	-	-
45			
46			

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account	Amount for Current Year	Amount for Previous Year
47	**4. Distribution Expenses**		
48	Operation		
49	870 Operation Supervision and Engineering	1,447,923	1,149,186
50	871 Distribution Load Dispatching	394,550	450,528
51	872 Compressor Station Labor and Expenses	1,413	20,242
52	873 Compressor Station Fuel and Power	1,363	6,914
53	874 Mains and Services Expenses	10,262,242	9,613,184
54	875 Measuring and Regulating Station Expenses--General	47,040	40,536
55	876 Measuring and Regulating Station Expenses--Industrial	2,670	2,164
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	300,513	85,396
57	878 Meter and House Regulator Expenses	5,180,922	5,056,460
58	879 Customer Installations Expenses	2,405,430	2,395,214
59	880 Other Expenses	3,926,955	3,355,513
60	881 Rents	234,571	229,264
61	TOTAL Operation (Total of lines 49 through 60)	24,205,593	22,404,600
62	Maintenance		
63	885 Maintenance Supervision and Engineering	51,662	33,298
64	886 Maintenance of Structures and Improvements	158,454	208,440
65	887 Maintenance of Mains	3,150,906	3,341,607
66	888 Maintenance of Compressor Station Equipment	13,834	91,722
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	635,529	671,538
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	652,161	647,940
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station	1,627,816	1,681,478
70	892 Maintenance of Services	1,465,022	1,618,812
71	893 Maintenance of Meters and House Regulators	765,709	703,185
72	894 Maintenance of Other Equipment	49,231	75,754
73	TOTAL Maintenance (Total of Lines 63 through 72)	8,570,325	9,073,774
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	32,775,918	31,478,373
75	**5. Customer Accounts Expenses**		
76	Operation		
77	901 Supervision		
78	902 Meter Reading Expenses	1,194,507	1,193,368
79	903 Customer Records and Collection Expenses	11,729,206	12,200,487
80	904 Uncollectible Accounts	1,866,446	1,264,196
81	905 Miscellaneous Customer Accounts Expenses		
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	14,790,159	14,658,051
83	**6. Customer Service and Informational Expenses**		
84	Operation		
85	907 Supervision		
86	908 Customer Assistance Expenses	15,937,660	15,667,732
87	909 Informational and Instructional Expenses	1,095,525	951,604
88	910 Miscellaneous Customer Service and Informational Expenses		
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	17,033,184	16,619,336
90	**7. Sales Expenses**		
91	Operation		
92	911 Supervision		
93	912 Demonstrating and Selling Expenses	8,085,151	7,955,126
94	913 Advertising Expenses	634,617	390,106
95	916 Miscellaneous Sales Expenses	49,000	55,425
96	TOTAL Sales Expenses (Total of lines 92 through 95)	8,768,768	8,400,656
97			

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2020

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account	Amount for Current Year	Amount for Previous Year
98	**8. Administrative and General Expenses**		
99	Operation		
100	920 Administrative and General Salaries	12,688,420	10,970,171
101	921 Office Supplies and Expenses	2,941,492	3,320,658
102	(Less) (922) Administrative Expenses Transferred--Credit	(8,589,000)	(8,381,000)
103	923 Outside Services Employed	2,327,279	2,492,975
104	924 Property Insurance	86,366	3,521,186
105	925 Injuries and Damages	6,090,047	6,958,517
106	926 Employee Pensions and Benefits	11,282,457	10,469,141
107	927 Franchise Requirements		
108	928 Regulatory Commission Expenses	(41)	
109	(Less) (929) Duplicate Charges--Credit		
110	930.1 General Advertising Expenses	232	907
111	930.2 Miscellaneous General Expenses	23,840,316	21,475,634
112	931 Rents	546,276	457,198
113	TOTAL Operation (Total of lines 100 through 112)	51,213,844	51,285,387
114	Maintenance		
115	935 Maintenance of General Plant	252,680	398,918
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)	51,466,524	51,684,305
117			
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	251,002,043	278,991,608
119			
120			

NUMBER OF GAS DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
3. The number of employees assignable to the gas department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.

1		
2	1. Payroll Period Ended (Date)	12/31/2020
3	2. Total Regular Full-Time Employees	624
4	3. Total Part-Time and Temporary Employees	2
5	4. Total Employees	626
6		
7		
8		
9		
10		
11		
12		
13		

Name of Respondent | For the Year Ended

Peoples Gas System | Dec. 31, 2020

GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1, 808.1, 808.2)

1. Provide totals for the following accounts:
   - 800 - Natural Gas Well Head Purchases
   - 800.1- Natural Gas Well Head Purchases Intracompany Transfers
   - 801 - Natural Gas Field Line Purchases
   - 802 - Natural Gas Gasoline Plant Outlet Purchases
   - 803 - Natural Gas Transmission Line Purchases
   - 804 - Natural Gas City Gate Purchases
   - 804.1- Liquefied Natural Gas Purchases
   - 805 - Other Gas Purchases
   - 805.1- Purchases Gas Cost Adjustments
   - 808.1- Gas Withdrawn from Storage-Debit
   - 808.2 Gas Delivered to Storage-Credit

The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote.
2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in prior years.
3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b).
4. State in column (d) the average cost per Therm to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)

Line No.	Account Title (a)	Gas Purchased- Therms (14.73 psia 60 F) (b)	Cost of Gas (In dollars) (c)	Average Cost Per Therm (To nearest .01 of a cent) (d)
1	801 - Natural Gas Field Line Purchases		55,370,775	
2	808.1 - Gas Withdrawn from Storage-Debit			
3	808.2 - Gas Delivered to Storage-Credit			
4	804 - Natural Gas City Gate Purchases-Commodity		75,014,288	
5	805.1 - Purchased Gas Cost Adjustments		(3,881,066)	
6				
7				
8				
9				
10				
11	TOTAL (Total of lines 1 through 10)	269,018,479	126,503,998	47.02

Notes to Gas Purchases

GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)

1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.
2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.
4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).
5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.

Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas Amount of Credit (d)
1	812 Gas used for Other Utility Operations Credit (Report separately for each principal uses. Group minor uses.)			
2				
3	Operations Expense	880	74,386	65,558
4				
5	Transportation Clearing Account CNG	184	1,313	1,112
6				
7	Other Income Deductions	426	22,367	18,201
8				
9	Administrative Use	921	N/A	
10				
11	Sales Tax Account	241	N/A	(4,270)
12				
13	Gas Lost - Damaged Facilities	143	N/A	255,907
14				
15				
16				
17				
18	TOTAL		98,066	336,508

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

REGULATORY COMMISSION EXPENSES (Account 928)

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. Show in column (h) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
3. The totals of columns (c), (f), (h), and (i) must agree with the totals shown at the bottom of page 19 for Account 186
4. List in Column (d) and (e) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than $25,000) may be grouped.

Line No.	Description (Name of regulatory commission, the docke number, and a description of the case.) (a)	Total Expenses to Date (b)	Deferred in Account 186 Beginning of Year (c)	Expenses Incurred During Year: Charged Currently to: Account No. (d)	Amount (e)	Deferred to Account 186 (f)	Amortized During Year: Contra Account (g)	Amount (h)	Deferred in Account 186* End of Year (i)
1	Florida Public Service Commission								
2	Docket 20200051-GU / Order PSC-2020-0485-FOF-GU.								
3	Three year amortization of $1,230,449								
4	beginning Jan 2021	1,230,449	265,489	186	964,960	964,960		-	1,230,449
5									
6									
7	*Note - balance was transferred to 182 at the end of the year.								
8	$0 charged to 928 in 2020								
9									
10									
11									
12	TOTAL	1,230,449	265,489		964,960	964,960		-	1,230,449

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	868,957
2	Experimental and General Research Expenses:	
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the Respondent.	
4	Other expenses (items of $5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than $5,000 may be grouped by classes if the number of items so grouped is shown.)	
5	Emera Inc. and Nova Scotia Power - Management	670,850
6	Direct Software/Hardware Maintenance/Support	686,236
7	Registration/Report Filing Fees/Bank and Letter of Credit Fees	453,819
8	Facility Costs	441,625
9	Director Fees and Expenses	106,495
10	New Mexico Gas Company (NMGC) - I.T. charges	40,306
11	Tampa Electric (TEC) - Telecom	612,111
12	Tampa Electric (TEC) - Facilities Charge	252,168
13	Tampa Electric Other Direct Intercompany Charges	2,063,948
14	Tampa Electric Shared Services (TEC) Corporate Overhead Allocation	3,510,294
15	Tampa Electric Shared Services (TEC) - Human Resources and Employee Relations	1,112,009
16	Tampa Electric Shared Services (TEC) - Procurement	692,549
17	Tampa Electric Shared Services (TEC) - I.T.	4,944,445
18	Tampa Electric Shared Services (TEC) - Admin, Emergency Mgmt, Security, Accounts Payable, Corp Comm, Claims	1,809,807
19	Tampa Electric (TEC) - IT and Telecom Asset Usage	893,199
20	Associated Fringe Activity	2,909,444
21	Other	781,425
22	COVID Related Costs (PPE and other)	990,630
23		
24	TOTAL	23,840,316

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	**Electric**			
2	TOTAL Operation and Maintenance - Electric			
3	**Gas**			
4	Operation			
5	Production - Manuftd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	718,277		
6	Transmission			
7	Distribution	15,906,766		
8	Customer Accounts	1,386,188		
9	Customer Service and Informational	346,859		
10	Sales	-		
11	Administrative and General	13,023,760		
12	TOTAL Operation (Total of lines 5 through 11)	31,381,850		
13	Maintenance			
14	Production - Manuftd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	-		
15	Transmission	-		
16	Distribution	5,093,146		
17	Administrative and General	14,957		
18	TOTAL Maintenance (Total of lines 14 through 17)	5,108,103		
19	Total Operation and Maintenance	36,489,953		
20	Production - Manuftd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	718,277		
21	Transmission (Enter Total of lines 6 and 15)	-		
22	Distribution (Total of lines 7 and 16)	20,999,912		
23	Customer Accounts (Transcribe from line 8)	1,386,188		
24	Customer Service and Informational (Transcribe from line 9)	346,859		
25	Sales (Transcribe from line 10)	-		
26	Administrative and General (Total of lines 11 and 17)	13,038,717		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	36,489,953		36,489,953
28	**Other Utility Departments**			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	36,489,953	-	36,489,953
31	**Utility Plant**			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	11,686,216		11,686,216
35	Other			
36	TOTAL Construction (Total of lines 33 through 35)	11,686,216	-	11,686,216
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	1,646,694		1,646,694
40	Other			
41	TOTAL Plant Removal (Total of lines 38 through 40)	1,646,694	-	1,646,694
42				
43	Other Accounts (Specify):			
44				
45				-
46	Accounts Receivable - Associated Companies	2,272,661		2,272,661
47	Misc Deferred Debits/Credits	4,483		4,483
48	Merchandise / Jobbing	7,654		7,654
49	Reg Asset	2,514		2,514
50	Other		394,382	394,382
51				
52				
53	TOTAL Other Accounts	2,287,313	394,382	2,681,695
54	TOTAL SALARIES AND WAGES	52,110,175	394,382	52,504,557

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than $25,000, including payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities.
(a) Name of person or organization rendering services,
(b) description of services received,
(c) basis of charges,
(d) total charges for the year, detailing account charged.
2. For any services which are of a continuing nature, give the date and term of contract.
3. Designate with an asterisk associated companies.

	Description		Amount
1	APTUS Group USA LLC	107-capital-bridge upgrades	726,318
2	Arcadis US Inc.	182-environmental services	3,074,610
3	Ausley & McMullen PA	various-legal, conservation, rate case	124,266
4	AVEVA Software	107-capital project-SCADA	555,447
5	Ayres Associates Inc	107-capital	72,801
6	Bajocuva PA	925-legal services	355,193
7	Baker & Hostetler LLP	182/923-legal services	124,247
8	Bennet Jacobs & Adams PA	923-legal services	92,527
9	Brandmark Advertising, Inc.	909/913/925-marketing services	486,409
10	Calhoun Collister & Parham Inc	107/923-appraisal services	994,576
11	Carmels Landing LLC	107/923-engineering services	130,502
12	Cleveland Integrity Services, Inc.	various-engineering services	1,676,842
13	Daniel P Yardley	186-rate case consultant	147,315
14	Daniels Engineering, Inc.	various-engineering services	388,515
15	Dive-tech International Inc.	various-engineering services	62,732
16	Durrance and Associates P.A.	107-appraisal services	408,006
17	Enviro Tech Inc	various-environmental services	56,064
18	Environmental Consulting (ECT)	various-engineering services	51,514
19	Ernst & Young US LLP	923 - Audit	140,550
20	Gaylord Merlin Ludovici & Diaz	various - legal services	243,741
21	Geosyntec	182-environmental services	1,206,550
22	Gilcrease & Partners LLC / Summit Resources	107 - land agents	719,874
23	GL Noble Denton USA LLC	923 - synergi model development	174,647
24	HBK Engineering LLC	107-capital	1,670,581
25	Heath Consultants	various-engineering services	1,669,587
26	Jones Day	804/multi-legal services	162,464
27	Lau, Lane, Pieper, Conley & McCreadie PA	923/925-legal services	194,485
28	Macfarlane Ferguson	182/186/923-legal services incl rate case	548,887
29	Mai Engineering	various-engineering services	682,882
30	McCarter and English	923/various-legal services	609,496

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.
(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charges, the total of amortization charged for the year, and the period of amortization.
(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities: and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than $25,000 may be grouped by classes within the above accounts.
(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.

	Item	Amount
1		
2	Account 426.1 - Donations	447,878
3	Account 426.3 - Other Penalties	-
4	Account 426.4 - Lobbying	69,753
5	Account 426.5 - Other Deductions	25,928
6		543,559
7		
8		
9	Account 431 - Other Interest Expense	
10		
11	Other	318
12	Credit Facility	1,486,998
13	Customer Deposits	647,612
14	PGA True - Up	63,674
15		
16		
17		2,198,602
18		
19		
20		
21		
22		
23		
24		

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than $25,000, including payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities.
(a) Name of person or organization rendering services,
(b) description of services received,
(c) basis of charges,
(d) total charges for the year, detailing account charged.
2. For any services which are of a continuing nature, give the date and term of contract.
3. Designate with an asterisk associated companies.

	Description		Amount
1	continued from page 33a		
2	Matrix PDM Engineering Inc	107-engineering services	393,772
3	McKim&Creed	various-engineering services	912,411
4	Morning Star Fleet Services	921/923-consulting services	34,836
5	Mott Macdonald Group Inc	107-engineering design services	185,502
6	Navigant a Guidehouse Company	923-environmental consultant	102,919
7	NDT and Inspections	107-capital	461,297
8	Nopetro-CH4 Holdings LLC	413-lease eqmt maint.	802,209
9	Pricewaterhouse Coopers LLP/PWC	107-capital project consulting	2,695,941
10	Project Consulting Services Inc	107-capital	203,089
11	Quorum Business Solutions	107-capital	1,352,262
12	R and D Strategic Solutions LLC	925-legal services	108,696
13	Robert A. Ellis	107-capital-survey	62,400
14	Schifino Lee Inc	913-mkting strategy/media buys	328,193
15	Schutts & Bowen	925-legal services	131,273
16	Scott Madden Inc	186-rate case consultant	108,537
17	Senalosa Group Inc	923-management Consultant	69,053
18	Shumaker Loop & Kendrick	107-legal services	240,019
19	Smoak & Chistolini LLC	925-legal services	91,751
20	StrategiTech, LLC	various-operations services	1,897,178
21	The Goldstein Environmental Law Group	182/923-legal services	36,332
22	The Paradigm Alliance, Inc	925-pipeline awareness	27,916
23	TMG Utility Advisory Services Inc.	107/923-consulting services-IT Project	405,683
24	Troutman Sanders LLP	923-legal support	37,955
25	Tucker Hall	923/Other-consulting services	53,825
26	Universal Ensco Inc	107-capital management	2,088,766
27	Vimocity LLC	923-health consultant	86,531
28	World Wide Nondestructive Testing	107/various operations services	545,938
29	Yuro and Associates LLC	various-engineering services	517,077
30			
31	Emera Inc.*	930.2/various-labor and corp support	1,037,332
32	Tampa Electric*	930.2/various	31,192,482
33	Teco Partners*	912/107-marketing services	8,334,416
34	New Mexico Gas Company*	930.2-I.T. Support services	40,306
35			

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.
(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charges, the total of amortization charged for the year, and the period of amortization.
(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities: and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than $25,000 may be grouped by classes within the above accounts.
(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.

	Item	Amount
1		
2		
3		
4		
5	Blank section - see 33a	
6		
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19		

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

Reconciliation of Gross Operating Revenues
Annual Report versus Regulatory Assessment Fee Return

For the current year, reconcile the gross operating revenues as reported on Page 26 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).

Line No.	(a) Description	(b) Gross Operating Revenues per Page 26	(c) Interstate and Sales for Resale Adjustments	(d) Adjusted Intrastate Gross Operating Revenues	(e) Intrastate Gross Operating Revenues per RAF Return	(f) Difference (d) - (e)
1	Total Sales to Ultimate Customers (480-482, 484)	221,483,234		221,483,234	221,483,234	-
2	Sales for Resale (483)	1,790,776		1,790,776	1,790,776	-
3	Total Natural Gas Service Revenues	223,274,009		223,274,009	223,274,009	-
4	Total Other Operating Revenues (485-495)	188,293,302		188,293,302	188,293,302	-
5	Total Gas Operating Revenues	411,567,312		411,567,312	411,567,312	-
6	Revenue from Property Leased to Other (412)	-			2,635,380	(2,635,380)
7	Provision for Rate Refunds (496)	-			0	
8	Wholesale Sales & Wholesale Transport Adj.				(1,790,776)	1,790,776
9	Mutually Beneficial Wholesale Adjustment				(2,308,914)	2,308,914
10	Unbilled Revenue Adjustment				(2,473,025)	2,473,025
11	Off System Sales for Resale Adjustment				(20,259,536)	20,259,536
12	**Total Gross Operating Revenues**	411,567,312		411,567,312	387,370,442	24,196,870

Notes:

Column F differences are due to RAF return adjustments for exempt revenue, and addition of revenue from property leased to others (CNG station).

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

CORPORATE STRUCTURE

Provide an updated organizational chart showing all affiliated companies, partnerships, etc.

Effective Date: Dec. 31, 2020

- Emera US Holdings Inc.
  - TECO Energy, Inc.
    - TECO Services, Inc.
    - Tampa Electric Company
      - TEC Receivables Corp.
      - TECO Partners, Inc.
    - New Mexico Gas Intermediate, Inc.
      - New Mexico Gas Company, Inc.
    - TECO Finance, Inc.
    - TECO Oil & Gas, Inc.
    - TECO Diversified, Inc.
      - TECO Coalbed Methane Florida, Inc.
      - TECO Properties Corporation
      - TECO Gemstone, Inc.
    - Peoples Gas System (Florida), Inc.
    - TECO Pipeline Holding Company, LLC
      - SeaCoast Gas Transmission, LLC
        - SECI Mitland Corporation
    - TECO EnergySource, Inc.
    - TECO Wholesale Generation, Inc.
      - TECO Guatemala, Inc.
        - TECO Guatemala Holdings, LLC
        - TECO Guatemala Holdings II, LLC
    - TECO Clean Advantage Corporation

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of $300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

(a) Enter name of affiliate.
(b) Give description of type of service, or name the product involved.
(c) Enter contract or agreement effective dates.
(d) Enter the letter "p" if the service or product is purchased by the Respondent: "s" if the service or product is sold by the Respondent.
(e) Enter utility account number in which charges are recorded.
(f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year: "p" or "s" (d)	Account Number (e)	Dollar Amount (f)
TECO Partners, Inc	Real property sublease		s	493	98,471
	G&A Allocation		s	922	273,000
	Labor services		s	146	286,407
	Marketing		p	912	7,729,715
	Marketing Service		p	107	500,000
	Other service/labor		p	multiple	104,701
TECO Energy Inc.	Labor services		s	146	24,987
Tampa Electric Co.					
	Labor & Other Services		s	146	2,597,684
	Natural Gas sales		s	146	4,857,055
	Real property sublease		p	931/multiple	822,813
	Labor services		p	930.2/multiple	13,934,119
	Natural Gas purchases		p	801	73,004
	Meter Reading		p	902	20,534
	IT Usage Fee		p	930.2/multiple	3,360,278
	Telecom		p	930.2	715,610
	Facilities		p	930.2	270,780
	Corporate Overhead Allocation		p	930.2	3,510,294
	IT Assessment		p	930.2	4,944,445
	Benefits Admin Assessment		p	930.2	478,668
	Employee Relations Assessment		p	930.2	633,341
	Administrative Services Assessment		p	930.2	333,366
	Emergency Management Assessment		p	930.2	89,708
	Corporate Communications Assessment		p	930.2	626,189
	Accounts Payable Assessment		p	930.2	314,746
	Claims Assessment		p	930.2	445,799
	Procurement Assessment		p	930.2	691,792
New Mexico Gas Company	Labor and IT Services		p	930.2	40,306

Continued on next page (36b)

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of $300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.
(a) Enter name of affiliate.
(b) Give description of type of service, or name the product involved.
(c) Enter contract or agreement effective dates.
(d) Enter the letter "p" if the service or product is purchased by the Respondent: "s" if the service or product is sold by the Respondent.
(e) Enter utility account number in which charges are recorded.
(f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	"p" or "s" (d)	Total Charge for Year: Account Number (e)	Total Charge for Year: Dollar Amount (f)
Continued from page 36a					
SeaCoast Gas Transmission	Labor services		s	146	468,606
	G&A Allocation		s	922	316,000
	Natural Gas Purchases		p	801	2,258,218
	Natural Gas		s	146	615,307
Emera Energy Services Inc.	Natural Gas Sales		s	146	1,094,364
	Natural Gas Purchases		p	801	3,213,995
Emera Inc.	Labor Services		p	930.2/Multi	539,512
	Corporate Support Alloc		p	930.2/Multi	497,820
	Labor Services		s	146	3,964
Nova Scotia Power (an Emera Company)	Corporate Support Alloc		p	930.2/Multi	576

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2020

NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES

Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

Name of Affiliate	Synopsis of Contract
TECO Partners	An agreement entered into between Peoples Gas (Peoples) and TECO Partners (Partners) whereby Peoples retained Partners to market and sell services for and on behalf of Peoples to present and potential customers of Peoples, including but not limited to: Energy Services, Energy Conservation Program Services, Promotional Services Payment to Partners under the agreement is targeted at $6,500,000 annually - increasing by the previous year's CPI. The agreement was entered into effective January 1, 2008 and renews annually.
Tampa Electric Company	Service agreements effective Jan 2020 through Dec 2020. Peoples Gas System contracted Tampa Electric to provide monthly gas meter reading in the Tampa, Lakeland and Brooksville areas through January 2020.
TECO Services, Inc.	Services Agreement effective January 1, 2014 (automatically renewed in 2020).
Emera Energy US Sub No. 1	Secondment Agreement by and among, Emera Energy US Sub No. 1 and Peoples Gas System.
New Mexico Gas Company, Inc.	Affiliate Addendum effective July 1, 2016 to Amended & Restated Service Agreement effective January 1, 2013. New Mexico Gas Company, Inc. provide selected services such as Information Technology Services to Peoples Gas.
TECO EnergySource, Inc.	NCTS Agreement dated June 1, 2010.
SeaCoast Gas Transmission	NAESB between SeaCoast Gas Transmission and Peoples Gas dated October 15, 2010. Firm Transportation Service agreement with PGS - commencement date October 27, 2020.
Emera Energy Services, Inc.	NAESB between Emera Energy and Peoples Gas dated February 1, 2017. Asset Management Agreement (AMA) entered into December 18, 2018 and amended July 1, 2019 between Emera Energy Services, Inc and Peoples Gas.
Emera Incorporated	Shared Service Agreement between Emera Incorporated and Tampa Electric dated July 1, 2016.
Nova Scotia Power Corp.	Shared Service Agreement between Nova Scotia Power and Tampa Electric dated January 1, 2017.

INDIVIDUAL AFFILIATED TRANSACTIONS IN EXCESS OF $25,000

Provide information regarding individual affiliated transactions in excess of $25,000. Recurring monthly affiliated transactions which exceed $25,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.

Name of Affiliate	Description of Transaction	Dollar Amount
TECO Partners, Inc.	Real property sublease	98,471
	G&A Allocation	273,000
	Labor services	286,407
	Marketing	(8,229,715)
	Labor services	(104,701)
Tampa Electric Co	Labor & other services	2,597,684
	Natural Gas sales	4,857,055
	Real property sublease	(822,813)
	Labor services	(13,934,119)
	Natural Gas purchases	(73,004)
	IT Usage Fee	(3,360,278)
	Telecom	(715,610)
	Facilities	(270,780)
	Corporate Overhead Allocation	(3,510,294)
	IT Assessment	(4,944,445)
	Benefits Admin/Employee Relations	(1,112,009)
	Administrative Services Assessment	(333,366)
	Emergency Mgmt/Procurement Assessment	(781,500)
	Corporate Communications	(626,189)
	Accounts Payable	(314,746)
	Claims Assessment	(445,799)
SeaCoast Gas Transmission	Labor services	468,606
	G&A Allocation	316,000
	Natural Gas Purchases	(2,258,218)
	Natural Gas Sales	615307
New Mexico Gas Company	Labor and IT Services	(40,306)
Emera Energy Services Inc.	Natural Gas Purchases	(3,213,995)
	Natural Gas sales	1,094,364
Emera Inc.	Labor Services	(539,512)
	Corporate Support Services Alloc	(497,820)

Name of Respondent						For the Year Ended	
Peoples Gas System						Dec. 31, 2020	

ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.

Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
Purchases from Affiliates:		$	$	$	$	$	
None		-	-	-	N/A	-	
Total						-	
Sales to Affiliates:	None	$	$	$	$	Sales Price	
None							
Total						$	

EMPLOYEE TRANSFERS

List employees earning more than $50,000 annually transferred to/from the utility to/from an affiliate company.

Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
New Mexico Gas Co	Peoples Gas System	Engineer II	Mgr Business Ops Support	Permanent
Peoples Gas	Tampa Electric	Mgr Operations Systems Solutions	Mgr Business Strategy/Dev	Permanent
Peoples Gas	Tampa Electric	Regulatory Rate Analyst Sr	Regulatory Rate Analyst Sr	Permanent
Peoples Gas	Tampa Electric	Gas Design Tech	Project Controls Analyst I	Permanent
Peoples Gas	Tampa Electric	Utility Technician	ED Materials Specialist II	Permanent
Peoples Gas	Tampa Electric	Utility Technician	Appr Electrician I 'S'	Permanent
Peoples Gas	Tampa Electric	Apprentice	Appr Electrician I 'S'	Permanent
Peoples Gas	Tampa Electric	Apprentice	Appr Network Specialist I	Permanent
Tampa Electric Co	Peoples Gas System	HR Business Partner	HR Business Partner	Permanent
Tampa Electric Co	Peoples Gas System	Technology Consultant	Mgr Budgeting/Financial Analysis	Permanent
Tampa Electric Co	Peoples Gas System	Forecast Analyst	Mgr Regulatory Rates	Permanent
Tampa Electric Co	Peoples Gas System	SAP Functional Analyst	Financial Analyst Sr	Permanent
Tampa Electric Co	Peoples Gas System	Public Relations Specialist	Brand & Communication Strategist S	Permanent
Tampa Electric Co	Peoples Gas System	Business Planning/Budget Analyst I	Business Planning/Budget Analyst S	Permanent
Tampa Electric Co	Peoples Gas System	Lead - CSP	Business Ops Support Spec	Permanent
TECO Services, Inc	Peoples Gas System	President COO-ENMAX	Director Engineering Services	Permanent