



**February 14, 2025**

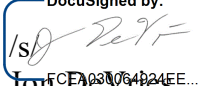
Matthew Vogel, Public Utilities Supervisor  
Division of Accounting and Finance  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Dear Mr. Vogel:

Attached is the Rate of Return calculation of Peoples Gas System for the period ending **December 2024**.

Please let me know if you have any questions.

Respectfully,

DocuSigned by:  
  
Jon DeVries  
VP of Finance

Enclosures

cc: Office of Public Counsel – Charles Rehwinkel

PEOPLES GAS SYSTEM  
EARNINGS SURVEILLANCE REPORT SUMMARY  
Dec 2024  
(In \$ Thousands)

SCHEDULE 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 168,827	\$ 2,176	\$ 171,003	\$ 0	\$ 171,003
AVERAGE RATE BASE	\$ 2,477,848	\$ (101,191)	\$ 2,376,657	\$ 0	\$ 2,376,657
AVERAGE RATE OF RETURN	6.81 %		7.20 %		7.20 %

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

III. EARNED RETURN ON EQUITY

			FPSC ADJUSTED	PRO FORMA ADJUSTED
LOW	6.62 %	A. INCLUDING		
MIDPOINT	7.09 %	FLEX RATE REVENUES	10.37 %	10.37 %
HIGH	7.57 %	B. EXCLUDING		
		FLEX RATE REVENUES	9.96 %	9.96 %

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree punishable as provided in s. 775.082 or s. 775.083.

/s/ Jon DeVries, VP of Finance  
(Name and Title)

(Signature)

2/14/2025

(Date)

PSC/AFA13

**PEOPLES GAS SYSTEM  
AVERAGE RATE BASE  
Dec 2024  
(In \$ Thousands)**

**SCHEDULE 2**

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	(10)	(11)
	Plant in Service	Plant Acquisition Adjustment	Accumulated Depreciation & Amortization	Customer Advances for Construction	Net Plant in Service	Property Held for Future Use	Construction Work in Progress	Net Utility Plant	Working Capital	Total Rate Base
PER BOOKS	3,236,118	-	941,120	27,265	2,267,732	1,940	160,617	2,430,288	47,559	2,477,848
<u>FPSC ADJUSTMENTS:</u>										
Property for Future Use						(1,940)		(1,940)		(1,940)
Temporary Cash Investment									(3)	(3)
Non-Utility (RNG Alliance)									(14,058)	(14,058)
Accounts Rec./Pay. - Assoc Companies									(8,553)	(8,553)
Other Accounts Receivable									(1,448)	(1,448)
Non-Utility Allocation	(1,195)		(477)		(717)			(717)		(717)
Remove Unamort. Debt Expense									(2,524)	(2,524)
Remove Unrecovered Gas Cost									-	-
Remove Dividends Declared									1,824	1,824
Remove Unrec. Conservation Costs									(5,248)	(5,248)
Remove Unrec. CIBSR Costs									(93)	(93)
Remove Competitive Rate Adjustment									(5,092)	(5,092)
Remove Unamortized Rate Case Expense									(2,302)	(2,302)
Gain on Sale of Property									-	-
Remove Acquis. Adjustment (WFNG)		-	-		-			-	-	-
Remove Derivative (FAS 133)									-	-
Cast Iron/Bare Steel Rider (CIBSR)	(264)		142		(405)		(9,550)	(9,955)		(9,955)
AFUDC - Eligible CWIP							(49,917)	(49,917)		(49,917)
Remove Investment in Subsidiaries									(1,166)	(1,166)
TOTAL FPSC ADJUSTMENTS	(1,459)	-	(336)	-	(1,123)	(1,940)	(59,466)	(62,529)	(38,662)	(101,191)
FPSC ADJUSTED	3,234,659	-	940,785	27,265	2,266,609	-	101,150	2,367,759	8,898	2,376,657
<u>FLEX RATE REVENUES</u>										
ADJUSTED FOR										
FLEX RATE REVENUES	3,234,659	-	940,785	27,265	2,266,609	-	101,150	2,367,759	8,898	2,376,657
<u>PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:</u>										
										-
TOTAL PRO FORMA ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
PRO FORMA ADJUSTED	3,234,659	-	940,785	27,265	2,266,609	-	101,150	2,367,759	8,898	2,376,657

**PEOPLES GAS SYSTEM**  
**NET OPERATING INCOME**  
**Dec 2024**  
**(In \$ Thousands)**

**SCHEDULE 3**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Operating Revenues	O & M Gas Expense	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current	Deferred Income Taxes (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition	Total Operating Expenses	Net Operating Income
PER BOOKS	698,249	146,933	190,775	87,284	65,243	22,292	17,427	-	(531)	529,422	168,827
<u>FPSC ADJUSTMENTS:</u>											
Remove Conservation Charges	(52,042)		(52,042)			(0)				(52,042)	(0)
Non-Utility Allocation				(42)	-	11				(31)	31
Interest Synchronization						410				410	(410)
Parent Debt Adjustment						(3,213)				(3,213)	3,213
Remove Fuel Revenues	(147,501)	(146,933)			(568)	(0)				(147,501)	-
Economic Development Adjustment			(18)			5				(14)	14
Employee Activities			(100)			25				(75)	75
Franchise/Gross Receipts Taxes	(36,330)				(36,170)	(41)				(36,210)	(120)
Maintenance of General Plant			(64)			16				(48)	48
Maint. of Structures and Improvements			(6)			1				(4)	4
Remove Acquisition Adj. Amortiz. (WFNG)				-		-				-	-
Gain on Sale of Property						-				-	-
Lease of PHFFU	(131)					(33)				(33)	(98)
Remove ITC Amortization						-		-		-	-
Cast Iron/Bare Steel Rider (CIBSR)	(286)		(455)	57	112	0				(286)	0.00
Cast Iron/Bare Steel Rider (CIBSR) - ROI	(780)					(198)				(198)	(582)
OSS Adjustment	-					-				-	-
TOTAL FPSC ADJUSTMENTS	(237,069)	(146,933)	(52,685)	15	(36,626)	(3,017)	-	-	-	(239,245)	2,176
FPSC ADJUSTED	461,180	-	138,090	87,299	28,617	19,275	17,427	-	(531)	290,177	171,003
<u>FLEX RATE REVENUES</u>	(6,192)					(1,569)				(1,569)	(4,623)
ADJUSTED FOR											
FLEX RATE REVENUES	454,987	-	138,090	87,299	28,617	17,706	17,427	-	(531)	288,607	166,380
<u>PRO FORMA REVENUE INCREASE AND</u>											
<u>ANNUALIZATION ADJUSTMENTS:</u>											
Deferred Tax True-up						-				-	-
TOTAL PRO FORMA ADJUSTMENTS	-		-			-			-	-	-
PRO FORMA ADJUSTED	461,180	-	138,090	87,299	28,617	19,275	17,427	-	(531)	290,177	171,003
PER BOOKS											
CURRENT MONTH AMOUNT	67,351	15,431	21,336	7,517	5,952	(3,931)	7,497	-	-	53,801	13,550

PEOPLES GAS SYSTEM  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
Dec 2024  
(In \$ Thousands)

SCHEDULE 4

AVERAGE	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		SPECIFIC	PRO RATA			COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
						(%)	(%)	(%)	(%)	(%)	(%)
LONG TERM DEBT	925,000	(2,524)	(34,201)	888,276	37.37%	5.68	2.12	5.68	2.12	5.68	2.12
SHORT TERM DEBT	56,846	(5,341)	(1,910)	49,596	2.09%	6.08	0.13	6.08	0.13	6.08	0.13
CUSTOMER DEPOSITS	29,410		(685)	28,725	1.21%	2.48	0.03	2.48	0.03	2.48	0.03
COMMON EQUITY	1,171,971	(1,817)	(43,383)	1,126,771	47.41%	9.15	4.34	10.15	4.81	11.15	5.29
DEFERRED INCOME TAX	294,621	(4,579)	(6,752)	283,290	11.92%						
TAX CREDITS - ZERO COST	-	-	-	-	0.00%						
TOTAL	2,477,848	(14,261)	(86,930)	2,376,657	100.00%		6.62		7.09		7.57

PEOPLES GAS SYSTEM  
EARNED RETURN ON COMMON EQUITY  
FPSC ADJUSTED BASIS  
Dec 2024  
(In \$ Thousands)

SCHEDULE 5

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	7.20	%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL			
WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(2.12)	%	
SHORT TERM DEBT	(0.13)	%	
PREFERRED STOCK	0.00	%	
CUSTOMER DEPOSITS	(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00	%	
SUBTOTAL	(2.28)	%	
TOTAL	4.92	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	47.41	%	
JURISDICTIONAL RETURN ON COMMON EQUITY	10.37	%	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$	166,380	(Schedule 3)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$	2,376,657	(Schedule 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	7.00	%	
LESS: RECONCILED AVERAGE JURISDICTIONAL			
WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(2.12)	%	
SHORT TERM DEBT	(0.13)	%	
PREFERRED STOCK	0.00	%	
CUSTOMER DEPOSITS	(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00	%	
SUBTOTAL	(2.28)	%	
TOTAL	4.72	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	47.41	%	
JURISDICTIONAL RETURN ON COMMON EQUITY	9.96	%	

**PEOPLES GAS SYSTEM**  
**EARNED RETURN ON COMMON EQUITY**  
**PRO FORMA ADJUSTED BASIS**  
**Dec 2024**

SCHEDULE 5-2

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

PRO FORMA ADJUSTED AVERAGE EARNED RATE OF RETURN	7.20 %	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(2.12) %	
SHORT TERM DEBT	(0.13) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.28) %</u>	
TOTAL	4.92 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>47.41 %</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>10.37 %</u></u>	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$ 166,380	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$ <u>2,376,657</u>	(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>7.00 %</u>	
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(2.12) %	
SHORT TERM DEBT	(0.13) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.28) %</u>	
TOTAL	4.72 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>47.41 %</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.96 %</u></u>	