



August 2, 2024

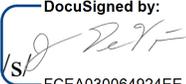
Matthew Vogel, Public Utilities Supervisor
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. Vogel:

Attached is the Rate of Return calculation of Peoples Gas System for the period ending **June 2024**.

Please let me know if you have any questions.

Respectfully,

DocuSigned by:

FCEA030064924EE...
Jon DeVries
VP of Finance

Enclosures

cc: Office of Public Counsel – Charles Rehwinkel

a
EARNINGS SURVEILLANCE REPORT SUMMARY
 Jun 2024
 (In \$ Thousands)

SCHEDULE 1

	(1) Actual <u>Per Books</u>	(2) FPSC <u>Adjustments</u>	(3) FPSC <u>Adjusted</u>	(4) Pro Forma <u>Adjustments</u>	(5) Pro Forma <u>Adjusted</u>
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 143,244	\$ (146)	\$ 143,098	\$ 0	\$ 143,098
AVERAGE RATE BASE	\$ 2,336,063	\$ (132,488)	\$ 2,203,576	\$ 0	\$ 2,203,576
AVERAGE RATE OF RETURN	6.13 %		6.49 %		6.49 %

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

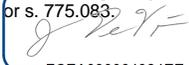
III. EARNED RETURN ON EQUITY

		FPSC <u>ADJUSTED</u>	PRO FORMA <u>ADJUSTED</u>
LOW	6.44 %		
MIDPOINT	6.91 %	A. INCLUDING FLEX RATE REVENUES	9.27 %
HIGH	7.38 %	B. EXCLUDING FLEX RATE REVENUES	8.92 %

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

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

/s/ Jon DeVries, VP of Finance
 (Name and Title)


 (Signature)

8/2/2024

(Date)

PSC/AFA13

**PEOPLES GAS SYSTEM
AVERAGE RATE BASE
Jun 2024
(In \$ Thousands)**

SCHEDULE 2

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	(10)	(11)
	Plant in Service	Plant Acquisition Adjustment	Accumulated Depreciation & Amortization	Customer Advances for Construction	Net Plant in Service	Property Held for Future Use	Construction Work in Progress	Net Utility Plant	Working Capital	Total Rate Base
PER BOOKS	3,054,020	2,322	916,639	27,138	2,112,565	1,940	198,423	2,312,928	23,135	2,336,063
FPSC ADJUSTMENTS:										
Property for Future Use						(1,940)		(1,940)		(1,940)
Temporary Cash Investment									(3)	(3)
Notes Receivable									-	-
Accounts Rec./Pay. - Assoc Companies									(9,176)	(9,176)
Other Accounts Receivable									(1,113)	(1,113)
Non-Utility Allocation	(1,333)		(467)		(866)			(866)		(866)
Remove Unamort. Debt Expense									(1,376)	(1,376)
Remove Unrecovered Gas Cost									-	-
Remove Dividends Declared									-	-
Remove Unrec. Conservation Costs									(7,175)	(7,175)
Remove Unrec. CIBSR Costs									-	-
Remove Competitive Rate Adjustment									(4,092)	(4,092)
Remove Unamortized Rate Case Expense									(1,420)	(1,420)
Gain on Sale of Property									-	-
Remove Acquis. Adjustment (WFNG)		-	-		-			-		-
Remove Derivative (FAS 133)									-	-
Cast Iron/Bare Steel Rider (CIBSR)	(33,218)		(324)		(32,895)		(9,938)	(42,833)		(42,833)
AFUDC - Eligible CWIP							(61,179)	(61,179)		(61,179)
Remove Investment in Subsidiaries									(1,315)	(1,315)
TOTAL FPSC ADJUSTMENTS	(34,552)	-	(791)	-	(33,761)	(1,940)	(71,117)	(106,818)	(25,670)	(132,488)
FPSC ADJUSTED	3,019,468	2,322	915,848	27,138	2,078,804	-	127,306	2,206,110	(2,535)	2,203,576
FLEX RATE REVENUES										
ADJUSTED FOR										
FLEX RATE REVENUES	3,019,468	2,322	915,848	27,138	2,078,804	-	127,306	2,206,110	(2,535)	2,203,576
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:										
										-
TOTAL PRO FORMA ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-
PRO FORMA ADJUSTED	3,019,468	2,322	915,848	27,138	2,078,804	-	127,306	2,206,110	(2,535)	2,203,576

PEOPLES GAS SYSTEM
NET OPERATING INCOME
Jun 2024
(In \$ Thousands)

SCHEDULE 3

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Operating Revenues	O & M Gas Expense	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current	Deferred Income Taxes (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition	Total Operating Expenses	Net Operating Income
PER BOOKS	630,769	151,538	177,380	68,160	60,764	13,758	16,441	-	(515)	487,525	143,244
FPSC ADJUSTMENTS:											
Remove Conservation Charges	(41,826)		(41,826)			0				(41,826)	0
Non-Utility Allocation				(35)	-	9				(26)	26
Interest Synchronization						693				693	(693)
Parent Debt Adjustment						(3,213)				(3,213)	3,213
Remove Fuel Revenues	(152,131)	(151,538)			(593)	0				(152,131)	-
Economic Development Adjustment			(16)			4				(12)	12
Employee Activities			(44)			11				(33)	33
Franchise/Gross Receipts Taxes	(34,083)				(33,943)	(35)				(33,979)	(104)
Maintenance of General Plant			(50)			13				(38)	38
Maint. of Structures and Improvements			(7)			2				(5)	5
Remove Acquisition Adj. Amortiz. (WFNG)						-				-	-
Gain on Sale of Property						-				-	-
Lease of PHFFU	(131)					(33)				(33)	(98)
Remove ITC Amortization						-		-		-	-
Cast Iron/Bare Steel Rider (CIBSR)	(1,583)		(845)	(501)	(237)	0				(1,583)	0
Cast Iron/Bare Steel Rider (CIBSR) - ROI	(3,454)					(875)				(875)	(2,579)
OSS Adjustment	-					-				-	-
TOTAL FPSC ADJUSTMENTS	(233,208)	(151,538)	(42,789)	(536)	(34,772)	(3,426)	-	-	-	(233,061)	(146)
FPSC ADJUSTED	397,562	-	134,591	67,624	25,991	10,332	16,441	-	(515)	254,464	143,098
FLEX RATE REVENUES	(4,849)									(1,229)	(3,620)
ADJUSTED FOR											
FLEX RATE REVENUES	392,713	-	134,591	67,624	25,991	9,104	16,441	-	(515)	253,235	139,478
PRO FORMA REVENUE INCREASE AND ANNUALIZATION ADJUSTMENTS:											
Deferred Tax True-up						-				-	-
TOTAL PRO FORMA ADJUSTMENTS	-	-	-	-	-	-	-	-	-	-	-
PRO FORMA ADJUSTED	397,562	-	134,591	67,624	25,991	10,332	16,441	-	(515)	254,464	143,098
PER BOOKS											
CURRENT MONTH AMOUNT	50,083	9,675	16,096	7,220	4,498	(134)	2,244	-	-	39,598	10,485

**PEOPLES GAS SYSTEM
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
Jun 2024
(In \$ Thousands)**

SCHEDULE 4

	PER BOOKS	ADJUSTMENTS		ADJUSTED	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
		SPECIFIC	PRO RATA			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
AVERAGE											
LONG TERM DEBT	755,263	(1,376)	(35,802)	718,086	32.59%	5.13	1.67	5.13	1.67	5.13	1.67
SHORT TERM DEBT	174,983	(7,175)	(7,969)	159,838	7.25%	6.16	0.45	6.16	0.45	6.16	0.45
CUSTOMER DEPOSITS	29,883		(1,204)	28,678	1.30%	2.42	0.03	2.42	0.03	2.42	0.03
COMMON EQUITY	1,088,152	(3,901)	(51,490)	1,032,760	46.87%	9.15	4.29	10.15	4.76	11.15	5.23
DEFERRED INCOME TAX	287,783	(12,473)	(11,097)	264,213	11.99%						
TAX CREDITS - ZERO COST	-	-	-	-	0.00%						
TOTAL	<u>2,336,063</u>	<u>(24,925)</u>	<u>(107,563)</u>	<u>2,203,576</u>	<u>100.00%</u>		<u>6.44</u>		<u>6.91</u>		<u>7.38</u>

**PEOPLES GAS SYSTEM
EARNED RETURN ON COMMON EQUITY
FPSC ADJUSTED BASIS
Jun 2024
(In \$ Thousands)**

SCHEDULE 5

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

FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	6.49 %	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(1.67) %	
SHORT TERM DEBT	(0.45) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.15) %</u>	
 TOTAL	 4.34 %	
 DIVIDED BY RECONCILED COMMON EQUITY RATIO	 <u>46.87 %</u>	
 JURISDICTIONAL RETURN ON COMMON EQUITY	 <u><u>9.27 %</u></u>	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$ 139,478	(Schedule 3)
 RATE BASE EXCLUDING FLEX RATE REVENUES	 \$ <u>2,203,576</u>	(Schedule 2)
 FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	 <u>6.33 %</u>	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(1.67) %	
SHORT TERM DEBT	(0.45) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.15) %</u>	
 TOTAL	 4.18 %	
 DIVIDED BY RECONCILED COMMON EQUITY RATIO	 <u>46.87 %</u>	
 JURISDICTIONAL RETURN ON COMMON EQUITY	 <u><u>8.92 %</u></u>	

**PEOPLES GAS SYSTEM
EARNED RETURN ON COMMON EQUITY
PRO FORMA ADJUSTED BASIS
Jun 2024**

SCHEDULE 5-2

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

PRO FORMA ADJUSTED AVERAGE EARNED RATE OF RETURN	6.49 %	(Schedule 1)
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(1.67) %	
SHORT TERM DEBT	(0.45) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.15) %</u>	
 TOTAL	 4.34 %	
 DIVIDED BY RECONCILED COMMON EQUITY RATIO	 <u>46.87 %</u>	
 JURISDICTIONAL RETURN ON COMMON EQUITY	 <u><u>9.27 %</u></u>	

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

NET OPERATING REVENUE EXCLUDING FLEX RATE REVENUES	\$ 139,478	(Schedule 2, p. 2 of 2)
RATE BASE EXCLUDING FLEX RATE REVENUES	\$ <u>2,203,576</u>	(Schedule 2, p. 1 of 2)
 FPSC ADJUSTED AVERAGE EARNED RATE OF RETURN	 <u>6.33 %</u>	
LESS: RECONCILED AVERAGE JURISDICTIONAL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	(1.67) %	
SHORT TERM DEBT	(0.45) %	
PREFERRED STOCK	0.00 %	
CUSTOMER DEPOSITS	(0.03) %	
TAX CREDITS-WEIGHTED COST(MIDPOINT)	0.00 %	
SUBTOTAL	<u>(2.15) %</u>	
 TOTAL	 4.18 %	
 DIVIDED BY RECONCILED COMMON EQUITY RATIO	 <u>46.87 %</u>	
 JURISDICTIONAL RETURN ON COMMON EQUITY	 <u><u>8.92 %</u></u>	