TECO
PEOPLES GAS
AN EMERA COMPANY

August 14, 2026

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

Dear Ms. Gatlin:

Attached is the Rate of Return calculation of Peoples Gas System for the period ending **June 2026.**

Please let me know if you have any questions.

Respectfully,

/s/
Andrew Nichols
Director of Business Planning

Enclosures

cc: Office of Public Counsel – Charles Rehwinkel

PEOPLES GAS SYSTEM
EARNINGS SURVEILLANCE REPORT SUMMARY
Jun 2026
(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	$ 200,631	$ (1,582)	$ 199,050	$ 0	$ 199,050
AVERAGE RATE BASE	$ 2,793,430	$ (94,523)	$ 2,698,907	$ 0	$ 2,698,907
AVERAGE RATE OF RETURN	7.18 %		7.38 %		7.38 %

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

LOW	6.69 %
MIDPOINT	7.16 %
HIGH	7.64 %

III. EARNED RETURN ON EQUITY

	FPSC ADJUSTED	PRO FORMA ADJUSTED
A. INCLUDING FLEX RATE REVENUES	10.74 %	10.74 %
B. EXCLUDING FLEX RATE REVENUES	10.47 %	10.47 %

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)

(Signature)

8 / 14 / 2026
(Date)

PSC/AFA13

PEOPLES GAS SYSTEM
AVERAGE RATE BASE
Jun 2026
(In $ Thousands)

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	3,739,927	-	1,044,438	27,879	2,667,610	1,940	101,163	2,770,713	22,716	2,793,430
FPSC ADJUSTMENTS:										
Property for Future Use						(1,940)		(1,940)		(1,940)
Temporary Cash Investment									(2)	(2)
Non-Utility (RNG Alliance)									(14,314)	(14,314)
Accounts Rec./Pay. - Assoc Companies									(7,587)	(7.587)
Other Accounts Receivable									(1,353)	(1,353)
Non-Utility Allocation	(2,732)		(563)		(2,169)			(2,169)		(2,169)
Remove Unamort. Debt Expense									(2,222)	(2,222)
Remove Unrecovered Gas Cost									-	-
Remove Dividends Declared									4,198	4,198
Remove Unrec. Conservation Costs									-	-
Remove Unrec. CIBSR Costs									-	-
Remove Unrec. MUNICosts									(2,233)	(2,233)
Remove Competitive Rate Adjustment									(5,891)	(5,891)
Remove Unamortized Rate Case Expense									(2,154)	(2,154)
Gain on Sale of Property										-
Remove Acquis. Adjustment (WFNG)		-	-		-			-		-
Remove Derivative (FAS 133)									-	-
Cast Iron/Bare Steel Rider (CIBSR)	(3,333)		116		(3,449)		(16,973)	(20,422)		(20,422)
Facilities Relocation Clause	(31,763)		(569)		(31,194)		(1,151)	(32,345)		(32,345)
AFUDC - Eligible CWIP							(4,669)	(4,669)		(4,669)
Remove Investment in Subsidiaries									(1,420)	(1,420)
TOTAL FPSC ADJUSTMENTS	(37,828)	-	(1,016)	-	(36,812)	(1,940)	(22,794)	(61,545)	(32,978)	(94,523)
FPSC ADJUSTED	3,702,099	-	1,043,422	27,879	2,630,798	-	78,370	2,709,168	(10,261)	2,698,907
FLEX RATE REVENUES										
ADJUSTED FOR FLEX RATE REVENUES	3,702,099	-	1,043,422	27,879	2,630,798	-	78,370	2,709,168	(10,261)	2,698,907
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:										
										-
TOTAL PRO FORMA ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
PRO FORMA ADJUSTED	3,702,099	-	1,043,422	27,879	2,630,798	-	78,370	2,709,168	(10,261)	2,698,907

PEOPLES GAS SYSTEM
NET OPERATING INCOME
Jun 2026
(In $ Thousands)

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	806,866	185,494	195,854	101,117	75,927	25,962	22,397	-	(516)	606,235	200,631
FPSC ADJUSTMENTS:											
Remove Conservation Charges	(33,361)		(33,361)			0				(33,361)	0
Non-Utility Allocation				(80)	-	20				(60)	60
Interest Synchronization						335				335	(335)
Parent Debt Adjustment						(2,967)				(2,967)	2,967
Remove Fuel Revenues	(186,182)	(185,494)			(688)	(0)				(186,182)	-
Economic Development Adjustment			(25)			6				(19)	19
Employee Activities			(50)			13				(38)	38
Franchise/Gross Receipts Taxes	(38,041)				(37,864)	(45)				(37,909)	(132)
Maintenance of General Plant			(77)			20				(58)	58
Maint. of Structures and Improvements			(7)			2				(5)	5
Remove Acquisition Adj. Amortiz. (WFNG)				-		-				-	-
Gain on Sale of Property						-				-	-
Lease of PHFFU	(137)					(35)				(35)	(103)
Remove ITC Amortization						-		-		-	-
Cast Iron/Bare Steel Rider (CIBSR)	(1,673)		(1,731)	(6)	63	0				(1,673)	0
Cast Iron/Bare Steel Rider (CIBSR) - ROI	(1,872)					(474)				(474)	(1,398)
Facilities Relocation Clause	(1,257)		-	(964)	(293)	(0)				(1,257)	-
Facilities Relocation Clause - ROI	(3,699)					(937)				(937)	(2,761)
OSS Adjustment	-					-				-	-
TOTAL FPSC ADJUSTMENTS	(266,222)	(185,494)	(35,252)	(1,050)	(38,781)	(4,063)	-	-	-	(264,640)	(1,582)
FPSC ADJUSTED	540,645	-	160,602	100,067	37,146	21,899	22,397	-	(516)	341,595	199,050
FLEX RATE REVENUES	(4,729)					(1,199)				(1,199)	(3,530)
ADJUSTED FOR FLEX RATE REVENUES	535,916	-	160,602	100,067	37,146	20,701	22,397	-	(516)	340,396	195,519
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:											
Deferred Tax True-up						-				-	-
TOTAL PRO FORMA ADJUSTMENTS	-		-			-			-	-	-
PRO FORMA ADJUSTED	540,645	-	160,602	100,067	37,146	21,899	22,397	-	(516)	341,595	199,050
PER BOOKS CURRENT MONTH AMOUNT	63,022	11,599	20,272	8,681	5,895	2,892	134	-	-	49,473	13,549

SCHEDULE 4

PEOPLES GAS SYSTEM
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
Jun 2026
(In $ Thousands)

AVERAGE	PER BOOKS	ADJUSTMENTS SPECIFIC	ADJUSTMENTS PRO RATA	ADJUSTED	RATIO (%)	LOW POINT COST RATE (%)	LOW POINT WEIGHTED COST (%)	MIDPOINT COST RATE (%)	MIDPOINT WEIGHTED COST (%)	HIGH POINT COST RATE (%)	HIGH POINT WEIGHTED COST (%)
LONG TERM DEBT	948,077	(2,222)	(26,442)	936,411	34.70%	5.67	1.97	5.67	1.97	5.67	1.97
SHORT TERM DEBT	135,462	(2,233)	(3,724)	131,899	4.88%	4.93	0.24	4.93	0.24	4.93	0.24
CUSTOMER DEPOSITS	32,244		(512)	31,731	1.18%	2.43	0.03	2.43	0.03	2.43	0.03
COMMON EQUITY	1,347,821	(781)	(37,657)	1,289,990	47.80%	9.30	4.45	**10.30**	4.92	11.30	5.40
DEFERRED INCOME TAX	329,826	(15,963)	(4,989)	308,875	11.44%						
TAX CREDITS - ZERO COST	-	-	-	-	0.00%						
TOTAL	2,793,430	(21,199)	(73,324)	2,698,907	100.00%		6.69		7.16		7.64

PEOPLES GAS SYSTEM
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
Jun 2026
(In $ Thousands)

SCHEDULE 5

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	7.38	%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(1.97)	%	
SHORT TERM DEBT	(0.24)	%	
PREFERRED STOCK	0.00	%	
CUSTOMER DEPOSITS	(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00	%	
SUBTOTAL	(2.24)	%	
TOTAL	5.14	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	47.80	%	
JURISDICTIONAL RETURN ON COMMON EQUITY	10.74	%	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	$ 195,519		(Schedule 3)
RATE BASE EXCLUDING FLEX RATE REVENUES	$ 2,698,907		(Schedule 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	7.24	%	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(1.97)	%	
SHORT TERM DEBT	(0.24)	%	
PREFERRED STOCK	0.00	%	
CUSTOMER DEPOSITS	(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00	%	
SUBTOTAL	(2.24)	%	
TOTAL	5.00	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	47.80	%	
JURISDICTIONAL RETURN ON COMMON EQUITY	10.47	%	

PEOPLES GAS SYSTEM
EARNED RETURN ON COMMON EQUITY
PRO FORMA ADJUSTED BASIS
Jun 2026

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

PRO FORMA ADJUSTED AVERAGE EARNED RATE OF RETURN	7.38	%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(1.97)	%	
SHORT TERM DEBT	(0.24)	%	
PREFERRED STOCK	0.00	%	
CUSTOMER DEPOSITS	(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00	%	
SUBTOTAL	(2.24)	%	
TOTAL	5.14	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	47.80	%	
JURISDICTIONAL RETURN ON COMMON EQUITY	10.74	%	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	$ 195,519		(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	$ 2,698,907		(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	7.24	%	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(1.97)	%	
SHORT TERM DEBT	(0.24)	%	
PREFERRED STOCK	0.00	%	
CUSTOMER DEPOSITS	(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00	%	
SUBTOTAL	(2.24)	%	
TOTAL	5.00	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	47.80	%	
JURISDICTIONAL RETURN ON COMMON EQUITY	10.47	%	