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In Reply Refer to:
Tampa
ab@macfar.com

May 11, 2020

Andrew L. Maurey, Director
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: **Peoples Gas System, a division of Tampa Electric Company**
Annual Report of Natural Gas Utilities

Dear Mr. Maurey:

I enclose on behalf of Peoples Gas System its Form 2, Annual Report of Natural Gas Utilities required by Rule 25-7.135, *Florida Administrative Code*.

Sincerely,

Andrew M. Brown

Andrew M. Brown

AB/plb
Enclosure
cc: Kandi Floyd
Luke Buzard
Paula Brown

GU608-19-AR

ANNUAL REPORT OF

NATURAL GAS UTILITIES

PEOPLES GAS SYSTEM

(EXACT NAME OF RESPONDENT)

702 N. Franklin Street

Tampa, Florida 33602

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2019

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

Name Sean P. Hillary	Title Controller	
Address P.O Box 2562	City Tampa	State FL 33601-2562
Telephone No. (813) 228-1349		PSC/AFD 020-G (12/03)

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working world

Ernst & Young LLP
One Tampa City Center
Suite 2400
201 North Franklin Street
Tampa, Florida 33602

Tel: +1 813 225 4800
Fax: +1 813 225 4711
ey.com

Report of Independent Auditors

To the Board of Directors of Tampa Electric Company

We have audited the accompanying financial statements of Peoples Gas System (the "Company"), a division of Tampa Electric Company, which comprise the balance sheet as of December 31, 2019 and 2018, 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 through 10 of the accompanying Annual Report of Natural Gas Utilities, and related notes filed with the Florida Public Service Commission as required by Rule 25-7.135 (2).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these regulatory basis financial statements in conformity 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 as described in Note 1; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Peoples Gas System as of December 31, 2019 and 2018, and the results of its operations for the years then ended, 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 described in Note 1.

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Regulatory Basis of Accounting

As described in Note 1 to the financial statements, the financial statements have been prepared by Peoples Gas System 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 U.S. generally accepted accounting principles, to meet the requirements of the FERC. Our opinion is not modified with respect to this matter.

Restriction on Use

Our report is intended solely for the information and use of Tampa Electric 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

May 6, 2020

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. <u>Btu per cubic foot -</u> 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. <u>Respondent -</u> 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, a Division of Tampa Electric Company	02 Year of Report 2019
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) 702 N. Franklin Street Tampa, Florida 33602	
05 Name of Contact Person Sean P. Hillary	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 - 1349	09 Date of Report (Mo., Day, Yr) Dec. 31, 2019

ATTESTATION

I certify that I am the responsible accounting officer of

Peoples Gas System ;

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, 2018 to December 31, 2018, 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

5/6/2020

Date

Sean P. Hillary

Name

Controller

Title

TABLE OF CONTENTS

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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.

Peoples Gas System is a division of Tampa Electric Company, which is a wholly owned subsidiary of TECO Energy.

On July 1, 2016, TECO Energy and Emera completed the Merger contemplated by the Merger Agreement entered into on September 4, 2015. As a result of the Merger, the Merger Sub Company merged with and into TECO Energy with TECO Energy continuing as the surviving corporation and becoming a wholly owned indirect subsidiary of Emera. The acquisition method of accounting was not pushed down to TECO Energy or its subsidiaries, including TEC (PGS).

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	Marketing Services	100%	

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

OFFICERS

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.
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.

Title (a)	Name of Officer (b)	Salary for Year (c)
President Peoples Gas System	T. Szelistowski	$ 325,000
Vice President Marketing and Sales, PGS	J. Wehle	$ 129,672
Vice President Gas Operations, PGS	R. Wall	$ 242,550
Vice President Business Development, PGS	T. O'Connor	$ 205,800
Vice President Customer Experience	M. Whiting	$ 74,542
Controller, PGS	S. Hillary	$ 184,370
Vice President Strategy, PGS (effective 4/8/2019)	C. Richard	$ 108,091
Vice President Pipeline Safety & Regulatory Affairs (effective 4/1/2019)	L. Buzard	$ 128,077

Salaries for the year represent the Peoples Gas System share of individual salaries.

DIRECTORS

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.

2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.

Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
Peoples Gas System, as a division of Tampa Electric Company, has no Directors.			

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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 complied 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			
	Number of votes as of (date):			
Name (Title) and Address of Security Holder (a)	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				
Peoples Gas System, as a division of Tampa Electric Company, has no outstanding shares of common stock. All outstanding shares of Tampa Electric Company common stock were held by its parent, TECO Energy, Inc. As disclosed on page 3, 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 TECO Energy and became an indirect 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 into the right to receive $27.55 in cash, without interest.				

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-W.
5 None

Name of Respondent | For the Year Ended

Peoples Gas System | Dec. 31, 2019

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	1,769,037,358	1,947,846,992
3	Construction Work in Progress (107)	12	32,694,181	71,222,206
4	TOTAL Utility Plant Total of lines 2 and 3)		1,801,731,539	2,019,069,198
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	758,129,250	784,450,415
6	Net Utility Plant (Total of line 4 less 5)		1,043,602,289	1,234,618,783
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	(Less) Accum. Prov. for Depr. and Amort. (122)	-		
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-	1,195,218	902,043
14	Other Investments (124)	-		
15	Special Funds (125, 126, 128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		1,195,218	902,043
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	8,481,815	8,303,869
19	Special Deposits (132-134)	-	25,000	25,000
20	Working Funds (135)	-	2,950	2,950
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	29,542,589	28,445,716
24	Other Accounts Receivable (143)	-	2,653,972	1,394,531
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-	(248,774)	(36,809)
26	Notes Receivable from Associated Companies (145)	-		
27	Accounts Receivable from Associated Companies (146)	-	713,313	1,028,392
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)	-	2,073,130	2,401,229
32	Merchandise (155)	-		
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Underground & LNG Stored (164.1-164.3)	-		
36	Prepayments (165)	18	619,354	1,409,779
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-	12,353,298	12,585,260
41	Miscellaneous Current and Accrued Assets (174)	-		
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		56,216,647	55,559,917
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-	2,027,978	2,233,061
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18		
47	Other Regulatory Assets (182.3)	19	60,717,021	59,279,093
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	4,935,022	4,808,375
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	53,579,534	54,966,422
56	Unrecovered Purchased Gas Costs (191)	-	2,412,177	(5,610,499)
57	TOTAL Deferred Debits (Total of lines 44 through 56)		123,671,733	115,676,452
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		1,224,685,887	1,406,757,195

Name of Respondent				For the Year Ended
Peoples Gas System				Dec. 31, 2019

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

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)	-		
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-214)	-	320,550,169	415,550,169
5	Retained Earnings (215, 216)	10	115,286,558	115,649,893
6	Other Comprehensive Income (219)		(373,251)	(348,624)
7	Unappropriated Undistributed Subsidiary Earnings (216.1)	10	746,529	453,354
8	(Less) Reacquired Capital Stock (217)	-		
9	TOTAL Proprietary Capital (Total of lines 2 through 8)		436,210,005	531,304,792
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	311,764,680	336,764,680
15	Unamortized Premium on Long-Term Debt (225)	21		
16	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	21	(887,127)	(1,151,479)
17	TOTAL Long-Term Debt (Total of lines 11 through 16)		310,877,553	335,613,201
18	OTHER NONCURRENT LIABILITIES			
19	Obligations Under Capital Leases - Noncurrent (227)	-		
20	Accumulated Provision for Property Insurance (228.1)	-	(3,038,523)	84,356
21	Accumulated Provision for Injuries and Damages (228.2)	-	2,621,406	4,329,964
22	Accumulated Provision for Pensions and Benefits (228.3)	-	28,853,681	27,985,644
23	Accumulated Miscellaneous Operating Provisions (228.4)	-	64,342	88,501
24	Accumulated Provision for Rate Refunds (229)	-		
25	TOTAL Other Noncurrent Liabilities (Total of lines 19 through 24)		28,500,906	32,488,465
26	CURRENT AND ACCRUED LIABILITIES			
27	Notes Payable (231)	-	53,651,643	91,138,979
28	Accounts Payable (232)	-	47,736,415	59,685,490
29	Notes Payable to Associated Companies (233)	-	-	
30	Accounts Payable to Associated Companies (234)	-	9,568,954	11,465,300
31	Customer Deposits (235)	-	26,414,686	26,273,516
32	Taxes Accrued (236)	-	6,451,122	4,000,873
33	Interest Accrued (237)	-	1,628,035	1,450,837
34	Dividends Declared (238)	-		
35	Matured Long-Term Debt (239)	-		
36	Matured Interest (240)	-		
37	Tax Collections Payable (241)	-	761,687	827,365
38	Miscellaneous Current and Accrued Liabilities (242)	22	33,627,468	27,099,277
39	Obligations Under Capital Leases-Current (243)	-		
40	Derivative Liabilities (245)		-	
41	TOTAL Current and Accrued Liabilities (Total of lines 27 through 40)		179,840,010	221,941,637
42	DEFERRED CREDITS			
43	Customer Advances for Construction (252)	-	10,634,955	12,952,701
44	Other Deferred Credits (253)	22	3,830,518	5,996,478
45	Other Regulatory Liabilities (254)	22	94,011,638	91,671,584
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	160,780,302	174,788,337
50	TOTAL Deferred Credits (Total of lines 43 through 49)		269,257,413	285,409,100
51	TOTAL Liabilities and Other Credits (Total of lines 9, 17, 25, 41 and 50)		1,224,685,887	1,406,757,195

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

STATEMENT OF INCOME

1. Use page 11 for important notes regarding the statement of income or any account thereof.
2. Give concise explanations on page 11 concerning significant amounts of any refunds made or received during the year.
3. Enter on page 11 a concise explanation of only those changes in accounting methods made during the year 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.
4. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

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	439,797,556	469,284,692
3	Operating Expenses			
4	Operation Expenses (401)	27-29	269,518,916	289,398,744
5	Maintenance Expenses (402)	27-29	9,472,693	10,555,307
6	Depreciation Expense (403)	15-16	39,011,147	47,624,850
7	Amortization & Depletion of Utility Plant (404-405)	-	2,109,290	1,955,299
8	Amortization of Utility Plant Acquisition Adjustment (406)	-	149,146	149,146
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)	-	4,960,498	16,291,532
12	(Less) Regulatory Credits (407.4)	-	(7,080,111)	(5,990,191)
13	Taxes Other Than Income Taxes (408.1)	23	41,229,532	39,329,667
14	Income Taxes - Federal (409.1)	-	5,100,264	3,725,719
15	- Other (409.1)	-	(336,687)	48,784
16	Provision for Deferred Income Taxes (410.1)	24	12,238,375	10,723,227
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	24		
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)	-	1,945,439	1,698,217
22	TOTAL Utility Operating Expenses (Total of lines 4 -21)		374,427,624	412,113,867
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		65,369,932	57,170,825

Name of Respondent | For the Year Ended

Peoples Gas System | Dec. 31, 2019

STATEMENT OF INCOME (Continued)

Line No.	Account (a)	Ref. Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 8)		65,369,932	57,170,825
26	**Other Income and Deductions**			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	(782)	-
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-	11,511	61,384
31	Revenues From Nonutility Operations (417)	-		
32	(Less) Expenses of Nonutility Operations (417.1)	-		
33	Nonoperating Rental Income (418)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	10	3,616,890	3,512,795
35	Interest and Dividend Income (419)	-	26,450	16,213
36	Allowance for Other Funds Used During Construction (419.1)	-	470,414	-
37	Miscellaneous Nonoperating Income (421)	-	133,673	58,593
38	Gain on Disposition of Property (421.1)	-	2,140,586	2,140,586
39	TOTAL Other Income (Total of lines 29 through 38)		6,398,742	5,789,571
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-		
42	Miscellaneous Amortization (425)	33		
43	Miscellaneous Income Deductions (426.1-426.5)	33	474,197	448,733
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		474,197	448,733
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-		
47	Income Taxes - Federal (409.2)	-	60,576	(61,296)
48	Income Taxes - Other (409.2)	-	13,459	(16,988)
49	Provision for Deferred Income Taxes (410.2)	24	816	(768)
50	(Less) Provision for Deferred Income Taxes - Credit (411.2)	24		
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)		74,851	(79,052)
54	Net Other Income and Deductions (Total of lines 39,44,53)		5,849,694	5,419,890
55	**Interest Charges**			
56	Interest on Long-Term Debt (427)	-	14,925,536	13,418,348
57	Amortization of Debt Discount and Expense (428)	21	174,489	301,402
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	2,241,474	1,171,565
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-	(151,006)	-
64	Net Interest Charges (Total of lines 56 through 63)		17,190,493	14,891,315
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		54,029,133	47,699,400
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)		54,029,133	47,699,400

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

STATEMENT OF RETAINED EARNINGS

1. Report all changes in appropriated retained earnings, and unappropriated retained earnings for the year.
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).
3. State the purpose and amount for each reservation or appropriation of retained earnings.
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.
5. Show dividends for each class and series of capital stock.
6. Show separately the state and federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
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.
8. If any notes appearing in the report to stockholders are applicable to this statement attach them at page 11.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		115,659,836
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)		50,412,243
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(53,958,973)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		3,616,890
15	FAS 133 Other Comprehensive Income		24,627
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		115,754,623
	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)		
	TOTAL Retained Earnings (Account 215 and 216) (Total of lines 16 and 23)		115,754,623

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 and other filings with the U.S. Securities and Exchange Commission include the following:

Term	Meaning
AFUDC	allowance for funds used during construction
AFUDC-debt	debt component of 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
ASC	Accounting Standards Codification
CAD	Canadian dollars
CAIR	Clean Air Interstate Rule
CCRs	coal combustion residuals
CMO	collateralized mortgage obligation
CNG	compressed natural gas
CPI	consumer price index
CSAPR	Cross State Air Pollution Rule
CO_2	carbon dioxide
CT	combustion turbine
ECRC	environmental cost recovery clause
Emera	Emera Inc., a geographically diverse energy and services company headquartered in Nova Scotia, Canada
EPA	U.S. Environmental Protection Agency
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 Energy's common stock
FASB	Financial Accounting Standards Board
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
IGCC	integrated gasification combined-cycle
IOU	investor owned utility
IRS	Internal Revenue Service
ITCs	investment tax credits
kWac	kilowatt on an alternating current basis
LNG	liquefied natural gas
MBS	mortgage-backed securities
MD&A	the section of this report entitled Management's Discussion and Analysis of Financial Condition and Results of Operations
Merger	Merger of Merger Sub Company with and into TECO Energy, with TECO Energy as the surviving corporation
MGP	manufactured gas plant
MMBTU	one million British Thermal Units
MRV	market-related value
MW	megawatt(s)
MWH	megawatt-hour(s)
NAV	net asset value
Note	Note to consolidated financial statements
NPNS	normal purchase normal sale
O&M expenses	operations and maintenance expenses
OCI	other comprehensive income
OPC	Office of Public Counsel
OPEB	other postemployment benefits
Parent	TECO Energy, Inc., the direct parent company of Tampa Electric Company
PBGC	Pension Benefit Guarantee Corporation
PBO	projected benefit obligation
PGA	purchased gas adjustment

Term	Meaning
PGS	Peoples Gas System, the gas division of Tampa Electric Company
PPA	power purchase agreement
PRP	potentially responsible party
R&D	research and development
REIT	real estate investment trust
RFP	request for proposal
ROE	return on common equity
Regulatory ROE	return on common equity as determined for regulatory purposes
S&P	Standard and Poor’s
SCR	selective catalytic reduction
SEC	U.S. Securities and Exchange Commission
SoBRAs	solar base rate adjustments
SERP	Supplemental Executive Retirement Plan
STIF	short-term investment fund
Tampa Electric	Tampa Electric, the electric division of Tampa Electric Company
TEC	Tampa Electric Company
TECO Energy	TECO Energy, Inc., the direct parent company of Tampa Electric Company
TSI	TECO Services, Inc.
U.S. GAAP	generally accepted accounting principles in the United States
VIE	variable interest entity

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 in accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). These requirements differ from GAAP related to (1) the presentation of long-term debt, (2) the presentation of deferred income taxes, (3) the presentation of certain income tax related regulatory assets and liabilities, (4) the presentation of transactions as operating or non-operating, (5) the presentation of accruals associated with cost of removal included within accumulated depreciation reserve, (6) the presentation of storm costs including storm and property insurance reserve and corresponding regulatory liability, (7) the presentation of derivatives, (8) the presentation of plant leased to others under capital leases, and (9) the presentation of current portions of regulatory assets and liabilities.

Tampa Electric Company's (TEC) Notes to the Financial Statements have been combined with People's Gas Systems (PGS) and are prepared in conformity with generally accepted accounting principles. Accordingly, certain footnotes are not reflective of PGS's Financial Statements contained herein.

1. Significant Accounting Policies

Description of Business

TEC has two operating segments. Its Tampa Electric division provides retail electric services in West Central Florida, and PGS, its natural gas division, is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in Florida. TEC's significant accounting policies are as follows:

Principles of Consolidation and Basis of Presentation

TEC maintains its accounts in accordance with recognized policies prescribed or permitted by the FPSC and the FERC. These policies conform with U.S. GAAP in all material respects. The use of estimates is inherent in the preparation of financial statements in accordance with U.S. GAAP. Actual results could differ from these estimates.

TEC is a wholly owned subsidiary of TECO Energy, Inc. and contains electric and natural gas divisions. Intercompany balances and transactions within the divisions have been eliminated in consolidation. TECO Energy is a wholly owned indirect subsidiary of Emera. Therefore, TEC is an indirect, wholly owned subsidiary of Emera.

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 outage 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 regulated utilities, Tampa Electric and PGS must file depreciation and dismantlement 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 or dismantlement factor. TEC uses current cost of removal or dismantlement factors 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 or dismantlement, 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:

(millions)	*Estimated Useful Lives*	*December 31, 2019*	*December 31, 2018*
Electric generation	21-56 years	$ 5,370	$ 5,038
Electric transmission	28-77 years	940	880
Electric distribution	14-56 years	2,732	2,568
Gas transmission and distribution	16-77 years	1,848	1,678
General plant and other	8-43 years	675	613
Total cost		11,565	10,777
Less accumulated depreciation		(3,472)	(3,214)
Construction work in progress		1,038	673
Total property, plant and equipment, net		$ 9,131	$ 8,236

Depreciation

The provision for total regulated utility plant in service, expressed as a percentage of the original cost of depreciable property, was 3.4%, 3.5% and 3.7% for 2019, 2018 and 2017, respectively. Construction work in progress is not depreciated until the asset is placed in service. Total depreciation expense for the years ended December 31, 2019, 2018 and 2017 was $359 million, $345 million and $332 million, respectively. See **Note 3** for information regarding agreements approved by the FPSC that, among other things, reduced PGS's annual depreciation expense by $10 million beginning January 1, 2019. On August 6, 2019, the FPSC granted Tampa Electric's request to suspend $15 million of 2019-2021 AMI depreciation and begin depreciating its AMI assets as of January 1, 2022, when all AMI assets will be in place and fully functional.

Tampa Electric and PGS compute 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. Tampa Electric's FPSC-approved rate used to calculate AFUDC is revised periodically to reflect significant changes in Tampa Electric's cost of capital. In 2019, 2018 and 2017, Tampa Electric's rate was 6.46%. In July 2019, the FPSC approved a petition filed by PGS for authority to record AFUDC at an annual rate of 5.97% as part of its plans to develop three expansion projects in 2019 and 2020. Total AFUDC for the years ended December 31, 2019, 2018 and 2017 was $16 million, $15 million and $2 million, respectively. The increase in 2019 and 2018 is primarily a result of the construction of solar projects and the repowering of Big Bend Unit 1 with natural gas combined-cycle technology.

Inventory

TEC values materials, supplies and fossil fuel inventory (natural gas, coal, petcoke and oil) using a weighted-average cost method. These materials, supplies and fuel inventories are carried at the lower of weighted-average cost or net realizable value, unless evidence indicates that the weighted-average cost will be recovered with a normal profit upon sale in the ordinary course of business.

Regulatory Assets and Liabilities

Tampa Electric and PGS are subject to accounting guidance for the effects of certain types of regulation (see **Note 3**).

Deferred Income Taxes

TEC 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. Tampa Electric and PGS are regulated, and their 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, including the impacts of tax reform in 2017.

Investment Tax Credits

ITCs have been recorded as deferred credits and are being amortized as reductions to income tax expense over the service lives of the related property. As of December 31, 2019 and 2018, ITCs were $164 million and $74 million, respectively. The increase is due to solar projects placed in service in 2019.

Stranded Tax Effects in Accumulated Other Comprehensive Income

TEC utilizes a portfolio approach to determine the timing and extent to which stranded income tax effects from items that were previously recorded in accumulated other comprehensive income are released.

Revenue Recognition

Regulated electric revenue

Electric 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 electricity is delivered to customers over time as the customer simultaneously receives and consumes the benefits of the electricity. Electric revenues are recognized on an accrual basis and include billed and unbilled revenues. Revenues related to the sale of electricity are recognized at rates approved by the respective regulator and recorded based on metered usage, which occur on a periodic, systematic basis, generally monthly. At the end of each reporting period, the electricity delivered to customers, but not billed, is estimated and the corresponding unbilled revenue is recognized. Tampa Electric's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of MWH delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions as to the pattern of energy demand, timing of meter reads and line losses.

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. PGS's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of therms 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 TEC 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 fuel, purchased power, conservation and environmental costs for Tampa Electric and 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 billed.

Receivables and Allowance for Uncollectible Accounts

Receivables from contracts with customers, which consist of services to residential, commercial, industrial and other customers, were $205 million and $226 million as of December 31, 2019 and 2018, respectively. An allowance for uncollectible accounts is established based on TEC's collection experience. Circumstances that could affect Tampa Electric's and PGS's estimates of uncollectible receivables include, but are not limited to, customer credit issues, the level of fuel prices, customer deposits and general economic conditions. Accounts are written off once they are deemed to be uncollectible.

The regulated utilities accrue base revenues for services rendered but unbilled to provide for matching of revenues and expenses (see **Note 3**). As of December 31, 2019 and 2018, unbilled revenues of $61 million and $67 million, respectively, are included in the "Receivables" line item on TEC's Consolidated Balance Sheets. At December 31, 2019, Tampa Electric and PGS had unbilled revenues of $48 million and $13 million, respectively.

Accounting for Franchise Fees and Gross Receipts Taxes

Tampa Electric and PGS are 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 by Tampa Electric and PGS are included as an expense on the Consolidated Statements of Income in "Taxes, other than income". These amounts totaled $117 million, $120 million and $113 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Deferred Credits and Other Liabilities

Other deferred credits primarily include accrued pension and other postretirement benefits (see **Note 5**), MGP environmental remediation liability (see **Note 8**), asset retirement obligations (see **Note 12**), lease liabilities (see **Note 13**) and a reserve for auto, general and workers' compensation liability claims.

TECO Energy and its subsidiaries, including TEC, have a self-insurance program supplemented by excess insurance coverage for the cost of claims whose ultimate value exceeds the company's retention amounts. TEC 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, 2019 and 2018 ranged from 2.66% to 4.00% and 4.00% to 4.01%, respectively.

Cash Flows Related to Derivatives and Hedging Activities

TEC 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 Statements 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. See **Note 14** for further information regarding derivatives.

Reclassifications

Certain reclassifications were made to prior year amounts to conform to current period presentation, including the separate presentation of ITCs on TEC's Consolidated Balance Sheet. None of the reclassifications affected TEC's net income or financial position in any period.

2. New Accounting Pronouncements

Change in Accounting Policy

The new U.S. GAAP accounting policies that are applicable to, and adopted by TEC in 2019, are described as follows:

Leases

On January 1, 2019, TEC adopted Accounting Standard Updates (ASU) 2016-02, *Leases (Topic 842)*, including all related amendments, using the modified retrospective approach. The standard requires lessees to recognize leases on the balance sheet for all leases with a term of longer than twelve months and disclose key information about leasing arrangements.

As permitted by the optional transition method, TEC did not restate comparative financial information in its consolidated financial statements, did not reassess whether any expired or existing contracts contained leases and carried forward existing lease classifications. Additionally, TEC elected to not evaluate existing land easements under the new standard if the land easements were not previously accounted for under the leasing guidance within ASC Topic 840. TEC elected to use hindsight to determine the lease term for existing leases and elected to not separate lease components from non-lease components for all lessee and lessor arrangements.

TEC has implemented additional processes and controls to facilitate the identification, tracking and reporting of potential leases based on the requirements of the standard. There were no updates to information technology systems as a result of implementation.

TEC's adoption of this new standard resulted in right-of-use (ROU) assets and lease liabilities of approximately $20 million as of January 1, 2019. The ROU assets and lease liabilities were measured at the present value of remaining lease payments using TEC's incremental borrowing rate.

There was no impact to opening retained earnings as at January 1, 2019 or TEC's net income or cash flows for the year ended December 31, 2019 as a result of the adoption of the standard. There were no significant impacts to TEC's accounting for lessor arrangements. Refer to **Note 13** for further detail.

Targeted Improvements to Accounting for Hedging Activities

On January 1, 2019, TEC adopted ASU 2017-12, *Targeted Improvements to Accounting for Hedging Activities*, which amends the hedge accounting recognition and presentation requirements in ASC Topic 815. This standard improves the transparency and understandability of information about an entity's risk management activities by better aligning the entity's financial reporting for hedging relationships with those risk management activities and simplifies the application of hedge accounting. The standard will make more financial and nonfinancial hedging strategies eligible for hedge accounting, amends the presentation and disclosure requirements for hedging activities and changes how entities assess hedge effectiveness. There was no impact on the consolidated financial statements as a result of the adoption of this standard.

Cloud Computing

In August 2018, the FASB issued ASU 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The standard allows entities who are customers in hosting arrangements that are service contracts to apply the existing internal-use software guidance to determine which implementation costs to capitalize as an asset related to the service contract and which costs to expense. The guidance specifies classification for capitalizing implementation costs and related amortization expense within the financial statements and requires additional disclosures. The guidance is effective for annual reporting periods, including interim reporting within those periods, beginning after December 15, 2019. Early adoption is permitted and can be applied either retrospectively or prospectively. TEC early adopted the standard effective January 1, 2019 and elected to apply the guidance prospectively. There was no material impact on the consolidated financial statements as a result of the adoption of this standard.

Future Accounting Pronouncements

TEC considers the applicability and impact of all ASUs issued by FASB. The following updates have been issued by FASB, but have not yet been adopted by TEC. Any ASUs not included below were assessed and determined to be either not applicable to TEC or have insignificant impact on the consolidated financial statements.

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. The standard provides guidance regarding the measurement of credit losses for financial assets and certain other instruments that are not accounted for at fair value through net income, including trade and other receivables, net investment in leases, and off-balance sheet credit exposures. The new guidance requires companies to replace the current incurred loss impairment methodology with a methodology that measures all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts. The guidance expands the disclosure requirements regarding credit losses, including the credit loss methodology and credit quality indicators. TEC adopted ASU 2016-13 effective January 1, 2020, with no significant changes to accounting and disclosure identified related to the adoption of the standard.

Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes.* The standard simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in ASC 740 related to the approach for intraperiod tax allocation, simplifies aspects of accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The guidance will be effective for annual reporting periods, including interim reporting within those periods, beginning after December 15, 2020, with early adoption permitted. The standard will be applied on both a prospective and retrospective basis. TEC is currently evaluating the impact of adoption of the standard on its consolidated financial statements.

3. Regulatory

Tampa Electric's retail business and PGS are regulated separately by the FPSC. Tampa Electric is also subject to regulation by the FERC in various respects, including wholesale power sales, certain wholesale power purchases, transmission and ancillary services and accounting practices. The FPSC sets rates based on a cost of service methodology which allows utilities to collect total revenues (revenue requirements) equal to their cost of providing service, plus a reasonable return on invested capital.

Tampa Electric Base Rates

Tampa Electric's results for 2017 reflect the stipulation and settlement agreement entered into on September 6, 2013, which resolved all matters in Tampa Electric's 2013 base rate proceeding.

This agreement provided for an additional $110 million in base revenue effective the date that the expansion of Tampa Electric's Polk Power Station went into service, which was January 16, 2017. The agreement provided for Tampa Electric's allowed regulatory ROE to be a mid-point of 10.25% with a range of plus or minus 1%. The agreement stated that Tampa Electric could not file for additional base rate increases to be effective sooner than January 1, 2018, unless its earned ROE were to fall below 9.25% before that time. If its earned ROE were to rise above 11.25%, any party to the agreement other than Tampa Electric could seek a review of its base rates. Under the agreement, the allowed equity in the capital structure is 54% from investor sources of capital and Tampa Electric began using a 15-year amortization period for all computer software.

Tampa Electric’s results for 2019 and 2018 reflect an amended and restated settlement agreement, approved by the FPSC on November 6, 2017, that replaced the existing 2013 base rate settlement agreement described above and extended it another four years through 2021.The amended agreement provides for SoBRAs for TEC’s substantial investments in solar generation. Tampa Electric expects to invest approximately $850 million in these solar projects during the period from 2017 to 2021, of which approximately $820 million has been invested through December 31, 2019, and is accruing AFUDC during construction. The agreement includes a sharing provision that allows customers to benefit from 75% of any cost savings for projects below $1,500/kWac.

On December 12, 2017, TEC filed its first petition regarding the SoBRAs along with supporting tariffs demonstrating the cost-effectiveness of the September 1, 2018 tranche representing 145 MW and $24 million annually in estimated revenue requirements. The FPSC approved the tariffs on the first SoBRA filing on May 8, 2018 and TEC began receiving these revenues in September 2018. On June 29, 2018, TEC filed its second SoBRA petition along with supporting tariffs demonstrating the cost-effectiveness of the January 1, 2019 tranche representing 260 MW and $46 million annually in estimated revenue requirements. The FPSC approved the tariffs on the second SoBRA filing on October 29, 2018 and TEC began receiving these revenues in January 2019. On June 28, 2019, TEC filed its third SoBRA petition along with supporting tariffs demonstrating the cost-effectiveness of the January 1, 2020 tranche representing 149 MW and $26 million annually in estimated revenue requirements. The FPSC approved the tariffs on this SoBRA filing, including an adjustment to reflect the reduction in the state corporate income tax discussed below, on December 10, 2019. The 2017 settlement agreement provides for a potential revenue adjustment of an additional $10 million for 50 MWs effective on January 1, 2021. TEC expects to file its final SoBRA petition for the January 1, 2021 tranche in 2020.

The agreement further maintains Tampa Electric’s allowed regulatory ROE and allowed equity in the capital structure and extends the rate freeze date from January 1, 2018 to December 31, 2021, subject to the same ROE thresholds. The agreement further contains a provision related to tax reform. See “Tampa Electric Storm Restoration Cost Recovery” below for information regarding the impact of tax reform. An asset optimization provision that allows Tampa Electric to share in the savings for optimization of its system once certain thresholds are achieved is also included. Additionally, Tampa Electric agreed to a financial hedging moratorium for natural gas ending on December 31, 2022 and that it will make no investments in gas reserves.

On November 13, 2019, as required by the 2017 settlement agreement, TEC filed its petition to reduce base rates and charges to reflect the impact of the temporary reduction of the state corporate income tax from 5.5% to 4.5%. The tax rate reduction was issued on September 12, 2019 and is effective retroactive from January 1, 2019 through December 31, 2021. The estimated base rate reduction due to customers of $5 million is subject to true-up, and the actual rate reduction may vary from year to year. The base rate reduction was approved on December 10, 2019 for rates effective January 2020.

Tampa Electric Storm Restoration Cost Recovery

As a result of Tampa Electric’s 2013 rate case settlement, in the event of a named storm that results in damage to its system, Tampa Electric can petition the FPSC to seek recovery of those costs over a 12-month period or longer as determined by the FPSC, as well as replenish its reserve to $56 million, the level of the reserve as of October 31, 2013. In the third quarter of 2017, Tampa Electric was impacted by Hurricane Irma and incurred storm restoration costs of approximately $102 million, of which $90 million was charged to the storm reserve, $3 million was charged to O&M expense and $9 million was charged to capital expenditures. Tampa Electric petitioned the FPSC on December 28, 2017 for recovery of estimated Hurricane Irma storm costs plus approximately $10 million in restoration costs from prior named storms and to replenish the balance in the reserve to the $56 million level that existed as of October 31, 2013.

On March 1, 2018, the FPSC approved a settlement agreement filed by Tampa Electric that addressed both the recovery of storm costs and the return of tax reform benefits to customers (see **Note 4)** while keeping customer rates stable in 2018. Beginning on April 1, 2018, the agreement authorized Tampa Electric to net the estimated amount of storm cost recovery against Tampa Electric's estimated 2018 tax reform benefits of $103 million. As a result, during 2018, Tampa Electric recorded O&M expense and a reduction of the storm reserve regulatory asset of $47 million and O&M expense and an increase in the storm reserve regulatory liability of $56 million to reflect effective recovery of the storm costs due to the allowed netting of storm cost recovery with tax reform benefits. On August 20, 2018, the FPSC approved lowering base rates by $103 million annually beginning on January 1, 2019 as a result of lower tax expense.

On April 9, 2019, Tampa Electric reached a settlement agreement with consumer parties regarding eligible storm costs, which was approved by the FPSC on May 21, 2019. As a result, Tampa Electric refunded $12 million to customers in January 2020, resulting in minimal impact to the Consolidated Statements of Income.

In 2019, Tampa Electric incurred storm restoration preparation costs for Hurricane Dorian estimated to be approximately $8 million, which was charged to the storm reserve regulatory liability.

PGS Base Rates and Impact of Tax Reform

PGS's base rates were established in May 2009. The allowed equity in its capital structure is 54.7% from all investor sources of capital.

On February 7, 2017, the FPSC approved a settlement agreement filed by PGS and the OPC agreeing to new depreciation rates, accelerate the amortization of the regulatory asset associated with environmental remediation costs as described below, include obsolete plastic pipe replacements through the existing cast iron and bare steel replacement rider, and establish an ROE range of 9.25% to 11.75%. The settlement agreement provided that the bottom of the range will remain until the earlier of new base rates established in PGS's next general base rate proceeding or December 31, 2020 and the ROE of 10.75% will continue to be used for the calculation of return on investment for clauses and riders.

As part of the settlement, PGS and the OPC agreed that at least $32 million of PGS's regulatory asset associated with the environmental liability for current and future remediation costs related to former MGP sites, to the extent expenses are reasonably and prudently incurred, will be amortized over the period 2016 through 2020. At least $21 million of that amount will be amortized over a two-year recovery period beginning in 2016. In 2017 and 2016, PGS recorded $5 million and $16 million, respectively, of this amortization expense.

The 2017 PGS settlement agreement did not contain a provision for tax reform. In 2018, the FPSC approved a settlement agreement authorizing PGS to accelerate in 2018 the remaining amortization of PGS's regulatory asset associated with the MGP environmental liability up to the $32 million to net it against the estimated 2018 tax reform benefits. Therefore, PGS recorded amortization expense and a regulatory asset reduction of $11 million in 2018. In January 2019, PGS reduced its base rates by $12 million for the impact of tax reform and reduced depreciation rates by $10 million in accordance with the settlement agreement.

PGS is permitted to initiate a general base rate proceeding during 2020 regardless of its earned ROE at the time, provided the new rates do not become effective before January 1, 2021. As a result of increased forecasted revenue requirements, on February 7, 2020, PGS notified the FPSC that it is planning to file a base rate proceeding in April for new rates effective January 2021.

Regulatory Assets and Liabilities

Tampa Electric and PGS apply the FASB's accounting standards for regulated operations. 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 or the advance recovery of expenditures for approved costs.

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

Regulatory Assets and Liabilities

(millions)	*December 31, 2019*	*December 31, 2018*
Regulatory assets:		
Regulatory tax asset (1)	$ 74	$ 56
Cost-recovery clauses (2)	12	55
Environmental remediation (3)	20	23
Postretirement benefits (4)	295	295
Asset retirement obligation (5)	25	18
Other	11	11
Total regulatory assets	437	458
Less: Current portion	41	88
Long-term regulatory assets	$ 396	$ 370
Regulatory liabilities:		
Regulatory tax liability (6)	$ 699	$ 715
Cost-recovery clauses (2)	37	17
Accumulated reserve—cost of removal (7)	506	513
Storm reserve (8)	48	56
Other	13	9
Total regulatory liabilities	1,303	1,310
Less: Current portion	93	44
Long-term regulatory liabilities	$ 1,210	$ 1,266

(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. The regulatory tax asset balance reflects the impact of the federal tax rate reduction.

(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 the next year.

(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) This asset is related to costs associated with an asset retirement obligation, which is a legal obligation for the future retirement of certain tangible, long-lived assets. This regulatory asset does not earn a return because it is offset with related assets and liabilities within rate base. It is recovered and removed as the obligation is settled and removed as the activities for the retirement of the related assets have been completed.

(6) The regulatory tax liability is primarily related to the revaluation of TEC's deferred income tax balances recorded on December 31, 2017 at the lower 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. This regulatory tax liability also includes Tampa Electric's estimate for the state corporate tax rate change enacted in the third quarter of 2019. See **Note 4** to the **TEC Consolidated Financial Statements** for further information.

(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.

(8) See "Tampa Electric Storm Restoration Cost Recovery" discussion above for information regarding this reserve.

4. Income Taxes

On December 22, 2017, the U.S. Tax Cuts and Jobs Act of 2017 (the Act) was signed into legislation. The Act includes a broad range of tax reform proposals affecting businesses, effective January 1, 2018 which provide a corporate federal tax rate reduction from 35% to 21%, 100% asset expensing, limitation of interest deduction, the repeal of section 199 domestic production deduction and the preservation of the existing normalization rules. The Act also provides that regulated electric and gas companies are exempt from the 100% asset expensing and interest expense deduction limitation. In accordance with U.S. accounting standards, TEC was required to revalue its deferred income tax assets and liabilities based on the new 21% federal tax rate. Additionally, under FPSC rules TEC was required to adjust deferred income tax assets and liabilities for changes in tax rates with a corresponding regulatory liability for the excess deferred taxes generated by the tax rate differential. See **Note 3**.

Change in Florida Corporate Income Tax Rate

On September 12, 2019, the state of Florida issued a corporate tax rate reduction from 5.5% to 4.46% effective January 1, 2019 through December 31, 2021. TEC recorded a $4 million tax benefit, of which $3 million is expected to be refunded to customers in 2020 and is reflected as a regulatory liability. In addition, TEC recorded an estimated $5 million decrease to its deferred tax liability and an increase to its regulatory tax liability due to the revaluation of TEC's state deferred income tax balances at 4.46% over the 2019-2021 period. **See Note 3.**

FERC Consideration of the TCJA

On November 15th, 2018, FERC issued a policy statement, Docket No. PL19-2-000, requiring companies to disclose the following items related to the accounting and rate treatment of excess and deficient Accumulated Deferred Income Taxes (ADIT) that resulted from the U.S. Federal Income Tax rate change from 35% to 21%, as enacted by the TCJA on December 22, 2017 and made effective January 1, 2018.

Peoples Gas System remeasured all ADIT balances in accounts 190, 282 and 283 at December 31, 2017 and recorded the excess deferred taxes in account 282 and its corresponding gross-up to account 283. As the excess ADIT reverse through the amortization period shown in the table below, the regulatory liability will reverse with an offset to the income statement account 411.1 - provision for deferred income taxes – credit. The liability related to the revaluation of the deferred income tax balances will be amortized and returned to customers through rate reductions or other revenue offsets based on IRS regulations and a settlement agreement for the tax reform benefits approved by the FPSC.

The accounts that increased and (decreased) due to the remeasurement of accumulated deferred income taxes as a result of the decrease in the federal income tax rate are reflected below.

(millions)

254		282		283	
$	92	$	(69)	$	(23)

The estimated amortization period based on FPSC, IRS regulations, and the account that the amortization will be reported is reflected below:

(millions)						Debit/(Credit)	
As of December 31,		**2019**		**2018**		411.1	**Amortization Period**
Protected	$	85	$	86	$	(1)	Estimated 41 years under ARAM
Unprotected		(16)		(18)		2	10 years per FPSC
	$	69	$	68	$	1	

In the table above, ARAM refers to the Average Rate Assumption Method.

Income Tax Expense

Effective July 1, 2016 and due to the Merger with Emera, TEC is included in a consolidated U.S. federal income tax return with EUSHI and its subsidiaries. Prior to the Merger, TEC was included in the filing of a consolidated federal income tax return with TECO Energy and its subsidiaries. TEC's income tax expense is based upon a separate return method, modified for the benefits-for-loss allocation in accordance with respective tax sharing agreements of TECO Energy and EUSHI. To the extent that TEC'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.

In 2019, 2018 and 2017, TEC recorded net tax provisions of $77 million, $81 million and $197 million, respectively.

Income tax expense consists of the following components:

Income Tax Expense (Benefit)

(millions) *For the year ended December 31,*	*2019*	*2018*	*2017*
Current income taxes			
Federal	$ 56	$ 72	$ (1)
State	6	10	6
Deferred income taxes			
Federal	7	(13)	170
State	13	13	23
Investment tax credits amortization	(5)	(1)	(1)
Total income tax expense	$ 77	$ 81	$ 197

For the three years presented, the overall effective tax rate differs from the U.S. federal statutory rate as presented below:

Effective Income Tax Rate

(millions) *For the year ended December 31,*	*2019*	*2018*	*2017*
Income before provision for income taxes	$ 447	$ 422	$ 513
Federal statutory income tax rates	21%	21%	35%
Income taxes, at statutory income tax rate	94	89	180
Increase (decrease) due to			
State income tax, net of federal income tax	15	19	19
Excess deferred tax amortization	(25)	(24)	0
ITC amortization	(5)	(1)	(1)
AFUDC-equity	(2)	(2)	(1)
Tax credits	(1)	(2)	(3)
Other	1	2	3
Total income tax expense on consolidated statements of income	$ 77	$ 81	$ 197
Income tax expense as a percent of income before income taxes	17.2%	19.2%	38.4%

Deferred Income Taxes

Deferred taxes result from temporary differences in the recognition of certain liabilities or assets for tax and financial reporting purposes. The principal components of TEC's deferred tax assets and liabilities recognized in the balance sheet are as follows:

(millions) *As of December 31,*		*2019*		*2018*
Deferred tax liabilities [1]				
Property related	$	1,036	$	969
Pension and postretirement benefits		111		105
Total deferred tax liabilities		1,147		1,074
Deferred tax assets [1]				
Loss and credit carryforwards [2]		243		146
Medical benefits		27		24
Insurance reserves		16		17
Pension and postretirement benefits		63		63
Capitalized energy conservation assistance costs		17		16
Other		23		9
Total deferred tax assets		389		275
Total deferred tax liability, net	$	758	$	799

(1) Certain property related assets and liabilities have been netted.
(2) Deferred tax assets for net operating loss and tax credit carryforwards have been reduced by unrecognized tax benefits of $9 million.

At December 31, 2019, TEC had cumulative unused federal and Florida NOLs for income tax purposes of $340 million and $274 million, respectively, expiring between 2032 and 2037. TEC has unused general business credits of $175 million expiring between 2027 and 2039, of which $163 million relate to ITCs expiring between 2034 and 2039. As a result of the Merger with Emera, TECs 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 tax return group of EUSHI.

Unrecognized Tax Benefits

TEC accounts for uncertain tax positions as required by U.S. GAAP. This guidance addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Authoritative guidance related to accounting for uncertainty in income taxes requires an enterprise to recognize in its financial statements the best estimate of the impact of a tax position by determining if the weight of the available evidence indicates that it is more likely than not, based solely on the technical merits, that the position will be sustained upon examination, including resolution of any related appeals and litigation processes.

The following table provides details of the change in unrecognized tax benefits as follows:

(millions)		*2019*		*2018*		*2017*
Balance at January 1,	$	8	$	8	$	7
Increases due to tax positions related to prior year		1		0		0
Increases due to tax positions related to current year		0		0		1
Balance at December 31,	$	9	$	8	$	8

As of December 31, 2019 and 2018, TEC's uncertain tax positions for federal R&D tax credits were $9 million and $8 million, respectively, all of which was recorded as a reduction of deferred income tax assets for tax credit carryforwards. TEC expects that the total unrecognized tax benefits will decrease and be recognized within the next twelve months due to the ongoing audit examination of TECO Energy's consolidated federal income tax return for the short tax year ending June 30, 2016. TEC had $9 million and $8 million of unrecognized tax benefits at December 31, 2019 and 2018, respectively, that, if recognized, would reduce TEC's effective tax rate.

TEC 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 2019, 2018 and 2017, TEC did not recognize any pre-tax charges (benefits) for interest. Additionally, TEC did not have any accrued interest at December 31, 2019, 2018 and 2017. No amounts have been recorded for penalties.

The short tax year ending June 30, 2016 is currently under examination by the IRS under its Compliance Assurance Program (CAP). EUSHI's 2016 consolidated federal income tax return, which includes TEC's short tax year ending December 31, 2016, is also currently under examination by the IRS. The U.S. federal statute of limitations remains open for the year 2016 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 2005 and forward as a result of TECO Energy's consolidated Florida net operating loss still being utilized.

5. Employee Postretirement Benefits

Pension Benefits

TEC is a participant in the comprehensive retirement plans of TECO Energy, including a qualified, non-contributory defined benefit retirement plan that covers substantially all employees. Benefits are based on the employees' age, years of service and final average earnings. Where appropriate and reasonably determinable, the portion of expenses, income, gains or losses allocable to TEC are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Energy retirement plans.

Amounts disclosed for pension benefits in the following tables and discussion also include the fully-funded obligations for the SERP and the unfunded obligations of 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.

Effective October 21, 2019, the defined benefit retirement plan was amended to freeze further crediting of service and earnings for certain participants covered by the International Brotherhood of Electrical Workers (the IBEW) collective bargaining agreement. As of December 31, 2019, 24% of TEC's employees are represented by the IBEW. As a result, a curtailment and a remeasurement of the plan occurred in the fourth quarter of 2019. See curtailment-related line items in tables below.

As the result of a reorganization of shared services functions, certain employees and their associated pension benefits were transferred from TSI to TEC effective December 2019. Deferred costs related to pension benefits that were recognized by TSI in AOCI are now recognized in TEC as regulatory assets. The balances at December 31, 2019 are reflective of this transfer.

Other Postretirement Benefits

TECO Energy 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 TEC are presented. Otherwise, such amounts presented reflect the amount allocable to all participants of the TECO Energy postretirement health care and life insurance plans. Postretirement benefit levels are substantially unrelated to salary. TECO Energy reserves the right to terminate or modify the plans in whole or in part at any time.

As the result of a reorganization of shared services functions, certain employees and their associated other postretirement benefits were transferred from TSI to TEC effective December 2019. Deferred costs related to other postretirement benefits that were recognized by TSI in AOCI are now recognized in TEC as regulatory assets. The balances at December 31, 2019 are reflective of this transfer.

Obligations and Funded Status

TEC recognizes in its statement of financial position the over-funded or under-funded status of its allocated portion of TECO Energy's 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 benefit liabilities and regulatory assets. The results of operations are not impacted.

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

TECO Energy **Obligations and Funded Status** *(millions)*	**Pension Benefits** 2019	2018	**Other Benefits [2]** 2019	2018
Change in benefit obligation				
Benefit obligation at beginning of year	$ 750	$ 812	$ 173	$ 193
Service cost	20	21	1	2
Interest cost	31	29	7	7
Plan participants' contributions	0	0	4	4
Plan curtailment	(10)	0	0	0
Plan settlement	(5)	(7)	0	0
Benefits paid	(49)	(55)	(14)	(19)
Actuarial loss (gain)	106	(50)	9	(14)
Benefit obligation at end of year	$ 843	$ 750	$ 180	$ 173
Change in plan assets				
Fair value of plan assets at beginning of year	$ 659	$ 766	$ 0	$ 0
Actual return on plan assets	165	(63)	0	0
Employer contributions	20	10	0	0
Employer direct benefit payments	6	8	10	15
Plan participants' contributions	0	0	4	4
Plan settlement	(5)	(7)	0	0
Benefits paid	(48)	(54)	0	0
Direct benefit payments	(1)	(1)	(14)	(19)
Fair value of plan assets at end of year [1]	$ 796	$ 659	$ 0	$ 0

(1) The MRV of plan assets is used as the basis for calculating the EROA component of periodic pension expense. 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 Energy's Florida-based other postretirement benefit plan.

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

TECO Energy **Funded Status** *(millions)*	**Pension Benefits** 2019	2018	**Other Benefits [1]** 2019	2018
Benefit obligation (PBO/APBO)	$ 843	$ 750	$ 180	$ 173
Less: Fair value of plan assets	796	659	0	0
Funded status at end of year	$ (47)	$ (91)	$ (180)	$ (173)

(1) Represent amounts for TECO Energy's Florida-based other postretirement benefit plan.

The accumulated benefit obligation for TECO Energy consolidated defined benefit pension plans was $801 million at December 31, 2019 and $705 million at December 31, 2018.

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

TEC	**Pension Benefits**		**Other Benefits**	
Amounts recognized in balance sheet				
(millions)	*2019*	*2018*	*2019*	*2018*
Accrued benefit costs and other current liabilities	$ (1)	$ (5)	$ (11)	$ (10)
Deferred credits and other liabilities	(42)	(68)	(156)	(137)
	$ (43)	$ (73)	$ (167)	$ (147)

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

TEC	**Pension Benefits**		**Other Benefits**	
Amounts recognized in regulatory assets				
(millions)	*2019*	*2018*	*2019*	*2018*
Net actuarial loss (gain)	$ 244	$ 251	$ 51	$ 45
Amount recognized	$ 244	$ 251	$ 51	$ 45

Assumptions used to determine benefit obligations at December 31:

	Pension Benefits		**Other Benefits**	
	2019	*2018*	*2019*	*2018*
Discount rate	3.21%	4.33%	3.32%	4.38%
Rate of compensation increase	3.79%	3.75%	3.79%	3.75%
Healthcare cost trend rate				
Immediate rate	n/a	n/a	6.03%	6.31%
Ultimate rate	n/a	n/a	4.50%	4.50%
Year rate reaches ultimate	n/a	n/a	2038	2038

A one-percentage-point change in assumed health care cost trend rates would have the following effect on TEC's benefit obligation:

(millions)	**1% Increase**	**1 % Decrease**
Effect on PBO	$ 4	$ (3)

The discount rate assumption used to determine the December 31, 2019 and 2018 benefit obligation was based on a cash flow matching technique that matches yields from high-quality (AA-rated, non-callable) corporate bonds to TECO Energy's 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 Energy	**Pension Benefits**			**Other Benefits** [1]		
	2019	*2018*	*2017*	*2019*	*2018*	*2017*
(millions)						
Service cost	$ 20	$ 21	$ 20	$ 1	$ 2	$ 2
Interest cost	31	29	31	7	7	7
Expected return on plan assets	(51)	(49)	(48)	0	0	0
Amortization of:						
Actuarial loss	0	19	17	1	1	0
Prior service (benefit) cost	16	0	0	(2)	(2)	(2)
Settlement loss	1 (3)	2 (3)	7 (2)	0	0	0
Net periodic benefit cost	$ 17	$ 22	$ 27	$ 7	$ 8	$ 7
New prior service cost	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Net loss (gain) arising during the year (includes curtailment gain)	(17)	62	(5)	9	(14)	22
Amounts recognized as component of net periodic benefit cost:						
Amortization or curtailment recognition of prior service (benefit) cost	0	0	0	2	2	2
Amortization or settlement of actuarial gain (loss)	(17)	(20)	(24)	(1)	(1)	0
Total recognized in OCI and regulatory assets	$ (34)	$ 42	$ (29)	$ 10	$ (13)	$ 24
Total recognized in net periodic benefit cost, OCI and regulatory assets	$ (17)	$ 64	$ (2)	$ 17	$ (5)	$ 31

(1) Represents amounts for TECO Energy’s Florida-based other postretirement benefit plan

(2) Represents TECO Energy’s SERP settlement charge as a result of retirements that occurred subsequent to the Merger with Emera. The charge did not impact TEC’s financial statements.

(3) Represents TECO Energy’s SERP and Restoration settlement charges as a result of the retirement of certain executives. These charges did impact TEC’s financial statements.

TEC’s portion of the net periodic benefit costs for pension benefits was $12 million, $16 million and $14 million for 2019, 2018 and 2017, respectively. TEC’s portion of the net periodic benefit costs for other benefits was $7 million, $8 million and $6 million for 2019, 2018 and 2017, respectively. TEC’s portion of net periodic benefit costs for pension and other benefits is included as an expense on the Consolidated Statements of Income in “Operations & maintenance”.

The estimated net loss for the defined benefit pension plans that will be amortized by TEC from regulatory assets into net periodic benefit cost over the next fiscal year is $18 million. There are no prior service credits to be amortized from regulatory assets into net periodic benefit cost in 2020 for the other postretirement benefit plan.

TECO Energy recognized a settlement charge related to the SERP of $7 million in 2017 due to retirements that have occurred as a result of the Merger. TEC was not impacted by the curtailment loss or settlement charge. TEC recognized a settlement charge of $1 million in 2018 relating to the retirement of an executive in the SERP plan. TEC recognized a settlement charge of approximately $1 million in 2019 related to the retirement of a SERP participant. TEC recognized settlement charges of approximately $1 million in 2019 related to the retirement of Restoration plan participants.

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

	Pension Benefits			Other Benefits		
	2019	*2018*	*2017*	*2019*	*2018*	*2017*
Discount rate	4.33%	3.62%	4.11%	4.38%	3.70%	4.28%
Expected long-term return on plan assets	7.35%/7.00% (1)	6.85%	7.00%	N/A	N/A	N/A
Rate of compensation increase	3.75%	3.32%	2.57%	3.75%	3.31%	2.48%
Healthcare cost trend rate						
Initial rate	n/a	n/a	n/a	6.31%	6.58%	6.83%
Ultimate rate	n/a	n/a	n/a	4.50%	4.50%	4.50%
Year rate reaches ultimate	n/a	n/a	n/a	2038	2038	2038

(1) The expected return on assets was 7.35% as of January 1, 2019 and 7.00% as of October 31, 2019 when a plan remeasurement occurred as a result of a plan curtailment.

The discount rate assumption used to determine the benefit cost for 2019, 2018 and 2017 was based on the same technique that was used to determine the December 31, 2019 and 2018 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, 2019, TECO Energy's pension plan's actual earned returns were approximately 26%.

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

A one-percentage-point change in assumed health care cost trend rates would have a less than $1 million effect on net periodic benefit cost.

Pension Plan Assets

Pension plan assets (plan assets) are invested in a mix of equity and fixed income securities. TECO Energy's investment objective is to obtain above-average returns while minimizing volatility of expected returns and funding requirements over the long term. TECO Energy's 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 Energy	**2019 Target Allocation**	**2018 Target Allocation**	**Actual Allocation, End of Year**	
Asset Category			*2019*	*2018*
Equity securities	57%-63%	47%-53%	58%	46%
Fixed income securities	37%-43%	47%-53%	42%	54%
Total	100%	100%	100%	100%

TECO Energy 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 Energy expects to take additional steps to more closely match plan assets with plan liabilities over the long term.

The plan's investments are held by a trust fund administered by JP Morgan Chase Bank, N.A. 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 table sets forth by level within the fair value hierarchy the plan's investments.

Pension Plan Investments

TECO Energy *(millions)*	**At Fair Value as of December 31, 2019**				
	Level 1	**Level 2**	**Level 3**	**Using NAV [1]**	**Total**
Cash	$ 7	$ 0	$ 0	$ 0	$ 7
Accounts receivable	27	0	0	0	27
Accounts payable	(64)	0	0	0	(64)
Cash collateral	1	0	0	0	1
Short-term investment funds (STIFs)	22	0	0	0	22
Common stocks	50	0	0	0	50
Real estate investment trusts (REITs)	4	0	0	0	4
Mutual funds	153	-	0	0	153
Municipal bonds	0	1	0	0	1
Government bonds	0	51	0	0	51
Corporate bonds	0	70	0	0	70
Mortgage backed securities (MBS)	0	5	0	0	5
Collateralized mortgage obligations (CMOs)	0	2	0	0	2
Long Futures	(4)	-	0	0	(4)
Swaps	0	1	0	0	1
Investments not utilizing the practical expedient	196	130	0	0	326
Common and collective trusts [1]	0	0	0	412	412
Mutual fund [1]	0	0	0	58	58
Total investments	$ 196	$ 130	$ 0	$ 470	$ 796

(1) In accordance with accounting standards, certain investments that are measured at fair value using the net asset value 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 Consolidated Balance Sheet of TECO Energy.

TECO Energy *(millions)*	**At Fair Value as of December 31, 2018**				
	Level 1	**Level 2**	**Level 3**	**NAV [(1)]**	**Total**
Cash	$ (3)	$ 0	$ 0	$ 0	$ (3)
Accounts receivable	10	0	0	0	10
Accounts payable	(51)	0	0	0	(51)
Short-term investment funds (STIFs)	17	0	0	0	17
Common stocks	32	0	0	0	32
Real estate investment trusts (REITs)	3	0	0	0	3
Mutual funds	97	0	0	0	97
Municipal bonds	0	1	0	0	1
Government bonds	0	59	0	0	59
Corporate bonds	0	55	0	0	55
Collateralized mortgage obligations (CMOs)	0	1	0	0	1
Long Futures	6	0	0	0	6
Swaps	0	3	0	0	3
Purchase options (swaptions)	0	1	0	0	1
Written options (swaptions)	0	(1)	0	0	(1)
Investments not utilizing the practical expedient	111	119	0	0	230
Common and collective trusts [(1)]	0	0	0	330	330
Mutual fund [(1)]	0	0	0	99	99
Total investments	$ 111	$ 119	$ 0	$ 429	$ 659

(1) In accordance with accounting standards, certain investments that are measured at fair value using the net asset value 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 Consolidated Balance Sheet of TECO Energy.

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 net asset value (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 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.
- Swaps are valued using benchmark yields, swap curves, and cash flow analyses.
- Options are valued using the bid-ask spread and the last price.
- The primary pricing input in determining the fair value of the mutual fund utilizing the practical expedient is its NAV. It is an unregistered open-end mutual fund. The fund holds primarily corporate bonds, debt securities and other similar instruments issued by U.S. and non-U.S. public- or private-sector entities. The fund may purchase or sell securities on a when-issued basis. These transactions are made conditionally because a security has not yet been issued in the market, although it is authorized. A commitment is made regarding these transactions to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. Since this mutual fund is an open-end mutual fund and the prices are not published to an external source, it uses NAV as a practical expedient. The redemption frequency is daily. The redemption notice period is the same day. There were no unfunded commitments as of December 31, 2019.

- The 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, 2019.
- 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 $10 million and $14 million of assets as of December 31, 2019 and 2018, 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, 2019 and 2018.

Other Postretirement Benefit Plan Assets

There are no assets associated with TECO Energy's Florida-based other postretirement benefits plan.

Contributions

The qualified pension plan's actuarial value of assets, including credit balance, was 109.5% of the Pension Protection Act funded target as of January 1, 2019 and is estimated at 108.8% of the Pension Protection Act funded target as of January 1, 2020.

TECO Energy's policy is to fund the qualified pension plan at or above amounts determined by its actuaries to meet ERISA guidelines for minimum annual contributions and minimize PBGC premiums paid by the plan. TEC's contribution is first set equal to its service cost. If a contribution in excess of service cost for the year is made, TEC's portion is based on TEC's proportion of the TECO Energy unfunded liability. TECO Energy made contributions to this plan in 2019, 2018 and 2017, which met the minimum funding requirements for 2019, 2018 and 2017. TEC's portion of the contribution in 2019 was $15 million and in 2018 was $8 million. These amounts are reflected in the "Other" line on the Consolidated Statements of Cash Flows. TEC estimates its portion of the 2020 contribution to be $16 million. The amount TECO Energy expects to contribute is in excess of the minimum funding required under ERISA guidelines.

TEC's portion of the contributions to the SERP in 2019, 2018 and 2017 was zero. Since the SERP is fully funded, TECO Energy does not expect to make significant contributions to this plan in 2020. TEC made SERP payments of approximately $5 million and $7 million from the trust in 2019 and 2018, respectively, and expects to make a SERP payment of approximately $1 million from the trust in 2020.

The other postretirement benefits are funded annually to meet benefit obligations. TECO Energy's 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 Energy's 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 2020, TEC expects to make a contribution of about $11 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 Energy (including projected service and net of employee contributions) *(millions)*	**Pension Benefits**	**Other Postretirement Benefits**
2020	$ 55	$ 12
2021	61	12
2022	61	11
2023	61	11
2024	63	11
2025-2029	342	53

Defined Contribution Plan

TECO Energy has a defined contribution savings plan covering substantially all employees of TECO Energy and its subsidiaries that enables participants to save a portion of their compensation up to the limits allowed by IRS guidelines. TECO Energy and its subsidiaries match up to 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, 2019, 2018 and 2017, TEC's portion of expense totaled $11 million, $11 million and $11 million, respectively, related to the matching contributions made to this plan. TEC's portion of the expense related to the matching contribution is included on the Consolidated Statements of Income in "Operations & maintenance".

Effective October 21, 2019, TECO Energy amended the defined contribution plan such that certain participants covered by the IBEW collective bargaining agreement shall not be eligible to participate in the plan for purposes of receiving the fixed matching contribution. This has been replaced with a non-elective employer contribution on a bi-weekly basis equal to a percentage of the member's compensation for that period based on years of tenure of employment. For the year ended December 31, 2019, TEC recognized expense totaling $1 million related to the contributions made to this plan. TEC's portion of the expense related to this contribution is included on the Consolidated Statements of Income in "Operations & maintenance".

6. Short-Term Debt

Credit Facilities

	December 31, 2019			*December 31, 2018*		
(millions)	Credit Facilities	Borrowings Outstanding (1)	Letters of Credit Outstanding	Credit Facilities	Borrowings Outstanding (1)	Letters of Credit Outstanding
5-year facility (2)	$ 400	$ 295	$ 1	$ 325	$ 131	$ 1
3-year accounts receivable facility (3)	150	53	0	150	90	0
Total	$ 550	$ 348	$ 1	$ 475	$ 221	$ 1

(1) Borrowings outstanding are reported as notes payable.
(2) This 5-year facility matures March 22, 2022.
(3) This 3-year facility matures March 22, 2021.

At December 31, 2019, these credit facilities required commitment fees ranging from 12.5 to 35.0 basis points. The weighted-average interest rate on borrowings outstanding under the credit facilities at December 31, 2019 and 2018 was 2.56% and 3.14%, respectively.

Tampa Electric Company Non Revolving Term Loan

On February 6, 2020, TEC entered into a 364-day, $300 million credit agreement with a group of banks. The credit agreement has a maturity date of February 4, 2021; contains customary representations and warranties, events of default, and financial and other covenants; and provides for interest to accrue at variable rates based on either the London interbank deposit rate, Wells Fargo Bank's prime rate, or the federal funds rate, plus a margin.

Tampa Electric Company Accounts Receivable Facility

On March 23, 2018, TEC amended its $150 million accounts receivable collateralized borrowing facility in order to extend the scheduled termination date to March 22, 2021, by entering into a Second Amended Loan and Servicing Agreement, among TEC, certain lenders and the program agent (the Loan Agreement). Throughout the term of the facility, TEC will pay program and liquidity fees, which total 70 basis points at December 31, 2019. Interest rates on the borrowings are based on prevailing asset-backed commercial paper rates, unless such rates are not available from conduit lenders, in which case the rates will be at an interest rate equal to either The Bank of Tokyo-Mitsubishi UFJ, Ltd.'s prime rate, the federal funds rate, or the London interbank deposit rate, plus a margin. In the case of default, as defined under the terms of the Loan Agreement, TEC has pledged as collateral a pool of receivables equal to the borrowings outstanding. TEC continues to service, administer and collect the pledged receivables, which are classified as receivables on the balance sheet. As of December 31, 2019, TEC was in compliance with the requirements of the Loan Agreement.

Tampa Electric Company Credit Facility

On March 22, 2017, TEC amended its $325 million bank credit facility, entering into a Fifth Amended and Restated Credit Agreement. The amendment extended the maturity date of the credit facility from December 17, 2018 to March 22, 2022 (subject to further extension with the consent of each lender); provides for an interest rate based on either the London interbank deposit rate, Wells Fargo Bank's prime rate, or the federal funds rate, plus a margin; allows TEC to borrow funds on a same-day basis under a swingline loan provision, which loans mature on the fourth banking day after which any such loans are made and bear interest at an interest rate as agreed by the borrower and the relevant swingline lender prior to the making of any such loans; continues to allow TEC to request the lenders to increase their commitments under the credit facility by up to $175 million in the aggregate; includes a $50 million letter of credit facility; and made other technical changes. On December 19, 2019, TEC increased the amount by $75 million to $400 million with no other changes from the prior agreement.

7. Long-Term Debt

A substantial part of Tampa Electric's tangible assets are pledged as collateral to secure its first mortgage bonds. There are currently no bonds outstanding under Tampa Electric's first mortgage bond indenture, and Tampa Electric could cause the lien associated with this indenture to be released at any time.

Tampa Electric Company 3.625% Notes due 2050

On July 24, 2019, TEC completed a sale of $300 million aggregate principal amount of 3.625% unsecured notes due June 15, 2050. Until December 15, 2049, TEC may redeem all or any part of the Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum of the present value of the remaining payments of principal and interest on the Notes to be redeemed, discounted at an applicable treasury rate (as defined in the indenture), plus 20 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after December 15, 2049, TEC may, at its option, redeem the Notes, in whole or in part, at 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to but excluding the date of redemption.

Tampa Electric Company 4.45% Notes due 2049

On October 4, 2018, TEC completed a sale of $375 million aggregate principal amount of 4.45% unsecured notes due June 15, 2049. Until December 15, 2048, TEC may redeem all or any part of the Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum of the present value of the remaining payments of principal and interest on the Notes to be redeemed, discounted at an applicable treasury rate (as defined in the indenture), plus 20 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after December 15, 2048, TEC may, at its option, redeem the Notes, in whole or in part, at 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption.

Tampa Electric Company 4.3% Notes due 2048

On June 7, 2018, TEC completed a sale of $350 million aggregate principal amount of 4.3% unsecured notes due June 15, 2048. Until December 15, 2047, TEC may redeem all or any part of the Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) the sum of the present value of the remaining payments of principal and interest on the Notes to be redeemed, discounted at an applicable treasury rate (as defined in the indenture), plus 20 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after December 15, 2047, TEC may, at its option, redeem the Notes, in whole or in part, at 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption.

Purchase in Lieu of Redemption of Revenue Refunding Bonds

At December 31, 2019 and 2018, $233 million of tax-exempt bonds purchased in lieu of redemption were held by the trustee at the direction of Tampa Electric to provide an opportunity to evaluate refinancing alternatives including $20 million variable-rate bonds due 2020, $52 million term-rate refunding bonds due 2025, $75 million term-rate bonds due 2030, and $86 million term-rate refunding bonds due 2034.

8. Commitments and Contingencies

Legal Contingencies

From time to time, TEC and its subsidiaries are 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

TEC, through its Tampa Electric and PGS divisions, is a PRP for certain superfund sites and, through its PGS division, for 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, 2019 and 2018, TEC has estimated its ultimate financial liability to be $21 million and $28 million, respectively, primarily at PGS. This amount has been accrued and is primarily 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 attributable to TEC. The estimates to perform the work are based on TEC'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, TEC could be liable for more than TEC'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

TEC has commitments for various purchases as disclosed below, including payment obligations for capital projects, such as Tampa Electric's solar projects (see **Note 3**) and the modernization of the Big Bend power station, and contractual agreements for fuel, fuel transportation and power purchases that are recovered from customers under regulatory clauses. Rental expense for leases included in "Operations & maintenance expense" on the Consolidated Statements of Income for the years ended December 31, 2019, 2018 and 2017, totaled $3 million, $2 million and $2 million, respectively. 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, 2019:

(millions)	*Purchased Power*	*Transportation*	*Capital Projects*	*Fuel and Gas Supply*	*Long-term Service Agreements*	*Operating Leases*	*Demand Side Management*	*Total*
Year ended December 31:								
2020	$ 3	$ 200	$ 186	$ 226	$ 7	$ 2	$ 4	$ 628
2021	3	217	84	58	6	3	3	374
2022	0	220	79	3	9	3	3	317
2023	0	197	66	1	12	3	0	279
2024	0	190	0	0	18	3	0	211
Thereafter	0	2,065	0	0	67	51	0	2,183
Total future minimum payments	$ 6	$ 3,089	$ 415	$ 288	$ 119	$ 65	$ 10	$ 3,992

Financial Covenants

TEC must meet certain financial tests, including a debt to capital ratio, as defined in the applicable debt agreements. TEC has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2019 and 2018, TEC was in compliance with all required financial covenants.

9. Revenue

The following disaggregates TEC’s revenue by major source:

(millions) *For the year ended December 31, 2019*	Tampa Electric	PGS	Eliminations	Tampa Electric Company
Electric revenue				
Residential	$ 1,046	$ 0	$ 0	$ 1,046
Commercial	562	0	0	562
Industrial	156	0	0	156
Regulatory deferrals and unbilled revenue	(49)	0	0	(49)
Other [(1)]	250	0	(4)	246
Total electric revenue	1,965	0	(4)	1,961
Gas revenue				
Residential	0	154	0	154
Commercial	0	146	0	146
Industrial [(2)]	0	21	0	21
Other [(3)]	0	140	(18)	122
Total gas revenue	0	461	(18)	443
Total revenue	$ 1,965	$ 461	$ (22)	$ 2,404
For the year ended December 31, 2018				
Electric revenue				
Residential	$ 1,067	$ 0	$ 0	$ 1,067
Commercial	582	0	0	582
Industrial	161	0	0	161
Regulatory deferrals and unbilled revenue	(2)	0	0	(2)
Other [(1)]	258	0	(3)	255
Total electric revenue	2,066	0	(3)	2,063
Gas revenue				
Residential	0	157	0	157
Commercial	0	151	0	151
Industrial [(2)]	0	21	0	21
Other [(3)]	0	159	(27)	132
Total gas revenue	0	488	(27)	461
Total revenue	$ 2,066	$ 488	$ (30)	$ 2,524

(1) Other includes sales to public authorities, off-system sales to other utilities and various other items.

(2) Industrial includes sales to power generation customers.

(3) Other includes off-system sales to other utilities and various other items.

Remaining Performance Obligations

Remaining performance obligations primarily represent lighting contracts and gas transportation contracts with fixed contract terms. As of December 31, 2019 and 2018, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately $140 million and $135 million, respectively. As allowed under ASC 606, this amount excludes contracts with an original expected length of one year or less and variable amounts for which TEC recognizes revenue at the amount to which it has the right to invoice for services performed. TEC expects to recognize revenue for the remaining performance obligations through 2033.

10. Related Party Transactions

A summary of activities between TEC and its affiliates follows:

Net transactions with affiliates:

(millions)	*2019*	*2018*	*2017*
Natural gas sales to/(from) affiliates	$ (111)	$ (38)	$ (4)
Services received from affiliates	65	65	67
Dividends to TECO Energy	373	362	292
Equity contributions from TECO Energy	395	345	190

Services received from affiliates primarily include shared services provided to TEC from TSI, TECO Energy's centralized services company subsidiary. Through TSI, TECO Energy provided TEC with specialized services at cost, including information technology, procurement, human resources, legal, risk management, financial, and administrative services. TSI's costs are directly charged or allocated to TEC based on FPSC-approved cost-causative allocation methods or the Modified Massachusetts Formula. In December 2019, most TSI employees were transferred to Tampa Electric. The transfer of these employees to Tampa Electric is not expected to materially impact shared service costs or the TEC Consolidated Statement of Income.

Amounts due from or to affiliates at December 31,

(millions)	*2019*	*2018*
Accounts receivable related to asset management agreements to Emera Energy Services Inc. (1)	$ 4	$ 2
Accounts receivable excluding asset management agreements (1)	10	1
Accounts payable (1)	16	20
Taxes receivable (2)	0	1
Taxes payable (2)	4	4

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

(2) Taxes receivable were due from EUSHI and taxes payable were due to EUSHI. See **Note 4** for additional information.

11. Segment Information

Segments are determined based on how management evaluates, measures and makes decisions with respect to the operations of the entity. Management reports segments based on each segment's contribution of revenues, net income and total assets as required by the accounting guidance for disclosures about segments of an enterprise and related information. All significant intercompany transactions are eliminated in the Consolidated Financial Statements of TEC but are included in determining reportable segments.

TEC is a public utility operating within the State of Florida and has two segments, Tampa Electric and PGS. Through its Tampa Electric division, it is engaged in the generation, purchase, transmission, distribution and sale of electric energy to approximately 779,000 customers in West Central Florida. Its PGS division is engaged in the purchase, distribution and marketing of natural gas for approximately 406,000 residential, commercial, industrial and electric power generation customers in the State of Florida.

(millions)	Tampa Electric	PGS	Eliminations	TEC
2019				
Revenues - external	$ 1,961	$ 443	$ 0	$ 2,404
Sales to affiliates	4	18	(22)	0
Total revenues	1,965	461	(22)	2,404
Depreciation and amortization	336	41	0	377
Total interest charges	117	17	0	134
Provision for income taxes	59	18	0	77
Net income	316	54	0	370
Total assets	9,007	1,593	(593) (1)	10,007
Capital expenditures	1,055	228	0	1,283
2018				
Revenues - external	$ 2,063	$ 461	$ 0	$ 2,524
Sales to affiliates	3	27	(30)	0
Total revenues	2,066	488	(30)	2,524
Depreciation and amortization	312	60	0	372
Total interest charges	102	16	0	118
Provision for income taxes	65	16	0	81
Net income	294	47	0	341
Total assets	8,235	1,407	(487) (1)	9,155
Capital expenditures	940	169	0	1,109
2017				
Revenues - external	$ 2,052	$ 418	$ 0	$ 2,470
Sales to affiliates	2	20	(22)	0
Total revenues	2,054	438	(22)	2,470
Depreciation and amortization	300	50	0	350
Total interest charges	104	15	0	119
Provision for income taxes	171	26	0	197
Net income	273	43	0	316
Total assets	7,635	1,284	(555) (1)	8,364
Capital expenditures	518	122	0	640

(1) Amounts relate to consolidated deferred tax reclassifications. Deferred tax assets are reclassified and netted with deferred tax liabilities upon consolidation.

12. Asset Retirement Obligations

TEC accounts for AROs at fair value at inception of the obligation if there is a legal obligation under applicable law, a written or oral contract, or by legal construction under the doctrine of promissory estoppel. Retirement obligations are recognized only if the legal obligation exists in connection with or as a result of the permanent retirement, abandonment or sale of a long-lived asset. When the liability is initially recorded in “Deferred credits and other liabilities” in the Consolidated Balance Sheets, the carrying amount of the related long-lived asset is correspondingly increased. Over time, the liability is accreted to its estimated future value. The corresponding amount capitalized at inception is depreciated over the remaining useful life of the asset. The ARO estimates are reviewed quarterly. Any updates are revalued based on current market prices.

Reconciliation of beginning and ending carrying amount of asset retirement obligations:

(millions)	December 31, 2019	2018
Beginning balance	$ 64	$ 47
Additional liabilities [(1)]	0	18
Liabilities settled [(1)]	(18)	0
Revisions to estimated cash flows	0	(3)
Other [(2)]	3	2
Ending balance	$ 49	$ 64

(1) Tampa Electric produces ash and other by-products, collectively known as CCRs, at its Big Bend and Polk power stations. The increase in the ARO in 2018 is to achieve compliance with the EPA's CCR rule, which contains design and operating standards for CCR management units, due to the closure of a CCR management facility that began in 2018 and was completed in 2019.

(2) Includes accretion recorded as a deferred regulatory asset.

13. Leases

TEC 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.

Operating lease ROU assets and operating lease liabilities are recognized on the Consolidated Balance Sheets based on the present value of the future minimum lease payments over the lease term at commencement date. As most of TEC's leases do not provide an implicit rate, the incremental borrowing rate at commencement of the lease is used in determining the present value of future lease payments. Lease expense is recognized on a straight-line basis over the lease term and is recorded as "Operations and maintenance expenses" on the Consolidated Statements of Income.

Where TEC is the lessor, a lease is a sales-type lease if certain criteria is 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.

TEC has certain contractual agreements that include lease and non-lease components, which management has elected to account for as a single lease component for all leases.

Lessee

TEC has operating leases for buildings, land, telecommunication services and rail cars. TEC's leases have remaining lease terms of 2 years to 67 years, some of which include options to extend the leases for up to an additional 65 years. These options are included as part of the lease term when it is considered reasonably certain that they will be exercised.

(millions)	Classification	December 31, 2019
Right-of-use asset	Other deferred debits	$ 28
Lease liabilities		
Current	Other current liabilities	$ 2
Long-term	Deferred credits and other liabilities	27
Total lease liabilities		$ 29

TEC has recorded operating lease expense for the year ended December 31, 2019 of $4 million.

Future minimum lease payments under non-cancellable operating leases for each of the next five years and in aggregate thereafter consisted of the following at December 31, 2019:

(millions) *Year ended December 31:*	*2020*	*2021*	*2022*	*2023*	*2024*	*Thereafter*	*Total*
Minimum lease payments	$ 2	$ 3	$ 3	$ 3	$ 3	$ 51	$ 65
Less imputed interest							(36)
Total future minimum payments							$ 29

Additional information related to TEC's leases is as follows:

Year ended December 31,	*2019*
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases (millions)	$ 3
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases (millions)	$ 11
Weighted average remaining lease term (years)	43
Weighted average discount rate - operating leases	4.3%

Lessor

TEC leases CNG stations to other companies, which are classified as direct finance leases. The net investment in direct finance leases consists of the following:

(millions)	*December 31, 2019*
Total minimum lease payments to be received	$ 33
Less amounts representing estimated executory costs	(13)
Minimum lease payments receivable	$ 20
Less unearned finance lease income	(11)
Net investment in direct finance leases	$ 9
Principal due within one year (included in "Receivables")	(2)
Net investment in direct finance leases - long-term (included in "Other deferred debits")	$ 7

The unearned income related to these direct finance leases 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. Customers have the option to purchase the assets related to the CNG stations at any time after year five of the agreements, which is in 2021, by paying a make-whole payment at the date of the purchase based on a targeted internal rate of return. Alternatively, the customer may take possession of the CNG station asset at the end of the lease term for no cost.

As of December 31, 2019, future minimum direct finance lease payments to be received for each of the next five years and in aggregate thereafter consisted of the following:

(millions) *Year ended December 31:*	*2020*	*2021*	*2022*	*2023*	*2024*	*Thereafter*	*Total*
Minimum lease payments to be received	$ 2	$ 2	$ 2	$ 2	$ 2	$ 23	$ 33
Less executory costs							(13)
Total minimum lease payments receivable							$ 20

14. Accounting for Derivative Instruments and Hedging Activities

From time to time, TEC enters into futures, forwards, swaps and option contracts for the following purposes:

- To limit the exposure to price fluctuations for physical purchases and sales of natural gas in the course of normal operations, and
- To optimize the utilization of Tampa Electric's physical natural gas storage capacity and PGS's firm transportation capacity on interstate pipelines.

TEC uses derivatives only to reduce normal operating and market risks, not for speculative purposes. TEC's primary objective in using derivative instruments for regulated operations is to reduce the impact of market price volatility on customers and to optimize the utilization of its physical natural gas storage capacity and firm transportation capacity on interstate pipelines.

The risk management policies adopted by TEC provide a framework through which management monitors various risk exposures. Daily and periodic reporting of positions and other relevant metrics are performed by a centralized risk management group, which is independent of all operating companies.

On November 6, 2017, the FPSC approved an amended and restated settlement agreement filed by Tampa Electric, which included a provision for a moratorium on hedging of natural gas purchases ending on December 31, 2022 (see **Note 3**). TEC was hedging its exposure to the variability in future cash flows until November 30, 2018 for financial natural gas contracts. TEC had $1 million and zero of derivative liabilities related to natural gas storage optimization as of December 31, 2019 and 2018, respectively, and zero derivative assets on its Consolidated Balance Sheets as of December 31, 2019 and 2018.

TEC applies the accounting standards for derivative instruments and hedging activities. These standards require companies to recognize derivatives as either assets or liabilities in the financial statements and to measure those instruments at fair value. TEC also applies the accounting standards for regulated operations to financial instruments used to hedge the purchase of natural gas and optimize natural gas storage capacity for its regulated companies. These standards, in accordance with the FPSC, permit the changes in fair value of natural gas derivatives to be recorded as regulatory assets or liabilities reflecting the impact of these activities on the fuel recovery clause. As a result, these changes are not recorded in OCI or net income (see **Note 3**).

TEC's physical contracts qualify for the NPNS exception to derivative accounting rules, provided they meet certain criteria. Generally, NPNS applies if TEC deems the counterparty creditworthy, if the counterparty owns or controls resources within the proximity to allow for physical delivery of the commodity, if TEC intends to receive physical delivery and if the transaction is reasonable in relation to TEC's business needs. As of December 31, 2019, all of TEC's physical contracts qualify for the NPNS exception, which has been elected.

TEC is exposed to credit risk by entering into derivative instruments with counterparties to limit its exposure to the commodity price fluctuations associated with natural gas and to optimize the value of natural gas storage capacity. Credit risk is the potential loss resulting from a counterparty's nonperformance under an agreement. TEC manages credit risk with policies and procedures for, among other things, counterparty analysis, exposure measurement and exposure monitoring and mitigation.

It is possible that volatility in commodity prices could cause TEC to have material credit risk exposures with one or more counterparties. If such counterparties fail to perform their obligations under one or more agreements, TEC could suffer a material financial loss. However, as of December 31, 2019, substantially all of the counterparties with transaction amounts outstanding in TEC's energy portfolio were rated investment grade by the major rating agencies. TEC assesses credit risk internally for counterparties that are not rated.

TEC has entered into commodity master arrangements with its counterparties to mitigate credit exposure to those counterparties. TEC generally enters into standardized master arrangements in the electric and gas industry. TEC believes that entering into such agreements reduces the risk from default by creating contractual rights relating to creditworthiness, collateral and termination.

TEC has implemented procedures to monitor the creditworthiness of its counterparties and to consider nonperformance risk in determining the fair value of counterparty positions. Net liability positions generally do not require a nonperformance risk adjustment as TEC uses derivative transactions as hedges and has the ability and intent to perform under each of these contracts. In the instance of net asset positions, TEC considers general market conditions and the observable financial health and outlook of specific counterparties in evaluating the potential impact of nonperformance risk to derivative positions.

Certain TEC derivative instruments contain provisions that require TEC's debt to maintain an investment grade credit rating from any or all of the major credit rating agencies. If debt ratings were to fall below investment grade, it could trigger these provisions, and the counterparties to the derivative instruments could demand immediate and ongoing full overnight collateralization on derivative instruments in net liability positions. TEC has no other contingent risk features associated with any derivative instruments.

15. 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.

There were no Level 3 assets or liabilities for the periods presented.

As of December 31, 2019 and 2018, the fair value of TEC's short-term debt was 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 TEC's short-term debt is determined using Level 2 measurements.

See **Note 5** and **Consolidated Statements of Capitalization** for information regarding the fair value of the pension plan investments and long-term debt, respectively.

16. Stock-Based Compensation

Performance Share Unit Plan

Emera has a performance share unit (PSU) plan. The PSU liability is marked-to-market at the end of each period based on the common share price at the end of the period. Emera common shares are traded on the Toronto Stock Exchange under the symbol EMA.

Under the PSU plan, certain executive and senior employees are eligible for long-term incentives payable through the PSU plan. PSUs are granted annually for three-year overlapping performance cycles, resulting in a cash payment. PSUs are granted based on the average of Emera's stock closing price for the fifty trading days prior to the effective grant date. Dividend equivalents are awarded and are paid in the form of additional PSUs. The PSU value varies according to the Emera common share market price and corporate performance.

PSUs vest at the end of the three-year cycle and are calculated and approved by the Emera Management Resources and Compensation Committee (MRCC) early in the following year. The value of the payout considers actual service over the performance cycle and may be pro-rated in certain departure scenarios.

A summary of the activity related to TEC employee PSUs is presented in the following table:

	Number of Units (Thousands)	Weighted Average Grant Date Fair Value (Per Unit)	Aggregate Intrinsic Value (Millions)
Outstanding as of December 31, 2018	258	$ 46.68	$ 11
Granted including DRIP	135	43.20	6
Exercised	(4)	42.95	0
Forfeited	(23)	46.16	(1)
Transferred [1]	138	45.41	8
Outstanding as of December 31, 2019	504	45.45	28

(1) As the result of a reorganization of shared services functions, certain employees and their associated performance share units were transferred from TSI to TEC effective December 2019. The balance at December 31, 2019 is reflective of this transfer.

Compensation cost recognized for the PSU plan for the years ended December 31, 2019, 2018 and 2017 was $8 million, $4 million and $2 million, respectively. Tax benefits related to this compensation cost for share units realized for the years ended December 31, 2019, 2018 and 2017 were $2 million, $1 million and $1 million, respectively. As of December 31, 2019 and 2018, there was $4 million and $6 million, respectively, of unrecognized compensation cost related to non-vested PSUs that is expected to be recognized over a weighted-average period of two years.

Restricted Share Unit (RSU) Plan

In November 2019, a new RSU plan was approved by Emera's Board of Directors, with grants to begin in 2020. Under the RSU plan, certain executive and senior employees are eligible for long-term incentives payable through the RSU plan. RSUs are granted annually for three-year overlapping cycles, resulting in a cash payment. RSUs are granted based on the average of Emera's stock closing price for the fifty trading days prior to the effective grant date. Dividend equivalents are awarded and paid in the form of additional RSUs. The RSU value varies according to the Emera common share market price.

RSUs vest at the end of the three-year cycle and will be calculated and approved by the MRCC early in the following year. The value of the payout considers actual service over the performance cycle and may be pro-rated in certain departure scenarios.

17. Variable Interest Entities

A VIE is an entity that a company has a controlling financial interest in, and that controlling interest is determined through means other than a majority voting interest. The determination of a VIE's primary beneficiary is the enterprise that has both 1) the power to direct the activities of a VIE that most significantly impact the entity's economic performance and 2) the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE.

In 2018 and 2017, Tampa Electric had long-term PPAs with wholesale energy providers in Florida, which expired in December 2018. These agreements ranged in size from 121 MW to 250 MW of available capacity, were with similar entities and contained similar provisions. In 2019, Tampa Electric entered into a long-term PPA with a wholesale energy provider in Florida with up to 360 MW of available capacity, which expires in 2020. Because some of these provisions provide for the transfer or sharing of a number of risks inherent in the generation of energy, these agreements meet the definition of being variable interests. These risks include: operating and maintenance, regulatory, credit, commodity/fuel and energy market risk. Tampa Electric reviewed these risks and determined that the owners of these entities retain the majority of these risks over the expected life of the underlying generating assets, have the power to direct the most significant activities, and have the obligation or right to absorb losses or benefits. As a result, Tampa Electric is not the primary beneficiary and is not required to consolidate any of these entities. Tampa Electric purchased $25 million, $15 million and $16 million under these long-term PPAs for the three years ended December 31, 2019, 2018 and 2017, respectively.

TEC does not provide any material financial or other support to any of the VIEs it is involved with, nor is TEC under any obligation to absorb losses associated with these VIEs. Excluding the payments for energy under these contracts, TEC's involvement with these VIEs does not affect its Consolidated Balance Sheets, Statements of Income or Cash Flows.

18. Subsequent Events

On February 6, 2020, TEC entered into a 364-day, $300 million credit agreement with a group of banks. See **Note 6** for additional information.

19. 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 income statement classification of buy for resale transactions,
- the balance sheet classification of debt issuance costs, and
- the equity method of accounting for wholly owned subsidiaries

This is a comprehensive basis of accounting consistent with the FERC Uniform System of Accounts for Natural Gas Companies, except for the application of ASC 740-10-25 Accounting for Uncertainty in Income Taxes.

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2019

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)	1,719,277,612	1,719,277,612
4	101.1 Property Under Capital Leases	-	
5	102 Plant Purchased or Sold	-	
6	106 Completed Construction not Classified	208,469,489	208,469,489
7	103 Experimental Plant Unclassified	-	
8	104 Leased to Others	13,128,442	13,128,442
9	105 Held for Future Use	1,939,552	1,939,552
10	114 Acquisition Adjustments	5,031,897	5,031,897
11	TOTAL Utility Plant (Total of lines 3 through 10)	1,947,846,992	1,947,846,992
12	107 Construction Work in Progress	71,222,206	71,222,206
13	Accum. Provision for Depreciation, Amortization, & Depletion	784,450,415	784,450,415
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	1,234,618,783	1,234,618,783
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	777,463,827	777,463,827
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)	777,463,827	777,463,827
22	Leased to Others		
23	108 Depreciation	2,129,104	2,129,104
24	111 Amortization and Depletion	-	
25	TOTAL Leased to Others (Total of lines 23 and 24)	2,129,104	2,129,104
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	4,857,484	4,857,484
32	TOTAL Accum. Provisions (Should agree with line 14 above) (Total of lines 21, 25, 29, 30, and 31)	784,450,415	784,450,415

Annual Status Report

Analysis of Plant in Service Accounts

Company: Peoples Gas System

For the Year Ended December 31, 2019

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:									
30100	Organization	0	12,620						12,620
30200	Franchise & Consents	4	-						-
30300	Misc Intangible Plant	0	815,325						815,325
30301	Custom Intangible Plant	6.7	29,531,618	2,643,389					32,175,007
37402	Land Rights	1.3	7,694,963	(3,426,090)					4,268,873
39002	Structures & Improve Leases	2.5	134,160						134,160
	Subtotal		38,188,686	(782,702)	-	-	-	-	37,405,984
Depreciable Assets:									
37400	Land Distribution	0	15,545,204						15,545,204
37500	Structures & Improvements	2.5	23,403,572	1,746,092	(28,399)				25,121,265
37600	Mains Steel	2.2	459,501,816	31,563,473	(1,378,134)				489,687,155
37602	Mains Plastic	2.4	514,064,981	66,477,895	(816,334)				579,726,541
37800	Meas & Reg Station Eqp Gen	3.3	17,444,813	1,497,858	(57,378)				18,885,293
37900	Meas & Reg Station Eqp City	3.3	59,730,002	9,020,779	(300,437)				68,450,344
38000	Services Steel	3.7	52,662,458	3,054,567	(219,794)				55,497,231
38002	Services Plastic	3.3	339,356,776	47,217,431	(748,602)				385,825,604
38100	Meters	5.9	68,494,017	5,998,209	(314,363)				74,177,863
38200	Meter Installations	4.5	60,556,521	5,891,498	(329,363)				66,118,655
38300	House Regulators	3.6	16,289,812	760,859	(92,270)				16,958,401
38400	House Regulator Installs	4.4	23,740,611	1,910,624	(88,196)				25,563,040
38500	Meas & Reg Station Eqp Ind	3.1	10,029,997	2,164,968					12,194,965
38700	Other Equipment	6.3	8,964,476	663,933	(4,172)				9,624,237
39000	Structures & Improvements	2.5	28,184						28,184
39100	Office Furniture	6.7	2,190,556	311,314					2,501,870
39101	Computer Equipment	12.3	3,278,014	1,222,255					4,500,269
39102	Office Equipment	6.7	1,346,421	107,692					1,454,113
39201	Vehicles up to 1/2 Tons	11.4	8,631,288	672,067	(1,184,562)				8,118,794
39202	Vehicles from 1/2 - 1 Tons	13	9,145,828	3,597,841	(609,178)				12,134,491
39204	Trailers & Other	4	1,283,693	730,766					2,014,459
39205	Vehicles over 1 Ton	7.5	1,990,116	190,649	(280,647)				1,900,118
39300	Stores Equipment	3.9	1,283						1,283
39400	Tools, Shop & Garage Equip	6.7	6,982,187	54,968				12,895	7,050,050
39401	CNG Stations	5	12,895	29,821				(12,895)	29,821
39500	Laboratory Equipment	5							-
39600	Power Operated Equipment	6.3	2,943,764	82,755	(5,213)				3,021,306
39700	Communication Equipment	8.2	3,946,153	346					3,946,499
39800	Miscellaneous Equipment	6	278,502	(11,512)	(2,930)				264,060
39900	Other Tangible Property	0							-

Annual Status Report
Analysis of Plant in Service Accounts
Company: Peoples Gas System
For the Year Ended December 31, 2019

Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)									
Capital Recovery Schedules:									
Total Account 101 and 106*			1,750,032,626	184,174,448	(6,459,972)	-	-	-	1,927,747,101
10400	Lease to Others	0.0	12,033,286	1,101,836					13,135,122
10500	Property Held for Future Use	0.0	1,939,552						1,939,552
11400	Acquisition Adjustment	3.0	5,031,897						5,031,897
	Subtotal		19,004,735	1,101,836	-	-	-	-	20,106,571
Total Utility Plant **			1,769,037,361	185,276,284	(6,459,972)	-	-	-	1,947,853,672

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.

Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System

For the Year Ended December 31, 2019

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	765,841	32,613							798,454
30301	Custom Intangible Plant	12,971,603	1,999,266							14,970,869
37402	Land Rights	798,591	74,057							872,648
39002	Structures & Improve Leases	20,039	3,354							23,393
	Subtotal 108 - 404 *	14,556,074	2,109,290	-	-	-	-	-	-	16,665,364
Items necessary to reconcile the total amortization accrual amount to Acct. 404.3, Amortization Expense, shown on Line 7, Page 8.										
Depreciable Assets:										
37400	Land Distribution	(15,464)			(44,760)					(60,224)
37500	Structures & Improvements	5,996,435	604,359	(28,399)						6,572,395
37600	Mains Steel	199,169,546	8,528,906	(1,378,134)	(3,809,924)	11,128				202,521,521
37602	Mains Plastic	197,438,125	7,607,218	(816,334)	(1,904,010)	20,975				202,345,973
37800	Meas & Reg Station Eqp Gen	3,198,705	593,607	(57,378)	(37,718)					3,697,216
37900	Meas & Reg Station Eqp City	10,813,558	2,134,028	(300,437)	(7,199)					12,639,950
38000	Services Steel	39,275,237	1,403,959	(219,794)	(1,546,002)	1,271				38,914,671
38002	Services Plastic	175,134,217	8,267,925	(748,602)	(3,477,519)	25,676				179,201,697
38100	Meters	23,791,794	3,190,997	(314,363)	(1,066)	8,270				26,675,633
38200	Meter Installations	31,698,271	1,757,849	(329,363)	(232,433)	3,502				32,897,826
38300	House Regulators	7,366,947	599,711	(92,270)						7,874,388
38400	House Regulator Installs	12,285,964	1,097,593	(88,196)	(197,595)	8,897				13,106,663
38500	Meas & Reg Station Eqp Ind	6,247,618	316,471							6,564,089
38700	Other Equipment	3,467,659	574,685	(4,172)						4,038,171
39000	Structures & Improvements	12,797	705							13,502
39100	Office Furniture	1,030,754	152,280							1,183,034
39101	Computer Equipment	2,911,126	441,283							3,352,409
39102	Office Equipment	542,917	92,154							635,071
39201	Vehicles up to 1/2 Tons	4,655,758	952,496	(1,184,562)	(9,351)	135,978				4,550,320
39202	Vehicles from 1/2 - 1 Tons	4,258,007	1,367,528	(609,178)	(45,949)	71,722				5,042,131
39204	Trailers & Other	348,904	64,261			150				413,315
39205	Vehicles over 1 Ton	972,151	142,782	(280,647)	(971)	23,515				856,830
39300	Stores Equipment	330	50							380
39400	Tools, Shop & Garage Equip	2,469,602	470,917						(14,844)	2,925,675
39401	CNG Stations	(15,023)	1,018						14,969	964
39500	Laboratory Equipment	-								-
39600	Power Operated Equipment	1,565,598	187,214	(5,213)	(2,170)	135				1,745,564
39700	Communication Equipment	2,573,144	323,611							2,896,755
39800	Miscellaneous Equipment	179,383	16,091	(2,930)						192,545
39900	Other Tangible Property	-								-

Annual Status Report
Analysis of Entries in Accumulated Depreciation & Amortization

Company: Peoples Gas System
For the Year Ended December 31, 2019

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 *	751,930,134	42,998,988	(6,459,972)	(11,316,666)	311,219	-	-	126	777,463,827
	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	1,490,781	638,448						(126)	2,129,103
10500	Property Held for Future Use	-								-
11400	Acquisition Adjustment	4,708,338	149,146							4,857,484
	Subtotal	6,199,119	787,594	-	-	-	-	-	(126)	6,986,587
	Total Accumulated Reserve**	758,129,253	43,786,581	(6,459,972)	(11,316,666)	311,219	-	-	0	784,450,415

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	Dec. 31, 2019

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 Replacement Blanket	2,007,574	33,577,153
2	CI/BS Main Replacement Tampa I-275 & River	3,959,952	2,544,965
3	CI/BS Main Replacement Miami SW 8th St - 13th	1,638,279	585,536
4	Cathodic Protection Blanket	135,044	-
5	Distribution System Improvem Blanket	990,060	12,320,439
6	Improvements to Property Blanket	165,803	885,668
7	Gas Service Lines Blanket	200,480	-
8	Liquified Natural Gas (LNG) Miami Blue Marlin	59,652	20,746,608
9	Gas Main Replacement Blanket	1,465,619	18,206,328
10	Gas Main Repl TPA General Hospital Water Cross	1,536,682	1,488,686
11	Measuring and Regulating Station Equip Blanket	1,073,349	5,107,535
12	City Gate - Rebuild Miami Peters Road Station	1,677,740	72,260
13	City Gate - New Gate Panama City at FGT 18"	3,399,942	1,600,058
14	City Gate - New Gate Panama City at FGT 8" Lat	3,376,131	1,628,969
15	**TOTAL (Continued on 17b)**	21,686,307	98,764,205

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			
2			
3			
4			
5	**See Page 17c**		
6			
7			
8			
9			
10			
11			
12	TOTAL		

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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	City Gate - Rebuild Jacksonville Cecil Field Gate	2,252,967	823,607
2	City Gate - Rebuild Tampa North Gate	2,067,297	1,423,703
3	City Gate - New Gate - Wildwood - Sabal Trail	813,158	4,044,828
4	City Gate - Rebuild Jacksonville Capper Rd Gate	504,170	1,532,222
5	Misc. Non-Revenue Producing Blanket	283,296	-
6	Municipal Governmental Improvements Blanket	1,279,490	11,877,342
7	FDOT Orlando Poinciana Blvd & OBT Repl 8" Stl	826,433	-
8	FDOT Sarasota US 41 Blackburn Pt Repl 8" Steel	1,356,402	561,726
9	New Revenue Mains Intallations Blanket	2,641,368	95,218,331
10	Main - Duvall 16" Steel Callahan F Connector	3,769,141	27,673,544
11	Main - SW Florida Expansion Collier-Lee County	10,614,188	37,278,142
12	Main - Orlando 6" Steel Waste Management CNG	2,159,448	645,548
13	Main 20" Compressor Station - Nassau Cnty	1,004,474	23,182,627
14	Main-8" Steel FGT Gulf Pwr Lateral to Maple Gate	972,643	10,701,772
15	**TOTAL (including pg 17a)**	52,230,781	313,727,597

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		
2	(These costs are allocated to WIP as outlined		
3	in instruction 3 above)		
4			
5	Corporate G&A		
6			
7			
8			
9			
10			
11			
12	TOTAL		

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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	Main-6" Steel Lee County Bio-Feed Facility	623,204	223,639
2	Main-Panama Cty 8" Steel FGT to PC North Gate	529,152	3,298,730
3	Office Equipment & Software Blanket	264,449	9,468,475
4	Software - GMS Upgrade to Quorum - FUELS	11,193,132	3,720,577
5	Software - Barcoding PE & GPS As-Builts	3,174,420	1,081,557
6	Power Operated Equipment Blanket	58,999	283,808
7	Problematic Plastic Pipe Replacement Blanket	475,739	24,370,828
8	PPP - Orange Cnty - Pepper Mill Sub PE Repl	1,984,899	-
9	Tools and Shop Equipment Blanket	39,799	1,247,795
10	Transportation Vehicles Blanket	647,631	5,711,802
11			
12			
13			
14			
15	**TOTAL (including pg 17a 17b)**	**71,222,206**	**363,134,808**

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	11,240,457	226,660,791
2	(These costs are allocated to WIP as outlined		
3	in instruction 3 above)		
4			
5	Corporate G&A	8,000,000	230,305,880
6			
7			
8			
9			
10			
11			
12	TOTAL	19,240,457	456,966,670

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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	895,645
2	Line of Credit	178,957
3	Software/Technology Maint.	253,177
4	Permits	82,000
5		
6		
7		
8	TOTAL	1,409,779

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 Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1						
2						
3	n/a					
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 Account Charged (d)	WRITTEN OFF DURING YEAR Amount (e)	Balance at End of Year (f)
1						
2						
3	n/a					
4						
5						
6						
7						
8						
9						
10						
11						
12						
13	TOTAL					

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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: Account Charged (d)	Credits: Amounts (e)	Balance End of Year (f)
1	Cast Iron Bare Steel Replacement Rider	-	3,443,212	407	60,663	3,382,549
2						
3	Competitive Rate Adjustment	3,047,398	3,345,211	142/4XX	3,357,001	3,035,608
4						
5	FAS 158 - Current portion	1,064,492	67,788	242	34,879	1,097,401
6						
7	FAS 109 - Reg Asset FAS109 ITax	-	191,940	283	33,548	158,392
8						
9	Energy Conservation (ECCR)	4,327,501	2,329,516	407	3,620,195	3,036,822
10						
11	FAS 158 - Non-current portion	29,672,933	6,231,325	228	7,296,475	28,607,783
12						
13	Environmental MGP - Current	0		232/407		0
14						
15	Environmental MGP - Non-Current	(5,357,398)	4,736,404	232/407	223,531	(844,525)
16						
17	Environmental Liability	27,962,095	20,805,063	242	27,962,095	20,805,063
18						
19						
20	TOTAL	60,717,021	41,150,459		42,588,387	59,279,093

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	2,083,308		228	206,821	1,876,487
3						
4	Contract Amortization (167 months)	2,568,862		495	215,569	2,353,293
5						
6	Hurricane Michael Related Costs	38,600		232	1,236	37,364
7						
8						
9						
10						
11						
12						
13						
14						
15						
16	Misc. Work in Progress	244,253				275,740
17	Deferred Regulatory Comm. Expenses	-				265,489
18	TOTAL	4,935,023				4,808,373

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

SECURITIES ISSUED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR

1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses.
2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded.
3. Included in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares.
4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.

<u>Securities Retired</u>

Total Retired -

<u>Securities Issued</u>

Total Issued $0

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debit-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1						
2						
3	None					
4						
5						-
6						
7						
8						-
9						
10						
11						-
12					-	
13						-

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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: Rate (in %) (e)	Interest for Year: Amount (f)	Total Amount Outstanding (g)
1	Other Long Term Debt - Acct 224						
2							
3							
4							
5	Note Issued by Tampa Electric PD0020	05/25/07	05/15/37	60,000,000	6.15	3,690,000	60,000,000
6	Note Issued by Tampa Electric PD0019	12/09/10	05/15/21	46,764,680	5.40	2,525,293	46,764,680
7	Note Issued by Tampa Electric PD0025	06/05/12	06/01/42	50,000,000	4.10	2,050,000	50,000,000
8	Note Issued by Tampa Electric PD0026	09/28/12	09/01/22	25,000,000	2.60	650,000	25,000,000
9	Note Issued by Tampa Electric PD0027	05/15/14	05/15/44	10,000,000	4.35	435,000	10,000,000
10	Note Issued by Tampa Electric PD0028	05/20/15	05/15/45	20,000,000	4.20	840,000	20,000,000
11	Note Issued by Tampa Electric PD0034	06/07/18	06/15/48	75,000,000	4.30	3,225,000	75,000,000
12	Note Issued by Tampa Electric PD0035	10/04/18	06/15/49	25,000,000	4.45	1,112,500	25,000,000
13	Note Issued by Tampa Electric PD0036	07/22/19	06/15/50	25,000,000	3.625	397,743	25,000,000
14							
15							
16							
17							
18							
19							
20	TOTAL			336,764,680		14,925,536	336,764,680

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: Date From (d)	Amortization Period: Date To (e)	Balance at beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
1								
2	Unamortized Debt Exp-Acct 181							
3								
4								
5								
6	36-Note/Tampa Electric 6.15%	60,000,000	347,571	05-2007	05-2037	213,175	(11,586)	201,589
7	39-Note/Tampa Electric 4.10%	50,000,000	513,521	06-2012	06-2042	400,833	(17,117)	383,716
8	40-Note/Tampa Electric 2.60%	25,000,000	196,352	12-2012	09-2022	73,633	(19,635)	53,998
9	27-Note/Tampa Electric 4.35%	10,000,000	108,129	05-2014	05-2044	91,460	(3,604)	87,856
10	28-Note/Tampa Electric 4.20%	20,000,000	220,028	05-2015	05-2045	193,730	(7,334)	186,396
11	34-Note/Tampa Electric 4.30%	75,000,000	823,199	06-2018	06-2048	807,191	(27,440)	779,751
12	35-Note/Tampa Electric 4.45%	25,000,000	263,993	10-2018	06-2049	247,955	(8,724)	239,231
13	36-Note/Tampa Electric 3.625%	25,000,000	290,436	07-2019	06-2050	0	(3,913)	(3,913)
14					Acct 428		(99,353)	
15	2019 Charges to 181							
16	36-Note/Tampa Electric 3.625%	25,000,000	290,436	07-2019	06-2050		290,436	290,436
17	35-Note/Tampa Electric 4.45%	25,000,000	263,933	10-2018	06-2049		14,000	14,000
18						2,027,977		2,233,060

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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 Rate (in %) (e)	Interest for Year Amount (f)	Total Amount Outstanding (g)
1							
2	blank						
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20	TOTAL			0		0	0

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 Date From (d)	Amortization Period Date To (e)	Balance at beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
1	Unamortized Debt Disc - Acct 226							
2	36-Note/Tampa Electric 6.15%	60,000,000	340,200	05-2007	05-2037	208,656	(11,340)	197,316
3	39-Note/Tampa Electric 4.10%	50,000,000	138,000	06-2012	06-2042	107,717	(4,600)	103,117
4	40-Note/Tampa Electric 2.60%	25,000,000	30,500	12-2012	09-2022	11,437	(3,050)	8,387
5	27-Note/Tampa Electric 4.35%	10,000,000	6,700	05-2014	05-2044	5,668	(223)	5,445
6	28-Note/Tampa Electric 4.20%	20,000,000	37,200	05-2015	05-2045	32,755	(1,240)	31,515
7	34-Note/Tampa Electric 4.30%	75,000,000	402,000	06-2018	06-2048	394,184	(13,400)	380,784
8	35-Note/Tampa Electric 4.45%	25,000,000	127,750	10-2018	06-2049	126,710	(4,166)	122,544
9	36-Note/Tampa Electric 3.625%	25,000,000	306,500	07-2019	06-2050	-	(4,129)	(4,129)
10					Acct 428		(42,148)	
11								
12	36-Note/Tampa Electric 3.625%	25,000,000	306,500	07-2019	06-2050	-	306,500	306,500
13						887,127		1,151,479
14	Unamortized Debt Disc/Prem - OCI							
15	(6.10% & 4.20% Interest Rate Settlements)							
16	28-Note/Tampa Electric 4.20%	20,000,000	(347,040)	05-2015	05-2045	(305,588)	11,568	(294,020)
17	39-Note/Tampa Electric 4.10%	50,000,000	1,326,300	06-2012	06-2042	1,035,250	(44,210)	991,040
18	27-Note/Tampa Electric 4.35%	10,000,000	10,356	05-2014	05-2044	8,760	(345)	8,415

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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	3,500,000
2		
3	SERP Liability FAS 158 - Current	249,912
4		
5	FAS 106 Liability FAS 158 - Current	917,247
6		
7	Manufactured Gas Plant Estimated Environmental Liability	20,805,063
8		
9	Current - Long Term Incentive	1,527,722
10		
11	Other	99,333
12		
13	TOTAL	27,099,277

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 Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance End of Year (f)
1	Contractor Retention	2,421,306	CWIP	73,424,569	75,136,267	4,133,004
2						
3	MacDill Deferred Credit	77,291	CWIP	33,904		43,387
4						
5	Deferred Billing Credit-JEA	187,917	488	205,000	205,000	187,917
6						
7	Long term incentive	1,142,931	242/926	8,321,293	8,662,468	1,484,106
8						
9	Hurricane Michael Overrecovery	-	182	-	140,931	140,931
10						
11	Other	1,073		439,893	445,955	7,134
12	TOTAL	3,830,518		82,424,660	84,590,620	5,996,478

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 Contra Account (b)	Debits Amount (c)	Credits (d)	Balance End of Year (e)
1						
2	FAS 106 Tax	90,687,980	282 283	1,404,948	1,189,744	90,472,776
3						
4	Gas Technology Research	10,715	930	547,200	665,000	128,515
5						
6	Property Sale-Gain Amortization	3,210,878	421.1	2,140,586	-	1,070,292
7	(4 year amort.)					
8	Cast Iron Bare Steel Rider	102,065	407	569,345	467,280	-
9						
10						
11						
12						
13						
14						
15	TOTAL	94,011,638		4,662,079	2,322,024	91,671,584

Name of Respondent: Peoples Gas System

For the Year Ended: Dec. 31, 2019

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	Environ-mental, Excise	Franchise	Other*	Total
1	Various FL Counties	12,033,068									12,033,068
2	Internal Revenue Service (FICA)				3,547,814						3,547,814
3	FL Public Service Commission						1,982,979				1,982,979
4	FL Dept of Revenue					14,459,827					14,459,827
5	Various FL Municipalities								10,372,828		10,372,828
6	Internal Revenue Svc (FUTA)				27,534						27,534
7	Internal Revenue Svc (SUTA)				4,483						4,483
8	Various FL Counties (tags)										-
9	Various FL Municipalities									14,993	14,993
10	Federal							195			195
11	Out of state franchise										-
12											-
13	Less:charged to other revenue (495)						(89,515)				(89,515)
14	Less: Charged to Construction				(935,368)						(935,368)
15	Less: Charged to clearing, jobbing, AR				(189,306)						(189,306)
16	TOTAL Taxes Charged During Year (Lines 1-15) to Account 408.1	12,033,068	-	-	2,455,157	14,459,827	1,893,464	195	10,372,828	14,993	41,229,532

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: Acct. No. (d)	Allocations to Current Year's Income: Amount (e)	Adjustments (f)	Balance End of Year (g)	Average Period of Allocation to Income (h)
1	Gas Utility							
2	3%	0		411	0		0	
3	4%							
4	7%							
5	10%							
6								
7								
8								
9								
10	TOTAL	0			0		0	

Notes

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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: Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Adjustments: Debits Account No.	Debits Amount	Credits Account No.	Credits Amount	Balance at End of Year
1	GAS										
2	FAS 158	11,575,732							190	261,621	11,314,111
3	FAS 133	628,346							190	8,362	619,984
4											
5	Gas	36,728,094	1,415,156								38,143,250
6	NOL	3,963,755	-								3,963,755
7	Tax Credit	683,608	241,714								925,322
8	Valuation Allowance	-									-
9											
10											
11	TOTAL Gas (Lines 2 - 10)	53,579,535	1,656,870	-	-	-		-		269,983	54,966,422
12	Other (Specify)										
13	TOTAL (Account 190) (Total of lines 11 and 12)	53,579,535	1,656,870	-	-	-		-		269,983	54,966,422

Notes

	Federal	State	Total	
Deferred Income Tax Other Adjustments Includes:	(6,547)	(1,815)	(8,362)	FAS 133
	(204,848)	(56,773)	(261,621)	FAS 158
	-	-	-	Valuation Allowance
	-	-	-	Federal Benefit of State on Voluntary Cleanup Credit
	(211,395)	(58,588)	(269,983)	

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

Line No.		Balance at Beginning of Year	Changes During 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	Adjustments: Debits Account No.	Debits Amount	Credits Account No.	Credits Amount	Balance at End of Year
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	228,447,822	14,142,564								242,590,386
9	Other	(67,703,109)							282	289,052	(67,414,057)
10	TOTAL Account 282 (Lines 7 thru 9)	160,744,713	14,142,564	-	-	-		-		289,052	175,176,329
11	Account 283 - Other										
12	Electric										
13	Gas	23,295,723	(246,503)				283	261,621			22,787,599
14	Other	(23,260,134)					283		283	84,543	(23,175,591)
15	TOTAL Account 283 - Other (Lines 12 thru 14)	35,589	(246,503)	-	-	-		261,621		84,543	(387,992)
16	GAS										
17	Federal Income Tax	134,090,218	10,319,750				282/283	1,054,519			143,355,449
18	State Income Tax	26,690,084	3,576,310				282/283		282/283	1,166,493	31,432,887
19											-
20	TOTAL Gas (Lines 17 thru 19)	160,780,302	13,896,060	-	-	-		1,054,519		1,166,493	174,788,336
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)	160,780,302	13,896,061	-	-	-		261,621		373,595	174,788,337

NOTES:

	Federal	State	Total	
Deferred income tax adjustment includes:			-	FAS 133
	204,848	56,773	261,621	FAS 158
	849,671	(1,223,266)	(373,595)	FAS 109
Total 283	1,054,519	(1,166,493)	(111,974)	

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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)	54,029,133
2	Reconciling Items for the Year	
3	Federal Income Tax	
4	*Taxable Income Not Reported on Books*	
5	Workers Compensation	
6		
7		
8	*Deductions Recorded on Books Not Deducted for Return*	
9	Capitalized ECA Costs Tax Amortization	5,629,462
10	Federal Income Tax	5,160,840
11	Long Term Incentive	663,451
12	Bonus	1,117,603
13	Deferred Taxes	12,239,191
14	Insurance Reserves	4,811,991
15	Deferred fuel	2,412,177
16	CIAC&AIAC	2,684,774
17	Other	4,243,330
18	*Income Recorded on Books Not Included in Return*	
19	Equity Earnings of Subsidiaries	3,616,890
20	Competitive rate adj	-
21		
22		
23	*Deductions on Return Not Charged Against Book Income*	
24	CI-BS replacement	3,484,614
25	Depreciation - Excess Over Books	17,182,365
26	Repairs Capitalized on Books	32,690,633
27	Environmental disposal cost	4,512,873
28	Gain on sale	2,140,586
29	Other	2,668,111
30		
31		
32		
33		
34	Federal Taxable Net Income	54,029,133
35	*Show Computation of Tax:*	
36	Federal Taxable Net Income	54,029,133
37	Federal Income Tax @ 21%	5,606,135
38	Prior Year True-up Provision to Actual Per Return and NOL Reclass to Deferred	(445,294)
39	Federal Income Tax	5,160,840
40	Federal Income Tax Allocation to Other Income	60,576

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). 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:

Bangor Fiber Company
Bangor Line Co.
Bangor Var Co., Inc
BHE Holdings Inc.
Clean Power Northeast Development
Emera CNG Holdings, Inc.
Emera Energy Generation Inc.
Emera Energy Services Inc.
Emera Maine
Emera US Holdings Inc.
EUSHI Finance Assist, Inc.
EUSHI Finance, Inc.
New Mexico Gas Company, Inc.
New Mexico Gas Intermediate, Inc.
Peoples Gas System (Florida), Inc.
Rumford Power Inc.
SECI Mitland Corporation
Tampa Electric Company
TEC Receivables Corporation
TECO Clean Advantage Corporation.
TECO Coalbed Methane Florida, Inc.
TECO Diversified, Inc.
TECO Energy Inc.
TECO EnergySource, Inc.
TECO Finance, Inc.
TECO Gemstone, Inc.
TECO Guatemala, Inc.
TECO Oil & Gas, Inc.
TECO Partners, Inc.
TECO Pipeline Holding Company, LLC
TECO Properties Corporation
TECO Services, Inc.
TECO Wholesale Generation, Inc.

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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.

		Operating Revenues		Therms of Natural Gas Sold		Avg. No. of Natural Gas Customers Per Mo.	
Line No.	Title of Account (a)	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	145,415,390	148,167,051	69,953,001	71,475,315	359,263	347,705
4	480 Residential GS1	5,220,574	5,335,788	3,976,233	4,020,434	1,457	1,457
5	480 Residential GS2	504,048	564,899	428,568	474,348	35	51
6	480 Residential GS3	36,402	42,111	7,113	29,669	20	42
7	481 Commercial Street Lighting	39,219	36,760	35,699	34,384		
8	481 Small General Service	7,692,411	8,343,331	4,557,865	4,959,959	7,153	7,350
9	481 General Service 1	17,667,578	17,065,166	13,650,130	13,287,393	4,157	3,997
10	481 General Service 2	10,705,152	10,265,864	9,157,279	8,863,361	607	564
11	481 General Service 3	3,234,777	3,758,066	2,869,495	3,391,467	45	44
12	481 General Service 4	237,709	150,519	383,776	193,500	3	1
13	481 General Service 5	553,672	1,026,954	593,817	973,877	2	2
14	481 Commercial Gas Heat Pump	200	-	-	-		-
15	Interruptible Sales Service						
16	481 Small Interruptible Service	45,895	211,957	85,443	300,709	-	1
17	481 Interruptible Lg. Vol - 1	109,645	682,432	235,441	1,317,958		
18	481 Interruptible Lg. Vol - 2	(10,000)	(76,254)	0	80,535		
19	481 Interruptible Contract Service	(768,367)	(781,159)	1,165,157	710,233		
20	481 Mutually Beneficial	440,000	361,171	1,100,000	1,048,720	-	1
21	481 Off System Sales	54,803,251	77,980,331	186,548,990	216,022,330	9	9
22	Firm Transportation Service						
23	489 Res-General Svc 1	712,484	753,381	2,016,334	2,044,076	397	388
24	489 Res-General Svc 2	1,511,279	1,583,730	5,727,027	5,712,939	269	266
25	489 Res-General Svc 3	762,866	707,180	3,255,440	2,864,705	47	43
26	489 Commercial Street Lighting	86,931	94,036	467,108	480,535		-
27	489 Natural Gas Vehicles	12,318	14,527	46,989	54,460	4	4
28	489 Small General Service	2,976,814	3,219,321	4,834,607	5,106,764	4,334	4,290
29	489 General Service 1	24,340,389	25,364,921	69,951,203	69,672,724	12,769	12,405
30	489 General Service 2	33,584,634	35,169,687	125,148,653	125,131,687	6,800	6,634
31	489 General Service 3	16,855,007	17,698,667	75,019,444	75,159,725	741	729
32	489 General Service 4	11,103,523	11,174,148	71,526,089	68,574,488	166	164
33	489 General Service 5	15,686,974	15,854,634	135,020,375	130,146,448	147	140
34	489 Interruptible Contract Serv.Trans.	14,353,861	11,032,565	1,113,178,151	909,450,924	17	11
35	489 Small Interruptible Transp	2,947,315	5,022,911	42,181,757	69,000,524	26	29
36	489 Interruptible Transp LG - 1	4,118,316	4,454,794	120,633,762	98,453,528	13	13
37	489 Interruptible Transp LG - 2	36,000	702,297	4,906,710	73,206,456	-	2
38	482 Other Sales to Public Authorities						
39	484 Flex Rate - Refund						
40	TOTAL Sales to Ultimate Consumers	375,016,266	405,981,786	2,068,661,656	1,962,244,175	398,481	386,342
41	483 Sales for Resale	1,444,147	1,512,970	4,037,903	3,821,219	11	10
42	Off-System Sales						
43	TOTAL Nat. Gas Service Revenues	376,460,414	407,494,756				
44	TOTAL Gas Service Revenues	376,460,414	407,494,756				
45	Other Operating Revenues						
46	485 Intracompany Transfers						
47	487 Forfeited Discounts	1,078,234	1,316,154				
48	488 Misc. Service Revenues	5,050,516	4,599,347				
49	488						
50	488 Individual Transp Charge	580,124	582,695				
51	489 Rev. from Trans. of Gas of Others						
52	not included in above rate schedules)						
53	493 Rent from Gas Property	205,381	322,953				
54	494 Interdepartmental Rents						
55	495 Other Gas Revenues						
56	Gross Recpts Tax/Franch Fee Coll	25,023,424	24,630,790				
57	Reconnect for Cause						
58	Collection in lieu of disconnect						
59	Returned Check						
60	Other	31,399,464	30,337,998				
61	495.1 Overrecoveries Purchased Gas						
62	TOTAL Other Operating Revenues	63,337,142	61,789,937				
63	TOTAL Gas Operating Revenues	438,353,409	467,771,722				
64	(Less) 496 Provision for Rate Refunds						
65	TOTAL Gas Operating Revenues						
66	Net of Provision for Refunds	438,353,409	467,771,722				
67	Sales for Resale	1,444,147	1,512,970				
68	Other Sales to Public Authority						
69	Interdepartmental Sales						
70	TOTAL	439,797,556	469,284,692	2,072,699,559	1,966,065,394		

Name of Respondent | For the Year Ended

Peoples Gas System | Dec. 31, 2019

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	79,028,536	111,290,348
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases	69,751,964	71,975,132
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases		
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)	7,744,301	200,242
17	TOTAL Purchased Gas (Total of Lines 8 to 16)	156,524,801	183,465,722
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		
27	(Less) 808.2 Gas Delivered to Storage--Credit		
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	(373,916)	(283,714)
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(373,916)	(283,714)
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35)	156,150,885	183,182,008
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	156,150,885	183,182,008
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			Dec. 31, 2019

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	1,149,186	818,136
50	871 Distribution Load Dispatching	450,528	457,615
51	872 Compressor Station Labor and Expenses	20,242	98,568
52	873 Compressor Station Fuel and Power	6,914	(797)
53	874 Mains and Services Expenses	9,613,184	7,766,366
54	875 Measuring and Regulating Station Expenses--General	40,536	16,629
55	876 Measuring and Regulating Station Expenses--Industrial	2,164	11,184
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	85,396	73,839
57	878 Meter and House Regulator Expenses	5,056,460	4,943,256
58	879 Customer Installations Expenses	2,395,214	2,072,092
59	880 Other Expenses	3,355,513	2,262,458
60	881 Rents	229,264	227,241
61	TOTAL Operation (Total of lines 49 through 60)	22,404,601	18,746,587
62	Maintenance		
63	885 Maintenance Supervision and Engineering	33,298	69,295
64	886 Maintenance of Structures and Improvements	208,440	182,270
65	887 Maintenance of Mains	3,341,607	4,917,417
66	888 Maintenance of Compressor Station Equipment	91,722	108,057
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	671,538	523,640
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	647,940	531,332
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station	1,681,478	1,413,316
70	892 Maintenance of Services	1,618,812	1,744,066
71	893 Maintenance of Meters and House Regulators	703,185	712,532
72	894 Maintenance of Other Equipment	75,754	76,828
73	TOTAL Maintenance (Total of Lines 63 through 72)	9,073,774	10,278,753
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	31,478,375	29,025,340
75	**5. Customer Accounts Expenses**		
76	Operation		
77	901 Supervision		
78	902 Meter Reading Expenses	1,193,368	1,097,719
79	903 Customer Records and Collection Expenses	12,200,487	11,414,423
80	904 Uncollectible Accounts	1,264,196	1,428,849
81	905 Miscellaneous Customer Accounts Expenses		
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	14,658,051	13,940,991
83	**6. Customer Service and Informational Expenses**		
84	Operation		
85	907 Supervision		
86	908 Customer Assistance Expenses	15,667,732	17,431,652
87	909 Informational and Instructional Expenses	951,604	1,143,674
88	910 Miscellaneous Customer Service and Informational Expenses		
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	16,619,336	18,575,326
90	**7. Sales Expenses**		
91	Operation		
92	911 Supervision		
93	912 Demonstrating and Selling Expenses	7,955,126	7,738,853
94	913 Advertising Expenses	390,106	291,295
95	916 Miscellaneous Sales Expenses	55,425	52,025
96	TOTAL Sales Expenses (Total of lines 92 through 95)	8,400,657	8,082,173
97			

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	10,970,171	11,975,947
101	921 Office Supplies and Expenses	3,320,658	3,836,817
102	(Less) (922) Administrative Expenses Transferred--Credit	(8,381,000)	(6,000,000)
103	923 Outside Services Employed	2,492,975	2,216,043
104	924 Property Insurance	3,521,186	104,011
105	925 Injuries and Damages	6,958,517	3,847,649
106	926 Employee Pensions and Benefits	10,469,141	9,611,524
107	927 Franchise Requirements		
108	928 Regulatory Commission Expenses		
109	(Less) (929) Duplicate Charges--Credit		
110	930.1 General Advertising Expenses	907	606
111	930.2 Miscellaneous General Expenses	21,475,634	20,774,887
112	931 Rents	457,198	504,175
113	TOTAL Operation (Total of lines 100 through 112)	51,285,387	46,871,659
114	Maintenance		
115	935 Maintenance of General Plant	398,918	276,554
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)	51,684,305	47,148,213
117			
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	278,991,609	299,954,051
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)	12/31/2019
3	2. Total Regular Full-Time Employees	607
4	3. Total Part-Time and Temporary Employees	
5	4. Total Employees	
6		
7		
8		
9		
10		
11		
12		
13		

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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		79,028,536	
2	808.1 - Gas Withdrawn from Storage-Debit			
3	808.2 - Gas Delivered to Storage-Credit			
4	804 - Natural Gas City Gate Purchases-Commodity		69,751,964	
5	805.1 - Purchased Gas Cost Adjustments		7,744,301	
6				
7				
8				
9				
10				
11	TOTAL (Total of lines 1 through 10)	311,647,257	156,524,801	50.22

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	30,792	30,140
4				
5	Transportation Clearing Account CNG	184	1,369	1,248
6				
7	Other Income Deductions	426	23,507	21,668
8				
9	Administrative Use	921	N/A	
10				
11	Sales Tax Account	241	N/A	(1,954)
12				
13	Gas Lost - Damaged Facilities	143	N/A	322,814
14				
15				
16				
17				
18	TOTAL		55,668	373,916

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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.
2. Show in column (h) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
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
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 docke 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: Charged Currently to: Account No. (d)	Amount (e)	Deferred to Account 186 (f)	Amortized During Year: Contra Account (g)	Amount (h)	Deferred in Account 186 End of Year (i)
1	Florida Public Service Commission								
2	Docket 080318-GU - rate case.								
3	Four year amortization of $684,500								
4	beginning June 2009 - fully amortized 2014	-	-					-	-
5	**N/A**								
6									
7									
8									
9									
10									
11									
12	TOTAL								

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	
2	Experimental and General Research Expenses:	922,483
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 Inc. and Nova Scotia Power - Management	360,473
6	Direct Software/Hardware Maintenance/Support	780,010
7	Registration/Report Filing Fees/Bank and Letter of Credit Fees	208,599
8	Facility Costs	322,295
9	TSI Other Direct Intercompany Charges	777,842
10	New Mexico Gas Company (NMGC) - I.T. charges	87,404
11	Tampa Electric (TEC) - Telecom	548,190
12	Tampa Electric (TEC) - Facilities Charge	228,888
13	Tampa Electric Other Direct Intercompany Charges	1,169,576
14	TECO Services (TSI) - A&G Allocation	3,470,133
15	TECO Services (TSI) - Human Resources	1,163,811
16	TECO Services (TSI) - I.T.	5,291,559
17	TECO Services (TSI) - Procurement Department	754,692
18	TECO Services (TSI) - Admin, Emergency Mgmt, Security, Accounts Payable, Corp Comm, Claims	1,606,809
19	Tampa Electric (TEC) - IT and Telecom Asset Usage	766,937
20	Associated Fringe Activity	2,319,245
21	Other	696,688
22		
23		
24	TOTAL	21,475,634

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 - Manuftd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	547,698		
6	Transmission			
7	Distribution	14,765,111		
8	Customer Accounts	1,187,004		
9	Customer Service and Informational	244,317		
10	Sales			
11	Administrative and General	11,851,029		
12	TOTAL Operation (Total of lines 5 through 11)	28,595,159		
13	Maintenance			
14	Production - Manuftd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	-		
15	Transmission	-		
16	Distribution	5,260,099		
17	Administrative and General	7,776		
18	TOTAL Maintenance (Total of lines 14 through 17)	5,267,875		
19	Total Operation and Maintenance	33,863,034		
20	Production - Manuftd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	547,698		
21	Transmission (Enter Total of lines 6 and 15)	-		
22	Distribution (Total of lines 7 and 16)	20,025,210		
23	Customer Accounts (Transcribe from line 8)	1,187,004		
24	Customer Service and Informational (Transcribe from line 9)	244,317		
25	Sales (Transcribe from line 10)	-		
26	Administrative and General (Total of lines 11 and 17)	11,858,805		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	33,863,034		33,863,034
28	**Other Utility Departments**			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	33,863,034	-	33,863,034
31	**Utility Plant**			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	10,709,166		10,709,166
35	Other			
36	TOTAL Construction (Total of lines 33 through 35)	10,709,166	-	10,709,166
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	2,088,738		2,088,738
40	Other			
41	TOTAL Plant Removal (Total of lines 38 through 40)	2,088,738	-	2,088,738
42				
43	Other Accounts (Specify):			
44				
45				-
46	Accounts Receivable - Associated Companies	2,182,508		2,182,508
47	Misc Deferred Debits/Credits	31,838		31,838
48	Merchandise / Jobbing	4,090		4,090
49	Reg Asset	3,922		3,922
50	Other		221,130	221,130
51				
52				
53	TOTAL Other Accounts	2,222,358	221,130	2,443,488
54	TOTAL SALARIES AND WAGES	48,883,296	221,130	49,104,426

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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	Arcadis US Inc.	182-environmental services	4,066,510
2	Atmospheric Corrosion Specialists (ACS)	various-engineering services	140,221
3	Ausley & McMullen PA	various-conservation, legal consulting	28,980
4	Ayres Associates Inc	107-capital	124,837
5	Bajocuva PA	925-legal services	411,569
6	Baker & Hostetler LLP	182/923-legal services	161,660
7	Bennet Jacobs & Adams PA	923-legal services	126,427
8	Bowman Consulting Group LTD	various-engineering services	82,445
9	Brandmark Advertising, Inc.	909, 913, 925, other	431,685
10	Carmels Landing LLC	Engineering -923 and 107	41,480
11	Cartopac International Inc	107-capital IT project	212,502
12	Cleveland Integrity Services, Inc.	various-engineering services	1,947,927
13	CONNXUS Inc	921/923-consulting services	31,000
14	Daniels Engineering, Inc.	various-engineering services	463,008
15	Dive-tech International Inc.	various-engineering services	70,057
16	DNV GL Noble Denton USA LLC	923 - Synergi Model Development	36,053
17	Environmental Consulting (ECT)	various-engineering services - 107, other	72,797
18	Ernst & Young US LLP	923 - Audit	145,468
19	Gaylord Merlin Ludovici & Diaz	923, 107, other - legal services	33,169
20	Geosyntec	182-environmental services	377,413
21	Gilcrease & Partners LLC	107 - Right of Way agents	220,393
22	HBK Engineering LLC	107-capital	610,622
23	Heath Consultants	various-engineering services	1,047,605
24	Holland and Knight	923 - legal services	96,666
25	Jones Day	804/multi-legal services	194,188
26	Lau, Lane, Pieper, Conley & McCreadie PA	923 and 925-legal services	767,424
27	Macfarlane Ferguson	182/923-legal services	574,894
28	Mai Engineering	various-engineering services	1,108,358
29	McCarter and English	923/various-legal services	537,247
30			

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	366,894
3	Account 426.3 - Other Penalties	113
4	Account 426.4 - Lobbying	94,076
5	Account 426.5 - Other Deductions	13,114
6		474,197
7		
8		
9	Account 431 - Other Interest Expense	
10		
11	Other	58
12	Credit Facility	1,457,724
13	Customer Deposits	649,046
14	Cast Iron Bare Steel Rider	1,867
15	PGA True - Up	132,780
16		-
17		2,241,474
18		
19		
20		
21		
22		
23		
24		

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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	McKim&Creed	various-engineering services	475,539
3	Morning Star Fleet Services	921/923-consulting services	94,619
4	Nopetro-CH4 Holdings LLC	413-lease eqmt maint.	890,500
5	Pricewaterhouse Coopers LLP	107-capital project consulting	4,448,480
6	Project Consulting Services Inc	107-capital	344,111
7	Quorum Business Solutions	107-capital	2,758,256
8	Radey Thomas Yon & Clark	923-legal support	185,918
9	Robert A. Ellis	107-capital-survey	60,338
10	Senalosa Group Inc	923-Management Consultant	38,856
11	Shumaker Loop & Kendrick	107-legal services	25,366
12	Smoak & Chistolini LLC	925-legal services	100,225
13	Sterling Energy	923 - Engineering Consultant	23,400
14	Strategic Staffing Solutions	923 - Temporary Professionals	62,208
15	StrategiTech, LLC	various-operations services	1,603,602
16	The Fiorentino Group	921/923-consulting services	29,167
17	The Goldstein Environmental Law Group	182/923-legal services	26,491
18	The Paradigm Alliance, Inc	925-pipeline awareness	370,956
19	Troutman Sanders LLP	923-legal support	40,119
20	Tucker Hall	923/Other-consulting services	25,150
21	Versa Integrity Group	107-capital	87,718
22	Vimocity LLC	923-health consultant	109,797
23	World Wide Nondestructive Testing	107/various operations services	335,746
24	Yuro and Associates LLC	various-engineering services	537,267
25			
26			
27	Nova Scotia Power*	930.2/various	689
28	Emera Inc.*	930.2/various-labor and corp support	628,571
29	Tampa Electric*	930.2/various	14,766,334
30	Teco Services*	930.2/various	13,859,600
31	New Mexico Gas Company*	930.2-I.T. Support services	87,726
32	Teco Partners*	912/107-marketing services	8,397,090

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	
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Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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)	245,927,556		245,927,556	245,927,556	-
2	Sales for Resale (483)	1,444,147		1,444,147	1,444,147	-
3	Total Natural Gas Service Revenues	247,371,703		247,371,703	247,371,703	-
4	Total Other Operating Revenues (485-495)	192,425,853		192,425,853	192,425,853	-
5	Total Gas Operating Revenues	439,797,556		439,797,556	439,797,556	-
6	Revenue from Property Leased to Other (412)	-			2,860,113	(2,860,113)
7	Provision for Rate Refunds (496)	-			0	
8	Wholesale Sales & Wholesale Transport Adj.				(1,444,147)	1,444,147
9	Mutually Beneficial Wholesale Adjustment				(440,000)	440,000
10	Unbilled Revenue Adjustment				(231,962)	231,962
11	Off System Sales for Resale Adjustment				(40,531,822)	40,531,822
12	**Total Gross Operating Revenues**	439,797,556		439,797,556	400,009,738	39,787,818

Notes:

Column F differences are due to RAF return adjustments for exempt revenue, and addition of revenue from property leased to others (CNG station).

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

CORPORATE STRUCTURE

Provide an updated organizational chart showing all affiliated companies, partnerships, etc.

Effective Date: Dec. 31, 2019

- Emera US Holdings Inc.
  - TECO Energy, Inc.
    - TECO Services, Inc.
    - Tampa Electric Company
      - TEC Receivables Corp.
      - TECO Partners, Inc.
      - SLA 75, LLC
    - New Mexico Gas Intermediate, Inc.
      - New Mexico Gas Company, Inc.
    - TECO Finance, Inc.
    - TECO Oil & Gas, Inc.
    - TECO Diversified, Inc.
      - TECO Coalbed Methane Florida, Inc.
      - TECO Properties Corporation
        - 7116 Davis Island, LLC
      - TECO Gemstone, Inc.
    - Peoples Gas System (Florida), Inc.
    - TECO Pipeline Holding Company, LLC
      - SeaCoast Gas Transmission, LLC
        - SECI Mitland Corporation
    - TECO EnergySource, Inc.
    - TECO Wholesale Generation, Inc.
      - TECO Guatemala, Inc.
        - TECO Guatemala Holdings, LLC
        - TECO Guatemala Holdings II, LLC
    - TECO Clean Advantage Corporation

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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)	Total Charge for Year: Account Number (e)	Total Charge for Year: Dollar Amount (f)
TECO Partners, Inc	Real property sublease		s	493	92,208
	G&A Allocation		s	922	255,999
	Labor services		s	146	239,041
	Marketing		p	912	7,650,103
	Marketing Service		p	107	500,004
	Other service/labor		p	multiple	246,983
Tampa Electric Co.	Transportation Reclass		s	146	3,046
	Labor & Other Services		s	146	2,568,725
	Natural Gas sales		s	146	17,629,307
	Real property sublease		p	931/multiple	758,795
	Labor services		p	930.2/multiple	10,258,935
	Natural Gas purchases		p	801	612,629
	Meter Reading		p	902	245,947
	IT, Telecom, Facilities		p	930.2/multiple	4,261,452
TECO Energy Inc.	Labor services		s	146	24,538
TECO Services Inc.	Direct Services		p	930.2/107	2,586,178
	Overhead Allocation		p	930.2	3,470,133
	IT Services		p	930.2	4,418,275
	Other Indirect Services		p	930.2	1,158,056
	TSI Services		p	930.2	1,472,266
	Procurement Services		p	930.2	754,692
TECO Energy Source	Natural Gas Sales		s	146	74,495
	Natural Gas Purchases		p	801	4,883
SeaCoast Gas Transmission	Labor services		s	146	669,974
	G&A Allocation		s	922	125,000
	Natural Gas Purchases		p	801	553,695
	Natural Gas		s	146	71,719
New Mexico Gas Company	Labor and IT Services		p	930.2/multi	87,726
Continued on next page (36b)					

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2019

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)	Total Charge for Year: Account Number (e)	Total Charge for Year: Dollar Amount (f)
Continued from page 36a					
Emera Energy Services Inc.	Natural Gas Purchases		p	801	6,081,834
Emera Inc.	Labor Services		p	930.2/Multi	266,290
	Corporate Support Alloc		p	930.2/Multi	362,281
Nova Scotia Power (an Emera Company)	Corporate Support Alloc		p	930.2/Multi	689

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
TECO Partners	An agreement entered into between Peoples Gas (Peoples) and TECO Partners (Partners) whereby Peoples retained Partners to market and sell services for and on behalf of Peoples to present and potential customers of Peoples, including but not limited to: Energy Services, Energy Conservation Program Services, Promotional Services Payment to Partners under the agreement is targeted at $6,500,000 annually - increasing by the previous year's CPI. The agreement was entered into effective January 1, 2008 and renews annually.
Tampa Electric Company	Service agreements effective Jan 2019 through Dec 2019. Peoples Gas System contracted Tampa Electric to provide monthly gas meter reading in the Tampa division, the Lakeland division, and the Brooksville area. Amended and Restated Services Agreement effective January 1, 2013 (automatically renewed in 2019).
TECO Services, Inc.	Services Agreement effective January 1, 2014 (automatically renewed in 2019).
Emera Energy US Sub No. 1	Secondment Agreement by and among, Emera Energy US Sub No. 1 and Peoples Gas System.
New Mexico Gas Company, Inc.	Affiliate Addendum effective July 1, 2016 to Amended & Restated Service Agreement effective January 1, 2013. New Mexico Gas Company, Inc. provide selected services such as Information Technology Services to Peoples Gas.
TECO EnergySource, Inc.	NCTS Agreement dated June 1, 2010.
SeaCoast Gas Transmission	NAESB between SeaCoast Gas Transmission and Peoples Gas dated October 15, 2010.
Emera Energy Services, Inc.	NAESB between Emera Energy and Peoples Gas dated February 1, 2017. Asset Management Agreement (AMA) entered into December 18, 2018 and amended July 1, 2019 between Emera Energy Services, Inc and Peoples Gas.
Emera Incorporated	Shared Service Agreement between Emera Incorporated and Tampa Electric dated July 1, 2016.
Nova Scotia Power Corp.	Shared Service Agreement between Nova Scotia Power and Tampa Electric dated January 1, 2017.

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	92,208
	G&A Allocation	255,999
	Labor services	239,041
	Marketing	(8,150,107)
	Labor services	(246,983)
Tampa Electric Co	Labor & other services	2,568,725
	Natural Gas sales	17,629,307
	Real property sublease	(758,795)
	Labor services	(10,258,935)
	Natural Gas purchases	(612,629)
	IT, Telecom, Facilities	(4,261,452)
	Meter Reading	(245,947)
TECO Energy Inc.	Labor Services	24,538
TECO Services Inc.	Corporate Overhead/Allocation	(3,470,133)
	IT Services	(4,418,275)
	Other Indirect Services	(1,158,056)
	TSI Services	(1,472,266)
	TSI Procurement Services	(754,692)
SeaCoast Gas Transmission	Labor services	669,974
	G&A Allocation	125,000
	Natural Gas Purchases	(553,695)
	Natural Gas Sales	71,719
TECO Energy Source	Natural Gas Sales	74,495
New Mexico Gas Company	Labor and IT Services	(87,726)
Emera Energy Services Inc.	Natural Gas Purchases	(6,081,834)
Emera Inc.	Labor Services	(266,290)
	Corporate Support Services Alloc	(362,281)

Name of Respondent					For the Year Ended		
Peoples Gas System					Dec. 31, 2019		

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:		$	$	$	$	$	
None		-	-	-	N/A	-	
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	TECO Partners	Admin Specialist	Supvr Inside Sales	Permanent
Peoples Gas	TECO Services Inc.	Senior Mgr Mkting Services	VP Sales, TSI	Permanent
Peoples Gas	TECO Partners	Gas Design Project Mgr	Acct Mgr, Technical Sales Support	Permanent
Peoples Gas	Tampa Electric	Gas Control Analyst I	Power Trader	Permanent
Peoples Gas	TECO Partners	Supvr Gas Design	Regional Sales Manager	Permanent
Peoples Gas	Tampa Electric	Customer Service Prof V	B&I Account Specialist	Permanent
Peoples Gas	Tampa Electric	Credit&Collections Investigator	Distribution Easement Coordinator	Permanent
Peoples Gas	TECO Partners	Customer Service Prof V	Account Mgr Inside Sales	Permanent
Peoples Gas	Tampa Electric	Business Planning Analyst Sr	Business Planning Analyst Sr	Permanent
Peoples Gas	Tampa Electric	Supvr Business Planning	Business Planning Lead	Permanent
Peoples Gas	TECO Partners	Admin Specialist	Coordinator Mkting Services	Permanent
Peoples Gas	Tampa Electric	Dir Sate Govt Relations	Dir State Govt Relations	Permanent
Peoples Gas	Tampa Electric	Apprentice	Appr Lineman I 'S'	Permanent
Peoples Gas	Tampa Electric	Apprentice	Grndman Equip Operator Line	Permanent
Peoples Gas	Tampa Electric	Apprentice	Special Utility Worker I, Line Dept	Permanent
Peoples Gas	Tampa Electric	Apprentice	Special Utility Worker I, Line Dept	Permanent
Peoples Gas	Tampa Electric	Co-Op/Alternate	Technology Analyst I	Permanent
Tampa Electric	Peoples Gas	Mgr Corp Business Dvlopment (G)	Mgr Corp Business Dvlopment (G)	Permanent
Tampa Electric	Peoples Gas	Business Planning Analyst Sr	Regulatory Analyst Sr	Permanent
Tampa Electric	Peoples Gas	Gas Trader Sr	Mgr Natural Gas Trading&Portfolio M	Permanent
Tampa Electric	Peoples Gas	B&I Account Specialist	Commercial Billing Analyst Assoc	Permanent
Tampa Electric	Peoples Gas	B&I Account Specialist	Dispatcher (PGS)	Permanent
Tampa Electric	Peoples Gas	Financial Analyst I	Gas Portfolio Analyst II	Permanent
TECO Services , Inc	Peoples Gas	Data Analyst II	Data Analyst II	Permanent
TECO Services , Inc	Peoples Gas	Budget Analyst Assoc	Supvr Business Planning	Permanent
TECO Services , Inc	Peoples Gas	HR Systems Manager	Mgr PGS Work Management Solutior	Permanent
TECO Services , Inc	Peoples Gas	Budget Analyst II	Gas Scheduler	Permanent