



October 9, 2025

**VIA ELECTRONIC FILING**

Mr. Adam J. Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Docket No. 20250106  
Amended Petition of Peoples Gas System, Inc. for Approval of 2024 True-Up, the  
Projected 2025 True-Up and 2026 Revenue Requirements and Surcharges  
Associated with Cast Iron/Bare Steel Replacement Rider

Dear Mr. Teitzman:

Attached for filing is Peoples Gas System, Inc.'s Amended Petition for Approval of  
2024 True-Up, the Projected 2025 True-Up and 2026 Revenue Requirements and  
Surcharges Associated with Cast Iron/Bare Steel Replacement Rider.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'V. Ponder'.

Virginia Ponder

VLP/dh  
Attachment

cc: Walt L. Trierweiler, Office of Public Counsel (w/ att.)  
Charles J. Rehwinkel, Office of Public Counsel (w/ att.)

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for approval of 2024 True-up, )	
the Projected 2025 true-up and 2026 )	DOCKET No. 20250106
Revenue Requirements and Surcharges. )	
associated with Cast Iron / Bare Steel )	DATED:
Replacement Rider, by Peoples Gas )	October 9, 2025
System, Inc. )	
_____ )	

**AMENDED PETITION OF PEOPLES GAS SYSTEM, INC.  
FOR APPROVAL OF 2024 TRUE-UP, THE PROJECTED 2025 TRUE-UP AND 2026  
REVENUE REQUIREMENTS  
AND SURCHARGES ASSOCIATED WITH THE CAST IRON/BARE STEEL  
REPLACEMENT RIDER**

Peoples Gas System, Inc. ("Peoples" or the "company"), in accordance with Order No. PSC-12-0476-TRF-GU and the company's Cast Iron/Bare Steel Replacement Rider (Rider CI/BSR"), Tariff Sheet No. 7.806, hereby files this Amended Petition before the Florida Public Service Commission ("Commission") for approval of (i) the 2024 true-up amount, (ii) the projected true-up amount for 2025, (iii) the updated revenue requirements to be recovered by the company during the period January through December 2026, and (iv) the updated surcharges to be collected from customers for such recovery, pursuant to the Commission's approval of the 2025 Stipulation and Settlement Agreement filed in Peoples' 2025 rate case in Docket No. 20250029-GU. In support of this Amended Petition, the company states:

**Introduction**

1. The name of the petitioner and the mailing address of its principal office are:

Peoples Gas System, Inc.  
P.O. Box 2562  
Tampa, Florida 33601-2562

2. The names and mailing address of the persons authorized to receive

notices and communications with respect to this Amended Petition are:

Jeff Wahlen  
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Virginia Ponder  
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Ms. Paula K. Brown  
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P. O. Box 111  
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Karen L. Bramley  
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Peoples Gas System, Inc.  
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Matthew E. Elliott  
Manager, Regulatory Affairs  
Peoples Gas System, Inc.  
P.O. Box 2562  
Tampa, FL 33601-2562

3. The Commission has jurisdiction to entertain this Amended Petition pursuant to Sections 366.04(1), 366.05(1) and 366.06, Florida Statutes.

4. Peoples is a natural gas local distribution company providing sales and transportation delivery of natural gas throughout most of the State of Florida and is a natural gas public utility subject to the Commission's statutory jurisdiction to establish rates and charges under Section 366.06, Florida Statutes.

#### **Background - Rider CI/BSR**

5. In Order No. PSC-12-0476-TRF-GU, issued on September 18, 2012 (the "2012 Order"), in Docket No. 20110320-GU, the Commission approved Peoples' Rider CI/BSR to recover the cost of accelerating the replacement of CI/BS distribution pipes on its system through a surcharge on customers' bills. In approving Rider CI/BSR, the Commission recognized that in the company's 2008 rate case, it approved \$1 million in

rate base for the 2009 projected test year for replacement of CI/BS infrastructure.<sup>1</sup>

6. The 2012 Order, in part approved the projected revenue requirements contemplated by the rider for recovery during 2013 and the surcharges through which to recover the projected revenue requirements. The Commission also stated that the replaced infrastructure would continue to be recovered through the Rider CI/BSR and rolled into Peoples' overall rate base and the surcharge would be "reset to zero" in a future rate proceeding.<sup>2</sup>

7. Additionally, the 2012 Order approved the company's request to capture the replacement costs over a 10-year period with an estimated annual capital investment of approximately \$8 million, with \$7 million recovered through the surcharge, and the company excluding recovery of first \$1 million of replacement activities.<sup>3</sup> As acknowledged in the 2012 Order, the company cautioned that the \$8 million annual amount was only an estimate, and that the actual expenditures could be more or less than estimated during any year in which the program is in effect.<sup>4</sup>

8. Lastly, the 2012 Order established a procedure for setting surcharges, requiring the filing of annual petitions by September 1 to revise the surcharges to be effective the following calendar year.<sup>5</sup> These annual filings must include: (a) a final true-up showing the actual replacement costs and actual surcharge revenues for the most recent 12-month historical period from January 1 through December 31 that ends prior to

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<sup>1</sup> Order No. PSC-09-0411-FOF-GU, issued June 9, 2009, in Docket No. 20080318-GU, *In re: Petition for a Rate Increase by Peoples Gas System*.

<sup>2</sup> 2012 Order, page 3 - 9.

<sup>3</sup> See 2012 Order, page 3.

<sup>4</sup> 2012 Order, page 6.

<sup>5</sup> 2012 Order, page 8.

the annual petition filing (including the final over- or under-recovery for the final true-up period); (b) an actual/estimated true-up showing seven months of actual and five months of projected costs and revenues; and (c) a projection showing 12 months of projected Rider CI/BSR revenue requirements for the 12-month period beginning January 1 following the filing of the petition.<sup>6</sup>

9. In 2017, the Commission approved a settlement agreement between Peoples and the Office of Public Counsel that, in part, added the material Problematic Plastic Pipe (“PPP”) to the “Eligible Requirements” definition under Rider CI/BSR permitting cost recovery through the rider of PPP installed in the company’s distribution system beginning in 2017 and continuing through 2028.<sup>7</sup>

10. The company’s 2020 rate case was resolved by the Commission’s approval of a Stipulation and Settlement Agreement.<sup>8</sup> This agreement set a revenue increase of \$58.0 million, of which \$23.6 million was a transfer of the Rider CI/BSR surcharge into base rates.<sup>9</sup>

11. In Order No. PSC-2023-0388-FOF-GU (the “2023 Rate Case Order”), issued December 27, 2023, in Docket No. 20230023-GU, the Commission approved Peoples’ petition for rate increase. The 2023 Rate Case Order impacted Rider CI/BSR in two ways. First, pursuant to the 2012 Order, the Commission authorized the transfer of \$11.2 million of the 2024 Rider CI/BSR revenue requirement into base rates, effective

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<sup>6</sup> *Id.*

<sup>7</sup> Order No. PSC-2017-0066-AS-GU, issued February 28, 2017, in Docket No. 20160159-GU, *In re: Petition for approval of settlement agreement pertaining to Peoples Gas System’s 2016 depreciation study, environmental reserve account, problematic plastic pipe replacement, and authorized ROE.*

<sup>8</sup> Order No. PSC-2020-0485-FOF-GU, issued December 10, 2020, in Docket No. 20200051-GU, *In re: Petition for rate increase by Peoples Gas System.*

<sup>9</sup> *Id.* at page 3.

January 1, 2024.<sup>10</sup> The company recorded the difference between the actual Rider CI/BSR net book value as of December 31, 2023, and the \$93.3 million referred to above as an adjustment to the Rider CI/BSR net beginning book value as of January 1, 2024. Second, the Commission approved the Long-Term Debt Cost Rate True-Up Mechanism<sup>11</sup> (“LTDR True-Up Mechanism”) which allowed the company to make a one-time adjustment to the company’s forecasted long-term debt cost rate after its inaugural debt issuance.

12. The purpose of the LTDR True-Up Mechanism was to reflect the actual embedded costs of the company’s inaugural long-term debt issuance in its revenue requirement and rates.<sup>12</sup> The 2023 Rate Case order also required that if the impact to the incremental revenue requirement was greater than \$500,000 for the period between the implementation of the base rate increase and the implementation of the LTDR true-up mechanism, then the incremental revenue requirement would be recovered through the Rider CI/BSR for 2025.<sup>13</sup>

13. In May 2024, the Commission approved the incremental revenue requirement of \$874,084 associated with the LTDR True-Up Mechanism and the company’s request to defer recovery of the incremental revenue increase for the six-month period from January 1, 2024, through June 30, 2024, to Rider CI/BSR for 2025.<sup>14</sup> The company’s Rider CI/BSR 2024 annual filing made with the Commission on August 30, 2024, demonstrated that the amount associated with the LTDR True-Up Mechanism

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<sup>10</sup> 2023 Rate Case Order, page 30-31, 103-104.

<sup>11</sup> 2023 Rate Case Order, page 107-110.

<sup>12</sup> 2023 Rate Case Order, page 107-109.

<sup>13</sup> 2023 Rate Case Order, page 108.

<sup>14</sup> Order No. PSC-2024-0170-TRF-GU, issued May 23, 2024, in Docket No. 20240028-GU, *In re: Petition to implement long-term debt cost true-up mechanism, by Peoples Gas Inc.*

for the first six months of 2024 to be recovered through the Rider CI/BSR 2025 annual filing was \$476,034.<sup>15</sup>

14. In Exhibit B, Page 2 of 4 of the company's Rider CI/BSR 2024 annual filing made, the company provided actual revenues for January through July and forecasted revenues for August through December of 2024, totaling \$883,056 (Line 1), compared to an actual/estimated revenue requirement of \$576,693 (Line 4d), resulting in an over-recovery of \$306,363 (Line 5 plus Line 8).<sup>16</sup> As set out in the Commission's order approving the company's 2025 surcharges, the final 2023 under-recovery of \$102,499 (Line 7), the 2024 over-recovery of \$306,363 (Line 5 plus Line 8), 2024 LTDR True-Up Mechanism adjustment of \$476,034 (Line 9a) for the first six months of 2024, and interest associated with any over- and under-recoveries, resulted in a total 2024 under-recovery of \$276,028 (Line 10).<sup>17</sup>

### **2025 Rider CI/BSR Annual Filing**

15. This Amended Petition constitutes the company's 2025 annual filing as contemplated by the 2012 Order and the company's Rider CI/BSR (Tariff Sheet No. 7.806).

16. On March 31, 2025, Peoples filed its petition for a base rate increase ("2025 Rate Case Petition") with the Commission in Docket Number 20250029-GU. In its 2025 Rate Case Petition, Peoples requested to move \$53,380,436 of Rider CI/BSR

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<sup>15</sup> Petition of Peoples Gas System, Inc. for Approval of 2023 True-Up, the Projected 2024 True-Up and 2025 Revenue Requirements and Surcharges Associated with the Cast Iron/Bare Steel Replacement Rider, filed in Docket No. 20240133 (DN 08764-2024).

<sup>16</sup> See Order No. PSC-2024-0511-TRF-GU, issued December 20, 2024, in Docket No. 20240133-GU, *In re: Petition for approval of 2023 true-up, projected 2024 true-up, and 2025 revenue requirements and surcharges associated with cast iron/bare steel pipe replacement rider, by Peoples Gas System, Inc.* p. 4.

<sup>17</sup> *Id.*

investments made between January 1, 2024 and December 31, 2025 into rate base, thereby adding the related \$6,733,295 of revenue requirements currently recovered via the company's Rider CI/BSR from recovery through the Rider CI/BSR into base rates effective January 1, 2026.

17. On August 13, 2025, Peoples filed a Motion to Approve 2025 Stipulation and Settlement Agreement ("2025 Agreement") in settlement of the issues presented in the 2025 Rate Case Petition filed March 31, 2025, with the Commission. Three provisions in the 2025 Agreement impact this 2025 annual filing as well as Rider CI/BSR, more generally, during the term of the 2025 Agreement. The 2025 Agreement (1) permits the transfer of \$6,733,295 in Rider CI/BSR investments into rate base, (2) reflects the company's agreement to not seek to expand the categories of costs to be recovered under its Rider CI/BSR and agreement not to recover PPP costs associated with the Tampa Downtown project or any other PPP costs included for recovery in the rate case pursuant to this 2025 Rider CI/BSR annual filing, and (3) makes changes to the 2026 revenue requirements and revenue requirement distribution which must be reflected in the Rider CI/BSR surcharge factors.

18. Paragraph 4(e) of the 2025 Agreement contemplates that for rates that will first go into effect after January 1, 2026, with respect to cost recovery clauses and riders that recover plant investment costs, the company will use the midpoint return on equity, equity ratio, and weighted average cost of capital specified in Exhibit A of the 2025 Agreement and the company shall allocate among its respective rate schedules the annual cost recovery amounts to be recovered by applying the cost recovery revenue distribution shown in Exhibit B of the 2025 Agreement.



## **RELIEF REQUESTED**

19. Peoples seeks the Commission's approval of the final true-up amount for the calendar year 2024 of \$331,724 under-recovery (including interest). This amount is calculated in Exhibit A, Page 2 of 3, attached to this Amended Petition.

20. Peoples also seeks approval of the projected true-up for calendar year 2025, as shown in Exhibit B, to this Amended Petition, and has projected that its actual expenditures for eligible replacements under Rider CI/BSR during 2025 will be \$31,645,521 (Exhibit B, Page 1 of 4, sum of Lines 1a through 1f). This projected total does not include the first \$1 million in such expenditures. Exhibit B, Page 2 of 4, reflects on line 10 an "End of Period Total True-up" of \$69,991 over-recovery, derived as the addition of the remaining 2024 under-recovery of \$26,000 (Line 7 plus Line 8), and the estimated 2025 over-recovery including interest of \$95,991 (Line 5 plus Line 6) for CI/BS and PPP replacement.

21. The company seeks the revenue requirement and surcharge for CI/BS and PPP replacement. Exhibit C, Page 1 of 2, includes projected capital expenditures for the replacement of cast iron/bare steel infrastructure and PPP during calendar year 2026 and Exhibit D, Page 1 of 1, contains surcharges to be collected from customers commencing with bills rendered for the first billing cycle of 2026. The estimated total true-up for 2025, an over-recovery of \$69,991 (Exhibit B, Page 2 of 4, Line 10), reduces the total amount to be collected through the revised surcharges during 2026. Projected capital expenditures for replacements during 2026 are \$62,143,657 (Exhibit C, Page 1 of 2, sum of Lines 1a through 1f). Amended Sixteenth Revised Sheet No. 7.806 to Peoples' Natural

Gas Tariff, Original Volume No. 3, setting forth the revised surcharges accompanies the filing of this Amended Petition in Exhibit E.

WHEREFORE, Peoples respectfully requests that the Commission enter an order approving:

- A. The final true-up for calendar year 2024, the calculation of which is contained in Exhibit A;
- B. The updated 2026 revenue requirement as calculated in Exhibit C attached to this Amended Petition and Peoples' billing of the updated recovery surcharges for 2026 set forth in Exhibit D to this Amended Petition commencing with bills rendered for the first billing cycle of 2026.

DATED this 9<sup>th</sup> day of October,

Respectfully submitted,



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Attorneys for Peoples Gas System, Inc.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Amended Petition has been furnished by electronic mail this 9<sup>th</sup> day of October 2025, to the following:

Zachary Bloom  
Office of General Counsel  
Florida Public Service Commission  
Room 390L – Gerald L. Gunter Building  
2540 Shumard Oak Boulevard  
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ATTORNEY

**PEOPLES GAS SYSTEM, INC.**

**“EXHIBIT A”**

***CALCULATION OF THE FINAL AMOUNT FOR 2024 (PAGE 1 OF 3)***

***CALCULATION OF THE FINAL TRUE-UP AMOUNT FOR 2024  
(PAGE 2 OF 3)***

***INTEREST PROVISION FOR 2024 (PAGE 3 OF 3)***

PEOPLES GAS SYSTEM, INC.  
Cast Iron / Bare Steel Replacement Rider  
Calculation of the Final Amount for the Period  
January 2024 to December 2024  
**Total Return on CIBS & PPP Capital Investments, Depreciation and Taxes for Eligible Replacements**  
(in Dollars)

Exhibit A  
Page 1 of 3

Line	Description	Beginning of Period Amount	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1.	Investments		1,399,207	1,465,779	1,600,509	2,230,952	2,515,288	3,012,620	1,710,945.59	2,456,257.61	1,379,882.20	#	626,982.96	1,133,157.41	21,413,150
	a. Eligible Replacements - Mains (Plastic)		0	0	0	0	0	0	0.00	0.00	0.00	#	0.00	0.00	0
	b. Eligible Replacements - Mains (Steel)		2,458	17,927	16,044	17,254	25,846	20,096	47,019.05	56,878.76	19,287.00	#	121,337.34	266,292.10	645,277
	c. Eligible Replacements - Services (Plastic)		(2,556)	19,391	2,917	0	0	414	0.00	0.00	0.00	#	0.00	0.00	20,166
	d. Eligible Replacements - Services (Steel)		0	0	0	0	0	0	0.00	0.00	0.00	#	0.00	0.00	0
	e. Eligible Replacements - Regulators		(190,838)	(377,863)	(431,298)	0	0	0	0.00	0.00	0.00	#	0.00	0.00	(1,000,000)
	f. First \$1,000,000 Adjustment to Rate Base		228,880	1,273,288	305,917	899,026	671,098	1,820,929	846,772.28	6,424,476.54	1,470,520.42	#	200,651.90	5,154,713.18	21,286,876
	g. Clearings to Plant														
2.	Gross Plant-in-Service/Depreciation Base	(7,477,158)	(7,248,279)	(5,974,990)	(5,669,073)	(4,770,046)	(4,098,949)	(2,278,020)	(1,431,247.65)	4,993,229	6,483,749	#	8,655,005	13,809,718	
3.	Less: Accumulated Depreciation	89,929	102,895	115,518	126,610	137,774	147,723	156,980	163,863.63	169,877	167,075	#	154,912	147,093	
4.	CWIP - Noninterest Bearing	6,686,251	7,659,642	7,511,588	8,393,841	9,743,020	11,613,055	12,825,256	13,736,448.69	9,825,109	9,753,757	#	10,233,232	6,477,568	
5.	Net Book Value (Lines 2 + 3 + 4)	(700,978)	514,258	1,652,116	2,851,377	5,110,747	7,661,830	10,704,217	12,469,064.67	14,988,014	16,384,582	#	19,043,148	20,434,779	
6.	Average Net Book Value		(93,360)	1,083,187	2,251,747	3,981,062	6,386,289	9,183,024	11,586,641	13,728,539	15,686,298	#	18,672,716	19,738,564	
7.	Return on Average Net Book Value														
	a. Equity component Grossed up for taxes (A)		(499)	5,783	12,022	21,256	34,098	48,030	61,864	73,301	83,754	#	99,698	105,391	638,299
	b. Debt component (B)		(111)	1,279	2,660	4,703	7,544	10,847	13,687	16,217	18,530	#	22,058	23,317	141,218
			(610)	7,062	14,682	25,959	41,642	59,877	75,551	89,518	102,284	#	121,756	128,708	779,517
8.	Investment Expenses														
	a. Depreciation Expense (C)		(11,014)	(10,671)	(8,761)	(8,278)	(6,911)	(5,876)	(3,121)	(1,799)	7,900	#	13,151	13,586	(11,668)
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Property Taxes (D)		(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	#	(9,622)	(9,621)	(115,463)
	d. Depreciation Savings		(1,952)	(1,952)	(2,331)	(2,886)	(3,039)	(3,381)	(3,762)	(4,014)	(5,298)	#	(5,695)	(5,767)	(45,486)
9.	Total Recoverable Costs (Lines 7 + 8)		(23,198)	(15,183)	(6,032)	5,173	22,071	40,999	59,045	74,083	95,263	#	119,590	126,906	606,890

Notes:  
(A) Line 7a = Line 6 x 6.4071% x 1/12. Based on ROE of 10.15%, and weighted income tax rate of 25.345%, Net Operating Income Multiplier of 1.34623  
(B) Line 7b = Line 6 x 1.4175% x 1/12  
(C) Depreciation rates: 1.8% Mains Plastic, 2.4% Mains Steel, 3.1% Services Plastic, 4.3% Services Steel, 3.0% Regulator Station (prior: 1.6% Mains Plastic, 2.1% Mains Steel, 2.7% Services Plastic, 4.0% Services Steel, 2.7% Regulator Stations)  
(D) Ad Valorem Tax Rate is 1.563%

PEOPLES GAS SYSTEM, INC.  
Cast Iron / Bare Steel Replacement Rider  
Calculation of the Final True-Up Amount  
January 2024 to December 2024  
Final True-Up Amount  
(in Dollars)

Exhibit A  
Page 2 of 3

Line	Description	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1.	CBSR Revenues (net of Revenue Taxes)	95,811	92,401	86,367	81,831	70,317	46,281	58,653	56,659	56,912	60,105	66,847	85,427	857,610
2.	True-Up Provision	(890)	(890)	(890)	(890)	(890)	(890)	(890)	(890)	(890)	(890)	(890)	(890)	(10,683)
3.	CBSR Revenues Applicable to Period (Lines 1 + 2)	94,921	91,511	85,477	80,941	69,427	45,391	57,763	55,769	56,022	59,215	65,957	84,534	846,927
4.	CBSR Costs													
a.	Return on Investment	(610)	7,062	14,682	25,959	41,642	59,877	75,551	89,518	102,284	113,088	121,756	128,708	779,517
b.	Depreciation	(11,014)	(10,671)	(8,761)	(8,278)	(6,911)	(5,876)	(3,121)	(1,799)	7,900	10,127	13,151	13,586	(11,668)
c.	Property Taxes	(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	(9,622)	(9,621)	(115,463)
d.	Depreciation Savings	(1,952)	(1,952)	(2,331)	(2,886)	(3,039)	(3,381)	(3,762)	(4,014)	(5,298)	(5,420)	(5,695)	(5,767)	(45,496)
	Total CBSR Costs	(23,198)	(15,183)	(6,032)	5,173	22,070	40,998	59,046	74,083	95,264	108,173	119,590	126,906	606,890
5.	Over/(Under) Recovery (Line 3 - Line 4c)	118,119	106,694	91,509	75,768	47,357	4,393	(1,283)	(18,314)	(39,241)	(48,958)	(53,633)	(42,372)	240,037
6.	Interest Provision	(191)	311	271	163	441	(10)	(568)	(605)	(703)	(848)	(1,018)	(1,156)	(3,913)
7.	Beginning Balance True-Up & Interest Provision	(102,499)	16,319	124,214	(1,636)	75,185	123,873	(128,368)	(129,329)	(147,358)	(186,412)	(235,328)	(289,089)	(102,499)
8.	True-Up Collected/(Refunded)	890	890	890	890	890	890	890	890	890	890	890	893	10,683
9.	End of Period Total True-Up (Lines 5+6+7+8)	16,319	124,214	216,884	75,185	123,873	129,146	(129,329)	(147,358)	(186,412)	(235,328)	(289,089)	(331,724)	144,308
9.a	Regulatory Adjustment	0	0	(218,520)	0	0	(257,514)	0	0	0	0	0	0	(476,034)
10.	Adjusted End of Period Total True Up	\$16,319	\$124,214	\$1,636	\$75,185	\$123,873	\$128,368	\$(129,329)	\$(147,358)	\$(186,412)	\$(235,328)	\$(289,089)	\$(331,724)	

PEOPLES GAS SYSTEM, INC.  
Cast Iron / Bare Steel Replacement Rider  
Calculation of the Final True-Up Amount  
January 2024 to December 2024  
Interest Provision  
(in Dollars)

Exhibit A  
Page 3 of 3

Line	Description	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1.	Beginning True-Up Amount	(\$102,499)	\$16,319	\$124,214	(\$1,636)	\$75,185	\$123,873	(\$128,368)	(\$129,329)	(\$147,358)	(\$186,412)	(\$235,328)	(\$289,089)	
2.	Ending True-Up Amount Before Interest	16,510	123,903	(1,907)	75,022	123,432	(128,358)	(128,761)	(146,753)	(185,709)	(234,480)	(288,071)	(330,568)	
3.	Total of Beginning & Ending True-Up (Lines 1 + 2)	(85,989)	140,222	122,307	73,386	198,617	(4,485)	(257,129)	(276,082)	(333,067)	(420,892)	(523,399)	(619,657)	
4.	Average True-Up Amount (Line 3 x 1/2)	(42,995)	70,111	61,154	36,693	99,309	(2,243)	(128,565)	(138,041)	(166,534)	(210,446)	(261,700)	(309,829)	
5.	Interest Rate (First Day of Reporting Business Month)	5.34%	5.34%	5.29%	5.33%	5.34%	5.31%	5.30%	5.31%	5.21%	4.91%	4.75%	4.58%	
6.	Interest Rate (First Day of Subsequent Business Month)	5.34%	5.29%	5.33%	5.34%	5.31%	5.30%	5.31%	5.21%	4.91%	4.75%	4.58%	4.36%	
7.	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	10.68%	10.63%	10.62%	10.67%	10.65%	10.61%	10.61%	10.52%	10.12%	9.66%	9.33%	8.94%	
8.	Average Interest Rate (Line 7 x 1/2)	5.340%	5.315%	5.310%	5.335%	5.325%	5.305%	5.305%	5.260%	5.060%	4.830%	4.665%	4.470%	
9.	Monthly Average Interest Rate (Line 8 x 1/12)	0.445%	0.443%	0.443%	0.445%	0.444%	0.442%	0.442%	0.438%	0.422%	0.403%	0.389%	0.373%	
10.	Interest Provision for the Month (Line 4 x Line 9)	(\$191)	\$311	\$271	\$163	\$441	(\$10)	(\$568)	(\$605)	(\$703)	(\$848)	(\$1,018)	(\$1,156)	(\$3,913)

**PEOPLES GAS SYSTEM, INC.**

**“EXHIBIT B”**

***CALCULATION OF ACTUAL AND REFORECAST AMOUNT  
FOR 2025 (PAGE 1 OF 4)***

***PROJECTED TRUE-UP AMOUNT FOR 2025 (PAGE 2 OF 4)***

***INTEREST PROVISION FOR 2025 (PAGE 3 OF 4)***

***CALCULATION OF DEBT AND EQUITY RETURN  
(PAGE 4 OF 4)***



Exhibit B  
Page 1 of 4

**PEOPLES GAS SYSTEM, INC.**  
**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Actual and Reforecast Amount for the Period**  
**January 2025 to December 2025**  
**Total Return on C/BS & PPP Capital Investments, Depreciation and Taxes for Eligible Replacements**  
(in Dollars)

Line	Description	Beginning of Period Amount	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Forecast August	Forecast September	Forecast October	Forecast November	Forecast December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains (Plastic)		1,023,840	841,777	1,706,195	623,406	758,308	1,319,599	1,967,365	3,311,553	4,192,409	5,698,692	5,787,735	5,041,604	32,272,484
b.	Eligible Replacements - Mains (Steel)		0	0	0	0	0	0	0	0	0	0	0	0	0
c.	Eligible Replacements - Services (Plastic)		21,847	38,491	48,252	27,981	168,086	37,958	27,795	0	0	0	0	0	370,411
d.	Eligible Replacements - Services (Steel)		0	109	2,518	0	0	0	0	0	0	0	0	0	2,627
e.	Eligible Replacements - Regulators		0	0	0	0	0	0	0	0	0	0	0	0	0
f.	First \$1,000,000 Adjustment to Rate Base		(293,056)	(110,653)	(364,193)	(154,923)	(77,174)	0	0	0	0	0	0	0	(1,000,000)
g.	Clearings to Plant		668,413	1,944,436	1,559,818	327,677	618,378	586,226	476,451	4,536,189	4,890,672	5,845,819	5,875,820	5,294,200	32,324,098
2.	Gross Plant-in-Service/Depreciation Base	13,809,718	14,478,131	16,422,567	17,682,385	18,010,062	18,628,928	19,214,666	19,691,162	24,227,305	29,117,977	34,963,796	40,839,616	46,133,815	43
3.	Less: Accumulated Depreciation	147,093	125,580	103,399	78,485	53,593	28,417	2,128	(24,054.59)	(50,759)	(84,069)	(124,303)	(173,437)	(230,983.00)	0
4.	CWIP - Noninterest Bearing	6,477,968	6,502,185	5,387,472	5,520,426	5,689,214	5,920,056	6,691,388	8,210,096.74	6,985,461	6,287,198	6,140,072	6,051,988	5,799,391.62	0
5.	Net Book Value (Lines 2 + 3 + 4)	20,434,779	21,165,896	21,913,438	23,281,297	23,752,869	24,577,401	25,908,181	27,877,158.41	31,162,007	35,321,106	40,979,364	46,718,147	51,702,224	0
6.	Average Net Book Value	20,800,337	21,539,667	22,597,367	23,517,083	24,165,135	25,242,791	26,892,670	29,519,583	33,241,557	38,150,235	43,848,736	49,210,185	55,083,205	0
7.	Return on Average Net Book Value														
a.	Equity component; Grossed up for taxes (A)		112,766	116,237	121,966	126,930	130,428	136,243	145,149	159,327	179,416	205,909	236,666	265,604	1,996,161
b.	Debt component (B)		31,939	33,074	34,698	36,110	37,105	38,760	41,294	45,338	51,042	58,580	67,330	75,563	550,833
			144,705	149,311	156,664	163,040	167,533	175,003	186,443	204,655	230,458	264,489	303,996	341,167	2,486,984
8.	Investment Expenses														
a.	Depreciation Expense (C)		21,611	22,613	25,530	27,420	27,911	29,024	29,944.59	30,690	37,494	44,330	53,599	62,413	413,078
b.	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c.	Property taxes (D)		18,179	18,179	18,179	18,179	18,179	18,179	18,179	18,179	18,179	18,179	18,179	18,179	218,145
d.	Depreciation Savings		(97)	(432)	(616)	(2,528)	(2,735)	(2,735)	(3,762)	(3,966)	(4,183)	(4,396)	(4,645)	(4,886)	(35,002)
9.	Total Recoverable Costs (Lines 7 + 8)		183,898	189,690	199,757	206,111	210,888	219,472	230,804	249,538	281,948	323,102	371,128	416,870	3,083,205

**Notes:**  
(A) Line 7a = Line 6 x 6.47681% x 1/12. Based on ROE of 10.15%, weighted income tax rate of 25.345%, and Net Operating Income Multiplier of 1.34623.  
(B) Line 7b = Line 6 x 1.8426% x 1/12.  
(C) Depreciation rates: 1.8% Mains Plastic, 2.4% Mains Steel, 4.3% Services Steel, 3.0% Regulator Station  
(D) Ad Valorem Tax Rate is 1.563%

Exhibit B  
Page 2 of 4

**PEOPLES GAS SYSTEM, INC.**  
**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Actual and Reforecast Amount for the Period**  
**January 2025 to December 2025**  
**Current Period Actual / Reforecast True-Up Amount**  
(In Dollars)

Line	Description	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Forecast August	Forecast September	Forecast October	Forecast November	Forecast December	End of Period Total
1.	CIBSR Revenues (net of Revenue Taxes)													
2.	True-Up Provision	421,109 (25,477)	408,562 (25,477)	355,450 (25,477)	329,463 (25,477)	295,119 (25,477)	244,323 (25,477)	233,528 (25,477)	236,800 (25,477)	236,800 (25,477)	236,800 (25,477)	236,800 (25,477)	236,800 (25,477)	3,471,552 (305,724)
3.	CIBSR Revenues Applicable to Period (Lines 1 + 2)	395,632	383,085	329,973	303,986	269,642	218,846	208,051	211,323	211,323	211,323	211,323	211,323	3,165,828
4.	CIBSR Costs													
a.	Return on Investment	144,205	149,331	156,664	163,040	167,533	175,003	186,443	204,655	230,458	264,489	303,996	341,167	2,486,984
b.	Depreciation	21,611	22,613	25,530	27,420	27,911	29,024	29,945	30,690	37,494	44,830	53,599	62,413	413,078
c.	Property Taxes	18,179	18,179	18,179	18,179	18,179	18,179	18,179	18,179	18,179	18,179	18,179	18,179	218,145
d.	Depreciation Savings	(97)	(432)	(616)	(2,528)	(2,735)	(2,735)	(3,762)	(3,986)	(4,183)	(4,396)	(4,645)	(4,886)	(35,002)
	Total CIBSR Costs	183,898	189,691	199,757	206,111	210,888	219,472	230,804	249,538	281,948	323,102	371,128	416,869	3,083,205
5.	Over/(Under) Recovery (Line 3 - Line 4c)	211,734	193,394	130,217	97,876	58,754	(626)	(22,753)	(38,215)	(70,625)	(111,779)	(159,806)	(205,547)	82,624
6.	Interest Provision	(774)	51	727	1,223	1,608	1,815	1,867	1,855	1,758	1,527	1,136	574	13,367
7.	Beginning Balance True-Up & Interest Provision	(331,724)	(95,287)	123,635	280,056	404,632	490,471	517,137	521,728	510,845	467,455	382,680	249,487	(331,724)
8.	True-Up Collected/(Refunded)	25,477	25,477	25,477	25,477	25,477	25,477	25,477	25,477	25,477	25,477	25,477	25,477	305,724
9.	End of Period Total True-Up (Lines 5+6+7+8)	(95,287)	123,635	280,056	404,632	490,471	517,137	521,728	510,845	467,455	382,680	249,487	69,991	69,991
9.a	Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0
10.	Adjusted End of Period Total True Up	(95,287)	\$123,635	\$280,056	\$404,632	\$490,471	\$517,137	\$521,728	\$510,845	\$467,455	\$382,680	\$249,487	\$69,991	\$69,991

**PEOPLES GAS SYSTEM, INC.**  
**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Actual and Reforecast Amount for the Period**  
**January 2025 to December 2025**  
**Interest Provision**  
(in Dollars)

Exhibit B  
Page 3 of 4

<u>Line</u>	<u>Description</u>	<u>Actual January</u>	<u>Actual February</u>	<u>Actual March</u>	<u>Actual April</u>	<u>Actual May</u>	<u>Actual June</u>	<u>Actual July</u>	<u>Forecast August</u>	<u>Forecast September</u>	<u>Forecast October</u>	<u>Forecast November</u>	<u>Forecast December</u>	<u>End of Period Total</u>
1.	Beginning True-Up Amount	(\$331,724)	(\$95,287)	\$123,635	\$280,056	\$404,632	\$490,471	\$517,137	\$521,728	\$510,845	\$467,455	\$382,680	\$249,487	
2.	Ending True-Up Amount Before Interest	(94,513)	123,584	279,329	403,409	488,863	515,322	519,861	508,990	465,697	381,153	248,351	69,417	
3.	Total of Beginning & Ending True-Up (Lines 1 + 2)	(426,238)	28,296	402,963	683,464	893,494	1,005,792	1,036,997	1,030,717	976,541	848,607	631,030	318,903	
4.	Average True-Up Amount (Line 3 x 1/2)	(213,119)	14,148	201,482	341,732	446,747	502,896	518,499	515,359	488,271	424,304	315,515	159,452	
5.	Interest Rate (First Day of Reporting Business Month)	4.36%	4.35%	4.35%	4.32%	4.28%	4.35%	4.31%	4.32%	4.32%	4.32%	4.32%	4.32%	
6.	Interest Rate (First Day of Subsequent Business Month)	4.35%	4.35%	4.32%	4.28%	4.35%	4.31%	4.32%	4.32%	4.32%	4.32%	4.32%	4.32%	
7.	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	8.71%	8.70%	8.67%	8.60%	8.63%	8.66%	8.63%	8.64%	8.64%	8.64%	8.64%	8.64%	
8.	Average Interest Rate (Line 7 x 1/2)	4.355%	4.350%	4.335%	4.300%	4.315%	4.330%	4.315%	4.320%	4.320%	4.320%	4.320%	4.320%	
9.	Monthly Average Interest Rate (Line 8 x 1/12)	0.363%	0.363%	0.361%	0.358%	0.360%	0.361%	0.360%	0.360%	0.360%	0.360%	0.360%	0.360%	
10.	Interest Provision for the Month (Line 4 x Line 9)	(\$774)	\$51	\$727	\$1,223	\$1,608	\$1,815	\$1,867	\$1,855	\$1,758	\$1,527	\$1,136	\$574	\$13,367

**PEOPLES GAS SYSTEM, INC.**  
**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of Debt and Equity Return**  
**January 2025 to December 2025**  
**Dec 2023 Cap Structure with Update to ROE to 10.15%**  
**Calculation of Revenue Requirement Rate of Return**  
(In Dollars)

Exhibit B  
Page 4 of 4

	(1)	(2)	(3)	(4)
	Rate Base ESR (\$000)	Ratio %	Cost Rate %	Weighted Cost Rate %
Long Term Debt	\$ 543,872	27.35%	4.07%	1.1131%
Short Term Debt	236,704	11.90%	5.84%	0.6950%
Preferred Stock	-	0.00%	0.00%	0.0000%
Residential Customer Deposits	-	0.00%	0.00%	0.0000%
Commercial Customer Deposits	28,387	1.43%	2.41%	0.0345%
Inactive Customer Deposits	-	0.00%	0.00%	0.0000%
Common Equity	942,551	47.40%	10.15%	4.8111%
Deferred Income Tax	237,187	11.93%	0.00%	0.0000%
Tax Credits - Zero Cost	-	0.00%	0.00%	0.0000%
<b>Total</b>	<b>\$ 1,988,701</b>	<b>100%</b>		<b>6.6537%</b>
ITC split between Debt and Equity:				
Long Term Debt	\$ 543,872		Long Term Debt	36.59%
Equity - Preferred	0		Equity - Preferred	0.00%
Equity - Common	942,551		Equity - Common	63.41%
<b>Total</b>	<b>\$ 1,486,423</b>		<b>Total</b>	<b>100.00%</b>
Deferred ITC - Weighted Cost:				
Debt = 0.0% * 38.73%	0.0000%			
Equity = 0.0% * 61.27%	0.0000%			
Weighted Cost	0.0000%			
Total Equity Cost Rate:				
Preferred Stock	0.0000%			
Common Equity	4.8111%			
Deferred ITC - Weighted Cost	0.0000%			
	4.8111%			
Times Tax Multiplier (A)	<b>1.34623</b>			
Total Equity Component	6.4768%			
Total Debt Cost Rate:				
Long Term Debt	1.1131%			
Short Term Debt	0.6950%			
Customer Deposits	0.0345%			
Deferred ITC - Weighted Cost	0.0000%			
Total Debt Component	1.8426%			
	<u>8.3194%</u>			

(A) The bad debt rate has been removed from the tax multiplier.

**PEOPLES GAS SYSTEM, INC.**

**“EXHIBIT C”**

***CALCULATION OF THE PROJECTED AMOUNT FOR  
2026 (PAGE 1 OF 2)***

***CALCULATION OF DEBT AND EQUITY RETURN FOR  
2026 (PAGE 2 OF 2)***

PEOPLES GAS SYSTEM, INC.  
Cast Iron/Bare Steel Replacement Rider  
Return on Capital Investments, Depreciation and Taxes for Eligible Replacements  
January 2026 to December 2026  
(in Dollars)

Exhibit C  
Page 1 of 2

Line	Description	Beginning of Period Amount (E)	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total												
1.	Investments																										
	a. Eligible Replacements - Mains (Plastic)	\$	250,300	\$	316,385	\$	302,940	\$	346,234	\$	341,562	\$	403,821	\$	444,863	\$	418,216	\$	467,475	\$	4,175,820						
	b. Eligible Replacements - Mains (Steel)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-						
	c. Eligible Replacements - Services (Plastic)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-						
	PPP d. Eligible Replacements - Mains (Plastic)	\$	4,036,876	\$	4,924,670	\$	4,712,361	\$	4,850,197	\$	4,588,594	\$	5,424,998	\$	5,976,363	\$	5,618,377	\$	6,280,139	\$	58,967,838						
	PPP e. Eligible Replacements - Regulators	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-						
	CBS First \$1,000,000 Adjustment to Rate Base	\$	(1,000,000)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(1,000,000)						
	CBS Clearings to Plant	\$	187,725	\$	252,932	\$	276,943	\$	317,413	\$	284,918	\$	373,992	\$	412,231	\$	400,403	\$	441,801	\$	3,785,367						
	PPP Clearings to Plant	\$	3,027,657	\$	3,695,807	\$	3,848,490	\$	4,403,161	\$	3,845,901	\$	5,034,540	\$	5,345,679	\$	5,384,860	\$	5,939,561	\$	52,706,433						
2.	Gross Plant-in-Service/Depreciation Base	\$	3,215,382	\$	7,164,122	\$	11,264,856	\$	15,315,580	\$	19,441,012	\$	24,161,585	\$	28,292,404	\$	32,961,732	\$	38,370,264	\$	44,328,174	\$	50,113,438	\$	56,494,800		
3.	Less: Accumulated Depreciation	\$	-	\$	(6,548)	\$	(19,042)	\$	(38,289)	\$	(64,170)	\$	(96,784)	\$	(137,102)	\$	(184,127)	\$	(238,748)	\$	(302,181)	\$	(375,321)	\$	(457,864)		
4.	GWIP - Noninterest Bearing	\$	71,794	\$	1,364,109	\$	2,276,317	\$	2,867,786	\$	3,287,002	\$	3,764,859	\$	3,886,846	\$	4,147,673	\$	4,567,959	\$	5,031,276	\$	5,282,605	\$	5,648,858		
5.	Net Book Value (Lines 2 + 3 + 4)	\$	3,286,571	\$	8,521,683	\$	13,522,131	\$	18,145,077	\$	22,663,844	\$	27,829,660	\$	32,042,148	\$	36,921,278	\$	42,699,476	\$	49,037,269	\$	55,020,722	\$	61,685,793		
6.	Average Net Book Value	\$	1,643,285	\$	5,904,127	\$	11,021,907	\$	15,833,604	\$	20,404,460	\$	25,246,732	\$	29,935,904	\$	34,483,713	\$	39,812,377	\$	45,878,372	\$	52,038,996	\$	58,353,258		
7.	Return on Average Net Book Value																										
	a. Equity component Grossed up for taxes (A)	\$	9,133	\$	32,815	\$	61,259	\$	88,003	\$	113,408	\$	140,322	\$	166,384	\$	191,660	\$	221,277	\$	254,992	\$	289,233	\$	324,327	\$	1,892,813
	b. Debt component (B)	\$	3,048	\$	10,952	\$	20,447	\$	29,373	\$	37,852	\$	46,834	\$	55,533	\$	63,970	\$	73,856	\$	85,108	\$	96,537	\$	108,251	\$	631,761
		\$	12,181	\$	43,767	\$	81,706	\$	117,376	\$	151,260	\$	187,156	\$	221,917	\$	255,630	\$	295,133	\$	340,100	\$	385,770	\$	432,578	\$	2,524,574
8.	Investment Expenses																										
	a. Depreciation (C)	\$	-	\$	4,823	\$	10,746	\$	16,897	\$	22,973	\$	29,162	\$	36,242	\$	42,439	\$	49,443	\$	57,555	\$	66,492	\$	75,170	\$	411,943
	b. Amortization	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	c. Property Taxes (D)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	d. Depreciation Savings	\$	605	\$	1,119	\$	1,748	\$	2,350	\$	2,907	\$	3,452	\$	4,076	\$	4,587	\$	5,178	\$	5,878	\$	6,648	\$	7,373	\$	45,921
9.	Revenue Requirements (Lines 7 + 8)	\$	12,786	\$	49,710	\$	94,201	\$	136,623	\$	177,140	\$	219,770	\$	262,236	\$	302,655	\$	349,754	\$	403,533	\$	458,910	\$	515,121	\$	2,982,438
	a. CBS/PPP excluding True-up (Existing CBS Rider)	\$	12,786	\$	49,710	\$	94,201	\$	136,623	\$	177,140	\$	219,770	\$	262,236	\$	302,655	\$	349,754	\$	403,533	\$	458,910	\$	515,121	\$	2,982,438
10.	Est projected 2024 true-up over/(under)	\$	69,991																								
	a. Est. 2024 True-up (CBS/PPP Only)	\$	69,991																								
	b. Long-term Debt True-up (Jan - Jun 2024)	\$	-																								
	Revenue Requirements Net of Est Projected Recovery	\$	(57,205)	\$	(7,495)	\$	86,705	\$	223,329	\$	400,469	\$	620,239	\$	882,474	\$	1,185,130	\$	1,534,883	\$	1,938,416	\$	2,397,327	\$	2,912,447		

Notes:  
(A) Line 7a = Line 6 x 6.493% x 1/12. Based on ROE of 10.15%, weighted income tax rate of 25.345%, and Net Operating Income Multiplier of 1.34623.  
(B) Line 7b = Line 6 x 2.2734% x 1/12  
(C) Depreciation rates: 1.8% Mains Plastic, 2.4% Mains Steel, 3.1% Services Plastic, 4.3% Services Steel, 3.0% Regulator Station  
(D) Ad Valorem Tax Rate is 1.563%

**PEOPLES GAS SYSTEM, INC.**  
**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of Debt and Equity Return**  
**January 2026 to December 2026**  
**Settlement Cap Structure with ROE to 10.30% & Equity ratio to 54.70%**  
**Calculation of Revenue Requirement Rate of Return**  
(In Dollars)

Exhibit C  
Page 2 of 2

Tie to 2025 Tab

	(1)	(2)	(3)	(4)
	Rate Base ESR (\$000)	Ratio %	Cost Rate %	Weighted Cost Rate %
Long Term Debt	\$ 1,082,596	36.64%	5.64%	2.0665%
Short Term Debt	93,604	3.17%	4.24%	0.1344%
Preferred Stock	-	0.00%	0.00%	0.0000%
Customer Deposits	29,475	1.00%	2.52%	0.0252%
Inactive Customer Deposits	-	0.00%	0.00%	0.0000%
Common Equity	1,420,982	48.10%	10.30%	4.9543%
Deferred Income Tax	327,784	11.09%	0.00%	0.0000%
Tax Credits - Zero Cost	-	0.00%	0.00%	0.0000%
<b>Total</b>	<b>\$ 2,954,442</b>	<b>100%</b>		<b>7.1804%</b>
ITC split between Debt and Equity:				
Long Term Debt	\$ 1,082,596		Long Term Debt	43.24%
Equity - Preferred	0		Equity - Preferred	0.00%
Equity - Common	1,420,982		Equity - Common	56.76%
<b>Total</b>	<b>\$ 2,503,578</b>		<b>Total</b>	<b>100.00%</b>
Deferred ITC - Weighted Cost:				
Debt = 0.0% * 38.73%	0.0000%			
Equity = 0.0% * 61.27%	0.0000%			
Weighted Cost	0.0000%			
Total Equity Cost Rate:				
Preferred Stock	0.0000%			
Common Equity	4.9543%			
Deferred ITC - Weighted Cost	0.0000%			
	4.9543%			
Times Tax Multiplier (A)	<b>1.34623</b>			
Total Equity Component	6.6696%			
Total Debt Cost Rate:				
Long Term Debt	2.0665%			
Short Term Debt	0.1344%			
Customer Deposits	0.0252%			
Deferred ITC - Weighted Cost	0.0000%			
Total Debt Component	2.2261%			
	<u>8.8957%</u>			

(A) The bad debt rate has been removed from the tax multiplier.

**Note: This is applicable to both Scenario 1 and Scenario 2.**

**PEOPLES GAS SYSTEM, INC.**

**“EXHIBIT D”**

***SURCHARGE CALCULATION FOR 2026 (PAGE 1 OF 1)***



**PEOPLES GAS SYSTEM, INC.**  
**Cast Iron/Bare Steel Replacement Rider**  
**CI/BS Rider Surcharge Calculation**  
**January 2026 to December 2026**

**Exhibit D**  
**Page 1 of 1**

<u>RATE SCHEDULE</u>	<u>REVENUE CHANGE UNDER SETTLEMENT*</u>	<u>REVENUE APPORTIONMENT PER SETTLEMENT</u>	<u>REVENUES</u>	<u>PROJECTED THERM SALES</u>	<u>SURCHARGE PER THERM</u>	<u>AVERAGE THERMS PER BILL</u>	<u>AVERAGE CHARGE PER BILL</u>
RS, RS-SG & RS-HP	\$ 34,637,160	52.72%	\$ 1,535,366	96,381,542	<b>\$0.01593</b>	RS1 = 5 RS2 = 21	\$ 0.09 \$ 0.33
SGS	\$ 3,057,132	4.65%	\$ 135,514	9,873,474	<b>\$0.01373</b>	60	\$ 0.82
GS-1, CS-SG, & CS-HP	\$ 3,311,909	5.04%	\$ 146,807	101,063,262	<b>\$0.00145</b>	379	\$ 0.58
GS-2	\$ 8,126,690	12.37%	\$ 360,233	141,622,572	<b>\$0.00254</b>	1,440	\$ 3.66
GS-3	\$ 4,468,926	6.80%	\$ 198,095	82,620,743	<b>\$0.00240</b>	8,122	\$ 19.47
GS-4	\$ 2,407,005	3.66%	\$ 106,696	52,669,966	<b>\$0.00203</b>	29,540	\$ 59.84
GS-5	\$ 6,916,126	10.53%	\$ 306,572	212,843,650	<b>\$0.00144</b>	88,317	\$ 127.21
CSLS	\$ 10,143	0.02%	\$ 450	525,047	<b>\$0.00086</b>	1,458	\$ 1.25
WHS	\$ 131,547	0.20%	\$ 5,831	4,615,368	<b>\$0.00126</b>	27,472	\$ 34.71
SIS	\$ 1,081,107	1.65%	\$ 47,922	47,399,664	<b>\$0.00101</b>	141,070	\$ 142.63
IS	\$ 1,555,731	2.37%	\$ 68,961	151,139,143	<b>\$0.00046</b>	1,095,211	\$ 499.72
ISLV	\$ -	0.00%	\$ -	0	<b>\$0.00000</b>	\$0.00000	\$ -
<b>TOTAL</b>	<b>\$ 65,703,476</b>	<b>100.00%</b>	<b>\$ 2,912,447</b>	<b>900,754,430</b>			

\* The revenue change amounts under the 2025 Rate Case Settlement are from Exhibit B attached to the Settlement Agreement and are used per paragraph 4(e) in the Settlement Agreement to calculate apportionment percentages in the "Revenue Apportionment Per Settlement" column.

PEOPLES GAS SYSTEM, INC.  
CAST IRON / BARE STEEL RIDER  
EXHIBIT D  
PAGE 1 OF 1  
FILED: AUGUST 29, 2025  
AMENDED: OCTOBER 9, 2025

**PEOPLES GAS SYSTEM, INC.**

**“EXHIBIT E”**

***Tariff Sheet 7.806***

***Clean and Legislative***

**PEOPLES GAS SYSTEM, INC.**

***Tariff Sheet 7.806  
Clean and Legislative***

## CAST IRON/BARE STEEL REPLACEMENT RIDER RIDER CI/BSR

The monthly bill for Gas Service in any Billing Period shall be increased by the CI/BSR Surcharge determined in accordance with this Rider. CI/BSR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, 2026, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>CI/BSR Surcharge</u>
Residential/Residential Standby Generator /	
Residential Gas Heat Pump Service	\$ 0.01593 per therm
Small General Service	\$ 0.01373 per therm
General Service – 1/ Commercial Standby	
Generator Service /	
Commercial Gas Heat Pump Service	\$ 0.00145 per therm
General Service – 2	\$ 0.00254 per therm
General Service – 3	\$ 0.00240 per therm
General Service – 4	\$ 0.00203 per therm
General Service – 5	\$ 0.00144 per therm
Commercial Street Lighting	\$ 0.00086 per therm
Wholesale	\$ 0.00126 per therm
Small Interruptible Service	\$ 0.00101 per therm
Interruptible Service	\$ 0.00046 per therm
Interruptible Service – Large Volume	\$ 0.00000 per therm

The CI/BSR Surcharges set forth above shall remain in effect until changed pursuant to an order of the Commission.

CI/BSR Surcharges shall be determined in accordance with the provisions of this Rider set forth below.

### Definitions

For purposes of this Rider:

“Eligible Replacements” means the following Company plant investments that (i) do not increase revenues by directly connecting new customers to the plant asset, (ii) are in service and used and useful in providing utility service and (iii) were not included in the Company’s rate base for purposes of determining the Company’s base rates in its most recent general base rate proceeding:

Mains and service lines, as replacements for existing materials recognized/identified by the Pipeline Safety and Hazardous Materials Administration as being obsolete and that present a potential safety threat to operations and the general public, including cast iron, wrought iron, bare steel, and specific polyethylene/plastic facilities, and regulators and other pipeline system components the installation of which is required as a consequence of the replacement of the aforesaid facilities.

“CI/BSR Revenues” means the revenues produced through CI/BSR Surcharges, exclusive of revenues from all other rates and charges.

## CAST IRON/BARE STEEL REPLACEMENT RIDER RIDER CI/BSR

The monthly bill for Gas Service in any Billing Period shall be increased by the CI/BSR Surcharge determined in accordance with this Rider. CI/BSR Surcharges approved by the Commission for bills rendered for meter readings taken on or after January 1, 2025~~56~~, are as follows with respect to Customers receiving Gas Service under the following rate schedules:

<u>Rate Schedule</u>	<u>CI/BSR Surcharge</u>
Residential/Residential Standby Generator /	
Residential Gas Heat Pump Service	\$ 0.01 <del>394</del> <del>593</del> per therm
Small General Service	\$ 0.00 <del>848</del> <del>1373</del> per therm
General Service – 1/ Commercial Standby	
Generator Service /	
Commercial Gas Heat Pump Service	\$ 0.00 <del>546</del> <del>145</del> per therm
General Service – 2	\$ 0.00 <del>477</del> <del>254</del> per therm
General Service – 3	\$ 0.00 <del>468</del> <del>240</del> per therm
General Service – 4	\$ 0.00 <del>333</del> <del>203</del> per therm
General Service – 5	\$ 0.00 <del>228</del> <del>144</del> per therm
Commercial Street Lighting	\$ 0.00 <del>364</del> <del>086</del> per therm
Wholesale	\$ 0.00 <del>269</del> <del>126</del> per therm
Small Interruptible Service	\$ 0.00 <del>127</del> <del>101</del> per therm
Interruptible Service	\$ 0.000 <del>304</del> <del>6</del> per therm
Interruptible Service – Large Volume	\$ 0.00000 per therm

The CI/BSR Surcharges set forth above shall remain in effect until changed pursuant to an order of the Commission.

CI/BSR Surcharges shall be determined in accordance with the provisions of this Rider set forth below.

### Definitions

For purposes of this Rider:

“Eligible Replacements” means the following Company plant investments that (i) do not increase revenues by directly connecting new customers to the plant asset, (ii) are in service and used and useful in providing utility service and (iii) were not included in the Company’s rate base for purposes of determining the Company’s base rates in its most recent general base rate proceeding:

Mains and service lines, as replacements for existing materials recognized/identified by the Pipeline Safety and Hazardous Materials Administration as being obsolete and that present a potential safety threat to operations and the general public, including cast iron, wrought iron, bare steel, and specific polyethylene/plastic facilities, and regulators and other pipeline system components the installation of which is required as a consequence of the replacement of the aforesaid facilities.

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