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April 2, 2026

VIA ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20240019-PU, Proposed Amendment of Rule 25-14.004, Florida Administrative Code (F.A.C.), Effect of Parent Debt on Federal Corporate Income Tax

Dear Mr. Teitzman:

Attached for filing in the above docket is Peoples Gas System's Responses to Staff's First Data Request (Nos. 1-6) propounded by electronic mail on March 19, 2026.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'V. Ponder'.

Virginia L. Ponder

VLP/dk
Attachment

cc: Zachary Bloom
Susan Sapoznikoff
Elisabeth Draper
Mark Cicchetti
Sevini Guffey
Devlin Higgins

1. How will the draft amendments to Rule 25-14.004, Florida Administrative Code (F.A.C.), shown in the attachment to this letter, impact the company's customer rates?

ANSWER:

The draft amendment would eliminate the need for the parent debt adjustment, which has reduced customer rates by lowering the income tax expense component of the company's revenue requirement.

2. If a parent debt adjustment was made in the company's last rate case, what impact did it have on an average bill?

ANSWER:

In the company's 2025 rate case, the company made a parent debt adjustment of approximately \$2.967 million, which reduced the monthly bill for a residential customer with an average usage of 21 therms by \$0.46 and the monthly bill for a GS-1 commercial customer with an average usage of 400 therms by \$0.72.

3. Has the company now, or in the last 10 years, been a parent company that has invested in the equity of a subsidiary company with which the company filed a consolidated tax return?

ANSWER:

No.

4. Has the company now, or in the last 10 years, been a subsidiary company that files a consolidated tax return with a parent company?

ANSWER:

Yes.

5. What are the petition dates of the last 5 general base rate cases the company has filed with the Florida Public Service Commission?
- a. In any of those 5 cases, was an adjustment for parent debt made to the company's income tax calculation? If so, what was the adjustment amount for each applicable case?
 - b. For any affirmative response in question 5(a), if a parent debt adjustment had not been made, how much longer does the company believe it could have waited to bring its next rate case?

ANSWER:

Please see the petition dates of Peoples' last 5 general base rate cases in the table below:

Docket No.	Petition Date
20250029-GU	March 31, 2025
20230023-GU	April 4, 2023
20200051-GU	June 8, 2020
20080138-GU	August 11, 2008
20020384-GU	June 27, 2002

- a. Yes, a parent debt adjustment was made to the company's income tax calculation in all of the last 5 general rate base cases. Please see the parent debt adjustment for each case in the table below:

Docket No.	Parent Debt Adjustment
20250029-GU	\$2.967 million
20230023-GU	\$3.213 million
20200051-GU	\$2.099 million
20080138-GU	\$0.847 million
20020384-GU	\$1.319 million

- b. It is difficult to look back and determine how much the parent debt adjustment accelerated the company's need for relief. In terms of the 2025 rate case, the parent debt adjustment had an earnings impact equivalent to 21 basis points of return on equity in the test year.

6. Does the current parent debt adjustment in Rule 25-14.004, F.A.C., adversely affect the company? If so, how?

ANSWER:

Yes, in the test year used in the company's last rate case, the parent debt adjustment reduced the company's recoverable income tax expense by \$2.967 million.