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April 30, 2026

VIA ELECTRONIC FILING

Cassie Gatlin
Division of Accounting and Finance
Florida Public Service Commission
Room 160B – Gerald L. Gunter Bldg.
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
CGatlin@psc.state.fl.us

Re: Peoples Gas System, Inc.
Annual Report of Natural Gas Utilities

Dear Ms. Gatlin:

On behalf of Peoples Gas System, Inc. attached please find its Form 2, Annual Report of Natural Gas Utilities required by Rule 25-7.135, Florida Administrative Code.

Sincerely,

A handwritten signature in blue ink that reads 'V. Ponder'.

Virginia Ponder

VLP/dk
Enclosures

CC: Matthew Vogel
mvogel@psc.state.fl.us

**ANNUAL REPORT OF
NATURAL GAS UTILITIES**

PEOPLES GAS SYSTEM, INC.

(EXACT NAME OF RESPONDENT)

3600 Midtown Drive

Tampa, Florida 33607

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2025

Officer or other person to whom correspondence should be addressed concerning this report:

Name Rosemary Barbour

Title Controller

Address P.O Box 2562

City Tampa

State FL 33601-2562

Telephone No. (813) 228-4191

PSC/AFD 020-G (12/03)



Ernst & Young LLP
One Tampa City Center
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201 North Franklin Street
Tampa, Florida 33602

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Report of Independent Auditors

To the Shareholder and the Board of Directors of Peoples Gas System, Inc.

Opinion

We have audited the financial statements of Peoples Gas System, Inc. (the "Company"), which comprise the comparative balance sheet as of December 31, 2025 and 2024, and the related statements of income and retained earnings for the years then ended and the related notes to the financial statements included on pages 6 to 11 in the accompanying Annual Report of Natural Gas Utilities (collectively referred to as the "financial statements") filed with the Florida Public Service Commission as required by Rule 25-7.135.

In our opinion, the accompanying financial statements present fairly, in all material respects, the regulatory basis financial position of the Company as of December 31, 2025 and 2024, and the results of its regulatory basis operations for the years then ended in accordance with the financial reporting provisions of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases described in the opening paragraphs preceding the notes to the financial statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Regulatory Basis of Accounting

We draw attention to the opening paragraphs preceding the notes to the financial statements, which describe the basis of accounting. As described in the opening paragraphs preceding the notes to the financial statements, the financial statements are prepared by the Company on the basis of the financial reporting provisions of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the FERC. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the FERC as set forth in its applicable Uniform System of Accounts and published accounting releases. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



Shape the future
with confidence

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction on Use

Our report is intended solely for the information and use of the Company and the Florida Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

April 24, 2026

**INSTRUCTIONS FOR FILING THE
ANNUAL REPORT OF NATURAL GAS UTILITIES**

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 201) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or Mcf) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page that is not applicable to the respondent, enter the words "Not Applicable" on the particular page.
- V. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement to the page being supplemented on 8 1/2 by 11 inch paper. Provide the appropriate identification information on the supplemental page, including the title of the page and the page number. Do not change the page numbers.
- VI. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- VII. Wherever schedule pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why different figures were used.
- VIII. Report all gas volumes on a pressure base of 14.73 psia and a temperature base of 60° F.

DEFINITIONS

- I. Btu per cubic foot - The total heating value expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60° F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32° F, and under standard gravitational force (980.665 cm per sec. ²) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state. (Sometimes called gross heating value or total heating value.)
- II. Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

01 Exact Legal Name of Respondent Peoples Gas System, Inc.	02 Year of Report 2025
03 Previous Name and Date of Change (if name changed during year)	
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 3600 Midtown Drive Tampa, Florida 33607	
05 Name of Contact Person Rosemary Barbour	06 Title of Contact Person Controller
07 Address of Contact Person (Street, City, State, Zip Code) P.O Box 2562 Tampa, Florida 33601-2562	
08 Telephone of Contact Person, Including Area Code (813) 228 - 4191	09 Date of Report (Mo., Day, Yr) Dec. 31, 2025

ATTESTATION

I certify that I am the responsible accounting officer of


Peoples Gas System, Inc. ;

that I have examined the following report; that to the best of my knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from January 1, 2025 to December 31, 2025, inclusive.

I also certify that all affiliated transfer prices and affiliated cost allocations were determined consistent with the methods reported to this Commission on the appropriate forms included in this report.

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

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


Signature

4/24/26
Date

Rosemary Barbour
Name

Controller
Title

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Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025
CONTROL OVER RESPONDENT	
1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or	organization. If control was held by a trustee(s), state name of trustee(s). 2. If the above required information is available from the SEC 10K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.
<p>Peoples Gas System (PGS) was a wholly owned subsidiary of Tampa Electric Company (TEC). Tampa Electric Company is a wholly owned subsidiary of TECO Holdings, Inc. On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. which resulted in PGS being a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Holdings, Inc.</p>	

CORPORATIONS CONTROLLED BY RESPONDENT			
1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.	2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.	3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.	4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
DEFINITIONS			
1. See the Uniform System of Accounts for a definition of control.	2. Direct control is that which is exercised without interposition of an intermediary.	3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.	4. Joint control is that in which neither interest can effectively
control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.			
Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
TECO Partners	Account Development and Management Services	100%	

Name of Respondent		For the Year Ended
Peoples Gas System, Inc.		Dec. 31, 2025
OFFICERS		
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policymaking functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.</p>		
Title (a)	Name of Officer (b)	Salary for Year (c)
President & CEO, PGS	H. Wesley	\$ 376,636
VP Engineering, Construction & Technology, PGS	C. Richard	\$ 296,683
VP Strategy, Marketing & Comm.	J. Wehle	\$ 280,537
VP Safety, Operations and Sustainability, PGS	T. O'Connor	\$ 324,000
VP, Human Resources, PGS	D. Bluestone	\$ 282,542
VP Customer Experience	K. Sparkman	\$ 105,034
VP Business Development, PGS	L. Rutkin	\$ 260,671
VP Regulatory and External Affairs, PGS	L. Buzard	\$ 270,400
VP Finance, PGS	J. DeVries	\$ 285,000
VP Res and Comm Business	S. Connell	\$ 139,005
Salaries for the year represent the Peoples Gas System share of individual salaries.		

DIRECTORS			
<p>1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.</p>		<p>2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.</p>	
Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
S.C. Balfour (Chair of the Board) C. Sprowls D.P. Muldoon (retired May 2025) H. Wesley (PGS Pres. & CEO) J.L. Bradley P. Iorio P. Geraghty (retired Dec. 2025) R. Tedesco R. Thakkar R. Law	3600 Midtown Dr. Tampa 3600 Midtown Dr. Tampa 3600 Midtown Dr. Tampa 3600 Midtown Dr. Tampa 3600 Midtown Dr. Tampa 3600 Midtown Dr. Tampa 3600 Midtown Dr. Tampa 3600 Midtown Dr. Tampa 3600 Midtown Dr. Tampa		
		5 meetings	Total: \$120,482

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondents who, at the date of the latest closing of the stock book or compilation of the list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of the trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement of circumstances whereby such security became vested with voting rights and give others important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders.

VOTING SECURITIES

Name (Title) and Address of Security Holder (a)	Number of votes as of (date):			
	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
TOTAL votes of all voting securities				
TOTAL number of security holders				
TOTAL votes of security holders listed below				
Prior to January 1, 2023, Peoples Gas System, as a division of Tampa Electric Company ("TEC"), had no outstanding shares of Tampa Electric Company common stock. All outstanding shares of Tampa Electric Company common stock were held by its parent, TECO Energy, Inc. On July 1, 2016, TECO Energy and Emera completed the Merger contemplated by the Merger Agreement entered into on September 4, 2015. Therefore, TEC continues to be a wholly owned subsidiary of Emera as of July 1, 2016. Pursuant to the Merger Agreement, upon the closing of the Merger, each issued and outstanding share of TECO Energy common stock was cancelled and converted automatically in the right to receive \$27.55 in cash, without interest. As described on page 3 of this report, effective January 1, 2023, PGS separated and is now a wholly owned subsidiary of TECO Gas Operations, Inc. a wholly owned subsidiary of TECO Energy. As part of the January 1, 2023 transaction, PGS issued 100 shares of common stock to TEC, which were subsequently distributed to TECO Energy, Inc., and then contributed to TECO Gas Operations, Inc. On April 1, 2024, TECO Gas Operations, Inc. became a subsidiary of TECO Holdings, Inc., which is an indirect wholly owned subsidiary of Emera.				

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquires. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions.

2. Purchase or sale of an operating unit or system: Give brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required.

3. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased also the approximate number of customers added or lost and approximate annual revenues of each class of service.

4. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

5. State briefly the status of any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

- 1 None
- 2 None
- 3 None
- 4 Please see the Commitments and Contingencies section of the included Notes to the Financial Statements - page 11-P.
- 5 None

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	12	3,364,404,548	3,747,843,076
3	Construction Work in Progress (107)	12	193,457,445	102,570,735
4	TOTAL Utility Plant Total of lines 2 and 3)		3,557,861,993	3,850,413,811
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	973,140,969	1,045,168,482
6	Net Utility Plant (Total of line 4 less 5)		2,584,721,024	2,805,245,329
7	Utility Plant Adjustments (116)	11		
8	Gas Stored (117.1, 117.2, 117.3, 117.4)	-		
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)	-	11,938,836	11,938,836
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-	(512,216)	(1,013,647)
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-	1,057,850	1,105,251
14	Other Investments (124)	-		
15	Special Funds (125, 126, 128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		12,484,470	12,030,440
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	19,870,937	10,706,405
19	Special Deposits (132-134)	-	25,000	25,000
20	Working Funds (135)	-	2,400	2,400
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	47,548,187	48,996,776
24	Other Accounts Receivable (143)	-	8,089,622	1,368,936
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-	(999,919)	(933,648)
26	Notes Receivable from Associated Companies (145)	-	8,098,839	7,758,399
27	Accounts Receivable from Associated Companies (146)	-	3,100,898	2,991,041
28	Fuel Stock (151)	-		
29	Fuel Stock Expense Undistributed (152)	-		
30	Residuals (Electric) and Extracted Products (Gas) (153)	-		
31	Plant Material and Operating Supplies (154)	-	3,707,870	3,510,310
32	Merchandise (155)	-		
33	Other Material and Supplies (156)	-	1,356,227	1,042,191
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Underground & LNG Stored (164.1-164.3)	-	-	-
36	Prepayments (165)	18	6,015,988	6,695,628
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-	20,459,978	19,956,167
41	Miscellaneous Current and Accrued Assets (174)	-		
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		117,276,027	102,119,605
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-	2,416,137	2,078,771
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18		
47	Other Regulatory Assets (182.3)	19	73,324,433	66,415,891
48	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)	-		
49	Clearing Accounts (184)	-		
50	Temporary Facilities (185)	-		
51	Miscellaneous Deferred Debits (186)	19	6,057,245	4,350,390
52	Deferred Losses from Disposition of Utility Plant. (187)	-		
53	Research, Development and Demonstration Expenditures (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	20		
55	Accumulated Deferred Income Taxes (190)	24	55,884,160	59,261,174
56	Unrecovered Purchased Gas Costs (191)	-	(5,246,346)	(6,501,545)
57	TOTAL Deferred Debits (Total of lines 44 through 56)		132,435,629	125,604,681
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		2,846,917,150	3,045,000,055

Name of Respondent		For the Year Ended		
Peoples Gas System, Inc.		Dec. 31, 2025		
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock (201, 202, 203, 205, 206, 207)	-	100	100
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-214)	-	1,104,050,169	1,236,050,169
5	Retained Earnings (215, 216)	10	131,561,714	134,835,553
6	Other Comprehensive Income (219)		-	-
7	Unappropriated Undistributed Subsidiary Earnings (216.1)	10	609,161	656,562
8	(Less) Reacquired Capital Stock (217)	-		
9	TOTAL Proprietary Capital (Total of lines 2 through 8)		1,236,221,144	1,371,542,384
10	LONG-TERM DEBT			
11	Bonds (221)	21		
12	(Less) Reacquired Bonds (222)	21		
13	Advances from Associated Companies (223)	21		
14	Other Long-Term Debt (224)	21	925,000,000	925,000,000
15	Unamortized Premium on Long-Term Debt (225)	21		
16	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	21	-	-
17	TOTAL Long-Term Debt (Total of lines 11 through 16)		925,000,000	925,000,000
18	OTHER NONCURRENT LIABILITIES			
19	Obligations Under Capital Leases - Noncurrent (227)	-		
20	Accumulated Provision for Property Insurance (228.1)	-		
21	Accumulated Provision for Injuries and Damages (228.2)	-	3,596,801	4,325,202
22	Accumulated Provision for Pensions and Benefits (228.3)	-	21,877,030	12,901,657
23	Accumulated Miscellaneous Operating Provisions (228.4)	-	472,533	510,161
24	Accumulated Provision for Rate Refunds (229)	-		
25	TOTAL Other Noncurrent Liabilities (Total of lines 19 through 24)		25,946,364	17,737,020
26	CURRENT AND ACCRUED LIABILITIES			
27	Notes Payable (231)	-	138,000,000	145,000,000
28	Accounts Payable (232)	-	56,183,347	77,720,647
29	Notes Payable to Associated Companies (233)	-		
30	Accounts Payable to Associated Companies (234)	-	14,083,140	13,029,580
31	Customer Deposits (235)	-	29,931,495	32,048,522
32	Taxes Accrued (236)	-	5,810,763	11,156,980
33	Interest Accrued (237)	-	2,091,107	2,769,983
34	Dividends Declared (238)	-		
35	Matured Long-Term Debt (239)	-		
36	Matured Interest (240)	-		
37	Tax Collections Payable (241)	-	1,389,301	1,369,422
38	Miscellaneous Current and Accrued Liabilities (242)	22	21,033,826	21,396,897
39	Obligations Under Capital Leases-Current (243)	-		
40	Derivative Liabilities (245)			
41	TOTAL Current and Accrued Liabilities (Total of lines 27 through 40)		268,522,979	304,492,031
42	DEFERRED CREDITS			
43	Customer Advances for Construction (252)	-	27,706,505	28,067,130
44	Other Deferred Credits (253)	22	3,902,003	4,178,346
45	Other Regulatory Liabilities (254)	22	89,946,787	100,338,558
46	Accumulated Deferred Investment Tax Credits (255)	23		
47	Deferred Gains from Disposition of Utility Plant (256)	-		
48	Unamortized Gain on Reacquired Debt (257)	20		
49	Accumulated Deferred Income Taxes (281-283)	24	269,671,368	293,644,586
50	TOTAL Deferred Credits (Total of lines 43 through 49)		391,226,663	426,228,620
51	TOTAL Liabilities and Other Credits (Total of lines 9, 17, 25, 41 and 50)		2,846,917,150	3,045,000,055

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

STATEMENT OF INCOME

- | | |
|--|---|
| <p>1. Use page 11 for important notes regarding the statement of income or any account thereof.</p> <p>2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.</p> <p>3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year</p> | <p>which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.</p> <p>4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.</p> |
|--|---|

Line No.	Account (a)	Ref. Page No. (b)	Total Gas Utility Current Year (c)	Total Gas Utility Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	26	735,395,177	684,555,397
3	Operating Expenses			
4	Operation Expenses (401)	27-29	338,300,393	306,103,215
5	Maintenance Expenses (402)	27-29	12,979,308	12,323,012
6	Depreciation Expense (403)	15-16	87,289,044	79,083,271
7	Amortization & Depletion of Utility Plant (404-405)	-	7,837,698	7,200,473
8	Amortization of Utility Plant Acquisition Adjustment (406)	-	-	-
9	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	-		
10	Amortization of Conversion Expenses (407.2)	-		
11	Regulatory Debits (407.3)	-	13,476,947	20,161,448
12	(Less) Regulatory Credits (407.4)	-	(2,416,962)	(9,220,029)
13	Taxes Other Than Income Taxes (408.1)	23	71,711,738	65,242,901
14	Income Taxes - Federal (409.1)	-	14,258,051	17,463,928
15	- Other (409.1)	-	4,349,753	4,828,055
16	Provision for Deferred Income Taxes (410.1)	24	29,530,492	67,055,726
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	24	(8,988,173)	(49,629,143)
18	Investment Tax Credit Adjustment - Net (411.4)	23		
19	(Less) Gains from Disposition of Utility Plant (411.6)	-		
20	Losses from Disposition of Utility Plant (411.7)	-		
21	Other Operating Income (412-414)	-	4,280,411	4,353,612
22	TOTAL Utility Operating Expenses (Total of lines 4 -21)		564,047,878	516,259,245
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		171,347,299	168,296,152

Name of Respondent		For the Year Ended		
Peoples Gas System, Inc.		Dec. 31, 2025		
STATEMENT OF INCOME (Continued)				
Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 8)		171,347,299	168,296,152
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	-	-
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-	92,605	65,451
31	Revenues From Nonutility Operations (417)	-	212,057	158,633
32	(Less) Expenses of Nonutility Operations (417.1)	-	(1,509,780)	(378,623)
33	Nonoperating Rental Income (418)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	10	4,826,933	4,139,617
35	Interest and Dividend Income (419)	-	1,098,895	945,305
36	Allowance for Other Funds Used During Construction (419.1)	-	1,518,554	2,312,437
37	Miscellaneous Nonoperating Income (421)	-	8,417	302,025
38	Gain on Disposition of Property (421.1)	-	556,818	556,818
39	TOTAL Other Income (Total of lines 29 through 38)		6,804,499	8,101,663
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-	-	25,795
42	Miscellaneous Amortization (425)	33		
43	Miscellaneous Income Deductions (426.1-426.5)	33	1,222,318	1,125,763
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		1,222,318	1,151,558
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-	158,732	156,013
47	Income Taxes - Federal (409.2)	-	(484,736)	(425,108)
48	Income Taxes - Other (409.2)	-	(134,344)	(117,818)
49	Provision for Deferred Income Taxes (410.2)	24	454,432	1,165,918
50	(Less) Provision for Deferred Income Taxes - Credit (411.2)	24	(63,677)	(1,080,748)
51	Investment Tax Credit Adjustment - Net (411.5)	-		
52	(Less) Investment Tax Credits (420)	-		
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 through 52)		(69,593)	(301,743)
54	Net Other Income and Deductions (Total of lines 39,44,53)		5,651,774	7,251,848
55	Interest Charges			
56	Interest on Long-Term Debt (427)	-	52,040,000	52,040,000
57	Amortization of Debt Discount and Expense (428)	21	337,366	340,624
58	Amortization of Loss on Reacquired Debt (428.1)	-		
59	(Less) Amortization of Premium on Debt - Credit (429)	21		
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-		
61	Interest on Debt to Associated Companies (430)	33		
62	Other Interest Expense (431)	33	7,816,784	4,508,513
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-	(716,661)	(1,091,323)
64	Net Interest Charges (Total of lines 56 through 63)		59,477,489	55,797,814
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		117,521,584	119,750,186
66	Extraordinary Items			
67	Extraordinary Income (434)	-		
68	(Less) Extraordinary Deductions (435)	-		
69	Net Extraordinary Items (Total of line 67 less line 68)			
70	Income Taxes - Federal and Other (409.3)	-		
71	Extraordinary Items After Taxes (Total of line 69 less line 70)			
72	Net Income (Total of lines 65 and 71)		117,521,584	119,750,186

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

STATEMENT OF RETAINED EARNINGS

- | | |
|--|---|
| <p>1. Report all changes in appropriated retained earnings, and unappropriated retained earnings for the year.</p> <p>2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).</p> <p>3. State the purpose and amount for each reservation or appropriation of retained earnings.</p> <p>4. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.</p> | <p>5. Show dividends for each class and series of capital stock.</p> <p>6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservations or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 11.</p> |
|--|---|

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance - Beginning of Year		132,170,875
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439):		
4	Credit:		
5	Credit:		
6	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 4 and 5)		
7	Debit:		
8	Debit:		
9	TOTAL Debits to Retained Earnings (Account 439) (Total of lines 7 and 8)		
10	Balance Transferred from Income (Account 433 less Account 418.1)		112,694,651
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(114,200,345)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		4,826,933
15	FAS 133 Other Comprehensive Income		
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		135,492,114
APPROPRIATED RETAINED EARNINGS (Account 215)			
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.		
17			
18			
19			
20			
21			
22			
23	TOTAL Appropriated Retained Earnings (Account 215)		
24	TOTAL Retained Earnings (Account 215 and 216) (Total of lines 16 and 23)		135,492,114

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Changes in Financial Position, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and

plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 8-10, such notes may be attached hereto.

DEFINITIONS

Acronyms and defined terms used in this report include the following:

<u>Term</u>	<u>Meaning</u>
AFUDC	allowance for funds used during construction
AFUDC-equity	equity component of allowance for funds used during construction
APBO	accumulated postretirement benefit obligation
ARO	asset retirement obligation
ASU	Accounting Standards Update
CMO	collateralized mortgage obligation
CPI	consumer price index
Emera	Emera Inc., a geographically diverse energy and services company headquartered in Nova Scotia, Canada and the indirect parent company of Peoples Gas System, Inc.
ERISA	Employee Retirement Income Security Act
EROA	expected return on plan assets
EUSHI	Emera US Holdings Inc., a wholly owned subsidiary of Emera, which is the sole shareholder of TECO Holdings' common stock as of April 1, 2024, and the sole shareholder of TECO Energy's common stock prior to April 1, 2024
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
IRS	Internal Revenue Service
ITC	Investment Tax Credit
MBS	mortgage-backed securities
MGP	manufactured gas plant
MRV	market-related value
NAV	net asset value
NOL	net operating loss
Note	Note to consolidated financial statements
NPNS	normal purchase normal sale
OCI	other comprehensive income
Parent	TECO Holdings, Inc. as of April 1, 2024, and TECO Energy, Inc. prior to April 1, 2024
PBGC	Pension Benefit Guarantee Corporation
PBO	projected benefit obligation
PGS	Peoples Gas System, Inc., subsidiary of TECO Gas Operations, Inc.; also referred to as Peoples Gas System
PRP	potentially responsible party
REIT	real estate investment trust
ROE	return on common equity
RNG	renewable natural gas
Regulatory ROE	return on common equity as determined for regulatory purposes
SeaCoast	SeaCoast Gas Transmission, subsidiary of TECO Gas Operations, Inc.
SERP	Supplemental Executive Retirement Plan
STIF	short-term investment fund
Tampa Electric	Tampa Electric Company
TBA	to be announced
TEC	Tampa Electric Company
TECO Energy	TECO Energy, Inc., the indirect parent company of Peoples Gas System, Inc. prior to April 1, 2024
TGOI	TECO Gas Operations, Inc., direct parent of Peoples Gas System, Inc.
TECO Holdings	TECO Holdings, Inc, the indirect parent company of Peoples Gas System, Inc. as of April 1, 2024
US GAAP	generally accepted accounting principles in the United States
YTM	yield to maturity

The accompanying financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). See Note 14 for additional information.

Peoples Gas System, Inc. (PGS)'s Notes to the Financial Statements have been prepared in conformity with generally accepted accounting principles. Accordingly, certain footnotes are not reflective of PGS's Financial Statements contained herein.

PEOPLES GAS SYSTEM, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

Description of the Business

PGS (or the company) is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in the state of Florida. Gas is delivered to the PGS distribution system through three interstate pipelines. PGS operates a natural gas distribution system that serves approximately 523,000 customers. The system includes approximately 15,900 miles (unaudited) of gas mains and 9,000 miles (unaudited) of service lines. PGS has operations in Florida's major metropolitan areas.

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of PGS and its subsidiary, TECO Partners Inc. Intercompany balances and transactions have been eliminated in consolidation.

These consolidated financial statements are prepared and presented in accordance with US GAAP. In the opinion of management, these consolidated financial statements include all adjustments that are of a recurring nature and necessary to fairly state the financial position of the company.

PGS is a wholly owned subsidiary of a gas operations holding company, TGOI. Prior to April 1, 2024, TGOI was a wholly owned subsidiary of TECO Energy, which was an indirect, wholly owned subsidiary of Emera. On April 1, 2024, TECO Energy distributed its investment in TGOI to TECO Holdings, Inc. in a transaction intended to qualify as a tax-free reorganization. This new corporation is also an indirect, wholly owned subsidiary of Emera. Therefore, PGS is an indirect, wholly owned subsidiary of Emera.

Use of Estimates

The use of estimates is inherent in the preparation of financial statements in accordance with US GAAP. Actual results could differ from these estimates.

Cash Equivalents

Cash equivalents are highly liquid, high-quality investments purchased with an original maturity of three months or less. The carrying amount of cash equivalents approximated fair market value because of the short maturity of these instruments.

Property, Plant and Equipment

Property, plant and equipment is stated at original cost, which includes labor, material, applicable taxes, overhead and AFUDC. Concurrent with a planned major maintenance or with new construction, the cost of adding or replacing retirement units-of-property is capitalized in conformity with the regulations of FERC and FPSC. The cost of maintenance, repairs and replacement of minor items of property is expensed as incurred.

As a regulated utility, PGS must file depreciation studies periodically and receive approval from the FPSC before implementing new depreciation rates. Included in approved depreciation rates is either an implicit net salvage factor or a cost of removal factor, expressed as a percentage. The net salvage factor is principally comprised of two components—a salvage factor and a cost of removal factor. The company uses the current cost of removal factor as part of the estimation method to approximate the amount of cost of removal in accumulated depreciation. The original cost of utility plant retired or otherwise disposed of and the cost of removal, less salvage value, is charged to accumulated depreciation and the accumulated cost of removal reserve reported as a regulatory liability, respectively. For other property dispositions, the cost and accumulated depreciation are removed from the balance sheet and a gain or loss is recognized.

Property, plant and equipment consisted of the following assets:

<i>(millions)</i>	<i>Estimated Useful Lives</i>	<i>December 31, 2025</i>	<i>December 31, 2024</i>
Gas transmission and distribution	15-75 years	\$ 3,416	\$ 3,141
General plant and other	3-30 years	311	203
Total cost		3,727	3,344
Less accumulated depreciation		(826)	(768)
Construction work in progress		105	195
Total property, plant and equipment, net		<u>\$ 3,006</u>	<u>\$ 2,771</u>

Depreciation and Amortization

The provision for total regulated utility plant in service, expressed as a percentage of the original cost of depreciable property, was 2.71% and 2.70% for 2025 and 2024, respectively. Construction work in progress is not depreciated until the asset is placed in service. Total depreciation expense for the years ended December 31, 2025 and 2024 was \$85 million and \$77 million, respectively.

PGS computes depreciation and amortization using the following methods:

- the group remaining life method, approved by the FPSC, is applied to the average investment, adjusted for anticipated costs of removal less salvage, in functional classes of depreciable property;
- the amortizable life method, approved by the FPSC, is applied to the net book value to date over the remaining life of those assets not classified as depreciable property above.

Allowance for Funds Used During Construction

AFUDC is a non-cash credit to income with a corresponding charge to utility plant which represents the cost of borrowed funds and a reasonable return on other funds used for construction. The rates used to calculate AFUDC are revised periodically to reflect significant changes in cost of capital. PGS's rate used to calculate its AFUDC in 2025 and 2024 was 7.08% and 7.08%, respectively. Total AFUDC for the years ended December 31, 2025 and 2024 was \$2 million and \$3 million, respectively.

Inventory

PGS values materials and supplies using a weighted-average cost method. These material and supplies inventories are carried at the lower of weighted-average cost or net realizable value.

Regulatory Assets and Liabilities

PGS is subject to accounting guidance for the effects of certain types of regulation (see **Note 3**).

Deferred Income Taxes

PGS uses the asset and liability method in the measurement of deferred income taxes. Under the asset and liability method, the temporary differences between the financial statement and tax bases of assets and liabilities are reported as deferred taxes measured at enacted tax rates. PGS is regulated, and the books and records reflect approved regulatory treatment, including certain adjustments to accumulated deferred income taxes and the establishment of a corresponding regulatory tax liability reflecting the amount payable to customers through future rates. See **Note 4** for additional details.

Investment Tax Credits

ITCs earned on regulated assets are deferred and amortized as reductions to income tax expense as required by regulatory practices. ITCs earned on unregulated assets are recorded as a reduction of income tax expense in the period the assets are placed in service.

Revenue Recognition

Regulated Gas Revenue

Gas revenues, including energy charges, demand charges, basic facilities charges and applicable clauses and riders, are recognized when obligations under the terms of a contract are satisfied. This occurs primarily when gas is delivered to customers over time as the customer simultaneously receives and consumes the benefits of the gas. Gas revenues are recognized on an accrual basis and include billed and unbilled revenues. Revenues related to the distribution and sale of gas are recognized at rates approved by the regulator and recorded based on metered usage, which occur on a periodic, systematic basis, generally monthly. At the end of each

reporting period, the gas delivered to customers, but not billed, is estimated and the corresponding unbilled revenue is recognized. The company's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of the rms delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions as to the pattern of usage, weather, and inter-period changes to customer classes.

Other

See Accounting for Franchise Fees and Gross Receipts below for the accounting for gross receipts taxes. Sales and other taxes PGS collects concurrent with revenue-producing activities are excluded from revenue.

Revenues and Cost Recovery

Revenues include amounts resulting from cost recovery clauses which provide for monthly billing charges to reflect increases or decreases in purchased gas, interstate pipeline capacity, replacement of cast iron/bare steel pipe and conservation costs for PGS. These adjustment factors are based on costs incurred and projected for a specific recovery period. Any over- or under-recovery of costs plus an interest factor are taken into account in the process of setting adjustment factors for subsequent recovery periods. Over-recoveries of costs are recorded as regulatory liabilities, and under-recoveries of costs are recorded as regulatory assets.

Certain other costs incurred by the regulated utilities are allowed to be recovered from customers through prices approved in the regulatory process. These costs are recognized as the associated revenues are recognized.

Receivables and Allowance for Credit Losses

Receivables on the Consolidated Balance Sheets include receivables from contracts with customers, which consist of services to residential, commercial, industrial and other customers, totaling \$76 million and \$76 million as of December 31, 2025 and 2024, respectively. An allowance for credit losses is established based on PGS's collection experience and reasonable and supportable forecasts that affect the collectability of the reported amount. Circumstances that impact estimates of credit losses include but are not limited to customer credit issues, fuel prices, customer deposits and general economic conditions. Accounts are reserved to the allowance or written off once they are deemed to be uncollectible.

PGS accrues base revenues primarily for services rendered but unbilled to provide for matching of revenues and expenses. As of December 31, 2025 and 2024, unbilled revenues of \$20 million and \$20 million, respectively, are included in the "Receivables" line item on the company's Consolidated Balance Sheets.

Accounting for Franchise Fees and Gross Receipts Taxes

PGS is allowed to recover certain costs incurred on a dollar-for-dollar basis from customers through rates approved by the FPSC. The amounts included in customers' bills for franchise fees and gross receipt taxes are included as revenues on the Consolidated Statements of Income. Franchise fees and gross receipt taxes payable are included as an expense on the Consolidated Statements of Income in "Taxes, other than income". These amounts totaled \$38 million and \$36 million for the years ended December 31, 2025 and 2024, respectively.

Deferred Charges and Other Assets

Deferred charges and other assets consist primarily of pension assets net of accrued pension liabilities (see **Note 5**), lease assets (see **Note 11**), and excess insurance recovery.

Deferred Credits and Other Liabilities

Deferred credits and other liabilities primarily include accrued other postretirement benefits (see **Note 5**), MGP environmental remediation liability (see **Note 8**), a reserve for auto, general and workers' compensation liability claims, and customer deposits for construction activity.

TECO Holdings and its subsidiaries, including PGS, have a self-insurance program supplemented by excess insurance coverage for the cost of claims whose ultimate value exceeds the company's retention amounts. The company estimates its liabilities for auto, general and workers' compensation using discount rates mandated by statute or otherwise deemed appropriate for the circumstances. Discount rates used in estimating these other self-insurance liabilities at December 31, 2025 and 2024 ranged from 4.00% to 5.11%.

Derivatives and Hedging Activities

PGS's physical contracts qualify for the NPNS exception to derivative accounting rules, provided they meet certain criteria. Generally, NPNS applies if PGS deems the counterparty creditworthy, if the counterparty owns or controls resources within the proximity to allow for physical delivery of the commodity, if PGS intends to receive physical delivery and if the transaction is

reasonable in relation to PGS's business needs. As of December 31, 2025 and 2024, all of PGS's physical contracts qualified for the NPNS exception, which was elected.

The company classifies cash inflows and outflows related to derivative and hedging instruments in the appropriate cash flow sections associated with the item being hedged. For natural gas, the cash inflows and outflows are included in the operating section of the Consolidated Statement of Cash Flows. For interest rate swaps that settle coincident with the debt issuance, the cash inflows and outflows are treated as premiums or discounts and included in the financing section of the Consolidated Statements of Cash Flows. No such activity occurred during the years ended December 31, 2025 and 2024.

Reclassifications

Certain reclassifications were made to prior year amounts in **Note 4** to conform to current period presentation. None of the reclassifications affected PGS's net income, financial position or cash flows in any period.

2. New Accounting Pronouncements

Income Tax Disclosures

PGS adopted ASU 2023-09, Income Taxes (Topic 740), Improvements to Income Tax Disclosures, effective December 31, 2025. The standard enhances the transparency, decision usefulness and effectiveness of income tax disclosures by requiring consistent categories and greater disaggregation of information in the reconciliation of income taxes computed using the enacted statutory income tax rate to the actual income tax provision and effective income tax rate, as well as the disaggregation of income taxes paid (refunded) by jurisdiction. Adoption of the standard resulted in additional disclosure provided in **Note 4**.

Targeted Improvements to the Accounting for Internal-Use Software

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The standard update modernizes accounting for internal-use software by eliminating references to project stages and clarifying the threshold to begin capitalizing costs. The standard update also specifies that the disclosure requirements under ASC 360, Property, Plant and Equipment, apply to capitalized software costs accounted for under ASC 350-40. The guidance will be effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The standard updates are to be applied using either a prospective, retrospective, or modified transition approach. PGS is currently evaluating the impact of adoption of the standard update on its financial statements.

3. Regulatory

PGS is regulated by the FPSC. The FPSC sets rates based on a cost of service methodology which allows utilities to collect total revenues (revenue requirements) equal to their prudently incurred cost of providing service or products, plus a reasonable return on equity invested or assets. As a result, PGS qualifies for the application of accounting guidance for certain types of regulation. This guidance recognizes that the actions of a regulator can provide reasonable assurance of the existence of an asset or liability. Regulatory assets and liabilities arise as a result of a difference between US GAAP and the accounting principles imposed by the regulatory authorities. Regulatory assets generally represent incurred costs that have been deferred, as their future recovery in customer rates is probable. Regulatory liabilities generally represent obligations to make refunds to customers from previous collections for costs that are not likely to be incurred. In addition to regulatory assets and regulatory liabilities, rate regulation impacts other financial statement balances and activity, including, but not limited to, property, plant, and equipment, revenues, and expenses.

Base Rates

On April 4, 2023, PGS filed a petition with the FPSC for a base rate increase. A hearing for this matter was held in September 2023. On December 27, 2023, the FPSC issued the final order which granted an approximately \$118 million increase to PGS's base revenues. This includes approximately \$11 million transferred from the cast iron and bare steel replacement rider, resulting in a net incremental increase of \$107 million to base revenues. This reflects a 10.15% midpoint ROE, with a range of 9.15% to 11.15% ROE, and an approved equity capital structure of 54.7%. These new rates were in effect as of the first billing cycle of January 2024. Additionally, the final order set new depreciation rates effective January 1, 2024. These new rates are consistent with PGS's current overall average depreciation rate. The final order also approved a one-time long-term debt true-up mechanism adjustment to base rates to reflect PGS's actual cost rate for its inaugural long-term debt issuance. This increase was approved through a limited proceeding with new rates effective in the first billing of July 2024.

On March 31, 2025, PGS filed a rate case with the FPSC. Subsequently, on August 13, 2025, PGS filed a motion with the FPSC requesting approval of the 2025 Stipulation and Settlement Agreement dated August 13, 2025 (the "2025 Agreement") by and

among PGS, the Office of Public Counsel and the Florida Industrial Power Users Group. On October 7, 2025, the Commission voted and approved the 2025 Agreement, and the official order was issued on October 31, 2025. The 2025 Agreement results in an increase in base rates and service charges of \$66.7 million effective the first billing cycle of 2026, and an increase of \$25 million effective the first billing cycle of 2027. The \$66.7 million increase includes a \$6.7 million increase in base rates for revenue previously recovered through the cast iron bare steel replacement rider and \$60 million of new revenues. Under the 2025 Agreement, if certain conditions are met regarding pressure and capacity improvements, then the Company may file a limited-proceeding petition with the Commission for a base rate increase of up to \$5 million to be effective in calendar year 2028. Unless otherwise specified in the 2025 Agreement, and pursuant to the base rate freeze, no adjustments shall be made to general base rates, charges, credits, cost allocation, or rate design methodologies for gas service with an effective date prior to January 1, 2029. The 2025 Agreement includes an allowed regulatory ROE range of 9.30% to 11.30% with a 10.30% midpoint based on a 54.7% equity ratio from investor sources. The 2025 Agreement further contains a provision whereby PGS agrees to modify its base rates for changes in base revenue requirements within the later of 180 days of when a tax change becomes law or 180 days of the effective date of such corporate income tax changes.

Regulatory Assets and Liabilities

Details of the regulatory assets and liabilities are presented in the following table:

<i>(millions)</i>	<i>December 31, 2025</i>	<i>December 31, 2024</i>
Regulatory assets:		
Regulatory tax asset ⁽¹⁾	\$ 6	\$ 5
Cost-recovery clauses ⁽²⁾	9	9
Environmental remediation ⁽³⁾	19	20
Postretirement benefits ⁽⁴⁾	24	32
Storm reserve ⁽⁵⁾	1	2
Other	8	5
Total regulatory assets	67	73
Less: Current portion	17	16
Long-term regulatory assets	<u>\$ 50</u>	<u>\$ 57</u>
Regulatory liabilities:		
Regulatory tax liability ⁽⁶⁾	\$ 90	\$ 89
Cost-recovery clauses - deferred balances ⁽²⁾	17	5
Accumulated reserve—cost of removal ⁽⁷⁾	217	205
Other	1	1
Total regulatory liabilities	325	300
Less: Current portion	28	15
Long-term regulatory liabilities	<u>\$ 297</u>	<u>\$ 285</u>

- (1) The regulatory tax asset is primarily associated with the depreciation and recovery of AFUDC-equity. This asset does not earn a return but rather is included in the capital structure, which is used in the calculation of the weighted cost of capital used to determine revenue requirements. It will be recovered over the expected life of the related assets.
- (2) These assets and liabilities are related to FPSC clauses and riders. They are recovered or refunded through cost-recovery mechanisms approved by the FPSC on a dollar-for-dollar basis in a subsequent period.
- (3) This asset is related to costs associated with environmental remediation primarily at MGP sites. The balance is included in rate base, partially offsetting the related liability, and earns a rate of return as permitted by the FPSC. The timing of recovery is based on a settlement agreement approved by the FPSC.
- (4) This asset is related to the deferred costs of postretirement benefits and it is amortized over the remaining service life of plan participants. Deferred costs of postretirement benefits that are included in expense are recognized as cost of service for rate-making purposes as permitted by the FPSC.
- (5) The regulatory asset is included in rate base and earns a rate of return as permitted by the FPSC.
- (6) The regulatory tax liability is primarily related to the revaluation of PGS's deferred income tax balances recorded on December 31, 2017 at the lower corporate income tax rate due to U.S. tax reform. The liability related to the revaluation

of the deferred income tax balances is amortized and returned to customers through rate reductions or other revenue offsets based on IRS regulations and the settlement agreement for tax reform benefits approved by the FPSC.

- (7) This item represents the non-ARO cost of removal in the accumulated reserve for depreciation. AROs are costs for legally required removal of property, plant and equipment. Non-ARO cost of removal represents estimated funds received from customers through depreciation rates to cover future non-legally required cost of removal of property, plant and equipment, net of salvage value upon retirement, which reduces rate base for ratemaking purposes. This liability is reduced as costs of removal are incurred.

4. Income Taxes

Inflation Reduction Act

On August 16, 2022, the Inflation Reduction Act was signed into legislation and includes numerous tax incentives for clean energy, such as the extension and modification of existing ITCs, including the expansion of ITC for qualified biogas facilities beginning 2023 for projects placed in service through 2024, and introduction of new technology-neutral clean energy related credits beginning in 2025. PGS recognized zero and \$1 million reduction in tax expense, respectively, for the years ended December 31, 2025 and 2024 for its ITC related to its qualified biogas facilities placed in service during 2023.

One Big Beautiful Bill Act

On July 4, 2025, H.R. 1 – One Big Beautiful Bill Act (OBBBA) was signed into law. The OBBBA makes permanent many of the expired and expiring tax provisions originally enacted in the Tax Cuts and Jobs Act of 2017 and contains modifications to certain business tax deductions. It also includes significant changes in future years to the timing and availability of several clean energy tax credits previously enacted in the Inflation Reduction Act, including the ITC. While PGS's 2025 financial statements were not materially impacted as a result of OBBBA being signed into law in the third quarter of 2025, PGS will continue to evaluate the future impact of this tax law change as additional information and guidance becomes available.

Income Tax Expense

PGS is included in a consolidated U.S. federal income tax return with EUSHI and its subsidiaries. PGS's income tax expense is based upon a separate return method, modified for the benefits-for-loss allocation in accordance with EUSHI's tax sharing agreement. To the extent that PGS's cash tax positions are settled differently than the amount reported as realized under the tax sharing agreement, the difference is accounted for as either a capital contribution or a distribution.

Income tax expense consists of the following:

Income Tax Expense (Benefit)

(millions)

For the year ended December 31,

	2025	2024
Current income taxes		
Federal	\$ 15	\$ 19
State	5	5
Deferred income taxes		
Federal	16	14
State	5	4
Investment tax credits	0	(1)
Total income tax expense	<u>\$ 41</u>	<u>\$ 41</u>

For the two years presented, the overall effective tax rate on continuing operations differs from the U.S. federal statutory rate as presented below:

Effective Income Tax Rate

(millions)

For the year ended December 31,

	2025	% Impact	2024	% Impact
Income before provision for income taxes	\$ 159		\$ 161	
Income taxes, at statutory income tax rate	33	21%	34	21%
State and local income tax, net of federal income tax effect ⁽¹⁾	8	5%	8	5%
Other	0	0%	(1)	-1%
Total income tax expense on consolidated statements of income	<u>\$ 41</u>	<u>26%</u>	<u>\$ 41</u>	<u>25%</u>

(1) State income taxes relate to Florida

The major components of the company's deferred tax assets and liabilities recognized are as follows:

Deferred Income Taxes

(millions)

As of December 31,

	2025	2024
Deferred tax liabilities ⁽¹⁾		
Property related	\$ 262	\$ 240
Pension and postretirement benefits	15	17
Regulatory Assets	7	7
Insurance related	0	3
Other	2	1
Total deferred tax liabilities	<u>286</u>	<u>268</u>
Deferred tax assets ⁽¹⁾		
Loss and credit carryforwards ⁽²⁾	7	8
Capitalized energy conservation assistance costs	25	23
Insurance related	1	4
Pension and postretirement benefits	11	13
Unpaid compensation	6	5
Total deferred tax assets	<u>50</u>	<u>53</u>
Total deferred tax liability, net	<u>\$ 236</u>	<u>\$ 215</u>

(1) Certain property related assets and liabilities have been netted.

(2) Deferred tax assets for NOL and tax credit carryforwards have been reduced by unrecognized tax benefits of \$1 million and \$1 million at December 31, 2025 and 2024, respectively.

The expiration of PGS's tax credits are as follows:

(millions)

	December 31, 2025	Expiration Year
General business credits	\$ 8	2027-2043

As a result of TECO Energy's merger with Emera in 2016, PGS's NOLs and credits will be utilized by EUSHI, in accordance with the benefits-for-loss allocation which provide that tax attributes are utilized by the consolidated or combined tax return group of EUSHI.

PGS establishes valuation allowances on its deferred tax assets, including losses and tax credits, when the amount of expected future taxable income is not more likely than not to support the use of the deduction or tax attribute. At this time, PGS considers it more likely than not that PGS will have sufficient taxable income in the future that will allow the Company to realize its deferred tax assets. As of December 31, 2025 and 2024, a valuation allowance is not required.

Unrecognized Tax Benefits

PGS accounts for uncertain tax positions in accordance with US GAAP.

As of December 31, 2025 and 2024, PGS's uncertain tax positions for federal research and development tax credits were \$1 million and \$1 million respectively, all of which was recorded as a reduction of deferred income tax assets for tax credit carryforwards. The unrecognized tax benefits, if recognized, would reduce PGS's effective tax rate.

PGS recognizes interest accruals related to uncertain tax positions in “Other income” or “Interest expense”, as applicable, and penalties in “Operation and maintenance expense” in the Consolidated Statements of Income. In 2025 and 2024, the company did not recognize any pre-tax charges (benefits) for interest.

The United States federal statute of limitations remains open for the year 2017 and forward. Florida’s statute of limitations is three years from the filing of an income tax return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. Years still open to examination by Florida’s tax authorities include 2013 and forward as a result of EUSHI’s consolidated Florida NOL still being utilized.

5. Employee Postretirement Benefits

Pension Benefits

In 2024, PGS was a participant in the comprehensive retirement plans of TECO Energy LLC (formerly known as TECO Energy, Inc. prior to April 1, 2024) including a qualified, non-contributory defined benefit retirement plan that covers substantially all employees. Subsequent to April 1, 2024, TECO Energy, LLC became a wholly owned subsidiary of the newly created TECO Holdings (see **Note 1** for further detail). Effective January 1, 2025, the comprehensive retirement plans were transferred to TECO Holdings. Effective January 1, 2026, the active employees of New Mexico Gas Company and the benefits attributable to those active employees under the TECO Holdings Group Retirement Plan were transferred from this TECO Holdings plan to the New Mexico Gas Company Spin-off plan. Benefits are based on employees’ age, years of service and final average earnings. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to PGS are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Holdings retirement plans. Although the company expects to continue the plan, the company reserves the right to amend, modify, suspend or terminate the plan in whole or in part at any time.

Amounts disclosed for pension benefits in the following tables and discussion also include the fully-funded obligations for the SERP and the unfunded obligations for the Restoration Plan. The SERP is a non-qualified, non-contributory defined benefit retirement plan available to certain members of senior management. The Restoration Plan is a non-qualified, non-contributory defined benefit retirement plan that allows certain members of senior management to receive contributions as if no IRS limits were in place.

Other Postretirement Benefits

TECO Holdings and its subsidiaries currently provide certain postretirement health care and life insurance benefits (other benefits) for most employees retiring after age 50 meeting certain service requirements. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to PGS are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Holdings postretirement health care and life insurance plans. Postretirement benefit levels are substantially unrelated to salary. TECO Holdings reserves the right to terminate or modify the plans in whole or in part at any time.

Obligations and Funded Status

PGS recognizes in its statement of financial position the over-funded or under-funded status of its allocated portion of TECO Holdings postretirement benefit plans. This status is measured as the difference between the fair value of plan assets and the PBO in the case of its defined benefit plan, or the APBO in the case of its other postretirement benefit plan. Changes in the funded status are reflected, net of estimated tax benefits, in the benefit liabilities and regulatory assets. The results of operations are not impacted.

The following table provides a detail of the change in TECO Holdings benefit obligations and change in plan assets for combined pension plans (pension benefits) and TECO Holdings Florida-based other postretirement benefit plans (other benefits).

TECO Holdings

Obligations and Funded Status

<i>(millions)</i>	Pension Benefits		Other Benefits ⁽²⁾	
	2025	2024	2025	2024
Change in benefit obligation				
Benefit obligation at beginning of year	\$ 674	\$ 678	\$ 130	\$ 132
Service cost	18	17	1	1
Interest cost	36	35	7	7
Plan participants’ contributions	0	0	4	4
Benefits paid	(62)	(57)	(13)	(10)
Actuarial loss (gain)	10	1	(1)	(4)
Plan amendments ⁽³⁾	0	0	3	0
Benefit obligation at end of year	<u>\$ 676</u>	<u>\$ 674</u>	<u>\$ 131</u>	<u>\$ 130</u>

Change in plan assets

Fair value of plan assets at beginning of year	\$ 686	\$ 686	0	\$ 0
Actual gain (loss) return on plan assets	105	41	0	0
Employer contributions	19	16	0	0
Employer direct benefit payments	0	0	9	6
Plan participants' contributions	0	0	4	4
Benefits paid	(62)	(57)	0	0
Direct benefit payments	0	0	(13)	(10)
Fair value of plan assets at end of year ⁽¹⁾	<u>\$ 748</u>	<u>\$ 686</u>	<u>\$ 0</u>	<u>\$ 0</u>

- (1) The MRV of plan assets is used as the basis for calculating the EROA component of periodic pension expense. The MRV reflects the fair value of plan assets adjusted for experience gains and losses (i.e. the differences between actual investment returns and expected returns) spread over five years.
- (2) Represent amounts for TECO Holdings Florida-based other postretirement benefit plan.
- (3) Represents amount for New Mexico Gas Company other postretirement benefit plan. These charges did not impact PGS's financial statements.

Increases in the benefit obligation for the period ended December 31, 2025 are the result of normal growth of the plan due to the continued accrual of benefits, refinements in actuarial assumptions based on an experience study performed during the year, and decreases in the discount rate used to calculate the benefit obligation.

At December 31, the aggregate financial position for TECO Holdings pension plans and Florida-based other postretirement plans with PBOs and accumulated projected benefit obligations in excess of plan assets was as follows:

TECO Holdings

Funded Status

<i>(millions)</i>	Pension Benefits		Other Benefits ⁽¹⁾	
	2025	2024	2025	2024
Benefit obligation (PBO/APBO)	\$ 676	\$ 674	\$ 131	\$ 130
Less: Fair value of plan assets	748	686	0	0
Funded status at end of year	<u>\$ 72</u>	<u>\$ 12</u>	<u>\$ (131)</u>	<u>\$ (130)</u>

- (1) Represent amounts for TECO Holdings Florida-based other postretirement benefit plan.

The accumulated benefit obligation for all TECO Holdings consolidated defined benefit pension plans was \$628 million at December 31, 2025 and \$638 million at December 31, 2024.

The amounts recognized in PGS's Consolidated Balance Sheets for pension and other postretirement benefit obligations and qualified plan assets at December 31 were as follows:

PGS

Amounts recognized in balance sheet

<i>(millions)</i>	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Deferred charges and other assets	8	\$ 0	\$ 0	\$ 0
Other current liabilities	\$ 0	\$ 0	\$ (1)	\$ (1)
Deferred credits and other liabilities	(1)	(2)	(14)	(15)
Net amount recognized at end of year	<u>\$ 7</u>	<u>\$ (2)</u>	<u>\$ (15)</u>	<u>\$ (16)</u>

Unrecognized gains and losses and prior service credits and costs are recorded in regulatory assets for PGS. The following table provides a detail of the unrecognized gains and losses and prior service credits and costs.

PGS

Amounts recognized in regulatory assets

<i>(millions)</i>	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Net actuarial loss (gain)	\$ 25	\$ 32	\$ (1)	\$ 0
Amount recognized	<u>\$ 25</u>	<u>\$ 32</u>	<u>\$ (1)</u>	<u>\$ 0</u>

Assumptions used to determine benefit obligations at December 31,

	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Discount rate	5.41%	5.66%	5.52%	5.69%
Rate of compensation increase	4.71%	4.42%	4.71%	4.42%
Healthcare cost trend rate				
Immediate rate	n/a	n/a	8.15%	7.45%
Ultimate rate	n/a	n/a	4.00%	4.00%
Year rate reaches ultimate trend rate	n/a	n/a	2051	2050

The discount rate assumption used to determine the December 31, 2025 and 2024 benefit obligations was based on a cash flow matching technique that matches yields from high-quality (AA-rated, non-callable) corporate bonds to TECO Holdings projected cash flows for the plans to develop a present value that is converted to a discount rate assumption.

Amounts Recognized in Net Periodic Benefit Cost, OCI and Regulatory Assets

TECO Holdings (millions)	Pension Benefits		Other Benefits ⁽¹⁾	
	2025	2024	2025	2024
Service cost	\$ 18	\$ 17	\$ 1	\$ 1
Interest cost	36	35	7	7
Expected return on plan assets	(54)	(55)	0	0
Amortization of:				
Actuarial loss	7	7	0	0
Prior service cost	0	0	2	(3)
Net periodic benefit cost	<u>\$ 7</u>	<u>\$ 4</u>	<u>\$ 10</u>	<u>\$ 5</u>
Net loss (gain) arising during the year (includes curtailment gain)	\$ (41)	\$ 15	\$ 0	\$ (4)
Prior service cost	0	0	3	0
Amounts recognized as component of net periodic benefit cost:				
Amortization or curtailment recognition of prior service credit	0	0	(2)	3
Amortization or settlement of actuarial loss	(7)	(7)	0	0
Total recognized in OCI and regulatory assets	<u>\$ (48)</u>	<u>\$ 8</u>	<u>\$ 1</u>	<u>\$ (1)</u>
Total recognized in net periodic benefit cost, OCI and regulatory assets	<u>\$ (41)</u>	<u>\$ 12</u>	<u>\$ 11</u>	<u>\$ 4</u>

(1) Represents amounts for TECO Holdings Florida-based other postretirement benefit plan.

PGS's portion of the net periodic benefit costs for pension benefits was \$2 million and \$2 million for 2025 and 2024, respectively. PGS's portion of the net periodic benefit costs for other benefits was \$1 million and \$1 million for 2025 and 2024, respectively. Net periodic benefit costs for pension and other benefits is included as an expense on the Consolidated Statements of Income in "Operations and maintenance".

Assumptions used to determine net periodic benefit cost for years ended December 31,

	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Discount rate	5.66%	5.27%	5.69%	5.28%
Expected long-term return on plan assets	7.05%	7.05%	n/a	n/a
Rate of compensation increase	4.42%	4.42%	4.42%	4.42%
Healthcare cost trend rate				
Initial rate	n/a	n/a	7.45%	6.09%
Ultimate rate	n/a	n/a	4.00%	4.00%
Year rate reaches ultimate trend rate	n/a	n/a	2050	2047

The discount rate assumption used to determine the benefit cost in 2025 and 2024 was based on the same technique that was used to determine the December 31, 2025 and 2024 benefit obligation as discussed above.

The expected return on assets assumption was based on historical returns, fixed income spreads and equity premiums consistent with the portfolio and asset allocation. A change in asset allocations could have a significant impact on the expected return on assets. Additionally, expectations of long-term inflation, real growth in the economy and a provision for active management and expenses paid were incorporated in the assumption. For the year ended December 31, 2025, TECO Holdings pension plan's actual return was approximately 16.17%.

The compensation increase in the 2024 assumption was based on the underlying expectation of long-term inflation together with assumptions regarding growth in wages and company-specific merit and promotion increases.

Pension Plan Assets

Pension plan assets are invested in a mix of equity and fixed-income securities. TECO Holdings investment objective is to obtain above-average returns while minimizing volatility of expected returns and funding requirements over the long term. TECO Holdings strategy is to hire proven managers and allocate assets to reflect a mix of investment styles, emphasize preservation of principal to minimize the impact of declining markets, and stay fully invested except for cash to meet benefit payment obligations and plan expenses.

TECO Holdings Asset Category	Target Allocation		Actual Allocation, End of Year	
	2025	2024	2025	2024
	Cash and cash equivalents	0%-10%	0%-10%	6%
Equity securities	48%-68%	48%-68%	57%	58%
Fixed income securities	29%-49%	29%-49%	37%	40%
Total	100%	100%	100%	100%

TECO Holdings reviews the plan's asset allocation periodically and re-balances the investment mix to maximize asset returns, optimize the matching of investment yields with the plan's expected benefit obligations, and minimize pension cost and funding. TECO Holdings will continue to monitor the matching of plan assets with plan liabilities over the long term.

The plan's investments are held by a trust fund administered by The Bank of New York Mellon. Investments are valued using quoted market prices on an exchange when available. Such investments are classified Level 1. In some cases where a market exchange price is available but the investments are traded in a secondary market, acceptable practical expedients are used to calculate fair value.

If observable transactions and other market data are not available, fair value is based upon third-party developed models that use, when available, current market-based or independently-sourced market parameters such as interest rates, currency rates or option volatilities. Items valued using third-party generated models are classified according to the lowest level input or value driver that is most significant to the valuation. Thus, an item may be classified in Level 3 even though there may be significant inputs that are readily observable.

As required by the fair value accounting standards, the investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The plan's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. For cash equivalents, the cost approach was used in determining fair value. For bonds and U.S. government agencies, the income approach was used. For other investments, the market approach was used. The following tables set forth by level within the fair value hierarchy the plan's investments.

Pension Plan Investments

TECO Holdings

(millions)

At Fair Value as of December 31, 2025

	Level 1	Level 2	Level 3	Using NAV ⁽¹⁾	Total
Cash	\$ 1	\$ 0	\$ 0	\$ 0	\$ 1
Accounts receivable	12	0	0	0	12
Accounts payable	(32)	0	0	0	(32)
Short-term investment funds (STIFs)	46	0	0	0	46
Real estate investment trusts (REITs)	1	0	0	0	1
Mutual funds	4	0	0	0	4
US Equity	84	0	0	0	84
Municipal bonds	0	2	0	0	2
Government bonds	0	76	0	0	76
Corporate bonds	0	48	0	0	48
Mortgage Backed Securities (MBS)	0	9	0	0	9
Investments not utilizing the practical expedient	116	135	0	0	251
Limited Partnership Pooled Fund	0	0	0	81	81
Common and collective trusts ⁽¹⁾	0	0	0	416	416
Total investments	<u>\$ 116</u>	<u>\$ 135</u>	<u>\$ 0</u>	<u>\$ 497</u>	<u>\$ 748</u>

- (1) In accordance with accounting standards, certain investments that are measured at fair value using the NAV per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are to permit reconciliation of the fair value hierarchy to amounts presented in the TECO Holdings fair value of plan assets.

TECO Holdings

(millions)

At Fair Value as of December 31, 2024

	Level 1	Level 2	Level 3	Using NAV ⁽¹⁾	Total
Cash	\$ 1	\$ 0	\$ 0	\$ 0	\$ 1
Accounts receivable	19	0	0	0	19
Accounts payable	(38)	0	0	0	(38)
Short-term investment funds (STIFs)	17	0	0	0	17
Real estate investment trusts (REITs)	2	0	0	0	2
Mutual funds	9	0	0	0	9
US Equity	99	0	0	0	99
Municipal bonds	0	2	0	0	2
Government bonds	0	71	0	0	71
Corporate bonds	0	53	0	0	53
Mortgage Backed Securities (MBS)	0	11	0	0	11
Investments not utilizing the practical expedient	109	137	0	0	246
Limited Partnership Pooled Fund	0	0	0	79	79
Common and collective trusts ⁽¹⁾	0	0	0	361	361
Total investments	<u>\$ 109</u>	<u>\$ 137</u>	<u>\$ 0</u>	<u>\$ 440</u>	<u>\$ 686</u>

- (1) In accordance with accounting standards, certain investments that are measured at fair value using the NAV per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are to permit reconciliation of the fair value hierarchy to amounts presented in the TECO Holdings fair value of plan assets.

The following list details the pricing inputs and methodologies used to value the investments in the pension plan:

- Cash collateral is valued at cash posted due to its short-term nature.
- The STIF is valued at NAV. The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make the STIF a level 1 asset.
- The primary pricing inputs in determining the fair value of the Common stocks, US Equity and REITs are closing quoted prices in active markets.

- The primary pricing inputs in determining the level 1 mutual funds are the mutual funds' NAVs. The funds are registered open-end mutual funds and the NAVs are validated with purchases and sales at NAV. Since the fair values are determined and published, they are considered readily-determinable fair values and therefore Level 1 assets.
- The primary pricing inputs in determining the fair value of municipal bonds are benchmark yields, historical spreads, sector curves, rating updates, and prepayment schedules. The primary pricing inputs in determining the fair value of government bonds are the U.S. treasury curve, CPI, and broker quotes, if available. The primary pricing inputs in determining the fair value of corporate bonds are the U.S. treasury curve, base spreads, YTM, and benchmark quotes. CMOs are priced using to-be-announced (TBA) prices, treasury curves, swap curves, cash flow information, and bids and offers as inputs. MBS are priced using TBA prices, treasury curves, average lives, spreads, and cash flow information.
- The limited partnership pooled fund investment and common collective trusts are private funds valued at NAV. The NAVs are calculated based on bid prices of the underlying securities. Since the prices are not published to external sources, NAV is used as a practical expedient. Certain funds invest primarily in equity securities of domestic and foreign issuers while others invest in long duration U.S. investment-grade fixed income assets and seeks to increase return through active management of interest rate and credit risks. The redemption frequency of the funds ranges from daily to weekly and the redemption notice period ranges from 1 business day to 30 business days. There were no unfunded commitments as of December 31, 2025.
- Treasury bills are valued using benchmark yields, reported trades, broker dealer quotes, and benchmark securities.
- Futures are valued using futures data, cash rate data, swap rates, and cash flow analyses.

Additionally, the non-qualified SERP had \$4 million and \$4 million of assets as of December 31, 2025 and 2024, respectively. Since the plan is non-qualified, its assets are included in the "Deferred charges and other assets" line item in the Consolidated Balance Sheets rather than being netted with the related liability. The non-qualified trust holds investments in a money market fund. The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make it a level 1 asset. The SERP was fully funded as of December 31, 2025 and 2024.

Other Postretirement Benefit Plan Assets

There are no assets associated with TECO Holdings Florida-based other postretirement benefits plan.

Contributions

The qualified pension plan's actuarial value of assets, including credit balance, was 101.77% of the Pension Protection Act funded target as of January 1, 2025 and is estimated at 106.00% of the Pension Protection Act funded target as of January 1, 2026 and over 100.00% for the New Mexico Gas Company Spin-off plan.

TECO Holdings policy is to fund the qualified pension plan at or above amounts determined by its actuaries to meet ERISA guidelines for minimum annual contributions. PGS's contribution is first set equal to its service cost. If a contribution in excess of service cost for the year is made, PGS's portion is based on PGS's proportion of the TECO Holdings unfunded liability. TECO Holdings made contributions to this plan in 2025 and 2024 which met the minimum funding requirements for each year. PGS's portion of the contribution was \$4 million and \$3 million in 2025 and 2024, respectively. These amounts are reflected in the "Other" line on the Consolidated Statements of Cash Flows. PGS estimates its portion of the 2026 contribution to be \$4 million. The amount TECO Holdings expects to contribute is in excess of the minimum funding required under ERISA guidelines.

The other postretirement benefits are funded annually to meet benefit obligations. TECO Holdings contribution toward health care coverage for most employees who retired after the age of 55 between January 1, 1990 and June 30, 2001 is limited to a defined dollar benefit based on service. TECO Holdings contribution toward pre-65 and post-65 health care coverage for most employees retiring on or after July 1, 2001 is limited to a defined dollar benefit based on an age and service schedule. In 2026, PGS expects to contribute approximately \$1 million. Postretirement benefit levels are substantially unrelated to salary.

Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Expected Benefit Payments

TECO Holdings

(including projected service and net of employee contributions)

<i>(millions)</i>	Pension Benefits	Other Postretirement Benefits
2026	\$ 67	\$ 10
2027	68	11
2028	68	11
2029	68	11
2030	64	11
2031-2035	301	52

Defined Contribution Plan

TECO Holdings has a defined contribution savings plan covering substantially all employees of TECO Holdings and its subsidiaries that enables participants to save a portion of their compensation up to the limits allowed by IRS guidelines. TECO Holdings and its subsidiaries match 75% of the first 6% of the participant's payroll savings deductions. Effective January 1, 2017, the employer matching contributions increased from 70% to 75% with an additional incentive match of up to 25% of eligible participant contributions based on the achievement of certain operating company financial goals. For the years ended December 31, 2025 and 2024, PGS's portion of expense totaled \$3 million and \$4 million, respectively, related to the matching contributions made to this plan. The expense related to the matching contribution is included in the line item "Operations and maintenance" in the Consolidated Statements of Income.

6. Short-Term Debt

Credit Facilities

The following is a summary of credit facilities held by Peoples Gas System as of December 31, 2025 and 2024:

<i>(millions)</i>	2025		2024	
	Credit Facilities	Borrowings Outstanding - Credit Facilities	Credit Facilities	Borrowings Outstanding - Credit Facilities
PGS:				
5-year facility ⁽¹⁾	\$ 250	\$ 145	\$ 250	\$ 138
Total	<u>\$ 250</u>	<u>\$ 145</u>	<u>\$ 250</u>	<u>\$ 138</u>

(1) This 5-year PGS facility matures on November 20, 2030.

The PGS credit facility required commitment fees of 10 basis points. The weighted-average interest rate on outstanding amounts payable under the PGS credit facilities at December 31, 2025 and 2024 was 5.22% and 6.08%, respectively.

PGS Credit Facility

On December 1, 2023, PGS entered into a \$250 million senior unsecured revolving credit facility with a group of banks, maturing on December 1, 2028 (subject to further extension with the consent of each lender). The credit agreement contains customary representations and warranties, events of default, and financial and other covenants and provides for interest to accrue at variable rates based on the federal funds rate plus a margin. PGS may request the lenders to increase their commitments under the credit facility by up to \$100 million in the aggregate subject to agreement from participating lenders.

On November 20, 2025, PGS amended the credit facility agreement to extend the maturity date from December 1, 2028 to November 20, 2030.

7. Long-Term Debt

At December 31, 2025 and 2024, long-term debt had a carrying amount of \$923 million and \$923 million, respectively, and an estimated fair market value of \$950 million and \$923 million, respectively. The fair value of the debt securities is determined using Level 2 measurements (see **Note 12** for information regarding the fair value hierarchy).

PGS's gross maturities of long-term debt are as follows:

<i>As of December 31, 2025</i> <i>(millions)</i>	2026	2027	2028	2029	2030	Thereafter	Total Long-Term Debt
PGS	\$ 0	\$ 0	\$ 350	\$ 0	\$ 0	\$ 575	\$ 925

PGS had the following long-term debt as of December 31, 2025 and 2024:

Long-Term Debt

<i>(millions)</i>		<i>Due</i>	<i>2025</i>	<i>2024</i>
PGS	Notes ⁽¹⁾⁽²⁾ :			
	5.42%	2028	\$ 350	\$ 350
	5.63%	2033	350	350
	5.94%	2053	225	225
	Total long-term debt of PGS		925	925
Debt issuance costs			(2)	(2)
Total carrying amount of Notes			923	923
Less amount due within one year			0	0
Total long-term debt			<u>\$ 923</u>	<u>\$ 923</u>

(1) The agreements for these senior unsecured long-term debt securities contain various restrictive financial covenants.

(2) These securities are subject to redemption in whole or in part, at any time, at the option of the issuer.

8. Commitments and Contingencies

Legal Contingencies

From time to time, PGS is involved in various legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies in the ordinary course of business. Where appropriate, accruals are made in accordance with accounting standards for contingencies to provide for matters that are probable of resulting in an estimable loss.

Superfund and Former Manufactured Gas Plant Sites

As of December 31, 2025 and 2024, PGS was a PRP for certain superfund sites and certain former MGP sites. While the joint and several liability associated with these sites presents the potential for significant response costs, as of December 31, 2025 and 2024, PGS estimated its ultimate financial liability to be \$11 million and \$12 million, respectively. This amount has been accrued and is reflected in the long-term liability section under “Deferred credits and other liabilities” on the Consolidated Balance Sheets. The environmental remediation costs associated with these sites are expected to be paid over many years.

The estimated amounts represent only the portion of the cleanup costs that was attributable to PGS. The estimates to perform the work were based on PGS’s experience with similar work, adjusted for site-specific conditions and agreements with the respective governmental agencies. The estimates are made in current dollars, are not discounted and do not assume any insurance recoveries.

In instances where other PRPs are involved, most of those PRPs are creditworthy and are likely to continue to be creditworthy for the duration of the remediation work. However, in those instances that they are not, PGS could be liable for more than PGS’s actual percentage of the remediation costs.

Factors that could impact these estimates include the ability of other PRPs to pay their pro-rata portion of the cleanup costs, additional testing and investigation which could expand the scope of the cleanup activities, additional liability that might arise from the cleanup activities themselves or changes in laws or regulations that could require additional remediation. Under current regulations, these costs are recoverable through customer rates established in subsequent base rate proceedings.

Long-Term Commitments

PGS has commitments for various purchases as disclosed below, including contractual agreements for transportation, fuel and gas supply that are recovered from customers under regulatory clauses. The following is a schedule of future payments under minimum lease payments with non-cancelable lease terms in excess of one year and other net purchase obligations/commitments at December 31, 2025:

<i>(millions)</i>	<i>Transportation ⁽¹⁾</i>	<i>Fuel and Gas Supply</i>	<i>Total</i>
Year ended December 31:			
2026	\$ 147	\$ 24	\$ 171
2027	147	32	179
2028	146	28	174
2029	142	28	170
2030	123	28	151
Thereafter	871	43	914
Total future minimum payments	<u>\$ 1,576</u>	<u>\$ 183</u>	<u>\$ 1,759</u>

(1) As of December 31, 2025, \$88 million is related to a gas transportation contract between SeaCoast and PGS through 2040.

Financial Covenants

PGS must meet certain financial tests, including a debt to capital ratio, as defined in the applicable debt agreements. PGS has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2025 and 2024, PGS was in compliance with all required financial covenants.

9. Revenue

The following disaggregates PGS's revenue by major source:

(millions)

For the years ended December 31,

Regulated gas revenue	<u>2025</u>	<u>2024</u>
Residential	\$ 264	\$ 252
Commercial	273	265
Industrial ⁽¹⁾	41	39
Other ⁽²⁾	<u>161</u>	<u>140</u>
Total gas revenue ⁽³⁾	739	696
Unregulated revenue	<u>17</u>	<u>15</u>
Total revenue	<u>\$ 756</u>	<u>\$ 711</u>

(1) Industrial includes sales to power generation customers.

(2) Other includes off-system sales to other utilities, franchise fees, gross receipts, energy conservation charges, regulatory deferrals and various other items.

(3) Includes fuel revenue.

10. Related Party Transactions

A summary of activities between PGS and its affiliates follows:

Net transactions with affiliates:

<i>(millions)</i>	<u>2025</u>	<u>2024</u>
Services provided to/(received from) affiliates	\$ (36)	\$ (31)
Natural gas sales to/(purchases from) affiliates	(15)	(14)
Equity contributions from Parent	132	141
Dividends to Parent	114	113

Amounts due from or to affiliates at December 31,

<i>(millions)</i>	<u>2025</u>	<u>2024</u>
Accounts receivable ⁽¹⁾	\$ 3	\$ 1
Accounts payable ⁽¹⁾	12	13
Taxes receivable ⁽²⁾	0	8
Taxes payable ⁽²⁾	5	0

(1) Accounts receivable and accounts payable were incurred in the ordinary course of business and do not bear interest.

(2) Taxes were due to/from EUSHI. See **Note 4** for additional information.

11. Leases

PGS determines whether a contract contains a lease at inception by evaluating if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where PGS is the lessor, a lease is a sales-type lease if certain criteria are met and the arrangement transfers control of the underlying asset to the lessee. For arrangements where the criteria are met due to the presence of a third-party residual value guarantee, the lease is a direct financing lease.

For direct finance leases, a net investment in the lease is recorded that consists of the sum of the minimum lease payments and residual value (net of estimated executory costs and unearned income). The difference between the gross investment and the cost of the leased item is recorded as unearned income at the inception of the lease. Unearned income is recognized in income over the life of the lease using a constant rate of interest equal to the internal rate of return on the lease.

Lessor

Commencing in October 2023, the company leased a RNG facility to a biogas producer that is classified as a sales-type lease. The term of the facility lease is 15 years, with a nominal value purchase at the end of the term and a net investment of approximately \$33 million.

The total net investment in sales-type leases consists of the following as of December 31:

<i>(millions)</i>	2025	2024
Minimum lease payments receivable	\$ 51	\$ 55
Less unearned finance lease income	(18)	(21)
Net investment in direct finance and sales-type leases	\$ 33	\$ 34
Principal due within one year (included in "Receivables")	(4)	(4)
Net investment in direct finance and sales-type leases - long-term (included in "Deferred charges and other assets")	<u>\$ 29</u>	<u>\$ 30</u>

The unearned income related to this sales-type lease is recognized in income over the life of the lease using a constant rate of interest equal to the internal rate of return on the lease and is recorded as "Gas revenues" on the Consolidated Statements of Income. PGS recognized \$2 million and \$2 million of interest income related to this lease in 2025 and 2024 respectively.

The credit risk associated with the RNG facility is mitigated by a lease guaranty for two years of the lease payments of \$8 million.

As of December 31, 2025, future minimum sales-type lease payments to be received for each of the next five years and in aggregate thereafter consisted of the following:

<i>(millions)</i>	2026	2027	2028	2029	2030	Thereafter	Total
Year ended December 31: Minimum lease payments receivable	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 31	\$ 51

12. Fair Value Measurements

Items Measured at Fair Value on a Recurring Basis

Accounting guidance governing fair value measurements and disclosures provides that fair value represents the amount that would be received in selling an asset or the amount that would be paid in transferring a liability in an orderly transaction between market participants. As a basis for considering assumptions that market participants would use in pricing an asset or liability, accounting guidance also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs, such as quoted prices in active markets;

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

As of December 31, 2025 and 2024, the fair value of PGS's short-term debt is not materially different from the carrying value due to the short-term nature of the instruments and because the stated rates approximate market rates. The fair value of PGS's short-term debt is determined using Level 2 measurements.

See **Note 5** for information regarding the fair value of the company's pension plan investments and **Note 7** for the company's long-term debt.

13. Subsequent Events

These financial statements and notes reflect PGS's evaluation of events occurring subsequent to the balance sheet date through March 23, 2026, the date the financial statements were issued.

14. Difference between Uniform System of Accounts and GAAP

In accordance with the PSC/AFD 020-G page 11 instructions, these notes are a replica of those included in the Company's published annual reports which may include reclassifications not made for PSC/AFD 020-G reporting purposes. These financial statements are prepared in accordance with the accounting requirements as set forth in the applicable FERC Uniform System of Accounts for Natural Gas Companies and published accounting releases. This is a comprehensive basis of accounting consistent with GAAP, except for:

- the balance sheet classification of cost of removal collections from customers,
- the balance sheet classification of plant leased to others under capital leases,
- the balance sheet classification of ASC 740-10-45 deferred income tax,
- the balance sheet classification of regulatory assets and liabilities,
- the balance sheet classification of debt issuance costs,
- the balance sheet classification of unbilled revenue,
- the balance sheet classification of insurance recoveries,
- the balance sheet classification of accumulated provision for pension benefits,
- the balance sheet classification of state and income tax receivable/payable,
- the income statement classification of amortization of regulatory assets and liabilities,
- the equity method of accounting for wholly owned subsidiaries,
- the income statement classification of revenues and expenses,
- the notes are inclusive of a wholly owned subsidiary.

Subsequent events have been included through the date of the PGS GAAP financial statements issuance on March 23, 2026. In accordance with FERC requirements, subsequent events occurring in 2026 after that date have not been disclosed.

Name of Respondent		For the Year Ended	
Peoples Gas System, Inc.		Dec. 31, 2025	
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
Line No.	Item (a)	Total (b)	Gas (c)
1	UTILITY PLANT		
2	In Service		
3	101 Plant in Service (Classified)	3,167,810,438	3,167,810,438
4	101.1 Property Under Capital Leases	-	-
5	102 Plant Purchased or Sold	-	-
6	106 Completed Construction not Classified	539,630,247	539,630,247
7	103 Experimental Plant Unclassified	-	-
8	104 Leased to Others	38,462,839	38,462,839
9	105 Held for Future Use	1,939,552	1,939,552
10	114 Acquisition Adjustments	-	-
11	TOTAL Utility Plant (Total of lines 3 through 10)	3,747,843,076	3,747,843,076
12	107 Construction Work in Progress	102,570,735	102,570,735
13	Accum. Provision for Depreciation, Amortization, & Depletion	1,045,168,482	1,045,168,482
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	2,805,245,329	2,805,245,329
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	1,038,925,737	1,038,925,737
18	111 Amort. and Depl. of Producing Nat. Gas Land & Land Rights	-	-
19	111 Amort. of Underground Storage Land and Land Rights	-	-
20	119 Amortization of Other Utility Plant	-	-
21	TOTAL in Service (Total of lines 17 through 20)	1,038,925,737	1,038,925,737
22	Leased to Others		
23	108 Depreciation	6,242,745	6,242,745
24	111 Amortization and Depletion	-	-
25	TOTAL Leased to Others (Total of lines 23 and 24)	6,242,745	6,242,745
26	Held for Future Use		
27	108 Depreciation	-	-
28	111 Amortization	-	-
29	TOTAL Held for Future Use (Enter. Tot. of lines 27 and 28)	-	-
30	111 Abandonment of Leases (Natural Gas)	-	-
31	115 Amortization of Plant Acquisition Adjustment	-	-
32	TOTAL Accum. Provisions (Should agree with line 13 above) (Total of lines 21, 25, 29, 30, and 31)	1,045,168,482	1,045,168,482

Annual Status Report									
Analysis of Plant in Service Accounts									
Company: Peoples Gas System, Inc.									
For the Year Ended Dec. 31, 2025									
									Page 1 of 2
Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:									
30100	Organization	0.0	12,620	-	-	-	-	-	12,620
30200	Franchise & Consents	0.0	-	-	-	-	-	-	-
30300	Misc Intangible Plant	0.0	815,325	-	-	-	-	-	815,325
30301	Custom Intangible Plant	6.6	110,153,982	17,088,909	-	-	-	-	127,242,891
37402	Land Rights	1.3	4,268,873	-	-	-	-	-	4,268,873
39002	Structures & Improve Leases	4.1	134,160	-	-	-	-	-	134,160
	Subtotal		115,384,960	17,088,909	-	-	-	-	132,473,869
Depreciable Assets:									
33600	Renewable Natural Gas (RNG)	3.4	-	10,700,031	-	-	-	-	10,700,031
37400	Land Distribution	0.0	26,680,875	25,024	-	-	-	-	26,705,900
37500	Structures & Improvements	2.8	29,398,022	45,307,389	(17,797)	-	-	-	74,687,614
37600	Mains Steel	2.4	884,123,951	74,323,459	(3,804,875)	-	-	-	954,642,536
37602	Mains Plastic	1.8	933,529,837	107,235,741	(5,078,827)	-	-	-	1,035,686,752
37700	37700 - Compressor Equipment	3.0	19,851,446	495,750	-	-	-	-	20,347,196
37800	Meas & Reg Station Eqp Gen	3.0	27,240,090	1,221,421	(14,858)	-	-	-	28,446,653
37900	Meas & Reg Station Eqp City	2.2	115,317,401	5,157,452	-	-	-	-	120,474,853
38000	Services Steel	4.3	78,161,725	5,541,749	(396,323)	-	-	-	83,307,151
38002	Services Plastic	3.1	697,268,773	50,359,370	(1,044,292)	-	-	-	746,583,851
38100	Meters	4.7	108,765,889	10,200,239	(1,196,702)	-	-	-	117,769,425
38200	Meter Installations	2.6	124,581,280	21,952,368	(211,095)	-	-	-	146,322,554
38300	House Regulators	2.0	21,963,045	916,990	(36,331)	-	-	-	22,843,704
38400	House Regulator Installs	2.4	39,276,068	1,675,787	(105,087)	-	-	-	40,846,767
38500	Meas & Reg Station Eqp Ind	2.2	15,200,847	1,569,848	(1,716)	-	-	-	16,768,979
38700	Other Equipment	3.0	15,398,238	1,680,765	(7,529)	-	-	-	17,071,474
39000	Structures & Improvements	4.1	28,184	-	-	-	-	-	28,184
39100	Office Furniture	5.1	2,178,347	31,570,565	-	-	-	-	33,748,913
39101	Computer Equipment	7.8	7,952,119	1,582,358	(7,651)	-	-	-	9,526,826
39102	Office Equipment	6.3	1,601,895	69,082	(44,542)	-	-	-	1,626,434
39103	Office Furniture	0.0	-	-	-	-	-	-	-
39201	Vehicles up to 1/2 Tons	9.5	12,979,229	1,995,926	(498,806)	-	-	-	14,476,350
39202	Vehicles from 1/2 - 1 Tons	7.5	24,474,124	2,015,595	(388,944)	-	-	-	26,100,776
39203	Airplane	0.0	-	-	-	-	-	-	-
39204	Trailers & Other	2.4	4,351,292	66,699	-	-	-	-	4,417,991
39205	Vehicles over 1 Ton	5.8	2,647,582	1,583,830	-	-	-	-	4,231,412
39300	Stores Equipment	4.3	1,283	-	-	-	-	-	1,283
39400	Tools, Shop & Garage Equip	4.8	8,221,669	1,356,749	(6,775)	-	-	-	9,571,643
39401	CNG Stations	5.1	99,869	2,039	-	-	-	-	101,909
39500	Laboratory Equipment	0.0	-	-	-	-	-	-	-
39600	Power Operated Equipment	2.9	3,359,463	459,647	(14,494)	-	-	-	3,804,616
39700	Communication Equipment	7.7	2,960,151	156,054	-	-	-	-	3,116,205
39800	Miscellaneous Equipment	4.3	1,004,503	7,045	(2,712)	-	-	-	1,008,836
39900	Other Tangible Property	0.0	-	-	-	-	-	-	-

Annual Status Report
 Analysis of Plant in Service Accounts
 Company: Peoples Gas System, Inc.
 For the Year Ended Dec. 31, 2025

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Total Account 101 and 106*			3,324,002,158	396,317,883	(12,879,355)	-	-	-	3,707,440,685
10400	Lease to Others	6.6	38,462,839	-	-	-			38,462,839
10500	Property Held for Future Use	0.0	1,939,552	-					1,939,552
11400	Acquisition Adjustment	0.0	-	-	-				-
	Subtotal		40,402,391	-	-	-	-	-	40,402,391
Total Utility Plant **			3,364,404,548	396,317,883	(12,879,355)	-	-	-	3,747,843,076

Note: * The total of ending balances must agree to acct. 101,106, Plant in Service, Line 3, and Line 6, Page 12.

Note: ** The total of ending balances must agree to Line 11, Page 12.

Annual Status Report

Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System, Inc.

For the Year Ended Dec. 31, 2025

Page 1 of 2

Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
30100	Organization	-	-	-	-	-				-
30200	Franchise & Consents	-	-	-	-	-		-		-
30300	Misc Intangible Plant	815,325	-	-	-	-				815,325
30301	Custom Intangible Plant	36,823,754	7,774,735	-	(25)	-				44,598,464
37402	Land Rights	1,150,124	55,495	-	-	-				1,205,620
39002	Structures & Improve Leases	40,163	7,468	-	-	-				47,631
	Subtotal 108 - 404 *	38,829,366	7,837,698	-	(25)	-				46,667,040
Items necessary to reconcile the total amortization accrual amount to Acct. 404.3, Amortization Expense, shown on Line 7, Page 8.										
Depreciable Assets:										
33600	Renewable Natural Gas (RNG)	-	60,632	-	-	-				60,632
37400	Land Distribution	-	-	-	-	-				-
37500	Structures & Improvements	9,809,069	1,466,300	(713,782)	(246,114)	104,824				10,420,296
37600	Mains Steel	216,561,881	22,218,511	(4,100,943)	(4,374,683)	(216,895)		-		230,087,872
37602	Mains Plastic	243,926,779	17,702,366	(4,101,631)	(474,150)	(251,628)				256,801,737
37700	37700 - Compressor Equipment	2,040,114	603,657	-	116,893	(44,955)				2,715,709
37800	Meas & Reg Station Eqp Gen	6,377,765	834,623	-	(3,946)	-				7,208,443
37900	Meas & Reg Station Eqp City	23,125,932	2,573,694	(1,249,321)	(232,204)	966				24,219,067
38000	Services Steel	32,029,511	3,460,584	(889,064)	(5,006,701)	76,189				29,670,520
38002	Services Plastic	234,032,587	22,396,301	(499,069)	(2,663,107)	(183,900)				253,082,812
38100	Meters	45,322,313	5,201,974	(2,071)	(8,923)	-				50,513,294
38200	Meter Installations	41,746,882	3,496,280	(208,888)	(141,911)	-				44,892,362
38300	House Regulators	9,653,760	448,145	(46,300)	(33,078)	-				10,022,527
38400	House Regulator Installs	16,753,039	995,131	(95,119)	(144,595)	-				17,508,456
38500	Meas & Reg Station Eqp Ind	7,599,352	360,263	(9,244)	-	-				7,950,370
38700	Other Equipment	6,269,554	481,016	-	(1,034)	-				6,749,537
39000	Structures & Improvements	17,391	1,155	-	-	-				18,546
39100	Office Furniture	1,224,350	882,694	(7,651)	(10,863)	-				2,088,530
39101	Computer Equipment	3,732,811	654,296	(36,084)	(197)	-				4,350,825
39102	Office Equipment	1,065,930	101,494	(70,013)	1,568	3,781				1,102,760
39103	Office Furniture	-	-	(112,340)	(3,939)	5,302				(110,977)
39201	Vehicles up to 1/2 Tons	6,519,035	1,306,853	(613,931)	6,240	15,636				7,233,833
39202	Vehicles from 1/2 - 1 Tons	10,008,571	1,869,407	(99,923)	19,947	(322)				11,797,680
39203	Airplane	-	-	-	-	-				-
39204	Trailers & Other	791,424	104,866	-	(25)	-				896,266
39205	Vehicles over 1 Ton	1,401,492	190,322	-	-	-				1,591,814
39300	Stores Equipment	647	55	-	-	-				702
39400	Tools, Shop & Garage Equip	4,872,571	429,462	(21,268)	(1,009)	1,683				5,281,438
39401	CNG Stations	16,817	5,111	-	-	-				21,928
39500	Laboratory Equipment	-	-	-	-	-				-
39600	Power Operated Equipment	2,248,058	102,773	-	(98)	-				2,350,732
39700	Communication Equipment	3,166,018	232,711	(2,712)	(49)	-				3,395,968
39800	Miscellaneous Equipment	291,784	43,236	-	-	-				335,020
39900	Other Tangible Property	-	-	-	-	-				-

Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System, Inc.
 For the Year Ended Dec. 31, 2025

Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)										
Capital Recovery Schedules:										
Subtotal 108-403 *		969,434,802	96,061,611	(12,879,355)	(13,202,003)	(489,318)	-	-	-	1,038,925,737
Items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on Line 6, Page 8.										
10400	Lease to Others	3,706,166	2,536,578	-	-	-	-	-	-	6,242,745
10500	Property Held for Future Use	-	-	-	-	-	-	-	-	-
11400	Acquisition Adjustment	-	-	-	-	-	-	-	-	-
	Subtotal	3,706,166	2,536,578	-	-	-	-	-	-	6,242,745
Total Accumulated Reserve**		973,140,969	98,598,189	(12,879,355)	(13,202,003)	(489,318)	-	-	-	1,045,168,482

Note: * The total of ending balances must agree to Line 17, Page 12.

Note: ** The total of ending balances must agree to Line 32, Page 12.

Per rule 25-7.045(9), there has been no change of plans or utility experience requiring a change of rates, amortization or capital recovery schedule.

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)

- | | |
|---|--|
| 1. Report below descriptions and balances at end of year of projects in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, | Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (less than \$500,000) may be grouped. |
|---|--|

Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Cast Iron / Bare Steel Main Replacements	2,185,006	62,642
2	Cathodic Protection	336,627	9,157,039
3	City Gates	893,407	8,142,237
4	CNG	551	7,163,729
5	Distribution System Improvement	7,362,156	17,943,442
6	Governmental / Municipal Improvements	7,322,108	8,805,000
7	Improvements to Property	3,653,938	18,471,776
8	Main Replacements	5,833,934	11,635,229
9	Measuring & Regulating Station and Equipment	6,171,804	125,181,645
10	Miscellaneous Non-Revenue Producing	363,867	-
11	New Revenue Main Installations	21,183,427	16,710,665
12	New Revenue Mains - New Developments	2,306,995	5,617,684
13	New Revenue Mains - System Growth	1,858,285	2,411,510
14	Office / Furniture Equipment	135,133	20,016,109
15	TOTAL (Continued on 17b)	59,607,238	251,318,707

CONSTRUCTION OVERHEADS-GAS

- | | |
|---|---|
| 1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.
2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed | and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction.
3. Enter on this page engineering, supervision, administrative,, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs. |
|---|---|

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	See Page 17b		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12		TOTAL	

Name of Respondent		For the Year Ended	
Peoples Gas System, Inc.		Dec. 31, 2025	
CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (107). 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,		Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$500,000) may be grouped.	
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Power / Testing / Tools Equipment	2,846,602	42,401,330
2	Problematic Plastic Pipe Replacements	16,234,998	6,599,329
3	Service Lines Blankets	833,483	28,739,953
4	Software / Technology	5,980,151	22,428,208
5	Strategic	12,744,560	48,722,087
6	Transportation Vehicles	4,323,703	18,415,850
7			
8			
9			
10			
11			
12			
13			
14			
15	TOTAL (including pg 17a)	102,570,735	418,625,464

CONSTRUCTION OVERHEADS-GAS			
1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items. 2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed		and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction. 3. Enter on this page engineering, supervision, administrative,, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.	
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	Supervision and Management	25,326,870	273,620,723
2	(These costs are allocated to WIP as outlined		
3	in instruction 3 above)		
4			
5	Corporate G&A	20,900,241	298,947,593
6			
7			
8			
9			
10			
11			
12	TOTAL	46,227,111	

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

PREPAYMENTS (Account 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Prepayment (a)	Balance at End of Year (In Dollars) (b)
1	Prepaid Insurance	4,235,364
2	Short term debt facility fees	1,242,365
3	Other	-
4	Software/Technology Maint.	1,217,899
5		
6		
7		
8	TOTAL	6,695,628

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	n/a					
2						
3						
4						
5						
6						
7						
8						
9						
10		TOTAL				

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr, to mo, yr).] (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	n/a					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13		TOTAL				

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

OTHER REGULATORY ASSETS (Account 182.3)

1. Reporting below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includible in other amounts).

2. For regulatory assets being amortized, show period of amortization in column (a).

3. Minor items (amounts less than \$25,000) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amounts (e)	
1	Cast Iron Bare Steel Replacement Rider	330,890	18,016	407	348,906	-
2						
3	Transm Integrity Mgmt Prgm	2,570,570	1,588,822	887	1,250,729	2,908,663
4						
5	Competitive Rate Adjustment	6,362,430	5,638,354	142/4XX	5,922,992	6,077,792
6						
7	FAS 109 - Reg Asset FAS109 ITax	5,114,756	458,553	283	56,096	5,517,213
8						
9	Reg Asset Tax Reform	777,871	-	407	388,936	388,936
10						
11	Natural Gas Facilities Relocation Clause	-	2,759,753	407	-	2,759,753
12						
13	Non Capitalizable SW Implementation Costs	1,043,859	330,524	930.2	489,568	884,815
14						
15	Energy Conservation (ECCR)	2,079,195	-	407	2,079,195	-
16						
17	FAS 158	31,738,582	89,564	228	7,793,551	24,034,595
18						
19	Environmental MGP	8,409,521	2,129,950	182/407	2,296,302	8,243,168
20						
21	Environmental Liability	11,549,720	11,110,070	242	11,549,720	11,110,070
22						
23	Prov Property Ins - Storm	1,503,007	1,094,177	228.1	1,503,007	1,094,177
24						
25	Rate Case Expense	1,844,031	2,474,694	928	922,016	3,396,709
26	TOTAL	73,324,433	27,692,477		34,601,018	66,415,891

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.

2. For any deferred debit being amortized, show period of amortization in column (a).

3. Minor items (amounts less than \$25,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Beginning of Year (b)	Debits (c)	Account Charged (d)	Amount (e)	Balance End of Year (f)
1						
2	Deferred Debit SERP Trust	1,699,054	-	146	160,695	1,538,359
3						
4	Contract Amortization (167 months)	1,275,448		495	215,569	1,059,879
5						
6	Project-Year End timing	189,211	-		189,211	-
7						
8	Damages 3rd Party	1,709,679	81,495		395,021	1,396,152
9						
10	Jacksonville Pipe	18,886	45,311		64,197	-
11						
12	Reimbursable project	480,119	3,752,991		4,233,109.29	-
13						
14	Rate Case Costs - 2026 - \$148 adj in 2026	204,148	2,270,398		2,474,694	(148)
15						
16	Building Damage	45,276	217,329			262,605
17						
18	Misc. Work in Progress	446,408				93,540
19						
20	TOTAL	6,068,231				4,350,390

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

2. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.

3. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.

4. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.

Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Original Amount Issued (d)	Interest for Year		Total Amount Outstanding (g)
					Rate (in %) (e)	Amount (f)	
1	Other Long Term Debt - Acct 224						
2							
3	Note Issued by Peoples Gas PD0047	12/19/23	12/19/28	350,000,000	5.420	18,970,000	350,000,000
4	Note Issued by Peoples Gas PD0048	12/19/23	12/19/33	350,000,000	5.630	19,705,000	350,000,000
5	Note Issued by Peoples Gas PD0049	12/19/23	12/19/53	225,000,000	5.940	13,365,000	225,000,000
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18	TOTAL			925,000,000		52,040,000	925,000,000

UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.

2. Show premium amounts by enclosing the figures in parentheses.

3. In column (b) show the principal amount of bonds or other long-term debt originally issued.

4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.

6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.

7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt issued (b)	Total Expense Premium or Discount (c)	Amortization Period		Balance at beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
				Date From (d)	Date To (e)			
1	Unamortized Debt Exp-Acct 181							
2	Note/Peoples Gas 5.42%	350,000,000	1,050,811	12-2023	12-2028	833,304	(210,162)	623,142
3	Note/Peoples Gas 5.63%	350,000,000	1,050,811	12-2023	12-2033	942,058	(105,081)	836,977
4	Note/Peoples Gas 5.94%	225,000,000	663,670	12-2023	12-2053	640,775	(22,123)	618,652
5								
6								
7								
8								
9					Acct 428		(337,366)	
10								
11								
12								
13								
	<u>New Charges to 181</u>							
14	Note/Peoples Gas 5.42%	350,000,000	1,050,811	12-2023	12-2028	-	-	-
15	Note/Peoples Gas 5.63%	350,000,000	1,050,811	12-2023	12-2033	-	-	-
16	Note/Peoples Gas 5.94%	225,000,000	663,670	12-2023	12-2053	-	-	-
17								
18					Acct 181	2,416,137		2,078,771

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Describe and report the amount of other current and accrued liabilities at the end of year.		2. Minor items (less than \$50,000) may be grouped under appropriate title.
Line No.	Item	Balance at End of Year
1	Vacation Liability	5,464,347
2		
3	SERP Liability FAS 158 - Current	185,942
4		
5	FAS 106 Liability FAS 158 - Current	1,010,689
6		
7	Manufactured Gas Plant Estimated Environmental Liability	11,110,070
8		
9	Long Term Incentive	2,817,836
10		
11	Other	808,013
12		
13	TOTAL	21,396,897

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor Items (less than \$25,000) may be grouped by classes.						
Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	DEBITS		Credits (e)	Balance End of Year (f)
			Contra Account (c)	Amount (d)		
1	Contractor Retention	1,695,945	CWIP	2,786,685	2,270,456	1,179,715
2						
3	Project Deposit	-		-	40,000	40,000
4						
5	Settlement Reserve	92,000	131	92,000	-	-
6						
7	Deferred Billing Credit	187,917	488	205,000	205,000	187,917
8						
9	Long Term Incentive	1,898,675	242/926	8,367,381	9,217,130	2,748,424
10						
11	Other	27,467		673,326	668,149	22,290
12	TOTAL	3,902,004		12,124,392	12,400,734	4,178,346

OTHER REGULATORY LIABILITIES (Account 254)

1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).			2. For regulatory liabilities being amortized, show period of amortization in column (a).			
			3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes.			
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	Debits		Credits (d)	Balance End of Year (e)
			Contra Account (b)	Amount (c)		
1						
2	FAS 106 Tax	89,118,958	282 283	-	739,326	89,858,284
3						
4	Def Gain Property Sale	827,830	421.1	556,820	-	271,010
5						
6	Clauses/Riders	-	407	851,212	11,060,476	10,209,264
7						
8						
9	TOTAL	89,946,787		1,408,032	11,799,802	100,338,558

Name of Respondent For the Year Ended
 Peoples Gas System, Inc. Dec. 31, 2025

TAXES OTHER THAN INCOME TAXES (Account 408.1)

	Name of Taxing Authority	Real Property	Tangible Personal Property	Intangible Personal Property	FICA, SUTA, FUTA	Gross Receipts	Regulatory Assessment Fees	Environmental, Excise	Franchise	Other*	Total
1	Various FL Counties	26,740,650									26,740,650
2	Internal Revenue Service (FICA)				6,160,957						6,160,957
3	FL Public Service Commission						3,539,523				3,539,523
4	FL Dept of Revenue					19,291,347					19,291,347
5	Various FL Municipalities								18,040,049		18,040,049
6	Internal Revenue Svc (FUTA)				38,775						38,775
7	Internal Revenue Svc (SUTA)				163,002						163,002
8	Various FL Counties (tags)										-
9	Various FL Municipalities									(10,881)	(10,881)
10	Federal							112			112
11	Out of Period Adj - account 408.1				-		433				433
12	Less: Other Adjustments				(118,218)		-				(118,218)
13	Less: charged to other revenue (495)						(190,624)				(190,624)
14	Less: Charged to Construction				(1,943,387)						(1,943,387)
15	Less: Charged to clearing, jobbing, AR						-				-
16	TOTAL Taxes Charged During Year										
	(Lines 1-15) to Account 408.1	26,740,650	-	-	4,301,129	19,291,347	3,349,332	112	18,040,049	(10,881)	71,711,738

Note: *List separately each item in excess of \$500.

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below the information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment to the account balance shown in column (f).

Line No.	Account Subdivisions (a)	Balance Beginning of Year (b)	Amount Deferred for Year (c)	Allocations to Current Year's Income		Adjustments (f)	Balance End of Year (g)	Average Period of Allocation to Income (h)
				Acct. No. (d)	Amount (e)			
1	Gas Utility							
2	3%	-		-	-		-	
3	4%							
4	7%							
5	10%							
6								
7								
8								
9								
10	TOTAL	-			-		-	

Notes

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. At Other (Specify), include deferrals relating to other income and deductions. 2. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided.

Line No.		Balance at Beginning of Year	Changes During Year				Adjustments				Balance at End of Year
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits		Credits		
							Account No.	Amount	Account No.	Amount	
1	GAS										
2	FAS 158	8,068,659	-				(113,750)		(2,066,334)		6,116,075
3	FAS 133	(178,021)	-				(194,242)		(194,242)		(178,021)
4											
5	Gas	39,594,438	(2,831,327)	3,984,281							46,410,046
6	NOL	2,340,191	1,850,818								489,373
7	Tax Credit	3,087,053	(230,722)								3,317,775
8											-
9											
10											
11	TOTAL Gas (Lines 2 - 10)	52,912,320	(1,211,231)	3,984,281			(307,992)		(2,260,576)		56,155,248
12	Other (Specify) Tax Credit Non-Utility	3,534,100			637						3,534,737
13	Other (Specify) Excess Deferred Taxes	(562,251)					(133,440)		-		(428,811)
14	TOTAL (Account 190) (Total of lines 11 and 12)	55,884,169	(1,211,231)	3,984,281	637		(441,432)		(2,260,576)		59,261,174

Notes

	Federal	State	Total	
Deferred Income Tax Other Adjustments Includes:	-	-	-	FAS 133
	(1,528,865)	(423,719)	(1,952,584)	FAS 158
	133,440	-	133,440	EDIT
	(1,395,425)	(423,719)	(1,819,144)	

ACCUMULATED DEFERRED INCOME TAXES (Accounts 281, 282, 283)

Line No.		Balance at Beginning of Year	Changes During Year				Adjustments				Balance at End of Year
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits		Credits		
							Account No.	Amount	Account No.	Amount	
1	Account 281 - Accelerated Amortization Property										
2	Electric										
3	Gas										
4	Other										
5	TOTAL Account 281 (Lines 2 thru 4)										
6	Account 282 - Other Property										
7	Electric										
8	Gas	334,121,720	29,720,302	5,003,892			-		-		358,838,130
9	Other	(62,163,408)	-	-	454,432	63,040	2,545,218		2,418,335		(61,898,899)
10	TOTAL Account 282 (Lines 7 thru 9)	271,958,312	29,720,302	5,003,892	454,432	63,040	2,545,218		2,418,335		296,939,231
11	Account 283 - Other										
12	Electric										
13	Gas	19,034,463	1,021,421	-			2,066,325		113,750		18,103,309
14	Other	(21,321,399)					962,724		886,169		(21,397,954)
15	TOTAL Account 283 - Other (Lines 12 thru 14)	(2,286,936)	1,021,421	-			3,029,049		999,919		(3,294,645)
16	GAS										
17	Federal Income Tax	211,241,106	23,781,106	3,909,459			4,256,297		3,160,515		230,016,971
18	State Income Tax	58,430,271	7,415,049	1,157,472			1,317,970		257,739		63,627,617
19											-
20	TOTAL Gas (Lines 17 thru 19)	269,671,377	31,196,155	5,066,931			5,574,267		3,418,254		293,644,588
21	OTHER										
22	Federal Income Tax										
23	State Income Tax										
24	TOTAL Other (Lines 22 and 23)	-									
25	TOTAL (Total of lines 5, 10 and 15)	269,671,376	30,741,723	5,003,892	454,432	63,040	5,574,267		3,418,254		293,644,586

NOTES:

	Federal	State	Total	
Deferred income tax adjustment includes:				
	1,528,866	423,719	1,952,585	FAS 158
	(433,082)	636,510	203,428	FAS 109
Total 283	1,095,784	1,060,229	2,156,013	

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 9)	117,521,584
2	Reconciling Items for the Year	
3	Federal Income Tax	29,915,242
4	<i>Taxable Income Not Reported on Books</i>	
5	AIAC	360,625
6	CIAC	
7	Total	360,625
8	<i>Deductions Recorded on Books Not Deducted for Return</i>	
9	PT - Fed Basis Diffs - Norm 190	12,594,887
10	State Income Tax Expense	9,006,557
11	Amortization Capitalized Customer Assistance Costs	7,209,405
12	Long Term Incentive	2,507,097
13	PT - Fed Basis Diffs - Norm 282	2,485,657
14	Lease Plant	2,394,195
15	Energy Conservation	2,079,195
16	PT - Fed Basis Diffs 481A	1,142,413
17	Others	6,394,015
18	Total	45,813,421
19	<i>Income Recorded on Books Not Included in Return</i>	
20	Equity Earnings	4,826,933
21		
22		
23		
24		
25	Total	4,826,933
26	<i>Deductions on Return Not Charged Against Book Income</i>	
27	PT - Fed M/L - Norm	66,912,570
28	PT - Fed Repairs	33,553,773
29	Natural Gas Facilities Relocation	2,759,753
30	Pension	1,966,515
31	PT - Fed Non Reg 282	1,618,199
32	Rate Case Expense	1,552,678
33	PT - Fed AFUDC Equity	1,185,457
34	Other	3,402,094
35	Total	112,951,038
36		
37	Federal Taxable Net Income	75,832,901
38	<i>Show Computation of Tax:</i>	
39	State Tax Deduction	4,215,409
40	Federal Taxable Net Income before NOL	71,617,492
41	NOL Utilization	(8,177,992)
42	Federal Taxable Income	63,439,500
43	Federal Income Tax @ 21%	13,322,295
44	Prior Year True-up Provision to Actual Per Return and NOL Reclass to Deferred	451,020
45	Federal Income Tax	13,773,315
46	Federal Income Tax Allocation to Other Income	(484,736)

NAME OF RESPONDENT:

Peoples Gas System, Inc.

YEAR OF REPORT:

This Report is an Original

Dec. 31, 2025

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

Additional information in response to Question 2, Page 25a:

The consolidated federal income tax liability is currently being apportioned in accordance with Internal Revenue Service Regulations Section 1.1552-1(a)(2) and 1.1502-33(d)(3) . These regulations provide for allocation of the consolidated tax liability on the basis of the percentage of the total tax to the tax which each member would bear if the tax were computed on a separate return basis. The tax liability allocated to each company cannot exceed the tax liability computed as if each had filed a separate return.

Peoples Gas System participates in the filing of a consolidated federal income tax return.

Affiliates included in the consolidated return are:

Emera US Holdings Inc.
Block Energy IP Holdings Inc.
Block Energy Service Company Inc.
Block Energy Project Company Inc.
Emera Energy Generation Inc.
Clean Power Northeast Development Inc.
Emera CNG Holdings, Inc.
Emera Energy Services Inc.
Emera US Finance No. 1, LLC
EUSHI Finance Inc.
New Mexico Gas Company, Inc.
New Mexico Gas Intermediate, Inc.
SECI Mitland Corporation
Tampa Electric Company
TECO Clean Advantage Corporation
TECO Coalbed Methane Florida, Inc.
TECO Diversified, Inc.
TECO Finance, Inc.
TECO Gemstone, Inc.
TECO Oil & Gas, Inc.
TECO Partners, Inc.
TECO Holdings, Inc.
TECO Properties Corporation
TECO Wholesale Generation, Inc.
SeaCoast Gas Transmission, LLC
TECO Gas Operations Inc.
Enlight Tech Inc.

Name of Respondent		For the Year Ended					
Peoples Gas System, Inc.		Dec. 31, 2025					
GAS OPERATING REVENUES (Account 400)							
1. Report below natural gas operating revenues for each prescribed account in total.							
2. Report number of customers, columns (f) and (g), on the basis of meters, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.							
3. Report quantities of natural gas sold in therms (14.73 psia at 60 F).							
4. Report gas service revenues and therms sold by rate schedule.							
5. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.							
Line No.	Title of Account (a)	Operating Revenues		Therms of Natural Gas Sold		Avg. No. of Natural Gas Customers Per Mo.	
		Amount for Year (b)	Amount for Previous Year (c)	Current Year (d)	Previous Year (e)	Current Year (f)	Previous Year (g)
1	Gas Service Revenues						
2	Firm Sales Service						
3	480 Residential RS1 - RS3	248,323,110	236,512,057	93,573,581	90,457,368	471,608	456,483
4	480 Residential GS1	9,622,750	9,177,235	6,137,713	6,011,221	2,238	2,213
5	480 Residential GS2	782,701	784,407	581,620	560,498	64	101
6	480 Residential GS3	183,318	55,955	132,077	47,392	9	1
7	480 Residential GHP	387	128	12	82	1	-
8	481 Commercial Street Lighting	66,575	66,972	56,549	58,024	-	-
9	481 Small General Service	9,900,612	10,013,951	4,513,040	4,766,077	7,822	7,759
10	481 General Service 1	27,753,266	25,405,620	18,860,606	17,702,171	5,268	5,021
11	481 General Service 2	18,408,196	16,220,571	14,233,891	12,984,546	936	860
12	481 General Service 3	4,013,913	4,695,756	3,262,680	4,044,462	46	48
13	481 General Service 4	477,964	890,688	418,309	880,209	5	3
14	481 General Service 5	3,312,296	2,537,198	3,394,138	3,149,288	3	2
15	481 Commercial Gas Heat Pump	448	1	0	0	1	-
16	Interruptible Sales Service						
17	481 Small Interruptible Service	181,978	44,032	237,885	103,421	-	-
18	481 Interruptible Lg. Vol - 1	2,996	634,414	(37,441)	1,184,105	1	1
19	481 Interruptible Contract Service	(13,314)	(631,766)	1,786,610	1,362,023	-	-
20	481 Mutually Beneficial	291,660	13,892	633,100	41,010	2	1
21	481 Off System Sales	68,163,937	37,234,225	115,238,220	98,192,880	5	3
22	Firm Transportation Service						
23	489 Res-General Svc 1	1,194,941	1,227,246	1,835,049	1,844,630	385	391
24	489 Res-General Svc 2	2,610,109	2,696,847	5,352,933	5,465,500	247	250
25	489 Res-General Svc 3	1,514,083	1,555,374	3,371,236	3,468,189	49	46
26	489 Commercial Street Lighting	179,201	183,984	430,175	444,941	-	-
27	489 Small General Service	5,709,475	5,760,109	5,497,342	5,530,609	5,405	5,349
28	489 General Service 1	46,851,552	47,399,771	74,238,353	73,978,696	13,902	13,848
29	489 General Service 2	60,784,226	61,304,067	121,316,746	120,565,983	6,701	6,696
30	489 General Service 3	31,583,941	31,072,448	75,273,249	72,771,075	741	731
31	489 General Service 4	16,803,083	18,742,911	55,966,142	63,417,318	148	156
32	489 General Service 5	42,825,903	37,887,061	201,141,763	178,712,634	185	170
33	489 Interruptible Contract Serv.Trans.	28,229,220	25,436,096	1,139,120,210	1,151,519,758	15	13
34	489 Small Interruptible Transp	5,434,354	5,267,150	45,779,121	44,365,486	28	27
35	489 Interruptible Transp LG - 1	7,136,237	8,443,161	131,330,145	159,770,650	10	13
36	489 Trans Residential GHP	2,790	2,046	10,111	7,737	3	-
37	489 Trans Commercial GHP	10,144	9,533	26,477	26,728	3	3
38	489 Interruptible Transp LG - 2	423,579		29,904,992		1	
39	TOTAL Sales to Ultimate Consumers	642,765,632	590,643,140	2,153,616,632	2,123,434,711	515,832	500,188
40	483 Sales for Resale	3,894,272	2,723,765	5,816,126	4,880,622	10	10
41	Off-System Sales						
42	TOTAL Nat. Gas Service Revenues	646,659,905	593,366,905				
43	TOTAL Gas Service Revenues	646,659,905	593,366,905				
44	Other Operating Revenues						
45	485 Intracompany Transfers						
46	487 Forfeited Discounts	1,438,511	1,386,073				
47	488 Misc. Service Revenues	6,686,581	6,363,640				
48	488						
49	488 Individual Transp Charge	879,911	868,948				
50	489 Rev. from Trans. of Gas of Others not included in above rate schedules)						
51							
52	493 Rent from Gas Property	733,689	228,786				
53	494 Interdepartmental Rents						
54	495 Other Gas Revenues						
55	Gross Recpts Tax/Franch Fee Coll	37,509,861	36,329,729				
56	Reconnect for Cause						
57	Collection in lieu of disconnect						
58	Returned Check						
59	Other	41,486,719	46,011,316				
60	495.1 Overrecoveries Purchased Gas						
61	TOTAL Other Operating Revenues	88,735,273	91,188,492				
62	TOTAL Gas Operating Revenues	731,500,905	681,831,632				
63	(Less) 496 Provision for Rate Refunds						
64	TOTAL Gas Operating Revenues Net of Provision for Refunds	731,500,905	681,831,632				
65	Net of Provision for Refunds	731,500,905	681,831,632				
66	Sales for Resale	3,894,272	2,723,765				
67	Other Sales to Public Authority						
68	Interdepartmental Sales						
69	TOTAL	735,395,177	684,555,397	2,159,432,757	2,128,315,334		

Name of Respondent		For the Year Ended	
Peoples Gas System, Inc.		Dec. 31, 2025	
GAS OPERATION AND MAINTENANCE EXPENSES			
If the amount for previous year is not derived from previously reported figures, explain in footnotes.			
Line No.	Account	Amount for Current Year	Amount for Previous Year
1	1. Production Expenses		
2	A. TOTAL Manufactured Gas Production (Total of Accounts 700-742)		
3	B. TOTAL Natural Gas Prod. and Gathering (Total of Accts. 750 - 769)		
4	C. TOTAL Products Extraction (Total of Accounts 770 through 791)		
5	D. TOTAL Exploration and Development (Total of Accts. 795 through 798)		
6	E. Other Gas Supply Expenses		
7	Operation		
8	800 Natural Gas Well Head Purchases		
9	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
10	801 Natural Gas Field Line Purchases	88,744,946	61,219,756
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases	88,106,891	84,801,745
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases		
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)	467,427	1,434,327
17	TOTAL Purchased Gas (Total of Lines 8 to 16)	177,319,264	147,455,828
18	806 Exchange Gas		
19	Purchased Gas Expenses		
20	807.1 Well Expenses--Purchased Gas		
21	807.2 Operation of Purchased Gas Measuring Stations		
22	807.3 Maintenance of Purchased Gas Measuring Stations		
23	807.4 Purchased Gas Calculations Expenses		
24	807.5 Other Purchased Gas Expenses		
25	TOTAL Purchased Gas Expenses (Total of lines 20 through 24)		
26	808.1 Gas Withdrawn from Storage--Debit	(12)	13
27	(Less) 808.2 Gas Delivered to Storage--Credit	(314)	(8,436)
28	809.1 Withdrawals of Liquefied Natural Gas for Processing--Debit		
29	(Less) 809.2 Deliveries of Natural Gas for Processing--Credit		
30	Gas Used in Utility Operations--Credit		
31	810 Gas Used for Compressor Station Fuel--Credit		
32	811 Gas Used for Products Extraction--Credit		
33	812 Gas Used for Other Utility Operations--Credit	(694,272)	(514,733)
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(694,272)	(514,733)
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35)	176,624,666	146,932,672
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	176,624,666	146,932,672
38	2. Natural Gas Storage, Terminaling and Processing Expenses		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)		
40	B. TOTAL Other Storage Expenses (Total of Accounts 840 through 843.9)		
41	C. TOTAL Liquefied Nat Gas Terminaling & Processing Expenses (Total of Accounts 844.1 through 847.8)		
42	TOTAL Natural Gas Storage (Total of lines 39, 40, and 41)	-	-
43	3. Transmission Expenses		
44	TOTAL Transmission Expenses (Total of Accounts 850 through 867)	-	-
45			
46			

Name of Respondent		For the Year Ended	
Peoples Gas System, Inc.		Dec. 31, 2025	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account	Amount for Current Year	Amount for Previous Year
47	4. Distribution Expenses		
48	Operation		
49	870 Operation Supervision and Engineering	2,358,806	1,944,827
50	871 Distribution Load Dispatching	634,633	557,922
51	872 Compressor Station Labor and Expenses	615,861	443,720
52	873 Compressor Station Fuel and Power	49,191	52,897
53	874 Mains and Services Expenses	12,839,429	12,396,029
54	875 Measuring and Regulating Station Expenses--General	381,552	312,195
55	876 Measuring and Regulating Station Expenses--Industrial	78,085	15,071
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	217,979	214,552
57	878 Meter and House Regulator Expenses	6,566,950	6,074,258
58	879 Customer Installations Expenses	3,728,325	3,609,485
59	880 Other Expenses	5,493,663	5,462,512
60	881 Rents	311,757	348,186
61	TOTAL Operation (Total of lines 49 through 60)	33,276,231	31,431,654
62	Maintenance		
63	885 Maintenance Supervision and Engineering	6,881	18,821
64	886 Maintenance of Structures and Improvements	230,913	180,384
65	887 Maintenance of Mains	5,272,436	4,991,427
66	888 Maintenance of Compressor Station Equipment	10,208	12,487
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	988,507	944,247
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	1,058,678	1,080,616
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station	2,376,793	2,153,921
70	892 Maintenance of Services	1,397,988	1,573,376
71	893 Maintenance of Meters and House Regulators	1,007,838	754,796
72	894 Maintenance of Other Equipment	106,697	133,063
73	TOTAL Maintenance (Total of Lines 63 through 72)	12,456,939	11,843,138
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	45,733,170	43,274,792
75	5. Customer Accounts Expenses		
76	Operation		
77	901 Supervision		
78	902 Meter Reading Expenses	1,360,954	1,564,207
79	903 Customer Records and Collection Expenses	17,223,142	15,092,224
80	904 Uncollectible Accounts	1,867,694	1,630,819
81	905 Miscellaneous Customer Accounts Expenses		
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	20,451,790	18,287,250
83	6. Customer Service and Informational Expenses		
84	Operation		
85	907 Supervision		
86	908 Customer Assistance Expenses	24,966,688	32,487,898
87	909 Informational and Instructional Expenses	1,500,482	1,236,529
88	910 Miscellaneous Customer Service and Informational Expenses		
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	26,467,170	33,724,427
90	7. Sales Expenses		
91	Operation		
92	911 Supervision		
93	912 Demonstrating and Selling Expenses	9,278,592	8,750,601
94	913 Advertising Expenses	835,203	807,046
95	916 Miscellaneous Sales Expenses	-	36,900
96	TOTAL Sales Expenses (Total of lines 92 through 95)	10,113,795	9,594,547
97			

Name of Respondent		For the Year Ended	
Peoples Gas System, Inc.		Dec. 31, 2025	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account	Amount for Current Year	Amount for Previous Year
98	8. Administrative and General Expenses		
99	Operation		
100	920 Administrative and General Salaries	24,974,919	23,581,382
101	921 Office Supplies and Expenses	3,113,839	4,892,785
102	(Less) (922) Administrative Expenses Transferred--Credit	(24,167,228)	(21,290,150)
103	923 Outside Services Employed	2,315,180	3,307,127
104	924 Property Insurance	431,322	472,426
105	925 Injuries and Damages	15,565,872	14,739,821
106	926 Employee Pensions and Benefits	17,616,054	12,963,911
107	927 Franchise Requirements		
108	928 Regulatory Commission Expenses	922,016	922,016
109	(Less) (929) Duplicate Charges--Credit		
110	930.1 General Advertising Expenses	74,076	25,342
111	930.2 Miscellaneous General Expenses	30,034,469	25,987,845
112	931 Rents	486,221	530,160
113	TOTAL Operation (Total of lines 100 through 112)	71,366,740	66,132,665
114	Maintenance		
115	932 Maintenance of General Plant	522,370	479,874
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)	71,889,110	66,612,539
117			
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	351,279,701	318,426,227
119			
120			

NUMBER OF GAS DEPARTMENT EMPLOYEES	
	1. The data on number of employees should be reported for payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.
	2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.
	3. The number of employees assignable to the gas department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.
1	
2	1. Payroll Period Ended (Date) 12/31/2025
3	2. Total Regular Full-Time Employees 836
4	3. Total Part-Time and Temporary Employees 4
5	4. Total Employees 840
6	
7	
8	
9	
10	
11	
12	
13	

Name of Respondent		For the Year Ended		
Peoples Gas System, Inc.		Dec. 31, 2025		
GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1, 808.1, 808.2)				
1. Provide totals for the following accounts: 800 - Natural Gas Well Head Purchases 800.1- Natural Gas Well Head Purchases Intracompany Transfers 801 - Natural Gas Field Line Purchases 802 - Natural Gas Gasoline Plant Outlet Purchases 803 - Natural Gas Transmission Line Purchases 804 - Natural Gas City Gate Purchases 804.1- Liquefied Natural Gas Purchases 805 - Other Gas Purchases 805.1- Purchases Gas Cost Adjustments 808.1- Gas Withdrawn from Storage-Debit 808.2 Gas Delivered to Storage-Credit		The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote. 2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in prior years. 3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b). 4. State in column (d) the average cost per Therm to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)		
Line No.	Account Title (a)	Gas Purchased- Therms (14.73 psia 60 F) (b)	Cost of Gas (In dollars) (c)	Average Cost Per Therm (To nearest .01 of a cent) (d)
1	801 - Natural Gas Field Line Purchases		88,744,946	
2	808.1 - Gas Withdrawn from Storage-Debit		(12)	
3	808.2 - Gas Delivered to Storage-Credit		(314)	
4	804 - Natural Gas City Gate Purchases-Commodity		88,106,891	
5	805.1 - Purchased Gas Cost Adjustments		467,427	
6				
7				
8				
9				
10				
11	TOTAL (Total of lines 1 through 10)	312,036,368	177,318,938	56.83
Notes to Gas Purchases				

GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)				
1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply. 2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas. 3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.		4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e). 5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.		
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas Amount of Credit (d)
1	812 Gas used for Other Utility Operations Credit (Report separately for each principal uses. Group minor uses.)			
2				
3	Operations Expense	880	30,883	25,747
4				
5	Transportation Clearing Account CNG	184	827	712
6				
7	Other Income Deductions	426	21,659	17,170
8				
9	Administrative Use	921	N/A	
10				
11	Sales Tax Account	241	N/A	(1,687)
12				
13	Gas Lost - Damaged Facilities	143	N/A	652,330
14				
15				
16				
17				
18	TOTAL		53,369	694,272

Name of Respondent							For the Year Ended		
Peoples Gas System, Inc.							Dec. 31, 2025		
REGULATORY COMMISSION EXPENSES (Account 928)									
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.				3. The totals of columns (c), (f), (h), and (i) must agree with the totals shown at the bottom of page 19 for Account 186					
2. Show in column (h) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.				4. List in Column (d) and (e) expenses incurred during year which were charged currently to income, plant, or other accounts.					
				5. Minor items (less than \$25,000) may be grouped.					
Line No.	Description (Name of regulatory commission, the docket number, and a description of the case.) (a)	Total Expenses to Date (b)	Deferred in Account 186 Beginning of Year (c)	Expenses Incurred During Year		Deferred to Account 186 (f)	Amortized During Year		Deferred in Account 186 End of Year (i)
				Charged Currently to Account No. (d)	Amount (e)		Contra Account (g)	Amount (h)	
1	Florida Public Service Commission								
2	Docket 20250029-GU / Order PSC-2025-0413-S-GU								
3	Two year amortization to begin January 2026*	2,474,694	204,148	186	2,270,546	2,474,694		-	2,474,694
4									
5	Florida Public Service Commission								
6	Docket 20230023-GU / Order PSC-2023-0388-FOF-GU.								
7	Three year amortization of \$2,766,047								
8	beginning Jan 2024. Amortization period modified								
9	in 2025 rate case. Balance of \$922,015 to be								
10	amortized over 2 year period.	2,766,047	1,844,031	182	-	-	928	922,016	922,015
11									
12									
13	*Note - balance was transferred to 182 at the end of 2025.								
14									
15									
16	TOTAL	5,240,741	2,048,179		2,270,546	2,474,694		922,016	3,396,709

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	941,548
2	Experimental and General Research Expenses:	
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the Respondent.	
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown).	
5	Emera Intercompany Charges	2,923,654
6	Direct Software/Hardware Maintenance/Support	3,359,692
7	Registration/Report Filing Fees/Bank and Letter of Credit Fees	495,562
8	Facility Costs	244,044
9	Director Fees and Expenses	120,482
10	New Mexico Gas Company (NMGC) - I.T. charges	42,452
11	Tampa Electric (TEC) - Telecom	130,154
12	Tampa Electric (TEC) - Facilities Charge	785,306
13	Tampa Electric Other Direct Intercompany Charges	4,629,916
14	Tampa Electric Shared Services (TEC) Corporate Overhead Allocation	3,724,090
15	Tampa Electric Shared Services (TEC) - Human Resources and Employee Relations	460,114
16	Tampa Electric Shared Services (TEC) - Procurement	689,842
17	Tampa Electric Shared Services (TEC) - Document Services	210,916
17	Tampa Electric Shared Services (TEC) - I.T.	7,706,215
18	Tampa Electric Shared Services (TEC) - Admin, Emergency Mgmt	295,883
19	Tampa Electric Shared Services (TEC) - Accounts Payable	612,544
20	Tampa Electric Shared Services (TEC) - Claims	600,184
21	Tampa Electric Shared Services (TEC) - Payroll Services	261,420
22	Tampa Electric (TEC) - IT and Telecom Asset Usage	1,752,046
23	Peoples Gas miscellaneous internal costs	48,405
24	TOTAL	30,034,469

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	TOTAL Operation and Maintenance - Electric			
3	Gas			
4	Operation			
5	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	1,399,703		
6	Transmission			
7	Distribution	23,370,519		
8	Customer Accounts	1,918,820		
9	Customer Service and Informational	556,587		
10	Sales	-		
11	Administrative and General	25,813,231		
12	TOTAL Operation (Total of lines 5 through 11)	53,058,860		
13	Maintenance			
14	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	-		
15	Transmission	-		
16	Distribution	6,858,567		
17	Administrative and General	14,905		
18	TOTAL Maintenance (Total of lines 14 through 17)	6,873,472		
19	Total Operation and Maintenance	59,932,332		
20	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	1,399,703		
21	Transmission (Enter Total of lines 6 and 15)	-		
22	Distribution (Total of lines 7 and 16)	30,229,086		
23	Customer Accounts (Transcribe from line 8)	1,918,820		
24	Customer Service and Informational (Transcribe from line 9)	556,587		
25	Sales (Transcribe from line 10)	-		
26	Administrative and General (Total of lines 11 and 17)	25,828,136		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	59,932,332		59,932,332
28	Other Utility Departments			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	59,932,332	-	59,932,332
31	Utility Plant			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	21,540,488		21,540,488
35	Other			
36	TOTAL Construction (Total of lines 33 through 35)	21,540,488	-	21,540,488
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	2,415,969		2,415,969
40	Other			
41	TOTAL Plant Removal (Total of lines 38 through 40)	2,415,969	-	2,415,969
42				
43	Other Accounts (Specify):			
44				
45				-
46	Accounts Receivable - Associated Companies	2,495,927		2,495,927
47	Misc Deferred Debits/Credits	137,109		137,109
48	Merchandise / Jobbing/Other Non-Reg	83,468		83,468
49	Reg Asset	227,617		227,617
50	Other	77,565	(293,466)	(215,901)
51				
52				
53	TOTAL Other Accounts	3,021,686	(293,466)	2,728,220
54	TOTAL SALARIES AND WAGES	86,910,475	(293,466)	86,617,009

Name of Respondent		For the Year Ended	
Peoples Gas System, Inc.		Dec. 31, 2025	
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES			
1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including		payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities. (a) Name of person or organization rendering services, (b) description of services received, (c) basis of charges, (d) total charges for the year, detailing account charged.	
		2. For any services which are of a continuing nature, give the date and term of contract.	
		3. Designate with an asterisk associated companies.	
	Description		Amount
1	1931621 Alberta Ltd.	923-management/finance support	64,925
2	American Innovations LTD	107-software	145,530
3	Applied Consultants Inc	107-engineering services-inspector	557,969
4	Arcadis US Inc.	182-environmental services	410,836
5	Assetworks LLC	107/multi-capital and fleet related	715,891
6	Atrium Economics	186-rate case support	245,724
7	Ausley and McMullen PA	186/923/other-rate case and legal services	1,873,706
8	Aveva Software LLC	107-capital	243,390
9	Ayres Associates	107-capital	98,293
10	Bajo Cohen Agliano PA	925-legal services	333,589
11	Baker & Hostetler LLP	182/923-legal services	159,522
12	Barnett & Chistolini PLLC	925-legal services	86,277
13	Bioferm	417.1 - unregulated RNG	1,506,395
14	Brandmark Advertising, Inc.	909/913/925-marketing services	619,838
15	Clearesult Consulting Inc.	908-energy conservation	222,148
16	Collier Engineering & Design Inc	107-capital	281,497
17	Continuum Capital	107/870-consulting services	340,646
18	Daniels Engineering, Inc.	various-engineering services	498,978
19	Deloitte Consulting LLP	107/923/930-project support and consulting	133,340
20	DNV GL Noble Denton USA LLC	923-Solution Support	86,288
21	Duard Max Blevins	909/913-design/photography services	183,447
22	Emeritus Institute of Management	921-executive training	37,900
23	Ernst & Young US LLP	923-audit	596,000
24	Gary L Wood Associates	926-employee benefit service	30,000
25	Geosyntec	182-environmental services	503,437
26	HBK Engineering LLC	107-capital	1,869,148
27	Heath Consultants	various-engineering services	294,018
28	Holland & Knight	923/925-legal services	3,362,152
29	Irth Solutions	107-capital	25,000
30	Jones Day	804/146 multi-legal services	149,677
31	JRGO LLC	107/182 multi engineering services	1,445,102
32	Kimley-Horn and Associates, Inc	107-engineering services	30,960
33			
34			

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.		
(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charges, the total of amortization charged for the year, and the period of amortization.		
(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.		
(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.		
	Item	Amount
1		
2	Account 426.1 - Donations	808,535
3	Account 426.3 - Other Penalties	3,474
4	Account 426.4 - Lobbying	228,189
5	Account 426.5 - Other Deductions	182,120
6		1,222,318
7		
8	Account 431 - Other Interest Expense	
9		
10	Customer Deposits	756,913
11	Purchased Gas Adjustment (PGA)	732,783
12	Energy Conservation Cost Recovery	224,119
13	Cast Iron Bare Steel Recovery	15,055
14	Credit Facilities Interest	6,102,626
15	Short Term Interest	(15,500)
16	Miscellaneous	788
17		7,816,784

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities.

(a) Name of person or organization rendering services,
(b) description of services received,
(c) basis of charges,
(d) total charges for the year, detailing account charged.

2. For any services which are of a continuing nature, give the date and term of contract.

3. Designate with an asterisk associated companies.

	Description	Amount
1	continued from page 33a	
2	Korterra, Inc.	107-capital project 215,543
3	Lau, Lane, Pieper, Conley & McCreddie PA	923/925-legal services 1,744,794
4	Living HR	923-HR consultant 30,000
5	Mai Engineering Services Inc	various-engineering services 259,226
6	McKim&Creed	various-engineering services 655,009
7	Morningstar Fleet Services	107/multi-capital and fleet related 49,087
8	Neudesic LLC	107-capital project 434,003
9	Parisella Vincelli Associates	107/182-process consultant 150,000
10	Patrick Engineering Inc	107-capital 348,565
11	Pierpont and McLelland LLC	923-regulatory consultant 59,111
12	PWC Holdings No. 21 LLC	107/923-project consultant 28,530
13	Quorum Business Solutions	107-capital 639,645
14	SaaS E Solutions LLC	908-migration and hosting EC 66,431
15	Scott Madden Inc.	186-rate case support 99,009
16	Straad Consulting	923-management consultant 420,290
17	Summit Resources	107-land agents 125,677
18	Summit Studios	913-advertising 26,750
19	Synergis Technologies LLC	107-capital project 39,638
20	T2 Utility Engineers (UES) Inc	107-utility coordinator 789,220
21	The Carl Auxilliary LLC	913/930/107-ad services-visual content 55,750
22	The Paradigm Alliance	925-pipeline awareness 775,511
23	The Squires Group	163-stores clearing 31,768
24	Tripp Scott PA	923/925-legal services 218,436
25	Util-Assist Inc	107-project capital AMI 213,750
26	Veoci Inc	107-project capital 38,948
27	Vimocity LLC	923-health consultant 89,926
28	Vistra Communications LLC	913-advertising 29,663
29	Wade Trim Inc	107-capital 538,998
30	World Wide Nondestructive Testing	107/various operations services 617,090
31	Yuro and Associates LLC	various-engineering services 663,214
32		
33	Emera Carribean Inc.*	930.2/labor - audit 19,882
34	Emera Inc.*	930.2/various-labor and corp support 6,044,225
35	Tampa Electric*	930.2/various 38,510,399
36	Teco Partners*	912/107-acct development & mgmt svcs 10,042,397
37	New Mexico Gas Company, Inc.*	930.2-I.T. support services 42,452
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charges, the total of amortization charged for the year, and the period of amortization.

(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.

(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.

	Item	Amount
1		
2		
3		
4		
5	Blank section - see 33a	
6		
7		

**Reconciliation of Gross Operating Revenues
Annual Report versus Regulatory Assessment Fee Return**

For the current year, reconcile the gross operating revenues as reported on Page 26 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).

	(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Description	Gross Operating Revenues per Page 26	Interstate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Intrastate Gross Operating Revenues per RAF Return	Difference (d) - (e)
1	Total Sales to Ultimate Customers (480-482, 484)	391,472,793		391,472,793	391,472,793	-
2	Sales for Resale (483)	3,894,273		3,894,273	3,894,273	-
3	Total Natural Gas Service Revenues	395,367,067		395,367,067	395,367,067	-
4	Total Other Operating Revenues (485-495)	340,028,111		340,028,111	340,028,111	-
5	Total Gas Operating Revenues	735,395,177		735,395,177	735,395,177	-
6	Revenue from Property Leased to Other (412)	-			4,473,320	(4,473,320)
7	Provision for Rate Refunds (496)	-				
8	Wholesale Sales & Wholesale Transport Adj.				(3,894,273)	3,894,273
9	Mutually Beneficial Wholesale Adjustment				(291,660)	291,660
10	Unbilled Revenue Adjustment				503,811	(503,811)
11	Off System Sales for Resale Adjustment				(28,281,773)	28,281,773
12	Total Gross Operating Revenues	735,395,177		735,395,177	707,904,601	27,490,576

Notes:
 Column F differences are due to RAF return adjustments for exempt revenue, and addition of revenue from property leased to others.

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025
CORPORATE STRUCTURE	
Provide an updated organizational chart showing all affiliated companies, partnerships, etc.	
Effective Date: Dec. 31, 2025	
<p data-bbox="175 352 295 382">Emera Inc.</p> <ul style="list-style-type: none"> <li data-bbox="224 388 479 417">Emera US Holdings Inc. <li data-bbox="300 422 518 451">TECO Holdings, Inc. <ul style="list-style-type: none"> <li data-bbox="365 453 553 483">Enlight Tech, Inc. <li data-bbox="365 485 574 514">TECO Energy, LLC <ul style="list-style-type: none"> <li data-bbox="440 516 813 546">New Mexico Gas Intermediate, Inc. <li data-bbox="440 548 781 577">New Mexico Gas Company, Inc. <li data-bbox="365 579 638 609">Tampa Electric Company <li data-bbox="365 611 578 640">TECO Finance, Inc. <li data-bbox="365 642 594 672">TECO Oil & Gas, Inc. <li data-bbox="365 674 602 703">TECO Diversified, Inc. <ul style="list-style-type: none"> <li data-bbox="440 705 834 735">TECO Coalbed Methane Florida, Inc. <li data-bbox="440 737 756 766">TECO Properties Corporation <li data-bbox="440 768 678 798">TECO Gemstone, Inc. <li data-bbox="365 800 659 829">TECO Gas Operations, Inc. <ul style="list-style-type: none"> <li data-bbox="440 831 716 861">Peoples Gas System, Inc. <ul style="list-style-type: none"> <li data-bbox="514 863 732 892">TECO Partners, Inc. <li data-bbox="440 894 802 924">SeaCoast Gas Transmission, LLC <ul style="list-style-type: none"> <li data-bbox="514 926 789 955">SECI Mitland Corporation <li data-bbox="365 957 753 987">TECO Clean Advantage Corporation <li data-bbox="365 989 727 1018">TECO Wholesale Generation, Inc. 	

Name of Respondent			For the Year Ended		
Peoples Gas System, Inc.			Dec. 31, 2025		
SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS					
Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.					
(a) Enter name of affiliate.					
(b) Give description of type of service, or name the product involved.					
(c) Enter contract or agreement effective dates.					
(d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent.					
(e) Enter utility account number in which charges are recorded.					
(f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.					
Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
TECO Partners, Inc	Real property sublease		S	493	435,363
	Corp Allocation		S	922	545,352
	Labor services		P	930.2/multiple	12,397
	Account Development & Mgmt Services		P	912	8,880,000
	Account Development & Mgmt Services		P	107	1,150,000
Tampa Electric Company	Real property sublease		S	146	22,519
	Labor & Other Services		S	146	4,877,346
	Natural Gas sales		S	489/146	13,468,949
	Real property sublease		P	931/multiple	756,281
	Labor & Other Services		P	930.2/multiple	18,485,462
	Natural Gas Purchases		P	801	112,314
	IT Usage Fee		P	930.2/multiple	4,497,206
	Telecom Usage Fee		P	930.2	8,181
	Telecom Non-Standard		P	930/multi	46,310
	Facilities		P	930.2	785,306
	Telecom Allocation		P	930.2	126,726
	Corporate Overhead Allocation		P	930.2	3,724,090
	IT Assessment		P	930.2	7,706,215
	Benefits Admin Assessment		P	930.2	432,134
	Employee Relations Assessment		P	930.2	27,980
	Administrative Services Assessment		P	930.2	275,669
	Emergency Management Assessment		P	930.2	20,214
	Accounts Payable Assessment		P	930.2	612,544
	Claims Assessment		P	930.2	600,184
	Procurement Assessment		P	930.2	689,842
Payroll Svc Assesment		P	930.2	261,420	
Doc Services Assesment		P	930.2	210,916	
TECO Holdings, Inc.	Labor services		S	146	15,983
New Mexico Gas Company	Labor and IT Services		P	930.2	42,452
Continued on next page (36b)					

SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

- (a) Enter name of affiliate.
- (b) Give description of type of service, or name the product involved.
- (c) Enter contract or agreement effective dates.
- (d) Enter the letter "p" if the service or product is purchased by the Respondent: "s" if the service or product is sold by the Respondent.
- (e) Enter utility account number in which charges are recorded.
- (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
Continued from page 36a					
SeaCoast Gas Transmission	Labor services		S	146	1,821,932
	Corp Allocation		S	146	2,721,876
	Rent and lease		S	146	190,138
	Natural Gas Sales		S	146	2,086,944
	Natural Gas Purchases		P	801	7,191,023
Emera Energy Services Inc.	Natural Gas Sales		S	146	9,302,776
	Natural Gas Purchases		P	801	32,772,592
Emera Inc.	Labor Services/Benefits		S	146	9,397
	Labor Services		P	930.2/Multi	3,185,949
	Other - Services/Allocations		P	930.2/Multi	2,858,276
Emera Carribean Inc.	Labor Services		P	930.2/Multi	19,882
Emera New Brunswick	Labor Services/Benefits		S	146	998,559
Nova Scotia Power Inc.	Labor Services/Benefits		P	930.2/Multi	19,534

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES

Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

Name of Affiliate	Synopsis of Contract
Tampa Electric Company (TEC)	Affiliate Addendum effective January 1, 2023, to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dates January 1, 2015, whereby PGSI was added as a customer to receive services from TEC, and whereby PGSI was added as a provider of services to TEC as customer.
	Affiliate Addendum effective January 1, 2023, to Services Agreement dated January 1, 2014, with Schedule dates January 1, 2015 (assigned from TECO Services Inc., to TEC as of January 1, 2020), whereby PGSI was added as a Customer, to receive services from TEC, whereby PGSI was added as a provider of services to TEC as customer.
	Amendment to Services Agreement effective January 1, 2025, to Services Agreement dated January 1, 2014, with Schedule dates January 1, 2015, to receive services from TEC customer service.
	Memorandum of Understanding between TEC and PGS, a division of TEC, dated August 16, 2022 assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.
	Memorandum of Understanding between TEC and PGS, a division of TEC, dated April 4, 2020 assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.
	Memorandum of Understanding between TEC and PGS, a division of TEC, dated September 20, 2018 assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.
TECO Partners, Inc.	Amended and Restated Services Agreement by and between PGS and TECO Partners, Inc. (TPI) effective January 1, 2025, whereby PGS retained TPI to provide customer account development and management services for PGS.
	Affiliate Addendum effective January 1, 2023, to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dated January 1, 2015, whereby PGSI was added as a service provider to Other Affiliates, including TECO Partners, Inc., as Customers; and Other Affiliates were enabled to provide services to PGSI as Customer.
	Affiliate Addendum effective January 1, 2023, to Services Agreement dated January 1, 2014, with Schedule dated January 1, 2015 (assigned from TECO Services Inc., to TEC as of January 1, 2020), whereby PGSI was added as a service provider of certain services to Other Affiliates, including TECO Partners, Inc., as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.

INDIVIDUAL AFFILIATED TRANSACTIONS IN EXCESS OF \$25,000

Provide information regarding individual affiliated transactions in excess of \$25,000. Recurring monthly affiliated transactions which exceed \$25,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.

Name of Affiliate	Description of Transaction	Dollar Amount
TECO Partners, Inc.	Real property sublease	435,363
	Corp Allocation	545,352
	Account Development & Mgmt Services	(10,030,000)
Tampa Electric Company	Labor & other services	4,877,346
	Natural Gas sales	13,468,949
	Natural Gas Purchases	(112,314)
	Labor & other services	(18,485,462)
	Real property sublease	(756,281)
	IT Usage Fee	(4,497,206)
	Telecom Non-Standard	(46,310)
	Facilities Allocation	(785,306)
	Telecom Allocation	(126,726)
	Corporate Overhead Allocation	(3,724,090)
	IT Assessment	(7,706,215)
	Benefits Admin Assessment	(432,134)
	Employee Relations Assessment	(27,980)
	Administrative Services Assessment	(275,669)
	Accounts Payable Assessment	(612,544)
	Claims Assessment	(600,184)
	Procurement Assessment	(689,842)
	SS Payroll Assesment	(261,420)
	Doc Services Assesment	(210,916)
New Mexico Gas Company	Labor and IT Services	(42,452)
SeaCoast Gas Transmission	Labor services	1,821,932
	Corp Allocation	2,721,876
	Rent and lease	190,138
	Natural Gas Sales	2,086,944
	Natural Gas Purchases	(7,191,023)
Emera Energy Services Inc.	Natural Gas sales	9,302,776
	Natural Gas Purchases	(32,772,592)
Emera Inc.	Labor Services	(3,185,949)
	Other - Services/Allocations	(2,858,276)
Emera New Brunswick	Labor Services/Benefits/Other	998,559

Name of Respondent	For the Year Ended
Peoples Gas System, Inc.	Dec. 31, 2025

NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES

Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.

Name of Affiliate	Synopsis of Contract
<i>Continued from page 37a</i> Emera Energy US Sub No.1	Secondment Agreement by and between Emera Energy US Sub No. 1 and PGS, a division of TEC; assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.
New Mexico Gas Company, Inc.	Affiliate Addendum effective July 1, 2016 to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dated January 1, 2015, whereby New Mexico Gas, Inc. was added as a provider of services, such as IT Services, to other affiliates, including PGS, a division of TEC, as Customer; assigned from PGS, a division of Tampa Electric Company, to PGSI pursuant to that Assignment of Affiliate Addendum dated as of January 1, 2023.
SeaCoast Gas Transmission, LLC	<p>NAESB between SeaCoast Gas Transmission, LLC and PGS, a division of TEC, dated October 15, 2010; assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Firm Service Agreement, Contract No. FT1-PGS-0008, between SeaCoast Gas Transmission, LLC and PGS, a division of TEC, original contract date February 17, 2021, and commencement October 17, 2021. This agreement was assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Firm Service Agreement, Contract No. FT1-PGS-0003, between SeaCoast Gas Transmission, LLC and PGS, a division of TEC, dated July 19, 2019, and commencement on May 1, 2022. This agreement was assigned from PGS, a division of TEC, to PGSI pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Affiliate Addendum effective January 1, 2023 to Amended and Restated Services Agreement dated January 1, 2013, with Schedule dated January 1, 2015, whereby PGSI was added as provider of services to Other Affiliates, including SeaCoast Gas Transmission, LLC, as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.</p> <p>Affiliate Addendum effective January 1, 2023 to Services Agreement dated January 1, 2014, with Schedule dated January 1, 2015 (assigned from TECO Services, Inc., to TEC as of January 1, 2020), whereby PGSI was added as a service provider of certain services to Other Affiliates, including SeaCoast Gas Transmission, LLC, as Customer; and Other Affiliates were enabled to provide services to PGSI as Customer.</p>
Emera New Brunswick	Shared Services Agreement between Emera Brunswick Pipeline Company LTD. and PGSI dated as of August 1, 2025.
Nova Scotia Power, Inc.	Shared Services Agreement between Nova Scotia Power Incorporated and PGSI dated as of January 1, 2025.
Emera Caribbean, Inc.	Shared Services Agreement between Emera (Caribbean) Inc. and PGSI dated as of January 1, 2023.
Emera Incorporated	Shared Services Agreement between Emera Incorporated and PGSI dated as of January 1, 2023.
Emera Energy Services, Inc.	<p>NAESB between Emera Energy Services, Inc. and PGS, a division of TEC, dated February 1, 2017. This NAESB was assigned from PGS, a division of TEC, to PGSI, pursuant to that certain Assignment and Assumption (General Contracts) dated as of January 1, 2023.</p> <p>Second Amended and Restated Asset Management Agreement and Transaction Confirmation entered into between Emera Energy Services, Inc. and Peoples Gas System, Inc. dated May 31, 2024.</p> <p>Asset Management Agreement entered into between Emera Energy Services, Inc. and Peoples Gas System, Inc. dated July 27, 2023.</p> <p>First Amended and Restated Asset Management Agreement entered into between Emera Energy Services, Inc. and Peoples Gas System, Inc. dated April 9, 2025.</p> <p>Asset Management Agreement entered into on September 18, 2025 between Emera Energy Service, Inc. and Peoples Gas System.</p>
TECO Holdings, Inc.	<p>Affiliate Addendum effective April 1, 2024, to Services Agreement between PGS, TECO Services, Inc. ("TSI"), (assigned to Tampa Electric Company) and TECO Holdings, Inc. ("TECO Holdings").</p> <p>Affiliate Addendum effective April 1, 2024, to Services Agreement between PGS and TECO Holdings, Inc. ("TECO Holdings").</p>

Name of Respondent For the Year Ended
 Peoples Gas System, Inc. Dec. 31, 2025

ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.

Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
Purchases from Affiliates:		\$ -	\$ -	\$ -	\$ -	\$ -	
Total						-	
Sales to Affiliates:	None	\$	\$	\$	\$	Sales Price	
None							
Total						\$	

EMPLOYEE TRANSFERS

List employees earning more than \$50,000 annually transferred to/from the utility to/from an affiliate company.

Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
Peoples Gas	Tampa Electric	IT Architect	Mgr IT/Business Solutions	Permanent
Tampa Electric	Peoples Gas	Gas Trader	Gas Trader Sr	Permanent
Tampa Electric	Peoples Gas	Supvr Business Planning	Mgr. Capital Management & Execution	Permanent
Tampa Electric	Peoples Gas	Data Architect	IT Architect	Permanent
Peoples Gas	Tampa Electric	Dispatcher Analyst I	Field Locating Support Spec I	Permanent
Tampa Electric	Peoples Gas	Sr Administrative Specialist	Gas Control Coordinator	Permanent
Peoples Gas	Tampa Electric	Admin Specialist Lead	Coord Assessment & Org Effectiveness	Permanent
Peoples Gas	Tampa Electric	Apprentice IBEW	Meter Tester	Permanent
Peoples Gas	Tampa Electric	LTD	Customer Service Professional V	Permanent
Peoples Gas	TECO Partners	Admin Specialist I	Data Support Analyst	Permanent
TECO Partners	Peoples Gas	Data Support Analyst (TPI)	Business Systems Analyst	Permanent

