

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** April 25, 2024

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Accounting and Finance (Souchik, Andrews, D. Buys, Vogel) *ALM*  
Division of Economics (Guffey, Hampson) *EJD*  
Office of the General Counsel (Thompson) *JSC*

**RE:** Docket No. 20240028-GU – Petition to implement long-term debt cost true-up mechanism, by Peoples Gas System, Inc.

**AGENDA:** 05/07/24 – Regular Agenda – Tariff Filing – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Fay

**CRITICAL DATES:** 10/02/24 (8-Month Effective Date)

**SPECIAL INSTRUCTIONS:** None

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## Case Background

Peoples Gas System, Inc. (PGS or Company) is a wholly-owned subsidiary of TECO Gas Operations, Inc., which is a subsidiary of TECO Energy, Inc., which is a wholly-owned subsidiary of Emera United States Holdings, Inc., which is a wholly-owned subsidiary of Emera Incorporated. PGS owns and operates natural gas distribution facilities in Florida and provides service to 470,000 customers in 39 of Florida's 67 counties. On January 1, 2023, PGS ceased to be a division of Tampa Electric Company and was spun-off into its own entity. As a new entity, PGS ceased obtaining long-term debt capital from its affiliate, Tampa Electric Company, and issued its own debt on December 19, 2023. The Company's current rates were approved by Order No. PSC-2023-0388-FOF-GU, issued December 27, 2023 (2023 Rate Case Order), which

included approval of the Long-Term Debt Cost Rate True-Up Mechanism (LTDR True-Up Mechanism).<sup>1</sup>

On February 2, 2024, PGS filed its petition to implement the aforementioned LTDR True-Up Mechanism. The LTDR True-Up Mechanism allows the Company to make a one-time adjustment to its estimated cost of long-term debt for the projected test year ending December 31, 2024, to reflect the actual embedded cost of PGS's inaugural long-term debt issuance in its revenue requirement and rates.<sup>2</sup>

In its petition, PGS is seeking approval of an increase of the long-term debt cost rate from 5.54 percent to 5.64 percent, which would increase the weighted average cost of capital from 7.02 percent to 7.05 percent, and thereby increase the incremental base rate revenue increase approved in the 2023 Rate Case Order by \$874,085. The Company also requested Commission approval of the updated base rates and charges and associated tariffs, effective for the first billing cycle of June 2024. PGS also requested the Commission specify the amount of incremental revenue requirement from January 1, 2024, to the effective date of the Company's updated 2024 tariffs to be deferred by the Company for recovery through the Cast Iron/Bare Steel Replacement Rider for 2025 as approved in the 2023 Rate Case Order.

During the review process, staff issued two data requests to PGS. The first data request was issued on February 13, 2024, and the Company's response was received on February 23, 2024.<sup>3</sup> The second data request was issued on February 29, 2024, and a response was received on March 11, 2024.<sup>4</sup> In Order No. PSC-2024-0090-PCO-GU, the Commission suspended the proposed tariffs.<sup>5</sup> The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, 366.06, and 366.076, Florida Statutes (F.S.)

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<sup>1</sup>Order No. PSC-2023-0388-FOF-GU, issued December 27, 2023, in Docket No. 20230023-GU, *In re: Petition for rate increase by Peoples Gas System, Inc.*

<sup>2</sup>Order No. PSC-2023-0388-FOF-GU, issued December 27, 2023, in Docket No. 20230023-GU, *In re: Petition for rate increase by Peoples Gas System, Inc.*, p. 107-109.

<sup>3</sup>Document No. 00892-2024

<sup>4</sup>Document No. 01103-2024

<sup>5</sup>Order No. PSC-2024-0090-PCO-GU, issued April 8, 2024, in Docket No. 20240028-GU, *In re: Petition for rate increase by Peoples Gas System, Inc.*

## Discussion of Issues

**Issue 1:** Should the Commission approve PGS's request to increase the cost rate for long-term debt from 5.54 percent to 5.64 percent for the test year ending December 31, 2024?

**Recommendation:** Yes. The Commission should approve an increase in the cost rate for long-term debt from 5.54 percent to 5.64 percent for the test year ending December 31, 2024. (Souchik)

**Staff Analysis:** The LTDR True-Up Mechanism was approved by the Commission in the 2023 Rate Case Order and allows PGS to make a one-time adjustment to the Company's forecasted long-term debt cost rate after its inaugural long-term debt issuance.<sup>6</sup> In the 2023 Rate Case Order, the Commission approved a long-term debt cost rate of 5.54 percent.<sup>7</sup> PGS completed its inaugural long-term debt issuance on December 19, 2023, by issuing a total of \$925 million of long-term debt in the following amounts and maturities: \$350 million at five years, \$350 million at ten years, and \$225 million at thirty years. The embedded cost rate of the three debt issuances, including debt issuing expense, is 5.64 percent.<sup>8</sup> Staff reviewed the Company's calculation of 5.64 percent for the embedded cost of long-term debt in Exhibit One attached to its petition and verified its accuracy. PGS used the same methodology to calculate the actual long-term debt cost rate of 5.64 percent that was approved by the Commission in the 2023 Rate Case Order.

In early 2023, PGS forecasted to issue approximately \$825 million of long-term debt on September 30, 2023, and expected approximately \$910 million of intercompany debt to be outstanding at the time the intercompany loan with Tampa Electric Company was paid off.<sup>9</sup> Ultimately, PGS issued \$100 million more than forecasted based on the amount of intercompany debt outstanding at the time of the Company's inaugural long-term debt issuance (December 19, 2023). In response to staff's second data request, PGS explained that the purpose for the additional \$100 million was to satisfy the combined intercompany long-term and short-term debt outstanding of \$956 million.<sup>10</sup> After staff's review of PGS's implementation of the LTDR True-Up Mechanism, staff believes the Company complied with the Commission's 2023 Rate Case Order, and therefore, staff recommends the Commission approve PGS's request to increase its cost rate for long-term debt from 5.54 percent to 5.64 percent for the test year ending December 31, 2024.

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<sup>6</sup>Order No. PSC-2023-0388-FOF-GU, issued December 27, 2023, in Docket No. 20230023-GU, *In re: Petition for rate increase by Peoples Gas System, Inc.*, p. 107-110.

<sup>7</sup>*Id.* at p. 45-51.

<sup>8</sup>Document No. 00534-2024, p. 11.

<sup>9</sup>Document No. 00534-2024, p. 3.

<sup>10</sup>Document No. 01103-2024

**Issue 2:** Should the Commission approve PGS's request to increase the weighted average cost of capital from 7.02 percent to 7.05 percent for the test year ending December 31, 2024?

**Recommendation:** Yes. The Commission should approve an increase in the weighted average cost of capital from 7.02 percent to 7.05 percent for the test year ending December 31, 2024. (Souchik)

**Staff Analysis:** By updating the forecasted long-term debt cost rate of 5.54 percent with the actual cost rate of 5.64 percent, and making no other changes to PGS's capital structure approved by the Commission in the 2023 Rate Case Order, the weighted average cost of capital increased from 7.02 percent to 7.05 percent. The balance of long-term debt in the updated capital structure is unchanged from the balance of \$830,722,209 approved by the Commission in the 2023 Rate Case Order. Staff reviewed the Company's revised capital structure in Exhibit Two attached to its petition and verified it's calculated correctly pursuant to the 2023 Rate Case Order.<sup>11</sup> Therefore, staff recommends the Commission approve PGS's request to increase the weighted average cost of capital from 7.02 percent to 7.05 percent for the test year ending December 31, 2024.

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<sup>11</sup>Document No. 00534-2024, p. 13.

Date: April 25, 2024

**Issue 3:** Should the Commission approve PGS's request to increase the incremental base rate revenue requirement approved in the 2023 Rate Case Order from \$117,839,527 to \$118,713,612 for the test year ending December 31, 2024?

**Recommendation:** Yes. The Commission should approve an increase in the incremental base rate revenue requirement approved in the 2023 Rate Case Order from \$117,839,527 to \$118,713,612 for the test year ending December 31, 2024. (Andrews, Souchik)

**Staff Analysis:** In the 2023 Rate Case Order, the Commission approved PGS's incremental base rate revenue requirement of \$117,839,527 based on an overall rate of return of 7.02 percent.<sup>12</sup> Updating the 7.02 percent overall rate of return to 7.05 percent, the incremental revenue requirement increased to \$118,713,612.<sup>13</sup> This equates to an increase of \$874,085 or 0.74 percent. Staff reviewed PGS's updated incremental base rate revenue increase calculations in Exhibit Three attached to its petition and verified it was calculated correctly pursuant to the 2023 Rate Case Order.<sup>14</sup> Therefore, staff recommends the Commission approve an increase in the amount of the incremental base rate revenue requirement from \$117,839,527 to \$118,713,612 for the test year ending December 31, 2024.

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<sup>12</sup>Order No. PSC-2023-0388-FOF-GU, issued December 27, 2023, in Docket No. 20230023-GU, *In re: Petition for rate increase by Peoples Gas System, Inc.*, Attachment 5, p. 121.

<sup>13</sup>The overall rate of return is synonymous with the average weighted average cost of capital.

<sup>14</sup>Document No. 00534-2024, p. 15.

Date: April 25, 2024

**Issue 4:** Should the Commission approve PGS's request to update its base rates, charges, and tariffs reflected in Attachment A attached to this recommendation, with an effective date of July 1, 2024?

**Recommendation:** Yes. If the Commission approves Issue 3, PGS's request to update its base rates, charges, and tariffs reflected in Attachment A to this recommendation, should go into effect with the first billing cycle in July 1, 2024. (Guffey)

**Staff Analysis:** As discussed in Issue 3, PGS requested to increase the incremental base rate revenue increase from \$117,839,527 to \$118,713,612 for the test year ending December 31, 2024, which results in an increase of \$874,085. PGS allocated this amount to the monthly customer charge and distribution charge in all its rate classes as shown in Exhibit Four of the petition. A residential customer in the RS-2 rate schedule, using 14 therms per month would see a bill increase of \$0.06, from \$29.27 to \$29.33, excluding clause factors and taxes.

In response to staff's second data request, PGS stated that it intends to notify its customers of the rate changes at least 30 days prior to their effective date, via bill inserts, email notification for electronic bill customers and the PGS website.<sup>15</sup> Staff has reviewed the proposed customer notice, which was provided in response to staff's second data request.

PGS requested that the proposed tariffs be effective with the first billing cycle in June 2024 or soon thereafter. Staff has reviewed the proposed tariffs, calculations of the revised base rate charges and PGS's responses to data requests and recommends that they be approved and be effective with the first billing cycle in July 2024.

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<sup>15</sup>Response No. 10 in Staff's Second Data Request, Document No. 01103-2024.

Date: April 25, 2024

**Issue 5:** Should the Commission approve PGS's request to defer recovery of the incremental revenue requirement for the six-month period from January 1, 2024, through June 30, 2024, through the Cast Iron/Bare Steel Replacement Rider for 2025?

**Recommendation:** Yes. Pursuant to the 2023 Rate Case Order, the Commission should approve PGS's request to defer recovery of the incremental revenue increase for the six-month period from January 1, 2024, through June 30, 2024, to the Cast Iron/Bare Steel Replacement Rider for 2025. The Company should include the actual incremental amount for recovery in the 2024 Cast Iron/Bare Steel Replacement Rider docket. (Souchik)

**Staff Analysis:** In the 2023 Rate Case Order, the Commission approved PGS's proposal that for the time period between when the new approved base rates went into effect (January 1, 2024) and the implementation date of the LTDR True-Up Mechanism adjusted base rates (first billing cycle of July 2024), the Company will defer the rate impact of the LTDR True-Up Mechanism to its balance sheet for refund or collection through the Cast Iron/Bare Steel Replacement (CI/BSR) Rider in the subsequent year if the amount of the LTDR True-Up Mechanism is greater than \$500,000. As discussed in Issue 3, the impact of the LTDR True-Up Mechanism on the incremental revenue increase is \$874,085. Therefore, the recovery of the incremental revenue requirement for the six-month period from January 1, 2024, through June 30, 2024, should be recovered through the CI/BSR Rider for 2025. Therefore, staff recommends the Commission approve PGS's request to defer recovery of the incremental revenue increase for the six-month period from January 1, 2024, through June 30, 2024, to the CI/BSR Rider for 2025. The Company should include the actual incremental amount for recovery in the 2024 CI/BSR Rider docket.

Date: April 25, 2024

**Issue 6:** Should this docket be closed?

**Recommendation:** Yes. If Issues 1 through 5 are approved and a protest is filed within 21 days of the issuance order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order. (M. Thompson)

**Staff Analysis:** Yes. If Issues 1 through 5 are approved and a protest is filed within 21 days of the issuance order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.



Peoples Gas System, Inc.  
Original Volume No. 3

~~Thirteenth~~ Revised Sheet No. 7.201  
Cancels ~~Twelfth~~ Revised Sheet No. 7.201

**RESIDENTIAL SERVICE  
Rate Schedule RS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas Service for residential purposes in individually metered residences and separately metered apartments. Also, for Gas used in commonly owned facilities of condominium associations, cooperative apartments, and homeowners associations, (excluding any premise at which the only Gas-consuming appliance or equipment is a standby electric generator), subject to the following criteria:

1. 100% of the Gas is used exclusively for the co-owner's benefit.
2. None of the Gas is used in any endeavor which sells or rents a commodity or provides service for a fee.
3. Each Point of Delivery will be separately metered and billed.
4. A responsible legal entity is established as the Customer to whom the Company can render its bills for said services.
5. RS-GHP refers to any Residential Customer utilizing a gas heat pump ("GHP") for heating and cooling.

Customers receiving service under this schedule will be classified for billing purposes according to annual usage as follows:

<u>Billing Class</u>	<u>Annual Consumption</u>
RS-1	0 – 99 Therms
RS-2	100 – 249 Therms
RS-3	250 – 1,999 Therms
RS-GHP	All Therms

**Monthly Rate:**

<u>Billing Class</u>	<u>Customer Charge</u>
RS-1	<del>\$19.10</del> <del>49.06</del> per month
RS-2	<del>\$24.41</del> <del>24.36</del> per month
RS-3	<del>\$31.54</del> <del>31.48</del> per month
RS-GHP	<del>\$31.54</del> <del>31.47</del> per month

Distribution Charge: \$0.~~3516535006~~ per Therm for RS-1, RS-2, and RS-3  
\$0.~~1239512374~~ per Therm for RS-GHP

Minimum Bill: The Customer charge.

**Issued By:** Helen J. Wesley, President & CEO  
~~2024~~January 1, 2024

**Effective Date:** July 1,

Peoples Gas System, Inc.  
Original Volume No. 3

~~Eleventh Tenth~~ Revised Sheet No. 7.301  
Cancels ~~Tenth Ninth~~ Revised Sheet No. 7.301

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**SMALL GENERAL SERVICE  
Rate Schedule SGS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any non-residential Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 0 through 1,999 Therms per year or less. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

**Monthly Rate:**

	Customer Charge:	<del>\$43.0742-98</del> per month
	Distribution Charge:	<del>\$0.4928649496</del> per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives transportation service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth of Sheet No. 7.101-5.

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**Issued By:** Helen J. Wesley, President & CEO  
~~2024 January 1, 2024~~

**Effective Date:** July 1,

Peoples Gas System, Inc.  
Original Volume No. 3

~~Eleventh Tenth~~ Revised Sheet No. 7.302  
Cancels ~~Tenth Ninth~~ Revised Sheet No. 7.302

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**GENERAL SERVICE - 1**  
**Rate Schedule GS-1**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 2,000 through 9,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

**Monthly Rate:**

Customer Charge:	\$ <del>66.0565.94</del> per month
Distribution Charge:	\$0. <del>4642346334</del> per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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**Issued By:** Helen J. Wesley, President & CEO  
~~2024 January 1, 2024~~

**Effective Date:** July 1,

Peoples Gas System, Inc.  
Original Volume No. 3

~~Eleventh Tenth~~ Revised Sheet No. 7.303  
Cancels ~~Tenth Ninth~~ Revised Sheet No. 7.303

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**GENERAL SERVICE - 2  
Rate Schedule GS-2**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 10,000 through 49,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

**Monthly Rate:**

Customer Charge:	\$ <del>123.47</del> <del>123.22</del> per month
Distribution Charge:	\$0. <del>39723</del> <del>39646</del> per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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**Issued By:** Helen J. Wesley, President & CEO  
~~2024~~January 1, 2024

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Peoples Gas System, Inc.  
Original Volume No. 3

~~Ninth Eighth~~ Revised Sheet No. 7.303-2  
Cancels ~~Eighth Seventh~~ Revised Sheet No. 7.303-2

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**GENERAL SERVICE - 3  
Rate Schedule GS-3**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 50,000 through 249,000 Therms per year or RNG delivered into Company's system by any Customer delivering 50,000 through 249,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS and may be eligible for transportation service under Rider ITS.

**Monthly Rate:**

Customer Charge:	\$ <del>502.52</del> <del>501.48</del> per month
Distribution Charge:	\$0. <del>33980</del> <del>33914</del> per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustment Clause shall not apply to bills for Therms of RNG delivered into Company's system.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. Except in the case of Therms of RNG delivered into the Company's system, the rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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**Issued By:** Helen J. Wesley, President & CEO  
2024 January 1, 2024

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Peoples Gas System, Inc.  
Original Volume No. 3

~~Ninth Eighth~~ Revised Sheet No. 7.303-4  
Cancels ~~Eighth Seventh~~ Revised Sheet No. 7.303-4

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**GENERAL SERVICE - 4**  
**Rate Schedule GS-4**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 250,000 through 499,999 Therms per year or RNG delivered into Company's system by any Customer delivering 250,000 through 499,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS or Rider ITS.

**Monthly Rate:**

Customer Charge:	<del>\$952.39950.43</del> per month
Distribution Charge:	<del>\$0.2632326274</del> per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustment Clause shall not apply to bills for Therms of RNG delivered into Company's system.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. Except in the case of Therms of RNG delivered into the Company's system, the rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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**Issued By:** Helen J. Wesley, President & CEO  
~~2024 January 1, 2024~~

**Effective Date:** July 1,

Peoples Gas System, Inc.  
Original Volume No. 3

~~Thirteenth Twelfth~~ Revised Sheet No. 7.304  
Cancels ~~Twelfth Eleventh~~ Revised Sheet No. 7.304

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**GENERAL SERVICE - 5**  
**Rate Schedule GS-5**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using a minimum of 500,000 Therms per year or more at one billing location or RNG delivered into Company's system by any Customer delivering a minimum of 500,000 Therms per year or more at one billing location.

A Customer eligible for service under this rate schedule is eligible for transportation service under either Rider NCTS or Rider ITS.

**Monthly Rate:**

	Customer Charge:	<del>\$2,101.00</del> <del>2,096.67</del> per month
	Distribution Charge:	<del>\$0.17898</del> <del>17862</del> per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under either the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustment Clause shall not apply to bills for Therms of RNG delivered into Company's system.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. Except in the case of Therms of RNG delivered into the Company's system, the rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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**Issued By:** Helen J. Wesley, President & CEO  
~~2024 January 1, 2024~~

**Effective Date:** July 1,

Peoples Gas System, Inc.  
Original Volume No. 3

~~Tenth Ninth~~ Revised Sheet No. 7.306  
Cancels ~~Ninth Eighth~~ Revised Sheet No. 7.306

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**COMMERCIAL STREET LIGHTING SERVICE  
Rate Schedule CSLS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered for use in commercial street lighting devices for public or private use in common areas around subdivisions, complexes, streets, highways or roadway lighting. To qualify for this rate, Customer must have at least ten (10) Gas street lights or a total of forty (40) individual mantles installed and separately metered from other gas-using equipment. A Customer eligible for service under this rate schedule is eligible for transportation service under the Company's Rider NCTS.

**Monthly Rate:**

Distribution Charge: \$~~0.4068040600~~ per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS.

**Special Conditions:**

1. When the Customer receives service under the Company's Natural Choice Transportation Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.
3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
4. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
5. Service under this schedule shall be subject to the Rules and Regulations set forth in this Tariff.
6. Service under this schedule will require one street light to be metered per account. The metered volume multiplied by the number of lights will equal total Therm usage per month.

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**Issued By:** Helen J. Wesley, President & CEO  
~~2024 January 1, 2024~~

**Effective Date:** July 1,



Peoples Gas System, Inc.  
Original Volume No. 3

~~Sixth Fifth~~ Revised Sheet No. 7.402-1  
Cancels ~~Fifth Fourth~~ Revised Sheet No. 7.402-1

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**RESIDENTIAL STANDBY GENERATOR SERVICE**  
**Rate Schedule RS-SG**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer otherwise eligible to receive Gas Service under Rate Schedule RS whose only Gas-consuming appliance or equipment is a standby electric generator.

**Monthly Rate:**

	Customer Charge:	<del>\$31,5431.47</del>
	Distribution Charge:	<del>\$0.2823728184</del> per Therm
	Minimum Monthly Bill:	The Customer charge

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1.

**Special Conditions:**

1. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2 and will apply to each Therm delivered to Customer during a Billing Period.
2. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.
3. The rates set forth in this Tariff shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.
4. Subject to Special Condition 5 below, a Customer receiving Gas Service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month period unless customer terminates Gas Service at the end of any 12-month period.
5. If Customer installs an additional Gas appliance at the premise at which service is provided hereunder, then Customer will be transferred to the otherwise applicable rate schedule.

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~~Seventh Sixth~~ Revised Sheet No. 7.403  
Cancels ~~Sixth Fifth~~ Revised Sheet No. 7.403

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**COMMERCIAL STANDBY GENERATOR SERVICE  
Rate Schedule CS-SG**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Customer eligible to receive Gas Service under Rate Schedule SGS, GS-1, GS-2, GS-3, GS-4 or GS-5 whose only Gas-consuming appliance or equipment is a standby electric generator.

**Monthly Rate:**

	Customer Charge:	<del>\$52.6452-54</del>
	Distribution Charge:	<del>\$0.2823728484</del> per Therm
	Minimum Monthly Bill:	The Customer charge

1. The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set for the on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

**Special Conditions:**

1. When the Customer receives transportation service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3
2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2 and will apply to each Therm delivered to Customer during a Billing Period.
3. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.4 and will apply to each Therm delivered to Customer during a Billing Period.
4. The rates set forth in this Tariff shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.

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~~Fourth~~ **Fifth** Revised Sheet No. 7.405  
Cancels ~~Third~~ Revised Sheet No. 7.405

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**COMMERCIAL GAS HEAT PUMP SERVICE  
RATE SCHEDULE CS-GHP**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Gas delivered to any Commercial Customer utilizing a Gas Heat Pump for heating and cooling.

**Monthly Rate:**

Customer Charge: ~~\$52.64~~ **52.54** per month  
Distribution Charge: ~~\$0.2632326274~~ per Therm  
Minimum Bill: The Customer charge

**Special Conditions:**

1. The gas provided for GHP would be separately metered and would appear separately on Customer bills.
2. The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless the customer receives transportation service under the Company's Rider NCTS.
3. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth in Sheet No. 7.101-2.
4. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.
5. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
6. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.
7. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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~~Twelfth~~ ~~Eleventh~~ Revised Sheet No. 7.501  
Cancels ~~Eleventh~~ ~~Tenth~~ Revised Sheet No. 7.501

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**WHOLESALE SERVICE - FIRM  
Rate Schedule WHS**

**Availability:**

For other Gas distribution or electric utility companies throughout service areas of the Company.

**Applicability:**

Service under this schedule will only be rendered when the Company has sufficient Gas and interstate pipeline capacity to meet all its other needs during the term of the sale under this schedule. Firm Gas Service for other Gas utility's residential or commercial resale or for use by an electric utility for its own consumption. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

**Monthly Rate:**

Customer Charge:	<del>\$665.24</del> <del>663.86</del> per month
Distribution Charge:	<del>\$0.219782</del> <del>1935</del> per Therm
Minimum Bill:	The Customer charge

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider ITS.

**Special Conditions:**

1. An executed contract for a period of at least one year is required as a condition precedent to service hereunder.
2. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.
3. If any facilities other than metering and regulating equipment are required to render service under this schedule, the Customer shall pay for these facilities prior to the commencement of service.
4. Service under this schedule shall be subject to the Rules and Regulations set forth in this Tariff.
5. The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.
6. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

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~~Twelfth~~ ~~Eleventh~~ Revised Sheet No. 7.601  
Cancels ~~Eleventh~~ ~~Tenth~~ Revised Sheet No. 7.601

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**SMALL INTERRUPTIBLE SERVICE  
Rate Schedule SIS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Interruptible Service for non-residential commercial or industrial service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 1,000,000 through 3,999,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

**Monthly Rate:**

	Customer Charge:	<del>\$2,440.80</del> <del>2,435.76</del> per month
	Distribution Charge:	\$0. <del>1007410054</del> per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider ITS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.
2. If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.
3. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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~~Eleventh Tenth~~ Revised Sheet No. 7.603  
Cancels ~~Tenth Ninth~~ Revised Sheet No. 7.603

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**INTERRUPTIBLE SERVICE  
Rate Schedule IS**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 4,000,000 through 49,999,999 Therms per year (see Special Condition 7). A Customer eligible for service pursuant to this rate schedule is also eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

**Monthly Rate:**

Customer Charge:	<del>\$2,823.66</del> <del>2,817.84</del> per month
Distribution Charge:	<del>\$0.0521905209</del> per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider ITS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.
2. If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

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~~Tenth Ninth~~ Revised Sheet No. 7.605  
Cancels ~~Ninth Eighth~~ Revised Sheet No. 7.605

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**INTERRUPTIBLE SERVICE - LARGE VOLUME  
Rate Schedule ISLV**

**Availability:**

Throughout the service areas of the Company.

**Applicability:**

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 50,000,000 Therms per year or more. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

**Monthly Rate:**

Customer Charge: ~~\$3,110.82~~ ~~3,104.40~~ per month

Distribution Charge: ~~\$0.013540~~ ~~1354~~ per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Company's Rider ITS.

Minimum Bill: The Customer charge.

**Special Conditions:**

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but not less than one year.
2. If the Customer's requirement for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

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