TECO
PEOPLES GAS
AN EMERA COMPANY

March 24, 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:

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

SCHEDULE 1

PEOPLES GAS SYSTEM
EARNINGS SURVEILLANCE REPORT SUMMARY
2025 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	$ 157,386	$ 670	$ 158,056	$ 0	$ 158,056
AVERAGE RATE BASE	$ 2,744,399	$ (115,841)	$ 2,628,558	$ 0	$ 2,628,558
AVERAGE RATE OF RETURN	5.73 %		6.01 %		6.01 %

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

LOW	6.63 %
MIDPOINT	7.11 %
HIGH	7.59 %

III. EARNED RETURN ON EQUITY

	FPSC ADJUSTED	PRO FORMA ADJUSTED
A. INCLUDING FLEX RATE REVENUES	7.86 %	7.86 %
B. EXCLUDING FLEX RATE REVENUES	7.83 %	7.83 %

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.

Signed by:

2ED3ADDA708D4CE...

/s/ Andrew Nichols, Director Business Planning		3/24/2025
(Name and Title)	(Signature)	(Date)

PSC/AFA13

PEOPLES GAS SYSTEM
AVERAGE RATE BASE
2025 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	3,643,032	-	991,085	26,054	2,625,893	1,940	69,415	2,697,248	47,151	2,744,399
FPSC ADJUSTMENTS:										
Property for Future Use						(1,940)		(1,940)		(1,940)
Temporary Cash Investment									(3)	(3)
Non-Utility (RNG Alliance)									(14,476)	(14,476)
Accounts Rec./Pay. - Assoc Companies									(9,130)	(9,130)
Other Accounts Receivable									(1,786)	(1,786)
Non-Utility Allocation	(1,823)		(365)		(1,458)			(1,458)		(1,458)
Remove Unamort. Debt Expense									(2,513)	(2,513)
Remove Unrecovered Gas Cost PGA									-	-
Remove Dividends Declared									-	-
Remove Unrec. Conservation Costs									(204)	(204)
Remove Unrec. CIBSR Costs									-	-
Remove Competitve Rate Adjustment									(6,143)	(6,143)
Remove Unamortized Rate Case Expense									(1,589)	(1,589)
Gain on Sale of Property									-	-
Remove Acquis. Adjustment (WFNG)		-	-		-			-		-
Remove Derivative (FAS 133)									-	-
Cast Iron/Bare Steel Rider (CIBSR)	(31,469)		(23)		(31,446)		(4,156)	(35,601)		(35,601)
AFUDC - Eligible CWIP							(39,830)	(39,830)		(39,830)
Remove Investment in Subsidiaries									(1,168)	(1,168)
TOTAL FPSC ADJUSTMENTS	(33,292)	-	(388)	-	(32,904)	(1,940)	(43,986)	(78,830)	(37,012)	(115,841)
FPSC ADJUSTED	3,609,741	-	990,697	26,054	2,592,989	-	25,429	2,618,419	10,139	2,628,558
FLEX RATE REVENUES										
ADJUSTED FOR FLEX RATE REVENUES	3,609,741	-	990,697	26,054	2,592,989	-	25,429	2,618,419	10,139	2,628,558
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:										
										-
TOTAL PRO FORMA ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
PRO FORMA ADJUSTED	3,609,741	-	990,697	26,054	2,592,989	-	25,429	2,618,419	10,139	2,628,558

PEOPLES GAS SYSTEM
NET OPERATING INCOME
2025 Budget

SCHEDULE 3

	(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	730,183	182,689	187,814	97,424	72,492	10,347	22,587	-	(557)	572,797	157,386
FPSC ADJUSTMENTS:											
Remove Conservation Charges	(41,422)		(41,422)			-				(41,422)	-
Non-Utility Allocation				(49)	-	12				(37)	37
Interest Synchronization						416				416	(416)
Parent Debt Adjustment						(3,213)				(3,213)	3,213
Remove Fuel Revenues	(183,454)	(182,689)			(765)	0				(183,454)	-
Economic Development Adjustment			(20)			5				(15)	15
Employee Activities			(98)			25				(73)	73
Franchise/Gross Receipts Taxes	(38,216)				(38,216)	-				(38,216)	-
Maintenance of General Plant			(61)			15				(45)	45
Maint. of Structures and Improvements			(6)			2				(5)	5
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)	(1,459)		(824)	(423)	(211)	0				(1,459)	0
Cast Iron/Bare Steel Rider (CIBSR) - ROI	(2,952)					(748)				(748)	(2,204)
OSS Adjustment	-					-				-	-
TOTAL FPSC ADJUSTMENTS	(267,634)	(182,689)	(42,432)	(472)	(39,192)	(3,519)	-	-	-	(268,304)	670
FPSC ADJUSTED	462,549	-	145,383	96,951	33,300	6,828	22,587	-	(557)	304,493	158,056
FLEX RATE REVENUES	(471)					(119)				(119)	(352)
ADJUSTED FOR FLEX RATE REVENUES	462,078	-	145,383	96,951	33,300	6,708	22,587	-	(557)	304,373	157,705
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:											
Deferred Tax True-up						-				-	-
TOTAL PRO FORMA ADJUSTMENTS	-		-			-			-	-	-
PRO FORMA ADJUSTED	462,549	-	145,383	96,951	33,300	6,828	22,587	-	(557)	304,493	158,056
PER BOOKS CURRENT MONTH AMOUNT	730,183	182,689	187,814	97,424	72,492	10,347	22,587	-	-	573,354	156,829

PEOPLES GAS SYSTEM
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
2025 Budget

SCHEDULE 4

		ADJUSTMENTS				LOW POINT		MIDPOINT		HIGH POINT	
AVERAGE	PER BOOKS	SPECIFIC	PRO RATA	ADJUSTED	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	992,308	(2,513)	(37,017)	952,777	36.25%	5.69	2.06	5.69	2.06	5.69	2.06
SHORT TERM DEBT	92,745	(204)	(3,461)	89,080	3.38%	4.64	0.16	4.64	0.16	4.64	0.16
CUSTOMER DEPOSITS	29,589		(721)	28,868	1.10%	2.51	0.03	2.51	0.03	2.51	0.03
COMMON EQUITY	1,312,190	(4,196)	(48,917)	1,259,076	47.90%	9.15	4.38	**10.15**	4.86	11.15	5.34
DEFERRED INCOME TAX	317,568	(11,352)	(7,459)	298,756	11.37%						
TAX CREDITS - ZERO COST	-	-	-	-	0.00%	7.54	-	8.09	-	8.64	-
TOTAL	2,744,399	(18,266)	(97,576)	2,628,558	100.00%		6.63		7.11		7.59

PEOPLES GAS SYSTEM
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
2025 Budget

SCHEDULE 5

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	6.01	%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(2.06)	%	
SHORT TERM DEBT	(0.16)	%	
PREFERRED STOCK	0.00	%	
CUSTOMER DEPOSITS	(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00	%	
SUBTOTAL	(2.25)	%	
TOTAL	3.76	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	47.90	%	
JURISDICTIONAL RETURN ON COMMON EQUITY	7.86	%	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	$ 157,705		(Schedule 3)
RATE BASE EXCLUDING FLEX RATE REVENUES	$ 2,628,558		(Schedule 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	6.00	%	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(2.06)	%	
SHORT TERM DEBT	(0.16)	%	
PREFERRED STOCK	0.00	%	
CUSTOMER DEPOSITS	(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00	%	
SUBTOTAL	(2.25)	%	
TOTAL	3.75	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	47.90	%	
JURISDICTIONAL RETURN ON COMMON EQUITY	7.83	%	