TECO
PEOPLES GAS
AN EMERA COMPANY

November 6, 2025

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

Dear Mr. Vogel:

Attached is the Rate of Return calculation of Peoples Gas System for the period ending **September 2025.**

Please let me know if you have any questions.

Respectfully,

Signed by:
/s/ Andrew Nichols
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Andrew Nichols
Director of Business Planning

Enclosures

cc: Office of Public Counsel – Charles Rehwinkel

PEOPLES GAS SYSTEM
EARNINGS SURVEILLANCE REPORT SUMMARY
Sep 2025
(In $ Thousands)

SCHEDULE 1

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
NET OPERATING INCOME	$ 166,182	$ 1,154	$ 167,337	$ 0	$ 167,337
AVERAGE RATE BASE	$ 2,635,095	$ (114,181)	$ 2,520,914	$ 0	$ 2,520,914
AVERAGE RATE OF RETURN	6.31 %		6.64 %		6.64 %

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

LOW	6.63 %
MIDPOINT	7.11 %
HIGH	7.59 %

III. EARNED RETURN ON EQUITY

	FPSC ADJUSTED	PRO FORMA ADJUSTED
A. INCLUDING FLEX RATE REVENUES	9.16 %	9.16 %
B. EXCLUDING FLEX RATE REVENUES	8.76 %	8.76 %

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

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

/s/ Andrew Nichols, Director of Business Planning
(Name and Title)

Signed by:
Andrew Nichols
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(Signature)

11/6/2025
(Date)

PSC/AFA13

PEOPLES GAS SYSTEM
AVERAGE RATE BASE
Sep 2025
(In $ Thousands)

SCHEDULE 2

	(1) Plant in Service	(2) Plant Acquisition Adjustment	(3) Accumulated Depreciation & Amortization	(4) Customer Advances for Construction	(5) Net Plant in Service	(7) Property Held for Future Use	(8) Construction Work in Progress	(9) Net Utility Plant	(10) Working Capital	(11) Total Rate Base
PER BOOKS	3,473,887	-	990,757	26,161	2,456,970	1,940	141,627	2,600,536	34,559	2,635,095
FPSC ADJUSTMENTS:										
Property for Future Use						(1,940)		(1,940)		(1,940)
Temporary Cash Investment									(2)	(2)
Non-Utility (RNG Alliance)									(14,822)	(14,822)
Accounts Rec./Pay. - Assoc Companies									(7,892)	(7,892)
Other Accounts Receivable									(3,894)	(3,894)
Non-Utility Allocation	(1,173)		(477)		(696)			(696)		(696)
Remove Unamort. Debt Expense									(2,332)	(2,332)
Remove Unrecovered Gas Cost									-	-
Remove Dividends Declared									1,824	1,824
Remove Unrec. Conservation Costs									-	-
Remove Unrec. CIBSR Costs									-	-
Remove Competitve Rate Adjustment									(6,234)	(6,234)
Remove Unamortized Rate Case Expense									(1,613)	(1,613)
Gain on Sale of Property										-
Remove Acquis. Adjustment (WFNG)		-	-		-			-		-
Remove Derivative (FAS 133)									-	-
Cast Iron/Bare Steel Rider (CIBSR)	(15,697)		67		(15,765)		(7,732)	(23,497)		(23,497)
AFUDC - Eligible CWIP							(51,746)	(51,746)		(51,746)
Remove Investment in Subsidiaries									(1,337)	(1,337)
TOTAL FPSC ADJUSTMENTS	(16,871)	-	(410)	-	(16,461)	(1,940)	(59,478)	(77,879)	(36,303)	(114,181)
FPSC ADJUSTED	3,457,017	-	990,347	26,161	2,440,509	-	82,148	2,522,657	(1,743)	2,520,914
FLEX RATE REVENUES										
ADJUSTED FOR FLEX RATE REVENUES	3,457,017	-	990,347	26,161	2,440,509	-	82,148	2,522,657	(1,743)	2,520,914
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:										
										-
TOTAL PRO FORMA ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
PRO FORMA ADJUSTED	3,457,017	-	990,347	26,161	2,440,509	-	82,148	2,522,657	(1,743)	2,520,914

SCHEDULE 3

PEOPLES GAS SYSTEM
NET OPERATING INCOME
Sep 2025
(In $ Thousands)

	(1) Operating Revenues	(2) O & M Gas Expense	(3) O & M Other	(4) Depreciation & Amortization	(5) Taxes Other Than Income	(6) Income Taxes Current	(7) Deferred Income Taxes (Net)	(8) Investment Tax Credit (Net)	(9) Gain/Loss on Disposition	(10) Total Operating Expenses	(11) Net Operating Income
PER BOOKS	732,932	179,057	186,272	93,465	70,629	10,045	27,822	-	(541)	566,750	166,182
FPSC ADJUSTMENTS:											
Remove Conservation Charges	(40,770)		(40,770)			(0)				(40,770)	(0)
Non-Utility Allocation				(31)	-	8				(23)	23
Interest Synchronization						556				556	(556)
Parent Debt Adjustment						(3,213)				(3,213)	3,213
Remove Fuel Revenues	(179,718)	(179,057)			(661)	(0)				(179,718)	-
Economic Development Adjustment			(17)			4				(13)	13
Employee Activities			(104)			26				(77)	77
Franchise/Gross Receipts Taxes	(37,625)				(37,449)	(44)				(37,494)	(131)
Maintenance of General Plant			(60)			15				(45)	45
Maint. of Structures and Improvements			(7)			2				(5)	5
Remove Acquisition Adj. Amortiz. (WFNG)				-		-				-	-
Gain on Sale of Property						-				-	-
Lease of PHFFU	(134)					(34)				(34)	(100)
Remove ITC Amortization						-		-		-	-
Cast Iron/Bare Steel Rider (CIBSR)	(1,316)		(924)	(242)	(150)	(0)				(1,316)	(0)
Cast Iron/Bare Steel Rider (CIBSR) - ROI	(1,922)					(487)				(487)	(1,435)
OSS Adjustment	-					-				-	-
TOTAL FPSC ADJUSTMENTS	(261,485)	(179,057)	(41,881)	(273)	(38,261)	(3,168)	-	-	-	(262,640)	1,154
FPSC ADJUSTED	471,447	-	144,391	93,192	32,368	6,878	27,822	-	(541)	304,110	167,337
FLEX RATE REVENUES	(6,493)					(1,646)				(1,646)	(4,848)
ADJUSTED FOR FLEX RATE REVENUES	464,953	-	144,391	93,192	32,368	5,232	27,822	-	(541)	302,464	162,489
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:											
Deferred Tax True-up						-				-	-
TOTAL PRO FORMA ADJUSTMENTS	-		-			-			-	-	-
PRO FORMA ADJUSTED	471,447	-	144,391	93,192	32,368	6,878	27,822	-	(541)	304,110	167,337
PER BOOKS CURRENT MONTH AMOUNT	71,081	20,423	16,614	7,716	6,425	2,144	1,768	-	-	55,089	15,992

PEOPLES GAS SYSTEM
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
Sep 2025
(In $ Thousands)

SCHEDULE 4

						LOW POINT		MIDPOINT		HIGH POINT	
		ADJUSTMENTS				COST	WEIGHTED	COST	WEIGHTED	COST	WEIGHTED
					RATIO	RATE	COST	RATE	COST	RATE	COST
AVERAGE	PER BOOKS	SPECIFIC	PRO RATA	ADJUSTED	(%)	(%)	(%)	(%)	(%)	(%)	(%)
LONG TERM DEBT	925,000	(2,332)	(37,459)	885,209	35.11%	5.68	1.99	5.68	1.99	5.68	1.99
SHORT TERM DEBT	103,231	-	(4,191)	99,040	3.94%	5.39	0.21	5.39	0.21	5.39	0.21
CUSTOMER DEPOSITS	30,654		(810)	29,844	1.18%	2.50	0.03	2.50	0.03	2.50	0.03
COMMON EQUITY	1,265,819	(1,973)	(51,311)	1,212,535	48.10%	9.15	4.40	**10.15**	4.88	11.15	5.36
DEFERRED INCOME TAX	310,392	(8,120)	(7,986)	294,285	11.67%						
TAX CREDITS - ZERO COST	-	-	-	-	0.00%						
TOTAL	2,635,095	(12,425)	(101,757)	2,520,914	100.00%		6.63		7.11		7.59

PEOPLES GAS SYSTEM
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
Sep 2025
(In $ Thousands)

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	6.64	%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(1.99)	%	
SHORT TERM DEBT	(0.21)	%	
PREFERRED STOCK	0.00	%	
CUSTOMER DEPOSITS	(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00	%	
SUBTOTAL	(2.23)	%	
TOTAL	4.41	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	48.10	%	
JURISDICTIONAL RETURN ON COMMON EQUITY	9.16	%	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	$	162,489		(Schedule 3)
RATE BASE EXCLUDING FLEX RATE REVENUES	$	2,520,914		(Schedule 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN		6.45	%	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:				
LONG TERM DEBT		(1.99)	%	
SHORT TERM DEBT		(0.21)	%	
PREFERRED STOCK		0.00	%	
CUSTOMER DEPOSITS		(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)		0.00	%	
SUBTOTAL		(2.23)	%	
TOTAL		4.22	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO		48.10	%	
JURISDICTIONAL RETURN ON COMMON EQUITY		8.76	%	

PEOPLES GAS SYSTEM
EARNED RETURN ON COMMON EQUITY
PRO FORMA ADJUSTED BASIS
Sep 2025

SCHEDULE 5-2

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

PRO FORMA ADJUSTED AVERAGE EARNED RATE OF RETURN	6.64	%	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:			
LONG TERM DEBT	(1.99)	%	
SHORT TERM DEBT	(0.21)	%	
PREFERRED STOCK	0.00	%	
CUSTOMER DEPOSITS	(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00	%	
SUBTOTAL	(2.23)	%	
TOTAL	4.41	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO	48.10	%	
JURISDICTIONAL RETURN ON COMMON EQUITY	9.16	%	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	$	162,489		(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	$	2,520,914		(Schedule 2, p. 1 of 2)
FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN		6.45	%	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:				
LONG TERM DEBT		(1.99)	%	
SHORT TERM DEBT		(0.21)	%	
PREFERRED STOCK		0.00	%	
CUSTOMER DEPOSITS		(0.03)	%	
TAX CREDITS-WEIGHTED COST(MIDPOINT)		0.00	%	
SUBTOTAL		(2.23)	%	
TOTAL		4.22	%	
DIVIDED BY RECONCILED COMMON EQUITY RATIO		48.10	%	
JURISDICTIONAL RETURN ON COMMON EQUITY		8.76	%	