



May 13, 2025

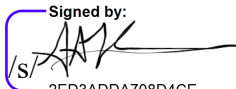
Matthew Vogel, Public Utilities Supervisor
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Vogel:

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

Please let me know if you have any questions.

Respectfully,

Signed by:

/s/

2ED3ADDA708D4CE..
Andrew Nichols
Director of Business Planning

Enclosures

cc: Office of Public Counsel – Charles Rehwinkel

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

SCHEDULE 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 166,311	\$ 1,791	\$ 168,103	\$ 0	\$ 168,103
AVERAGE RATE BASE	\$ 2,530,920	\$ (117,267)	\$ 2,413,653	\$ 0	\$ 2,413,653
AVERAGE RATE OF RETURN	6.57 %		6.96 %		6.96 %

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

III. EARNED RETURN ON EQUITY

			FPSC ADJUSTED	PRO FORMA ADJUSTED
LOW	6.64 %			
MIDPOINT	7.12 %	A. INCLUDING FLEX RATE REVENUES	9.83 %	9.83 %
HIGH	7.60 %	B. EXCLUDING FLEX RATE REVENUES	9.43 %	9.43 %

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

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

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

Signed by:

(Signature)

5/13/2025

(Date)

PSC/AFA13

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

SCHEDULE 2

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	(10)	(11)
	Plant in Service	Plant Acquisition Adjustment	Accumulated Depreciation & Amortization	Customer Advances for Construction	Net Plant in Service	Property Held for Future Use	Construction Work in Progress	Net Utility Plant	Working Capital	Total Rate Base
PER BOOKS	3,302,627	-	957,847	26,862	2,317,918	1,940	168,127	2,487,985	42,935	2,530,920
<u>FPSC ADJUSTMENTS:</u>										
Property for Future Use						(1,940)		(1,940)		(1,940)
Temporary Cash Investment									(3)	(3)
Non-Utility (RNG Alliance)									(14,405)	(14,405)
Accounts Rec./Pay. - Assoc Companies									(8,318)	(8,318)
Other Accounts Receivable									(3,066)	(3,066)
Non-Utility Allocation	(1,212)		(482)		(730)			(730)		(730)
Remove Unamort. Debt Expense									(2,500)	(2,500)
Remove Unrecovered Gas Cost									-	-
Remove Dividends Declared									1,824	1,824
Remove Unrec. Conservation Costs									(2,538)	(2,538)
Remove Unrec. CIBSR Costs									(70)	(70)
Remove Competitive Rate Adjustment									(5,584)	(5,584)
Remove Unamortized Rate Case Expense									(2,073)	(2,073)
Gain on Sale of Property										-
Remove Acquis. Adjustment (WFNG)		-	-		-			-		-
Remove Derivative (FAS 133)									-	-
Cast Iron/Bare Steel Rider (CIBSR)	(5,496)		142		(5,638)		(9,212)	(14,850)		(14,850)
AFUDC - Eligible CWIP							(61,816)	(61,816)		(61,816)
Remove Investment in Subsidiaries									(1,198)	(1,198)
TOTAL FPSC ADJUSTMENTS	(6,709)	-	(341)	-	(6,368)	(1,940)	(71,028)	(79,336)	(37,931)	(117,267)
FPSC ADJUSTED	3,295,918	-	957,506	26,862	2,311,550	-	97,099	2,408,649	5,005	2,413,653
<u>FLEX RATE REVENUES</u>										
ADJUSTED FOR										
FLEX RATE REVENUES	3,295,918	-	957,506	26,862	2,311,550	-	97,099	2,408,649	5,005	2,413,653
<u>PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:</u>										
										-
TOTAL PRO FORMA ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
PRO FORMA ADJUSTED	3,295,918	-	957,506	26,862	2,311,550	-	97,099	2,408,649	5,005	2,413,653

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

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Operating Revenues	O & M Gas Expense	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current	Deferred Income Taxes (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition	Total Operating Expenses	Net Operating Income
PER BOOKS	716,190	166,170	189,097	88,939	67,236	18,969	20,010	-	(541)	549,879	166,311
<u>FPSC ADJUSTMENTS:</u>											
Remove Conservation Charges	(49,505)		(49,505)			(0)				(49,505)	(0)
Non-Utility Allocation				(43)	-	11				(32)	32
Interest Synchronization						471				471	(471)
Parent Debt Adjustment						(3,213)				(3,213)	3,213
Remove Fuel Revenues	(166,804)	(166,170)			(635)	0				(166,804)	-
Economic Development Adjustment			(15)			4				(11)	11
Employee Activities			(98)			25				(73)	73
Franchise/Gross Receipts Taxes	(36,956)				(36,787)	(43)				(36,830)	(126)
Maintenance of General Plant			(68)			17				(51)	51
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)	(776)		(751)	(48)	24	0				(776)	0
Cast Iron/Bare Steel Rider (CIBSR) - ROI	(1,204)					(305)				(305)	(899)
OSS Adjustment	-					-				-	-
TOTAL FPSC ADJUSTMENTS	(255,376)	(166,170)	(50,443)	(91)	(37,398)	(3,065)	-	-	-	(257,167)	1,791
FPSC ADJUSTED	460,815	-	138,654	88,848	29,838	15,904	20,010	-	(541)	292,712	168,103
<u>FLEX RATE REVENUES</u>	(6,335)					(1,605)				(1,605)	(4,729)
ADJUSTED FOR											
FLEX RATE REVENUES	454,480	-	138,654	88,848	29,838	14,298	20,010	-	(541)	291,107	163,373
<u>PRO FORMA REVENUE INCREASE AND</u>											
<u>ANNUALIZATION ADJUSTMENTS:</u>											
Deferred Tax True-up						-				-	-
TOTAL PRO FORMA ADJUSTMENTS	-		-			-			-	-	-
PRO FORMA ADJUSTED	460,815	-	138,654	88,848	29,838	15,904	20,010	-	(541)	292,712	168,103
PER BOOKS											
CURRENT MONTH AMOUNT	71,081	20,423	16,614	7,716	6,425	2,144	1,768	-	-	55,089	15,992

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

SCHEDULE 4

AVERAGE						LOW POINT		MIDPOINT		HIGH POINT	
	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
		SPECIFIC	PRO RATA			(%)	(%)	(%)	(%)	(%)	(%)
LONG TERM DEBT	925,000	(2,500)	(39,952)	882,548	36.56%	5.68	2.08	5.68	2.08	5.68	2.08
SHORT TERM DEBT	65,308	(2,607)	(2,715)	59,985	2.50%	5.70	0.14	5.70	0.14	5.70	0.14
CUSTOMER DEPOSITS	29,690		(860)	28,830	1.19%	2.49	0.03	2.49	0.03	2.49	0.03
COMMON EQUITY	1,211,409	(1,859)	(52,383)	1,157,167	47.94%	9.15	4.39	10.15	4.87	11.15	5.35
DEFERRED INCOME TAX	299,514	(5,889)	(8,501)	285,123	11.81%						
TAX CREDITS - ZERO COST	-	-	-	-	0.00%						
TOTAL	2,530,920	(12,855)	(104,411)	2,413,653	100.00%		6.64		7.12		7.60

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

SCHEDULE 5

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	6.96 %	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(2.08) %	
SHORT TERM DEBT	(0.14) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.25) %</u>	
TOTAL	4.71 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>47.94 %</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.83 %</u></u>	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$ 163,373	(Schedule 3)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$ <u>2,413,653</u>	(Schedule 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>6.77 %</u>	
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(2.08) %	
SHORT TERM DEBT	(0.14) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.25) %</u>	
TOTAL	4.52 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>47.94 %</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.43 %</u></u>	

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

SCHEDULE 5-2

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

PRO FORMA ADJUSTED AVERAGE EARNED RATE OF RETURN	6.96 %	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(2.08) %	
SHORT TERM DEBT	(0.14) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.25) %</u>	
TOTAL	4.71 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>47.94 %</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.83 %</u></u>	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$ 163,373	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$ <u>2,413,653</u>	(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	<u>6.77 %</u>	
LESS: RECONCILED AVERAGE JURISDICTIONAL		
WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(2.08) %	
SHORT TERM DEBT	(0.14) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.25) %</u>	
TOTAL	4.52 %	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	<u>47.94 %</u>	
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.43 %</u></u>	