



August 11, 2025

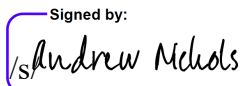
Matthew Vogel, Public Utilities Supervisor
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Vogel:

Attached is the Rate of Return calculation of Peoples Gas System for the period ending **June 2025**.

Please let me know if you have any questions.

Respectfully,

Signed by:

2ED3ADDA708D4CE
Andrew Nichols
Director of Business Planning

Enclosures

cc: Office of Public Counsel – Charles Rehwinkel

PEOPLES GAS SYSTEM
EARNINGS SURVEILLANCE REPORT SUMMARY
Jun 2025
(In \$ Thousands)

SCHEDULE 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 166,543	\$ 1,495	\$ 168,038	\$ 0	\$ 168,038
AVERAGE RATE BASE	\$ 2,585,610	\$ (122,559)	\$ 2,463,051	\$ 0	\$ 2,463,051
AVERAGE RATE OF RETURN	6.44 %		6.82 %		6.82 %

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

III. EARNED RETURN ON EQUITY

			FPSC ADJUSTED	PRO FORMA ADJUSTED
LOW	6.64 %			
MIDPOINT	7.13 %	A. INCLUDING FLEX RATE REVENUES	9.52 %	9.52 %
HIGH	7.61 %	B. EXCLUDING FLEX RATE REVENUES	9.12 %	9.12 %

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 or s. 775.083.

/s/ Andrew Nichols, Director of Business Planning
(Name and Title)

Andrew Nichols
(Signature)

8/11/2025
(Date)

PSC/AFA13

**PEOPLES GAS SYSTEM
AVERAGE RATE BASE
Jun 2025
(In \$ Thousands)**

SCHEDULE 2

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	(10)	(11)
	Plant in Service	Plant Acquisition Adjustment	Accumulated Depreciation & Amortization	Customer Advances for Construction	Net Plant in Service	Property Held for Future Use	Construction Work in Progress	Net Utility Plant	Working Capital	Total Rate Base
PER BOOKS	3,384,045	-	974,235	26,215	2,383,595	1,940	160,589	2,546,124	39,486	2,585,610
<u>FPSC ADJUSTMENTS:</u>										
Property for Future Use						(1,940)		(1,940)		(1,940)
Temporary Cash Investment									(2)	(2)
Non-Utility (RNG Alliance)									(14,698)	(14,698)
Accounts Rec./Pay. - Assoc Companies									(8,125)	(8,125)
Other Accounts Receivable									(3,484)	(3,484)
Non-Utility Allocation	(1,383)		(491)		(892)			(892)		(892)
Remove Unamort. Debt Expense									(2,416)	(2,416)
Remove Unrecovered Gas Cost									-	-
Remove Dividends Declared									1,824	1,824
Remove Unrec. Conservation Costs									(241)	(241)
Remove Unrec. CIBSR Costs									-	-
Remove Competitive Rate Adjustment									(5,993)	(5,993)
Remove Unamortized Rate Case Expense									(1,843)	(1,843)
Gain on Sale of Property										-
Remove Acquis. Adjustment (WFNG)		-	-		-			-		-
Remove Derivative (FAS 133)									-	-
Cast Iron/Bare Steel Rider (CIBSR)	(11,008)		116		(11,124)		(8,331)	(19,456)		(19,456)
AFUDC - Eligible CWIP							(64,059)	(64,059)		(64,059)
Remove Investment in Subsidiaries									(1,233)	(1,233)
TOTAL FPSC ADJUSTMENTS	(12,391)	-	(375)	-	(12,016)	(1,940)	(72,391)	(86,347)	(36,212)	(122,559)
FPSC ADJUSTED	3,371,654	-	973,861	26,215	2,371,579	-	88,198	2,459,777	3,274	2,463,051
<u>FLEX RATE REVENUES</u>										
ADJUSTED FOR										
FLEX RATE REVENUES	3,371,654	-	973,861	26,215	2,371,579	-	88,198	2,459,777	3,274	2,463,051
<u>PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:</u>										
										-
TOTAL PRO FORMA ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
PRO FORMA ADJUSTED	3,371,654	-	973,861	26,215	2,371,579	-	88,198	2,459,777	3,274	2,463,051

PEOPLES GAS SYSTEM
NET OPERATING INCOME
Jun 2025
(In \$ Thousands)

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Operating Revenues	O & M Gas Expense	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current	Deferred Income Taxes (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition	Total Operating Expenses	Net Operating Income
PER BOOKS	728,408	177,505	186,195	90,911	69,147	18,702	19,946	-	(541)	561,865	166,543
<u>FPSC ADJUSTMENTS:</u>											
Remove Conservation Charges	(45,450)		(45,450)			(0)				(45,450)	(0)
Non-Utility Allocation				(45)	-	11				(34)	34
Interest Synchronization						491				491	(491)
Parent Debt Adjustment						(3,213)				(3,213)	3,213
Remove Fuel Revenues	(178,157)	(177,505)			(651)	(0)				(178,157)	-
Economic Development Adjustment			(19)			5				(14)	14
Employee Activities			(98)			25				(73)	73
Franchise/Gross Receipts Taxes	(37,708)				(37,536)	(44)				(37,580)	(128)
Maintenance of General Plant			(69)			18				(52)	52
Maint. of Structures and Improvements			(7)			2				(5)	5
Remove Acquisition Adj. Amortiz. (WFNG)				-		-				-	-
Gain on Sale of Property						-				-	-
Lease of PHFFU	(134)					(34)				(34)	(100)
Remove ITC Amortization						-		-		-	-
Cast Iron/Bare Steel Rider (CIBSR)	(1,076)		(858)	(155)	(63)	0				(1,076)	0
Cast Iron/Bare Steel Rider (CIBSR) - ROI	(1,578)					(400)				(400)	(1,178)
OSS Adjustment	-					-				-	-
TOTAL FPSC ADJUSTMENTS	(264,103)	(177,505)	(46,502)	(200)	(38,251)	(3,140)	-	-	-	(265,598)	1,495
FPSC ADJUSTED	464,305	-	139,693	90,711	30,896	15,562	19,946	-	(541)	296,267	168,038
<u>FLEX RATE REVENUES</u>	(6,284)					(1,593)				(1,593)	(4,691)
ADJUSTED FOR											
FLEX RATE REVENUES	458,021	-	139,693	90,711	30,896	13,969	19,946	-	(541)	294,674	163,347
<u>PRO FORMA REVENUE INCREASE AND</u>											
<u>ANNUALIZATION ADJUSTMENTS:</u>											
Deferred Tax True-up						-				-	-
TOTAL PRO FORMA ADJUSTMENTS	-		-			-			-	-	-
PRO FORMA ADJUSTED	464,305	-	139,693	90,711	30,896	15,562	19,946	-	(541)	296,267	168,038
PER BOOKS											
CURRENT MONTH AMOUNT	71,081	20,423	16,614	7,716	6,425	2,144	1,768	-	-	55,089	15,992

PEOPLES GAS SYSTEM
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
Jun 2025
(In \$ Thousands)

SCHEDULE 4

AVERAGE	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		SPECIFIC	PRO RATA			COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
						(%)	(%)	(%)	(%)	(%)	(%)
LONG TERM DEBT	925,000	(2,416)	(41,378)	881,206	35.78%	5.68	2.03	5.68	2.03	5.68	2.03
SHORT TERM DEBT	82,462	(241)	(3,688)	78,533	3.18%	5.56	0.18	5.56	0.18	5.56	0.18
CUSTOMER DEPOSITS	30,123		(920)	29,203	1.19%	2.50	0.03	2.50	0.03	2.50	0.03
COMMON EQUITY	1,243,331	(2,014)	(55,673)	1,185,643	48.14%	9.15	4.40	10.15	4.89	11.15	5.37
DEFERRED INCOME TAX	304,695	(7,143)	(9,085)	288,466	11.71%						
TAX CREDITS - ZERO COST	-	-	-	-	0.00%						
TOTAL	2,585,610	(11,815)	(110,744)	2,463,051	100.00%		6.64		7.13		7.61

PEOPLES GAS SYSTEM
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
Jun 2025
(In \$ Thousands)

SCHEDULE 5

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	6.82 %	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(2.03) %	
SHORT TERM DEBT	(0.18) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.24) %</u>	
TOTAL	4.58 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>48.14 %</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.52 %</u></u>	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$ 163,347	(Schedule 3)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$ <u>2,463,051</u>	(Schedule 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>6.63 %</u>	
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(2.03) %	
SHORT TERM DEBT	(0.18) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.24) %</u>	
TOTAL	4.39 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>48.14 %</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.12 %</u></u>	

PEOPLES GAS SYSTEM
EARNED RETURN ON COMMON EQUITY
PRO FORMA ADJUSTED BASIS
Jun 2025

SCHEDULE 5-2

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

PRO FORMA ADJUSTED AVERAGE EARNED RATE OF RETURN	6.82 %	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(2.03) %	
SHORT TERM DEBT	(0.18) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.24) %</u>	
TOTAL	4.58 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>48.14 %</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.52 %</u></u>	

B. PRO FORMA AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY
EXCLUDING FLEX RATE REVENUES

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$ 163,347	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$ <u>2,463,051</u>	(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	6.63 %	
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(2.03) %	
SHORT TERM DEBT	(0.18) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.24) %</u>	
TOTAL	4.39 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>48.14 %</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.12 %</u></u>	