TECO
PEOPLES GAS
AN EMERA COMPANY

February 28, 2024

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:

In accordance with Rule 25-7.1353, enclosed is the Forecasted Earnings Surveillance Report of Peoples Gas System for the year ending **December 31, 2024**.

Please let me know if you have any questions.

Respectfully,

DocuSigned by:
/s/ Rachel Parsons
0D97E209221942C...
Rachel B. Parsons
Head of Financial Performance

Enclosures

cc: Office of Public Counsel – Charles Rehwinkel

Peoples Gas System
P. O. Box 111 Tampa, FL 33601-0111 (813) 228-4111 peoplesgas.com

SCHEDULE 1

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

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
NET OPERATING INCOME	$ 165,015	$ 2,400	$ 167,415	$ 0	$ 167,415
AVERAGE RATE BASE	$ 2,449,771	$ (86,867)	$ 2,362,905	$ 0	$ 2,362,905
AVERAGE RATE OF RETURN	6.74 %		7.09 %		7.09 %

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

LOW	6.61 %
MIDPOINT	7.09 %
HIGH	7.56 %

III. EARNED RETURN ON EQUITY

	FPSC ADJUSTED	PRO FORMA ADJUSTED
A. INCLUDING FLEX RATE REVENUES	10.15 %	10.15 %
B. EXCLUDING FLEX RATE REVENUES	9.90 %	9.90 %

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.

DocuSigned by:
Rachel Parsons
0D975209221942C...

/s/ Rachel B. Parsons, Head of Financial Performance — (Name and Title)

(Signature)

2/29/2024 — (Date)

PSC/AFA13

PEOPLES GAS SYSTEM
AVERAGE RATE BASE
2024 Budget

SCHEDULE 2

	(1) Plant in Service	(2) Plant Acquisition Adjustment	(3) Accumulated Depreciation & Amortization	(4) Customer Advances for Construction	(5) Net Plant in Service	(7) Property Held for Future Use	(8) Construction Work in Progress	(9) Net Utility Plant	(10) Working Capital	(11) Total Rate Base
PER BOOKS	3,314,214	5,032	934,944	30,850	2,353,452	1,940	85,720	2,441,111	8,660	2,449,771
	-	-	-	-	-	-	-	-	(4,274)	(4,274)
FPSC ADJUSTMENTS:										
Property for Future Use						(1,940)		(1,940)		(1,940)
Temporary Cash Investment									(3)	(3)
Notes Receivable									-	-
Accounts Rec./Pay. - Assoc Companies									(9,827)	(9,827)
Other Accounts Receivable									(1,238)	(1,238)
Non-Utility Allocation	(1,543)		(473)		(1,070)			(1,070)		(1,070)
Remove Unamort. Debt Expense									(2,089)	(2,089)
Remove Unrecovered Gas Cost PGA									-	-
Remove Dividends Declared									-	-
Remove Unrec. Conservation Costs									(4,710)	(4,710)
Remove Unrec. CIBSR Costs									-	-
Remove Competitve Rate Adjustment									(3,573)	(3,573)
Remove Unamortized Rate Case Expense									(2,316)	(2,316)
Gain on Sale of Property									-	-
Remove Acquis. Adjustment (WFNG)		-	-		-			-		-
Remove Derivative (FAS 133)									-	-
Cast Iron/Bare Steel Rider (CIBSR)	(5,233)		97		(5,330)		(2,496)	(7,825)		(7,825)
AFUDC - Eligible CWIP							(51,032)	(51,032)		(51,032)
Remove Investment in Subsidiaries									(1,244)	(1,244)
TOTAL FPSC ADJUSTMENTS	(6,776)	-	(376)	-	(6,400)	(1,940)	(53,527)	(61,867)	(25,000)	(86,867)
FPSC ADJUSTED	3,307,437	5,032	934,567	30,850	2,347,052	-	32,193	2,379,244	(16,340)	2,362,905
FLEX RATE REVENUES										
ADJUSTED FOR FLEX RATE REVENUES	3,307,437	5,032	934,567	30,850	2,347,052	-	32,193	2,379,244	(16,340)	2,362,905
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:										
										-
TOTAL PRO FORMA ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
PRO FORMA ADJUSTED	3,307,437	5,032	934,567	30,850	2,347,052	-	32,193	2,379,244	(16,340)	2,362,905

SCHEDULE 3

PEOPLES GAS SYSTEM
NET OPERATING INCOME
2024 Budget

	(1) Operating Revenues	(2) O & M Gas Expense	(3) O & M Other	(4) Depreciation & Amortization	(5) Taxes Other Than Income	(6) Income Taxes Current	(7) Deferred Income Taxes (Net)	(8) Investment Tax Credit (Net)	(9) Gain/Loss on Disposition	(10) Total Operating Expenses	(11) Net Operating Income
PER BOOKS	710,040	169,106	187,396	88,806	62,318	21,464	16,430	-	(496)	545,025	165,015
FPSC ADJUSTMENTS:											
Remove Conservation Charges	(49,230)		(49,230)			-				(49,230)	-
Non-Utility Allocation				(40)	-	10				(30)	30
Interest Synchronization						437				437	(437)
Parent Debt Adjustment						(3,213)				(3,213)	3,213
Remove Fuel Revenues	(169,843)	(169,106)			(737)	0				(169,843)	-
Economic Development Adjustment			(18)			5				(14)	14
Employee Activities			(79)			20				(59)	59
Franchise/Gross Receipts Taxes	(33,290)				(33,290)	(0)				(33,290)	(0)
Maintenance of General Plant			(70)			18				(52)	52
Maint. of Structures and Improvements			(7)			2				(5)	5
Remove Acquisition Adj. Amortiz. (WFNG)				-		-				-	-
Gain on Sale of Property						-			-	-	-
Lease of PHFFU	(122)					(31)				(31)	(91)
Remove ITC Amortization						-				-	-
Cast Iron/Bare Steel Rider (CIBSR)	(427)		(489)	(47)	109	0				(427)	0
Cast Iron/Bare Steel Rider (CIBSR) - ROI	(597)					(151)				(151)	(446)
OSS Adjustment	-					-				-	-
TOTAL FPSC ADJUSTMENTS	(253,509)	(169,106)	(49,893)	(87)	(33,918)	(2,904)	-	-	-	(255,909)	2,400
FPSC ADJUSTED	456,531	-	137,503	88,719	28,400	18,560	16,430	-	(496)	289,116	167,415
FLEX RATE REVENUES	(3,710)					(940)				(940)	(2,770)
ADJUSTED FOR FLEX RATE REVENUES	452,821	-	137,503	88,719	28,400	17,620	16,430	-	(496)	288,176	164,645
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:											
Deferred Tax True-up						-				-	-
TOTAL PRO FORMA ADJUSTMENTS	-		-			-			-	-	-
PRO FORMA ADJUSTED	456,531	-	137,503	88,719	28,400	18,560	16,430	-	(496)	289,116	167,415
PER BOOKS CURRENT MONTH AMOUNT	710,040	169,106	187,396	88,806	62,318	21,464	16,430	-	-	545,521	164,519

SCHEDULE 4

PEOPLES GAS SYSTEM
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
2024 Budget

						LOW POINT		MIDPOINT		HIGH POINT	
		ADJUSTMENTS			RATIO	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
AVERAGE	PER BOOKS	SPECIFIC	PRO RATA	ADJUSTED	(%)	(%)	(%)	(%)	(%)	(%)	(%)
LONG TERM DEBT	919,146	(2,089)	(27,017)	890,039	37.67%	5.67	2.14	5.67	2.14	5.67	2.14
SHORT TERM DEBT	44,461	(4,710)	(1,171)	38,580	1.63%	6.09	0.10	6.09	0.10	6.09	0.10
CUSTOMER DEPOSITS	30,615		(716)	29,899	1.27%	2.56	0.03	2.56	0.03	2.56	0.03
COMMON EQUITY	1,159,294	(3,983)	(34,037)	1,121,275	47.45%	9.15	4.34	**10.15**	4.82	11.15	5.29
DEFERRED INCOME TAX	296,255	(6,366)	(6,777)	283,112	11.98%						
TAX CREDITS - ZERO COST	-	-	-	-	0.00%	7.58	-	8.13	-	8.68	-
TOTAL	2,449,771	(17,148)	(69,719)	2,362,905	100.00%		6.61		7.09		7.56

SCHEDULE 5

PEOPLES GAS SYSTEM
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
2024 Budget

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	7.09	%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(2.14)	%	
SHORT TERM DEBT	(0.10)	%	
PREFERRED STOCK	0.00	%	
CUSTOMER DEPOSITS	(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00	%	
SUBTOTAL	(2.27)	%	
TOTAL	4.82	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	47.45	%	
JURISDICTIONAL RETURN ON COMMON EQUITY	10.15	%	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	$	164,645		(Schedule 3)
RATE BASE EXCLUDING FLEX RATE REVENUES	$	2,362,905		(Schedule 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN		6.97	%	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:				
LONG TERM DEBT		(2.14)	%	
SHORT TERM DEBT		(0.10)	%	
PREFERRED STOCK		0.00	%	
CUSTOMER DEPOSITS		(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)		0.00	%	
SUBTOTAL		(2.27)	%	
TOTAL		4.70	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO		47.45	%	
JURISDICTIONAL RETURN ON COMMON EQUITY		9.90	%	