



Attorneys and Counselors at Law  
123 South Calhoun Street  
P.O. Box 391 32302  
Tallahassee, FL 32301  
P: (850) 224-9115  
F: (850) 222-7560  
**ausley.com**

April 30, 2025

**VIA EMAIL**

Suzanne Hawkes  
Division of Accounting and Finance  
Florida Public Service Commission  
Room 160B – Gerald L. Gunter Bldg.  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
[shawkes@psc.state.fl.us](mailto:shawkes@psc.state.fl.us)

Re: Peoples Gas System, Inc.  
Annual Report of Natural Gas Utilities

Dear Ms. Hawkes:

On behalf of Peoples Gas System, Inc. attached please find its Form 2, Annual Report of Natural Gas Utilities required by Rule 25-7.135, Florida Administrative Code.

Sincerely,

A handwritten signature in blue ink, appearing to read 'V. Ponder', is positioned above the printed name 'Virginia Ponder'.

Virginia Ponder

VLP/dh  
Enclosures

# **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, 2024**

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

Name Rosemary Barbour

Title Controller

Address P.O Box 2562

City Tampa

State FL 33601-2562

Telephone No. (813) 228-4191

PSC/AFD 020-G (12/03)

## **Report of Independent Auditors**

To the Shareholder and the Board of Directors of Peoples Gas System

### **Opinion**

We have audited the financial statements of Peoples Gas System (the Company), which comprise the comparative balance sheets as of December 31, 2024 and 2023, 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 to 11 in the accompanying Annual Report of Natural Gas Utilities (collectively referred to as the “financial statements”) filed with the Florida Public Service Commission as required by Rule 25-7.135.

In our opinion, the accompanying financial statements present fairly, in all material respects, the regulatory basis financial position of the Company as of December 31, 2024 and 2023, and the results of its regulatory basis operations for the years then ended on the basis of 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 described in the opening paragraphs preceding the notes.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Regulatory Basis of Accounting**

We draw attention to the opening paragraphs preceding the notes to the financial statements, which describes the basis of accounting. As described therein, the financial statements are prepared by the Company 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 accounting principles generally accepted in the United States of America, to meet the requirements of the FERC. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these regulatory basis financial statements in accordance with the financial reporting provisions of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases as described in the opening paragraphs preceding the notes. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Restriction on Use**

Our report is intended solely for the information and use of the 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.

The signature is written in a cursive, handwritten style. It reads "Ernst & Young LLP". The "E" is large and loops around the "r". The "&" is written as an ampersand. "Young" is written in a simple cursive, and "LLP" is in all caps at the end.

April 16, 2025

# ANNUAL REPORT OF NATURAL GAS UTILITIES

## IDENTIFICATION

01 Exact Legal Name of Respondent Peoples Gas System, Inc	02 Year of Report 2024
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 Controller
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, 2024

## ATTESTATION

I certify that I am the responsible accounting officer of

Peoples Gas System, Inc;

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, 2024 to December 31, 2024, 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

4/16/2025  
Date

Rosemary Barbour  
Name

Controller  
Title

**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. <sup>2</sup>) 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.

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2024	
TABLE OF CONTENTS			
Title of Schedule (a)	Page No. (b)	Title of Schedule (a)	Page No. (b)
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS		INCOME ACCOUNT SUPPORTING SCHEDULES	
Control Over Respondent	3	Gas Operating Revenues	26
Corporations Controlled By Respondent	3	Gas Operation and Maintenance Expenses	27-29
Officers	4	Number of Gas Department Employees	29
Directors	4	Gas Purchases	30
Security Holders and Voting Powers	5	Gas Used in Utility Operations - Credit	30
Important Changes During the Year	5	Regulatory Commission Expenses	31
Comparative Balance Sheet	6-7	Miscellaneous General Expenses - Gas	31
Statement of Income	8-9	Distribution of Salaries and Wages	32
Statement of Retained Earnings	10	Charges for Outside Prof. and Other Consultative Serv	33
Notes to Financial Statements	11	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	33
BALANCE SHEET SUPPORTING SCHEDULES		REGULATORY ASSESSMENT FEE	
(Assets And Other Debits)		Reconciliation of Gross Operating Revenues - Annual Report versus Regulatory Assessment Fee Return	34
Summary of Utility Plant and Accum. Prov. for Depreciation, Amortization, and Depletion	12		
Gas Plant in Service	13-14		
Accumulated Depreciation & Amortization	15-16	DIVERSIFICATION ACTIVITY	
Construction Work in Progress - Gas	17	Corporate Structure	35
Construction Overheads - Gas	17	Summary of Affiliated Transfers and Cost Allocations	36
Prepayments	18	New or Amended Contracts with Affiliated Companies	37
Extraordinary Property Losses	18	Individual Affiliated Transactions in Excess of \$25,000	37
Unrecovered Plant and Regulatory Study Costs	18	Assets or Rights Purchased from or Sold to Affiliates	38
Other Regulatory Assets	19	Employee Transfers	38
Miscellaneous Deferred Debits	19		
(Liabilities and Other Credits)			
Securities Issued and Securities Refunded or Retired During the Year	20		
Unamortized Loss and Gain on Reacquired Debt	20		
Long-Term Debt	21		
Unamortized Debt Exp., Premium and Discount on Long-Term Debt	21		
Miscellaneous Current and Accrued Liabilities	22		
Other Deferred Credits	22		
Other Regulatory Liabilities	22		
Taxes Other Than Income Taxes	23		
Accumulated Deferred Investment Tax Credits	23		
Accumulated Deferred Income Taxes	24		
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	25		

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2024
<b>CONTROL OVER RESPONDENT</b>	
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.
<p>Peoples Gas System (PGS) was a wholly owned subsidiary of Tampa Electric Company (TEC). Tampa Electric Company is a wholly owned subsidiary of TECO Holdings, inc. On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. See "Separation of PGS from TEC" on page 11-E of the financial statement notes for information regarding the separation that occurred which resulted in PGS being a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Holdings, Inc.</p>	

<b>CORPORATIONS CONTROLLED BY RESPONDENT</b>			
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.		
<b>DEFINITIONS</b>			
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, 2024
<b>OFFICERS</b>		
<p>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.</p> <p>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.</p>		
Title (a)	Name of Officer (b)	Salary for Year (c)
President & CEO, PGS	H. Wesley	\$ 357,664
VP Engineering, Construction & Technology, PGS	C. Richard	\$ 282,555
VP Strategy, Marketing & Comm.	J. Wehle	\$ 269,100
VP Safety, Operations and Sustainability, PGS	T. O'Connor	\$ 300,000
VP, Human Resources, PGS	D. Bluestone	\$ 270,375
VP Customer Experience	K. Sparkman	\$ 81,357
Head of Financial Performance, PGS 1/1/2024-3/29/2024	R. Parsons	\$ 53,718
VP Business Development, PGS	L. Rutkin	\$ 241,362
VP Finance, PGS	J. DeVries	\$ 260,000
VP Regulatory and External Affairs, PGS	L. Buzard	\$ 260,000
VP Res and Comm Business	S. Connell	\$ 135,082
<b>Salaries for the year represent the Peoples Gas System share of individual salaries.</b>		

<b>DIRECTORS</b>			
<p>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.</p>		<p>2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.</p>	
Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
S.C. Balfour (Chair of the Board) C. Sprowls D.P.Muldoon H. Wesley (PGS Pres. & CEO) J.L.Bradley P. Iorio P. Geraghty R. Tedesco R. Thakkar R. Law	702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa 702 N. Franklin St. Tampa	5 meetings	Total: \$111,784

Name of Respondent	For the Year Ended			
Peoples Gas System	Dec. 31, 2024			
<b>SECURITY HOLDERS AND VOTING POWERS</b>				
<p>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.</p> <p>2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became</p>				
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.				
<b>VOTING SECURITIES</b>				
Name (Title) and Address of Security Holder (a)	Number of votes as of (date):			
	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				
<p>Prior to January 1, 2023, Peoples Gas System, as a division of Tampa Electric Company ("TEC"), had no outstanding shares of Tampa Electric Company common stock. All outstanding shares of Tampa Electric Company common stock were held by its parent, TECO Energy, Inc. 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 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 in the right to receive \$27.55 in cash, without interest. As described on page 3 of this report, effective January 1, 2023, PGS separated and is now a wholly owned subsidiary of TECO Gas Operations, Inc. a wholly owned subsidiary of TECO Energy. As part of the January 1, 2023 transaction, PGS issued 100 shares of common stock to TEC, which were subsequently distributed to TECO Energy, Inc., and then contributed to TECO Gas Operations, Inc. On April 1, 2024, TECO Gas Operations, Inc. became a subsidiary of TECO Holdings, Inc., which is an indirect wholly owned subsidiary of Emera.</p>				

<b>IMPORTANT CHANGES DURING THE YEAR</b>	
<p>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.</p>	
<p>1. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p>
<p>1 Please see separation of PGS from TEC on page 11-E - effective 1/1/23</p> <p>2 None</p> <p>3 None</p> <p>4 Please see the Commitments and Contingencies section of the included Notes to the Financial Statements - page 11-R.</p> <p>5 None</p>	

Name of Respondent			For the Year Ended	
Peoples Gas System			Dec. 31, 2024	
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	3,120,273,034	3,364,404,548
3	Construction Work in Progress (107)	12	142,812,968	193,457,445
4	TOTAL Utility Plant Total of lines 2 and 3)		3,263,086,002	3,557,861,993
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	906,669,814	973,140,969
6	Net Utility Plant (Total of line 4 less 5)		2,356,416,188	2,584,721,024
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)	-	11,111,248	11,938,836
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-	(38,889)	(512,216)
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-	1,001,717	1,057,850
14	Other Investments (124)	-		
15	Special Funds (125, 126, 128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		12,074,076	12,484,470
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	11,705,647	19,870,937
19	Special Deposits (132-134)	-	25,000	25,000
20	Working Funds (135)	-	2,950	2,400
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	34,477,675	47,548,187
24	Other Accounts Receivable (143)	-	2,176,951	8,089,622
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-	(1,001,587)	(999,919)
26	Notes Receivable from Associated Companies (145)	-	9,177,700	8,098,839
27	Accounts Receivable from Associated Companies (146)	-	1,804,781	3,100,898
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)	-	5,043,901	3,707,870
32	Merchandise (155)	-		
33	Other Material and Supplies (156)	-		1,356,227
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Underground & LNG Stored (164.1-164.3)	-	-	-
36	Prepayments (165)	18	5,776,664	6,015,988
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-	16,051,380	20,459,978
41	Miscellaneous Current and Accrued Assets (174)	-		
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		85,241,062	117,276,027
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-	1,992,576	2,416,137
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18		
47	Other Regulatory Assets (182.3)	19	80,881,787	73,324,433
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	4,655,757	6,057,245
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	65,861,658	55,884,160
56	Unrecovered Purchased Gas Costs (191)	-	(3,228,959)	(5,246,346)
57	TOTAL Deferred Debits (Total of lines 44 through 56)		150,162,819	132,435,629
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		2,603,894,145	2,846,917,150

Name of Respondent			For the Year Ended	
Peoples Gas System			Dec. 31, 2024	
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)	-	100	100
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-214)	-	963,050,169	1,104,050,169
5	Retained Earnings (215, 216)	10	124,406,949	131,561,714
6	Other Comprehensive Income (219)		-	-
7	Unappropriated Undistributed Subsidiary Earnings (216.1)	10	553,027	609,161
8	(Less) Reacquired Capital Stock (217)	-		
9	TOTAL Proprietary Capital (Total of lines 2 through 8)		1,088,010,245	1,236,221,144
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	925,000,000	925,000,000
15	Unamortized Premium on Long-Term Debt (225)	21		
16	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	21	-	-
17	TOTAL Long-Term Debt (Total of lines 11 through 16)		925,000,000	925,000,000
18	OTHER NONCURRENT LIABILITIES			
19	Obligations Under Capital Leases - Noncurrent (227)	-		
20	Accumulated Provision for Property Insurance (228.1)	-		
21	Accumulated Provision for Injuries and Damages (228.2)	-	2,633,190	3,596,801
22	Accumulated Provision for Pensions and Benefits (228.3)	-	23,959,733	21,877,030
23	Accumulated Miscellaneous Operating Provisions (228.4)	-	225,873	472,533
24	Accumulated Provision for Rate Refunds (229)	-		
25	TOTAL Other Noncurrent Liabilities (Total of lines 19 through 24)		26,818,796	25,946,364
26	CURRENT AND ACCRUED LIABILITIES			
27	Notes Payable (231)	-	55,000,000	138,000,000
28	Accounts Payable (232)	-	51,496,350	56,183,347
29	Notes Payable to Associated Companies (233)	-		
30	Accounts Payable to Associated Companies (234)	-	16,188,836	14,083,140
31	Customer Deposits (235)	-	29,259,217	29,931,495
32	Taxes Accrued (236)	-	5,918,022	5,810,763
33	Interest Accrued (237)	-	2,022,943	2,091,107
34	Dividends Declared (238)	-		
35	Matured Long-Term Debt (239)	-		
36	Matured Interest (240)	-		
37	Tax Collections Payable (241)	-	1,187,812	1,389,301
38	Miscellaneous Current and Accrued Liabilities (242)	22	21,004,532	21,033,826
39	Obligations Under Capital Leases-Current (243)	-		
40	Derivative Liabilities (245)			
41	TOTAL Current and Accrued Liabilities (Total of lines 27 through 40)		182,077,712	268,522,979
42	DEFERRED CREDITS			
43	Customer Advances for Construction (252)	-	27,387,592	27,706,505
44	Other Deferred Credits (253)	22	2,667,017	3,902,003
45	Other Regulatory Liabilities (254)	22	89,427,552	89,946,787
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	262,505,231	269,671,368
50	TOTAL Deferred Credits (Total of lines 43 through 49)		381,987,392	391,226,663
51	TOTAL Liabilities and Other Credits (Total of lines 9, 17, 25, 41 and 50)		2,603,894,145	2,846,917,150

Name of Respondent			For the Year Ended	
Peoples Gas System			Dec. 31, 2024	
<b>STATEMENT OF INCOME</b>				
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	684,555,397	533,368,174
3	Operating Expenses			
4	Operation Expenses (401)	27-29	306,103,215	301,014,601
5	Maintenance Expenses (402)	27-29	12,323,012	11,862,597
6	Depreciation Expense (403)	15-16	79,083,271	42,286,521
7	Amortization & Depletion of Utility Plant (404-405)	-	7,200,473	5,556,509
8	Amortization of Utility Plant Acquisition Adjustment (406)	-	-	3,744
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)	-	20,161,448	2,923,976
12	(Less) Regulatory Credits (407.4)	-	(9,220,029)	(15,245,897)
13	Taxes Other Than Income Taxes (408.1)	23	65,242,901	55,906,732
14	Income Taxes - Federal (409.1)	-	17,463,928	(12,770)
15	- Other (409.1)	-	4,828,055	(601,840)
16	Provision for Deferred Income Taxes (410.1)	24	67,055,726	22,417,342
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	24	(49,629,143)	
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)	-	4,353,612	1,421,918
22	TOTAL Utility Operating Expenses (Total of lines 4 -21)		516,259,245	424,689,597
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		168,296,152	108,678,577

Name of Respondent			For the Year Ended	
Peoples Gas System			Dec. 31, 2024	
STATEMENT OF INCOME (Continued)				
Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 8)		168,296,152	108,678,577
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	-	-
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-	65,451	13,062
31	Revenues From Nonutility Operations (417)	-	158,633	
32	(Less) Expenses of Nonutility Operations (417.1)	-	(378,623)	(111,697)
33	Nonoperating Rental Income (418)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	10	4,139,617	3,584,799
35	Interest and Dividend Income (419)	-	945,305	765,453
36	Allowance for Other Funds Used During Construction (419.1)	-	2,312,437	3,359,006
37	Miscellaneous Nonoperating Income (421)	-	302,025	261,844
38	Gain on Disposition of Property (421.1)	-	556,818	556,819
39	TOTAL Other Income (Total of lines 29 through 38)		8,101,663	8,429,286
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-	25,795	61,983
42	Miscellaneous Amortization (425)	33		
43	Miscellaneous Income Deductions (426.1-426.5)	33	1,125,763	768,635
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		1,151,558	830,618
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-	156,013	500
47	Income Taxes - Federal (409.2)	-	(425,108)	64,541
48	Income Taxes - Other (409.2)	-	(117,818)	17,887
49	Provision for Deferred Income Taxes (410.2)	24	1,165,918	385,029
50	(Less) Provision for Deferred Income Taxes - Credit (411.2)	24	(1,080,748)	(2,922,657)
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)		(301,743)	(2,454,700)
54	Net Other Income and Deductions (Total of lines 39,44,53)		7,251,848	10,053,368
55	Interest Charges			
56	Interest on Long-Term Debt (427)	-	52,040,000	1,879,222
57	Amortization of Debt Discount and Expense (428)	21	340,624	8,532
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	4,508,513	39,380,572
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-	(1,091,323)	(1,071,133)
64	Net Interest Charges (Total of lines 56 through 63)		55,797,814	40,197,193
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		119,750,186	78,534,752
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)		119,750,186	78,534,752

Name of Respondent			For the Year Ended
Peoples Gas System			Dec. 31, 2024
<b>STATEMENT OF RETAINED EARNINGS</b>			
1. Report all changes in appropriated retained earnings, and unappropriated retained earnings for the year.		5. Show dividends for each class and series of capital stock.	
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).		6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.	
3. State the purpose and amount for each reservation or appropriation of 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.	
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.		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)
	<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>		
1	Balance - Beginning of Year		124,959,976
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)		115,610,569
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(112,539,287)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		4,139,617
15	FAS 133 Other Comprehensive Income		
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		132,170,875
	<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>		
	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)		132,170,875

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2024

**NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS**

<p>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.</p> <p>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.</p> <p>3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and</p>	<p>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.</p> <p>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.</p> <p>5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.</p> <p>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.</p>
--	---



## **DEFINITIONS**

Acronyms and defined terms used in this report include the following:

<b>Term</b>	<b>Meaning</b>
AFUDC	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
ASU	Accounting Standards Update
CMO	collateralized mortgage obligation
CNG	compressed natural gas
CPI	consumer price index
Emera	Emera Inc., a geographically diverse energy and services company headquartered in Nova Scotia, Canada and the indirect parent company of Peoples Gas System
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 Holdings' common stock as of April 1, 2024, and the sole shareholder of TECO Energy's common stock prior to April 1, 2024
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
ICSID	International Centre for the Settlement of Investment Disputes
IRS	Internal Revenue Service
ITC	Investment Tax Credit
MBS	mortgage-backed securities
MGP	manufactured gas plant
MRV	market-related value
NAV	net asset value
NOL	net operating loss
Note	Note to consolidated financial statements
NPNS	normal purchase normal sale
OCI	other comprehensive income
OPC	Office of Public Counsel
Parent	TECO Holdings, Inc. as of April 1, 2024, and TECO Energy, Inc., prior to April 1, 2024
PBGC	Pension Benefit Guarantee Corporation
PBO	projected benefit obligation
PGS	Peoples Gas System, Inc., subsidiary of TECO Gas Operations, Inc.
PRP	potentially responsible party
REIT	real estate investment trust
ROE	return on common equity
RNG	renewable natural gas
Regulatory ROE	return on common equity as determined for regulatory purposes
SeaCoast	SeaCoast Gas Transmission, subsidiary of TECO Gas Operations, Inc.
SERP	Supplemental Executive Retirement Plan
STIF	short-term investment fund
Tampa Electric	Tampa Electric Company
TBA	to be announced
TEC	Tampa Electric Company
TECO Energy	TECO Energy, Inc., the indirect parent company of Peoples Gas System prior to April 1, 2024
TGOI	TECO Gas Operations, Inc., direct parent of Peoples Gas System
TECO Holdings	TECO Holdings, Inc, the indirect parent company of Peoples Gas System as of April 1, 2024
US GAAP	generally accepted accounting principles in the United States
YTM	yield to maturity

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 accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). See Note 14 for additional information.

Peoples Gas System's (PGS) Notes to the Financial Statements have been prepared in conformity with generally accepted accounting principles. Accordingly, certain footnotes are not reflective of PGS's Financial Statements contained herein.

## **PEOPLES GAS SYSTEM NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Significant Accounting Policies**

#### **Description of the Business**

PGS (or the company) is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in the state of Florida. Gas is delivered to the PGS distribution system through three interstate pipelines. PGS operates a natural gas distribution system that serves approximately 508,000 customers. The system includes approximately 15,700 miles (unaudited) of gas mains and 9,000 miles (unaudited) of service lines. PGS has operations in Florida's major metropolitan areas.

#### **Principles of Consolidation and Basis of Presentation**

The consolidated financial statements include the accounts of PGS and its subsidiary, TECO Partners Inc. Intercompany balances and transactions have been eliminated in consolidation.

These consolidated financial statements are prepared and presented in accordance with US GAAP. In the opinion of management, these consolidated financial statements include all adjustments that are of a recurring nature and necessary to fairly state the financial position of the company.

PGS was a wholly owned subsidiary of TEC, which contained electric and natural gas divisions. TEC was a wholly owned subsidiary of TECO Energy. On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. See "Separation of PGS from TEC" below for information regarding the separation that occurred which resulted in PGS being a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Energy, Inc.

Prior to April 1, 2024, TECO Gas Operations was a wholly owned subsidiary of TECO Energy, Inc, which was an indirect, wholly owned subsidiary of Emera. On April 1, 2024, TECO Energy, Inc distributed its investment in TECO Gas Operations to TECO Holdings, Inc. in a transaction intended to qualify as a tax-free reorganization. This new corporation is also an indirect, wholly owned subsidiary of Emera. Therefore, PGS is an indirect, wholly owned subsidiary of Emera.

#### **Use of Estimates**

The use of estimates is inherent in the preparation of financial statements in accordance with US GAAP. Actual results could differ from these estimates.

#### **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 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 a regulated utility, PGS must file depreciation 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 factor. The company uses the current cost of removal factor 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, 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:

<i>(millions)</i>	<i>Estimated Useful Lives</i>	<i>December 31, 2024</i>	<i>December 31, 2023</i>
Gas transmission and distribution	15-75 years	\$ 3,141	\$ 2,912
General plant and other	3-30 years	203	186
Total cost		3,344	3,098
Less accumulated depreciation		(768)	(712)
Construction work in progress		195	145
Total property, plant and equipment, net		<u>\$ 2,771</u>	<u>\$ 2,531</u>

## Depreciation

The provision for total regulated utility plant in service, expressed as a percentage of the original cost of depreciable property, was 2.7% and 1.67% for 2024 and 2023, respectively. Construction work in progress is not depreciated until the asset is placed in service.

PGS computes 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.

Total depreciation expense for the years ended December 31, 2024 and 2023 was \$77 million and \$42 million, respectively.

## 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. The rates used to calculate AFUDC are revised periodically to reflect significant changes in cost of capital. PGS's rate used to calculate its AFUDC in 2024 and 2023 was 7.08% and 6.00%, respectively. Total AFUDC for the years ended December 31, 2024 and 2023 was \$3 million and \$4 million, respectively.

## Inventory

PGS values materials and supplies using a weighted-average cost method. These material and supplies inventories are carried at the lower of weighted-average cost or net realizable value.

## **Regulatory Assets and Liabilities**

PGS is subject to accounting guidance for the effects of certain types of regulation (see **Note 3**).

## **Deferred Income Taxes**

PGS 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. PGS is 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 earned on regulated assets are deferred and amortized as reductions to income tax expense as required by regulatory practices. ITCs earned on unregulated assets are recorded as a reduction of income tax expense in the period the assets are placed in service.

## **Employee Postretirement Benefits**

PGS is a participant in the retirement plans of TECO Energy. TECO Energy sponsors a defined benefit retirement plan and other postretirement benefits. The measurement of the plans is based on several statistical and other factors, including those that attempt to anticipate future events (see **Note 5**).

## **Revenue Recognition**

### *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. The company'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 PGS 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 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 on the Consolidated Balance Sheets include receivables from contracts with customers, which consist of services to residential, commercial, industrial and other customers, totaling \$76 million and \$59 million as of December 31, 2024 and 2023, respectively.

An allowance for credit losses is established based on PGS's collection experience and reasonable and supportable forecasts that affect the collectability of the reported amount. Circumstances that impact PGS's estimates of credit losses include but are not limited to customer credit issues, fuel prices, customer deposits and general economic conditions. Accounts are reserved to the allowance or written off once they are deemed to be uncollectible.

PGS accrues base revenues primarily for services rendered but unbilled to provide for matching of revenues and expenses. As of December 31, 2024 and 2023, unbilled revenues of \$20 million and \$16 million, respectively, are included in the "Receivables" line item on the company's Consolidated Balance Sheets.

### **Accounting for Franchise Fees and Gross Receipts Taxes**

PGS is 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 PGS are included as an expense on the Consolidated Statements of Income in "Taxes, other than income". These amounts totaled \$36 million and \$31 million for the years ended December 31, 2024 and 2023, respectively.

### **Deferred Charges and Other Assets**

Deferred charges and other assets consist primarily of pension assets net of accrued pension liabilities (see **Note 5**), lease assets (see **Note 11**), and excess insurance recovery.

### **Deferred Credits and Other Liabilities**

Deferred credits and other liabilities primarily include accrued other postretirement benefits (see **Note 5**), MGP environmental remediation liability (see **Note 8**), a reserve for auto, general and workers' compensation liability claims, and customer deposits for construction activity.

TECO Holdings and its subsidiaries, including PGS, have a self-insurance program supplemented by excess insurance coverage for the cost of claims whose ultimate value exceeds the company's retention amounts. The company 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, 2024 and 2023 ranged from 4.00% to 5.11% and 4.00% to 5.99%, respectively.

### **Derivatives and Hedging Activities**

PGS's physical contracts qualify for the NPNS exception to derivative accounting rules, provided they meet certain criteria. Generally, NPNS applies if PGS deems the counterparty creditworthy, if the counterparty owns or controls resources within the proximity to allow for physical delivery of the commodity, if PGS intends to receive physical delivery and if the transaction is reasonable in relation to PGS's business needs. As of December 31, 2024 and 2023, all of PGS's physical contracts qualified for the NPNS exception, which was elected.

The company 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 Statement 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. No such activity occurred during the years ended December 31, 2024 and 2023.

### **Separation of PGS from TEC**

PGS became an operating division of TEC in 1997 when TECO Energy purchased PGS and merged that corporation into TEC. Since then, PGS has operated as a stand-alone regulated utility, including having its own tariff and its own books and records.

On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. (PGS) pursuant to a Contribution Agreement. This new corporation is a wholly owned subsidiary of a newly formed

gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Energy. On January 1, 2023, the assets, liabilities, and equity that had been recorded in the books of PGS were transferred from TEC to the newly formed PGS at book value in a tax-free transaction. PGS issued 100 shares of common stock to TEC related to the transfer of PGS, which were subsequently distributed to TECO Energy, Inc. and then contributed to TECO Gas Operations, Inc. The PGS Consolidated Statement of Cash Flows for the year ended December 31, 2023 does not include the non-cash impact of separating the PGS assets, liabilities and equity from TEC on January 1, 2023.

Prior to the separation, as a division of TEC, PGS had received an allocation of outstanding unsecured notes and outstanding short-term borrowings issued by TEC. The obligations related to these combined borrowings were reflected in an affiliate loan agreement between TEC and PGS. The initial obligation of PGS under the loan agreement at January 1, 2023 was a term loan in the principal amount of \$670 million and a revolving loan in the principal amount of \$66 million, net of discounts and issuance costs of \$6 million. The maturity date for both was December 29, 2023. On December 20, 2023, PGS repaid TEC the outstanding principal amount of the term loan and revolving loan of \$670 million and \$286 million, respectively, plus outstanding interest. The repayment terminates the affiliate loan agreement. PGS accessed the third-party lending market during 2023 to obtain capital (see **Note 6** and **Note 7**).

## **2. New Accounting Pronouncements**

PGS considers the applicability and impact of all ASUs issued by the FASB. The company was not required to and did not adopt any new ASUs in 2024. The following updates have been issued by FASB, but have not yet been adopted by the company. Any ASUs not included below were assessed and determined to be either not applicable to the company or have insignificant impact on the consolidated financial statements.

### *Income Tax Disclosures*

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The standard enhances the transparency, decision usefulness and effectiveness of income tax disclosures by requiring consistent categories and greater disaggregation of information in the reconciliation of income taxes computed using the enacted statutory income tax rate to the actual income tax provision and effective income tax rate, as well as the disaggregation of income taxes paid (refunded) by jurisdiction. The standard also requires disclosure of income (loss) before provision for income taxes and income tax expense (benefit) in accordance with U.S. Securities and Exchange Commission (SEC) Regulation S-X 210.4-08(h), Rules of General Application – General Notes to Financial Statements: Income Tax Expense, and the removal of disclosures no longer considered cost beneficial or relevant. The guidance will be effective for annual reporting periods beginning after December 15, 2025. Early adoption is permitted. The standard will be applied on a prospective basis, with retrospective application permitted. PGS is currently evaluating the impact of adoption of the standard on its consolidated financial statements.

## **3. Regulatory**

PGS is regulated by the FPSC. 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, PGS qualifies 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 US 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.

### **PGS Base Rates**

PGS's 2023 results reflected a rate case settlement agreement filed by PGS and OPC and approved by the FPSC on November 19, 2020. This settlement agreement includes an allowed regulatory ROE range of 8.90% to 11.00% with a 9.90% midpoint, including the ability to reverse a total of \$34 million of accumulated depreciation through 2023. PGS reversed accumulated depreciation of \$20 million in 2023. In addition, the agreement set new depreciation rates effective January 1, 2021, that are consistent with PGS's current overall average depreciation rate.

On April 4, 2023, PGS filed a petition with the FPSC for a base rate increase. A hearing for this matter was held in September 2023. On December 27, 2023, the FPSC issued the final order which granted an approximately \$118 million increase to PGS's base revenues. This includes approximately \$11 million transferred from the cast iron and bare steel replacement rider, resulting in a net incremental increase of \$107 million to base revenues. This reflects a 10.15% midpoint ROE, with a range of 9.15% to 11.15% ROE, and an approved equity capital structure of 54.7%. These new rates were in effect as of the first billing cycle of January 2024. Additionally, the final order set new depreciation rates effective January 1, 2024. These new rates are consistent with PGS's current overall average depreciation rate. The final order also approved a one-time long-term debt true-up mechanism adjustment to base rates to reflect PGS's actual cost rate for its inaugural long-term debt issuance. This increase was approved through a limited proceeding with new rates effective in the first billing of July 2024.

On March 31, 2025, PGS filed its petition with the FPSC to increase base rates and charges. The filing is reflective of a revenue requirement increase of approximately \$104 million effective in January 2026, and an additional adjustment of approximately \$27 million to recover revenue associated with the annualized incremental capital investment at the conclusion of 2026. This request for 2026 includes about \$7 million in revenue requirements related to the transfer of investments under the Cast Iron/Bare Steel Replacement Rider to rate base. The proposed rates include recovery of investments in its gas system to meet the needs of a growing customer base and investments in its system to boost reliability, resiliency, and efficiency. The FPSC will hear the case in the third quarter of 2025 with a decision expected by the end of 2025.

### Regulatory Assets and Liabilities

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

<i>(millions)</i>	<i>December 31, 2024</i>	<i>December 31, 2023</i>
<b>Regulatory assets:</b>		
Regulatory tax asset <sup>(1)</sup>	\$ 5	\$ 4
Cost-recovery clauses <sup>(2)</sup>	9	16
Environmental remediation <sup>(3)</sup>	20	20
Postretirement benefits <sup>(4)</sup>	32	33
Storm reserve <sup>(5)</sup>	2	1
Other	5	7
Total regulatory assets	73	81
Less: Current portion	16	23
Long-term regulatory assets	<u>\$ 57</u>	<u>\$ 58</u>
<b>Regulatory liabilities:</b>		
Regulatory tax liability <sup>(6)</sup>	\$ 89	\$ 88
Cost-recovery clauses - deferred balances <sup>(2)</sup>	5	3
Accumulated reserve—cost of removal <sup>(7)</sup>	205	195
Other	1	2
Total regulatory liabilities	300	288
Less: Current portion	15	14
Long-term regulatory liabilities	<u>\$ 285</u>	<u>\$ 274</u>

- (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.
- (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) The regulatory asset is included in rate base and earns a rate of return as permitted by the FPSC.
- (6) The regulatory tax liability is primarily related to the revaluation of PGS's deferred income tax balances recorded on December 31, 2017 at the lower corporate 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.

#### 4. Income Taxes

##### Inflation Reduction Act

On August 16, 2022, the Inflation Reduction Act was signed into legislation and includes numerous tax incentives for clean energy, such as the extension and modification of existing investment tax credits, including the expansion of ITC for qualified biogas facilities beginning 2023 for projects placed in service through 2024, and introduces new technology-neutral clean energy related credits beginning in 2025. PGS recognized a \$1 million and \$3 million reduction in tax expense, respectively, for the years ended December 31, 2024 and 2023 for its ITC related to its qualified biogas facilities placed in service during 2023.

##### Income Tax Expense

PGS is included in a consolidated U.S. federal income tax return with EUSHI and its subsidiaries. PGS's income tax expense is based upon a separate return method, modified for the benefits-for-loss allocation in accordance with EUSHI's tax sharing agreement. To the extent that PGS'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.

Income tax expense consists of the following:

##### Income Tax Expense

(millions)

For the year ended December 31,

	2024	2023
<b>Continuing Operations</b>		
Current income taxes		
Federal	\$ 19	\$ 0
State	5	0
Deferred income taxes		
Federal	14	18
State	4	5
Investment tax credits	(1)	(3)
Total income tax expense	<u>\$ 41</u>	<u>\$ 20</u>



For the two years presented, the overall effective tax rate on continuing operations differs from the U.S. federal statutory rate as presented below:

### Effective Income Tax Rate

(millions)

For the year ended December 31,

	2024	2023
Income before provision for income taxes	\$ 161	\$ 98
Federal statutory income tax rate	21.0%	21.0%
Income taxes, at statutory income tax rate	34	21
Increase (decrease) due to:		
State income tax, net of federal income tax	7	4
Investment tax credits	(1)	(3)
AFUDC-equity	0	(1)
Other	1	(1)
Total income tax expense from continuing operations	<u>\$ 41</u>	<u>\$ 20</u>
Income tax expense as a percent of income from continuing operations, before income taxes	25.5%	20.4%

The major components of the company's deferred tax assets and liabilities recognized are as follows:

### Deferred Income Taxes

(millions)

As of December 31,

	2024	2023
Deferred tax liabilities <sup>(1)</sup>		
Property related	\$ 240	\$ 226
Pension and postretirement benefits	17	14
Insurance related	3	4
Other	2	3
Total deferred tax liabilities	<u>262</u>	<u>247</u>
Deferred tax assets <sup>(1)</sup>		
Loss and credit carryforwards <sup>(2)</sup>	8	7
Medical benefits	5	4
Pension and postretirement benefits	8	7
Capitalized energy conservation assistance costs	22	27
Insurance related	4	4
Total deferred tax assets	<u>47</u>	<u>49</u>
Total deferred tax liability, net	<u>\$ 215</u>	<u>\$ 198</u>

(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 \$1 million and \$1 million at December 31, 2024 and 2023, respectively.

The expiration of PGS's tax credits and NOL carryforwards are as follows:

(millions)

	December 31, 2024	Expiration Year
General business credits	\$ 7	2027-2043
Federal NOL carryforwards	8	2036-2037
State NOL carryforwards	0	2036-2037
Total tax credits and NOL carryforwards	<u>\$ 15</u>	

As a result of TECO Energy's merger with Emera in 2016, PGS's 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 or combined tax return group of EUSHI.

PGS establishes valuation allowances on its deferred tax assets, including losses and tax credits, when the amount of expected future taxable income is not more likely than not to support the use of the deduction or tax attribute. At this time, PGS considers it more likely than not that PGS will have sufficient taxable income in the future that will allow the Company to realize its deferred tax assets. As of December 31, 2024 and 2023, a valuation allowance is not required.

## **Unrecognized Tax Benefits**

PGS accounts for uncertain tax positions in accordance with U.S. GAAP.

As of December 31, 2024 and 2023, PGS's uncertain tax positions for federal research and development tax credits were \$0.7 million and \$0.9 million respectively, all of which was recorded as a reduction of deferred income tax assets for tax credit carryforwards. The unrecognized tax benefits, if recognized, would reduce PGS's effective tax rate.

PGS 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 2024 and 2023, the company did not recognize any pre-tax charges (benefits) for interest.

The U.S. federal statute of limitations remains open for the year 2017 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 2013 and forward as a result of EUSHI's consolidated Florida net operating loss still being utilized.

## **5. Employee Postretirement Benefits**

### **Pension Benefits**

PGS is a participant in the comprehensive retirement plans of TECO Energy LLC (formerly known as TECO Energy, Inc. prior to April 1, 2024) including a qualified, non-contributory defined benefit retirement plan that covers substantially all employees. Subsequent to April 1, 2024, TECO Energy, LLC became a wholly owned subsidiary of the newly created TECO Holdings (see **Note 1** for further detail.) Effective January 1, 2025, the comprehensive retirement plans were transferred to TECO Holdings. Benefits are based on employees' age, years of service and final average earnings. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to PGS 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 for 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.

### **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 PGS 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.

TECO Energy has made a change to the postretirement health plan to replace the pharmacy services provider. The change was treated as a plan amendment and the plan was remeasured as of September 30, 2023. See "Plan amendments" line item in the "Obligations and Plan Assets" table below.

### **Obligations and Funded Status**

PGS 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 the 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 plans (other benefits).

## TECO Energy

### Obligations and Plan Assets

(millions)	Pension Benefits		Other Benefits <sup>(2)</sup>	
	2024	2023	2024	2023
<b>Change in benefit obligation</b>				
Benefit obligation at beginning of year	\$ 678	\$ 666	\$ 132	\$ 142
Service cost	17	15	1	1
Interest cost	35	35	7	7
Plan participants' contributions	0	0	4	4
Benefits paid	(57)	(59)	(10)	(19)
Actuarial loss (gain)	1	27	(4)	7
Plan amendments	0	0	0	(10)
Plan settlements <sup>(3)</sup>	0	(6)	0	0
Benefit obligation at end of year	<u>\$ 674</u>	<u>\$ 678</u>	<u>\$ 130</u>	<u>\$ 132</u>

### Change in plan assets

Fair value of plan assets at beginning of year	\$ 686	\$ 650	\$ 0	\$ 0
Actual gain (loss) return on plan assets	41	78	0	0
Employer contributions	16	16	0	0
Employer direct benefit payments	0	7	6	15
Plan participants' contributions	0	0	4	4
Benefits paid	(57)	(58)	0	0
Direct benefit payments	0	(1)	(10)	(19)
Plan settlements <sup>(3)</sup>	0	(6)	0	0
Fair value of plan assets at end of year <sup>(1)</sup>	<u>\$ 686</u>	<u>\$ 686</u>	<u>\$ 0</u>	<u>\$ 0</u>

- (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.
- (3) Represents TECO Energy's SERP and Restoration settlement charges as a result of the retirement of certain executives.

Decreases in the benefit obligation for the period ended December 31, 2024 are the result of normal growth of the plan due to the continued accrual of benefits and increases in the discount rate used to calculate the benefit obligation.

At December 31, the aggregate financial position for TECO Energy's 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

(millions)	Pension Benefits		Other Benefits <sup>(1)</sup>	
	2024	2023	2024	2023
Benefit obligation (PBO/APBO)	\$ 674	\$ 678	\$ 130	\$ 132
Less: Fair value of plan assets	686	686	0	0
Funded status at end of year	<u>\$ 12</u>	<u>\$ 8</u>	<u>\$ (130)</u>	<u>\$ (132)</u>

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

The accumulated benefit obligation for all TECO Energy defined benefit pension plans was \$638 million at December 31, 2024 and \$642 million at December 31, 2023.

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

## PGS

Amounts recognized in balance sheet (millions)	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Accrued benefit costs and other current liabilities	\$ 0	\$ 0	\$ (1)	\$ (1)
Deferred credits and other liabilities	(2)	(3)	(15)	(15)
Net amount recognized at end of year	<u>\$ (2)</u>	<u>\$ (3)</u>	<u>\$ (16)</u>	<u>\$ (16)</u>

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

## PGS

Amounts recognized in regulatory assets (millions)	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Net actuarial loss	\$ 32	\$ 31	\$ 0	\$ 1
Amount recognized	<u>\$ 32</u>	<u>\$ 31</u>	<u>\$ 0</u>	<u>\$ 1</u>

## Assumptions used to determine benefit obligations at December 31,

	Pension Benefits	Pension Benefits	Other Benefits	Other Benefits
	2024	2023	2024	2023
Discount rate	5.66%	5.27%	5.69%	5.28%
Rate of compensation increase	4.42%	4.42%	4.42%	4.42%
Healthcare cost trend rate				
Immediate rate	n/a	n/a	7.45%	6.09%
Ultimate rate	n/a	n/a	4.00%	4.00%
Year rate reaches ultimate trend rate	n/a	n/a	2050	2047

The discount rate assumption used to determine the December 31, 2024 and 2023 benefit obligations 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 (millions)	Pension Benefits		Other Benefits <sup>(1)</sup>	
	2024	2023	2024	2023
Service cost	\$ 17	\$ 15	\$ 1	\$ 1
Interest cost	35	35	7	7
Expected return on plan assets	(55)	(54)	0	0
Amortization of:				
Actuarial loss	7	5	0	0
Prior service cost	0	0	(3)	(2)
Settlement loss <sup>(2)</sup>	0	2	0	0
Net periodic benefit cost	<u>\$ 4</u>	<u>\$ 3</u>	<u>\$ 5</u>	<u>\$ 6</u>
Net loss (gain) arising during the year (includes curtailment gain)	\$ 15	\$ 2	\$ (4)	\$ 7
Prior service cost	0	0	0	(11)
Amounts recognized as component of net periodic benefit cost:				
Amortization or curtailment recognition of prior service credit	0	0	3	3
Amortization or settlement of actuarial loss	(7)	(7)	0	0
Total recognized in OCI and regulatory assets	<u>\$ 8</u>	<u>\$ (5)</u>	<u>\$ (1)</u>	<u>\$ (1)</u>
Total recognized in net periodic benefit cost, OCI and regulatory assets	<u>\$ 12</u>	<u>\$ (2)</u>	<u>\$ 4</u>	<u>\$ 5</u>

- (1) Represents amounts for TECO Energy's Florida-based other postretirement benefit plan.
- (2) Represents TECO Energy's SERP and Restoration settlement charges as a result of the retirement of certain executives.

PGS's portion of the net periodic benefit costs for pension benefits was \$2 million and \$2 million for 2024 and 2023, respectively. PGS's portion of the net periodic benefit costs for other benefits was \$1 million and \$1 million for 2024 and 2023, respectively. Net periodic benefit costs for pension and other benefits is included as an expense on the Consolidated Statements of Income in "Operations and maintenance".

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

	Pension Benefits		Other Benefits	
	2024	2023	2024	2023
Discount rate <sup>(1)</sup>	5.27%	4.19%-5.55%	5.28%	5.53%-6.14%
Expected long-term return on plan assets	7.05%	7.05%	n/a	n/a
Rate of compensation increase	4.42%	3.79%	4.42%	3.79%
Healthcare cost trend rate				
Initial rate	n/a	n/a	6.09%	6.39%
Ultimate rate	n/a	n/a	4.00%	4.00%
Year rate reaches ultimate trend rate	n/a	n/a	2047	2047

- (1) Discount rate range is the result of remeasurements that occurred in 2023.

The discount rate assumption used to determine the benefit cost in 2024 and 2023 was based on the same technique that was used to determine the December 31, 2024 and 2023 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, 2024, TECO Energy's pension plan's actual return was approximately 5.1%.

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 are primarily 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**

Asset Category	Target Allocation		Actual Allocation, End of Year	
	2024	2023	2024	2023
Cash and cash equivalents	0%-10%	0%-10%	2%	3%
Equity securities	48%-68%	48%-68%	58%	57%
Fixed income securities	29%-49%	29%-49%	40%	40%
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 will continue to monitor the matching of 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 tables set forth by level within the fair value hierarchy the plan's investments as of December 31, 2024 and 2023.

## Pension Plan Investments

### TECO Energy

(millions)

	At Fair Value as of December 31, 2024				
	Level 1	Level 2	Level 3	Using NAV <sup>(1)</sup>	Total
Cash	\$ 1	\$ 0	\$ 0	\$ 0	\$ 1
Accounts receivable	19	0	0	0	19
Accounts payable	(38)	0	0	0	(38)
Short-term investment funds (STIFs)	17	0	0	0	17
Real estate investment trusts (REITs)	2	0	0	0	2
Mutual funds	9	0	0	0	9
US Equity	99	0	0	0	99
Municipal bonds	0	2	0	0	2
Government bonds	0	71	0	0	71
Corporate bonds	0	53	0	0	53
Mortgage Backed Securities (MBS)	0	11	0	0	11
<b>Investments not utilizing the practical expedient</b>	109	137	0	0	246
Limited Partnership Pooled Fund	0	0	0	79	79
Common and collective trusts <sup>(1)</sup>	0	0	0	361	361
<b>Total investments</b>	<b>\$ 109</b>	<b>\$ 137</b>	<b>\$ 0</b>	<b>\$ 440</b>	<b>\$ 686</b>

- (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 TECO Energy fair value of plan assets.

**TECO Energy**

(millions)

**At Fair Value as of December 31, 2023**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Using NAV <sup>(1)</sup></b>	<b>Total</b>
Cash	\$ (1)	\$ 0	\$ 0	\$ 0	\$ (1)
Accounts receivable	3	0	0	0	3
Accounts payable	(10)	0	0	0	(10)
Short-term investment funds (STIFs)	24	0	0	0	24
Common Stock	1	0	0	0	1
Real estate investment trusts (REITs)	3	0	0	0	3
Mutual funds	38	0	0	0	38
Municipal bonds	0	2	0	0	2
Government bonds	0	108	0	0	108
Corporate bonds	0	57	0	0	57
Long Futures	5	0	0	0	5
Short Sales	0	(1)	0	0	(1)
<b>Investments not utilizing the practical expedient</b>	<b>63</b>	<b>166</b>	<b>0</b>	<b>0</b>	<b>229</b>
Common and collective trusts <sup>(1)</sup>	0	0	0	443	443
Mutual fund <sup>(1)</sup>	0	0	0	14	14
<b>Total investments</b>	<b>\$ 63</b>	<b>\$ 166</b>	<b>\$ 0</b>	<b>\$ 457</b>	<b>\$ 686</b>

- (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 TECO Energy fair value of plan assets.

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, US Equity 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.
- The limited partnership pooled fund investment and 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, 2024.
- 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 \$4 million and \$4 million of assets as of December 31, 2024 and 2023, 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, 2024 and 2023.

## 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 110.22% of the Pension Protection Act funded target as of January 1, 2024 and is estimated at 100.38% of the Pension Protection Act funded target as of January 1, 2025.

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. PGS's contribution is first set equal to its service cost. If a contribution in excess of service cost for the year is made, PGS's portion is based on PGS's proportion of the TECO Energy unfunded liability. TECO Holdings made contributions to this plan in 2024 and TECO Energy made contributions to this plan in 2024 and 2023, which met the minimum funding requirements for each year. PGS's portion of the contribution was \$3 million and \$3 million in 2024 and 2023, respectively. These amounts are reflected in the "Other" line on the Consolidated Statements of Cash Flows. PGS estimates its portion of the 2025 contribution to be \$4 million. The amount TECO Energy expects to contribute is in excess of the minimum funding required under ERISA guidelines.

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 2025, PGS expects to contribute approximately \$1 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
2025	\$ 70	\$ 12
2026	70	12
2027	69	12
2028	68	12
2029	66	12
2030-2034	296	51

## 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, 2024 and 2023, PGS's portion of expense totaled \$4 million and \$3 million, respectively, related to the matching contributions made to this



plan. The expense related to the matching contribution is included in the line item “Operations and maintenance” in the Consolidated Statements of Income.

## 6. Short-Term Debt

### Credit Facilities

The following is a summary of credit facilities held by Peoples Gas System as of December 31, 2024 and 2023:

(millions)	2024		2023	
	Borrowings Outstanding		Borrowings Outstanding	
	Credit Facilities	Credit Facilities	Credit Facilities	Credit Facilities
PGS:				
5-year facility <sup>(1)</sup>	\$ 250	\$ 138	\$ 250	\$ 55
<b>Total</b>	<b>\$ 250</b>	<b>\$ 138</b>	<b>\$ 250</b>	<b>\$ 55</b>

(1) This 5-year PGS facility matures on December 1, 2028.

The PGS credit facility required commitment fees of 10 basis points. The weighted-average interest rate on outstanding amounts payable under the PGS credit facilities at December 31, 2024 and 2023 was 6.08% and 6.36%, respectively.

### PGS Credit Facility

On December 1, 2023, PGS entered into a \$250 million senior unsecured revolving credit facility with a group of banks, maturing on December 1, 2028 (subject to further extension with the consent of each lender). The credit agreement contains customary representations and warranties, events of default, and financial and other covenants and provides for interest to accrue at variable rates based on the federal funds rate plus a margin. PGS may request the lenders to increase their commitments under the credit facility by up to \$100 million in the aggregate subject to agreement from participating lenders.

## 7. Long-Term Debt

At December 31, 2024 and 2023, long-term debt had a carrying amount of \$923 million and \$923 million, respectively, and an estimated fair market value of \$923 million and \$943 million, respectively. The fair value of the debt securities is determined using Level 2 measurements (see **Note 12** for information regarding the fair value hierarchy).

PGS’s gross maturities of long-term debt are as follows:

As of December 31, 2024 (millions)	2025	2026	2027	2028	2029	Thereafter	Total Long-Term Debt
PGS	\$ 0	\$ 0	\$ 0	\$ 350	\$ 0	\$ 575	\$ 925

*PGS 5.42% Notes due 2028, 5.63% Notes due 2033 and 5.94% Notes due 2053*

On December 19, 2023, PGS completed a sale of (i) \$350 million aggregate principal amount of 5.42% Senior Notes due December 19, 2028 (the 2028 Notes), (ii) \$350 million aggregate principal amount of 5.63% Senior Notes due December 19, 2033 (the 2033 Notes), (iii) \$225 million aggregate principal amount of 5.94% Senior Notes due December 19, 2053 (the 2053 Notes, and collectively, the Notes). PGS may redeem all or any part of the Notes at its option at a redemption price equal to the discounted value of the remaining principal equal to 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 note agreement), plus 50 basis points.

PGS had the following long-term debt as of December 31, 2024 and 2023:

### Long-Term Debt

(millions)		Due	2024	2023
PGS	Notes <sup>(1)(2)</sup> :			
	5.42%	2028	\$ 350	\$ 350
	5.63%	2033	350	350
	5.94%	2053	225	225
Total long-term debt of PGS			925	925
Unamortized debt discount, net			0	0
Debt issuance costs			(2)	(2)
Total carrying amount of Notes			923	923
Less amount due within one year			0	0
Total long-term debt			\$ 923	\$ 923

- (1) The agreements for these senior unsecured long-term debt securities contain various restrictive financial covenants.
- (2) These securities are subject to redemption in whole or in part, at any time, at the option of the issuer.

## 8. Commitments and Contingencies

### Legal Contingencies

From time to time, PGS is 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

As of December 31, 2024 and 2023, PGS was a PRP for certain superfund sites and 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, 2024 and 2023, PGS estimated its ultimate financial liability to be \$12 million and \$11 million, respectively. This amount has been accrued and is 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 that was attributable to PGS. The estimates to perform the work were based on PGS’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, PGS could be liable for more than PGS’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

PGS has commitments for various purchases as disclosed below, including contractual agreements for transportation, fuel and gas supply 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, 2024:

(millions)	Transportation <sup>(1)</sup>	Fuel and Gas Supply	Total
Year ended December 31:			
2025	\$ 148	\$ 4	\$ 152
2026	144	1	145
2027	139	0	139
2028	135	0	135
2029	134	0	134
Thereafter	837	0	837
Total future minimum payments	<u>\$ 1,537</u>	<u>\$ 5</u>	<u>\$ 1,542</u>

(1) As of December 31, 2024, \$94 million is related to a gas transportation contract between SeaCoast and PGS through 2040.

## Financial Covenants

PGS must meet certain financial tests, including a debt to capital ratio, as defined in the applicable debt agreements. PGS has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2024 and 2023, PGS was in compliance with all required financial covenants.

## 9. Revenue

The following disaggregates PGS's revenue by major source:

(millions)

**For the years ended December 31,**

### Regulated gas revenue

	2024	2023
Residential	\$ 252	\$ 209
Commercial	265	191
Industrial <sup>(1)</sup>	39	36
Other <sup>(2)</sup>	140	112
Total gas revenue <sup>(3)</sup>	696	548
<b>Unregulated revenue</b>	<u>15</u>	<u>15</u>
<b>Total revenue</b>	<u>\$ 711</u>	<u>\$ 563</u>

(1) Industrial includes sales to power generation customers.

(2) Other includes off-system sales to other utilities, franchise fees, gross receipts, energy conservation charges, regulatory deferrals and various other items.

(3) Includes fuel revenue.

## 10. Related Party Transactions

A summary of activities between PGS and its affiliates follows:

### Net transactions with affiliates:

(millions)	2024	2023
Services provided to/(received from) affiliates	\$ (31)	\$ (32)
Natural gas sales to/(from) affiliates	(14)	(19)
Interest expense to affiliate	0	38
Equity contributions from Parent	141	92
Dividends to Parent	113	74

### Amounts due from or to affiliates at December 31,

(millions)	2024	2023
Accounts receivable <sup>(1)</sup>	\$ 1	\$ 2
Accounts payable <sup>(1)</sup>	13	15
Taxes receivable <sup>(2)</sup>	8	0
Taxes payable <sup>(2)</sup>	0	1

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

## 11. Leases

PGS 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.

Where PGS is the lessor, a lease is a sales-type lease if certain criteria are 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.

### Lessor

Commencing in October 2023, the company leased a renewable natural gas (RNG) facility to a biogas producer that is classified as a sales-type lease. The term of the facility lease is 15 years, with a nominal value purchase at the end of the term and a net investment of approximately \$34 million.

The total net investment in sales-type leases consists of the following as of December 31:

(millions)	2024	2023
Minimum lease payments receivable	\$ 55	\$ 59
Less unearned finance lease income	(21)	(24)
Net investment in direct finance and sales-type leases	\$ 34	\$ 35
Principal due within one year (included in "Receivables")	(4)	(4)
Net investment in direct finance and sales-type leases - long-term (included in "Deferred charges and other assets")	<u>\$ 30</u>	<u>\$ 31</u>

The unearned income related to this sales-type lease 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. PGS recognized \$2 million and less than \$1 million of interest income related to this lease in 2024 and 2023 respectively.

The credit risk associated with the RNG facility is mitigated by a lease guaranty for two years of the lease payments of \$8 million.

As of December 31, 2024, future minimum sales-type 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:	2025	2026	2027	2028	2029	Thereafter	Total
Minimum lease payments receivable	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 35	\$ 55

## 12. 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.

As of December 31, 2024 and 2023, the fair value of PGS's short-term debt is 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 PGS's short-term debt is determined using Level 2 measurements.

See **Note 5** for information regarding the fair value of the company's pension plan investments and **Note 7** for the company's long-term debt.

### **13. Subsequent Events**

These financial statements and notes reflect PGS's evaluation of events occurring subsequent to the balance sheet date through April 01, 2025, the date the financial statements were issued.

### **14. 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 balance sheet classification of debt issuance costs,
- the balance sheet classification of unbilled revenue,
- the balance sheet classification of insurance recoveries,
- the balance sheet classification of accumulated provision for pension benefits,
- the balance sheet classification of state and income tax receivable,
- the income statement classification of amortization of regulatory assets and liabilities,
- the equity method of accounting for wholly owned subsidiaries,
- The income statement classification of revenues and expenses,
- The notes are inclusive of a wholly owned subsidiary.

Subsequent events have been included through the date of the PGS GAAP financial statements issuance on April 1, 2025. In accordance with FERC requirements, subsequent events occurring in 2025 after that date have not been disclosed.

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2024	
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)	2,976,844,335	2,976,844,335
4	101.1 Property Under Capital Leases	-	-
5	102 Plant Purchased or Sold	-	-
6	106 Completed Construction not Classified	347,157,823	347,157,823
7	103 Experimental Plant Unclassified	-	-
8	104 Leased to Others	38,462,839	38,462,839
9	105 Held for Future Use	1,939,552	1,939,552
10	114 Acquisition Adjustments	-	-
11	TOTAL Utility Plant (Total of lines 3 through 10 )	3,364,404,548	3,364,404,548
12	107 Construction Work in Progress	193,457,445	193,457,445
13	Accum. Provision for Depreciation, Amortization, & Depletion	973,140,969	973,140,969
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	2,584,721,025	2,584,721,025
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	969,434,802	969,434,802
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)	969,434,802	969,434,802
22	Leased to Others		
23	108 Depreciation	3,706,166	3,706,166
24	111 Amortization and Depletion	-	
25	TOTAL Leased to Others (Total of lines 23 and 24)	3,706,166	3,706,166
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	-	-
32	TOTAL Accum. Provisions (Should agree with line 13 above) (Total of lines 21, 25, 29, 30, and 31)	973,140,969	973,140,969

Annual Status Report									
Analysis of Plant in Service Accounts									
Company: Peoples Gas System									
For the Year Ended Dec. 31, 2024									
Page 1 of 2									
Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>									
30100	Organization	0.0	12,620	-	-	-	-	-	12,620
30200	Franchise & Consents	4.0	-	-	-	-	-	-	-
30300	Misc Intangible Plant	4.0	815,325	-	-	-	-	-	815,325
30301	Custom Intangible Plant	6.6	106,480,322	3,673,660	-	-	-	-	110,153,982
37402	Land Rights	1.3	4,268,873	-	-	-	-	-	4,268,873
39002	Structures & Improve Leases	2.4	134,160	-	-	-	-	-	134,160
	<b>Subtotal</b>		111,711,299	3,673,660	-	-	-	-	115,384,960
<b>Depreciable Assets:</b>									
37400	Land Distribution	0.0	27,388,632	(707,756)	-	-	-	-	26,680,875
37500	Structures & Improvements	2.8	28,105,166	1,352,364	(59,508)	-	-	-	29,398,022
37600	Mains Steel	2.1	843,091,636	43,787,701	(2,755,385)	-	-	-	884,123,951
37602	Mains Plastic	1.6	852,836,812	82,699,285	(2,006,260)	-	-	-	933,529,837
37700	37700 - Compressor Equipment	3.0	19,177,801	673,645	-	-	-	-	19,851,446
37800	Meas & Reg Station Eqp Gen	2.7	26,521,806	862,780	(144,496)	-	-	-	27,240,090
37900	Meas & Reg Station Eqp City	2.1	110,754,756	4,568,008	(5,363)	-	-	-	115,317,401
38000	Services Steel	4.0	72,578,850	5,799,364	(216,489)	-	-	-	78,161,725
38002	Services Plastic	2.7	630,956,556	66,997,531	(685,314)	-	-	-	697,268,773
38100	Meters	5.0	98,928,285	10,887,361	(1,049,758)	-	-	-	108,765,889
38200	Meter Installations	2.2	104,333,823	20,665,070	(417,614)	-	-	-	124,581,280
38300	House Regulators	1.8	21,483,783	719,860	(240,598)	-	-	-	21,963,045
38400	House Regulator Installs	1.9	42,646,583	(3,237,279)	(133,236)	-	-	-	39,276,068
38500	Meas & Reg Station Eqp Ind	2.3	15,200,675	66,249	(66,077)	-	-	-	15,200,847
38700	Other Equipment	3.0	13,983,885	1,416,300	(1,946)	-	-	-	15,398,238
39000	Structures & Improvements	2.4	28,184	-	-	-	-	-	28,184
39100	Office Furniture	5.9	2,128,952	49,396	-	-	-	-	2,178,347
39101	Computer Equipment	11.1	5,697,827	2,254,292	-	-	-	-	7,952,119
39102	Office Equipment	6.7	1,569,864	32,031	-	-	-	-	1,601,895
39201	Vehicles up to 1/2 Tons	7.0	10,093,502	2,937,670	(51,943)	-	-	-	12,979,229
39202	Vehicles from 1/2 - 1 Tons	5.6	19,931,630	4,624,256	(81,762)	-	-	-	24,474,124
39203	Airplane	0.0	-	-	-	-	-	-	-
39204	Trailers & Other	2.9	3,410,792	1,025,709	(85,209)	-	-	-	4,351,292
39205	Vehicles over 1 Ton	6.6	2,718,916	-	(71,335)	-	-	-	2,647,582
39300	Stores Equipment	4.2	1,283	-	-	-	-	-	1,283
39400	Tools, Shop & Garage Equip	5.6	7,384,020	837,649	-	-	-	-	8,221,669
39401	CNG Stations	5.0	99,869	-	-	-	-	-	99,869
39500	Laboratory Equipment	5.0	-	-	-	-	-	-	-
39600	Power Operated Equipment	2.7	3,201,876	157,587	-	-	-	-	3,359,463
39700	Communication Equipment	7.7	2,960,151	-	-	-	-	-	2,960,151
39800	Miscellaneous Equipment	5.0	969,835	34,668	-	-	-	-	1,004,503
39900	Other Tangible Property	0.0	-	-	-	-	-	-	-

Annual Status Report									
Analysis of Plant in Service Accounts									
Company: Peoples Gas System									
For the Year Ended Dec. 31, 2024								Page 2 of 2	
Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Total Account 101 and 106*			3,079,897,051	252,177,399	(8,072,292)	-	-	-	3,324,002,158
10400	Lease to Others	6.6	38,436,431	26,408	-	-			38,462,839
10500	Property Held for Future Use	0.0	1,939,552	-					1,939,552
11400	Acquisition Adjustment	0.0	-	-	-				-
	Subtotal		40,375,983	26,408	-	-	-	-	40,402,391
Total Utility Plant **			3,120,273,034	252,203,807	(8,072,292)	-	-	-	3,364,404,548
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 Dec. 31, 2024

Page 1 of 2

Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
<b>Amortizable General Plant Assets:</b>										
30100	Organization	-	-	-	-	-				-
30200	Franchise & Consents	-	-	-	-	-		15,464		15,464
30300	Misc Intangible Plant	815,325	-	-	-	-				815,325
30301	Custom Intangible Plant	29,682,129	7,141,624	-	-	-				36,823,754
37402	Land Rights	1,094,629	55,495	-	-	-				1,150,124
39002	Structures & Improve Leases	36,809	3,354	-	-	-				40,163
<b>Subtotal 108 - 404 *</b>		31,628,893	7,200,473	-	-	-	-	15,464	-	38,844,831
<b>Items necessary to reconcile the total amortization accrual amount to Acct. 404.3, Amortization Expense, shown on Line 7, Page 8.</b>										
<b>Depreciable Assets:</b>										
37400	Land Distribution	(60,225)	-	-	44,760	-				(15,464)
37500	Structures & Improvements	9,233,547	798,622	(59,508)	(163,592)	-				9,809,069
37600	Mains Steel	202,109,313	20,733,523	(2,755,385)	(3,600,652)	75,083		-		216,561,881
37602	Mains Plastic	231,772,810	15,928,615	(2,006,260)	(1,803,214)	34,828				243,926,779
37700	37700 - Compressor Equipment	1,440,389	585,862	-	18,543	(4,680)				2,040,114
37800	Meas & Reg Station Eqp Gen	5,814,812	802,343	(144,496)	(94,894)	-				6,377,765
37900	Meas & Reg Station Eqp City	20,605,044	2,526,250	(5,363)	-	-				23,125,932
38000	Services Steel	33,414,457	3,218,543	(216,489)	(4,389,290)	2,291				32,029,511
38002	Services Plastic	217,909,997	20,449,775	(685,314)	(3,675,473)	33,601				234,032,587
38100	Meters	41,507,788	4,867,749	(1,049,758)	(3,466)	-				45,322,313
38200	Meter Installations	39,960,870	2,969,312	(417,614)	(812,201)	46,513				41,746,882
38300	House Regulators	9,468,333	433,674	(240,598)	(7,649)	-				9,653,760
38400	House Regulator Installs	16,230,950	978,718	(133,236)	(323,392)	-				16,753,039
38500	Meas & Reg Station Eqp Ind	7,331,131	334,298	(66,077)	-	-				7,599,352
38700	Other Equipment	5,837,495	434,005	(1,946)	-	-				6,269,554
39000	Structures & Improvements	16,235	1,155	-	-	-				17,391
39100	Office Furniture	1,114,859	109,490	-	-	-				1,224,350
39101	Computer Equipment	3,200,842	531,969	-	-	-				3,732,811
39102	Office Equipment	966,507	99,423	-	-	-				1,065,930
39201	Vehicles up to 1/2 Tons	5,565,468	1,001,005	(51,943)	(1,573)	6,078				6,519,035
39202	Vehicles from 1/2 - 1 Tons	8,471,202	1,609,442	(81,762)	(4,236)	13,923				10,008,571
39203	Airplane	-	-	-	-	-				-
39204	Trailers & Other	791,928	82,631	(85,209)	(12,495)	14,570				791,424
39205	Vehicles over 1 Ton	1,315,049	154,594	(71,335)	-	3,184				1,401,492
39300	Stores Equipment	592	55	-	-	-				647
39400	Tools, Shop & Garage Equip	4,498,289	374,281	-	-	-			-	4,872,571
39401	CNG Stations	11,724	5,093	-	-	-		-	-	16,817
39500	Laboratory Equipment	-	-	-	-	-				-
39600	Power Operated Equipment	2,153,627	94,431	-	-	-				2,248,058
39700	Communication Equipment	2,938,086	227,932	-	-	-				3,166,018
39800	Miscellaneous Equipment	248,885	42,900	-	-	-				291,784
39900	Other Tangible Property	-	-	-	-	-				-

**Annual Status Report**  
**Analysis of Entries in Accumulated Depreciation & Amortization**

Company: Peoples Gas System  
For the Year Ended Dec. 31, 2024

Page 2 of 2

Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)										
		-	-	-	-	-	-	-	-	-
<b>Capital Recovery Schedules:</b>										
<b>Subtotal 108-403 *</b>		905,498,898	86,596,164	(8,072,292)	(14,828,825)	225,392	-	15,464	-	969,434,802
<b>Items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on Line 6, Page 8.</b>										
10400	Lease to Others	1,170,915	2,535,251	-	-	-	-	-	-	3,706,166
10500	Property Held for Future Use	-	-	-	-	-	-	-	-	-
11400	Acquisition Adjustment	-	-	-	-	-	-	-	-	-
	Subtotal	1,170,915	2,535,251	-	-	-	-	-	-	3,706,166
<b>Total Accumulated Reserve**</b>		906,669,814	89,131,416	(8,072,292)	(14,828,825)	225,392	-	15,464	-	973,140,969

**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, 2024	
CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (107).		Development, and Demonstration (see Account 107 of the Uniform System of Accounts).	
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,		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	1,498,377	4,195,442
2	Cathodic Protection	462,049	2,294,169
3	City Gates	85,650	250,000
4	CNG	1,455,772	1,868,625
5	Distribution System Improvement	5,332,147	14,668,161
6	Governmental / Municipal Improvements	12,182,281	14,796,189
7	Improvements to Property	3,907,310	2,693,428
8	Main Replacements	14,283,485	21,919,956
9	Measuring & Regulating Station and Equipment	6,919,109	20,513,881
10	Miscellaneous Non-Revenue Producing	334,882	-
11	New Revenue Main Installations	35,936,252	40,105,735
12	New Revenue Mains - New Developments	4,850,041	6,654,305
13	New Revenue Mains - System Growth	254,002	8,164,238
14	Office / Furniture Equipment	137,036	596,025
15	TOTAL (Continued on 17b)	87,638,393	138,720,154

<b>CONSTRUCTION OVERHEADS-GAS</b>			
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	<b>See Page 17b</b>		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12	<b>TOTAL</b>		

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2024	
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	Power / Testing / Tools Equipment	1,339,007	2,617,829
2	Problematic Plastic Pipe Replacements	1,834,122	33,115,787
3	Service Lines Blankets	681,875	7,116,584
4	Software / Technology	9,893,387	4,294,095
5	Strategic	11,070,773	28,271,720
6	Transportation Vehicles	2,626,152	4,147,593
7	Structures - Headquarters Building	55,398,596	14,753,518
8	Governmental Relocation - US Hwy 98 Main Repl	22,975,140	5,872,059
9			
10			
11			
12			
13			
14			
15	TOTAL (including pg 17a)	193,457,445	238,909,339

<b>CONSTRUCTION OVERHEADS-GAS</b>			
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	23,356,464	275,339,114
2	(These costs are allocated to WIP as outlined		
3	in instruction 3 above)		
4			
5	Corporate G&A	18,349,149	298,695,578
6			
7			
8			
9			
10			
11			
12	<b>TOTAL</b>	41,705,613	

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2024
<b>PREPAYMENTS (Account 165)</b>		
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	3,864,669
2	Short term debt facility fees	944,199
3	Other	244,838
4	Software/Technology Maint.	962,282
5		
6		
7		
8	TOTAL	6,015,988

<b>EXTRAORDINARY PROPERTY LOSSES (Account 182.1)</b>						
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		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	n/a					
2						
3						
4						
5						
6						
7						
8						
9						
10	TOTAL					

<b>UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)</b>						
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		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	n/a					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL					

Name of Respondent				For the Year Ended		
Peoples Gas System				Dec. 31, 2024		
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.			
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amounts (e)	
1	Cast Iron Bare Steel Replacement Rider	102,499	332,324	407	103,933	330,890
2						
3	Transm Integrity Mgmt Prgm	3,506,565	187,815	887	1,123,809	2,570,570
4						
5	Competitive Rate Adjustment	3,924,614	7,707,965	142/4XX	5,270,149	6,362,430
6						
7	FAS 109 - Reg Asset FAS109 ITax	4,406,821	714,025	283	6,090	5,114,756
8						
9	Reg Asset Tax Reform	1,166,807	-	407	388,936	777,871
10						
11	Reg Asset Prop Sale Current	10,331	-	182	10,331	-
12						
13	Non Capitalizable SW Implementation Costs	769,631	2,304,854	182	2,030,626	1,043,859
14						
15	Energy Conservation (ECCR)	11,590,787	1,585,944	407	11,097,536	2,079,195
16						
17	FAS 158	32,529,856	1,550,387	228	2,341,661	31,738,582
18						
19	Environmental MGP	8,178,848	1,870,779	182/407	1,640,106	8,409,521
20						
21	Environmental Liability	11,412,295	11,549,720	242	11,412,295	11,549,720
22						
23	Prov Property Ins - Storm	526,029	8,360,034	924/880	7,383,056	1,503,007
24						
25	Rate Case Expense	2,756,706	9,341	928	922,016	1,844,031
26	TOTAL	80,881,787	36,173,189		43,730,542	73,324,433

<b>MISCELLANEOUS DEFERRED DEBITS (Account 186)</b>						
1. Report below the particulars (details) called for concerning miscellaneous deferred debits.			3. Minor items (amounts less than \$25,000) may be grouped by classes.			
2. For any deferred debit being amortized, show period of amortization in column (a).						
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	1,846,358	-	146	147,304	1,699,054
3						
4	Contract Amortization (167 months)	1,491,017		495	215,569	1,275,448
5						
6	Project-Year End timing	352,377	133,410		296,576	189,211
7						
8	Damages 3rd Party	394,560	3,915,119		2,600,000	1,709,679
9						
10	Jacksonville Pipe	99,810	-		80,924	18,886
11						
12	Reimbursable - Shands	96,598	372,535			469,133
13						
14	Rate Case Costs - 2026	-	204,148			204,148
15						
16	Building Damage		45,276			45,276
17						
18	Misc. Work in Progress	375,035				446,408
19						
20	TOTAL	4,655,755				6,057,245



Name of Respondent					For the Year Ended		
Peoples Gas System					Dec. 31, 2024		
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.					companies from which advances were received.		
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					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		Total Amount Outstanding (g)
					Rate (in %) (e)	Amount (f)	
1	Other Long Term Debt - Acct 224						
2							
3	Note Issued by Peoples Gas PD0047	12/19/23	12/19/28	350,000,000	5.420	685,028	350,000,000
4	Note Issued by Peoples Gas PD0048	12/19/23	12/19/33	350,000,000	5.630	711,569	350,000,000
5	Note Issued by Peoples Gas PD0049	12/19/23	12/19/53	225,000,000	5.940	482,625	225,000,000
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18	TOTAL			925,000,000		1,879,222	925,000,000

<b>UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)</b>								
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.				5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.				
2. Show premium amounts by enclosing the figures in parentheses.				6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.				
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.				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.				
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.								
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt issued (b)	Total Expense Premium or Discount (c)	Amortization Period		Balance at beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
				Date From (d)	Date To (e)			
1	Unamortized Debt Exp-Acct 181							
2	Note/Peoples Gas 5.42%	350,000,000	760,421	12-2023	12-2028	755,106	(212,192)	542,914
3	Note/Peoples Gas 5.63%	350,000,000	760,421	12-2023	12-2033	757,764	(106,096)	651,668
4	Note/Peoples Gas 5.94%	225,000,000	480,266	12-2023	12-2053	479,706	(22,336)	457,370
5								
6								
7								
8								
9								
10					Acct 428		(340,624)	
11								
12								
13								
14	New Charges to 181							
15	Note/Peoples Gas 5.42%	350,000,000	760,421	12-2023	12-2028	-	290,390	290,390
16	Note/Peoples Gas 5.63%	350,000,000	760,421	12-2023	12-2033	-	290,390	290,390
17	Note/Peoples Gas 5.94%	225,000,000	480,266	12-2023	12-2053	-	183,405	183,405
18					Acct 181	1,992,576		2,416,137



Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2024
<b>MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)</b>		
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	5,118,398
2		
3	SERP Liability FAS 158 - Current	183,270
4		
5	FAS 106 Liability FAS 158 - Current	1,259,877
6		
7	Manufactured Gas Plant Estimated Environmental Liability	11,549,720
8		
9	Long Term Incentive	1,160,489
10		
11	Other	1,762,072
12		
13	TOTAL	21,033,826

<b>OTHER DEFERRED CREDITS (Account 253)</b>						
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		Credits (e)	Balance End of Year (f)
			Contra Account (c)	Amount (d)		
1	Contractor Retention	1,108,194	CWIP	11,946,272	12,534,022	1,695,945
2						
3	Settlement Reserve	92,000	131	-	-	92,000
4						
5	Deferred Billing Credit-JEA	187,917	488	205,000	205,000	187,917
6						
7	Long term incentive	1,267,633	242/926	3,895,494	4,526,536	1,898,675
8						
9	Other	11,273		343,058	359,252	27,466
10	TOTAL	2,667,017		16,389,824	17,624,810	3,902,003

<b>OTHER REGULATORY LIABILITIES (Account 254)</b>						
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		Credits (d)	Balance End of Year (e)
			Contra Account (b)	Amount (c)		
1						
2	FAS 106 Tax	88,042,904	282 283	53,594	1,129,647	89,118,958
3						
4	Def Gain Property Sale	1,384,648	421.1	556,818	-	827,830
5						
6	Energy Conservation (ECCR)	-	407	-	-	-
7						
8						
11	TOTAL	89,427,552		610,412	1,129,647	89,946,787

Name of Respondent										For the Year Ended	
Peoples Gas System										Dec. 31, 2024	
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	Environmental, Excise	Franchise	Other*	Total
1	Various FL Counties	21,895,088									21,895,088
2	Internal Revenue Service (FICA)				5,706,919						5,706,919
3	FL Public Service Commission						3,359,812				3,359,812
4	FL Dept of Revenue					18,850,993					18,850,993
5	Various FL Municipalities								17,318,665		17,318,665
6	Internal Revenue Svc (FUTA)				37,034						37,034
7	Internal Revenue Svc (SUTA)				160,169						160,169
8	Various FL Counties (tags)										-
9	Various FL Municipalities									13,626	13,626
10	Federal							83		3,408	3,491
11	Out of Period Adj - account 408.1				-		(1,341)				(1,341)
12	Less: Other Adjustments				(136,798)		-				(136,798)
13	Less:charged to other revenue (495)						(217,507)				(217,507)
14	Less: Charged to Construction				(1,747,250)						(1,747,250)
15	Less: Charged to clearing, jobbing, AR						-				-
16	TOTAL Taxes Charged During Year										
	(Lines 1-15) to Account 408.1	21,895,088	-	-	4,020,074	18,850,993	3,140,964	83	17,318,665	17,034	65,242,901
	Note: *List separately each item in excess of \$500.										

<b>ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)</b>								
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		Adjustments (f)	Balance End of Year (g)	Average Period of Allocation to Income (h)
				Acct. No. (d)	Amount (e)			
1	Gas Utility							
2	3%	0		411	0		0	
3	4%							
4	7%							
5	10%							
6								
7								
8								
9								
10	TOTAL	0			0		0	
<b>Notes</b>								

Name of Respondent										For the Year Ended	
Peoples Gas System										Dec. 31, 2024	
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				Adjustments				Balance at End of 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	Debits		Credits		
							Account No.	Amount	Account No.	Amount	
1	GAS										
2	FAS 158	12,030,023	3,760,825					(457,124)		(657,663)	8,068,659
3	FAS 133	263,173	441,194					(38,631)		(38,631)	(178,021)
4											
5	Gas	44,111,594	14,177,099	9,659,943							39,594,438
6	NOL	3,535,754	2,214,960	1019397							2,340,191
7	Tax Credit	3,015,238	(71,815)								3,087,053
8		-									-
9											
10											
11	TOTAL Gas (Lines 2 - 10)	62,955,782	20,522,263	10,679,340				(495,755)		(696,294)	52,912,320
12	Other (Specify) Tax Credit Non-Utility	2,905,876		(452,524)		1,080,748					3,534,100
13	Other (Specify) Excess Deferred Taxes							(911,963)		(1,474,214)	(562,251)
14	TOTAL (Account 190) (Total of lines 11 and 12)	65,861,658	20,522,263	10,226,816		1,080,748		(1,407,718)		(2,170,508)	55,884,169
Notes											
		Federal	State	Total							
Deferred Income Tax Other Adjustments Includes:		38,631	(38,631)	-	FAS 133						
		(157,019)	(43,520)	(200,539)	FAS 158						
		(562,251)	-	(562,251)	EDIT						
		(680,639)	(82,151)	(762,790)							

ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, 283)											
Line No.		Balance at Beginning of Year	Changes During Year				Adjustments				Balance at End of 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	Debits		Credits		
							Account No.	Amount	Account No.	Amount	
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	319,691,093	53,117,259	38,686,627				5		-	334,121,720
9	Other	(62,032,777)		452,524	1,165,918			133,436,483		132,592,458	(62,163,408)
10	TOTAL Account 282 (Lines 7 thru 9)	257,658,316	53,117,259	39,139,151	1,165,918			133,436,488		132,592,458	271,958,312
11	Account 283 - Other										
12	Electric										
13	Gas	26,081,976	(6,583,796)	263,176				657,665		457,124	19,034,463
14	Other	(21,235,062)						48,094,119		48,007,782	(21,321,399)
15	TOTAL Account 283 - Other (Lines 12 thru 14)	4,846,914	(6,583,796)	263,176				48,751,784		48,464,906	(2,286,936)
16	GAS										
17	Federal Income Tax	209,410,786	39,965,014	37,634,849				171,009,879		170,510,034	211,241,106
18	State Income Tax	53,094,444	7,734,367	1,767,477				11,178,394		10,547,331	58,430,271
19											-
20	TOTAL Gas (Lines 17 thru 19)	262,505,230	47,699,381	39,402,326				182,188,273		181,057,365	269,671,377
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)	262,505,230	46,533,463	39,402,327	1,165,918			182,188,272		181,057,364	269,671,376
NOTES:											
Deferred income tax adjustment includes:		Federal	State	Total							
		157,025	43,520	200,545	FAS 158						
		342,813	587,550	930,363	FAS 109						
Total 283		499,838	631,070	1,130,908							

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2024
<b>RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES</b>		
<p>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.</p> <p>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.</p>		
Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 9)	119,750,186
2	Reconciling Items for the Year	
3	Federal Income Tax	30,109,097
4	<i>Taxable Income Not Reported on Books</i>	
5	AIAC	318,913
6	CIAC	
7	<b>Total</b>	<b>318,913</b>
8	<i>Deductions Recorded on Books Not Deducted for Return</i>	
9	Energy Conservation	9,511,592
10	State Income Tax Expense	9,151,714
11	Amortization Capitalized Customer Assistance Costs	2,684,109
12	Lease Plant	2,394,195
13	SERP	1,342,316
14	Accrued Bonus	1,283,000
15	Transmission Integrity Program	935,994
16	Insurance Reserve	862,820
17	Others	4,840,143
18	<b>Total</b>	<b>33,005,884</b>
19	<i>Income Recorded on Books Not Included in Return</i>	
20	Equity Earnings	4,139,617
21		
22		
23		
24		
25	<b>Total</b>	<b>4,139,617</b>
26	<i>Deductions on Return Not Charged Against Book Income</i>	
27	Repairs Capitalized on Books	40,847,985
28	Depreciation Book-Tax Difference	33,638,330
29	Competitive Rate Adjustment	2,437,817
30	AFUDC Equity	2,047,159
31	Pension	1,697,690
32	Deferred Expenses	1,312,521
33	Deferred Non Cap Software	1,043,859
34	Other	2,003,637
35	<b>Total</b>	<b>85,028,998</b>
36		
37	Federal Taxable Net Income	94,015,464
38	<i>Show Computation of Tax:</i>	
39	State Tax Deduction	4,710,237
40	Federal Taxable Net Income before NOL	89,305,227
41	NOL Utilization	-
42	Federal Taxable Income	89,305,227
43	Federal Income Tax @ 21%	18,754,098
44	Prior Year True-up Provision to Actual Per Return and NOL Reclass to Deferred	(1,715,277)
45	Federal Income Tax	17,038,820
46	Federal Income Tax Allocation to Other Income	(425,108)

NAME OF RESPONDENT:

Peoples Gas System

YEAR OF REPORT:

This Report is an Original

Dec. 31, 2024

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.  
Block Energy IP Holdings Inc.  
Block Energy Service Company Inc.  
Block Energy Project Company Inc.  
Emera Energy Generation Inc.  
Clean Power Northeast Development Inc.  
Emera CNG Holdings, Inc.  
Emera Energy Services Inc.  
Emera US Finance No. 1, LLC  
EUSHI Finance Inc.  
New Mexico Gas Company, Inc.  
New Mexico Gas Intermediate, Inc.  
Peoples Gas System (Florida), Inc.  
SECI Mitland Corporation  
Tampa Electric Company  
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 Oil & Gas, Inc.  
TECO Partners, Inc.  
TECO Holdings, Inc.  
TECO Properties Corporation  
TECO Services, Inc.  
TECO Wholesale Generation, Inc.  
SeaCoast Gas Transmission, LLC  
TECO Gas Operations Inc.  
Enlight Tech Inc.

Name of Respondent				For the Year Ended			
Peoples Gas System				Dec. 31, 2024			
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		Therms of Natural Gas Sold		Avg. No. of Natural Gas Customers Per Mo.	
		Amount for Year (b)	Amount for Previous Year (c)	Current Year (d)	Previous Year (e)	Current Year (f)	Previous Year (g)
1	Gas Service Revenues						
2	Firm Sales Service						
3	480 Residential RS1 - RS3	236,512,057	196,161,512	90,457,368	82,762,630	456,483	436,909
4	480 Residential GS1	9,177,235	8,396,034	6,011,221	5,938,266	2,213	2,340
5	480 Residential GS2	784,407	804,319	560,498	655,755	101	46
6	480 Residential GS3	55,955	(5,338)	47,393	(61)	1	18
7	480 Residential GHP	128	-	82	-	-	-
8	481 Commercial Street Lighting	66,972	42,326	58,024	37,097	-	-
9	481 Small General Service	10,013,951	8,476,782	4,766,077	4,474,355	7,759	7,591
10	481 General Service 1	25,405,620	22,567,534	17,702,171	16,761,214	5,021	4,869
11	481 General Service 2	16,220,571	15,700,040	12,984,546	12,955,907	860	861
12	481 General Service 3	4,695,756	4,091,386	4,044,462	3,628,557	48	44
13	481 General Service 4	890,688	1,517,438	880,209	1,690,649	3	3
14	481 General Service 5	2,537,198	2,503,458	3,149,288	2,757,512	2	3
15	481 Commercial Gas Heat Pump	1	535	0	352	-	0
16	Interruptible Sales Service						
17	481 Small Interruptible Service	44,032	157,255	103,421	275,122		-
18	481 Interruptible Lg. Vol - 1	634,414	503,257	1,184,105	947,383		-
19	481 Interruptible Contract Service	(631,766)	(1,014,076)	1,362,023	659,106		-
20	481 Mutually Beneficial	13,892	82,256	41,010	235,220	1	0
21	481 Off System Sales	37,234,225	31,741,620	98,192,880	75,220,070	3	2
22	Firm Transportation Service						
23	489 Res-General Svc 1	1,227,246	807,777	1,844,630	1,775,502	391	403
24	489 Res-General Svc 2	2,696,847	1,737,052	5,465,500	5,196,830	250	245
25	489 Res-General Svc 3	1,555,374	1,033,763	3,468,189	3,287,686	46	48
26	489 Commercial Street Lighting	183,984	125,540	444,941	444,815		-
27	489 Small General Service	5,760,109	4,023,426	5,530,609	4,966,437	5,349	5,141
28	489 General Service 1	47,399,771	31,322,443	73,978,696	71,833,898	13,848	13,676
29	489 General Service 2	61,304,067	40,837,994	120,565,983	119,263,904	6,696	6,588
30	489 General Service 3	31,072,448	20,413,521	72,771,075	70,245,339	731	721
31	489 General Service 4	18,742,911	12,170,089	63,417,318	60,112,571	156	147
32	489 General Service 5	37,887,061	24,734,099	178,712,634	171,274,316	170	181
33	489 Interruptible Contract Serv.Trans.	25,436,096	25,327,243	1,151,519,758	1,144,261,483	13	14
34	489 Small Interruptible Transp	5,267,150	3,936,480	44,365,486	44,638,098	27	27
35	489 Interruptible Transp LG - 1	8,443,161	7,188,895	159,770,650	145,545,928	13	14
36	489 Trans Residential GHP	2,046	1,557	7,737	7,175	-	2
37	489 Trans Commercial GHP	9,533	5,594	26,728		3	
38	484 Flex Rate - Refund						
39	TOTAL Sales to Ultimate Consumers	590,643,140	465,391,811	2,123,434,712	2,051,853,116	500,188	479,890
40	483 Sales for Resale	2,723,765	2,638,496	4,880,622	4,926,676	10	10
41	Off-System Sales						
42	TOTAL Nat. Gas Service Revenues	593,366,905	468,030,307				
43	TOTAL Gas Service Revenues	593,366,905	468,030,307				
44	Other Operating Revenues						
45	485 Intracompany Transfers						
46	487 Forfeited Discounts	1,386,073	1,199,854				
47	488 Misc. Service Revenues	6,363,640	5,554,460				
48	488						
49	488 Individual Transp Charge	868,948	870,947				
50	489 Rev. from Trans. of Gas of Others						
51	not included in above rate schedules)						
52	493 Rent from Gas Property	228,786	221,556				
53	494 Interdepartmental Rents						
54	495 Other Gas Revenues						
55	Gross Recpts Tax/Franch Fee Coll	36,329,729	30,741,678				
56	Reconnect for Cause						
57	Collection in lieu of disconnect						
58	Returned Check						
59	Other	46,011,316	26,749,370				
60	495.1 Overrecoveries Purchased Gas						
61	TOTAL Other Operating Revenues	91,188,492	65,337,866				
62	TOTAL Gas Operating Revenues	681,831,632	530,729,677				
63	(Less) 496 Provision for Rate Refunds						
64	TOTAL Gas Operating Revenues						
65	Net of Provision for Refunds	681,831,632	530,729,677				
66	Sales for Resale	2,723,765	2,638,496				
67	Other Sales to Public Authority						
68	Interdepartmental Sales						
69	TOTAL	684,555,397	533,368,174	2,128,315,334	2,056,779,792		

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2024	
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	61,219,756	68,201,956
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases	84,801,745	80,726,621
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases		
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)	1,434,327	4,819,177
17	TOTAL Purchased Gas (Total of Lines 8 to 16)	147,455,828	153,747,754
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	13	950,647
27	(Less) 808.2 Gas Delivered to Storage--Credit	(8,436)	(528,101)
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	(514,733)	(563,240)
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(514,733)	(563,240)
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35)	146,932,672	153,607,060
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	146,932,672	153,607,060
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			

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2024	
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	1,944,827	1,716,340
50	871 Distribution Load Dispatching	557,922	495,100
51	872 Compressor Station Labor and Expenses	443,720	326,703
52	873 Compressor Station Fuel and Power	52,897	63,868
53	874 Mains and Services Expenses	12,396,029	11,609,645
54	875 Measuring and Regulating Station Expenses--General	312,195	162,435
55	876 Measuring and Regulating Station Expenses--Industrial	15,071	29,621
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	214,552	254,131
57	878 Meter and House Regulator Expenses	6,074,258	5,958,047
58	879 Customer Installations Expenses	3,609,485	3,267,359
59	880 Other Expenses	5,462,512	5,108,906
60	881 Rents	348,186	255,770
61	TOTAL Operation (Total of lines 49 through 60)	31,431,654	29,247,925
62	Maintenance		
63	885 Maintenance Supervision and Engineering	18,821	3,073
64	886 Maintenance of Structures and Improvements	180,384	227,471
65	887 Maintenance of Mains	4,991,427	5,362,115
66	888 Maintenance of Compressor Station Equipment	12,487	30,119
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	944,247	857,979
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	1,080,616	1,193,137
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station	2,153,921	1,610,728
70	892 Maintenance of Services	1,573,376	1,483,776
71	893 Maintenance of Meters and House Regulators	754,796	553,839
72	894 Maintenance of Other Equipment	133,063	62,958
73	TOTAL Maintenance (Total of Lines 63 through 72)	11,843,138	11,385,195
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	43,274,792	40,633,120
75	5. Customer Accounts Expenses		
76	Operation		
77	901 Supervision		
78	902 Meter Reading Expenses	1,564,207	1,259,220
79	903 Customer Records and Collection Expenses	15,092,224	14,391,939
80	904 Uncollectible Accounts	1,630,819	1,356,186
81	905 Miscellaneous Customer Accounts Expenses		
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	18,287,250	17,007,345
83	6. Customer Service and Informational Expenses		
84	Operation		
85	907 Supervision		
86	908 Customer Assistance Expenses	32,487,898	29,383,024
87	909 Informational and Instructional Expenses	1,236,529	1,109,462
88	910 Miscellaneous Customer Service and Informational Expenses		
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	33,724,427	30,492,486
90	7. Sales Expenses		
91	Operation		
92	911 Supervision		
93	912 Demonstrating and Selling Expenses	8,750,601	8,355,640
94	913 Advertising Expenses	807,046	807,190
95	916 Miscellaneous Sales Expenses	36,900	111,375
96	TOTAL Sales Expenses (Total of lines 92 through 95)	9,594,547	9,274,205
97			



Name of Respondent			For the Year Ended	
Peoples Gas System			Dec. 31, 2024	
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	23,581,382	20,777,193
101	921	Office Supplies and Expenses	4,892,785	4,361,038
102	(Less) (922) Administrative Expenses Transferred--Credit		(21,290,150)	(12,987,514)
103	923	Outside Services Employed	3,307,127	3,579,198
104	924	Property Insurance	472,426	213,308
105	925	Injuries and Damages	14,739,821	10,754,559
106	926	Employee Pensions and Benefits	12,963,911	9,240,901
107	927	Franchise Requirements		
108	928	Regulatory Commission Expenses	922,016	423,476
109	(Less) (929) Duplicate Charges--Credit			
110	930.1	General Advertising Expenses	25,342	3,663
111	930.2	Miscellaneous General Expenses	25,987,845	24,505,373
112	931	Rents	530,160	514,386
113	TOTAL Operation (Total of lines 100 through 112)		66,132,665	61,385,581
114	Maintenance			
115	935	Maintenance of General Plant	479,874	477,402
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)		66,612,539	61,862,983
117				
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)		318,426,227	312,877,199
119				
120				

<b>NUMBER OF GAS DEPARTMENT EMPLOYEES</b>		
	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)	12/31/2024
3	2. Total Regular Full-Time Employees	813
4	3. Total Part-Time and Temporary Employees	1
5	4. Total Employees	814
6		
7		
8		
9		
10		
11		
12		
13		

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2024	
<b>GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1, 808.1, 808.2)</b>			
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		61,219,756
2	808.1 - Gas Withdrawn from Storage-Debit		13
3	808.2 - Gas Delivered to Storage-Credit		(8,436)
4	804 - Natural Gas City Gate Purchases-Commodity		84,801,745
5	805.1 - Purchased Gas Cost Adjustments		1,434,327
6			
7			
8			
9			
10			
11	TOTAL (Total of lines 1 through 10)	282,030,617	147,447,405 52.28
<b>Notes to Gas Purchases</b>			

<b>GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)</b>				
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	28,474	21,672
4				
5	Transportation Clearing Account CNG	184	923	670
6				
7	Other Income Deductions	426	22,275	16,675
8				
9	Administrative Use	921	N/A	
10				
11	Sales Tax Account	241	N/A	(1,418)
12				
13	Gas Lost - Damaged Facilities	143	N/A	477,134
14				
15				
16				
17				
18	TOTAL		51,672	514,733

Name of Respondent							For the Year Ended		
Peoples Gas System							Dec. 31, 2024		
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.					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				
2. Show in column (h) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.					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 docket 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		Deferred to Account 186 (f)	Amortized During Year		Deferred in Account 186 End of Year (i)
				Charged Currently to Account No. (d)	Amount (e)		Contra Account (g)	Amount (h)	
1	Florida Public Service Commission								
2	Docket 20250029-GU								
3	Amortization expected to begin January 2026	204,148	-	186	204,148	204,148		-	204,148
4									
5									
6									
7	Florida Public Service Commission								
8	Docket 20230023-GU / Order PSC-2023-0388-FOF-GU.								
9	Three year amortization of \$2,766,047								
10	beginning Jan 2024*	2,766,047	2,756,706	182	9,341	9,341	928	922,016	1,844,031
11									
12									
13	*Note - balance was transferred to 182 at the end of 2023.								
14									
15									
16	TOTAL	2,970,195	2,756,706		213,489	213,489		922,016	1,844,031

<b>MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)</b>		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	905,379
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 Intercompany Charges	2,283,993
6	Direct Software/Hardware Maintenance/Support	2,938,220
7	Registration/Report Filing Fees/Bank and Letter of Credit Fees	528,104
8	Facility Costs	423,153
9	Director Fees and Expenses	111,784
10	New Mexico Gas Company (NMGC) - I.T. charges	40,509
11	Tampa Electric (TEC) - Telecom	127,677
12	Tampa Electric (TEC) - Facilities Charge	419,734
13	Tampa Electric Other Direct Intercompany Charges	4,137,418
14	Tampa Electric Shared Services (TEC) Corporate Overhead Allocation	2,710,639
15	Tampa Electric Shared Services (TEC) - Human Resources and Employee Relations	392,394
16	Tampa Electric Shared Services (TEC) - Procurement	464,778
17	Tampa Electric Shared Services (TEC) - Document Services	158,130
17	Tampa Electric Shared Services (TEC) - I.T.	7,046,129
18	Tampa Electric Shared Services (TEC) - Admin, Emergency Mgmt	350,570
19	Tampa Electric Shared Services (TEC) - Accounts Payable	588,757
20	Tampa Electric Shared Services (TEC) - Claims	642,317
21	Tampa Electric Shared Services (TEC) - Payroll Services	221,678
22	Tampa Electric (TEC) - IT and Telecom Asset Usage	1,413,215
23	Peoples Gas miscellaneous internal costs	83,266
24	TOTAL	25,987,844

Name of Respondent			For the Year Ended	
Peoples Gas System			Dec. 31, 2024	
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 - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	1,054,702		
6	Transmission			
7	Distribution	22,383,894		
8	Customer Accounts	1,888,016		
9	Customer Service and Informational	459,143		
10	Sales	87		
11	Administrative and General	25,065,443		
12	TOTAL Operation (Total of lines 5 through 11)	50,851,285		
13	Maintenance			
14	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	-		
15	Transmission	-		
16	Distribution	6,306,733		
17	Administrative and General	17,788		
18	TOTAL Maintenance (Total of lines 14 through 17)	6,324,521		
19	Total Operation and Maintenance	57,175,806		
20	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	1,054,702		
21	Transmission (Enter Total of lines 6 and 15)	-		
22	Distribution (Total of lines 7 and 16)	28,690,627		
23	Customer Accounts (Transcribe from line 8)	1,888,016		
24	Customer Service and Informational (Transcribe from line 9)	459,143		
25	Sales (Transcribe from line 10)	87		
26	Administrative and General (Total of lines 11 and 17)	25,083,231		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	57,175,806		57,175,806
28	Other Utility Departments			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	57,175,806	-	57,175,806
31	Utility Plant			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	19,250,620		19,250,620
35	Other			
36	TOTAL Construction (Total of lines 33 through 35)	19,250,620	-	19,250,620
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	2,004,961		2,004,961
40	Other			
41	TOTAL Plant Removal (Total of lines 38 through 40)	2,004,961	-	2,004,961
42				
43	Other Accounts (Specify):			
44				
45				-
46	Accounts Receivable - Associated Companies	2,288,211		2,288,211
47	Misc Deferred Debits/Credits	413,834		413,834
48	Merchandise / Jobbing/Other Non-Reg	61,351		61,351
49	Reg Asset	206,558		206,558
50	Other	56,982	106,497	163,479
51				
52				
53	TOTAL Other Accounts	3,026,936	106,497	3,133,433
54	TOTAL SALARIES AND WAGES	81,458,323	106,497	81,564,820

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2024
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES		
<p>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</p> <p>payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities.</p> <p>(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.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract.</p> <p>3. Designate with an asterisk associated companies.</p>		
	Description	Amount
1		
2	American Innovations LTD	107-software 60,830
3	Applied Consultants Inc	107-engineering services-inspector 61,811
4	Arcadis US Inc.	182-environmental services 341,222
5	Assetworks LLC	107/multi-capital and fleet related 861,352
6	Ausley and McMullen PA	186/923/other-rate case and legal services 385,944
7	Ayres Associates Inc	107-capital 140,315
8	Bajo Cohen Agliano PA	925-legal services 199,945
9	Baker & Hostetler LLP	182/923-legal services 114,904
10	Barnett & Chistolini PLLC	925-legal services 105,938
11	Bioferm	417.1 - unregulated RNG 1,137,354
12	Brandmark Advertising, Inc.	909/913/925-marketing services 664,000
13	Clearesult Consulting Inc.	908-energy conservation 231,680
14	Cleveland Integrity Services, Inc.	various-engineering services 953,493
15	Collier Engineering & Design Inc	107-capital 37,728
16	Concentric Energy Advisors Inc.	186-consultant-rate case 51,381
17	Continuum Capital	107/870-consulting services 119,804
18	Corpro Companies Inc	107-engineering services-corrosion 166,691
19	Cushman & Wakefield US Inc	923-Valuation 27,000
20	Daniels Engineering, Inc.	various-engineering services 413,182
21	Deloitte Consulting LLP	107/923/930-project support and consulting 1,264,389
22	DNV GL Noble Denton USA LLC	923-Solution Support 26,485
23	Duard Max Blevins	909/913-design/photography services 236,389
24	Ernst & Young US LLP	923-Audit 489,818
25	Florida Public Broadcasting Services	913-Advertising 91,920
26	Gary L Wood Associates	926-Employee Benefit Service 30,000
27	Geosyntec	182-environmental services 539,389
28	HBK Engineering LLC	107-capital 798,767
29	Heath Consultants	various-engineering services 593,022
30	Holland & Knight	923/925-legal services 1,270,763
31	Jones Day	804/146 multi-legal services 587,035
32	JRGO LLC	107/182 multi engineering services 234,793
33		
34		

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
<p>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.</p> <p>(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.</p> <p>(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.</p> <p>(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.</p>		
	Item	Amount
1		
2	Account 426.1 - Donations	935,372
3	Account 426.3 - Other Penalties	10,798
4	Account 426.4 - Lobbying	123,951
5	Account 426.5 - Other Deductions	55,641
6		1,125,763
7		
8		
9	Account 431 - Other Interest Expense	
10		
11	Customer Deposits	730,737
12	Interest on Lines of Credit-Intercompany	31,010
13	Purchased Gas Adjustment (PGA)	506,325
14	Energy Conservation Cost Recovery	-
15	Cast Iron Bare Steel Recovery	1,181
16	Credit Facilities Interest	3,223,307
17	Capitalized Interest - Long Term Debt	-
18	Short Term Interest	-
19	Miscellaneous	15,953
20		4,508,513

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2024
<b>CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES</b>		
<p>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</p> <p>payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities.</p> <p>(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.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract.</p> <p>3. Designate with an asterisk associated companies.</p>		
	Description	Amount
1	continued from page 33a	
2		
3	Lau, Lane, Pieper, Conley & McCreadie PA	923/925-legal services 1,107,028
4	Living HR	923-HR consultant 45,000
5	Mai Engineering	various-engineering services 358,961
6	Management Bench Advisors LLC	923-HR consultant 73,280
7	McDaniel and Cullen Supply Chain	107/923-process consultant 118,941
8	McKim&Creed	various-engineering services 314,159
9	Morningstar Fleet Services	107/multi-capital and fleet related 116,822
10	PA Consulting	923-consultant 125,000
11	Paradigm	925-pipeline awareness 41,480
12	Parisella Vincelli Associates	107/182-process consultant 1,621,670
13	Patrick Engineering Inc	107-capital 508,216
14	Pierpont and Mclelland LLC	923-regulatory consultant 58,972
15	PWC Holdings No. 21 LLC	107/923-project consultant 924,839
16	Quorum Business Solutions	107-capital 944,579
17	SaaS E Solutions LLC	908-migration and hosting EC 33,960
18	Schutts & Bowen LLP	925-legal services 119,603
19	Straad Consulting	923-management consultant 34,944
20	Summit Resources	107-land agents 427,694
21	T2 Utility Engineers (UES) Inc	107-utility coordinator 512,121
22	The Carl Auxilliary LLC	913/930/107-ad services-visual content 58,600
23	The Goldstein Environmental Law Group	182/923-legal services 36,150
24	Tripp Scott PA	923/925-legal services 135,363
25	Veoci Inc	107-project capital 58,521
26	Vimocity LLC	923-health consultant 94,679
27	Wade Trim Inc	107-capital 53,367
28	World Wide Nondestructive Testing	107/various operations services 586,155
29	Yuro and Associates LLC	various-engineering services 310,323
30		
31		
32		
33	Emera Carribean Inc.*	930.2/labor - audit 42,515
34	Emera Inc.*	930.2/various-labor and corp support 4,274,253
35	Tampa Electric*	930.2/various 29,846,247
36	Teco Partners*	912/107-marketing services 9,533,815
37	New Mexico Gas Company*	930.2-I.T. Support services 40,509
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		

<b>PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS</b>		
<p>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.</p> <p>(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.</p> <p>(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.</p> <p>(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.</p>		
	Item	Amount
1		
2		
3		
4		
5	Blank section - see 33a	
6		
7		

Name of Respondent					For the Year Ended	
Peoples Gas System					Dec. 31, 2024	
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).						
	(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Description	Gross Operating Revenues per Page 26	Interstate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Intrastate Gross Operating Revenues per RAF Return	Difference (d) - (e)
1	Total Sales to Ultimate Customers (480-482, 484)	343,655,336		343,655,336	343,655,336	-
2	Sales for Resale (483)	2,723,765		2,723,765	2,723,765	-
3	Total Natural Gas Service Revenues					
		346,379,101		346,379,101	346,379,101	-
4	Total Other Operating Revenues (485-495)	338,176,296		342,649,615	342,649,615	-
5	Total Gas Operating Revenues	684,555,397		684,555,397	689,028,716	(4,473,320)
6	Revenue from Property Leased to Other (412)	-			4,473,320	(4,473,320)
7	Provision for Rate Refunds (496)	-				
8	Wholesale Sales & Wholesale Transport Adj.				(2,723,765)	2,723,765
9	Mutually Beneficial Wholesale Adjustment				(13,892)	13,892
10	Unbilled Revenue Adjustment				(4,408,598)	4,408,598
11	Off System Sales for Resale Adjustment				(9,920,078)	9,920,078
12	Total Gross Operating Revenues	684,555,397		684,555,397	676,435,703	8,119,693
Notes: Column F differences are due to RAF return adjustments for exempt revenue, and addition of revenue from property leased to others.						





Name of Respondent			For the Year Ended		
Peoples Gas System			Dec. 31, 2024		
<b>SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS</b>					
<p>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.</p> <p>(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.</p>					
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	95,976
	Corp Allocation		s	922	534,000
	Labor services		s	146	148,461
	Marketing		p	912	8,383,815
	Marketing Service		p	107	1,150,000
TECO Energy Inc.	Labor services		s	146	14,767
	Real property sublease		s	146	1,595
Tampa Electric Company	Real property sublease		s	146	12,891
	Labor & Other Services		s	146	1,836,274
	Natural Gas sales		s	489/146	10,344,129
	Real property sublease		p	931/multiple	884,020
	Labor services		p	930.2/multiple	12,847,808
	Natural Gas purchases		p	801	15,419
	IT Usage Fee		p	930.2/multiple	3,868,282
	Telecom		p	930.2/multiple	167,868
	Facilities		p	930.2/multiple	386,896
	Corporate Overhead Allocation		p	930.2	2,710,639
	IT Assessment		p	930.2	7,046,129
	Benefits Admin Assessment		p	930.2	365,723
	Employee Relations Assessment		p	930.2	26,672
	Administrative Services Assessment		p	930.2	268,923
	Emergency Management Assessment		p	930.2	81,647
	Accounts Payable Assessment		p	930.2	588,757
	Claims Assessment		p	930.2	642,317
	Procurement Assessment		p	930.2	464,778
	Payroll Svc Assessment		p	930.2	221,678
	Doc Services Assessment		p	930.2	158,130
New Mexico Gas Company	Labor and IT Services		p	930.2	40,509
SeaCoast Gas Transmission	Labor services		s	146	1,269,373
	Corp Allocation		s	922	2,407,001
	Natural Gas Sales		s	146	1,012,061
	Natural Gas Purchases		p	801	7,734,491
Continued on next page (36b)					

Name of Respondent			For the Year Ended		
Peoples Gas System			Dec. 31, 2024		
<b>SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS</b>					
<p>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.</p> <p>(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.</p>					
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 )
Continued from page 36a					
TECO Holdings, Inc.	Labor services		s	146	2,113
Emera Energy Services Inc.	Natural Gas Sales		s	146	5,851,937
	Natural Gas Purchases		p	801	23,530,902
Emera Inc.	Labor Services/Benefits		s	146	25,053
	Labor Services		p	930.2/Multiple	2,118,303
	Other-Services/Allocations		p	930.2/Multiple	2,155,950
Emera Carribean Inc.	Labor Services		p	930.2/Multiple	42,515

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2024

### 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
Tampa Electric Company (TEC)	<p>Affiliate Addendum effective January 1, 2023, to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dates January 1, 2015, whereby PGSI was added as a customer to receive services from TEC, and whereby PGSI was added as a provider of services to TEC as customer.</p> <p>Affiliate Addendum effective January 1, 2023, to Services Agreement dated January 1, 2014, with Schedule dates January 1, 2015 (assigned from TECO Services Inc., to TEC as of January 1, 2020), whereby PGSI was added as a Customer, to receive services from TEC, whereby PGSI was added as a provider of services to TEC as customer.</p> <p>Memorandum of Understanding between TEC and PGS, a division of TEC, dated August 16, 2022 assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Memorandum of Understanding between TEC and PGS, a division of TEC, dated April 4, 2020 assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Memorandum of Understanding between TEC and PGS, a division of TEC, dated September 20, 2018 assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p>
TECO Partners	<p>Marketing Agreement between PGS, a division of TEC, and TECO Partners, Inc., effective January 1, 2008, whereby PGS retained TPI to market and sell services to present and future customers of PGS, including Energy Services, Energy Conservation Programs, Program Services and Promotional Services. This marketing agreement was assigned from PGS, a division of TEC, to PGSI, pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Affiliate Addendum effective January 1, 2023, to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dated January 1, 2015, whereby PGSI was added as a service provider to Other Affiliates, including TECO Partners, Inc., as Customers; and Other Affiliates were enabled to provide services to PGSI as Customer.</p> <p>Affiliate Addendum effective January 1, 2023, to Services Agreement dated January 1, 2014, with Schedule dated January 1, 2015 (assigned from TECO Services Inc., to TEC as of January 1, 2020), whereby PGSI was added as a service provider of certain services to Other Affiliates, including TECO Partners, Inc., as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.</p>

### 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	95,976
	Corp Allocation	534,000
	Labor services	148,461
	Marketing	(9,533,815)
Tampa Electric Company	Labor & other services	1,836,274
	Natural Gas sales	10,344,129
	Real property sublease	(884,020)
	Labor services	(12,933,506)
	IT Usage Fee	(3,868,282)
	Telecom	(167,868)
	Facilities	(386,896)
	Corporate Overhead Allocation	(2,710,639)
	IT Assessment	(7,046,129)
	Benefits Admin and Employee Relations	(392,395)
	Administrative Services Assessment	(268,923)
	Emergency Management Assessment	(81,647)
	Accounts Payable Assessment	(588,757)
	Claims Assessment	(642,317)
	Procurement Assessment	(379,080)
	Payroll Service Assessment	(221,678)
	Document Services Assessment	(158,130)
SeaCoast Gas Transmission	Labor services	1,269,373
	Corp Allocation	2,407,001
	Natural Gas Sales-Reservation	1,012,061
	Natural Gas purchases	(7,734,491)
New Mexico Gas Company	Labor and IT Services	(40,509)
Emera Caribbean Inc.	Labor Services	(42,515)
Emera Energy Services Inc.	Natural Gas Sales	5,851,937
	Natural Gas Purchases	(23,530,902)
Emera Inc.	Labor Services	25,053
	Labor Services	(2,118,303)
	Other Services/Allocations	(2,155,950)

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2024
<b>NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES</b>		
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	
<i>Continued from page 37a</i> Emera Energy US Sub No.1	Secondment Agreement by and between Emera Energy US Sub No. 1 and PGS, a division of TEC; assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.	
New Mexico Gas Company, Inc.	Affiliate Addendum effective July 1, 2016 to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dated January 1, 2015, whereby New Mexico Gas, Inc. was added as a provider of services, such as IT Services, to other affiliates, including PGS, a division of TEC, as Customer; assigned from PGS, a division of Tampa Electric Company, to PGSI pursuant to that Assignment of Affiliate Addendum dated as of January 1, 2023.	
SeaCoast Gas Transmission, LLC	<p>NAESB between SeaCoast Gas Transmission, LLC and PGS, a division of TEC, dated October 15, 2010; assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Firm Service Agreement, Contract No. FT1-PGS-0008, between SeaCoast Gas Transmission, LLC and PGS, a division of TEC, original contract date February 17, 2021, and commencement October 17, 2021. This agreement was assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Firm Service Agreement, Contract No. FT1-PGS-0003, between SeaCoast Gas Transmission, LLC and PGS, a division of TEC, dated July 19, 2019, and commencement on May 1, 2022. This agreement was assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Affiliate Addendum effective January 1, 2023 to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dated January 1, 2015, whereby PGSI was added as provider of services to Other Affiliates, including SeaCoast Gas Transmission, LLC, as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.</p> <p>Affiliate Addendum effective January 1, 2023 to Services Agreement dated January 1, 2014, with Schedule dated January 1, 2015 (assigned from TECO Services, Inc., to TEC as of January 1, 2020), whereby PGSI was added as a service provider of certain services to Other Affiliates, including SeaCoast Gas Transmission, LLC, as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.</p>	
TECO Energy, Inc.	<p>Affiliate Addendum effective January 1, 2023 to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dated January 1, 2015, whereby PGSI was added as provider of services to Other Affiliates, including TECO Energy, Inc., as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.</p> <p>Affiliate Addendum effective January 1, 2023 to Services Agreement dated January 1, 2014, with Schedule dated January 1, 2014 (assigned from TECO Services, Inc., to TEC as of January 1, 2020), whereby PGSI was added as a provider of certain services to Other Affiliates, including TECO Energy, Inc., as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.</p>	
Emera Caribbean, Inc.	Shared Services Agreement between Emera (Caribbean) Inc. and PGSI dated as of January 1, 2023.	
Emera Incorporated	Shared Services Agreement between Emera Incorporated and PGSI dated as of January 1, 2023.	
Emera Energy Services, Inc.	<p>NAESB between Emera Energy Services, Inc. and PGS, a division of TEC, dated February 1, 2017. This NAESB was assigned from PGS, a division of TEC, to PGSI, pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Second Amended and Restated Asset Management Agreement and Transaction Confirmation entered into between Emera Energy Services, Inc. and Peoples Gas System, Inc. dated May 31, 2024.</p> <p>Asset Management Agreement entered into between Emera Energy Services, Inc. and Peoples Gas System, Inc. dated July 27, 2023.</p>	
TECO Holdings, Inc.	<p>Affiliate Addendum effective April 1, 2024, to Services Agreement between PGS, TECO Services, Inc. ("TSI"), (assigned to Tampa Electric Company) and TECO Holdings, Inc. ("TECO Holdings").</p> <p>Affiliate Addendum effective April 1, 2024, to Services Agreement between PGS and TECO Holdings, Inc. ("TECO Holdings").</p>	

Name of Respondent						For the Year Ended	
Peoples Gas System						Dec. 31, 2024	
ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES							
Provide a summary of affiliated transactions involving asset transfers or the right to use assets.							
Description							
Name of Affiliate	of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
Purchases from Affiliates:		\$	\$	\$	\$	\$	
		-	-	-		-	
Total						-	
Sales to Affiliates:	None	\$	\$	\$	\$	Sales Price	
None							
Total						\$	

<b>EMPLOYEE TRANSFERS</b>				
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
Tampa Electric	Peoples Gas	Regulatory Accounting Analyst	Regulatory Rate Analyst Sr	Permanent
Tampa Electric	Peoples Gas	Customer Engineering Rep I	Coord Market Svcs & Transportation	Permanent
Peoples Gas	Tampa Electric	Mgr Business Transformation	Mgr Business Strategy and Energy Policy	Permanent
Peoples Gas	Tampa Electric	Admin Specialist Lead	Technology Analyst	Permanent
Tampa Electric	Peoples Gas	Contract Administrator Senior	Contract Admtr III	Permanent
Peoples Gas	Tampa Electric	Scheduler Coordinator I	Dispatcher Senior	Permanent
Peoples Gas	TECO Partners	Utility Technician	Account Manager-Technical Sales Support	Permanent
New Mexico Gas	Peoples Gas	Rep Operations	Meter Technician (Gas)	Permanent