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Docket No. 20180044-GU
Comprehensive Exhibit List for Entry into Hearing Record
September 12, 2018

EXH #	Witness	I.D. # As Filed	Exhibit Description	Issue Nos.	Entered
STAFF					
1		Exhibit List	Comprehensive Exhibit List		
PEOPLES GAS SYSTEM – (DIRECT)					
2	Alan D Felsenthal	ADF-1	Depreciation Timing Difference Example; ARAM Illustration.	1-7	
3	Valerie Strickland	VS-1[1]	MFR C-21 With and Without Tax Reform; Estimated Excess ADIT as of December 2017; Revised Estimate of Excess ADIT; 2018 Tax Expense Under the TCJA.	1-20	
4	Jeffrey S. Chronister	JSC-1	2018 Forecasted Earnings Surveillance Report as filed on March 15, 2018; 2018 Forecasted Earnings Surveillance Report Updated for Effect of TCJA; Calculation of Annual Revenue Requirement Amount; Calculation of 2018 Rate Base Change; Calculation of 2018 Overall Rate of Return Change; Calculation of February 6, 2018 through December 31, 2018 TCJA Amount.	1-20	

[1] VS-1, Document No. 3 Revised on June 7, 2018

OFFICE OF PUBLIC COUNSEL– (DIRECT)					
5	Ralph Smith	RCS-1	Summary Of Experience and Qualifications.		
STAFF – (DIRECT)					
6	Valarie Strickland (1-4,6,8-10) Jeff Chronister (5, 7)		PGS response to OPC 1ST Interrogatories Nos. 1-10 *[Bates No. 00001-00031]*	1-20	
7	Valarie Strickland (11-14, 16, 18-20) Jeff Chronister (15, 17, 21-24)		PGS response to OPC 2nd Interrogatories Nos. 11-24 **(See additional files contained on Staff Hearing Exhibit CD/USB for 18 – 29)** *[Bates No. 00032-00066]*	1-20	
8	Valarie Strickland (25) Jeff Chronister (26-28)		PGS response to OPC 3rd Interrogatories Nos. 25-28. Interrogatory No. 25 Revised on June 12, 2018 *[Bates No. 00067-00075]*	1-20	
9	Valarie Strickland		PGS response to OPC 4th Interrogatories No. 29 *[Bates No. 00076-00080]*	1-20	
10	Valerie Strickland		PGS response to OPC 1st Production of Documents Nos. 1-5 *[Bates No. 00081-00128]*	1-20	
11	Jeff Chronister Kandi Floyd (6) Valerie Strickland (7-8)		PGS response to OPC 2nd Production of Documents Nos. 6 *[Bates No. 00129-00134]*	1-20	

12	Valerie Strickland		PGS response to OPC 3rd Production of Documents No. 9 *[Bates No. 00135-00138]*	1-20	
13	Valerie Strickland		PGS response to OPC 4th Production of Documents No. 10 *[Bates No. 00139-00155]*	1-20	
14			Settlement Agreement attached to Joint Motion seeking Commission approval of settlement agreement *[Bates No. 00156-00207]*	6, 7, 18 and 20	
15			Preliminary Report of David J. Garrett concerning the 2016 Depreciation Study by Peoples Gas System attached to Joint Motion to Supplement the Record *[Bates No. 00208-00304]*	Settlement Agreement	
16			Peoples Gas System's Response to Staffs First Data Request (Nos. 1-2) *[Bates No. 00305-00319]*	Settlement Agreement	
17			Peoples Gas System's Response to Staff's Second Data Request (Nos. 3-7) *[Bates No. 00320-00325]*	Settlement Agreement	

EXHIBIT

OF

ALAN D. FELSENTHAL

ON BEHALF OF TAMPA ELECTRIC COMPANY

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 2
PARTY: PEOPLES GAS SYSTEM – (DIRECT)
DESCRIPTION: Alan D Felsenthal ADF-1

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Depreciation Timing Difference Example

Year	Book Depreciation	Tax Depreciation	Difference	Cumulative Difference
1	1,000,000	2,000,000	1,000,000	1,000,000
2	1,000,000	3,200,000	2,200,000	3,200,000
3	1,000,000	1,920,000	920,000	4,120,000
4	1,000,000	1,152,000	152,000	4,272,000
5	1,000,000	1,152,000	152,000	4,424,000
6	1,000,000	576,000	(424,000)	4,000,000
7	1,000,000		(1,000,000)	3,000,000
8	1,000,000		(1,000,000)	2,000,000
9	1,000,000		(1,000,000)	1,000,000
10	1,000,000		(1,000,000)	0
Total	10,000,000	10,000,000	0	

ARAM Illustration

		(A)	(B)	(A x B = C)	(A x D = E)	(C-E=F)	(G)	(F x G = H)	(F x J = I)	(J)	(K)
Line No.	**Year**	**Asset Cost**	**5-year MACRS Tax Rate**	**Tax Depreciation**	**Book Depreciation 10 years S/L**	**Tax over Book Difference**	**Tax Rate**	**Originating Deferred**	**Reversing Deferred**	**Average Rate**	**ADIT**
1	2016	1,000,000.00	20.000%	200,000.00	100,000.00	100,000.00	35%	35,000.00			35,000.00
2	2017		32.000%	320,000.00	100,000.00	220,000.00	35%	77,000.00			112,000.00
3	2018		19.200%	192,000.00	100,000.00	92,000.00	21%	19,320.00			131,320.00
4	2019		11.520%	115,200.00	100,000.00	15,200.00	21%	3,192.00			134,512.00
5	2020		11.520%	115,200.00	100,000.00	15,200.00	21%	3,192.00			137,704.00
6	2021		5.760%	57,600.00	100,000.00	(42,400.00)	21%		(13,197.67)	31.1266%	124,506.33
7	2022		0.000%	-	100,000.00	(100,000.00)	21%		(31,126.58)	31.1266%	93,379.75
8	2023		0.000%	-	100,000.00	(100,000.00)	21%		(31,126.58)	31.1266%	62,253.16
9	2024		0.000%	-	100,000.00	(100,000.00)	21%		(31,126.58)	31.1266%	31,126.58
10	2025		0.000%	-	100,000.00	(100,000.00)	21%		(31,126.58)	31.1266%	-
				1,000,000.00	1,000,000.00	-		137,704.00	(137,704.00)		

$1,000,000 asset placed in service on January 1, 2016

Book depreciation using straight-line method, 10-year life, no half-year convention

Tax Depreciation using MACRS, five-year life

Average rate (Column J) computed when the book/tax difference reverses (2021). Computation is based on dividing the ADIT balance ($137,704 in Column K) by the cumulative book-tax differences at the beginning of the year ($442,400, total increases in Column F)

DOCKET NO. 20180045-EI
EXHIBIT NO. ____ (ADF-1)
WITNESS: FELSENTHAL
DOCUMENT NO. 2
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FILED: 05/31/2018

EXHIBIT

OF

VALERIE STRICKLAND

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 3
PARTY: PEOPLES GAS SYSTEM – (DIRECT)
DESCRIPTION: Valerie Strickland VS-1

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Estimated Excess ADIT as of December 31, 2017

Tampa Electric	Beginning Balance	True-Up Activity	Gross Timing Difference	DIT Beginning Balance	Current Activity	True up/ Reclass Activity	Adjustment Activity	After Tax Deferred Tax Liability	Rate	Normalization	Excess DTL
401K - PERFORMANCE MATCH	1,413,314	0	1,413,314	545,186	(147,821)	0	(39,161)	358,204	0.25	Unprotected	(186,981)
ACC DEF ITC 10% - 1975 - GT	(8)	0	(8)	(5)	0	0	2	(2)	0.28	Unprotected	2
ACC DEF ITC 10% - 1980	11,972	0	11,972	6,822	109	0	(3,563)	3,368	0.28	Unprotected	(3,454)
ACC DEF ITC 10% - 1981 - NU	351	0	351	200	5	0	(106)	99	0.28	Unprotected	(101)
ACC DEF ITC 10% - 1982	232,512	0	232,512	132,485	3,197	0	(70,279)	65,404	0.28	Unprotected	(67,081)
ACC DEF ITC 10% - 1982 - NU	739	0	739	421	10	0	(223)	208	0.28	Unprotected	(213)
ACC DEF ITC 10% - 1984	148,416	0	148,416	84,568	1,905	0	(44,724)	41,749	0.28	Unprotected	(42,819)
ACC DEF ITC 10% - 1984 - GT	17,832	0	17,832	10,161	229	0	(5,374)	5,016	0.28	Unprotected	(5,145)
ACC DEF ITC 10% - 1985 - GT	5,014	0	5,014	2,857	62	0	(1,508)	1,410	0.28	Unprotected	(1,447)
ACC DEF ITC 10% - 1986	299,660	0	299,660	170,746	3,558	0	(90,011)	84,293	0.28	Unprotected	(86,454)
ACC DEF ITC 10% - 1986 - GT	397	0	397	226	5	0	(119)	112	0.28	Unprotected	(115)
ACC DEF ITC 10% - 1987	125,422	0	125,422	71,466	1,433	0	(37,618)	35,281	0.28	Unprotected	(36,185)
ACC DEF ITC 10% - 1988	119,055	0	119,055	67,838	1,310	0	(35,659)	33,489	0.28	Unprotected	(34,348)
ACC DEF ITC 10% - 1989	21,364	0	21,364	12,173	227	0	(6,391)	6,010	0.28	Unprotected	(6,164)
ACC DEF ITC 10% - 1990	2,097	0	2,097	1,195	22	0	(627)	590	0.28	Unprotected	(605)
ACC DEF ITC 30% - 2015 - SOLAR	(122,411)	0	(122,411)	(69,750)	17,298	0	18,019	(34,434)	0.28	Unprotected	35,316
ACC DEF ITC 30% - 2016 - SOLAR	(47,755)	0	(47,755)	(27,211)	13,228	0	550	(13,433)	0.28	Unprotected	13,778
ACC DEF ITC 30% - 2017- SOLAR	(327,750)	0	(327,750)	(186,752)	94,558	0	0	(92,194)	0.28	Unprotected	94,558
ACC DEF ITC 8% - 1983	129,680	0	129,680	73,892	1,729	0	(39,142)	36,478	0.28	Unprotected	(37,413)
ACC DEF ITC 8% - 1983 - GT	2,283	0	2,283	1,301	30	0	(689)	642	0.28	Unprotected	(659)
ACC DEF ITC 8% - 1984	1,105,595	0	1,105,595	629,969	14,193	0	(333,164)	310,997	0.28	Unprotected	(318,971)
ACC DEF ITC 8% - 1985	703,159	0	703,159	400,661	8,681	0	(211,547)	197,794	0.28	Unprotected	(202,866)
ACC DEF ITC BB4 10% - 1981	168,851	0	168,851	96,211	2,084	0	(50,799)	47,497	0.28	Unprotected	(48,715)
ACC DEF ITC BB4 10% - 1982	1,286,920	0	1,286,920	733,288	15,888	0	(387,173)	362,003	0.28	Unprotected	(371,285)
ACC DEF ITC BB4 10% - 1984	737,253	0	737,253	420,087	9,102	0	(221,804)	207,385	0.28	Unprotected	(212,702)
ACC DEF ITC BB4 10% - 1986	28,182	0	28,182	16,058	334	0	(8,465)	7,927	0.28	Unprotected	(8,131)
ACC DEF ITC BB4 10% - 1987	26,419	0	26,419	15,053	302	0	(7,924)	7,431	0.28	Unprotected	(7,622)
ACC DEF ITC BB4 8% - 1983	2,009,195	0	2,009,195	1,144,840	24,805	0	(604,471)	565,174	0.28	Unprotected	(579,666)
ACC DEF ITC BB4 8% - 1984	539,795	0	539,795	307,576	6,664	0	(162,399)	151,841	0.28	Unprotected	(155,735)
ACC DEF ITC BB4 8% - 1985	260,112	0	260,112	148,212	3,211	0	(78,255)	73,168	0.28	Unprotected	(75,044)
ACCRUED BONUS	13,766,654	0	13,766,654	5,310,487	(252,250)	0	(1,569,079)	3,489,158	0.25	Unprotected	(1,821,328)
AFUDC EQUITY	(189,962,004)	0	(189,962,004)	(73,277,843)	208,610	0	24,923,363	(48,145,870)	0.25	Unprotected	25,131,973
AFUDC EQUITY - DEPR	65,695,049	0	65,695,049	25,341,865	(955,393)	0	(7,736,062)	16,650,410	0.25	Unprotected	(8,691,455)
AMORT - BOND DISCOUNT	(584,472)	0	(584,472)	(225,460)	(15,998)	0	93,324	(148,134)	0.25	Unprotected	77,326
AMORT - BOND ISSUE COSTS	(578,156)	0	(578,156)	(223,024)	(21,995)	0	98,485	(146,534)	0.25	Unprotected	76,490
AMORT - BOND PREMIUM	(1,008,977)	0	(1,008,977)	(389,213)	(30,592)	0	164,079	(255,725)	0.25	Unprotected	133,488
AMORTIZATION FED	(169,004,894)	0	(169,004,894)	(59,151,713)	(641,938)	0	24,302,623	(35,491,028)	0.21	Unprotected	23,660,685
AMORTIZATION STATE	(169,004,894)	0	(169,004,894)	(6,041,925)	35,307	0	(1,336,644)	(7,343,263)	0.04	Unprotected	(1,301,338)
BAD DEBT	762,123	0	762,123	293,989	8,611	0	(109,440)	193,160	0.25	Unprotected	(100,829)
CIAC	151,141,690	0	151,141,690	58,302,907	(1,648,608)	0	(18,347,438)	38,306,861	0.25	Unprotected	(19,996,046)

Estimated Excess ADIT as of December 31, 2017

Tampa Electric	Beginning Balance	True-Up Activity	Gross Timing Difference	DIT Beginning Balance	Current Activity	True up/ Reclass Activity	Adjustment Activity	After Tax Deferred Tax Liability	Rate	Normalization	Excess DTL
COST OF REMOVAL	(514,365,658)	0	(514,365,658)	(198,416,552)	6,804,612	0	61,245,965	(130,365,976)	0.25	Unprotected	68,050,577
CURRENCY ADJ - UNREAL G/L	6,196	0	6,196	2,390	(880)	0	60	1,570	0.25	Unprotected	(820)
DEF SEP CO - EMERA FED NOL	0	0	0	0	(19,783,342)	0	19,783,342	0	0.00	Unprotected	-
DEF SEP CO - EMERA FED NOL-PROTECTED	141,309,588	0	141,309,588	49,458,356	0	0	(19,783,342)	29,675,013	0.21	Protected	(19,783,342)
DEF SEP CO - FED NOL - UNPROTECTED	194,143,570	0	194,143,570	67,950,250	0	0	(27,180,100)	40,770,150	0.21	Unprotected	(27,180,100)
DEF SEP CO - FL NOL	0	0	0	0	0	0	(0)	0	0.00	Unprotected	(0)
DEF SEP CO - FL NOL - UNPROTECTED	268,538,363	0	268,538,363	9,600,246	0	0	2,067,745	11,667,992	0.04	Unprotected	2,067,745
DEFERRED COMP	248,190	0	248,190	95,739	(32,835)	0	(0)	62,904	0.25	Unprotected	(32,836)
DEFERRED FUEL	(5,364,387)	0	(5,364,387)	(2,069,312)	(373,436)	0	1,083,145	(1,359,604)	0.25	Unprotected	709,708
DEFERRED INTEREST - BONDS	(11,393,068)	0	(11,393,068)	(4,394,876)	(460,634)	0	1,967,937	(2,887,573)	0.25	Unprotected	1,507,303
DEFERRED LEASE - NC	678,521	0	678,521	261,739	(7,928)	0	(81,840)	171,971	0.25	Unprotected	(89,768)
DEPRECIATION - BOOK	(12,596,149)	0	(12,596,149)	(4,858,965)	(24,400)	0	1,690,871	(3,192,494)	0.25	Protected	1,666,471
DEPRECIATION - BOOK TAX DIFF FED	(2,467,663,268)	0	(2,467,663,268)	(863,682,144)	50,072,377	0	295,400,480	(518,209,286)	0.21	Protected	345,472,858
DEPRECIATION - BOOK TAX DIFF STATE	(1,793,631,218)	0	(1,793,631,218)	(64,122,316)	(798,173)	0	(13,012,787)	(77,933,276)	0.04	Protected	(13,810,960)
DISMANTLEMENT COSTS	125,943,563	0	125,943,563	48,582,730	(156,920)	0	(16,505,413)	31,920,396	0.25	Unprotected	(16,662,333)
DREDGING	(2,183,942)	0	(2,183,942)	(842,456)	38,832	0	250,103	(553,520)	0.25	Unprotected	288,935
FAS 106 - NC	81,591,563	0	81,591,563	31,473,946	756,480	0	(11,551,043)	20,679,382	0.25	Unprotected	(10,794,564)
FAS 106 FAS 158	3,119,528	0	3,119,528	1,203,358	0	0	(412,714)	790,644	0.25	Unprotected	(412,714)
FAS 106 FAS 158 - C	9,640,008	0	9,640,008	3,718,633	(121,385)	0	(1,153,988)	2,443,260	0.25	Unprotected	(1,275,373)
FAS 106 FAS 158 - C 283	(9,640,008)	0	(9,640,008)	(3,718,633)	121,385	0	1,153,988	(2,443,260)	0.25	Unprotected	1,275,373
FAS 106 FAS 158 - NC	46,775,125	0	46,775,125	18,043,504	(2,465,563)	0	(3,722,786)	11,855,155	0.25	Unprotected	(6,188,349)
FAS 106 FAS 158 - NC 283	(46,775,125)	0	(46,775,125)	(18,043,504)	2,465,563	0	3,722,786	(11,855,155)	0.25	Unprotected	6,188,349
FAS 112	13,977,835	0	13,977,835	5,391,950	212,172	0	(2,061,440)	3,542,682	0.25	Unprotected	(1,849,268)
FIBER OPTIC	383,750	0	383,750	148,032	11,693	0	(62,463)	97,261	0.25	Unprotected	(50,770)
G/L - SALE OF ASSETS	79,543	0	79,543	30,684	1,958	0	(12,481)	20,160	0.25	Unprotected	(10,524)
GENERAL BUSINESS CREDIT	(22,320,526)	0	(22,320,526)	22,320,526	0	0	0	22,320,526	(1.00)	Unprotected	-
INSURANCE RESERVE - C	0	0	0	0	(428,224)	0	428,224	0	0.00	Unprotected	-
INSURANCE RESERVE - NC	(27,328,771)	0	(27,328,771)	(10,542,073)	13,057,664	0	(9,442,067)	(6,926,477)	0.25	Unprotected	3,615,596
ITC 30% - SOLAR	14,407,398	0	14,407,398	8,209,344	(3,241,948)	0	(914,682)	4,052,714	0.28	Unprotected	(4,156,630)
LEGAL EXPENSES	404,157	0	404,157	155,904	(49,674)	0	(3,796)	102,434	0.25	Unprotected	(53,470)
LONG TERM INCENTIVE	6,046,168	0	6,046,168	2,332,309	(619,196)	0	(180,712)	1,532,401	0.25	Unprotected	(799,908)
LOSS FROM GRANTOR TRUST	272,075	0	272,075	104,953	0	0	(35,996)	68,957	0.25	Unprotected	(35,996)
OCI FAS 133 - C	933,935	0	933,935	360,265	1,640,513	0	(1,764,073)	236,706	0.25	Unprotected	(123,560)
OCI FAS 133 - C 283	(933,935)	0	(933,935)	(360,265)	(1,640,513)	0	1,764,073	(236,706)	0.25	Unprotected	123,560
OCI FAS 133 - NC	0	0	0	0	162,435	0	(162,435)	0	0.00	Unprotected	-
OCI FAS 133 - NC 283	0	0	0	0	(162,435)	0	162,435	0	0.00	Unprotected	-

Estimated Excess ADIT as of December 31, 2017

Tampa Electric	Beginning Balance	True-Up Activity	Gross Timing Difference	DIT Beginning Balance	Current Activity	True up/ Reclass Activity	Adjustment Activity	After Tax Deferred Tax Liability	Rate	Normalization	Excess DTL
OCI FAS 133 INTEREST - NC	2,309,241	0	2,309,241	890,790	117,265	0	(422,778)	585,277	0.25	**Unprotected**	(305,513)
PENSION - NC	(176,830,203)	0	(176,830,203)	(68,212,251)	(66,382)	0	23,461,018	(44,817,615)	0.25	**Unprotected**	23,394,636
PENSION FAS 158	1,523,058	0	1,523,058	587,520	0	0	(201,501)	386,019	0.25	**Unprotected**	(201,501)
PENSION FAS 158 - NC	189,213,304	0	189,213,304	72,989,032	1,653,391	0	(26,686,311)	47,956,112	0.25	**Unprotected**	(25,032,920)
PENSION FAS 158 - NC 283	(189,213,304)	0	(189,213,304)	(72,989,032)	(1,653,391)	0	26,686,311	(47,956,112)	0.25	**Unprotected**	25,032,920
RATE CASE EXPENSE - NC	(1)	0	(1)	(0)	(62,609)	0	62,609	(0)	0.25	**Unprotected**	0
REPAIRS CAPITALIZED ON BOOKS	(1,213,986,281)	0	(1,213,986,281)	(468,295,208)	16,769,407	0	143,840,978	(307,684,823)	0.25	**Unprotected**	160,610,385
RESTORATION PLAN	202,436	0	202,436	78,090	(7,699)	0	(19,083)	51,307	0.25	**Unprotected**	(26,782)
RESTORATION PLAN FAS 158 - NC	381,200	0	381,200	147,048	57,750	0	(108,183)	96,615	0.25	**Unprotected**	(50,433)
RESTORATION PLAN FAS 158 - NC 283	(381,200)	0	(381,200)	(147,048)	(57,750)	0	108,183	(96,615)	0.25	**Unprotected**	50,433
SEC 263A INDIRECT COSTS/BASIS ADJ	41,418,357	0	41,418,357	15,977,131	(497,543)	0	(4,982,106)	10,497,483	0.25	**Unprotected**	(5,479,649)
SEC 263A INTEREST CAP	216,688,306	0	216,688,306	83,587,514	(91,793)	0	(28,576,070)	54,919,651	0.25	**Unprotected**	(28,667,863)
SERP - NC	8,069,213	0	8,069,213	3,112,699	(113,746)	0	(953,811)	2,045,142	0.25	**Unprotected**	(1,067,557)
SERP FAS 158	163,086	0	163,086	62,910	0	0	(21,576)	41,334	0.25	**Unprotected**	(21,576)
SERP FAS 158 - C	6,335,831	0	6,335,831	2,444,047	(810,181)	0	(28,049)	1,605,816	0.25	**Unprotected**	(838,230)
SERP FAS 158 - C 283	(6,335,831)	0	(6,335,831)	(2,444,047)	810,181	0	28,049	(1,605,816)	0.25	**Unprotected**	838,230
SERP FAS 158 - NC	(2,920,464)	0	(2,920,464)	(1,126,569)	928,212	0	(541,834)	(740,192)	0.25	**Unprotected**	386,377
SERP FAS 158 - NC 283	2,920,464	0	2,920,464	1,126,569	(928,212)	0	541,834	740,192	0.25	**Unprotected**	(386,377)
SOLAR ITC	258,917	0	258,917	90,621	(31,435)	0	(4,813)	54,373	0.21	**Unprotected**	(36,248)
UNBILLED CONSERVATION REV	1,868,924	0	1,868,924	720,937	(74,849)	0	(172,410)	473,679	0.25	**Unprotected**	(247,259)
UNBILLED ENVIRONMENTAL REV	3,643,458	0	3,643,458	1,405,464	(39,133)	0	(442,897)	923,434	0.25	**Unprotected**	(482,030)
UNBILLED REVENUE/FUEL	28,071,616	0	28,071,616	10,828,626	171,023	0	(3,884,898)	7,114,751	0.25	**Unprotected**	(3,713,875)
VACATION ACCRUAL	12,887,665	0	12,887,665	4,971,417	(35,401)	0	(1,669,637)	3,266,379	0.25	**Unprotected**	(1,705,038)
Total For Tampa Electric:	(5,369,289,404)	0	(5,369,289,404)	(1,361,050,138)	57,777,414	0	426,750,610	(876,522,114)			484,528,023

Summary

Row Labels	Original
Protected	313,545,025.49
Unprotected	170,982,997.98
Grand Total	484,528,023.47

	Current Law	Proposed Rate	
offset	-0.01925	-0.01155	0.0077
state	0.055	0.055	0
fed	0.33075	0.19845	-0.1323
st + offset	0.03575	0.04345	**0.0077**
fed stat.	0.35	0.21	-0.14
Net Fed & State	0.38575	0.25345	**-0.1323**
Norm Gross Up	0.62800	0.339495	**-0.288506618**

TAMPA ELECTRIC COMPANY
DOCKET NO. 20180045-EI
EXHIBIT NO. ____ (VS-1)
WITNESS: STRICKLAND
DOCUMENT NO. 2
PAGE 1 OF 2
FILED: 05/31/2018
REVISED: 06/07/2018

Revised Estimate of Excess ADIT

M Item	Beginning Balance	True-Up Activity	Gross Timing Difference	DIT Beginning Balance	Current Activity	Reclass	True up / Reclass Activity	Adjustment Activity	After Tax Deferred Tax Liability	Rate	Normalization	Excess DTL
401K - PERFORMANCE MATCH	1,413,314.26	0.00	1,413,314.26	545,185.97	-147,820.67	0.00	0.00	-39,160.81	358,204.49	0.25	Unprotected	-186,981.48
ACC DEF ITC 10% - 1975 - GT	-8.00	0.00	-8.00	-4.56	0.00	0.00	0.00	2.32	-2.24	0.28	Unprotected	2.32
ACC DEF ITC 10% - 1980	11,972.36	0.00	11,972.36	6,821.86	108.69	0.00	0.00	-3,562.79	3,367.76	0.28	Unprotected	-3,454.10
ACC DEF ITC 10% - 1981 - NU	351.10	0.00	351.10	200.06	5.00	0.00	0.00	-106.30	98.76	0.28	Unprotected	-101.30
ACC DEF ITC 10% - 1982	232,511.59	0.00	232,511.59	132,485.24	3,197.40	0.00	0.00	-70,278.54	65,404.10	0.28	Unprotected	-67,081.14
ACC DEF ITC 10% - 1982 - NU	739.16	0.00	739.16	421.17	10.10	0.00	0.00	-223.35	207.92	0.28	Unprotected	-213.25
ACC DEF ITC 10% - 1984	148,416.04	0.00	148,416.04	84,567.53	1,905.32	0.00	0.00	-44,724.32	41,748.53	0.28	Unprotected	-42,819.00
ACC DEF ITC 10% - 1984 - GT	17,832.46	0.00	17,832.46	10,160.94	228.79	0.00	0.00	-5,373.57	5,016.16	0.28	Unprotected	-5,144.78
ACC DEF ITC 10% - 1985 - GT	5,014.01	0.00	5,014.01	2,856.98	61.75	0.00	0.00	-1,508.32	1,410.41	0.28	Unprotected	-1,446.57
ACC DEF ITC 10% - 1986	299,659.84	0.00	299,659.84	170,746.34	3,557.59	0.00	0.00	-90,011.42	84,292.51	0.28	Unprotected	-86,453.83
ACC DEF ITC 10% - 1986 - GT	397.09	0.00	397.09	226.25	4.93	0.00	0.00	-119.48	111.70	0.28	Unprotected	-114.55
ACC DEF ITC 10% - 1987	125,422.32	0.00	125,422.32	71,465.71	1,433.30	0.00	0.00	-37,618.47	35,280.54	0.28	Unprotected	-36,185.17
ACC DEF ITC 10% - 1988	119,054.97	0.00	119,054.97	67,837.60	1,310.40	0.00	0.00	-35,658.56	33,489.44	0.28	Unprotected	-34,348.16
ACC DEF ITC 10% - 1989	21,364.42	0.00	21,364.42	12,173.46	226.76	0.00	0.00	-6,390.54	6,009.68	0.28	Unprotected	-6,163.78
ACC DEF ITC 10% - 1990	2,097.23	0.00	2,097.23	1,195.01	21.57	0.00	0.00	-626.63	589.95	0.28	Unprotected	-605.06
ACC DEF ITC 30% - 2015 - SOLAR	-122,411.12	0.00	-122,411.12	-69,749.92	17,297.73	0.00	0.00	18,018.68	-34,433.51	0.28	Unprotected	35,316.41
ACC DEF ITC 30% - 2016 - SOLAR	-47,754.96	0.00	-47,754.96	-27,210.80	13,227.93	0.00	0.00	549.69	-13,433.18	0.28	Unprotected	13,777.62
ACC DEF ITC 30% - 2017- SOLAR	-327,749.51	0.00	-327,749.51	-186,751.86	94,557.90	0.00	0.00	0.00	-92,193.96	0.28	Unprotected	94,557.90
ACC DEF ITC 8% - 1983	129,679.79	0.00	129,679.79	73,891.63	1,728.72	0.00	0.00	-39,142.20	36,478.15	0.28	Unprotected	-37,413.48
ACC DEF ITC 8% - 1983 - GT	2,283.15	0.00	2,283.15	1,300.94	30.30	0.00	0.00	-689.01	642.23	0.28	Unprotected	-658.71
ACC DEF ITC 8% - 1984	1,105,595.05	0.00	1,105,595.05	629,968.69	14,192.80	0.00	0.00	-333,164.29	310,997.20	0.28	Unprotected	-318,971.49
ACC DEF ITC 8% - 1985	703,159.24	0.00	703,159.24	400,660.53	8,680.88	0.00	0.00	-211,546.98	197,794.43	0.28	Unprotected	-202,866.10
ACC DEF ITC BB4 10% - 1981	168,850.53	0.00	168,850.53	96,211.13	2,084.47	0.00	0.00	-50,798.98	47,496.62	0.28	Unprotected	-48,714.51
ACC DEF ITC BB4 10% - 1982	1,286,919.57	0.00	1,286,919.57	733,287.51	15,888.05	0.00	0.00	-387,172.86	362,002.70	0.28	Unprotected	-371,284.81
ACC DEF ITC BB4 10% - 1984	737,252.64	0.00	737,252.64	420,086.97	9,102.10	0.00	0.00	-221,804.36	207,384.71	0.28	Unprotected	-212,702.26
ACC DEF ITC BB4 10% - 1986	28,182.23	0.00	28,182.23	16,058.25	334.40	0.00	0.00	-8,465.16	7,927.49	0.28	Unprotected	-8,130.76
ACC DEF ITC BB4 10% - 1987	26,418.77	0.00	26,418.77	15,053.43	301.78	0.00	0.00	-7,923.77	7,431.44	0.28	Unprotected	-7,621.99
ACC DEF ITC BB4 8% - 1983	2,009,194.50	0.00	2,009,194.50	1,144,840.18	24,804.93	0.00	0.00	-604,470.85	565,174.26	0.28	Unprotected	-579,665.92
ACC DEF ITC BB4 8% - 1984	539,795.27	0.00	539,795.27	307,575.65	6,664.21	0.00	0.00	-162,398.72	151,841.14	0.28	Unprotected	-155,734.51
ACC DEF ITC BB4 8% - 1985	260,111.54	0.00	260,111.54	148,211.70	3,211.36	0.00	0.00	-78,255.26	73,167.80	0.28	Unprotected	-75,043.90
ACCRUED BONUS	13,766,654.12	0.00	13,766,654.12	5,310,486.83	-252,249.82	0.00	0.00	-1,569,078.52	3,489,158.49	0.25	Unprotected	-1,821,328.34
AFUDC EQUITY	-189,962,004.49	0.00	-189,962,004.49	-73,277,843.23	208,610.15	0.00	0.00	24,923,363.04	-48,145,870.04	0.25	Unprotected	25,131,973.19
AFUDC EQUITY - DEPR	65,695,048.88	1,801,640.12	67,496,689.00	25,341,865.11	-955,393.33	694,982.68	-238,356.99	-7,736,061.64	17,107,035.83	0.25	Unprotected	-8,929,811.96
AMORT - BOND DISCOUNT	-584,472.08	0.00	-584,472.08	-225,460.10	-15,998.39	0.00	0.00	93,324.04	-148,134.45	0.25	Unprotected	77,325.65
AMORT - BOND ISSUE COSTS	-578,156.28	0.00	-578,156.28	-223,023.79	-21,995.40	0.00	0.00	98,485.48	-146,533.71	0.25	Unprotected	76,490.08
AMORT - BOND PREMIUM	-1,008,976.78	0.00	-1,008,976.78	-389,212.79	-30,591.86	0.00	0.00	164,079.49	-255,725.16	0.25	Unprotected	133,487.63
AMORTIZATION FED	-169,004,894.06	-1,232,001.94	-170,236,896.00	-59,151,712.92	-641,937.94	-431,200.68	172,480.27	24,302,623.11	-35,794,748.16	0.21	Unprotected	23,833,165.44
AMORTIZATION STATE	-169,004,894.06	-1,232,001.94	-170,236,896.00	-6,041,924.96	35,306.58	-67,760.11	-9,486.41	-1,336,644.26	-7,420,509.16	0.04	Unprotected	-1,310,824.09
BAD DEBT	762,122.54	0.00	762,122.54	293,988.77	8,611.27	0.00	0.00	-109,440.09	193,159.95	0.25	Unprotected	-100,828.82
CIAC	151,141,690.06	-69,660,837.06	81,480,853.00	58,302,906.94	-1,648,607.57	-26,871,667.90	9,216,128.74	-18,347,438.03	20,651,322.19	0.25	Protected	-10,779,916.86
COST OF REMOVAL	-514,365,657.67	724,188,117.67	209,822,460.00	-198,416,552.44	6,804,611.67	279,355,566.39	-95,810,087.97	61,245,964.84	53,179,502.49	0.25	Unprotected	-27,759,511.46
CURRENCY ADJ - UNREAL G/L	6,196.45	0.00	6,196.45	2,390.28	-880.07	0.00	0.00	60.27	1,570.48	0.25	Unprotected	-819.80
DEF SEP CO - EMERA FED NOL	0.00	0.00	0.00	0.00	-19,783,342.28	0.00	0.00	19,783,342.28	0.00	0.00	Unprotected	0.00
DEF SEP CO - EMERA FED NOL-PROTECTED	141,309,587.74	0.00	141,309,587.74	49,458,355.71	0.00	0.00	0.00	-19,783,342.28	29,675,013.43	0.21	Protected	-19,783,342.28
DEF SEP CO - FED NOL - UNPROTECTED	194,143,570.00	0.00	194,143,570.00	67,950,249.50	0.00	0.00	0.00	-27,180,099.80	40,770,149.70	0.21	Unprotected	-27,180,099.80
DEF SEP CO - FL NOL	0.00	0.00	0.00	0.01	0.00	0.00	0.00	-0.01	0.00	0.00	Unprotected	-0.01
DEF SEP CO - FL NOL - UNPROTECTED	268,538,363.00	0.00	268,538,363.00	9,600,246.47	0.00	0.00	0.00	2,067,745.41	11,667,991.88	0.04	Unprotected	2,067,745.41
DEFERRED COMP	248,190.04	0.00	248,190.04	95,739.30	-32,835.36	0.00	0.00	-0.17	62,903.77	0.25	Unprotected	-32,835.53
DEFERRED FUEL	-5,364,387.37	0.00	-5,364,387.37	-2,069,312.43	-373,436.07	0.00	0.00	1,083,144.51	-1,359,603.99	0.25	Unprotected	709,708.44
DEFERRED INTEREST - BONDS	-11,393,068.41	0.00	-11,393,068.41	-4,394,876.13	-460,633.82	0.00	0.00	1,967,936.76	-2,887,573.19	0.25	Unprotected	1,507,302.94
DEFERRED LEASE - NC	678,520.98	0.00	678,520.98	261,739.46	-7,927.90	0.00	0.00	-81,840.42	171,971.14	0.25	Unprotected	-89,768.32
DEPRECIATION - BOOK	-12,596,149.34	12,596,149.34	0.00	-4,858,964.61	-24,400.38	4,858,964.61	-1,666,470.56	1,690,870.94	0.00	0.00	Protected	0.00
DEPRECIATION - BOOK TAX DIFF FED	-2,467,663,268.46	-355,107,918.54	-2,822,771,187.00	-863,682,143.96	50,072,377.41	-124,287,771.49	49,715,108.60	295,400,480.17	-592,781,949.27	0.21	Protected	395,187,966.18
DEPRECIATION - BOOK TAX DIFF STATE	-1,793,631,217.86	-397,264,729.14	-2,190,895,947.00	-64,122,316.04	-798,172.94	-14,202,214.07	-3,058,938.41	-13,012,787.43	-95,194,428.89	0.04	Protected	-16,869,898.78
DISMANTLEMENT COSTS	125,943,563.24	0.00	125,943,563.24	48,582,729.52	-156,920.24	0.00	0.00	-16,505,413.18	31,920,396.10	0.25	Unprotected	-16,662,333.42
DREDGING	-2,183,941.70	0.00	-2,183,941.70	-842,455.51	38,832.31	0.00	0.00	250,103.18	-553,520.02	0.25	Unprotected	288,935.49
FAS 106 - NC	81,591,563.31	0.00	81,591,563.31	31,473,945.55	756,479.63	0.00	0.00	-11,551,043.46	20,679,381.72	0.25	Unprotected	-10,794,563.83
FAS 106 FAS 158	3,119,528.00	0.00	3,119,528.00	1,203,357.93	0.00	0.00	0.00	-412,713.56	790,644.37	0.25	Unprotected	-412,713.56
FAS 106 FAS 158 - C	9,640,008.00	0.00	9,640,008.00	3,718,633.09	-121,384.59	0.00	0.00	-1,153,988.47	2,443,260.03	0.25	Unprotected	-1,275,373.06

M Item	Beginning Balance	True-Up Activity	Gross Timing Difference	DIT Beginning Balance	Current Activity	Reclass	True up / Reclass Activity	Adjustment Activity	After Tax Deferred Tax Liability	Rate	Normalization	Excess DTL
FAS 106 FAS 158 - C 283	-9,640,008.00	0.00	-9,640,008.00	-3,718,633.09	121,384.59	0.00	0.00	1,153,988.47	-2,443,260.03	0.25	Unprotected	1,275,373.06
FAS 106 FAS 158 - NC	46,775,125.00	0.00	46,775,125.00	18,043,504.47	-2,465,563.43	0.00	0.00	-3,722,785.60	11,855,155.44	0.25	Unprotected	-6,188,349.03
FAS 106 FAS 158 - NC 283	-46,775,125.00	0.00	-46,775,125.00	-18,043,504.47	2,465,563.43	0.00	0.00	3,722,785.60	-11,855,155.44	0.25	Unprotected	6,188,349.03
FAS 112	13,977,835.00	0.00	13,977,835.00	5,391,949.86	212,172.01	0.00	0.00	-2,061,439.58	3,542,682.29	0.25	Unprotected	-1,849,267.57
FIBER OPTIC	383,749.84	0.00	383,749.84	148,031.50	11,693.21	0.00	0.00	-62,463.31	97,261.40	0.25	Unprotected	-50,770.10
G/L - SALE OF ASSETS	79,543.13	-79,543.13	0.00	30,683.76	1,957.65	-30,683.76	10,523.56	-12,481.20	0.00	0.00	Unprotected	0.01
GENERAL BUSINESS CREDIT	-22,320,525.66	0.00	-22,320,525.66	22,320,525.66	0.00	0.00	0.00	0.00	22,320,525.66	-1.00	Unprotected	0.00
INSURANCE RESERVE - C	0.00	0.00	0.00	0.00	-428,223.74	0.00	0.00	428,223.74	0.00	0.00	Unprotected	0.00
INSURANCE RESERVE - NC	-27,328,771.17	0.00	-27,328,771.17	-10,542,073.47	13,057,663.53	0.00	0.00	-9,442,067.11	-6,926,477.05	0.25	Unprotected	3,615,596.42
ITC 30% - SOLAR	14,407,398.00	0.00	14,407,398.00	8,209,343.60	-3,241,948.01	0.00	0.00	-914,681.67	4,052,713.92	0.28	Unprotected	-4,156,629.68
LEGAL EXPENSES	404,156.98	0.00	404,156.98	155,903.55	-49,674.23	0.00	0.00	-3,795.73	102,433.59	0.25	Unprotected	-53,469.96
LONG TERM INCENTIVE	6,046,167.72	0.00	6,046,167.72	2,332,309.19	-619,195.98	0.00	0.00	-180,712.01	1,532,401.20	0.25	Unprotected	-799,907.99
LOSS FROM GRANTOR TRUST	272,075.00	0.00	272,075.00	104,952.94	0.00	0.00	0.00	-35,995.53	68,957.41	0.25	Unprotected	-35,995.53
OCI FAS 133 - C	933,935.00	0.00	933,935.00	360,265.43	1,640,513.38	0.00	0.00	-1,764,072.98	236,705.83	0.25	Unprotected	-123,559.60
OCI FAS 133 - C 283	-933,935.00	0.00	-933,935.00	-360,265.43	-1,640,513.38	0.00	0.00	1,764,072.98	-236,705.83	0.25	Unprotected	123,559.60
OCI FAS 133 - NC	0.00	0.00	0.00	0.00	162,434.64	0.00	0.00	-162,434.64	0.00	0.00	Unprotected	0.00
OCI FAS 133 - NC 283	0.00	0.00	0.00	0.00	-162,434.64	0.00	0.00	162,434.64	0.00	0.00	Unprotected	0.00
OCI FAS 133 INTEREST - NC	2,309,241.18	0.00	2,309,241.18	890,789.78	117,265.04	0.00	0.00	-422,777.65	585,277.17	0.25	Unprotected	-305,512.61
PENSION - NC	-176,830,202.82	0.00	-176,830,202.82	-68,212,250.75	-66,382.18	0.00	0.00	23,461,018.02	-44,817,614.91	0.25	Unprotected	23,394,635.84
PENSION FAS 158	1,523,058.00	0.00	1,523,058.00	587,519.62	0.00	0.00	0.00	-201,500.57	386,019.05	0.25	Unprotected	-201,500.57
PENSION FAS 158 - NC	189,213,304.00	0.00	189,213,304.00	72,989,032.02	1,653,390.67	0.00	0.00	-26,686,310.79	47,956,111.90	0.25	Unprotected	-25,032,920.12
PENSION FAS 158 - NC 283	-189,213,304.00	0.00	-189,213,304.00	-72,989,032.02	-1,653,390.67	0.00	0.00	26,686,310.79	-47,956,111.90	0.25	Unprotected	25,032,920.12
RATE CASE EXPENSE - NC	-0.68	0.00	-0.68	-0.27	-62,609.18	0.00	0.00	62,609.28	-0.17	0.25	Unprotected	0.10
REPAIRS CAPITALIZED ON BOOKS	-1,213,986,281.49	-95,619,433.51	-1,309,605,715.00	-468,295,208.08	16,769,407.33	-36,885,196.48	12,650,451.05	143,840,977.71	-331,919,568.46	0.25	Unprotected	173,260,836.09
RESTORATION PLAN	202,435.79	0.00	202,435.79	78,089.61	-7,698.94	0.00	0.00	-19,083.31	51,307.36	0.25	Unprotected	-26,782.25
RESTORATION PLAN FAS 158 - NC	381,200.00	0.00	381,200.00	147,047.90	57,749.89	0.00	0.00	-108,182.65	96,615.14	0.25	Unprotected	-50,432.76
RESTORATION PLAN FAS 158 - NC 283	-381,200.00	0.00	-381,200.00	-147,047.90	-57,749.89	0.00	0.00	108,182.65	-96,615.14	0.25	Unprotected	50,432.76
SEC 263A INDIRECT COSTS/BASIS ADJ	41,418,356.67	-34,484,150.67	6,934,206.00	15,977,131.08	-497,543.07	-13,302,261.12	4,562,253.13	-4,982,105.51	1,757,474.51	0.25	Unprotected	-917,395.45
SEC 263A INTEREST CAP	216,688,306.18	-156,033,952.18	60,654,354.00	83,587,514.11	-91,793.06	-60,190,097.05	20,643,291.87	-28,576,069.85	15,372,846.02	0.25	Unprotected	-8,024,571.04
SERP - NC	8,069,212.70	0.00	8,069,212.70	3,112,698.81	-113,746.13	0.00	0.00	-953,810.72	2,045,141.96	0.25	Unprotected	-1,067,556.85
SERP FAS 158	163,086.00	0.00	163,086.00	62,910.42	0.00	0.00	0.00	-21,576.27	41,334.15	0.25	Unprotected	-21,576.27
SERP FAS 158 - C	6,335,831.00	0.00	6,335,831.00	2,444,046.81	-810,181.26	0.00	0.00	-28,049.18	1,605,816.37	0.25	Unprotected	-838,230.44
SERP FAS 158 - C 283	-6,335,831.00	0.00	-6,335,831.00	-2,444,046.81	810,181.26	0.00	0.00	28,049.18	-1,605,816.37	0.25	Unprotected	838,230.44
SERP FAS 158 - NC	-2,920,464.00	0.00	-2,920,464.00	-1,126,568.99	928,211.51	0.00	0.00	-541,834.12	-740,191.60	0.25	Unprotected	386,377.39
SERP FAS 158 - NC 283	2,920,464.00	0.00	2,920,464.00	1,126,568.99	-928,211.51	0.00	0.00	541,834.12	740,191.60	0.25	Unprotected	-386,377.39
SOLAR ITC	258,917.49	0.00	258,917.49	90,621.12	-31,435.04	0.00	0.00	-4,813.41	54,372.67	0.21	Unprotected	-36,248.45
UNBILLED CONSERVATION REV	1,868,924.03	0.00	1,868,924.03	720,937.44	-74,848.84	0.00	0.00	-172,409.80	473,678.80	0.25	Unprotected	-247,258.64
UNBILLED ENVIRONMENTAL REV	3,643,458.18	0.00	3,643,458.18	1,405,463.99	-39,132.62	0.00	0.00	-442,896.89	923,434.48	0.25	Unprotected	-482,029.51
UNBILLED REVENUE/FUEL	28,071,615.89	0.00	28,071,615.89	10,828,625.82	171,023.03	0.00	0.00	-3,884,897.80	7,114,751.05	0.25	Unprotected	-3,713,874.77
VACATION ACCRUAL	12,887,665.10	0.00	12,887,665.10	4,971,416.82	-35,401.20	0.00	0.00	-1,669,636.90	3,266,378.72	0.25	Unprotected	-1,705,038.10
Total For Tampa Electric:	-5,369,289,403.60	-372,128,660.98	-5,741,418,064.58	-1,361,050,137.83	57,777,413.72	8,640,661.02	-3,813,103.12	426,750,609.75	-871,694,556.45			480,714,920.35

Summary

Row Labels	Original	reclass	Revised
Protected	313,545,025.49	34,209,782.77	347,754,808.26
Unprotected	170,982,997.98	(38,022,885.88)	132,960,112.10
Grand Total	484,528,023.47	-3,813,103.12	**480,714,920.35**

	Current Law	Proposed Rate	
offset	-0.01925	-0.01155	0.0077
state	0.055	0.055	0
fed	0.33075	0.19845	-0.1323
st + offset	0.03575	0.04345	**0.0077**
fed stat.	0.35	0.21	-0.14
Net Fed & State	0.38575	0.25345	**-0.1323**
Norm Gross Up	0.62800	0.339495	**-0.288506618**

TAMPA ELECTRIC COMPANY
DOCKET NO. 20180045-EI
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REVISED: 06/07/2018

2018 Tax Expense Under the TCJA
Original Forecast of Total Income Tax Expense

	With Tax Reform	Without Tax Reform	Difference
Book Income Before Tax	$ 459,420,220	$ 459,784,863	$ (364,643)
Permanent Differences			
P100 MEALS & ENTERTAINMENT 50%	134,686	134,686	-
P130 CLUB DUES	26,576	26,576	-
P220 LOBBYING	96,800	96,800	-
P400 PENALTIES	75,000	75,000	-
P500 PRODUCTION DEDUCTION	-	(4,764,864)	4,764,864
T505 AFUDC EQUITY	(10,322,514)	(10,322,514)	-
T510 AFUDC EQUITY - DEPR	7,946,458	7,946,458	-
T511 SOLAR ITC	-	-	-
Total Permanent Differences	(2,042,994)	(6,807,858)	4,764,864
Taxable Income	457,377,226	452,977,005	4,400,221
Statutory Tax Rate	0	0	
	115,922,258	174,735,880	(58,813,622)
Solar ITC Basis	125,919	209,865	(83,946)
Excess ADIT	(23,484,852)	(198,486)	(23,286,366)
Medicare Part D amortization	303,252	303,252	-
ITC Amortization	(1,453,868)	(1,453,868)	-
R&D Tax Credit	(5,308,968)	(5,308,968)	-
Total Income Tax	$ 86,103,740	$ 168,287,674	$ (82,183,934)

TAMPA ELECTRIC COMPANY
DOCKET NO. 20180045-EI
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2018 Tax Expense Under the TCJA
Revised Forecast of Income Tax Expense

	With Tax Reform	Without Tax Reform	Difference
Book Income Before Tax	$ 458,942,222	$ 459,334,263	$ (392,041)
Permanent Differences			
P100 MEALS & ENTERTAINMENT 50%	134,686	134,686	-
P130 CLUB DUES	26,576	26,576	-
P400 PENALTIES	75,000	75,000	-
P500 PRODUCTION DEDUCTION	-	(4,764,864)	4,764,864
T505 AFUDC EQUITY	(10,322,514)	(10,322,514)	-
T510 AFUDC EQUITY - DEPR	7,946,458	7,946,458	-
T511 SOLAR ITC- basis difference	-	-	-
Total Permanent Differences	(2,139,794)	(6,904,658)	4,764,864
Taxable Income	456,802,428	452,429,605	4,372,823
Statutory Tax Rate	0	0	
	115,776,575	174,524,720	(58,748,145)
Solar ITC Basis	125,919	209,865	(83,946)
Excess ADIT	(23,502,489)	(216,378)	(23,286,111)
Medicare Part D	303,252	303,252	-
ITC Amortization	(1,453,868)	(1,453,816)	(52)
R&D Tax Credit	(5,308,968)	(5,308,968)	-
Total Income Tax	$ 85,940,421	$ 168,058,675	$ (82,118,254)

TAMPA ELECTRIC COMPANY
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SCHEDULE C-22 | STATE AND FEDERAL INCOME TAX CALCULATION | Page 1 of 6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of state and federal income taxes for the historical base year and the projected test year.

Type of data shown:
XX TAX YEAR 2018 WITH TAX REFORM
TAX YEAR 2018 WITHOUT TAX REFORM

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET NO. 20180045-EI

(Dollars in 000's)

Witness: V. Strickland

Line No.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX TOTAL
1							
2	INCOME PER BOOKS	$ 458,942	$ 458,942				
3							
4							
5	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
6	ADD: BOOK DEPRECIATION	316,474	316,474				
7	LESS: TAX DEPRECIATION	(460,733)	(441,330)				
8	TAX OVER BOOK DEPRECIATION	(144,259)	(124,856)		7,934	24,554	
9	BONUS ACCRUAL	3,460	3,460		(190)	(687)	
10	DEFERRED COMPENSATION	171	171		(9)	(34)	
11	MEDICAL & LIFE BENEFITS-FAS 106	(3,314)	(3,314)		182	658	
12	LONG TERM MEDICAL - FAS 112	(625)	(625)		34	124	
13	LONG TERM INCENTIVE	6,774	6,774		(373)	(1,344)	
14	PENSION	(19,633)	(19,633)		1,080	3,896	
15	RESTORATION PLAN	108	108		(6)	(21)	
16	SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	912	912		(50)	(181)	
17	VACATION	720	720		(40)	(143)	
18	BOND REFINANCING	3,507	3,507		(193)	(696)	
19	BAD DEBT	(42)	(42)		2	8	
20	DEFERRED FUEL	(14,236)	(14,236)		783	2,825	
21	DEFERRED LEASE - UTILITY	(20)	(20)		1	4	
22	DREDGING	936	936		(51)	(186)	
23	FIBER OPTIC	4	4		(0)	(1)	
24	INSURANCE RESERVE	(899)	(899)		49	178	
25	UNBILLED REVENUE	(3,820)	(3,820)		210	758	
26	AMORTIZATION	8,015	8,015		(441)	(1,591)	
27	CIAC	12,000	12,000		(660)	(2,381)	
28	COST OF REMOVAL	(30,432)	(30,432)		1,674	6,039	
29	DISMANTLEMENT COSTS	1,186	1,186		(65)	(235)	
30	GAIN/LOSS ON SALE OF ASSETS	(20)	(20)		1	4	
31	REPAIRS	(114,311)	(114,311)		6,287	22,685	
32	TAX INTEREST CAPITALIZED	9,889	9,889		(544)	(1,962)	
33	INDIRECT COSTS	10,323	10,323		(568)	(2,049)	
34	TOTAL TEMPORARY DIFFERENCES	(273,606)	(254,203)		15,048	50,222	
35							
36							
37							
38							
39	Total may not foot due to rounding.						

TAMPA ELECTRIC COMPANY
DOCKET NO. 20180045-EI
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SCHEDULE C-22 | STATE AND FEDERAL INCOME TAX CALCULATION | Page 2 of 6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of state and federal income taxes for the historical base year and the projected test year.

Type of data shown:
XX TAX YEAR 2018 WITH TAX REFORM
TAX YEAR 2018 WITHOUT TAX REFORM
Witness: V. Strickland

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET NO. 20180045-EI

(Dollars in 000's)

Line No.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX TOTAL
1							
2	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
3	50% MEALS	135	135				
4	CLUB DUES	27	27				
5	PENALTIES	75	75				
6	AFUDC EQUITY	(10,323)	(10,323)				
7	DEPR-AFUDC EQUITY	7,946	7,946				
8	SOLAR ITC		600				
9	TOTAL PERMANENT ADJUSTMENTS	(2,140)	(1,540)				
10							
11	STATE TAXABLE INCOME (L2+L34+L10)	183,196					
12	STATE INCOME TAX (5.5%)	10,076					
13	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
14	OUT OF PERIOD ADJUSTMENTS						
15	TOTAL ADJUSTMENTS TO STATE INCOME TAX	-					
16							
17	MEDICARE PART D SUBSIDY AMORTIZATION				43		
18							
19	STATE INCOME TAX	$ 10,076			$ 15,091		
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39	Total may not foot due to rounding.						

TAMPA ELECTRIC COMPANY
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FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET NO. 20180045-EI

EXPLANATION: Provide the calculation of state and federal income taxes for the historical base year and the projected test year.

(Dollars in 000's)

Type of data shown:
XX TAX YEAR 2018 WITH TAX REFORM
TAX YEAR 2018 WITHOUT TAX REFORM
Witness: V. Strickland

Line No.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX TOTAL
1							
2	FEDERAL TAXABLE INCOME (L2+L34+L10-L13state)		193,123				
3	FEDERAL INCOME TAX (21%)		40,556				
4							
5	ADJUSTMENTS TO FEDERAL INCOME TAX						
6	OUT OF PERIOD ADJUSTMENTS						
7	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		-				
8							
9	MEDICARE PART D SUBSIDY AMORTIZATION					260	
10							
11							
12	FEDERAL INCOME TAX		$ 40,556			$ 50,482	116,205
13							
14	ITC AMORTIZATION						(1,454)
15							
16	GENERAL BUSINESS CREDIT						(5,309)
17							
18	WRITE-OFF OF EXCESS DEFERRED TAXES BEFORE TAX REFORM						(216)
19	WRITE-OFF OF EXCESS DEFERRED TAXES RELATED TO TAX REFORM						(23,286)
20							
21	TOTAL INCOME TAXES						$ 85,940
22							
23							
24							
25							
26							
27							
28	SUMMARY OF INCOME TAX EXPENSE:						
29		FEDERAL	STATE	TOTAL			
30	CURRENT TAX EXPENSE	$ 40,556	$ 10,076	$ 50,632			
31	DEFERRED INCOME TAXES	50,482	15,091	65,574			
32	INVESTMENT TAX CREDITS, NET	(1,454)		(1,454)			
33	GENERAL BUSINESS CREDIT	(5,309)		(5,309)			
34	WRITE-OFF OF EXCESS DEFERRED TAXES BEFORE TAX REFORM	(216)		(216)			
35	WRITE-OFF OF EXCESS DEFERRED TAXES RELATED TO TAX REFORM	(23,286)		(23,286)			
36	TOTAL INCOME TAX PROVISION	$ 60,773	$ 25,167	$ 85,940			
37							
38							
39	Total may not foot due to rounding.						

TAMPA ELECTRIC COMPANY
DOCKET NO. 20180045-EI
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SCHEDULE C-22 | STATE AND FEDERAL INCOME TAX CALCULATION | Page 4 of 6

FLORIDA PUBLIC SERVICE COMMISSION | EXPLANATION: Provide the calculation of state and federal income taxes for the historical base year and the projected test year. | Type of data shown: TAX YEAR 2018 WITH TAX REFORM

COMPANY: TAMPA ELECTRIC COMPANY | XX TAX YEAR 2018 WITHOUT TAX REFORM

DOCKET NO. 20180045-EI | (Dollars in 000's) | Witness: V. Strickland

Line No.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX TOTAL
1							
2	INCOME PER BOOKS	$ 459,334	$ 459,334				
3							
4							
5	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
6	ADD: BOOK DEPRECIATION	316,474	316,474				
7	LESS: TAX DEPRECIATION	(464,452)	(498,906)				
8	TAX OVER BOOK DEPRECIATION	(147,978)	(182,432)		8,139	61,004	
9	BONUS ACCRUAL	3,460	3,460		(190)	(1,144)	
10	DEFERRED COMPENSATION	171	171		(9)	(57)	
11	MEDICAL & LIFE BENEFITS-FAS 106	(3,314)	(3,314)		182	1,096	
12	LONG TERM MEDICAL - FAS 112	(625)	(625)		34	207	
13	LONG TERM INCENTIVE	6,774	6,774		(373)	(2,241)	
14	PENSION	(19,633)	(19,633)		1,080	6,494	
15	RESTORATION PLAN	108	108		(6)	(36)	
16	SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	912	912		(50)	(302)	
17	VACATION	720	720		(40)	(238)	
18	BOND REFINANCING	3,507	3,507		(193)	(1,159)	
19	BAD DEBT	(42)	(42)		2	14	
20	DEFERRED FUEL	(14,236)	(14,236)		783	4,709	
21	DEFERRED LEASE - UTILITY	(20)	(20)		1	7	
22	DREDGING	936	936		(51)	(310)	
23	FIBER OPTIC	4	4		(0)	(1)	
24	INSURANCE RESERVE	(899)	(899)		49	297	
25	UNBILLED REVENUE	(3,820)	(3,820)		210	1,263	
26	AMORTIZATION	8,015	8,015		(441)	(2,651)	
27	CIAC	12,000	12,000		(660)	(3,969)	
28	COST OF REMOVAL	(30,432)	(30,432)		1,674	10,065	
29	DISMANTLEMENT COSTS	1,186	1,186		(65)	(392)	
30	GAIN/LOSS ON SALE OF ASSETS	(20)	(20)		1	7	
31	REPAIRS	(114,311)	(114,311)		6,287	37,808	
32	TAX INTEREST CAPITALIZED	9,889	9,889		(544)	(3,271)	
33	INDIRECT COSTS	10,323	10,323		(568)	(3,414)	
34	TOTAL TEMPORARY DIFFERENCES	(277,325)	(311,779)		15,253	103,786	
35							
36							
37							
38							
39	Total may not foot due to rounding.						

TAMPA ELECTRIC COMPANY
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SCHEDULE C-22 | STATE AND FEDERAL INCOME TAX CALCULATION | Page 5 of 6

FLORIDA PUBLIC SERVICE COMMISSION | EXPLANATION: Provide the calculation of state and federal income taxes for the historical base year and the projected test year. | Type of data shown: TAX YEAR 2018 WITH TAX REFORM

COMPANY: TAMPA ELECTRIC COMPANY | XX TAX YEAR 2018 WITHOUT TAX REFORM

DOCKET NO. 20180045-EI | (Dollars in 000's) | Witness: V. Strickland

Line No.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX TOTAL
1							
2	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
3	50% MEALS	135	135				
4	CLUB DUES	27	27				
5	PENALTIES	75	75				
6	PRODUCTION DEDUCTION	(4,765)	(4,765)				
7	AFUDC EQUITY	(10,323)	(10,323)				
8	DEPR-AFUDC EQUITY	7,946	7,946				
9	SOLAR ITC		600				
10	TOTAL PERMANENT ADJUSTMENTS	(6,905)	(6,305)				
11							
12	STATE TAXABLE INCOME (L2+L34+L10)	175,104					
13	STATE INCOME TAX (5.5%)	9,631					
14	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
15	OUT OF PERIOD ADJUSTMENTS						
16	TOTAL ADJUSTMENTS TO STATE INCOME TAX	-					
17							
18	MEDICARE PART D SUBSIDY AMORTIZATION				43		
19							
20	STATE INCOME TAX	$ 9,631			$ 15,296		
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39	Total may not foot due to rounding.						

TAMPA ELECTRIC COMPANY
DOCKET NO. 20180045-EI
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SCHEDULE C-22 | STATE AND FEDERAL INCOME TAX CALCULATION | Page 6 of 6

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: TAMPA ELECTRIC COMPANY

DOCKET NO. 20180045-EI

EXPLANATION: Provide the calculation of state and federal income taxes for the historical base year and the projected test year.

(Dollars in 000's)

Type of data shown:
TAX YEAR 2018 WITH TAX REFORM
XX TAX YEAR 2018 WITHOUT TAX REFORM
Witness: V. Strickland

Line No.	DESCRIPTION	CURRENT TAX STATE	CURRENT TAX FEDERAL	CURRENT TAX TOTAL	DEFERRED TAX STATE	DEFERRED TAX FEDERAL	DEFERRED TAX TOTAL
1							
2	FEDERAL TAXABLE INCOME (L2+L34+L10-L13state)		131,619				
3	FEDERAL INCOME TAX (35%)		46,066				
4							
5	ADJUSTMENTS TO FEDERAL INCOME TAX						
6	OUT OF PERIOD ADJUSTMENTS						
7	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		-				
8							
9	MEDICARE PART D SUBSIDY AMORTIZATION					260	
10							
11	FEDERAL INCOME TAX		$ 46,066			$ 104,046	175,038
12							
13	ITC AMORTIZATION						(1,454)
14							
15	GENERAL BUSINESS CREDIT						(5,309)
16							
17	WRITE-OFF OF EXCESS DEFERRED TAXES BEFORE TAX REFORM						(216)
18							
19							
20	TOTAL INCOME TAXES						$ 168,059
21							
22							
23							
24							
25							
26							
27							
28	SUMMARY OF INCOME TAX EXPENSE:						
29		FEDERAL	STATE	TOTAL			
30	CURRENT TAX EXPENSE	$ 46,066	$ 9,631	$ 55,696			
31	DEFERRED INCOME TAXES	104,046	15,296	119,342			
32	INVESTMENT TAX CREDITS, NET	(1,454)		(1,454)			
33	GENERAL BUSINESS CREDIT	(5,309)		(5,309)			
34	WRITE-OFF OF EXCESS DEFERRED TAXES BEFORE TAX REFORM	(216)		(216)			
35	TOTAL INCOME TAX PROVISION	$ 143,133	$ 24,927	$ 168,059			
36							
37							
38							
39	Total may not foot due to rounding.						

TAMPA ELECTRIC COMPANY
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TAMPA ELECTRIC COMPANY
DOCKET NO. 20180045-EI
EXHIBIT NO. ____ (JSC-1)
WITNESS: CHRONISTER

EXHIBIT

OF

JEFFREY S. CHRONISTER

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 4
PARTY: PEOPLES GAS SYSTEM – (DIRECT)
DESCRIPTION: Jeffrey S. Chronister JSC-1

TAMPA ELECTRIC COMPANY
DOCKET NO. 20180045-EI
EXHIBIT NO. ____ (JSC-1)
WITNESS: CHRONISTER

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Tampa Electric Company for a limited proceeding to approve 2017 Amended and Restated Stipulation and Settlement Agreement	)	DOCKET NO. 2017 _____-EI
In re: Tampa Electric Company's Petition for Approval of Energy Transaction Optimization Mechanism	)	DOCKET NO. 20160160-EI FILED: September 27, 2017

2017 AMENDED AND RESTATED
STIPULATION AND SETTLEMENT AGREEMENT

THIS AGREEMENT is dated this 27th day of September, 2017 and is by and between Tampa Electric Company ("Tampa Electric" or the "company"), the Office of Public Counsel ("OPC" or "Citizens"), the Florida Industrial Power Users Group ("FIPUG"), the Florida Retail Federation ("FRF"), the Federal Executive Agencies ("FEA"), and the WCF Hospital Utility Alliance ("HUA"). Collectively, Tampa Electric, OPC, FIPUG, FRF, FEA, and HUA shall be referred to herein as the "Parties" and the term "Party" shall be the singular form of the term "Parties." OPC, FIPUG, FRF, FEA, and HUA will be referred to herein as the "Consumer Parties." This document shall be referred to as the "2017 Agreement."

Background

On September 8, 2013, Tampa Electric and the Consumer Parties filed a Stipulation and Settlement Agreement ("2013 Stipulation") that resolved all the issues in Tampa Electric's 2013 base rate case (Docket No. 20130040-EI). Therein, among other things, Tampa Electric agreed that the general base rates provided for in the 2013 Stipulation would remain in effect through December 31, 2017, and thereafter, until the company's next general base rate case. The 2013

Stipulation also specified that Tampa Electric would forego seeking future general base rate increases with an effective date prior to January 1, 2018, except in limited circumstances. The Florida Public Service Commission ("FPSC" or "Commission") approved the 2013 Stipulation and memorialized its decision in Order No. PSC-2013-0443-FOF-EI, issued September 30, 2013 ("2013 Stipulation Order").

In late 2016, recognizing that the period in which Tampa Electric agreed to refrain from seeking general base rate increases would expire at the end of 2017, Tampa Electric and the Consumer Parties began discussing whether the company would be willing and able to (a) refrain from seeking a general base rate increase beyond December 31, 2017 and (b) extend the terms of the 2013 Stipulation for an additional period of time. The Parties also discussed the company's desire to build 600 MW of solar photovoltaic generation with cost recovery via a solar base rate adjustment mechanism ("SoBRA").

The Parties have entered into this 2017 Agreement in compromise of positions taken in accord with their rights and interests under Chapters 350, 366 and 120, Florida Statutes, as applicable, and as part of a negotiated exchange of consideration among the Parties to this 2017 Agreement, each Party has agreed to concessions to the others with the expectation, intent, and understanding such that all provisions of the 2017 Agreement, upon approval by the Commission, will be enforced by the Commission as to all matters addressed herein with respect to all Parties.

NOW, THEREFORE, in light of the mutual covenants of the Parties and the benefits accruing to all Parties through this 2017 Agreement, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Term.

This 2017 Agreement will become effective upon the date of the Commission's vote approving it (the "Effective Date") and continue through and including December 31, 2021, such that, except as specified in this 2017 Agreement, no base rates, charges, or credits (including the credits that are specifically the subject of this 2017 Agreement) or rate design methodologies will be changed before January 1, 2022. The period from the Effective Date through December 31, 2021 (subject to Paragraph 7(c)) shall be referred to herein as the "Term". The Parties reserve all rights, unless such rights are expressly waived or released, under the terms of this 2017 Agreement.

2. Return on Equity and Equity Ratio.

(a) Subject to the adjustment Trigger provisions in Subparagraph 2(b), Tampa Electric's authorized return on common equity ("ROE") shall be within a range of 9.25% to 11.25%, with a mid-point of 10.25%, except under the conditions specifically provided in this 2017 Agreement in Paragraphs 2(b) and 7. Tampa Electric's authorized ROE range and mid-point shall be used for all regulatory purposes during the Term, together with an equity ratio as follows: (a) a 54% equity ratio for the SoBRA revenue requirement calculations, (b) the company's actual equity ratio for earnings surveillance reporting, and (c) the actual equity ratio up to a cap of 54% for purposes of setting cost recovery clause rates, triggering an exit from this 2017 Agreement pursuant to paragraph 7, or calculating interim rates.

(b) ROE Trigger Mechanism. The purpose of the provisions in this Subparagraph 2(b) is to provide Tampa Electric with rate relief in the event that market capital costs, as indicated by the interest rate on U.S. Treasury bonds, rise above the level specified herein; these

provisions are generically referred to as the "Trigger" mechanism or the "Trigger provisions," or simply as the "Trigger." If at any time during the Term, the average 30-year United States Treasury Bond yield rate for any period of six (6) consecutive months is at least 4.6039% (the "Trigger Point")[1], Tampa Electric's authorized ROE shall be increased by 25 basis points to be within a range of 9.50% to 11.50%, with a mid-point of 10.50% ("Revised Authorized ROE") from the Trigger Effective Date defined below for and through the remainder of the Term, and thereafter until the Commission resets the Company's rates and its authorized ROE. The Trigger Criterion Value ("Trigger Value") shall be calculated by summing the reported 30-year U.S. Treasury Bond rates for each day over a consecutive six-month period for which rates are reported, and dividing the resulting sum by the number of reporting days in such period. The effective date of the Revised Authorized ROE ("Trigger Effective Date") shall be the first day of the month following the day in which the Trigger Value reaches the Trigger Point. If the Trigger Point is reached and the Revised Authorized ROE becomes effective, Tampa Electric's Revised Authorized ROE range and mid-point shall be used for the remainder of the Term for all regulatory purposes, and thereafter until changed by a final non-appealable order ("Final Order") of the Commission.

(c) The ROE in effect at the expiration of the Term of this 2017 Agreement shall continue in effect until the company's ROE is next reset by a Final Order of the Commission whether by operation of Paragraph 7 or otherwise.

[1] This value was derived as provided for in the 2013 Stipulation and reflected in Late Filed Hearing Exhibit 246, in Docket No. 130040-EI as follows: "The Trigger shall be calculated by summing the reported 30-year U.S. Treasury Bond rates for each day over any six-month period, e.g. January 1, 2014 through July 1, 2014, or March 17, 2014 through September 17, 2014, for which rates are reported, and dividing the resulting sum by the number of reporting days in such period."

3. Customer Rates.

(a) Except as specified in this 2017 Agreement, the company's general base rates, charges, credits, and rate design methodologies, for retail electric service in effect on December 31, 2017, shall remain in effect for service rendered and charges imposed through and including December 31, 2021, and thereafter until revised by a future unanimous agreement of the Parties approved by a Final Order of the Commission or a Final Order of the Commission issued as the result of a future general base rate proceeding.

(b) Except as specified in this 2017 Agreement, the company may not petition to change any of its general base rates, charges, credits, or rate design methodologies for retail electric service with an effective date for the new rates, charges, credits, or rate design methodologies earlier than January 1, 2022.

(c) Notwithstanding Subparagraphs 3(a) and 3(b), the company shall be authorized to change its base rates as set forth in Paragraphs 6 and 9, below, in accordance with procedures identified for the SoBRA mechanism and to reduce rates in accordance with Federal Income Tax Reform that may occur during the Term of this 2017 Agreement.

(d) The current lock period for the Contracted Credit Value ("CCV") shall remain 72 months (6 years).

(e) The company's standby generator credit shall be increased from $4.75/kW/month to $5.35/kW/month, concurrent with meter reads for the first billing cycle of January 2018. The CCV credit shall be increased from $9.98/kW/month to $10.23/kW/month for secondary, $9.88/kW/month to $10.13/kW/month for primary, and $9.78/kW/month to $10.03/kW/month for sub-transmission voltage customers, concurrently with meter readings for the first billing cycle of January 2018. To the extent that implementation of these revised credits results in an

under-recovery or over-recovery of revenues that are subject to the Energy Conservation Cost Recovery ("ECCR") clause, the company shall be authorized to make an adjustment to remedy any such under-recovery or over-recovery in its ECCR charges for 2019 and thereafter. The level of these credits will not change during the Term and will remain in effect after the expiration of the Term until changed, if at all, by a future unanimous agreement of the Parties approved by a Final Order of the Commission or a Final Order of the Commission issued as a result of a future general base rate proceeding. The credit modifications addressed in this Subparagraph 3(e) are reflected in the revised tariff sheets set forth in Exhibit A to this 2017 Agreement, the approval of which shall constitute approval of the revised tariff sheets.

(f) The company's Economic Development Rider, which is set forth in Rate Schedule ECONOMIC DEVELOPMENT RATE – EDR of the company's retail tariff, shall remain in effect during the Term and thereafter until modified or terminated by order of the Commission. The Parties intend that the Commission's approval of this 2017 Agreement shall constitute continuing approval of the Economic Development Rider and that such approval shall satisfy the requirements of Rule 25-6.0426(3) - (6), F.A.C., and accordingly, the reductions afforded in Rate Schedule EDR shall be included as a cost in the company's cost of service for all ratemaking purposes and surveillance reporting. The rates in the Economic Development Rider shall be open for new customers and for new applications by existing customers through December 31, 2021, unless the maximum amount of economic development expenditures as specified in Rule 25-6.0426, F.A.C., is met, at which time the Economic Development Rider will be closed to new customers and to new applications by existing customers until the amount again falls below the maximum allowed.

(g) The provisions of this Paragraph 3 shall remain in effect during the Term except as otherwise permitted or provided for in this 2017 Agreement and shall continue in effect until changed by unanimous agreement of the Parties approved by a Final Order of the Commission or a Final Order of the Commission issued as a result of a future general base rate proceeding.

4. Other Cost Recovery. Nothing in this 2017 Agreement shall preclude the company from requesting the Commission to approve the recovery of costs that are: (a) of a type which traditionally or historically would be, have been, or are presently recovered through cost recovery clauses or surcharges, or (b) incremental costs not currently recovered in base rates which the Legislature expressly requires shall be clause recoverable subsequent to the approval of this 2017 Agreement. It is the intent of the Parties that, in conjunction with the provisions of Subparagraph 3(a), the company shall not seek to recover, nor shall the company be allowed to recover, through any cost recovery clause or charge, or through the functional equivalent of such cost recovery clauses and charges, costs of any type or category that have historically or traditionally been recovered in base rates, unless such costs are: (i) the direct and unavoidable result of new governmental impositions or requirements; or (ii) new or atypical costs that were unforeseeable and could not have been contemplated by the Parties resulting from significantly changed industry-wide circumstances directly affecting the company's operations. As a part of the base rate freeze agreed to herein, the company will not seek Commission approval to defer for later recovery in rates, any costs incurred or reasonably expected to be incurred from the Effective Date through and including December 31, 2021, which are of the type which historically or traditionally have been or would be recovered in base rates, unless such deferral and subsequent recovery is expressly authorized herein or otherwise agreed to by each of the Parties. The Parties are not precluded from participating in any proceedings pursuant to this

Paragraph 4, nor is any Party precluded from raising any issues pertinent to any such proceedings.

5. Storm Damage.

(a) Nothing in this 2017 Agreement shall preclude Tampa Electric from petitioning the Commission to seek recovery of costs associated with any tropical systems named by the National Hurricane Center or its successor without the application of any form of earnings test or measure and irrespective of previous or current base rate earnings. Consistent with the rate design methods approved in this 2017 Agreement, the Parties agree that recovery of storm costs from customers will begin, on an interim basis (subject to refund following a hearing or a full opportunity for a formal proceeding), sixty days following the filing of a cost recovery petition and tariff with the Commission and will be based on a 12-month recovery period if the storm costs do not exceed $4.00/1,000 kWh on monthly residential customer bills. In the event the company's reasonable and prudent storm costs exceed that level, any additional costs in excess of $4.00/1,000 kWh shall be recovered in a subsequent year or years as determined by the Commission, after hearing or after the opportunity for a formal proceeding has been afforded to all substantially affected persons or parties. All storm related costs shall be calculated and disposed of pursuant to Rule 25-6.0143, F.A.C., and shall be limited to (i) costs resulting from a tropical system named by the National Hurricane Center or its successor, (ii) the estimate of incremental storm restoration costs above the level of storm reserve prior to the storm, and (iii) the replenishment of the storm reserve to $55,860,642. The Parties to this 2017 Agreement are not precluded from participating in any such proceedings and opposing the amount of Tampa Electric's claimed costs (for example, and without limitation, on grounds that such claimed costs

were not reasonable or were not prudently incurred) or whether the proposed recovery is consistent with this Paragraph 5, but not the mechanism agreed to herein.

(b) The Parties agree that the $4.00/1,000 kWh cap in this Paragraph 5 shall apply in aggregate for a calendar year; provided, however, that Tampa Electric may petition the Commission to allow Tampa Electric to increase the initial 12 month recovery at rates greater than $4.00/1,000 kWh or for a period longer than 12 months if Tampa Electric incurs in excess of $100 million of storm recovery costs that qualify for recovery in a given calendar year, inclusive of the amount needed to replenish the storm reserve to $55,860,642. All Consumer Parties reserve their right to oppose such a petition.

(c) The Parties expressly agree that any proceeding to recover costs associated with any storm shall not be a vehicle for a "rate case" type inquiry concerning the expenses, investment, or financial results of operations of Tampa Electric and shall not apply any form of earnings test or measure or consider previous or current base rate earnings. Such issues may be fully addressed in any subsequent Tampa Electric base rate case.

(d) The provisions of this Paragraph 5 shall remain in effect during the Term except as otherwise permitted or provided for in this 2017 Agreement and shall continue in effect until the company's base rates are next reset by the Commission. For clarity, this means that if this 2017 Agreement is terminated pursuant to Paragraph 7 hereof, the company's rights regarding storm cost recovery under this 2017 Agreement are terminated at the same time, except that any Commission-approved surcharge then in effect shall remain in effect until the costs subject to that surcharge are fully recovered. A storm surcharge in effect without approval of the Commission shall be terminated at the time this 2017 Agreement is terminated pursuant to Paragraph 7 hereof.

6. Solar Base Rate Adjustment Mechanism ("SoBRA").

(a) Notwithstanding the general base rate freeze specified in Paragraph 2, the company shall be allowed to recover the cost of its investment in, and operation of, certain new solar generation facilities and to make solar base rate adjustments consistent with this Paragraph 6. If the applicable federal or state income tax rate for the Company changes before any of the increases provided for in in this Paragraph 6, the Company will adjust the amount of the base rate increase to reflect the new tax rate before the implementation of such increase, pursuant to the applicable methodology in Exhibit C.

(b) Subject to the conditions in Subparagraph 6(c), the planned capacity amounts, earliest in-service and rate adjustment dates, and associated maximum annual revenue requirements (calculated at the Installed Cost Cap specified herein) are as follows:

Year	Earliest Rate Change And In-Service Date	Maximum Incremental SoBRA MW	Maximum Incremental Annualized SoBRA Revenue Requirements (millions)	Maximum Cumulative SoBRA MW	Maximum Cumulative Annualized SoBRA Revenue Requirements (millions)
2018	September 1	150	$30.6[2]	150	$30.6
2019	January 1	250	$50.9	400	$81.5
2020	January 1	150	$30.6	550	$112.1
2021	January 1	50	$10.2	600	$122.3[3]

(c) The company will seek approval of and cost recovery for specific solar generation projects in SoBRA Tranches up to the amounts as specified in this Paragraph 6. Nothing in this 2017 Agreement requires Tampa Electric to build the full amount of solar generating capacity

[2] The annual revenue requirement is approximately $30.6 million, however, since the first 150 MW Tranche is scheduled to come online September 1, 2018, the revenue requirements collected would be four months of the annual revenue requirements, or $10.2 million.

[3] The 2021 Tranche can be included in and its costs recovered under the SoBRA mechanism only if the projects constituting the 2018 and 2019 Tranches in this table are in-service and operating per design specifications as of December 31, 2019, and were constructed at an average capital cost of no more than $1475 per kW_{ac}.

allowed by this 2017 Agreement for any year or in total over the Term of this 2017 Agreement. Commission action may occur before or after expiration of the Term, but to qualify for cost recovery pursuant to these SoBRA provisions, any Tranche must be fully operational and providing service no later than December 31, 2022. A SoBRA Tranche may consist of a single project or may include multiple individual solar projects, which may be located throughout the company's retail service territory. Tampa Electric will construct and bring into full commercial operation, the full Maximum Incremental SoBRA MW for each year's Tranche by the dates shown in the table above. The Rate Change and In-Service Dates specified in the chart in Subparagraph 6(b) are "no sooner than" dates, and the SoBRA rate changes for each Tranche will be implemented effective on the earliest In-Service Date for that Tranche identified in such chart and subsequently trued up to reflect and correct for (1) any delay in the actual In-Service Dates of any of the projects in a particular Tranche beyond the applicable In-Service date for that Tranche and (2) the extent to which the actual installed costs of any project or projects vary from the projected costs used to set the SoBRA rate change but may not exceed the Maximum Incremental Annualized SoBRA Revenue Requirements or Maximum Cumulative Annualized SoBRA Revenue Requirements set forth in Subparagraph 6(b) or the Installed Cost Cap set forth in Subparagraph 6(d). Each SoBRA revenue increase shall be calculated based on the projected In-Service date, operating capacity, and estimated cost of the solar projects to which it corresponds, subject to being trued up as described in this Subparagraph 6(c). The 2021 SoBRA will only be available to the company if (i) for all projects in the 2018 and 2019 Tranches (totaling 400MW subject to the two percent (2%) variance allowance described in the following sentence), the actual average installed cost necessary to make such projects fully operational is less than or equal to $1,475 per kW_{ac} and (ii) the 2018 and 2019 Tranches in the amount of 400

MW (subject to the 2% variance) are installed and operating at design specifications as of December 31, 2019. The SoBRA Tranches of solar generation capacity and the associated revenue requirements shown in Subparagraph 6(b) are "up to" or maximum amounts; however, the amount of revenues and MW in the 2019 SoBRA Tranche or Tranches may vary by up to 2 percent of the 2019 total (5 MW variance, either greater than or less than the specified maximum for 2019) to accommodate efficient planning and construction of the associated individual solar projects, and the 2019 Tranche or Tranches remain subject to the cost cap contained herein. Tampa Electric shall make a filing with the Commission by February 28, 2020, reflecting whether it has met the requirements to qualify for the 2021 SoBRA Tranche.

(d) For the solar projects that are approved by the Commission for cost recovery pursuant to this Paragraph 6, Tampa Electric's base rates will be increased by the incremental annualized base revenue requirement in steps, one step for each SoBRA Tranche. Each such base rate adjustment will be referred to as a SoBRA, and shall be authorized for solar projects for which Tampa Electric files for Commission approval pursuant to this Paragraph 6. Each project qualifying for SoBRA treatment must consist of either single axis tracking or other solar electric generating equipment or tracking technology that yields greater efficiency or higher capacity value, or both, for the benefit of customers all within the cost caps stated in this Paragraph 6. The types of costs of solar projects that traditionally have been allowed in rate base (including Engineering, Procurement and Construction ("EPC") costs; development costs including third party development fees, if any; permitting fees and costs; actual land costs and land acquisition costs; taxes; utility costs to support or complete development; transmission interconnection costs; installation labor and equipment costs; costs associated with electrical balance of system, structural balance of system, inverters, and modules; AFUDC at the weighted average cost of

capital from Exhibit B of this 2017 Agreement; and other traditionally allowed rate base costs) shall be eligible for SoBRA cost recovery. The total installed capital cost of a project eligible for cost recovery through a SoBRA shall not exceed $1,500 per kW_{ac} (the "Installed Cost Cap"). This Installed Cost Cap shall apply on a per project basis, and includes all costs required to make each of the projects in a Tranche fully operational. Each SoBRA will be based on a 10.25% ROE, except under the conditions specifically provided in this 2017 Agreement in Subparagraph 2(b), a 54% equity ratio (based on investor sources of capital), and the incremental capital structure components of long-term debt, short-term debt (if any), common equity, and tax credits, adjusted to reflect the inclusion of investment tax credits on a normalized basis. The debt rate utilized to calculate the revenue requirements associated with the SoBRA projects will be updated to reflect the incremental costs of prospective long-term debt issuances during the first 12 months of operation of each project. The SoBRA Installed Cost Cap is an amount agreed to by and between the Parties that reflects their negotiations regarding all relevant factors affecting or determining the installed cost of each project, including but not limited to capital costs, costs of capital, capital structure, and the other costs and expenses associated with the project.

(e) The Installed Cost Cap is not a "safe harbor" or a "build to" number for the company. The company will use reasonable efforts to design and build solar projects at installed costs below the cap. The Installed Cost Cap will limit the cost recovery of projects under a SoBRA, so if a project costs more than $1,500 per kW_{ac}, the company can recover through a SoBRA only the installed cost up to the Installed Cost Cap, but may use the actual installed cost for purposes of preparing its periodic earnings surveillance reports; however, during the

company's next general base rate proceeding, the depreciated net book value of any SoBRA project included in rate base for the test year may not exceed the Installed Cost Cap.

(f) The individual solar generation projects contemplated in this 2017 Agreement are not subject to the Florida Electrical Power Plant Siting Act, because each project will be smaller than 75 MW, and accordingly, the projects contemplated herein will be subject to the process and FPSC approval as specified herein. For each SoBRA and associated SoBRA Tranche, Tampa Electric will file a petition for approval of each SoBRA, provided that the SoBRA rate change for each Tranche shall not take effect before the dates specified in the aforementioned chart. Each petition for approval of a SoBRA or SoBRAs shall be filed in a separate stand-alone docket. The petition for approval of the first SoBRA (September 1, 2018) shall be made as soon as reasonably possible after the Commission vote to approve this 2017 Agreement. The petition for approval of each of the remaining SoBRAs shall be made in a separate stand-alone docket; the company may file the petitions for each Tranche for the following year at the time of the company's projection filings in the 2018, 2019 and 2020 Fuel and Purchased Power Cost Recovery Clause dockets ("Fuel Docket(s)") for the 2019, 2020 and 2021 factors, respectively, or the company may file each SoBRA petition at a convenient time throughout each year. The Parties contemplate that there will be a final true-up for the 2021 SoBRA, if needed. The Parties agree to request that, to the extent practicable, the deadlines and schedules in the Fuel Dockets apply to the petitions for approval of SoBRAs, so that the amount of solar generation approved for recovery through a SoBRA and related fuel cost savings can be synchronized with the Fuel Dockets.

(g) The issues for determination in each proceeding for approval of a SoBRA shall be limited to: (1) the cost effectiveness of the solar projects in the Tranche, (2) whether the installed

cost of each project in the Tranche is projected to be under the Installed Cost Cap, (3) the amount of revenue requirements and appropriate increase in base rates needed to collect the estimated annual revenue requirement for the projects in a Tranche, (4) a true-up of previously approved SoBRAs for the actual cost of the previously approved projects, subject to the sharing provisions in Subparagraph 6(m), and (5) a true-up through the Capacity Cost Recovery Clause ("CCR") of previously approved SoBRAs to reflect the actual in service dates and actual installed cost for each of the previously-approved projects. The cost effectiveness for the projects in a Tranche shall be evaluated in total by considering only whether the projects in the Tranche will lower the company's projected system cumulative present value revenue requirement ("CPVRR") as compared to such CPVRR without the solar projects.

(h) The Parties expect and intend that the first SoBRA will be effective as of September 1, 2018, based on the Parties' expectation and the company's intent that all projects in the 2018 Tranche will be fully operational and providing service as of September 1, 2018. To accommodate efficient planning and construction by the company, the Consumer Parties agree that Tampa Electric may request the Commission to consider approval of the 2018 Tranche as soon as practicable following approval of this 2017 Agreement. The Parties further intend that Commission action on the remaining SoBRAs will be resolved, to the extent practicable, on a schedule that is contemporaneous with the annual, regularly scheduled Fuel and Purchased Power Cost Recovery Docket hearings, provided, however, that the Commission on its own initiative or upon good cause shown by any Party to this 2017 Agreement or any other entity satisfying the standing requirements of Florida law may set Tampa Electric's request for approval of any SoBRA or SoBRA Tranche for a separate hearing to be held at any convenient time to

permit timely resolution before the company's projected In-Service date for the SoBRA Tranche that is the subject of such petition and hearing.

(i) The SoBRA increases approved pursuant to this 2017 Agreement shall be calculated based upon Tampa Electric's billing determinants used in the company's then-most-current ECCR Clause filings with the Commission for the twelve months following the effective date of any respective SoBRA. To the extent necessary, this will include projections of such billing determinants into a subsequent calendar year so as to cover the same 12 months as the first 12 months of each Tranche of solar projects' operations. The exception to this will be the first Tranche of SoBRA, which is to go into effect on September 1, 2018. In the case of this Tranche, the billing determinants used will be from the 2017 ECCR Clause filing for the 12 months of 2018 and the base rate adjustment derived on an annual basis but only applied to bills for the four months from September 2018 through December 2018 and then for the 12 months of 2019. The revenue requirement for each SoBRA Tranche shall be allocated to the rate classes using the 12 CP and $1/13^{th}$ method of allocating production plant and shall be applied to existing base rates, charges and credits using the following principles:

(i) 40% of the revenue requirements that would otherwise be allocated to the lighting class under the 12 CP and $1/13^{th}$ methodology shall be allocated to the lighting class for recovery through an increase in the lighting base energy rate and the remaining 60% shall be allocated ratably to the other customer classes.

(ii) The revenue requirement associated with a SoBRA will be recovered through increases to demand charges where demand charges are part of a rate schedule, and through energy charges where no demand charge is used in a rate schedule.

(iii) Within the GSD and IS rate classes, recovery of SoBRA revenue requirements allocated to those rate classes will be borne by non-standby demand charges only within a rate class, which methodology will not impact RS and GS rate classes.

(j) The solar capacity amounts specified in Subparagraphs 6(b) and 6(c) shall limit the maximum amount of solar capacity for which the company may recover costs through a SoBRA during each year of the Term, which may include recovery during 2022 for any SoBRA that satisfies the capacity and cost caps provided herein; provided, however, if Tampa Electric receives approval for SoBRA recovery for capacity amounts below the capacity amounts specified in Subparagraphs 6(b) and 6(c) in any year, the company can seek recovery of the unused capacity in a future petition for approval up to the Maximum Cumulative SoBRA for the applicable year as set forth in Subparagraph 6(b), provided such request is filed with the Commission during the Term of this 2017 Agreement. A SoBRA may become effective at any time during the Term or within one year after expiration of the Term, as limited by Subparagraph 6(d) and subject to the termination of the company's rights to seek SoBRA recovery if this 2017 Agreement is terminated pursuant to Paragraph 7 hereof.

(k) For each of the SoBRAs specified in Subparagraphs 6(b) and 6(c), the increased base rates shall be reflected on Tampa Electric's customer bills as specified herein. Tampa Electric will begin applying the increased base rate charges for each SoBRA concurrently with meter readings for the first billing cycle of September 2018 for the first SoBRA, subject to true-up as provided in Subparagraph 6(c). Tampa Electric will begin applying each subsequent SoBRA concurrently with meter readings for the first billing cycle of the month the Tranche is projected to go in service, subject to true-up as provided in Subparagraph 6(c). The Parties contemplate and intend that the final true-up for the 2021

SoBRA, if any, would be made to the CCR as soon as practicable following implementation of the 2021 SoBRA, if any.

(l) Subject to the revenue requirement limits in Subparagraph 6(b), the SoBRA for a Tranche will be calculated using the company's projected installed cost per kW_{ac} for each project (subject to the Installed Cost Cap); reasonable estimates for depreciation expense (based on an initial average service life of 30 years for depreciable plant), property taxes and fixed O&M expenses; an incremental capital structure reflecting the then current midpoint ROE and a 54% equity ratio adjusted to reflect the inclusion of investment tax credits on a normalized basis.

(m) If Tampa Electric's actual installed cost for a project is less than the Installed Cost Cap, the company's customers and the company will share in the beneficial difference with 75% of the difference inuring to the benefit of customers and 25% serving as an incentive to the company to seek such cost savings over the life of this 2017 Agreement. By way of illustration, if the actual installed cost of a solar project is $1,400 per kW_{ac}, the final cost to be used for purposes of computing cost recovery under this 2017 Agreement and the true-up of the initial SoBRA shall be $1,425 per kW_{ac} [0.25 times ($1,500 - $1,400) + $1,400].

(n) In order to determine the amount of each annual cost true-up, a revised SoBRA will be computed using the same data and methodology incorporated in the initial SoBRA, with the exception that the actual capital expenditures after sharing and the actual in-service date will be used in lieu of the capital expenditures on which the annualized revenue requirement was based. The difference between the cumulative base revenues since the implementation of the initial SoBRA factor and the cumulative base revenues that would have

resulted if the revised SoBRA factor (for cost and In-Service date true-ups) had been in place during the same time period will be trued up with interest at the AFUDC rate shown in Exhibit B used for the projects, and will be made through a one-time, twelve-month adjustment through the CCR clause. On a going forward basis, the base rates will be adjusted to reflect the revised SoBRA factors.

(o) Tampa Electric agrees to file monthly reports that will provide the same information as that filed with the Commission in Docket No. 20170007-EI by another utility for its solar projects, in order to reflect the performance of the solar projects after they have been placed in service.

(p) Tampa Electric's base rate and credit levels applied to customer bills, including the effects of the SoBRAs implemented pursuant to this 2017 Agreement, shall continue in effect until next reset by future unanimous agreement of the Parties approved by a Final Order of the Commission or a Final Order of the Commission issued as a result of a future general base rate proceeding. Any incentive attributed to the company during the term of this 2017 Agreement under Subparagraph 6(m) above will not be included in rate base in the company's next general base rate proceeding, meaning that when a solar asset plant balance is moved to base rates in the company's next general base rate case, only the actual cost -- not any incentive -- will be included.

(q) For all new solar generation assets that Tampa Electric places in service during the Term, the lowest total installed cost per-kW solar energy resources up to the capacity amounts associated with the SoBRA mechanism will be attributed to the SoBRA mechanism in the event the company constructs more solar generation capacity than is subject to the SoBRA mechanism.

(r) Nothing in this 2017 Agreement shall preclude any Party to this 2017 Agreement or any other lawful party from participating, consistent with the full rights of an intervenor, in any proceeding that addresses any matter or issue concerning the SoBRA provisions of this 2017 Agreement.

7. Earnings.

(a) Notwithstanding Paragraph 2 and subject to the Trigger provisions in Subparagraph 2(b) above, if Tampa Electric's earned return on common equity falls below 9.25% during the Term on a monthly earnings surveillance report stated on an actual Commission thirteen-month average adjusted basis, Tampa Electric may petition the Commission to amend its base rates either through a general rate proceeding under Sections 366.06 and 366.07, Florida Statutes, or through a limited proceeding under Section 366.076, Florida Statutes. Nothing in this 2017 Agreement shall be construed as an agreement by the Consumer Parties that a limited proceeding would be appropriate, and Tampa Electric acknowledges and agrees that the Parties reserve and retain all rights to challenge the propriety of any limited proceeding or to assert that any request for base rate changes should properly be addressed through a general base rate case, as well as to challenge any substantive proposals to change the company's rates in any such future proceeding. This floor of 9.25% shall be subject to adjustment in accordance with the Trigger provision in Subparagraph 2(b). For purposes of this 2017 Agreement, "Commission

actual adjusted basis" and "actual adjusted earned return" shall mean results reflecting all adjustments to Tampa Electric's books required by the Commission by rule or order, but excluding pro forma adjustments. No Consumer Parties shall be precluded from participating in any proceeding initiated by Tampa Electric to increase base rates pursuant to this Paragraph 7, and no Consumer Party is precluded from opposing Tampa Electric's request.

(b) Notwithstanding Paragraph 2 and subject to the Trigger in Subparagraph 2(b) above, if Tampa Electric's earned return on common equity exceeds 11.25% during the Term on a monthly earnings surveillance report stated on an actual Commission thirteen-month average adjusted basis, no Consumer Party shall be precluded from petitioning the Commission for a review of Tampa Electric's base rates. In any case initiated by Tampa Electric or any other Party pursuant to Paragraph 7, all Parties will retain full rights conferred by law. The ceiling of 11.25% set forth in this Subparagraph shall be subject to adjustment in accordance with the Trigger provision in Subparagraph 2(b).

(c) Notwithstanding Paragraph 2 and subject to the Trigger provisions in Subparagraph 2(b) above, this 2017 Agreement shall terminate upon the effective date of any Final Order of the Commission issued in any proceeding pursuant to Paragraph 7 that changes Tampa Electric's base rates prior to the last billing cycle of December 2021.

(d) This Paragraph 7 shall not: (i) be construed to bar Tampa Electric from requesting any recovery of costs otherwise contemplated by this 2017 Agreement; (ii) apply to any request to change Tampa Electric's base rates that would become effective after the expiration of the Term of this 2017 Agreement; (iii) limit any Party's rights in proceedings concerning changes to base rates that would become effective subsequent to the Term of this 2017 Agreement to argue

that Tampa Electric's authorized ROE range should be different than as set forth in this 2017 Agreement; or (iv) affect the provisions of Subparagraphs 3(d) and 3(e) of this 2017 Agreement.

(e) Notwithstanding any other provision of this 2017 Agreement, the Parties fully and completely reserve all rights available to them under the law to challenge the level or rate structure (or the cost of service methodologies underlying them) of Tampa Electric's base rates, charges, credits, and rate design methodologies effective as of January 1, 2022 or thereafter. It is specifically understood and agreed that this 2017 Agreement does not preclude any Consumer Party from filing before January 1, 2022, an action to challenge the level or rate structure (or the cost of service methodologies underlying them) of Tampa Electric's base rates, charges and credits effective as of January 1, 2022 or thereafter.

8. Depreciation.

(a) The Parties agree and intend that, notwithstanding any requirements of Rules 25-6.0436 and 25-6.04364, F.A.C., the company shall not be required during the Term of this 2017 Agreement to file any depreciation study or dismantlement study. The depreciation and amortization accrual rates approved by the FPSC and currently in effect as of the Effective Date of this 2017 Agreement shall remain in effect during the Term or the company's next depreciation study, whichever is later. The Parties further agree that the provisions of Rules 25-6.0436 and 25-6.04364, F.A.C., which otherwise require depreciation and dismantlement studies to be filed at least every four years, will not apply to the company during the Term, and that the Commission's approval of this 2017 Agreement shall excuse the company from compliance with the filing requirement of these rules during the Term.

(b) Notwithstanding the non-deferral language in Paragraph 4, unless the company proposes a special capital recovery schedule and the Commission approves it, if coal-fired

generating assets or other assets are retired or planned for retirement of a magnitude that would ordinarily or otherwise require a special capital recovery schedule, such assets will continue to be depreciated using their then existing depreciation rates and special capital recovery issues will be addressed in conjunction with the company's next depreciation study. If the company installs Automated Meter Infrastructure ("AMI") meters and retires Automated Meter Reading ("AMR") meters during the Term, such assets will continue to be depreciated using their then existing depreciation rates and special capital recovery issues will be addressed in conjunction with the company's next depreciation study.

(c) Notwithstanding the provisions of Subparagraph 8(a) above, the company shall file a depreciation and dismantlement study or studies no more than one year nor less than 90 days before the filing of its next general rate proceeding under Sections 366.06 and 366.07, Florida Statutes, such that there is a reasonable opportunity for the Consumer Parties to review, analyze and potentially rebut depreciation rates or other aspects of such depreciation and dismantlement studies contemporaneously with the company's next general rate proceeding. The depreciation and dismantlement study period shall match the test year in the company's MFRs, with all supporting data in electronic format with links, cells and formulae intact and functional, and shall be served upon all Consumer Parties and all intervenors in such subsequent rate case.

9. Federal Income Tax Reform.

(a) Changes in the rate of taxation of corporate income by federal or state taxing authorities ("Tax Reform") could impact the effective tax rate recognized by the company in FPSC adjusted reported net operating income and the measurement of existing and prospective deferred federal income tax assets and liabilities reflected in the FPSC adjusted capital structure.

When Congress last reduced the maximum federal corporate income tax rate in the Tax Reform Act of 1986, it included a transition rule that, as an eligibility requirement for using accelerated depreciation with respect to public utility property, provided guidance regarding returning to customers the portion of the resulting excess deferred income taxes attributable to the use of accelerated depreciation. To the extent Tax Reform includes a transition rule applicable to excess deferred federal income tax assets and liabilities ("Excess Deferred Taxes"), defined as those that arise from the re-measurement of those deferred federal income tax assets and liabilities at the new applicable corporate tax rate(s), those Excess Deferred Taxes will be governed by the Tax Reform transition rule, as applied to most promptly and effectively reduce Tampa Electric's rates consistent with the Tax Reform rules and normalization rules.

(b) If Tax Reform is enacted before the company's next general base rate proceeding, the company will quantify the impact of Tax Reform on its Florida retail jurisdictional net operating income thereby neutralizing the FPSC adjusted net operating income of the Tax Reform to a net zero. The company's forecasted earnings surveillance report for the calendar year that includes the period in which Tax Reform is effective will be the basis for determination of the impact of Tax Reform. The company will also adjust any SoBRAs that have not yet gone into effect to specifically account for Tax Reform. The impacts of Tax Reform on base revenue requirements will be flowed back to retail customers within 120 days of when the Tax Reform becomes law, through a one-time adjustment to base rates upon a thorough review of the effects of the Tax Reform on base revenue requirements consistent with Subparagraph 9(a). This adjustment shall be accomplished through a uniform percentage decrease to customer, demand and energy base rate charges for all retail customer classes. Any effects of Tax Reform on retail revenue requirements from the Effective Date through the date of the one-time base rate

adjustment shall be flowed back to customers through the ECCR Clause on the same basis as used in any base rate adjustment. An illustration is included as Exhibit C. If Tax Reform results in an increase in base revenue requirements, the company will utilize deferral accounting as permitted by the Commission, thereby neutralizing the FPSC adjusted net operating income impact of the Tax Reform to a net zero, through the Term. In this situation, the company shall defer the revenue requirement impacts to a regulatory asset to be considered for prospective recovery in a change to base rates to be addressed in the company's next base rate proceeding or in a limited scope proceeding before the Commission no sooner than the end of the Term.

(c) All Excess Deferred Taxes shall be deferred to a regulatory asset or liability which shall be included in FPSC adjusted capital structure and flowed back to customers over a term consistent with law. If the same Average Rate Assumption Method used in the Tax Reform Act of 1986 is prescribed, then the regulatory asset or liability will be flowed back to customers over the remaining life of the assets associated with the Excess Deferred Taxes subject to the provisions related to FPSC adjusted operating income impacts of Tax Reform noted above. If the Tax Reform law or act is silent on the flow-back period, and there are no other statutes or rules that govern the flow-back period, then there shall be a rebuttable presumption that the following flow-back period(s) will apply: (1) if the cumulative net regulatory liability is less than $100 million, the flow-back period will be five years; or (2) if the cumulative net regulatory liability is greater than $100 million, the flow-back period will be ten years. The company reserves the right to demonstrate by clear and convincing evidence that such five or ten-year maximum period (as applicable) is not in the best interest of the company's customers and should be increased to no greater than 50 percent of the remaining life of the assets associated with the Excess Deferred Taxes ("50 Percent Period"). The relevant factors to support the

company's demonstration include, but are not limited to, the impact the flow-back period would have on the company's cash flow and credit metrics or the optimal capitalization of the company's jurisdictional operations in Florida. If the company can demonstrate, by clear and convincing evidence, that limiting the flow-back period to the 50 Percent Period, in conjunction with the other Tax Reform provisions related to deferred taxes within this 2017 Agreement, will be the sole basis for causing a full notch credit downgrade by each of the major rating agencies (i.e. Standard & Poor's and Moody's), as expressly reflected in a publicly available report of the agencies, it may file to seek a longer flow-back period.

10. Incentive Plan. The Parties consent to the FPSC's approval of and request that the Commission approve the company's Asset Optimization/Incentive Program as set forth in its Petition in Docket No. 160160-EI, dated June 30, 2016, for a four-year period beginning January 1, 2018, but with the following sharing thresholds: (a) up to $4.5MM/year, 100% gain to customers; (b) greater than $4.5MM/year and less than $8.0MM/year, 60% to shareholders and 40% to customers; and (c) greater than $8.0MM/year, 50% to shareholders and 50% customers.

11. Other.

(a) Except as specified in this 2017 Agreement, the company will enter into no new natural gas financial hedging contracts for fuel through December 31, 2022.

(b) The company agrees that it will not seek to recover any costs from its customers related to investments in oil and/or natural gas exploration, reserves, acreage and/or production, including but not limited to investments in gas or oil exploration or production projects that utilize "fracking" (hydraulic fracturing) or similar technology, for a period of no less than five years after the Effective Date.

(c) The company may not make separated/stratified sales from energy generated by solar assets being recovered through a SoBRA during the Term.

(d) For any non-separated or non-stratified wholesale energy sales during the Term, the company will credit its fuel clause for an amount equal to the company's incremental cost of generating or purchasing the amount of energy sold during the hours that any such sale was made.

(e) The full benefits of solar renewable energy credits ("RECs") (including any and all rights attaching to environmental attributes) associated with the solar projects subject to this 2017 Agreement, if any, will be retained for, and flowed through to, retail customers through the Environmental Cost Recovery Clause.

(f) All dollar values, asset determinations, rate impact values and revenue requirements in this 2017 Agreement are intended by the Parties to be retail jurisdictional in amount or formulation basis, unless otherwise specified.

12. New Tariffs. Nothing in this 2017 Agreement shall prelude Tampa Electric from filing and the Commission from approving any new or revised tariff provisions or rate schedules requested by Tampa Electric, provided that any such tariff request does not increase any existing base rate component of a tariff or rate schedule, or any other charge imposed on customers during the Term unless the application of such new or revised tariff, rate schedule, or charge is optional to Tampa Electric's customers.

13. Application of 2017 Agreement. No Party to this 2017 Agreement will request, support, or seek to impose a change to any term or provision of this 2017 Agreement. Except as provided in Paragraph 7, no Party to this 2017 Agreement will either seek or support any reduction in Tampa Electric's base rates, charges, or credits, including limited, limited-scope,

interim, or any other rate decreases, or changes to rate design methodologies, that would take effect prior to the first billing cycle for January 2022, except for any such reduction in base rates or charges (but not credits) requested by Tampa Electric or as otherwise provided for in this 2017 Agreement. Tampa Electric shall not seek interim, limited, or general base rate relief during the Term except as provided for in Paragraphs 6 or 7 of this 2017 Agreement. Tampa Electric is not precluded from seeking interim, limited or general base rate relief that would be effective during or after the first billing cycle in January 2022, nor are the Consumer Parties precluded from opposing such relief. Such interim relief may be based on time periods before January 1, 2022, consistent with Section 366.071, Florida Statutes, and calculated without regard to the provisions of this 2017 Agreement. Tampa Electric will not seek to adjust either the standby generator credit or the CCV credit either during the Term of this 2017 Agreement or thereafter, except by unanimous Agreement of the Parties approved by a Final Order of the Commission or a Final Order of the Commission issued as a result of a future general base rate proceeding.

14. Commission Approval.

(a) The provisions of this 2017 Agreement are contingent on approval of this 2017 Agreement in its entirety by the Commission without modification. The Parties further agree that this 2017 Agreement is in the public interest, that they will support this 2017 Agreement and that they will not request or support any order, relief, outcome, or result in conflict with the terms of this 2017 Agreement in any administrative or judicial proceeding relating to, reviewing, or challenging the establishment, approval, adoption, or implementation of this 2017 Agreement or the subject matter hereof.

(b) No Party will assert in any proceeding before the Commission that this 2017 Agreement or any of the terms in the 2017 Agreement shall have any precedential value. The

Parties' agreement to the terms in the 2017 Agreement shall be without prejudice to any Party's ability to advocate a different position in future proceedings not involving this 2017 Agreement. The Parties further expressly agree that no individual provision, by itself, necessarily represents a position of any Party in any future proceeding, and the Parties further agree that no Party shall assert or represent in any future proceeding in any forum that another Party endorses any specific provision of this 2017 Agreement by virtue of that Party's signature on, or participation in, this 2017 Agreement. It is the intent of the Parties to this 2017 Agreement that the Commission's approval of all the terms and provisions of this 2017 Agreement is an express recognition that no individual term or provision, by itself, necessarily represents a position, in isolation, of any Party or that a Party to this 2017 Agreement endorses a specific provision, in isolation, of this 2017 Agreement by virtue of that Party's signature on, or participation in, this 2017 Agreement.

(c) The Parties intend, and agree to request that the Commission's order state that approval of this 2017 Agreement in its entirety will resolve all matters in Docket No. 20160160-EI pursuant to and in accordance with Section 120.57(4), Florida Statutes, and that Docket No. 20160160-EI will be closed effective on the date the Commission's order approving this 2017 Agreement becomes final. The Parties further agree to request that Docket No. 20170057-EI be closed upon approval of this 2017 Agreement or as soon thereafter as is reasonably practical.

(d) No Party shall seek appellate review of any Commission order approving this 2017 Agreement.

15. Disputes. To the extent a dispute arises among the Parties about the provisions, interpretation, or application of this 2017 Agreement, the Parties agree to meet and confer in an effort to resolve the dispute. To the extent that the Parties cannot resolve any dispute, the matter may be submitted to the Commission for resolution.

16. Execution. This 2017 Agreement is dated as of September 27, 2017. It may be executed in counterpart originals and a facsimile of an original signature shall be deemed an original.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this 2017 Agreement by their signature(s):

Tampa Electric Company
702 N. Franklin Street
Tampa, FL 33601

By _____
Gordon L. Gillette, President

Signature Page to 2017 Agreement

Office of Public Counsel
J. R. Kelly, Esquire
Public Counsel
Charles Rewinkle, Esquire
Associate Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

By: _____
J.R. Kelly

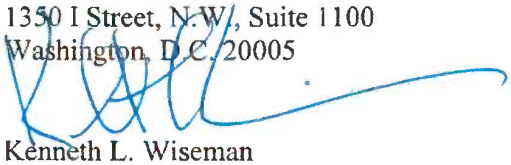
Signature Page to 2017 Agreement

The Florida Industrial Power Users Group
Jon C. Moyle, Jr., Esquire
Moyle Law Firm
The Perkins House
118 North Gadsden Street
Tallahassee, FL 32301

By: _____ Sept. 27, 2017
Jon C. Moyle, Jr.

Signature Page to 2017 Agreement

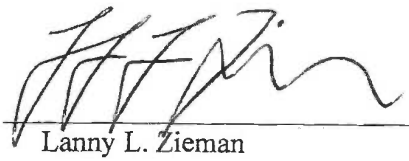
WCF Hospital Utility Alliance
Mark F. Sundback, Esquire
Kenneth L. Wiseman, Esquire
Andrews Kurth, LLP
1350 I Street, N.W., Suite 1100
Washington, D.C. 20005



Kenneth L. Wiseman

Signature Page to 2017 Agreement

Federal Executive Agencies
Lanny L. Zieman, Capt, USAF, Esquire
AFLOA/JACL-ULFSC
139 Barnes Drive, Suite 1
Tyndall Air Force Base, FL 32403

By: 
Lanny L. Zieman

Signature Page to 2017 Agreement

Florida Retail Federation
Robert Scheffel Wright
Gardner, Bist, Bowden, Bush, Dee, LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308

By: Robert Scheffel Wright
Robert Scheffel Wright

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Tampa Electric Company for Recovery of Costs Associated with Named Tropical Systems and Replenishment of Storm Reserve	)	Docket No. 20170271-EI
In Re: Petition the Commission to establish a generic docket to investigate and adjust rates for all investor owned utilities related to the reduction in the federal corporate income tax rate as a result of the passage of the Tax Cuts and Jobs Act	)	Docket No. 20180013-PU Filed: February 13, 2018

Amended Implementation Stipulation

THIS AMENDED IMPLEMENTATION STIPULATION is dated this 13th day of February, 2018 and is by and between Tampa Electric Company ("Tampa Electric" or the "company"), the Office of Public Counsel ("OPC" or "Citizens"), the Florida Industrial Power Users Group ("FIPUG"), the Florida Retail Federation ("FRF"), the Federal Executive Agencies ("FEA"), and the WCF Hospital Utility Alliance ("HUA"). Collectively, Tampa Electric, OPC, FIPUG, FRF, FEA, and HUA shall be referred to herein as the "Parties" (or "signatories") and the term "Party" shall be the singular form of the term "Parties." OPC, FIPUG, FRF, FEA, and HUA will be referred to herein as the "Consumer Parties." This document shall be referred to as the "Amended Implementation Stipulation."

Background

The Florida Public Service Commission ("FPSC" or "Commission") approved the 2017 Amended and Restated Stipulation and Settlement Agreement between and among the Parties ("2017 Agreement") by Order No. PSC-2017-0456-S-EI, issued on November 27, 2017 in

Docket Nos. 20170210-EI and 20160160-EI. Paragraphs 5 and 9 of the 2017 Agreement address Storm Damage and Federal Income Tax Reform, respectively.

Tampa Electric filed a Petition for Recovery of Costs Associated with Named Tropical Systems and Replenishment of Storm Reserve in Docket No. 20170271-EI on December 27, 2017. On January 30, 2018, the company filed an Amended Petition for Recovery of Costs Associated with Named Tropical Systems and Replenishment of Storm Reserve in the same docket ("Amended Storm Petition"). The Amended Storm Petition updates the total estimated storm restoration costs from those set forth in the company's original petition and seeks approval of revised tariff sheets containing updated Interim Storm Cost Recovery Factors designed to recover the company's proposed total updated storm restoration costs.

The Tax Cuts and Jobs Act of 2017 ("TCJA") was enacted by the United States Congress on December 20, 2017 and was signed into law by the President on December 22, 2017. *See Tax Cuts and Jobs Act of 2017*, Pub. Law 115-97, 131 Stat. 2054 (2017). The TCJA amends a variety of the provisions in the Internal Revenue Code and reduces the federal corporate income tax rate from 35% to 21% effective January 1, 2018. On January 9, 2018, OPC petitioned the Commission to establish a generic docket to investigate and adjust rates for all investor owned utilities related to the reduction in the federal corporate income tax rate as a result of the passage of the TCJA. Thereafter, the Commission opened Docket No. 20180013-PU for consideration of OPC's petition.

On January 30, 2018, Tampa Electric filed an Unopposed Motion to Approve Implementation Stipulation, with the Implementation Stipulation attached to the Motion. The purpose of the Implementation Stipulation was to memorialize the understanding and agreement of the Parties regarding the manner in which Tampa Electric will implement paragraphs 5 and 9

of the 2017 Agreement. Since that filing the Parties have discussed and agreed on certain modifications to the manner in which Tampa Electric will implement paragraphs 5 and 9 of the 2017 Agreement.

This Amended Implementation Stipulation differs from the Implementation Stipulation attached to the Unopposed Motion primarily in connection with the process to be followed with respect to the approval of interim cost recovery factors and the disposition of the tariffs referenced in the amended storm petition. Those changes are reflected in paragraph 4 of this Amended Implementation Stipulation. In all other material respects this Amended Implementation Stipulation is the same as the Implementation Stipulation filed on January 30, 2018.

Stipulated Implementation Provisions

1. Paragraph 5 of the 2017 Agreement grants Tampa Electric the right to recover, on an interim basis, storm damage costs beginning sixty days after filing a petition with the Commission. Pursuant to this paragraph, on January 30, 2018, Tampa Electric filed its Amended Storm Petition seeking recovery of approximately $102.5 million estimated for storm damage costs associated with Tropical Storms Erika and Colin and Hurricanes Hermine, Matthew and Irma and replenishment of Tampa Electric's retail storm damage reserve. Therein, the company proposed to recover this amount over a nine (9) month period effective concurrently with meter readings for the first billing cycle in April, 2018.

2. Paragraph 9 of the 2017 Agreement provides a mechanism for calculating and implementing the impact of tax reform on Tampa Electric's base rates and charges that will inure to the benefit of customers on the effective date of tax reform changes. Tampa Electric, using the methodologies set forth in Paragraphs 9(b) and 9(c) of the 2017 Agreement, has preliminarily

estimated the impact of the TCJA to result in a reduction in annual revenue requirements of approximately $95 million for 2018. Tampa Electric and the other signatories to the 2017 Agreement recognize that the $95 million estimated annual TCJA impact is based on preliminary data and is subject to final true-up. Per the 2017 Agreement, Tampa Electric is obligated to request permission of the Commission to reduce customer base rates within 120 days of the December 22, 2017 enactment date, or by April 23, 2018, upon a thorough review of the effects of the TCJA on base revenue requirements to account for the impacts of the TCJA. Reducing base rates and charges effective concurrently with meter readings for the first billing cycle in May 2018 would allow the company to return approximately eight (8) months of its estimated tax savings to customers in 2018. The remaining four months of annual savings, reflecting the final determination of the annual tax savings amount, would be returned to customers over twelve (12) months in 2019 through the ECCR Clause.

3. Per the 2017 Agreement, the company's storm damage costs are to be allocated to customer rate classes in the same manner as base rates consistent with the rate design methods in the 2017 Agreement. Therefore, absent this Implementation Stipulation and given the 60 day period in paragraph 5(a) of the 2017 Agreement, Tampa Electric would be authorized to increase rates by approximately $102.5 million concurrently with meter readings for the first billing cycle in April 2018, and a month later, pursuant to paragraph 9 of the 2017 Agreement, reduce those same rates by approximately $95 million per year to reflect tax savings from the TCJA. To avoid this volatility in customer rates, and recognizing that the amount of storm damage costs and tax savings are currently estimates, with the final values to be determined by the FPSC after separate opportunities for hearing, the signatories to the 2017 Agreement agree that Tampa Electric should effectively use the estimated annual TCJA tax savings reduction of

approximately $95 million per year to avoid the need to charge customers for the estimated $102.5 million of storm damage costs that they would have otherwise been obligated to pay beginning in April 2018. The parties also recognize that because the estimated amounts of storm costs and tax savings are approximately the same, there is an opportunity to provide customers full credit for 100 percent of the estimated 2018 tax savings during calendar year 2018, and at the same time avoid having to collect a surcharge from customers to recover the company's estimated storm damage costs, by treating both amounts in the manner proposed in this Implementation Stipulation.

4. To accomplish these goals, the Parties agree and request that the Commission approve the interim cost recovery factors referenced in the Amended Storm Petition, Upon approval of the interim cost recovery factors and approval of this Amended Implementation Stipulation, Tampa Electric Company will withdraw the tariffs associated with the interim cost recovery factors approved pursuant to the Amended Storm Petition. The Parties agree and request that the Commission authorize the company to make the appropriate accounting adjustments on its regulated books and records such that the entire estimated amount of storm costs that would have been recovered from customers ratably over a nine (9) month period in 2018 is paid for or recovered ratably from the company's estimated annual tax savings over the same nine (9) month period.

5. The Parties further agree and request that the Commission approve the following additional provisions of this Amended Implementation Stipulation:

(a) The final amount of the company's storm costs authorized to be recovered will be determined by the Commission in Docket No. 20170271-EI.

(b) A final determination of the impact of tax reform on Tampa Electric's base rates and charges pursuant to the 2017 Agreement will be determined by the Commission in Docket No. 20180013-PU or a separate docket established for that purpose and dedicated to Tampa Electric.

(c) After the final determinations of the impact of tax reform and recoverable storm cost amounts have been determined, any difference will be trued up and recovered (or returned) to customers through the ECCR Clause in 2019, as contemplated in the 2017 Agreement.

(d) After its impact is finally determined by the Commission, the company will reflect the full impact of tax reform on Tampa Electric's base rates and charges through tariff changes to be effective concurrently with meter readings for the first billing cycle in January 2019, provided that the Commission's determinations are final before that date.

(e) All signatories maintain and do not waive their rights to raise any argument that is allowed under the 2017 Agreement with respect to the level of storm damage costs and the calculation of the TCJA impacts.

(f) It is the intent of the parties, and a condition of this Amended Implementation Stipulation, that the two distinct proceedings contemplated in Paragraphs 5 and 9 of the 2017 Agreement shall be conducted as if this stipulation did not exist and that final determinations of actual storm costs and tax savings be made independently and separately.

6. The parties intend that the storm damage costs be transparent and ascertainable on a stand-alone basis and that the benefits of the TCJA impacts be transparent and ascertainable on a stand-alone basis. Upon approval of this Amended Implementation Stipulation, the company shall file a monthly storm cost overview which accounts and reports on the recovery of storm

damage costs, the costs remaining to be recovered, and the amount of TCJA benefits applied to storm damage costs.

7. The Parties have entered into this Amended Implementation Stipulation for the purpose of clarifying the appropriate means of implementing the referenced provisions of the 2017 Agreement and not to modify or otherwise impact the 2017 Agreement, which shall remain in full force and effect in accordance with its terms.

8. This Amended Implementation Stipulation is dated as of February 13 , 2018. It may be executed in counterpart originals and a facsimile of an original signature shall be deemed an original.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this Implementation Stipulation by their signature(s):

Tampa Electric Company
702 N. Franklin Street
Tampa, FL 33601

By _____
Nancy Tower, President

Signature Page to Implementation Stipulation

Office of Public Counsel
J. R. Kelly, Esquire
Public Counsel
Charles Rehwinkel, Esquire
Associate Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

By: _____
J.R. Kelly

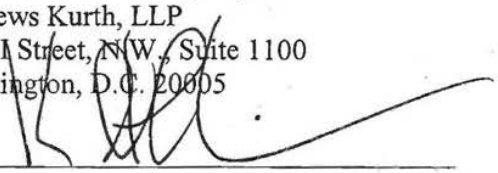
Signature Page to Implementation Stipulation

The Florida Industrial Power Users Group
Jon C. Moyle, Jr., Esquire
Moyle Law Firm
The Perkins House
118 North Gadsden Street
Tallahassee, FL 32301

By: _____ Feb. 13, 2018
Jon C. Moyle, Jr.

Signature Page to Implementation Stipulation

WCF Hospital Utility Alliance
Mark F. Sundback, Esquire
Kenneth L. Wiseman, Esquire
Andrews Kurth, LLP
1350 I Street, NW, Suite 1100
Washington, D.C. 20005

By: 

Signature Page to Implementation Stipulation

Federal Executive Agencies
LANNY L. ZIEMAN, Capt, USAF
Utility Litigation Attorney
Utility Law Field Support Center
Tyndall Air Force Base, Florida
Comm: 850-282-8863
DSN: 742-8863

By: _____
Capt Lanny L. Zieman

Signature Page to Implementation Stipulation

Florida Retail Federation
Robert Scheffel Wright
Gardner, Bist, Bowden, Bush, Dee, LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308

By: _____
Robert Scheffel Wright

TECO
TAMPA ELECTRIC
AN EMERA COMPANY

March 16, 2018

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

Dear Mr. Maurey,

Enclosed are copies of Tampa Electric Company's Forecasted Earnings Surveillance Report for the year **2018**. These computations have been made for the purposes of complying with Order No. PSC-94-1600-FOF-PU.

This report was calculated using updated jurisdictional separation factors. Tampa Electric Company's forecasted jurisdictional separation study for the year **2018** is based on forecasted levels of wholesale commitments, system rate base and operating expense items.

Please let me know if you have any questions.

Respectfully,

Jeffrey S. Chronister
Controller

SCHEDULE 1

TAMPA ELECTRIC COMPANY
EARNINGS SURVEILLANCE REPORT SUMMARY
2018 BUDGET
2018 BUDGET

I. Average Rate of Return (Jurisdictional)	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
Net Operating Income	$ 397,555,236 (a)	(37,462,858) (b)	360,092,378	0	$ 360,092,378
Average Rate Base	6,457,000,791	(646,478,062)	5,810,522,729	0	5,810,522,729
Average Rate of Return	6.16%		6.20%		6.20%
II. Year End Rate of Return (Jurisdictional)					
Net Operating Income	$ 397,555,236 (a)	(35,993,446) (b)	361,561,790	0	$ 361,561,790
Year End Rate Base	6,839,040,071	(797,864,592)	6,041,175,479	0	6,041,175,479
Year End Rate of Return	5.81%		5.98%		5.98%

(a) Includes AFUDC debt of $4,925,532 and AFUDC equity of $10,262,561
(b) Includes reversal of AFUDC earnings.

III. Required Rate of Return Average Capital Structure (FPSC Adjusted Basis)		
Low	5.62 %	
Midpoint	6.05 %	
High	6.48 %	

IV. Financial Integrity Indicators				
A. TIE With AFUDC	5.30	(System per books basis)		
B. TIE Without AFUDC	5.16	(System per books basis)		
C. AFUDC To Net Income	4.59 %	(System per books basis)		
D. Internally Generated Funds	77.11 %	(System per books basis)		
E. LTD To Total Investor Funds	39.31 %	(FPSC adjusted basis)		
F. STD To Total Investor Funds	5.38 %	(FPSC adjusted basis)		
G. Return On Common Equity (Avg)	10.60 %	(FPSC adjusted basis)	Year End	9.84%
H. Return On Common Equity (Avg)	10.60 %	(Pro Forma adjusted basis)	Year End	9.84%

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and decisions made at the July 14, 2009, agenda conference under Docket No. 080317-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the Company's current financial status and that they should not be used for that purpose.

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 official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Jeffrey S. Chronister - Controller

3/15/18
Date

Surveillance Backup

TAMPA ELECTRIC COMPANY
AVERAGE RATE OF RETURN
RATE BASE
2018 BUDGET

SCHEDULE 2
PAGE 1 OF 3

	(1) Plant In Service	(2) Accumulated Depreciation & Amortization	(3) Net Plant In Service	(4) Property Held For Future Use	(5) Construction Work In Progress	(6) Nuclear Fuel (Net)	(7) Net Utility Plant	(8) Working Capital	(9) Total Rate Base
System Per Books	$ 8,725,169,523	$ (2,895,611,000)	$ 5,829,558,523	$ 52,829,462	$ 443,321,362	$ 0	$ 6,325,709,347	$ 192,154,382	$ 6,517,863,729
Jurisdictional Per Books	8,653,737,016	(2,879,366,247)	5,774,370,769	50,883,576	440,747,137	0	6,266,001,482	190,999,309	6,457,000,791
FPSC Adjustments									
Fuel and ECCR	(36,750,936)	28,552,706	(8,198,230)				(8,198,230)	(5,971,287)	(14,169,517)
Other								(13,820,058)	(13,820,058)
ECRC	(552,757,472)	209,865,618	(342,891,854)				(342,891,854)	0	(342,891,854)
Fuel Inventory								(9,515,246)	(9,515,246)
CWIP					(440,747,137)		(440,747,137)		(440,747,137)
CWIP in Rate Base					176,708,990		176,708,990		176,708,990
Acquisition Book Values	(1,621,727)		(1,621,727)				(1,621,727)		(1,621,727)
Acquisition Accumulated Amortizations		1,687,257	1,687,257				1,687,257		1,687,257
Acquisition Adjustments	(7,423,545)	5,314,775	(2,108,770)				(2,108,770)		(2,108,770)
Total FPSC Adjustments	(598,553,680)	245,420,356	(353,133,324)	0	(264,038,147)	0	(617,171,471)	(29,306,591)	(646,478,062)
FPSC Adjusted	8,055,183,336	(2,633,945,891)	5,421,237,445	50,883,576	176,708,990	0	5,648,830,011	161,692,718	5,810,522,729
Pro Forma Revenue Increase and Annualization Adjustments:									
SoBRA			0				0		0
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	$ 8,055,183,336	$ (2,633,945,891)	$ 5,421,237,445	$ 50,883,576	$ 176,708,990	$ 0	$ 5,648,830,011	$ 161,692,718	$ 5,810,522,729

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and decisions made at the July 14, 2009, agenda conference under Docket No. 080317-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

Surveillance Backup

TAMPA ELECTRIC COMPANY
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TAMPA ELECTRIC COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
2018 BUDGET

	(1) Operating Revenues	(2) O & M Fuel & Net Interchange	(3) O & M Other	(4) Depreciation & Amortization	(5) Taxes Other Than Income	(6) Income Taxes Current	(7) Deferred Income Taxes (Net)	(8) Investment Tax Credit (Net)	(9) Gain/Loss On Disposition	(10) Total Operating Expenses	(11) Net Operating Income
System Per Books	$ 2,033,252,700	$ 602,780,380	$ 398,233,520	$ 312,090,000	$ 167,549,000	$ 55,659,810	$ 57,224,884	$ 55,183,300	$ (20,400)	$ 1,649,680,494	$ 383,572,206
Jurisdictional Per Books	2,025,300,072	602,780,380	397,521,350	309,977,691	166,972,871	54,689,774	56,523,710	54,487,386	(20,233)	1,642,932,929	382,367,143 (a)
FPSC Adjustments											
Recoverable Fuel	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	26,048				(602,612,454)	(26,050)
Recoverable Fuel - ROI	(731,756)				(527)	(282,072)				(282,599)	(449,157)
GPIF Revenues/Penalties	(47,423)				(31)	(18,281)				(18,312)	(29,111)
Recoverable ECCR	(40,449,261)		(40,418,747)		(30,515)	2,995				(40,446,267)	(2,994)
Recoverable ECCR - ROI	(238,270)				(169)	(91,847)				(92,016)	(146,254)
Recoverable ECRC	(36,958,769)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	43,059				(36,915,710)	(43,059)
Recoverable ECRC - ROI	(31,030,453)				(22,477)	(11,961,327)				(11,983,804)	(19,046,649)
Industry Association Dues			(15,845)			6,112				(9,733)	9,733
Solaris and Waterfall			(4,023)			1,552				(2,471)	2,471
Stockholder Relations			0			0				0	0
Civic Club Meals			0			0				0	0
Promotional Advertising			0			0				0	0
Franchise Fee Revenue and Expense	(45,571,793)				(45,538,000)	(13,035)				(45,551,035)	(20,758)
Gross Receipts Tax	(47,001,208)				(47,002,000)	306				(47,001,694)	487
Income Tax True-up						2,161,513				2,161,513	(2,161,513)
Opt Prov Revenue and Third Party Purchase	0	0				0				0	0
Economic Development			(12,279)			4,737				(7,542)	7,542
Acquisition Amortizations				(242,942)	(105,114)	134,262				(213,793)	213,793
Incentive Compensation Plan			(1,050,475)			405,221				(645,254)	645,254
Asset Optimization/Incentive Program	(2,000,000)					(771,500)				(771,500)	(1,228,500)
Total FPSC Adjustments	(805,667,436)	(595,749,690)	(59,275,732)	(25,850,063)	(93,164,928)	(10,352,258)	0	0	0	(784,392,671)	(22,274,765)
FPSC Adjusted	1,218,632,636	7,030,690	338,245,618	284,127,628	73,807,943	44,337,516	56,523,710	54,487,386	(20,233)	858,540,258	360,092,378
Pro Forma Revenue Increase and Annualization Adjustments:											
SoBRA	0			0		0				0	0
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	$ 1,218,632,636	$ 7,030,690	$ 338,245,618	$ 284,127,628	$ 73,807,943	$ 44,337,516	$ 56,523,710	$ 54,487,386	$ (20,233)	$ 858,540,258	$ 360,092,378

(a) The addition of earnings from AFUDC would increase the System NOI by $5,368,200 and Jurisdictional NOI by $15,186,093

Current Month Amount:
System Per Books

Jurisdictional Per Books

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and decisions made at the July 14, 2009, agenda conference under Docket No. 080317-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
2018 BUDGET

Working Capital Adjustments	System	Retail
Fuel and ECCR	$ (6,009,292)	$ (5,971,287)
Other:		
Other Return Provided	(3,919,377)	(3,894,589)
Non-utility	(9,988,641)	(9,925,469)
Investor Funds	0	0
Unamortized Rate Case Expense	0	0
	$ (13,908,018)	$ (13,820,058)
Fuel Inventory	$ (9,515,246)	$ (9,515,246)
Job Order Receivables	$ 0	$ 0
ECRC	$ 0	$ 0
Total Adjustments	$ (29,432,556)	$ (29,306,591)

Net Utility Plant Adjustments	System	Retail
ECRC - Plant In Service	$ (557,320,224)	$ (552,757,472)
ECRC - Acc Deprec & Amortization	211,049,634	209,865,618
Fuel PK1 Conversion - Plant In Service	(37,054,298)	(36,750,936)
Fuel PK1 Conversion - Acc Deprec & Amortiz	28,713,794	28,552,706
CWIP	(443,321,362)	(440,747,137)
CWIP in Rate Base	177,741,075	176,708,990
OUC Acquisition Book Value	(1,635,114)	(1,621,727)
OUC Acquisition Accumulated Amortization	1,696,776	1,687,257
Acquisition Adjustment - Plant	(7,484,823)	(7,423,545)
Acquisition Adjustment - Acc Amortiz	5,344,760	5,314,775
Total Adjustments	$ (622,269,781)	$ (617,171,471)

Income Statement Adjustments	System						Retail					
FPSC Adjustments	Operating Revenue	O & M Fuel & Net Interchange	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current	Operating Revenue	O & M Fuel & Net Interchange	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current
Recoverable Fuel	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	26,048	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	26,048
Recoverable Fuel - ROI	(731,756)				(527)	(282,072)	(731,756)				(527)	(282,072)
GPIF Revenues/Penalties	(47,423)				(31)	(18,281)	(47,423)				(31)	(18,281)
Recoverable ECCR	(40,449,261)		(40,418,747)		(30,515)	2,995	(40,449,261)		(40,418,747)		(30,515)	2,995
Recoverable ECCR - ROI	(238,270)				(169)	(91,847)	(238,270)				(169)	(91,847)
Recoverable ECRC	(36,958,769)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	43,059	(36,958,769)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	43,059
Recoverable ECRC - ROI	(31,030,453)				(22,477)	(11,961,327)	(31,030,453)				(22,477)	(11,961,327)
Industry Association Dues			(15,913)			6,138			(15,845)			6,112
Solaris and Waterfall			(4,040)			1,558			(4,023)			1,552
Stockholder Relations			0			0			0			0
Civic Club Meals			0			0			0			0
Promotional Advertising			0			0			0			0
Franchise Fee Revenue and Expense	(45,571,793)				(45,538,000)	(13,035)	(45,571,793)				(45,538,000)	(13,035)
Gross Receipts Tax	(47,001,208)				(47,002,000)	306	(47,001,208)				(47,002,000)	306
Income Tax True-up						2,182,211						2,161,513
Opt Prov Revenue and 3rd Party Purchase	0	0				0	0	0				0
Economic Development			(12,332)			4,757			(12,279)			4,737
Acquisition Amortizations				(244,597)	(105,830)	135,177				(242,942)	(105,114)	134,262
Incentive Compensation Plan			(1,055,000)			405,966			(1,050,475)			405,221
Asset Optimization/Incentive Program	(2,000,000)					(771,500)	(2,000,000)					(771,500)
Total FPSC Adjustments	$ (806,667,436)	$ (595,749,690)	$ (59,280,396)	$ (25,851,719)	$ (93,165,844)	$ (10,328,848)	$ (806,667,436)	$ (595,749,690)	$ (59,275,732)	$ (25,850,063)	$ (93,164,928)	$ (10,352,258)
Pro Forma Revenue Increase and Annualization Adjustments:												
SoBRA												
Total Pro Forma Adjustments	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and Order No. PSC-09-0571-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY
YEAR END RATE OF RETURN
RATE BASE
2018 BUDGET

SCHEDULE 3
PAGE 1 OF 3

	(1) Plant In Service	(2) Accumulated Depreciation & Amortization	(3) Net Plant In Service	(4) Property Held For Future Use	(5) Construction Work In Progress	(6) Nuclear Fuel (Net)	(7) Net Utility Plant	(8) Working Capital	(9) Total Rate Base
System Per Books	$ 9,053,341,700	$ (2,997,568,300)	$ 6,055,773,400	$ 57,965,400	$ 597,207,300	$ 0	$ 6,710,946,100	$ 192,154,382	$ 6,903,100,482
Jurisdictional Per Books	8,979,222,465	(2,980,751,553)	5,998,470,912	55,830,341	593,739,509	0	6,648,040,762	190,999,309	6,839,040,071
FPSC Adjustments									
Fuel and ECCR	(36,750,936)	31,064,472	(5,686,464)				(5,686,464)	(5,971,287)	(11,657,751)
Other								(13,820,058)	(13,820,058)
ECRC	(557,873,526)	219,716,842	(338,156,684)				(338,156,684)	0	(338,156,684)
Fuel Inventory								(9,515,246)	(9,515,246)
CWIP					(593,739,509)		(593,739,509)		(593,739,509)
CWIP in Rate Base					171,038,637		171,038,637		171,038,637
Acquisition Book Values	(1,621,727)		(1,621,727)				(1,621,727)		(1,621,727)
Acquisition Accumulated Amortizations		1,716,516	1,716,516				1,716,516		1,716,516
Acquisition Adjustments	(7,423,545)	5,314,775	(2,108,770)				(2,108,770)		(2,108,770)
Total FPSC Adjustments	(603,669,734)	257,812,605	(345,857,129)	0	(422,700,872)	0	(768,558,001)	(29,306,591)	(797,864,592)
FPSC Adjusted	8,375,552,731	(2,722,938,948)	5,652,613,783	55,830,341	171,038,637	0	5,879,482,761	161,692,718	6,041,175,479
Pro Forma Revenue Increase and Annualization Adjustments:									
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	$ 8,375,552,731	$ (2,722,938,948)	$ 5,652,613,783	$ 55,830,341	$ 171,038,637	$ 0	$ 5,879,482,761	$ 161,692,718	$ 6,041,175,479

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and decisions made at the July 14, 2009, agenda conference under Docket No. 080317-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
2018 BUDGET

	(1) Operating Revenues	(2) O & M Fuel & Net Interchange	(3) O & M Other	(4) Depreciation & Amortization	(5) Taxes Other Than Income	(6) Income Taxes Current	(7) Deferred Income Taxes (Net)	(8) Investment Tax Credit (Net)	(9) Gain/Loss On Disposition	(10) Total Operating Expenses	(11) Net Operating Income
System Per Books	$ 2,033,252,700	$ 602,780,380	$ 399,233,520	$ 312,090,000	$ 167,549,000	$ 55,659,810	$ 57,224,884	$ 55,163,300	$ (20,400)	$ 1,649,680,494	$ 383,572,206
Jurisdictional Per Books	2,025,300,072	602,780,380	397,521,350	309,977,691	166,972,871	54,689,774	56,523,710	54,487,386	(20,233)	1,642,932,929	382,367,143 (a)
FPSC Adjustments											
Recoverable Fuel	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	26,048				(602,612,454)	(26,050)
Recoverable Fuel - ROI	(731,756)				(527)	(282,072)				(282,599)	(449,157)
GPIF Revenues/Penalties	(47,423)				(31)	(18,281)				(18,312)	(29,111)
Recoverable ECCR	(40,449,261)		(40,418,747)		(30,515)	2,995				(40,446,267)	(2,994)
Recoverable ECCR - ROI	(238,270)				(169)	(91,847)				(92,016)	(146,254)
Recoverable ECRC	(36,958,769)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	43,059				(36,915,710)	(43,059)
Recoverable ECRC - ROI	(31,030,453)				(22,477)	(11,961,327)				(11,983,804)	(19,046,649)
Industry Association Dues			(15,845)			6,112				(9,733)	9,733
Solaris and Waterfall			(4,023)			1,552				(2,471)	2,471
Stockholder Relations			0			0				0	0
Civic Club Meals			0			0				0	0
Promotional Advertising			0			0				0	0
Franchise Fee Revenue and Expense	(45,571,793)				(45,538,000)	(13,035)				(45,551,035)	(20,758)
Gross Receipts Tax	(47,001,208)				(47,002,000)	306				(47,001,694)	487
Income Tax True-up						692,101				692,101	(692,101)
Opt Prov Revenue and Third Party Purchase	0	0				0				0	0
Economic Development			(12,279)			4,737				(7,542)	7,542
Acquisition Amortizations				(242,942)	(105,114)	134,262				(213,793)	213,793
Incentive Compensation Plan			(1,050,475)			405,221				(645,254)	645,254
Asset Optimization/Incentive Program	(2,000,000)					(771,500)				(771,500)	(1,228,500)
Total FPSC Adjustments	(806,667,436)	(595,749,690)	(59,275,732)	(25,850,063)	(93,164,928)	(11,821,670)	0	0	0	(785,862,083)	(20,805,353)
FPSC Adjusted	1,218,632,636	7,030,690	338,245,618	284,127,628	73,807,943	42,868,104	56,523,710	54,487,386	(20,233)	857,070,846	361,561,790
Pro Forma Revenue Increase and Annualization Adjustments:											
Pro Forma R&D Tax Credit	0					0				0	0
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	$ 1,218,632,636	$ 7,030,690	$ 338,245,618	$ 284,127,628	$ 73,807,943	$ 42,868,104	$ 56,523,710	$ 54,487,386	$ (20,233)	$ 857,070,846	$ 361,561,790

(a) The addition of earnings from AFUDC would increase the System NOI by $5,368,200 and Jurisdictional NOI by $15,188,093

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and decisions made at the July 14, 2009, agenda conference under Docket No. 080317-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these

TAMPA ELECTRIC COMPANY
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TAMPA ELECTRIC COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
2018 BUDGET

Working Capital Adjustments	System	Retail
Fuel and ECCR	$ (6,009,292)	$ (5,971,287)
Other:		
Other Return Provided	(3,919,377)	(3,894,589)
Non-utility	(9,988,641)	(9,925,469)
Investor Funds	0	0
Unamortized Rate Case Expense	0	0
	$ (13,908,018)	$ (13,820,058)
Fuel Inventory	$ (9,515,246)	$ (9,515,246)
Job Order Receivables	$ 0	$ 0
ECRC	$ 0	$ 0
Total Adjustments	$ (29,432,556)	$ (29,306,591)

Net Utility Plant Adjustments	System	Retail
ECRC - Plant In Service	$ (582,478,508)	$ (557,873,526)
ECRC - Acc Deprec & Amortization	220,956,436	219,716,842
Fuel PK1 Conversion - Plant In Service	(37,054,298)	$ (36,750,936)
Fuel PK1 Conversion - Acc Deprec & Amortiz	31,239,731	31,064,472
CWIP	(597,207,300)	(593,739,509)
CWIP in Rate Base	172,037,604	171,038,637
Acquisition Book Value	(1,635,114)	(1,621,727)
Acquisition Accumulated Amortization	1,726,200	1,716,516
Acquisition Adjustment - Plant	(7,484,823)	(7,423,545)
Acquisition Adjustment - Acc Amortiz	5,463,114	5,314,775
Total Adjustments	$ (774,436,958)	$ (768,558,001)

Income Statement Adjustments	System						Retail					
FPSC Adjustments	Operating Revenue	O & M Fuel & Net Interchange	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current	Operating Revenue	O & M Fuel & Net Interchange	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current
Recoverable Fuel	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	26,048	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	26,048
Recoverable Fuel - ROI	(731,756)				(527)	(282,072)	(731,756)				(527)	(282,072)
GPIF Revenues/Penalties	(47,423)				(31)	(18,261)	(47,423)				(31)	(18,281)
Recoverable ECCR	(40,449,261)		(40,418,747)		(30,515)	2,995	(40,449,261)		(40,418,747)		(30,515)	2,995
Recoverable ECCR - ROI	(238,270)				(169)	(91,847)	(238,270)				(169)	(91,847)
Recoverable ECRC	(36,958,789)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	43,059	(36,958,789)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	43,059
Recoverable ECRC - ROI	(31,030,453)				(22,477)	(11,961,327)	(31,030,453)				(22,477)	(11,961,327)
Industry Association Dues			(15,913)			6,138			(15,845)			6,112
Solaris and Waterfall			(4,040)			1,558			(4,023)			1,552
Stockholder Relations			0			0			0			0
Civic Club Meals			0			0			0			0
Promotional Advertising			0			0			0			0
Franchise Fee Revenue and Expense	(45,571,793)				(45,536,000)	(13,035)	(45,571,793)				(45,536,000)	(13,035)
Gross Receipts Tax	(47,001,208)				(47,002,000)	306	(47,001,208)				(47,002,000)	306
Income Tax True-up						698,752						692,101
Opt Prov Revenue and 3rd Party Purchase	0	0				0	0	0				0
Economic Development			(12,332)			4,757			(12,279)			4,737
Acquisition Amortizations				(244,597)	(105,830)	135,177				(242,942)	(105,114)	134,262
Incentive Compensation Plan			(1,055,000)			406,966			(1,050,475)			405,221
Asset Optimization/Incentive Program	(2,000,000)					(771,500)	(2,000,000)					(771,500)
Total FPSC Adjustments	$ (806,667,436)	$ (595,749,690)	$ (59,280,396)	$ (25,851,719)	$ (93,165,644)	$ (11,812,307)	$ (806,667,438)	$ (595,749,690)	$ (59,275,732)	$ (25,850,063)	$ (93,164,928)	$ (11,821,670)
Pro Forma Revenue Increase and Annualization Adjustments:												
Total Pro Forma Adjustments	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and Order No. PSC-09-0571-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

TAMPA ELECTRIC COMPANY
DOCKET NO. 20180045-EI
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TAMPA ELECTRIC COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
2018 BUDGET

SCHEDULE 4

with DR 55.32
w/o DR 55.32

AVERAGE	System Per Books	Retail Per Books	Adjustments Specific	Pro Rata	Adjusted Retail	Ratio (%)	Low Point Cost Rate (%)	Low Point Weighted Cost (%)	Mid Point Cost Rate (%)	Mid Point Weighted Cost (%)	High Point Cost Rate (%)	High Point Weighted Cost (%)
Long Term Debt	$ 1,969,509,085	$ 1,969,509,085	$ (668)	$ (213,025,417)	$ 1,756,483,000	30.23	4.93	1.49	4.93	1.49	4.93	1.49
Short Term Debt	271,533,385	271,533,385	(2,157,973)	(29,136,107)	240,239,305	4.13	2.96	0.12	2.96	0.12	2.96	0.12
Customer Deposits	94,222,077	94,222,077	-	(10,191,254)	84,030,823	1.45	2.41	0.03	2.41	0.03	2.41	0.03
Common Equity	2,771,731,334	2,771,731,334	(940)	(299,795,126)	2,471,935,268	42.54	9.25	3.94	10.25	4.36	11.25	4.79
Deferred Income Taxes	1,372,109,578	1,372,109,578	(479,002)	(148,358,387)	1,223,272,189	21.05	-	-	-	-	-	-
Tax Credits - Weighted Cost	38,754,908	38,754,908	(1,069)	(4,191,695)	34,562,144	0.59	7.22	0.04	7.77	0.05	8.32	0.05
Total	$ 6,517,860,366	$ 6,517,860,366	$ (2,639,652)	$ (704,697,986)	$ 5,810,522,728	100.00		5.62		6.05		6.48

(1)

YEAR END	System Per Books	Retail Per Books	Specific	Pro Rata	Adjusted Retail	Ratio (%)	Low Point Cost Rate (%)	Low Point Weighted Cost (%)	Mid Point Cost Rate (%)	Mid Point Weighted Cost (%)	High Point Cost Rate (%)	High Point Weighted Cost (%)
Long Term Debt	$ 2,312,798,700	$ 2,312,798,700	$ 44	$ (271,084,269)	$ 2,041,714,475	33.80	4.69	1.59	4.69	1.59	4.69	1.59
Short Term Debt	25,891,000	25,891,000	(2,157,881)	(2,781,770)	20,951,349	0.35	2.96	0.01	2.96	0	2.96	0
Customer Deposits	86,265,300	86,265,300	-	(10,111,196)	76,154,104	1.26	2.41	0.03	2.41	0.03	2.41	0.03
Common Equity	2,962,129,480	2,962,129,480	56	(347,192,648)	2,614,936,888	43.29	9.25	4.00	10.25	4.44	11.25	4.87
Deferred Income Taxes	1,381,789,251	1,381,789,251	(492,564)	(161,902,432)	1,219,394,255	20.18	-	-	-	-	-	-
Tax Credits - Weighted Cost	77,055,200	77,055,200	1,000	(9,031,793)	68,024,407	1.13	7.23	0.08	7.79	0.09	8.35	0.09
Total	$ 6,845,928,931	$ 6,845,928,931	$ (2,649,345)	$ (802,104,109)	$ 6,041,175,478	100.00		5.71		6.16		6.59

(1)

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-09-0283-FOF-EI and decisions made at the July 14, 2009, agenda conference under Docket No. 080317-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

TAMPA ELECTRIC COMPANY
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SCHEDULE 5

TAMPA ELECTRIC COMPANY
FINANCIAL INTEGRITY INDICATORS
2018 BUDGET

A. Times Interest Earned With AFUDC*

Earnings Before Interest	393,634,736
AFUDC - Debt	4,954,300
Income Taxes	168,287,564
Total	566,876,600
Interest Charges (Before Deducting AFUDC - Debt)	106,918,623
Tie With AFUDC	5.30

B. Times Interest Earned Without AFUDC*

Earnings Before Interest	393,634,736
AFUDC - Equity	(10,322,500)
Income Taxes	168,287,564
Total	551,599,800
Interest Charges (Before Deducting AFUDC - Debt)	106,918,623
Tie Without AFUDC	5.16

C. Percent AFUDC to Net Income Available For Common Stockholders*

AFUDC - Debt	4,954,300
x (Income Tax Rate of 38.575%)	(1,911,121)
Subtotal	3,043,179
AFUDC - Other	10,322,500
Total	13,365,679
Net Income Available For Common Stockholders	291,497,613
Percent AFUDC to Available Net Income	4.59%

* Tampa Electric Company calculates AFUDC using the rate last authorized by the Florida Public Service Commission. On the company's books, AFUDC is allocated between debt and equity using the modified methodology in FERC Order No. 561. The information shown on Schedule 5 Parts A, B and C is stated as if AFUDC had been allocated using the FPSC methodology.

D. Percent Internally Generated Funds

Net Income	291,497,613
Common Dividends	84,476,000
AFUDC (Debt & Other)	(15,276,800)
Depreciation & Amortization	312,090,000
Deferred Income Taxes	57,224,884
Investment Tax Credits	55,163,500
Deferred Clause Revenues (Expenses)	(17,873,200)
Other	0
Total	767,301,997
Construction Expenditures (Excluding AFUDC Other & Debt)	995,065,382
Percent Internally Generated Funds	77.11%

E. Long Term Debt as Percent of Total Capital

F. Short Term Debt as Percent of Total Capital

Reconciled Average Retail Amounts

Long Term Debt	1,756,483,000
Short Term Debt	240,239,305
Common Equity	2,471,935,268
Total	4,468,657,573
% Long Term Debt to Total	39.31%
% Short Term Debt to Total	5.38%

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

FPSC Adjusted Average Earned Rate Of Return	6.20
Less: Reconciled Average Retail Weighted Cost Rates For:	
Long Term Debt	1.49
Short Term Debt	0.12
Customer Deposits	0.03
Tax Credits-Weighted Cost (Midpoint)	0.05
Subtotal	1.69
Total	4.51
Divided By Common Equity Ratio	42.54
Jurisdictional Return On Common Equity	10.60%

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and decisions made at the July 14, 2009, agenda conference under Docket No. 080317-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the Company's current financial status and that they should not be used for that purpose.

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775083, or s. 775.084.

Surveillance Backup

TAMPA ELECTRIC COMPANY
EARNINGS SURVEILLANCE REPORT SUMMARY
2018 BUDGET WITH TR
2018 BUDGET WITH TR

SCHEDULE 1

I. Average Rate of Return (Jurisdictional)	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
Net Operating Income	$ 479,323,777 (a)	(40,989,223) (b)	438,334,554	0	$ 438,334,554
Average Rate Base	6,449,819,266	(646,813,972)	5,803,005,294	0	5,803,005,294
Average Rate of Return	7.43%		7.55%		7.55%
II. Year End Rate of Return (Jurisdictional)					
Net Operating Income	$ 479,323,777 (a)	(39,865,004) (b)	439,458,773	0	$ 439,458,773
Year End Rate Base	6,831,858,546	(798,200,502)	6,033,658,044	0	6,033,658,044
Year End Rate of Return	7.02%		7.28%		7.28%

(a) Includes AFUDC debt of $4,925,532 and AFUDC equity of $10,262,561
(b) Includes reversal of AFUDC earnings.

III. Required Rate of Return Average Capital Structure (FPSC Adjusted Basis)		
Low	5.65 %	
Midpoint	6.09 %	
High	6.52 %	

IV. Financial Integrity Indicators				
A. TIE With AFUDC	5.28	(System per books basis)		
B. TIE Without AFUDC	5.14	(System per books basis)		
C. AFUDC To Net Income	3.76 %	(System per books basis)		
D. Internally Generated Funds	71.22 %	(System per books basis)		
E. LTD To Total Investor Funds	39.06 %	(FPSC adjusted basis)		
F. STD To Total Investor Funds	5.62 %	(FPSC adjusted basis)		
G. Return On Common Equity (Avg)	13.65 %	(FPSC adjusted basis)	Year End	12.71%
H. Return On Common Equity (Avg)	13.65 %	(Pro Forma adjusted basis)	Year End	12.71%

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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 official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Jeffrey S. Chronister - Controller

Date

TAMPA ELECTRIC COMPANY
AVERAGE RATE OF RETURN
RATE BASE
2018 BUDGET WITH TR

SCHEDULE 2
PAGE 1 OF 3

	(1) Plant In Service	(2) Accumulated Depreciation & Amortization	(3) Net Plant In Service	(4) Property Held For Future Use	(5) Construction Work In Progress	(6) Nuclear Fuel (Net)	(7) Net Utility Plant	(8) Working Capital	(9) Total Rate Base
System Per Books	$ 8,725,169,523	$ (2,895,611,000)	$ 5,829,558,523	$ 52,829,462	$ 443,321,362	$ 0	$ 6,325,709,347	$ 184,927,149	$ 6,510,636,496
Jurisdictional Per Books	8,653,737,016	(2,879,366,247)	5,774,370,769	50,883,576	440,747,137	0	6,266,001,482	183,817,784	6,449,819,266
FPSC Adjustments									
Fuel and ECCR	(36,750,936)	28,552,706	(8,198,230)				(8,198,230)	(5,971,287)	(14,169,517)
Other								(14,155,968)	(14,155,968)
ECRC	(552,757,472)	209,865,618	(342,891,854)				(342,891,854)	0	(342,891,854)
Fuel Inventory								(9,515,246)	(9,515,246)
CWIP					(440,747,137)		(440,747,137)		(440,747,137)
CWIP in Rate Base					176,708,990		176,708,990		176,708,990
Acquisition Book Values	(1,621,727)		(1,621,727)				(1,621,727)		(1,621,727)
Acquisition Accumulated Amortizations		1,687,257	1,687,257				1,687,257		1,687,257
Acquisition Adjustments	(7,423,545)	5,314,775	(2,108,770)				(2,108,770)		(2,108,770)
Total FPSC Adjustments	(598,553,680)	245,420,356	(353,133,324)	0	(264,038,147)	0	(617,171,471)	(29,642,501)	(646,813,972)
FPSC Adjusted	8,055,183,336	(2,633,945,891)	5,421,237,445	50,883,576	176,708,990	0	5,648,830,011	154,175,283	5,803,005,294
Pro Forma Revenue Increase and Annualization Adjustments:									
SoBRA			0				0		0
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	$ 8,055,183,336	$ (2,633,945,891)	$ 5,421,237,445	$ 50,883,576	$ 176,708,990	$ 0	$ 5,648,830,011	$ 154,175,283	$ 5,803,005,294

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and decisions made at the July 14, 2009, agenda conference under Docket No. 080317-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

Surveillance Backup

TAMPA ELECTRIC COMPANY
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TAMPA ELECTRIC COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
2018 BUDGET WITH TR

	(1) Operating Revenues	(2) O & M Fuel & Net Interchange	(3) O & M Other	(4) Depreciation & Amortization	(5) Taxes Other Than Income	(6) Income Taxes Current	(7) Deferred Income Taxes (Net)	(8) Investment Tax Credit (Net)	(9) Gain/Loss On Disposition	(10) Total Operating Expenses	(11) Net Operating Income
System Per Books	$ 2,033,252,700	$ 602,780,380	$ 399,233,520	$ 312,090,000	$ 167,549,000	$ 50,604,912	$ (19,831,098)	$ 55,163,300	$ (20,400)	$ 1,567,569,614	$ 465,683,086
Jurisdictional Per Books	2,025,300,072	602,780,380	397,521,350	309,977,691	166,972,871	49,033,051	(19,588,108)	54,487,386	(20,233)	1,561,164,388	464,135,684 (a)
FPSC Adjustments											
Recoverable Fuel	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	17,114				(602,621,388)	(17,116)
Recoverable Fuel - ROI	(731,756)				(527)	(185,330)				(185,857)	(545,899)
GPIF Revenues/Penalties	(47,423)				(31)	(12,012)				(12,043)	(35,380)
Recoverable ECCR	(40,449,261)		(40,418,747)		(30,515)	1,968				(40,447,294)	(1,967)
Recoverable ECCR - ROI	(238,270)				(169)	(60,347)				(60,516)	(177,754)
Recoverable ECRC	(36,958,769)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	28,291				(36,930,478)	(28,291)
Recoverable ECRC - ROI	(31,030,453)				(22,477)	(7,858,972)				(7,881,449)	(23,149,004)
Industry Association Dues			(15,845)			4,016				(11,829)	11,829
Solaris and Waterfall			(4,023)			1,020				(3,003)	3,003
Stockholder Relations			0			0				0	0
Civic Club Meals			0			0				0	0
Promotional Advertising			0			0				0	0
Franchise Fee Revenue and Expense	(45,571,793)				(45,538,000)	(8,565)				(45,546,565)	(25,228)
Gross Receipts Tax	(47,001,208)				(47,002,000)	201				(47,001,799)	592
Income Tax True-up						1,396,054				1,396,054	(1,396,054)
Opt Prov Revenue and Third Party Purchase	0	0				0				0	0
Economic Development			(12,279)			3,112				(9,167)	9,167
Acquisition Amortizations				(242,942)	(105,114)	88,215				(259,840)	259,840
Incentive Compensation Plan			(1,050,475)			266,243				(784,232)	784,232
Asset Optimization/Incentive Program	(2,000,000)					(506,900)				(506,900)	(1,493,100)
Total FPSC Adjustments	(806,667,436)	(595,749,690)	(59,275,732)	(25,850,063)	(93,164,928)	(6,825,892)	0	0	0	(780,866,306)	(25,801,130)
FPSC Adjusted	1,218,632,636	7,030,690	338,245,618	284,127,628	73,807,943	42,207,159	(19,588,108)	54,487,386	(20,233)	780,298,082	438,334,554
Pro Forma Revenue Increase and Annualization Adjustments:											
SoBRA	0			0		0				0	0
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	$ 1,218,632,636	$ 7,030,690	$ 338,245,618	$ 284,127,628	$ 73,807,943	$ 42,207,159	$ (19,588,108)	$ 54,487,386	$ (20,233)	$ 780,298,082	$ 438,334,554

(a) The addition of earnings from AFUDC would increase the System NOI by $5,368,200 and Jurisdictional NOI by $15,188,093

Current Month Amount:
System Per Books

Jurisdictional Per Books

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TAMPA ELECTRIC COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
2018 BUDGET WITH TR

Working Capital Adjustments	System	Retail
Fuel and ECCR	$ (6,009,292)	$ (5,971,287)
Other:		
Other Return Provided	(3,381,531)	(3,360,145)
Non-utility	(10,864,534)	(10,795,823)
Investor Funds	0	0
Unamortized Rate Case Expense	0	0
	$ (14,246,065)	$ (14,155,968)
Fuel Inventory	$ (9,515,246)	$ (9,515,246)
Job Order Receivables	$ 0	$ 0
ECRC	$ 0	$ 0
Total Adjustments	$ (29,770,603)	$ (29,642,501)

Net Utility Plant Adjustments	System	Retail
ECRC - Plant In Service	$ (557,320,224)	$ (552,757,472)
ECRC - Acc Deprec & Amortization	211,049,634	209,865,618
Fuel PK1 Conversion - Plant In Service	(37,054,298)	(36,750,936)
Fuel PK1 Conversion - Acc Deprec & Amortiz	28,713,794	28,552,706
CWIP	(443,321,362)	(440,747,137)
CWIP in Rate Base	177,741,075	176,708,990
OUC Acquisition Book Value	(1,635,114)	(1,621,727)
OUC Acquisition Accumulated Amortization	1,696,776	1,687,257
Acquisition Adjustment - Plant	(7,484,823)	(7,423,545)
Acquisition Adjustment - Acc Amortiz	5,344,760	5,314,775
Total Adjustments	$ (622,269,781)	$ (617,171,471)

Income Statement Adjustments	System						Retail					
FPSC Adjustments	Operating Revenue	O & M Fuel & Net Interchange	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current	Operating Revenue	O & M Fuel & Net Interchange	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current
Recoverable Fuel	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	17,114	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	17,114
Recoverable Fuel - ROI	(731,756)				(527)	(185,330)	(731,756)				(527)	(185,330)
GPIF Revenues/Penalties	(47,423)				(31)	(12,012)	(47,423)				(31)	(12,012)
Recoverable ECCR	(40,449,261)		(40,418,747)		(30,515)	1,968	(40,449,261)		(40,418,747)		(30,515)	1,968
Recoverable ECCR - ROI	(238,270)				(169)	(60,347)	(238,270)				(169)	(60,347)
Recoverable ECRC	(36,958,769)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	28,291	(36,958,769)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	28,291
Recoverable ECRC - ROI	(31,030,453)				(22,477)	(7,858,972)	(31,030,453)				(22,477)	(7,858,972)
Industry Association Dues			(15,913)			4,033			(15,845)			4,016
Solaris and Waterfall			(4,040)			1,024			(4,023)			1,020
Stockholder Relations			0			0			0			0
Civic Club Meals			0			0			0			0
Promotional Advertising			0			0			0			0
Franchise Fee Revenue and Expense	(45,571,793)				(45,538,000)	(8,565)	(45,571,793)				(45,538,000)	(8,565)
Gross Receipts Tax	(47,001,208)				(47,002,000)	201	(47,001,208)				(47,002,000)	201
Income Tax True-up						1,409,429						1,396,054
Opt Prov Revenue and 3rd Party Purchase	0	0				0	0	0				0
Economic Development			(12,332)			3,126			(12,279)			3,112
Acquisition Amortizations				(244,597)	(105,830)	88,816				(242,942)	(105,114)	88,215
Incentive Compensation Plan			(1,055,000)			267,390			(1,050,475)			266,243
Asset Optimization/Incentive Program	(2,000,000)					(506,900)	(2,000,000)					(506,900)
Total FPSC Adjustments	$ (806,667,436)	$ (595,749,690)	$ (59,280,396)	$ (25,851,719)	$ (93,165,644)	$ (6,810,734)	$ (806,667,436)	$ (595,749,690)	$ (59,275,732)	$ (25,850,063)	$ (93,164,928)	$ (6,825,892)
Pro Forma Revenue Increase and Annualization Adjustments:												
SoBRA												
Total Pro Forma Adjustments	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and Order No. PSC-09-0571-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY
YEAR END RATE OF RETURN
RATE BASE
2018 BUDGET WITH TR

SCHEDULE 3
PAGE 1 OF 3

	(1) Plant In Service	(2) Accumulated Depreciation & Amortization	(3) Net Plant In Service	(4) Property Held For Future Use	(5) Construction Work In Progress	(6) Nuclear Fuel (Net)	(7) Net Utility Plant	(8) Working Capital	(9) Total Rate Base
System Per Books	$ 9,053,341,700	$ (2,997,568,300)	$ 6,055,773,400	$ 57,965,400	$ 597,207,300	$ 0	$ 6,710,946,100	$ 184,927,149	$ 6,895,873,249
Jurisdictional Per Books	8,979,222,465	(2,980,751,553)	5,998,470,912	55,830,341	593,739,509	0	6,648,040,762	183,817,784	6,831,858,546
FPSC Adjustments									
Fuel and ECCR	(36,750,936)	31,064,472	(5,686,464)				(5,686,464)	(5,971,287)	(11,657,751)
Other								(14,155,968)	(14,155,968)
ECRC	(557,873,526)	219,716,842	(338,156,684)				(338,156,684)	0	(338,156,684)
Fuel Inventory								(9,515,246)	(9,515,246)
CWIP					(593,739,509)		(593,739,509)		(593,739,509)
CWIP in Rate Base					171,038,637		171,038,637		171,038,637
Acquisition Book Values	(1,621,727)		(1,621,727)				(1,621,727)		(1,621,727)
Acquisition Accumulated Amortizations		1,716,516	1,716,516				1,716,516		1,716,516
Acquisition Adjustments	(7,423,545)	5,314,775	(2,108,770)				(2,108,770)		(2,108,770)
Total FPSC Adjustments	(603,669,734)	257,812,605	(345,857,129)	0	(422,700,872)	0	(768,558,001)	(29,642,501)	(798,200,502)
FPSC Adjusted	8,375,552,731	(2,722,938,948)	5,652,613,783	55,830,341	171,038,637	0	5,879,482,761	154,175,283	6,033,658,044
Pro Forma Revenue Increase and Annualization Adjustments:									
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	$ 8,375,552,731	$ (2,722,938,948)	$ 5,652,613,783	$ 55,830,341	$ 171,038,637	$ 0	$ 5,879,482,761	$ 154,175,283	$ 6,033,658,044

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and decisions made at the July 14, 2009, agenda conference under Docket No. 080317-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
2018 BUDGET WITH TR

	(1) Operating Revenues	(2) O & M Fuel & Net Interchange	(3) O & M Other	(4) Depreciation & Amortization	(5) Taxes Other Than Income	(6) Income Taxes Current	(7) Deferred Income Taxes (Net)	(8) Investment Tax Credit (Net)	(9) Gain/Loss On Disposition	(10) Total Operating Expenses	(11) Net Operating Income
System Per Books	$ 2,033,252,700	$ 602,780,380	$ 399,233,520	$ 312,090,000	$ 167,549,000	$ 50,604,912	$ (19,831,098)	$ 55,163,300	$ (20,400)	$ 1,567,569,614	$ 465,683,086
Jurisdictional Per Books	2,025,300,072	602,780,380	397,521,350	309,977,691	166,972,871	49,033,051	(19,588,108)	54,487,386	(20,233)	1,561,164,388	464,135,684 (a)
FPSC Adjustments											
Recoverable Fuel	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	17,114				(602,621,388)	(17,116)
Recoverable Fuel - ROI	(731,756)				(527)	(185,330)				(185,857)	(545,899)
GPIF Revenues/Penalties	(47,423)				(31)	(12,012)				(12,043)	(35,380)
Recoverable ECCR	(40,449,261)		(40,418,747)		(30,515)	1,968				(40,447,294)	(1,967)
Recoverable ECCR - ROI	(238,270)				(169)	(60,347)				(60,516)	(177,754)
Recoverable ECRC	(36,958,769)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	28,291				(36,930,478)	(28,291)
Recoverable ECRC - ROI	(31,030,453)				(22,477)	(7,858,972)				(7,881,449)	(23,149,004)
Industry Association Dues			(15,845)			4,016				(11,829)	11,829
Solaris and Waterfall			(4,023)			1,020				(3,003)	3,003
Stockholder Relations			0			0				0	0
Civic Club Meals			0			0				0	0
Promotional Advertising			0			0				0	0
Franchise Fee Revenue and Expense	(45,571,793)				(45,538,000)	(8,565)				(45,546,565)	(25,228)
Gross Receipts Tax	(47,001,208)				(47,002,000)	201				(47,001,799)	592
Income Tax True-up						271,835				271,835	(271,835)
Opt Prov Revenue and Third Party Purchase	0	0				0				0	0
Economic Development			(12,279)			3,112				(9,167)	9,167
Acquisition Amortizations				(242,942)	(105,114)	88,215				(259,840)	259,840
Incentive Compensation Plan			(1,050,475)			266,243				(784,232)	784,232
t Optimization/Incentive Program	(2,000,000)					(506,900)				(506,900)	(1,493,100)
Total FPSC Adjustments	(806,667,436)	(595,749,690)	(59,275,732)	(25,850,063)	(93,164,928)	(7,950,111)	0	0	0	(781,990,525)	(24,676,911)
FPSC Adjusted	1,218,632,636	7,030,690	338,245,618	284,127,628	73,807,943	41,082,940	(19,588,108)	54,487,386	(20,233)	779,173,863	439,458,773
Pro Forma Revenue Increase and Annualization Adjustments:											
Pro Forma R&D Tax Credit	0					0				0	0
Total Pro Forma Adjustments	0	0	0	0	0	0	0	0	0	0	0
Pro Forma Adjusted	$ 1,218,632,636	$ 7,030,690	$ 338,245,618	$ 284,127,628	$ 73,807,943	$ 41,082,940	$ (19,588,108)	$ 54,487,386	$ (20,233)	$ 779,173,863	$ 439,458,773

(a) The addition of earnings from AFUDC would increase the System NOI by $5,368,200 and Jurisdictional NOI by $15,188,093

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and decisions made at the July 14, 2009, agenda conference under Docket No. 080317-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these

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TAMPA ELECTRIC COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
2018 BUDGET WITH TR

Working Capital Adjustments	System	Retail
Fuel and ECCR	$ (6,009,292)	$ (5,971,287)
Other:		
Other Return Provided	(3,381,531)	(3,360,145)
Non-utility	(10,864,534)	(10,795,823)
Investor Funds	0	0
Unamortized Rate Case Expense	0	0
	$ (14,246,065)	$ (14,155,968)
Fuel Inventory	$ (9,515,246)	$ (9,515,246)
Job Order Receivables	$ 0	$ 0
ECRC	$ 0	$ 0
Total Adjustments	$ (29,770,603)	$ (29,642,501)

Net Utility Plant Adjustments	System	Retail
ECRC - Plant In Service	$ (562,478,508)	$ (557,873,526)
ECRC - Acc Deprec & Amortization	220,956,436	219,716,842
Fuel PK1 Conversion - Plant In Service	(37,054,298)	$ (36,750,936)
Fuel PK1 Conversion - Acc Deprec & Amortiz	31,239,731	31,064,472
CWIP	(597,037,300)	(593,739,509)
CWIP in Rate Base	172,037,604	171,038,637
Acquisition Book Value	(1,635,114)	(1,621,727)
Acquisition Accumulated Amortization	1,726,200	1,716,516
Acquisition Adjustment - Plant	(7,484,823)	(7,423,545)
Acquisition Adjustment - Acc Amortiz	5,463,114	5,314,775
Total Adjustments	$ (774,436,958)	$ (768,558,001)

Income Statement Adjustments	System						Retail					
FPSC Adjustments	Operating Revenue	O & M Fuel & Net Interchange	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current	Operating Revenue	O & M Fuel & Net Interchange	O & M Other	Depreciation & Amortization	Taxes Other Than Income	Income Taxes Current
Recoverable Fuel	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	17,114	(602,638,504)	(595,740,539)	(660,000)	(5,797,420)	(440,543)	17,114
Recoverable Fuel - ROI	(731,756)				(527)	(185,330)	(731,756)				(527)	(185,330)
GPIF Revenues/Penalties	(47,423)				(31)	(12,012)	(47,423)				(31)	(12,012)
Recoverable ECCR	(40,449,261)		(40,418,747)		(30,515)	1,968	(40,449,261)		(40,418,747)		(30,515)	1,968
Recoverable ECCR - ROI	(238,270)				(169)	(60,347)	(238,270)				(169)	(60,347)
Recoverable ECRC	(36,958,769)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	28,291	(36,958,769)	(9,151)	(17,114,364)	(19,809,702)	(25,552)	28,291
Recoverable ECRC - ROI	(31,030,453)				(22,477)	(7,858,972)	(31,030,453)				(22,477)	(7,858,972)
Industry Association Dues			(15,913)			4,033			(15,845)			4,016
Solaris and Waterfall			(4,040)			1,024			(4,023)			1,020
Stockholder Relations			0			0			0			0
Civic Club Meals			0			0			0			0
Promotional Advertising			0			0			0			0
Franchise Fee Revenue and Expense	(45,571,793)				(45,538,000)	(8,565)	(45,571,793)				(45,538,000)	(8,565)
Gross Receipts Tax	(47,001,208)				(47,002,000)	201	(47,001,208)				(47,002,000)	201
Income Tax True-up						274,449						271,835
Opt Prov Revenue and 3rd Party Purchase	0	0				0	0	0				0
Economic Development			(12,332)			3,126			(12,279)			3,112
Acquisition Amortizations				(244,597)	(105,830)	88,816				(242,942)	(105,114)	88,215
Incentive Compensation Plan			(1,055,000)			267,390			(1,050,475)			266,243
Asset Optimization/Incentive Program	(2,000,000)					(506,900)	(2,000,000)					(506,900)
Total FPSC Adjustments	$ (806,667,436)	$ (595,749,690)	$ (59,280,396)	$ (25,851,719)	$ (93,165,644)	$ (7,945,714)	$ (806,667,436)	$ (595,749,690)	$ (59,275,732)	$ (25,850,063)	$ (93,164,928)	$ (7,950,111)
Pro Forma Revenue Increase and Annualization Adjustments:												
Total Pro Forma Adjustments	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

The calculations on this schedule were made in direct response to and according to methodology prescribed in Order No. PSC-93-0165-FOF-EI, Order No. PSC-09-0283-FOF-EI, and Order No. PSC-09-0571-FOF-EI by the Florida Public Service Commission and for that reason only. Tampa Electric Company takes the position that certain portions of these prescribed calculations may not present fairly the company's current financial status and that they should not be used for that purpose.

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TAMPA ELECTRIC COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
2018 BUDGET WITH TR

SCHEDULE 4

with DR 55.32
w/o DR 55.32

AVERAGE	System Per Books	Retail Per Books	Adjustments Specific	Pro Rata	Adjusted Retail	Ratio (%)	Low Point Cost Rate (%)	Low Point Weighted Cost (%)	Mid Point Cost Rate (%)	Mid Point Weighted Cost (%)	High Point Cost Rate (%)	High Point Weighted Cost (%)
Long Term Debt	$ 1,969,509,085	$ 1,969,509,085	$ (664)	$ (213,252,887)	$ 1,756,255,533	30.26	4.93	1.49	4.93	1.49	4.93	1.49
Short Term Debt	285,980,538	285,980,538	(2,622,751)	(30,681,192)	252,676,596	4.35	2.94	0.13	2.94	0.13	2.94	0.13
Customer Deposits	94,222,077	94,222,077	-	(10,202,136)	84,019,941	1.45	2.41	0.03	2.41	0.03	2.41	0.03
Common Equity	2,789,156,183	2,789,156,183	(940)	(302,001,963)	2,487,153,280	42.86	9.25	3.96	10.25	4.39	11.25	4.82
Deferred Income Taxes	1,333,012,038	1,333,012,038	(375,096)	(144,294,666)	1,188,342,276	20.48	-	-	-	-	-	-
Tax Credits - Weighted Cost	38,754,908	38,754,908	(1,069)	(4,196,171)	34,557,668	0.60	7.22	0.04	7.77	0.05	8.32	0.05
Total	$ 6,510,634,829	$ 6,510,634,829	$ (3,000,521)	$ (704,629,015)	$ 5,803,005,294	100.00		5.65		6.09		6.52
					(0)							

YEAR END	System Per Books	Retail Per Books	Specific	Pro Rata	Adjusted Retail	Ratio (%)	Low Point Cost Rate (%)	Low Point Weighted Cost (%)	Mid Point Cost Rate (%)	Mid Point Weighted Cost (%)	High Point Cost Rate (%)	High Point Weighted Cost (%)
Long Term Debt	$ 2,312,798,700	$ 2,312,798,700	$ 43	$ (271,811,787)	$ 2,040,986,956	33.83	4.69	1.59	4.69	1.59	4.69	1.59
Short Term Debt	77,119,000	77,119,000	(2,622,654)	(8,755,186)	65,741,160	1.09	2.94	0.03	2.94	0	2.94	0
Customer Deposits	86,265,300	86,265,300	-	(10,138,332)	76,126,968	1.26	2.41	0.03	2.41	0.03	2.41	0.03
Common Equity	2,980,611,946	2,980,611,946	56	(350,296,574)	2,630,315,427	43.59	9.25	4.03	10.25	4.47	11.25	4.90
Deferred Income Taxes	1,306,358,700	1,306,358,700	(386,966)	(153,484,369)	1,152,487,366	19.10	-	-	-	-	-	-
Tax Credits - Weighted Cost	77,055,200	77,055,200	1,000	(9,056,032)	68,000,168	1.13	7.20	0.08	7.75	0.09	8.31	0.09
Total	$ 6,840,208,846	$ 6,840,208,846	$ (3,008,521)	$ (803,542,281)	$ 6,033,658,044	100.00		5.76		6.21		6.64
					(0)							

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TAMPA ELECTRIC COMPANY
FINANCIAL INTEGRITY INDICATORS
2018 BUDGET WITH TR

SCHEDULE 5

A. Times Interest Earned With AFUDC*

Earnings Before Interest	475,818,779
AFUDC - Debt	4,954,300
Income Taxes	86,103,521
Total	566,876,600
Interest Charges (Before Deducting AFUDC - Debt)	107,283,571
Tie With AFUDC	5.28

B. Times Interest Earned Without AFUDC*

Earnings Before Interest	475,818,779
AFUDC - Equity	(10,322,500)
Income Taxes	86,103,521
Total	551,599,800
Interest Charges (Before Deducting AFUDC - Debt)	107,283,571
Tie Without AFUDC	5.14

C. Percent AFUDC to Net Income Available For Common Stockholders*

AFUDC - Debt	4,954,300
x (Income Tax Rate of 25.345%)	(1,255,667)
Subtotal	3,698,633
AFUDC - Other	10,322,500
Total	14,021,133
Net Income Available For Common Stockholders	373,316,708
Percent AFUDC to Available Net Income	3.76%

* Tampa Electric Company calculates AFUDC using the rate last authorized by the Florida Public Service Commission. On the company's books, AFUDC is allocated between debt and equity using the modified methodology in FERC Order No. 561. The information shown on Schedule 5 Parts A, B and C is stated as if AFUDC had been allocated using the FPSC methodology.

D. Percent Internally Generated Funds

Net Income	373,316,708
Common Dividends	21,139,000
AFUDC (Debt & Other)	(15,276,800)
Depreciation & Amortization	312,090,000
Deferred Income Taxes	(19,831,098)
Investment Tax Credits	55,163,500
Deferred Clause Revenues (Expenses)	(17,873,200)
Other	0
Total	708,728,110
Construction Expenditures (Excluding AFUDC Other & Debt)	995,065,382
Percent Internally Generated Funds	71.22%

E. Long Term Debt as Percent of Total Capital

F. Short Term Debt as Percent of Total Capital

Reconciled Average Retail Amounts

Long Term Debt	1,756,255,533
Short Term Debt	252,676,596
Common Equity	2,487,153,280
Total	4,496,085,409
% Long Term Debt to Total	39.06%
% Short Term Debt to Total	5.62%

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

FPSC Adjusted Average Earned Rate Of Return	7.55
Less: Reconciled Average Retail Weighted Cost Rates For:	
Long Term Debt	1.49
Short Term Debt	0.13
Customer Deposits	0.03
Tax Credits-Weighted Cost (Midpoint)	0.05
Subtotal	1.70
Total	5.85
Divided By Common Equity Ratio	42.86
Jurisdictional Return On Common Equity	13.65%

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Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775083, or s. 775.084.

Calculation of Annual Revenue Requirement Reduction Required by the 2017 Agreement

	Without Tax Reform	With Tax Reform	Impact of Tax Reform
Net Operating Income (Retail Jurisdictional)	360,092,378	438,334,554	78,242,176
Effective tax rate gross-up factor			0.74655
Revenue Requirement Change			104,805,004
Adjustment for First SoBRA			(2,118,333)
One-Time Base Rate Revenue Requirement Change			**$ 102,686,671**

Calculation of the Adjustment to the Annual Revenue Requirement Reduction Due to the First SoBRA Budget Difference and Tax Reform Adjustment

	Annual Revenue Requirement	Difference	Four-Month Revenue Requirement	Difference
Maximum Revenue Requirement Specified in 2017 Agreement and Included in Company Budget	$30,600,000		$10,200,000	
First SoBRA Revenue Requirement Requested Before Tax Reform	26,493,000	($4,107,000)	8,831,000	($1,369,000)
Revised First SoBRA Revenue Requirement Requested After Tax Reform	24,245,000	(2,248,000)	8,081,667	(749,333)
				($2,118,333)

Change to Tax Reform Adjustment to Reflect First SoBRA Tax Reform Adjustment Already Included in Docket No. 20170260-EI: **($2,118,333)**

TAMPA ELECTRIC COMPANY
DOCKET NO. 20180045-EI
EXHIBIT NO. ____ (JSC-1)
WITNESS: CHRONISTER
DOCUMENT NO. 6
PAGE 1 OF 1
FILED: 05/31/2018

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 5
PARTY: OFFICE OF PUBLIC COUNSEL–(DIRECT)
DESCRIPTION: Ralph Smith RCS-1

QUALIFICATIONS OF RALPH C. SMITH

Accomplishments

Mr. Smith's professional credentials include being a Certified Financial Planner™ professional, a Certified Rate of Return Analyst, a licensed Certified Public Accountant and attorney. He functions as project manager on consulting projects involving utility regulation, regulatory policy and ratemaking and utility management. His involvement in public utility regulation has included project management and in-depth analyses of numerous issues involving telephone, electric, gas, and water and sewer utilities.

Mr. Smith has performed work in the field of utility regulation on behalf of industry, public service commission staffs, state attorney generals, municipalities, and consumer groups concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington DC, West Virginia, Canada, Federal Energy Regulatory Commission and various state and federal courts of law. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on several occasions.

Project manager in Larkin & Associates' review, on behalf of the Georgia Commission Staff, of the budget and planning activities of Georgia Power Company; supervised 13 professionals; coordinated over 200 interviews with Company budget center managers and executives; organized and edited voluminous audit report; presented testimony before the Commission. Functional areas covered included fossil plant O&M, headquarters and district operations, internal audit, legal, affiliated transactions, and responsibility reporting. All of our findings and recommendations were accepted by the Commission.

Key team member in the firm's management audit of the Anchorage Water and Wastewater Utility on behalf of the Alaska Commission Staff, which assessed the effectiveness of the Utility's operations in several areas; responsible for in-depth investigation and report writing in areas involving information systems, finance and accounting, affiliated relationships and transactions, and use of outside contractors. Testified before the Alaska Commission concerning certain areas of the audit report. AWWU concurred with each of Mr. Smith's 40 plus recommendations for improvement.

Co-consultant in the analysis of the issues surrounding gas transportation performed for the law firm of Cravath, Swaine & Moore in conjunction with the case of Reynolds Metals Co. vs. the Columbia Gas System, Inc.; drafted in-depth report concerning the regulatory treatment at both state and federal levels of issues such as flexible pricing and mandatory gas transportation.

Lead consultant and expert witness in the analysis of the rate increase request of the City of Austin - Electric Utility on behalf of the residential consumers. Among the numerous ratemaking issues addressed were the economies of the Utility's employment of outside services; provided both written and oral testimony outlining recommendations and their bases. Most of Mr. Smith's recommendations were adopted by the City Council and Utility in a settlement.

Key team member performing an analysis of the rate stabilization plan submitted by the Southern Bell Telephone & Telegraph Company to the Florida PSC; performed comprehensive analysis of the Company's projections and budgets which were used as the basis for establishing rates.

Lead consultant in analyzing Southwestern Bell Telephone separations in Missouri; sponsored the complex technical analysis and calculations upon which the firm's testimony in that case was based. He has also assisted in analyzing changes in depreciation methodology for setting telephone rates.

Lead consultant in the review of gas cost recovery reconciliation applications of Michigan Gas Utilities Company, Michigan Consolidated Gas Company, and Consumers Power Company. Drafted recommendations regarding the appropriate rate of interest to be applied to any over or under collections and the proper procedures and allocation methodology to be used to distribute any refunds to customer classes.

Lead consultant in the review of Consumers Power Company's gas cost recovery refund plan. Addressed appropriate interest rate and compounding procedures and proper allocation methodology.

Project manager in the review of the request by Central Maine Power Company for an increase in rates. The major area addressed was the propriety of the Company's ratemaking attrition adjustment in relation to its corporate budgets and projections.

Project manager in an engagement designed to address the impacts of the Tax Reform Act of 1986 on gas distribution utility operations of the Northern States Power Company. Analyzed the reduction in the corporate tax rate, uncollectibles reserve, ACRS, unbilled revenues, customer advances, CIAC, and timing of TRA-related impacts associated with the Company's tax liability.

Project manager and expert witness in the determination of the impacts of the Tax Reform Act of 1986 on the operations of Connecticut Natural Gas Company on behalf of the Connecticut Department of Public Utility Control - Prosecutorial Division, Connecticut Attorney General, and Connecticut Department of Consumer Counsel.

Lead Consultant for The Minnesota Department of Public Service ("DPS") to review the Minnesota Incentive Plan ("Incentive Plan") proposal presented by Northwestern Bell Telephone Company ("NWB") doing business as U S West Communications ("USWC"). Objective was to express an opinion as to whether current rates addressed by the plan were appropriate from a Minnesota intrastate revenue requirements and accounting perspective, and to assist in developing recommended modifications to NWB's proposed Plan.

Performed a variety of analytical and review tasks related to our work effort on this project. Obtained and reviewed data and performed other procedures as necessary (1) to obtain an understanding of the Company's Incentive Plan filing package as it relates to rate base, operating income, revenue requirements, and plan operation, and (2) to formulate an opinion concerning the reasonableness of current rates and of amounts included within the Company's Incentive Plan filing. These procedures included requesting and reviewing extensive discovery, visiting the Company's offices to review data, issuing follow-up information requests in many instances, telephone and on-site discussions with Company representatives, and frequent discussions with counsel and DPS Staff assigned to the project.

Lead Consultant in the regulatory analysis of Jersey Central Power & Light Company for the Department of the Public Advocate, Division of Rate Counsel. Tasks performed included on-site review and audit of Company, identification and analysis of specific issues, preparation of data requests, testimony, and cross examination questions. Testified in Hearings.

Assisted the NARUC Committee on Management Analysis with drafting the Consultant Standards for Management Audits.

Presented training seminars covering public utility accounting, tax reform, ratemaking, affiliated transaction auditing, rate case management, and regulatory policy in Maine, Georgia, Kentucky, and Pennsylvania. Seminars were presented to commission staffs and consumer interest groups.

Previous Positions

With Larkin, Chapski and Co., the predecessor firm to Larkin & Associates, was involved primarily in utility regulatory consulting, and also in tax planning and tax research for businesses and individuals, tax return preparation and review, and independent audit, review and preparation of financial statements.

Installed computerized accounting system for a realty management firm.

Education

Bachelor of Science in Administration in Accounting, with distinction, University of Michigan, Dearborn, 1979.

Master of Science in Taxation, Walsh College, Michigan, 1981. Master's thesis dealt with investment tax credit and property tax on various assets.

Juris Doctor, cum laude, Wayne State University Law School, Detroit, Michigan, 1986. Recipient of American Jurisprudence Award for academic excellence.

Continuing education required to maintain CPA license and CFP® certificate.

Passed all parts of CPA examination in first sitting, 1979. Received CPA certificate in 1981 and Certified Financial Planning certificate in 1983. Admitted to Michigan and Federal bars in 1986.

Michigan Bar Association.

American Bar Association, sections on public utility law and taxation.

Partial list of utility cases participated in:

79-228-EL-FAC	Cincinnati Gas & Electric Company (Ohio PUC)
79-231-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
79-535-EL-AIR	East Ohio Gas Company (Ohio PUC)
80-235-EL-FAC	Ohio Edison Company (Ohio PUC)
80-240-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
U-1933	Tucson Electric Power Company (Arizona Corp. Commission)
U-6794	Michigan Consolidated Gas Co. --16 Refunds (Michigan PSC)
81-0035TP	Southern Bell Telephone Company (Florida PSC)
81-0095TP	General Telephone Company of Florida (Florida PSC)
81-308-EL-EFC	Dayton Power & Light Co.- Fuel Adjustment Clause (Ohio PUC)
810136-EU	Gulf Power Company (Florida PSC)
GR-81-342	Northern States Power Co. -- E-002/Minnesota (Minnesota PUC)
Tr-81-208	Southwestern Bell Telephone Company (Missouri PSC))
U-6949	Detroit Edison Company (Michigan PSC)
8400	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
18328	Alabama Gas Corporation (Alabama PSC)
18416	Alabama Power Company (Alabama PSC)
820100-EU	Florida Power Corporation (Florida PSC)
8624	Kentucky Utilities (Kentucky PSC)
8648	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
U-7236	Detroit Edison - Burlington Northern Refund (Michigan PSC)
U6633-R	Detroit Edison - MRCS Program (Michigan PSC)
U-6797-R	Consumers Power Company -MRCS Program (Michigan PSC)
U-5510-R	Consumers Power Company - Energy conservation Finance Program (Michigan PSC)
82-240E	South Carolina Electric & Gas Company (South Carolina PSC)
7350	Generic Working Capital Hearing (Michigan PSC)
RH-1-83	Westcoast Transmission Co., (National Energy Board of Canada)
820294-TP	Southern Bell Telephone & Telegraph Co. (Florida PSC)
82-165-EL-EFC (Subfile A)	Toledo Edison Company(Ohio PUC)
82-168-EL-EFC	Cleveland Electric Illuminating Company (Ohio PUC)
830012-EU	Tampa Electric Company (Florida PSC)
U-7065	The Detroit Edison Company - Fermi II (Michigan PSC)
8738	Columbia Gas of Kentucky, Inc. (Kentucky PSC)
ER-83-206	Arkansas Power & Light Company (Missouri PSC)
U-4758	The Detroit Edison Company – Refunds (Michigan PSC)
8836	Kentucky American Water Company (Kentucky PSC)
8839	Western Kentucky Gas Company (Kentucky PSC)
83-07-15	Connecticut Light & Power Co. (Connecticut DPU)
81-0485-WS	Palm Coast Utility Corporation (Florida PSC)
U-7650	Consumers Power Co. (Michigan PSC)
83-662	Continental Telephone Company of California, (Nevada PSC)
U-6488-R	Detroit Edison Co., FAC & PIPAC Reconciliation (Michigan PSC)
U-15684	Louisiana Power & Light Company (Louisiana PSC)
7395 & U-7397	Campaign Ballot Proposals (Michigan PSC)
820013-WS	Seacoast Utilities (Florida PSC)
U-7660	Detroit Edison Company (Michigan PSC)
83-1039	CP National Corporation (Nevada PSC)
U-7802	Michigan Gas Utilities Company (Michigan PSC)
83-1226	Sierra Pacific Power Company (Nevada PSC)
830465-EI	Florida Power & Light Company (Florida PSC)
U-7777	Michigan Consolidated Gas Company (Michigan PSC)
U-7779	Consumers Power Company (Michigan PSC)

U-7480-R	Michigan Consolidated Gas Company (Michigan PSC)
U-7488-R	Consumers Power Company – Gas (Michigan PSC)
U-7484-R	Michigan Gas Utilities Company (Michigan PSC)
U-7550-R	Detroit Edison Company (Michigan PSC)
U-7477-R**	Indiana & Michigan Electric Company (Michigan PSC)
18978	Continental Telephone Co. of the South Alabama (Alabama PSC)
R-842583	Duquesne Light Company (Pennsylvania PUC)
R-842740	Pennsylvania Power Company (Pennsylvania PUC)
850050-EI	Tampa Electric Company (Florida PSC)
16091	Louisiana Power & Light Company (Louisiana PSC)
19297	Continental Telephone Co. of the South Alabama (Alabama PSC)
76-18788AA &76-18793AA	Detroit Edison - Refund - Appeal of U-4807 (Ingham County, Michigan Circuit Court)
85-53476AA & 85-534785AA	Detroit Edison Refund - Appeal of U-4758 (Ingham County, Michigan Circuit Court)
U-8091/U-8239	Consumers Power Company - Gas Refunds (Michigan PSC)
TR-85-179**	United Telephone Company of Missouri (Missouri PSC)
85-212	Central Maine Power Company (Maine PSC)
ER-85646001 & ER-85647001	New England Power Company (FERC)
850782-EI & 850783-EI	Florida Power & Light Company (Florida PSC)
R-860378	Duquesne Light Company (Pennsylvania PUC)
R-850267	Pennsylvania Power Company (Pennsylvania PUC)
851007-WU & 840419-SU	Florida Cities Water Company (Florida PSC)
G-002/GR-86-160	Northern States Power Company (Minnesota PSC)
7195 (Interim)	Gulf States Utilities Company (Texas PUC)
87-01-03	Connecticut Natural Gas Company (Connecticut PUC))
87-01-02	Southern New England Telephone Company (Connecticut Department of Public Utility Control)
3673-	Georgia Power Company (Georgia PSC)
29484	Long Island Lighting Co. (New York Dept. of Public Service)
U-8924	Consumers Power Company – Gas (Michigan PSC)
Docket No. 1	Austin Electric Utility (City of Austin, Texas)
Docket E-2, Sub 527	Carolina Power & Light Company (North Carolina PUC)
870853	Pennsylvania Gas and Water Company (Pennsylvania PUC)
880069**	Southern Bell Telephone Company (Florida PSC)
U-1954-88-102 T E-1032-88-102	Citizens Utilities Rural Company, Inc. & Citizens Utilities Company, Kingman Telephone Division (Arizona CC)
89-0033	Illinois Bell Telephone Company (Illinois CC)
U-89-2688-T	Puget Sound Power & Light Company (Washington UTC))
R-891364	Philadelphia Electric Company (Pennsylvania PUC)
F.C. 889	Potomac Electric Power Company (District of Columbia PSC)
Case No. 88/546	Niagara Mohawk Power Corporation, et al Plaintiffs, v. Gulf+Western, Inc. et al, defendants (Supreme Court County of Onondaga, State of New York)
87-11628	Duquesne Light Company, et al, plaintiffs, against Gulf+ Western, Inc. et al, defendants (Court of the Common Pleas of Allegheny County, Pennsylvania Civil Division)
890319-EI	Florida Power & Light Company (Florida PSC)
891345-EI	Gulf Power Company (Florida PSC)
ER 8811 0912J	Jersey Central Power & Light Company (BPU)
6531	Hawaiian Electric Company (Hawaii PUCs)

R0901595	Equitable Gas Company (Pennsylvania Consumer Counsel)
90-10	Artesian Water Company (Delaware PSC)
89-12-05	Southern New England Telephone Company (Connecticut PUC)
900329-WS	Southern States Utilities, Inc. (Florida PSC)
90-12-018	Southern California Edison Company (California PUC)
90-E-1185	Long Island Lighting Company (New York DPS)
R-911966	Pennsylvania Gas & Water Company (Pennsylvania PUC)
I.90-07-037, Phase II	(Investigation of OPEBs) Department of the Navy and all Other Federal Executive Agencies (California PUC)
U-1551-90-322	Southwest Gas Corporation (Arizona CC)
U-1656-91-134	Sun City Water Company (Arizona RUCO)
U-2013-91-133	Havasu Water Company (Arizona RUCO)
91-174***	Central Maine Power Company (Department of the Navy and all Other Federal Executive Agencies)
U-1551-89-102 & U-1551-89-103	Southwest Gas Corporation - Rebuttal and PGA Audit (Arizona Corporation Commission)
Docket No. 6998	Hawaiian Electric Company (Hawaii PUC)
TC-91-040A and TC-91-040B	Intrastate Access Charge Methodology, Pool and Rates Local Exchange Carriers Association and South Dakota Independent Telephone Coalition
9911030-WS & 911-67-WS	General Development Utilities - Port Malabar and West Coast Divisions (Florida PSC)
922180	The Peoples Natural Gas Company (Pennsylvania PUC)
7233 and 7243	Hawaiian Nonpension Postretirement Benefits (Hawaiian PUC)
R-00922314 & M-920313C006	Metropolitan Edison Company (Pennsylvania PUC)
R00922428	Pennsylvania American Water Company (Pennsylvania PUC)
E-1032-92-083 & U-1656-92-183	Citizens Utilities Company, Agua Fria Water Division (Arizona Corporation Commission)
92-09-19	Southern New England Telephone Company (Connecticut PUC)
E-1032-92-073	Citizens Utilities Company (Electric Division), (Arizona CC)
UE-92-1262	Puget Sound Power and Light Company (Washington UTC))
92-345	Central Maine Power Company (Maine PUC)
R-932667	Pennsylvania Gas & Water Company (Pennsylvania PUC)
U-93-60**	Matanuska Telephone Association, Inc. (Alaska PUC)
U-93-50**	Anchorage Telephone Utility (Alaska PUC)
U-93-64	PTI Communications (Alaska PUC)
7700	Hawaiian Electric Company, Inc. (Hawaii PUC)
E-1032-93-111 & U-1032-93-193	Citizens Utilities Company - Gas Division (Arizona Corporation Commission)
R-00932670	Pennsylvania American Water Company (Pennsylvania PUC)
U-1514-93-169/ E-1032-93-169	Sale of Assets CC&N from Contel of the West, Inc. to Citizens Utilities Company (Arizona Corporation Commission)
7766	Hawaiian Electric Company, Inc. (Hawaii PUC)
93-2006- GA-AIR	The East Ohio Gas Company (Ohio PUC)
94-E-0334	Consolidated Edison Company (New York DPS)
94-0270	Inter-State Water Company (Illinois Commerce Commission)
94-0097	Citizens Utilities Company, Kauai Electric Division (Hawaii PUC)
PU-314-94-688	Application for Transfer of Local Exchanges (North Dakota PSC)
94-12-005-Phase I	Pacific Gas & Electric Company (California PUC)
R-953297	UGI Utilities, Inc. - Gas Division (Pennsylvania PUC)
95-03-01	Southern New England Telephone Company (Connecticut PUC)
95-0342	Consumer Illinois Water, Kankakee Water District (Illinois CC)
94-996-EL-AIR	Ohio Power Company (Ohio PUC)
95-1000-E	South Carolina Electric & Gas Company (South Carolina PSC)

Non-Docketed	Citizens Utility Company - Arizona Telephone Operations
Staff Investigation	(Arizona Corporation Commission)
E-1032-95-473	Citizens Utility Co. - Northern Arizona Gas Division (Arizona CC)
E-1032-95-433	Citizens Utility Co. - Arizona Electric Division (Arizona CC)
	Collaborative Ratemaking Process Columbia Gas of Pennsylvania (Pennsylvania PUC)
GR-96-285	Missouri Gas Energy (Missouri PSC)
94-10-45	Southern New England Telephone Company (Connecticut PUC)
A.96-08-001 et al.	California Utilities' Applications to Identify Sunk Costs of Non-Nuclear Generation Assets, & Transition Costs for Electric Utility Restructuring, & Consolidated Proceedings (California PUC)
96-324	Bell Atlantic - Delaware, Inc. (Delaware PSC)
96-08-070, et al.	Pacific Gas & Electric Co., Southern California Edison Co. and San Diego Gas & Electric Company (California PUC)
97-05-12	Connecticut Light & Power (Connecticut PUC)
R-00973953	Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code (Pennsylvania PUC)
97-65	Application of Delmarva Power &Light Co. for Application of a Cost Accounting Manual and a Code of Conduct (Delaware PSC)
16705	Entergy Gulf States, Inc. (Cities Steering Committee)
E-1072-97-067	Southwestern Telephone Co. (Arizona Corporation Commission)
Non-Docketed	Delaware - Estimate Impact of Universal Services Issues
Staff Investigation	(Delaware PSC)
PU-314-97-12	US West Communications, Inc. Cost Studies (North Dakota PSC)
97-0351	Consumer Illinois Water Company (Illinois CC)
97-8001	Investigation of Issues to be Considered as a Result of Restructuring of Electric Industry (Nevada PSC)
U-0000-94-165	Generic Docket to Consider Competition in the Provision of Retail Electric Service (Arizona Corporation Commission)
98-05-006-Phase I	San Diego Gas & Electric Co., Section 386 costs (California PUC)
9355-U	Georgia Power Company Rate Case (Georgia PUC)
97-12-020 - Phase I	Pacific Gas & Electric Company (California PUC)
U-98-56, U-98-60,	Investigation of 1998 Intrastate Access charge filings
U-98-65, U-98-67	(Alaska PUC)
(U-99-66, U-99-65,	Investigation of 1999 Intrastate Access Charge filing
U-99-56, U-99-52)	(Alaska PUC)
Phase II of	
97-SCCC-149-GIT	Southwestern Bell Telephone Company Cost Studies (Kansas CC)
PU-314-97-465	US West Universal Service Cost Model (North Dakota PSC)
Non-docketed	Bell Atlantic - Delaware, Inc., Review of New Telecomm.
Assistance	and Tariff Filings (Delaware PSC)
Contract Dispute	City of Zeeland, MI - Water Contract with the City of Holland, MI (Before an arbitration panel)
Non-docketed Project	City of Danville, IL - Valuation of Water System (Danville, IL)
Non-docketed Project	Village of University Park, IL - Valuation of Water and Sewer System (Village of University Park, Illinois)

E-1032-95-417	Citizens Utility Co., Maricopa Water/Wastewater Companies et al. (Arizona Corporation Commission)
T-1051B-99-0497	Proposed Merger of the Parent Corporation of Qwest Communications Corporation, LCI International Telecom Corp., and US West Communications, Inc. (Arizona CC)
T-01051B-99-0105	US West Communications, Inc. Rate Case (Arizona CC)
A00-07-043	Pacific Gas & Electric - 2001 Attrition (California PUC)
T-01051B-99-0499	US West/Quest Broadband Asset Transfer (Arizona CC)
99-419/420	US West, Inc. Toll and Access Rebalancing (North Dakota PSC)
PU314-99-119	US West, Inc. Residential Rate Increase and Cost Study Review (North Dakota PSC
98-0252	Ameritech - Illinois, Review of Alternative Regulation Plan (Illinois CUB)
00-108	Delmarva Billing System Investigation (Delaware PSC)
U-00-28	Matanuska Telephone Association (Alaska PUC)
Non-Docketed	Management Audit and Market Power Mitigation Analysis of the Merged Gas System Operation of Pacific Enterprises and Enova Corporation (California PUC)
00-11-038	Southern California Edison (California PUC)
00-11-056	Pacific Gas & Electric (California PUC)
00-10-028	The Utility Reform Network for Modification of Resolution E-3527 (California PUC)
98-479	Delmarva Power & Light Application for Approval of its Electric and Fuel Adjustments Costs (Delaware PSC)
99-457	Delaware Electric Cooperative Restructuring Filing (Delaware PSC)
99-582	Delmarva Power & Light dba Conectiv Power Delivery Analysis of Code of Conduct and Cost Accounting Manual (Delaware PSC)
99-03-04	United Illuminating Company Recovery of Stranded Costs (Connecticut OCC)
99-03-36	Connecticut Light & Power (Connecticut OCC)
Civil Action No. 98-1117	West Penn Power Company vs. PA PUC (Pennsylvania PSC)
Case No. 12604	Upper Peninsula Power Company (Michigan AG)
Case No. 12613	Wisconsin Public Service Commission (Michigan AG)
41651	Northern Indiana Public Service Co Overearnings investigation (Indiana UCC)
13605-U	Savannah Electric & Power Company – FCR (Georgia PSC)
14000-U	Georgia Power Company Rate Case/M&S Review (Georgia PSC)
13196-U	Savannah Electric & Power Company Natural Gas Procurement and Risk Management/Hedging Proposal, Docket No. 13196-U (Georgia PSC)
Non-Docketed	Georgia Power Company & Savannah Electric & Power FPR Company Fuel Procurement Audit (Georgia PSC)
Non-Docketed	Transition Costs of Nevada Vertically Integrated Utilities (US Department of Navy)
Application No. 99-01-016, Phase I	Post-Transition Ratemaking Mechanisms for the Electric Industry Restructuring (US Department of Navy)
99-02-05	Connecticut Light & Power (Connecticut OCC)
01-05-19-RE03	Yankee Gas Service Application for a Rate Increase, Phase I-2002-IERM (Connecticut OCC)
G-01551A-00-0309	Southwest Gas Corporation, Application to amend its rate Schedules (Arizona CC)
00-07-043	Pacific Gas & Electric Company Attrition & Application for a rate increase (California PUC)

97-12-020 Phase II	Pacific Gas & Electric Company Rate Case (California PUC)
01-10-10	United Illuminating Company (Connecticut OCC)
13711-U	Georgia Power FCR (Georgia PSC)
02-001	Verizon Delaware § 271(Delaware DPA)
02-BLVT-377-AUD	Blue Valley Telephone Company Audit/General Rate Investigation (Kansas CC)
02-S&TT-390-AUD	S&T Telephone Cooperative Audit/General Rate Investigation (Kansas CC)
01-SFLT-879-AUD	Sunflower Telephone Company Inc., Audit/General Rate Investigation (Kansas CC)
01-BSTT-878-AUD	Bluestem Telephone Company, Inc. Audit/General Rate Investigation (Kansas CC)
P404, 407, 520, 413 426, 427, 430, 421/ CI-00-712	Sherburne County Rural Telephone Company, dba as Connections, Etc. (Minnesota DOC)
U-01-85	ACS of Alaska, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-34	ACS of Anchorage, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-83	ACS of Fairbanks, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-87	ACS of the Northland, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
96-324, Phase II	Verizon Delaware, Inc. UNE Rate Filing (Delaware PSC)
03-WHST-503-AUD	Wheat State Telephone Company (Kansas CC)
04-GNBT-130-AUD	Golden Belt Telephone Association (Kansas CC)
Docket 6914	Shoreham Telephone Company, Inc. (Vermont BPU)
Docket No. E-01345A-06-009	Arizona Public Service Company (Arizona Corporation Commission)
Case No. 05-1278-E-PC-PW-42T	Appalachian Power Company and Wheeling Power Company both d/b/a American Electric Power (West Virginia PSC)
Docket No. 04-0113	Hawaiian Electric Company (Hawaii PUC)
Case No. U-14347	Consumers Energy Company (Michigan PSC)
Case No. 05-725-EL-UNC	Cincinnati Gas & Electric Company (PUC of Ohio)
Docket No. 21229-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 19142-U	Georgia Power Company (Georgia PSC)
Docket No. 03-07-01RE01	Connecticut Light & Power Company (CT DPUC)
Docket No. 19042-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 2004-178-E	South Carolina Electric & Gas Company (South Carolina PSC)
Docket No. 03-07-02	Connecticut Light & Power Company (CT DPUC)
Docket No. EX02060363, Phases I&II	Rockland Electric Company (NJ BPU)
Docket No. U-00-88	ENSTAR Natural Gas Company and Alaska Pipeline Company (Regulatory Commission of Alaska)
Phase 1-2002 IERM, Docket No. U-02-075	Interior Telephone Company, Inc. (Regulatory Commission of Alaska)
Docket No. 05-SCNT-1048-AUD	South Central Telephone Company (Kansas CC)
Docket No. 05-TRCT-607-KSF	Tri-County Telephone Company (Kansas CC)
Docket No. 05-KOKT-060-AUD	Kan Okla Telephone Company (Kansas CC)
Docket No. 2002-747	Northland Telephone Company of Maine (Maine PUC)

Docket No. 2003-34	Sidney Telephone Company (Maine PUC)
Docket No. 2003-35	Maine Telephone Company (Maine PUC)
Docket No. 2003-36	China Telephone Company (Maine PUC)
Docket No. 2003-37	Standish Telephone Company (Maine PUC)
Docket Nos. U-04-022, U-04-023	Anchorage Water and Wastewater Utility (Regulatory Commission of Alaska)
Case 05-116-U/06-055-U	Entergy Arkansas, Inc. EFC (Arkansas Public Service Commission)
Case 04-137-U	Southwest Power Pool RTO (Arkansas Public Service Commission)
Case No. 7109/7160	Vermont Gas Systems (Department of Public Service)
Case No. ER-2006-0315	Empire District Electric Company (Missouri PSC)
Case No. ER-2006-0314	Kansas City Power & Light Company (Missouri PSC)
Docket No. U-05-043,44	Golden Heart Utilities/College Park Utilities (Regulatory Commission of Alaska)
A-122250F5000	Equitable Resources, Inc. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
E-01345A-05-0816	Arizona Public Service Company (Arizona CC)
Docket No. 05-304	Delmarva Power & Light Company (Delaware PSC)
05-806-EL-UNC	Cincinnati Gas & Electric Company (Ohio PUC)
U-06-45	Anchorage Water Utility (Regulatory Commission of Alaska)
03-93-EL-ATA, 06-1068-EL-UNC	Duke Energy Ohio (Ohio PUC)
PUE-2006-00065	Appalachian Power Company (Virginia Corporation Commission)
G-04204A-06-0463 et. al	UNS Gas, Inc. (Arizona CC)
U-06-134	Chugach Electric Association, Inc. (Regulatory Commission of Alaska)
Docket No. 2006-0386	Hawaiian Electric Company, Inc (Hawaii PUC)
E-01933A-07-0402	Tucson Electric Power Company (Arizona CC)
G-01551A-07-0504	Southwest Gas Corporation (Arizona CC)
Docket No.UE-072300	Puget Sound Energy, Inc. (Washington UTC)
PUE-2008-00009	Virginia-American Water Company (Virginia SCC)
PUE-2008-00046	Appalachian Power Company (Virginia SCC)
E-01345A-08-0172	Arizona Public Service Company (Arizona CC)
A-2008-2063737	Babcock & Brown Infrastructure Fund North America, LP. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
08-1783-G-42T	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
08-1761-G-PC	Hope Gas, Inc., dba Dominion Hope, Dominion Resources, Inc., and Peoples Hope Gas Companies (West Virginia PSC)
Docket No. 2008-0083	Hawaiian Electric Company, Inc. (Hawaii PUC)
Docket No. 2008-0266	Young Brothers, Limited (Hawaii PUC)
G-04024A-08-0571	UNS Gas, Inc. (Arizona CC)
Docket No. 09-29	Tidewater Utilities, Inc. (Delaware PSC)
Docket No. UE-090704	Puget Sound Energy, Inc. (Washington UTC)
09-0878-G-42T	Mountaineer Gas Company (West Virginia PSC)
2009-UA-0014	Mississippi Power Company (Mississippi PSC)
Docket No. 09-0319	Illinois-American Water Company (Illinois CC)
Docket No. 09-414	Delmarva Power & Light Company (Delaware PSC)
R-2009-2132019	Aqua Pennsylvania, Inc. (Pennsylvania PUC)
Docket Nos. U-09-069, U-09-070	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Docket Nos. U-04-023, U-04-024	Anchorage Water and Wastewater Utility - Remand (Regulatory Commission of Alaska)
W-01303A-09-0343 & SW-01303A-09-0343	Arizona-American Water Company (Arizona CC)
09-872-EL-FAC & 09-873-EL-FAC	Financial Audits of the FAC of the Columbus Southern Power Company and the Ohio Power Company - Audit I (Ohio PUC)

2010-00036	Kentucky-American Water Company (Kentucky PSC)
E-04100A-09-0496	Southwest Transmission Cooperative, IHnc. (Arizona CC)
E-01773A-09-0472	Arizona Electric Power Cooperative, Inc. (Arizona CC)
R-2010-2166208, R-2010-2166210, R-2010-2166212, & R-2010-2166214	Pennsylvania-American Water Company (Pennsylvania PUC)
PSC Docket No. 09-0602	Central Illinois Light Company D/B/A AmerenCILCO; Central Illinois Public Service Company D/B/A AmerenCIPS; Illinois Power Company D/B/A AmerenIP (Illinois CC)
10-0713-E-PC	Allegheny Power and FirstEnergy Corp. (West Virginia PSC)
Docket No. 31958	Georgia Power Company (Georgia PSC)
Docket No. 10-0467	Commonwealth Edison Company (Illinois CC)
PSC Docket No. 10-237	Delmarva Power & Light Company (Delaware PSC)
U-10-51	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
10-0699-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
10-0920-W-42T	West Virginia-American Water Company (West Virginia PSC)
A.10-07-007	California-American Water Company (California PUC)
A-2010-2210326	TWP Acquisition (Pennsylvania PUC)
09-1012-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 1 (Ohio PUC)
10-268-EL FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit II (Ohio PUC)
Docket No. 2010-0080	Hawaiian Electric Company, Inc. (Hawaii PUC)
G-01551A-10-0458	Southwest Gas Corporation (Arizona CC)
10-KCPE-415-RTS	Kansas City Power & Light Company – Remand (Kansas CC)
PUE-2011-00037	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
R-2011-2232243	Pennsylvania-American Water (Pennsylvania PUC)
U-11-100	Power Purchase Agreement between Chugach Association, Inc. and Fire Island Wind, LLC (Regulatory Commission of Alaska)
A.10-12-005	San Diego Gas & Electric Company (California PUC)
PSC Docket No. 11-207	Artesian Water Company, Inc. (Delaware PSC)
Cause No. 44022	Indiana-American Water Company, Inc. (Indiana Utility Regulatory Commission)
PSC Docket No. 10-247	Management Audit of Tidewater Utilities, Inc. Affiliate Transactions (Delaware Public Service Commission)
G-04204A-11-0158	UNS Gas, Inc. (Arizona Corporation Commission)
E-01345A-11-0224	Arizona Public Service Company (Arizona CC)
UE-111048 & UE-111049	Puget Sound Energy, Inc. (Washington Utilities and Transportation Commission)
Docket No. 11-0721	Commonwealth Edison Company (Illinois CC)
11AL-947E	Public Service Company of Colorado (Colorado PSC)
U-11-77 & U-11-78	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 11-0767	Illinois-American Water Company (Illinois CC)
PSC Docket No. 11-397	Tidewater Utilities, Inc. (Delaware PSC)
Cause No. 44075	Indiana Michigan Power Company (Indiana Utility Regulatory Commission)
Docket No. 12-0001	Ameren Illinois Company (Illinois CC)
11-5730-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 2 (Ohio PUC)
PSC Docket No. 11-528	Delmarva Power & Light Company (Delaware PSC)
11-281-EL-FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit III (Ohio PUC)

Cause No. 43114-IGCC-4S1	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 12-0293	Ameren Illinois Company (Illinois CC)
Docket No. 12-0321	Commonwealth Edison Company (Illinois CC)
12-02019 & 12-04005	Southwest Gas Corporation (Public Utilities Commission of Nevada)
Docket No. 2012-218-E	South Carolina Electric & Gas (South Carolina PSC)
Docket No. E-72, Sub 479	Dominion North Carolina Power (North Carolina Utilities Commission)
12-0511 & 12-0512	North Shore Gas Company and The Peoples Gas Light and Coke Company (Illinois CC)
E-01933A-12-0291	Tucson Electric Power Company (Arizona CC)
Case No. 9311	Potomac Electric Power Company (Maryland PSC)
Cause No. 43114-IGCC-10	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 36498	Georgia Power Company (Georgia PSC)
Case No. 9316	Columbia Gas of Maryland, Inc. (Maryland PSC)
Docket No. 13-0192	Ameren Illinois Company (Illinois CC)
12-1649-W-42T	West Virginia-American Water Company (West Virginia PSC)
E-04204A-12-0504	UNS Electric, Inc. (Arizona CC)
PUE-2013-00020	Virginia and Electric Power Company (Virginia SCC)
R-2013-2355276	Pennsylvania-American Water Company (Pennsylvania PUC)
Formal Case No. 1103	Potomac Electric Power Company (District of Columbia PSC)
U-13-007	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
12-2881-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 3 (Ohio PUC)
Docket No. 36989	Georgia Power Company (Georgia PSC)
Cause No. 43114-IGCC-11	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
UM 1633	Investigation into Treatment of Pension Costs in Utility Rates (Oregon PUC)
13-1892-EL FAC	Financial Audit of the FAC and AER of the Ohio Power Company – Audit I (Ohio PUC)
E-04230A-14-0011 & E-01933A-14-0011	Reorganization of UNS Energy Corporation with Fortis, Inc. (Arizona CC)
14-255-EL RDR	Regulatory Compliance Audit of the 2013 DIR of Ohio Power Company (Ohio PUC)
U-14-001	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
U-14-002	Alaska Power Company (The Regulatory Commission of Alaska)
PUE-2014-00026	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
14-0117-EL-FAC	Financial, Management, and Performance Audit of the FAC and Purchased Power Rider for Dayton Power and Light – Audit 1 (Ohio PUC)
14-0702-E-42T	Monongahela Power Company and The Potomac Edison Company (West Virginia PSC)
Formal Case No. 1119	Merger of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC, and New Special Purpose Entity, LLC (District of Columbia PSC)
R-2014-2428742	West Penn Power Company (Pennsylvania PUC)
R-2014-2428743	Pennsylvania Electric Company (Pennsylvania PUC)
R-2014-2428744	Pennsylvania Power Company (Pennsylvania PUC)
R-2014-2428745	Metropolitan Edison Company (Pennsylvania PUC)
Cause No. 43114-IGCC-12/13	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
14-1152-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
WS-01303A-14-0010	EPCOR Water Arizona, Inc. (Arizona CC)
2014-000396	Kentucky Power Company (Kentucky PSC)
15-03-45^	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
A.14-11-003	San Diego Gas & Electric Company (California PUC)
U-14-111	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)

2015-UN-049	Atmos Energy Corporation (Mississippi PSC)
15-0003-G-42T	Mountaineer Gas Company (West Virginia PSC)
PUE-2015-00027	Virginia Electric and Power Company (Commonwealth of Virginia SCC)
Docket No. 2015-0022	Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company Limited, and NextEra Energy, Inc. (Hawaii PUC)
15-0676-W-42T	West Virginia-American Water Company (West Virginia PSC)
15-07-38^^	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
15-26^^	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Massachusetts DPU)
15-042-EL-FAC	Management/Performance and Financial Audit of the FAC and Purchased Power Rider for Dayton Power and Light (Ohio PUC)
2015-UN-0080	Mississippi Power Company (Mississippi PSC)
Docket No. 15-00042	B&W Pipeline, LLC (Tennessee Regulatory Authority)
WR-2015-0301/SR-2015 -0302	Missouri American Water Company (Missouri PSC)
U-15-089, U-15-091, & U-15-092	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 16-00001	Kingsport Power Company d/b/a AEP Appalachian Power (Tennessee Regulatory Authority)
PUE-2015-00097	Virginia-American Water Company (Commonwealth of Virginia SCC)
15-1854-EL-RDR	Management/Performance and Financial Audit of the Alternative Energy Recovery Rider of Duke Energy Ohio, Inc. (Ohio PUC)
P-15-014	PTE Pipeline LLC (Regulatory Commission of Alaska)
P-15-020	Swanson River Oil Pipeline, LLC (Regulatory Commission of Alaska)
Docket No. 40161	Georgia Power Company – Integrated Resource Plan (Georgia PSC)
Formal Case No. 1137	Washington Gas Light Company (District of Columbia PSC)
160021-EI, et al.	Florida Power Company (Florida PSC)
R-2016-2537349	Metropolitan Edison Company (Pennsylvania PUC)
R-2016-2537352	Pennsylvania Electric Company (Pennsylvania PUC)
R-2016-2537355	Pennsylvania Power Company (Pennsylvania PUC)
R-2016-2537359	West Penn Power Company (Pennsylvania PUC)
16-0717-G-390P	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
15-1256-G-390P (Reopening)/16-0922-G-390P	Mountaineer Gas Company (West Virginia PSC)
16-0550-W-P	West Virginia-American Water Company (West Virginia PSC)
CEPR-AP-2015-0001	Puerto Rico Electric Power Authority (Puerto Rico Energy Commission)
E-01345A-16-0036	Arizona Public Service Company (Arizona CC)
Docket No. 4618	Providence Water Supply Board (Rhode Island PUC)
Docket No. 46238	Joint Report and Application of Oncor Electric Delivery Company LLC and NextEra Energy Inc. (Texas State Office of Administrative Hearings; Texas PUC)
U-16-066	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Case No. 2016-00370	Kentucky Utilities Company (Kentucky PSC)
Case No. 2016-00371	Louisville Gas and Electric Company (Kentucky PSC)
P-2015-2508942	Metropolitan Edison Company (Pennsylvania PUC)
P-2015-2508936	Pennsylvania Electric Company (Pennsylvania PUC)
P-2015-2508931	Pennsylvania Power Company (Pennsylvania PUC)
P-2015-2508948	West Penn Power Company (Pennsylvania PUC)
E-04204A-15-0142*	UNS Electric, Inc. (Arizona CC)
E-01933A-15-0322*	Tucson Electric Power Company (Arizona CC)
UE-170033 & UG-170034*	Puget Sound Energy, Inc. (Washington UTC)
Case No. U-18239	Consumers Energy Company (Michigan PSC)
Case No. U-18248	DTE Electric Company (Michigan PSC)

Case No. 9449	Merger of AltaGas Ltd. and WGL Holdings (Maryland PSC)
Formal Case No. 1142	Merger of AltaGas Ltd. and WGL Holdings (District of Columbia PSC)
Case No. 2017-00179	Kentucky Power Company (Kentucky PSC)
Docket No. 29849	Georgia Power Plant Vogtle Units 3 and 4, VCM 17 (Georgia PSC)
Docket No .2017-AD-112	Mississippi Power Company (Mississippi PSC)
Docket No. D2017.9.79	Montana-Dakota Utilities Co. (Montana PSC)
SW-01428A-17-0058 et al	Liberty Utilities (Litchfield Park Water & Sewer) Corp. (Arizona CC)

* Testimony filed, examination not completed
** Issues stipulated
*** Company withdrew case
^ Testimony filed, case withdrawn after proposed decision issued
^^ Issues stipulated before testimony was filed

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PGS response to OPC 1ST Interrogatories Nos. 1-10

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 6
PARTY: STAFF – (DIRECT)
DESCRIPTION: Valarie Strickland
(1-4,6,8-10)Jeff Chronister (5, 7)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System.	))))	**DOCKET NO. 20180044-GU FILED: APRIL 23, 2018**

PEOPLES GAS SYSTEM'S

ANSWERS TO FIRST SET OF INTERROGATORIES (NOS. 1-10)

OF

OFFICE OF PUBLIC COUNSEL

Peoples Gas System files this its Answers to Interrogatories (Nos. 1 - 10) propounded and served on March 23, 2018 by the Office of Public Counsel.

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
INDEX TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-10)

Number	Witness	Subject	Bates Stamped Page
1	Strickland	Identify the amounts recorded in each of the following accumulated deferred income tax (ADIT) accounts as of December 31, 2017 and provide a break out of such amounts between federal and state ADIT. If the amounts have been restated to account for the change from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 and provide a side by side comparison of the before and after amounts: a. Account 190 b. Account 282 c. Account 283 d. any other accounts (identify and explain) in which the Company recorded ADIT	1 – 2
2	Strickland	Identify, quantify and explain each book-tax difference for which ADIT has been recorded as of December 31, 2017 in each of the following accounts, and identify the related amounts of federal and state ADIT, and identify the state and federal income tax rate(s) that were used to quantify the state and federal ADIT. If the amounts have been restated to account for the change from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 provide a side by side comparison of the before and after amounts: a. Account 190 b. Account 282 c. Account 283 d. any other accounts (identify and explain) in which the Company recorded ADIT	3 – 16
3	Strickland	Is the Company is still evaluating the net effect of the Tax Act, and if so please explain what is still being evaluated and identify any issues that are of concern?	17

4	Strickland	Please explain any nuances the Company believes exist that will affect how the impact of the repair deduction will be factored in or taken into consideration in the determination of the excess deferred tax balances.	18
5	Chronister	Please explain in detail how the Company plans on returning the excess unprotected deferred income taxes to customers.	19
6	Strickland	Please provide a detailed summary of: (1) any Net Operating Loss (NOL) deferred tax balance, (2) identify any excess amount resulting from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017, (3) show how that excess was calculated, and (4) explain how the Company proposes to recover the excess NOL from customers.	20 – 21
7	Chronister	Please provide a detailed explanation on how the Company has provided for the flowback of the income tax expense currently in base rates.	22
8	Strickland	In the Company's last rate filing application (i.e. rates currently in effect), did the Company reflect bonus tax depreciation for federal income taxes and if so explain how the Company is proposing to account for that as part of its request to account for changes that resulted from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017. If there are proposed changes to be considered explain why not.	23
9	Strickland	In the Company's last rate filing application, did the Company reflect any impact on income tax expense associated with the domestic production activities deduction under what had been section 199 of the Internal Revenue Code? a. If so, please identify, quantify and explain the amount of such domestic production activities deduction, the impact it had on federal income tax expense, and whether there is a proposal for handling this.	24

10	Strickland	Referring to the information provided in the responses to the questions on bonus tax depreciation and the domestic production activities deduction, for the federal ADIT that was accumulated using a 35% federal corporate income tax rate, please identify the amount that represents excess ADIT, applying the 21% federal corporate income tax rate that became effective January 1, 2018 as part of the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017. For each item of such excess ADIT, please explain whether and/or how it relates to the use of accelerated tax depreciation for federal income tax purposes.	25

Jeff Chronister
Controller

Valerie Strickland
Director, Corporate Taxes

Tampa Electric Company
702 N. Franklin Street
Tampa, Florida 33602

1. Identify the amounts recorded in each of the following accumulated deferred income tax (ADIT) accounts as of December 31, 2017 and provide a break out of such amounts between federal and state ADIT. If the amounts have been restated to account for the change from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 and provide a side by side comparison of the before and after amounts:

a. Account 190

b. Account 282

c. Account 283

d. any other accounts (identify and explain) in which the Company recorded ADIT

A. a. See attached.

b. See Attached.

c. See Attached.

d. See attached report for entries recorded in Account 254.

Peoples Gas System
12/31/2017

	Beginning Balance before TCJA	Ending Balance after TCJA	190	
1900300 DTA - Federal:	$28,470,882.49	$28,470,882.49	$41,757,284.73	Federal
1900303 DTA Sep Co - Federal:	$3,236,134.48	$3,236,134.48	$6,500,308.58	State
1900306 Def Tax FIT - FAS 133:	$59,887.27	$299,108.82	$48,257,593.31	Total
1900307 Def Tax FIT - FAS 133 Int:	$303,958.80	$360,392.78		
1900308 Def Tax FIT - FAS158:	$8,232,794.51	$8,964,458.16	**282**	
1900309 Def Tax FIT-FAS 158 Pt D:	$31,991.00	$31,991.00	($122,191,357.18)	Federal
1900310 Def Tax FIT - Credits:	$394,317.00	$394,317.00	($24,319,752.12)	State
1900400 DTA - State:	$4,734,387.12	$4,734,387.12	($146,511,109.30)	Total
1900403 DTA Sep Co - State:	$254,375.84	$254,375.84		
1900406 Def Tax SIT - FAS 133:	$9,958.57	$9,958.57	**283**	
1900407 Def Tax SIT - FAS 133 Int:	$50,544.90	$50,544.90	$3,449,876.99	Federal
1900408 Def Tax SIT - FAS158:	$1,369,021.00	$1,445,722.41	($3,101,633.55)	State
1900409 Def Tax SIT-FAS 158 Pt D:	$5,319.74	$5,319.74	$348,243.44	Total
2540610 Oth Reg Liab-FAS 109 Income:	$0.00	$89,215,246.27		
2820300 DIT Other Prop - Fed:	($188,794,999.28)	($188,794,999.28)		
2820400 DIT Other Prop - St:	($24,319,752.12)	($24,319,752.12)		
2820610 DIT Other Prop - FAS109:	($1.61)	$66,603,642.10		
2830300 DTL - Federal:	($9,866,169.20)	($9,866,169.20)		
2830330 DTL - FAS 158 - Fed:	($8,232,794.51)	($8,964,458.16)		
2830331 DTL - FAS 158-MedPtD Fed:	($31,991.00)	($31,991.00)		
2830340 DTL - FAS 133 - Federal:	($59,887.27)	($299,108.82)		
2830400 DTL - State:	($1,640,632.83)	($1,640,632.83)		
2830430 DTL - FAS 158 - State:	($1,369,021.00)	($1,445,722.41)		
2830431 DTL - FAS 158-MedPtD St:	($5,319.74)	($5,319.74)		
2830440 DTL - FAS 133 - State:	($9,958.57)	($9,958.57)		
2830610 DTL - FAS109 - Other:	($0.98)	$22,611,604.17		

2. Identify, quantify and explain each book-tax difference for which ADIT has been recorded as of December 31, 2017 in each of the following accounts, and identify the related amounts of federal and state ADIT, and identify the state and federal income tax rate(s) that were used to quantify the state and federal ADIT. If the amounts have been restated to account for the change from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 provide a side by side comparison of the before and after amounts:

a. Account 190

b. Account 282

c. Account 283

d. any other accounts (identify and explain) in which the Company recorded ADIT

A. a. See the attached report which shows each gross book-tax difference amount measured at the statutory rate in effect before TCJA and remeasured for TCJA. The reports utilize the Florida corporate income tax rate of 5.5% and a federal rate of 19.845% (net of federal benefit of state income tax) for a total new effective tax rate of 25.345%, which is the statutory tax rate effective as of January 1, 2018. All remeasurement of ADIT was recorded in Account 2820610, and a corresponding gross-up was recorded in Account 2830610.

b. See the company's response to subpart (a).

c. See the company's response to subpart (a).

d. See the company's response to subpart (a).

Prior to TCJA

TOTAL Deferred Taxes Balance Report

* 2017 Provision
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through FAS 158 ADJ

M Item		Schedule M Items			Deferred Taxes					
		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
					1900300 DTA - Federal					
T100	401K - PERFORMANCE MATCH	($0.12)	$0.00	($0.12)	($0.04)	$0.00	$0.00	$0.00	$0.00	($0.04)
T105	ACCRUED BONUS	$2,291,486.68	$0.00	$2,291,486.68	$757,909.20	$0.00	$0.00	$0.00	$0.00	$757,909.20
T220	AMORT - CAPLIZED CUST ASSIST COSTS	$64,480,004.21	$0.00	$64,480,004.21	$21,326,761.40	$0.00	$0.00	$0.00	$0.00	$21,326,761.40
T255	BAD DEBT	$252,188.43	$0.00	$252,188.43	$83,411.32	$0.00	$0.00	$0.00	$0.00	$83,411.32
T456	CI - BS REPLACEMENT - C	($1,030,552.00)	$0.00	($1,030,552.00)	($340,855.08)	$0.00	$0.00	$0.00	$0.00	($340,855.08)
T265	CONTRACTOR DAMAGE RESERVE	$47,680.43	$0.00	$47,680.43	$15,770.31	$0.00	$0.00	$0.00	$0.00	$15,770.31
T306	ENERGY CONSERVATION REV - C	($2,498,428.00)	$0.00	($2,498,428.00)	($826,355.06)	$0.00	$0.00	$0.00	$0.00	($826,355.06)
T311	ENVIROMNTAL DISP COSTS NET - C	($2,643,027.32)	$0.00	($2,643,027.32)	($874,181.28)	$0.00	$0.00	$0.00	$0.00	($874,181.28)
T310	ENVIROMNTAL DISP COSTS NET - NC	$0.06	$0.00	$0.06	$0.03	$0.00	$0.00	$0.00	$0.00	$0.03
T115	FAS 106 - NC	$15,742,627.19	$0.00	$15,742,627.19	$5,206,873.96	$0.00	$0.00	$0.00	$0.00	$5,206,873.96
T120	FAS 112	$3,049,962.00	$0.00	$3,049,962.00	$1,008,774.93	$0.00	$0.00	$0.00	$0.00	$1,008,774.93
T325	HEDGES	($763,334.84)	$0.00	($763,334.84)	($252,472.99)	$0.00	$0.00	$0.00	$0.00	($252,472.99)
T331	INSURANCE RESERVE - C	($621,882.00)	$0.00	($621,882.00)	($205,687.47)	$0.00	$0.00	$0.00	$0.00	($205,687.47)
T330	INSURANCE RESERVE - NC	$2,777,927.00	$0.00	$2,777,927.00	$918,799.36	$0.00	$0.00	$0.00	$0.00	$918,799.36
T345	LEGAL EXPENSES	$0.00	$0.00	$0.00	($0.01)	$0.00	$0.00	$0.00	$0.00	($0.01)
T122	LONG TERM INCENTIVE	$1,179,673.88	$0.00	$1,179,673.88	$390,177.13	$0.00	$0.00	$0.00	$0.00	$390,177.13
T391	RESEARCH EXPENSE - C	$0.16	$0.00	$0.16	$0.06	$0.00	$0.00	$0.00	$0.00	$0.06
T390	RESEARCH EXPENSE - NC	$0.00	$0.00	$0.00	($0.02)	$0.00	$0.00	$0.00	$0.00	($0.02)
T128	RESTORATION PLAN	$41,592.00	$0.00	$41,592.00	$13,756.55	$0.00	$0.00	$0.00	$0.00	$13,756.55
T140	SERP - NC	$899,342.42	$0.00	$899,342.42	$297,457.46	$0.00	$0.00	$0.00	$0.00	$297,457.46
T405	STORM RESERVE	$35,999.49	$0.00	$35,999.49	$11,906.78	$0.00	$0.00	$0.00	$0.00	$11,906.78
T150	VACATION ACCRUAL	$2,310,351.34	$0.00	$2,310,351.34	$764,148.69	$0.00	$0.00	$0.00	$0.00	$764,148.69
T430	WORKERS COMPENSATION - NC	$528,155.00	$0.00	$528,155.00	$174,687.26	$0.00	$0.00	$0.00	$0.00	$174,687.26
Total For 1900300 DTA - Federal:		$86,079,766.01	$0.00	$86,079,766.01	$28,470,882.49	$0.00	$0.00	$0.00	$0.00	$28,470,882.49

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TOTAL Deferred Taxes Balance Report

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		Schedule M Items			Deferred Taxes					
M Item		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
					1900303 DTA Sep Co - Federal					
NOL	DEF SEP CO - EMERA FED NOL-UNPROTEC	$9,500,474.34	$0.00	$9,500,474.34	$3,325,166.02	$0.00	$0.00	$0.00	$0.00	$3,325,166.02
NOL	DEF SEP CO - EMERA FL NOL-UNPROTECT	$4,625,015.23	$0.00	$4,625,015.23	($89,031.54)	$0.00	$0.00	$0.00	$0.00	($89,031.54)
Total For 1900303 DTA Sep Co - Federal:		$14,125,489.57	$0.00	$14,125,489.57	$3,236,134.48	$0.00	$0.00	$0.00	$0.00	$3,236,134.48
					1900306 Def Tax FIT - FAS 133					
N	OCI FAS 133 - C	$181,065.00	$0.00	$181,065.00	$59,887.27	$0.00	$0.00	$0.00	$203,841.22	$263,728.49
N	OCI FAS 133 - NC	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$35,380.33	$35,380.33
Total For 1900306 Def Tax FIT - FAS 133:		$181,065.00	$0.00	$181,065.00	$59,887.27	$0.00	$0.00	$0.00	$239,221.55	$299,108.82
					1900307 Def Tax FIT - FAS 133 Int					
N	OCI FAS 133 INTEREST - NC	$918,998.60	$0.00	$918,998.60	$303,958.80	$0.00	$0.00	$0.00	$56,433.98	$360,392.78
Total For 1900307 Def Tax FIT - FAS 133 Int:		$918,998.60	$0.00	$918,998.60	$303,958.80	$0.00	$0.00	$0.00	$56,433.98	$360,392.78
					1900308 Def Tax FIT - FAS158					
N	FAS 106 FAS 158 - C	$825,877.00	$0.00	$825,877.00	$273,158.82	$0.00	$0.00	$0.00	($12,026.34)	$261,132.48
N	FAS 106 FAS 158 - NC	($123,630.00)	$0.00	($123,630.00)	($40,890.62)	$0.00	$0.00	$0.00	($279,581.65)	($320,472.27)
N	PENSION FAS 158 - NC	$22,299,756.00	$1,701,284.00	$24,001,040.00	$7,375,644.30	$0.00	$0.00	$0.00	$1,056,078.54	$8,431,722.84
N	RESTORATION PLAN FAS 158 - NC	$281,817.00	$0.00	$281,817.00	$93,210.98	$0.00	$0.00	$0.00	($36,007.70)	$57,203.28
N	SERP FAS 158 - C	$388,457.00	$0.00	$388,457.00	$128,482.15	$0.00	$0.00	$0.00	$0.00	$128,482.15
N	SERP FAS 158 - NC	$1,219,014.00	($306,713.00)	$912,301.00	$403,188.88	$0.00	$0.00	$0.00	$3,200.80	$406,389.68
Total For 1900308 Def Tax FIT - FAS158:		$24,891,291.00	$1,394,571.00	$26,285,862.00	$8,232,794.51	$0.00	$0.00	$0.00	$731,663.65	$8,964,458.16
					1900309 Def Tax FIT-FAS 158 Pt D					
N	FAS 158 - MED PT D NC	$96,722.60	$0.00	$96,722.60	$31,991.00	$0.00	$0.00	$0.00	$0.00	$31,991.00
Total For 1900309 Def Tax FIT-FAS 158 Pt D		$96,722.60	$0.00	$96,722.60	$31,991.00	$0.00	$0.00	$0.00	$0.00	$31,991.00
					1900310 Def Tax FIT - Credits					
GBC	GENERAL BUSINESS CREDIT	($394,317.00)	$0.00	($394,317.00)	$394,317.00	$0.00	$0.00	$0.00	$0.00	$394,317.00
Total For 1900310 Def Tax FIT - Credits:		($394,317.00)	$0.00	($394,317.00)	$394,317.00	$0.00	$0.00	$0.00	$0.00	$394,317.00
					1900400 DTA - State					
T100	401K - PERFORMANCE MATCH	($0.12)	$0.00	($0.12)	($0.02)	$0.00	$0.00	$0.00	$0.00	($0.02)

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M Item		Schedule M Items			Deferred Taxes					
		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
1900400 DTA - State										
T105	ACCRUED BONUS	$2,291,486.68	$0.00	$2,291,486.68	$126,031.77	$0.00	$0.00	$0.00	$0.00	$126,031.77
T220	AMORT - CAPLIZED CUST ASSIST COSTS	$64,480,004.21	$0.00	$64,480,004.21	$3,546,400.23	$0.00	$0.00	$0.00	$0.00	$3,546,400.23
T255	BAD DEBT	$252,188.43	$0.00	$252,188.43	$13,870.37	$0.00	$0.00	$0.00	$0.00	$13,870.37
T456	CI - BS REPLACEMENT - C	($1,030,552.00)	$0.00	($1,030,552.00)	($56,680.36)	$0.00	$0.00	$0.00	$0.00	($56,680.36)
T265	CONTRACTOR DAMAGE RESERVE	$47,680.43	$0.00	$47,680.43	$2,622.44	$0.00	$0.00	$0.00	$0.00	$2,622.44
T306	ENERGY CONSERVATION REV - C	($2,498,428.00)	$0.00	($2,498,428.00)	($137,413.54)	$0.00	$0.00	$0.00	$0.00	($137,413.54)
T311	ENVIROMNTAL DISP COSTS NET - C	($2,643,027.32)	$0.00	($2,643,027.32)	($145,366.50)	$0.00	$0.00	$0.00	$0.00	($145,366.50)
T310	ENVIROMNTAL DISP COSTS NET - NC	$0.06	$0.00	$0.06	($0.01)	$0.00	$0.00	$0.00	$0.00	($0.01)
T115	FAS 106 - NC	$15,742,627.19	$0.00	$15,742,627.19	$865,844.48	$0.00	$0.00	$0.00	$0.00	$865,844.48
T120	FAS 112	$3,049,962.00	$0.00	$3,049,962.00	$167,747.94	$0.00	$0.00	$0.00	$0.00	$167,747.94
T325	HEDGES	($763,334.84)	$0.00	($763,334.84)	($41,983.42)	$0.00	$0.00	$0.00	$0.00	($41,983.42)
T331	INSURANCE RESERVE - C	($621,882.00)	$0.00	($621,882.00)	($34,203.52)	$0.00	$0.00	$0.00	$0.00	($34,203.52)
T330	INSURANCE RESERVE - NC	$2,777,927.00	$0.00	$2,777,927.00	$152,785.98	$0.00	$0.00	$0.00	$0.00	$152,785.98
T122	LONG TERM INCENTIVE	$1,179,673.88	$0.00	$1,179,673.88	$64,882.06	$0.00	$0.00	$0.00	$0.00	$64,882.06
T128	RESTORATION PLAN	$41,592.00	$0.00	$41,592.00	$2,287.56	$0.00	$0.00	$0.00	$0.00	$2,287.56
T140	SERP - NC	$899,342.42	$0.00	$899,342.42	$49,463.85	$0.00	$0.00	$0.00	$0.00	$49,463.85
T405	STORM RESERVE	$35,999.49	$0.00	$35,999.49	$1,979.96	$0.00	$0.00	$0.00	$0.00	$1,979.96
T150	VACATION ACCRUAL	$2,310,351.34	$0.00	$2,310,351.34	$127,069.33	$0.00	$0.00	$0.00	$0.00	$127,069.33
T430	WORKERS COMPENSATION - NC	$528,155.00	$0.00	$528,155.00	$29,048.52	$0.00	$0.00	$0.00	$0.00	$29,048.52
Total For 1900400 DTA - State:		$86,079,765.85	$0.00	$86,079,765.85	$4,734,387.12	$0.00	$0.00	$0.00	$0.00	$4,734,387.12
1900403 DTA Sep Co - State										
NOL	DEF SEP CO - EMERA FL NOL-UNPROTECT	$4,625,015.23	$0.00	$4,625,015.23	$254,375.84	$0.00	$0.00	$0.00	$0.00	$254,375.84
Total For 1900403 DTA Sep Co - State:		$4,625,015.23	$0.00	$4,625,015.23	$254,375.84	$0.00	$0.00	$0.00	$0.00	$254,375.84

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M Item		Schedule M Items			Deferred Taxes					
		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
					1900406 Def Tax SIT - FAS 133					
N	OCI FAS 133 - C	$181,065.00	$0.00	$181,065.00	$9,958.57	$0.00	$0.00	$0.00	$0.00	$9,958.57
Total For 1900406 Def Tax SIT - FAS 133:		$181,065.00	$0.00	$181,065.00	$9,958.57	$0.00	$0.00	$0.00	$0.00	$9,958.57
					1900407 Def Tax SIT - FAS 133 Int					
N	OCI FAS 133 INTEREST - NC	$918,998.60	$0.00	$918,998.60	$50,544.90	$0.00	$0.00	$0.00	$0.00	$50,544.90
Total For 1900407 Def Tax SIT - FAS 133 Int:		$918,998.60	$0.00	$918,998.60	$50,544.90	$0.00	$0.00	$0.00	$0.00	$50,544.90
					1900408 Def Tax SIT - FAS158					
N	FAS 106 FAS 158 - C	$825,877.00	$0.00	$825,877.00	$45,423.25	$0.00	$0.00	$0.00	$0.00	$45,423.25
N	FAS 106 FAS 158 - NC	($123,630.00)	$0.00	($123,630.00)	($6,799.65)	$0.00	$0.00	$0.00	$0.00	($6,799.65)
N	PENSION FAS 158 - NC	$22,299,756.00	$1,701,284.00	$24,001,040.00	$1,226,486.57	$0.00	$0.00	$0.00	$93,570.62	$1,320,057.19
N	RESTORATION PLAN FAS 158 - NC	$281,817.00	$0.00	$281,817.00	$15,499.94	$0.00	$0.00	$0.00	$0.00	$15,499.94
N	SERP FAS 158 - C	$388,457.00	$0.00	$388,457.00	$21,365.13	$0.00	$0.00	$0.00	$0.00	$21,365.13
N	SERP FAS 158 - NC	$1,219,014.00	($306,713.00)	$912,301.00	$67,045.76	$0.00	$0.00	$0.00	($16,869.21)	$50,176.55
Total For 1900408 Def Tax SIT - FAS158:		$24,891,291.00	$1,394,571.00	$26,285,862.00	$1,369,021.00	$0.00	$0.00	$0.00	$76,701.41	$1,445,722.41
					1900409 Def Tax SIT-FAS 158 Pt D					
N	FAS 158 - MED PT D NC	$96,722.60	$0.00	$96,722.60	$5,319.74	$0.00	$0.00	$0.00	$0.00	$5,319.74
Total For 1900409 Def Tax SIT-FAS 158 Pt D		$96,722.60	$0.00	$96,722.60	$5,319.74	$0.00	$0.00	$0.00	$0.00	$5,319.74
					2820300 DIT Other Prop - Fed					
T515	ABNORMAL RETIREMENTS	($8,879,987.00)	$0.00	($8,879,987.00)	($2,937,055.25)	$0.00	$0.00	$0.00	$0.00	($2,937,055.25)
D	ACC DEF ITC - PGS	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
T520	ACQUISITION ADJUSTMENT	$4,775,964.90	$0.00	$4,775,964.90	$1,579,650.35	$0.00	$0.00	$0.00	$0.00	$1,579,650.35
T525	AIAC	$11,943,516.21	$0.00	$11,943,516.21	$3,950,317.99	$0.00	$0.00	$0.00	$0.00	$3,950,317.99
T530	ALTERNATIVE FUEL VEHICLE DEDUCTION	($1,419,951.00)	$0.00	($1,419,951.00)	($469,648.79)	$0.00	$0.00	$0.00	$0.00	($469,648.79)
T535	AMORT - LH IMPROVE AND LAND RIGHTS	$7,169,624.96	$0.00	$7,169,624.96	$2,371,353.45	$0.00	$0.00	$0.00	$0.00	$2,371,353.45
T560	CIAC	$58,928,358.26	$0.00	$58,928,358.26	$19,490,554.52	$0.00	$0.00	$0.00	$0.00	$19,490,554.52
T563	CONSTRUCTION OVERHEAD CAPITALIZED	($5,318,397.00)	$0.00	($5,318,397.00)	($1,759,059.81)	$0.00	$0.00	$0.00	$0.00	($1,759,059.81)
T565	COST OF REMOVAL	($78,237,000.85)	$0.00	($78,237,000.85)	($25,876,888.03)	$0.00	$0.00	$0.00	$0.00	($25,876,888.03)

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M Item		Schedule M Items			Deferred Taxes					
		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
					2820300 DIT Other Prop - Fed					
T500	DEPRECIATION - BOOK	$441,491,283.88	$0.00	$441,491,283.88	$146,023,242.16	$0.00	$0.00	$0.00	$0.00	$146,023,242.16
T502	DEPRECIATION - BOOK TAX DIFF FED	($847,096,444.02)	$0.00	($847,096,444.02)	($296,483,755.60)	$0.00	$0.00	$0.00	$0.00	($296,483,755.60)
T503	DEPRECIATION - BOOK TAX DIFF STATE	($725,539,713.79)	$0.00	($725,539,713.79)	$13,966,641.07	$0.00	$0.00	$0.00	$0.00	$13,966,641.07
T575	G/L - SALE OF ASSETS	($16,807,003.67)	$0.00	($16,807,003.67)	($5,558,916.47)	$0.00	$0.00	$0.00	$0.00	($5,558,916.47)
T576	LEASE-PLANT	$858,625.00	$0.00	$858,625.00	$283,990.22	$0.00	$0.00	$0.00	$0.00	$283,990.22
T580	REPAIRS CAPITALIZED ON BOOKS	($142,985,514.82)	$0.00	($142,985,514.82)	($47,292,459.00)	$0.00	$0.00	$0.00	$0.00	($47,292,459.00)
T585	RETIREMENT OVERHEAD COSTS	($1,917,294.00)	$0.00	($1,917,294.00)	($634,144.99)	$0.00	$0.00	$0.00	$0.00	($634,144.99)
T591	SEC 263A INDIRECT COSTS	$2,235,573.96	$0.00	$2,235,573.96	$739,416.09	$0.00	$0.00	$0.00	$0.00	$739,416.09
T590	SEC 263A INTEREST CAP	$20,987,130.13	$0.00	$20,987,130.13	$6,941,493.29	$0.00	$0.00	$0.00	$0.00	$6,941,493.29
T595	SOFTWARE DEVELOPED INTERNALLY	($9,462,526.00)	$0.00	($9,462,526.00)	($3,129,730.48)	$0.00	$0.00	$0.00	$0.00	($3,129,730.48)
Total For 2820300 DIT Other Prop - Fed:		($1,289,273,754.85)	$0.00	($1,289,273,754.85)	($188,794,999.28)	$0.00	$0.00	$0.00	$0.00	($188,794,999.28)
					2820400 DIT Other Prop - St					
T515	ABNORMAL RETIREMENTS	($8,879,987.00)	$0.00	($8,879,987.00)	($488,399.29)	$0.00	$0.00	$0.00	$0.00	($488,399.29)
T520	ACQUISITION ADJUSTMENT	$4,775,964.90	$0.00	$4,775,964.90	$262,678.07	$0.00	$0.00	$0.00	$0.00	$262,678.07
T525	AIAC	$11,943,516.21	$0.00	$11,943,516.21	$656,893.41	$0.00	$0.00	$0.00	$0.00	$656,893.41
T530	ALTERNATIVE FUEL VEHICLE DEDUCTION	($1,419,951.00)	$0.00	($1,419,951.00)	($78,097.31)	$0.00	$0.00	$0.00	$0.00	($78,097.31)
T535	AMORT - LH IMPROVE AND LAND RIGHTS	$7,169,624.96	$0.00	$7,169,624.96	$394,329.38	$0.00	$0.00	$0.00	$0.00	$394,329.38
T560	CIAC	$58,928,358.26	$0.00	$58,928,358.26	$3,241,059.70	$0.00	$0.00	$0.00	$0.00	$3,241,059.70
T563	CONSTRUCTION OVERHEAD CAPITALIZED	($5,318,397.00)	$0.00	($5,318,397.00)	($292,511.84)	$0.00	$0.00	$0.00	$0.00	($292,511.84)
T565	COST OF REMOVAL	($78,237,000.85)	$0.00	($78,237,000.85)	($4,303,035.05)	$0.00	$0.00	$0.00	$0.00	($4,303,035.05)
T500	DEPRECIATION - BOOK	$441,491,283.88	$0.00	$441,491,283.88	$24,282,020.60	$0.00	$0.00	$0.00	$0.00	$24,282,020.60
T503	DEPRECIATION - BOOK TAX DIFF STATE	($725,539,713.79)	$0.00	($725,539,713.79)	($39,904,684.28)	$0.00	$0.00	$0.00	$0.00	($39,904,684.28)
T575	G/L - SALE OF ASSETS	($16,807,003.67)	$0.00	($16,807,003.67)	($924,385.23)	$0.00	$0.00	$0.00	$0.00	($924,385.23)
T576	LEASE-PLANT	$858,625.00	$0.00	$858,625.00	$47,224.38	$0.00	$0.00	$0.00	$0.00	$47,224.38
T580	REPAIRS CAPITALIZED ON BOOKS	($142,985,514.82)	$0.00	($142,985,514.82)	($7,864,203.32)	$0.00	$0.00	$0.00	$0.00	($7,864,203.32)

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M Item		Schedule M Items			Deferred Taxes					
		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
					2820400 DIT Other Prop - St					
T585	RETIREMENT OVERHEAD COSTS	($1,917,294.00)	$0.00	($1,917,294.00)	($105,451.17)	$0.00	$0.00	$0.00	$0.00	($105,451.17)
T591	SEC 263A INDIRECT COSTS	$2,235,573.96	$0.00	$2,235,573.96	$122,956.59	$0.00	$0.00	$0.00	$0.00	$122,956.59
T590	SEC 263A INTEREST CAP	$20,987,130.13	$0.00	$20,987,130.13	$1,154,292.18	$0.00	$0.00	$0.00	$0.00	$1,154,292.18
T595	SOFTWARE DEVELOPED INTERNALLY	($9,462,526.00)	$0.00	($9,462,526.00)	($520,438.94)	$0.00	$0.00	$0.00	$0.00	($520,438.94)
Total For 2820400 DIT Other Prop - St:		($442,177,310.83)	$0.00	($442,177,310.83)	($24,319,752.12)	$0.00	$0.00	$0.00	$0.00	($24,319,752.12)
					2820610 DIT Other Prop - FAS109					
T100	401K - PERFORMANCE MATCH	($0.12)	$0.00	($0.12)	$0.01	$0.00	$0.01	$0.00	$0.00	$0.02
T515	ABNORMAL RETIREMENTS	($8,879,987.00)	$0.00	($8,879,987.00)	($0.45)	$0.00	$1,174,822.28	$0.00	$0.00	$1,174,821.83
T105	ACCRUED BONUS	$2,291,486.68	$0.00	$2,291,486.68	$0.02	$0.00	($303,163.69)	$0.00	$0.00	($303,163.67)
T520	ACQUISITION ADJUSTMENT	$4,775,964.90	$0.00	$4,775,964.90	$0.05	$0.00	($631,860.16)	$0.00	$0.00	($631,860.11)
T525	AIAC	$11,943,516.21	$0.00	$11,943,516.21	($0.03)	$0.00	($1,580,127.19)	$0.00	$0.00	($1,580,127.22)
T530	ALTERNATIVE FUEL VEHICLE DEDUCTION	($1,419,951.00)	$0.00	($1,419,951.00)	$0.00	$0.00	$187,859.51	$0.00	$0.00	$187,859.51
T216	AMORT - BOND PUT OPTION	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00	$0.00	$0.00	$0.01
T220	AMORT - CAPLIZED CUST ASSIST COSTS	$64,480,004.21	$0.00	$64,480,004.21	($0.01)	$0.00	($8,530,704.56)	$0.00	$0.00	($8,530,704.57)
T535	AMORT - LH IMPROVE AND LAND RIGHTS	$7,169,624.96	$0.00	$7,169,624.96	$0.00	$0.00	($948,541.39)	$0.00	$0.00	($948,541.39)
T255	BAD DEBT	$252,188.43	$0.00	$252,188.43	($0.01)	$0.00	($33,364.53)	$0.00	$0.00	($33,364.54)
T456	CI - BS REPLACEMENT - C	($1,030,552.00)	$0.00	($1,030,552.00)	$0.01	$0.00	$136,342.03	$0.00	$0.00	$136,342.04
T560	CIAC	$58,928,358.26	$0.00	$58,928,358.26	($0.03)	$0.00	($7,796,221.80)	$0.00	$0.00	($7,796,221.83)
T261	COMPETITIVE RATE ADJ - C	($2,885,478.39)	$0.00	($2,885,478.39)	$0.01	$0.00	$381,748.80	$0.00	$0.00	$381,748.81
T260	COMPETITIVE RATE ADJ - NC	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00	$0.00	$0.00	$0.01
T563	CONSTRUCTION OVERHEAD CAPITALIZED	($5,318,397.00)	$0.00	($5,318,397.00)	$0.00	$0.00	$703,623.93	$0.00	$0.00	$703,623.93
T265	CONTRACTOR DAMAGE RESERVE	$47,680.43	$0.00	$47,680.43	($0.03)	$0.00	($6,308.12)	$0.00	$0.00	($6,308.15)
T565	COST OF REMOVAL	($78,237,000.85)	$0.00	($78,237,000.85)	$0.00	$0.00	$10,350,755.21	$0.00	$0.00	$10,350,755.21
T490	CURRENCY ADJ - UNREAL G/L	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
NOL	DEF SEP CO - EMERA FED NOL-UNPROTEC	$9,500,474.34	$0.00	$9,500,474.34	$0.00	$0.00	($1,330,066.41)	$0.00	$0.00	($1,330,066.41)

TOTAL Deferred Taxes Balance Report

* 2017 Provision
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through FAS 158 ADJ

		Schedule M Items			Deferred Taxes					
M Item		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
2820610 DIT Other Prop - FAS109										
NOL	DEF SEP CO - EMERA FL NOL-UNPROTECT	$4,625,015.23	$0.00	$4,625,015.23	$0.00	$0.00	$35,612.61	$0.00	$0.00	$35,612.61
T270	DEFERRED FUEL	($2,834,666.00)	$0.00	($2,834,666.00)	$0.00	$0.00	$375,026.31	$0.00	$0.00	$375,026.31
T285	DEFERRED REVENUE	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00	$0.00	$0.00	$0.01
T500	DEPRECIATION - BOOK	$441,491,283.88	$0.00	$441,491,283.88	$0.00	$0.00	($58,409,296.87)	$0.00	$0.00	($58,409,296.87)
T502	DEPRECIATION - BOOK TAX DIFF FED	($847,096,444.02)	$0.00	($847,096,444.02)	$0.19	$0.00	$118,593,502.17	$0.00	$0.00	$118,593,502.36
T503	DEPRECIATION - BOOK TAX DIFF STATE	($725,539,713.79)	$0.00	($725,539,713.79)	($1.56)	$0.00	($5,586,655.80)	$0.00	$0.00	($5,586,657.36)
T306	ENERGY CONSERVATION REV - C	($2,498,428.00)	$0.00	($2,498,428.00)	$0.00	$0.00	$330,542.02	$0.00	$0.00	$330,542.02
T311	ENVIROMNTAL DISP COSTS NET - C	($2,643,027.32)	$0.00	($2,643,027.32)	$0.00	$0.00	$349,672.51	$0.00	$0.00	$349,672.51
T310	ENVIROMNTAL DISP COSTS NET - NC	$0.06	$0.00	$0.06	$0.00	$0.00	($0.01)	$0.00	$0.00	($0.01)
T115	FAS 106 - NC	$15,742,627.19	$0.00	$15,742,627.19	$0.01	$0.00	($2,082,749.58)	$0.00	$0.00	($2,082,749.57)
N	FAS 106 FAS 158 - C	$825,877.00	$0.00	$825,877.00	($0.01)	$0.00	($97,237.19)	$0.00	$0.00	($97,237.20)
N	FAS 106 FAS 158 - C 283	($825,877.00)	$0.00	($825,877.00)	$0.01	$0.00	$97,237.19	$0.00	$0.00	$97,237.20
N	FAS 106 FAS 158 - NC	($123,630.00)	$0.00	($123,630.00)	$0.00	$0.00	$295,937.90	$0.00	$0.00	$295,937.90
N	FAS 106 FAS 158 - NC 283	$123,630.00	$0.00	$123,630.00	$0.00	$0.00	($295,937.90)	$0.00	$0.00	($295,937.90)
T120	FAS 112	$3,049,962.00	$0.00	$3,049,962.00	($0.03)	$0.00	($403,509.97)	$0.00	$0.00	($403,510.00)
N	FAS 158 - MED PT D NC	$96,722.60	$0.00	$96,722.60	$0.00	$0.00	($12,796.40)	$0.00	$0.00	($12,796.40)
N	FAS 158 - MED PT D NC 283	($96,722.60)	$0.00	($96,722.60)	$0.00	$0.00	$12,796.40	$0.00	$0.00	$12,796.40
T575	G/L - SALE OF ASSETS	($16,807,003.67)	$0.00	($16,807,003.67)	$0.04	$0.00	$2,223,566.58	$0.00	$0.00	$2,223,566.62
T325	HEDGES	($763,334.84)	$0.00	($763,334.84)	$0.00	$0.00	$100,989.19	$0.00	$0.00	$100,989.19
T331	INSURANCE RESERVE - C	($621,882.00)	$0.00	($621,882.00)	$0.01	$0.00	$82,274.99	$0.00	$0.00	$82,275.00
T330	INSURANCE RESERVE - NC	$2,777,927.00	$0.00	$2,777,927.00	$0.01	$0.00	($367,519.75)	$0.00	$0.00	($367,519.74)
T576	LEASE-PLANT	$858,625.00	$0.00	$858,625.00	$0.00	$0.00	($113,596.09)	$0.00	$0.00	($113,596.09)
T345	LEGAL EXPENSES	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00	$0.00	$0.00	$0.01
T122	LONG TERM INCENTIVE	$1,179,673.88	$0.00	$1,179,673.88	$0.01	$0.00	($156,070.86)	$0.00	$0.00	($156,070.85)
N	OCI FAS 133 - C	$181,065.00	$0.00	$181,065.00	($0.01)	$0.00	($227,796.12)	$0.00	$0.00	($227,796.13)

Rpt # Tax Accrual - 51050

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TOTAL Deferred Taxes Balance Report

* 2017 Provision
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through FAS 158 ADJ

		Schedule M Items			Deferred Taxes					
M Item		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
					2820610 DIT Other Prop - FAS109					
N	OCI FAS 133 - C 283	($181,065.00)	$0.00	($181,065.00)	$0.01	$0.00	$227,796.12	$0.00	$0.00	$227,796.13
N	OCI FAS 133 - NC	$0.00	$0.00	$0.00	$0.00	$0.00	($35,380.33)	$0.00	$0.00	($35,380.33)
N	OCI FAS 133 - NC 283	$0.00	$0.00	$0.00	$0.00	$0.00	$35,380.33	$0.00	$0.00	$35,380.33
N	OCI FAS 133 INTEREST - NC	$918,998.60	$0.00	$918,998.60	$0.01	$0.00	($178,017.49)	$0.00	$0.00	($178,017.48)
T125	PENSION - NC	($22,276,366.22)	$0.00	($22,276,366.22)	$0.02	$0.00	$2,947,163.25	$0.00	$0.00	$2,947,163.27
N	PENSION FAS 158 - NC	$22,299,756.00	$1,701,284.00	$24,001,040.00	$0.01	$0.00	($3,668,716.45)	$0.00	$0.00	($3,668,716.44)
N	PENSION FAS 158 - NC 283	($22,299,756.00)	($1,701,284.00)	($24,001,040.00)	($0.01)	$0.00	$3,668,716.45	$0.00	$0.00	$3,668,716.44
T375	RATE CASE EXPENSE - NC	$0.08	$0.00	$0.08	($0.01)	$0.00	($0.01)	$0.00	$0.00	($0.02)
T580	REPAIRS CAPITALIZED ON BOOKS	($142,985,514.82)	$0.00	($142,985,514.82)	($0.03)	$0.00	$18,916,983.62	$0.00	$0.00	$18,916,983.59
T391	RESEARCH EXPENSE - C	$0.16	$0.00	$0.16	$0.01	$0.00	($0.03)	$0.00	$0.00	($0.02)
T390	RESEARCH EXPENSE - NC	$0.00	$0.00	$0.00	$0.02	$0.00	$0.00	$0.00	$0.00	$0.02
T128	RESTORATION PLAN	$41,592.00	$0.00	$41,592.00	$0.00	$0.00	($5,502.62)	$0.00	$0.00	($5,502.62)
N	RESTORATION PLAN FAS 158 - NC	$281,817.00	$0.00	$281,817.00	($0.01)	$0.00	($1,276.69)	$0.00	$0.00	($1,276.70)
N	RESTORATION PLAN FAS 158 - NC 283	($281,817.00)	$0.00	($281,817.00)	$0.01	$0.00	$1,276.69	$0.00	$0.00	$1,276.70
T585	RETIREMENT OVERHEAD COSTS	($1,917,294.00)	$0.00	($1,917,294.00)	$0.00	$0.00	$253,658.00	$0.00	$0.00	$253,658.00
T591	SEC 263A INDIRECT COSTS	$2,235,573.96	$0.00	$2,235,573.96	($0.02)	$0.00	($295,766.44)	$0.00	$0.00	($295,766.46)
T590	SEC 263A INTEREST CAP	$20,987,130.13	$0.00	$20,987,130.13	($0.02)	$0.00	($2,776,597.31)	$0.00	$0.00	($2,776,597.33)
T140	SERP - NC	$899,342.42	$0.00	$899,342.42	$0.03	$0.00	($118,983.00)	$0.00	$0.00	($118,982.97)
N	SERP FAS 158 - C	$388,457.00	$0.00	$388,457.00	$0.01	$0.00	($51,392.86)	$0.00	$0.00	($51,392.85)
N	SERP FAS 158 - C 283	($388,457.00)	$0.00	($388,457.00)	($0.01)	$0.00	$51,392.86	$0.00	$0.00	$51,392.85
N	SERP FAS 158 - NC	$1,219,014.00	($306,713.00)	$912,301.00	$0.01	$0.00	($225,343.55)	$0.00	$0.00	($225,343.54)
N	SERP FAS 158 - NC 283	($1,219,014.00)	$306,713.00	($912,301.00)	($0.01)	$0.00	$225,343.55	$0.00	$0.00	$225,343.54
T595	SOFTWARE DEVELOPED INTERNALLY	($9,462,526.00)	$0.00	($9,462,526.00)	$0.02	$0.00	$1,251,892.19	$0.00	$0.00	$1,251,892.21
T405	STORM RESERVE	$35,999.49	$0.00	$35,999.49	$0.06	$0.00	($4,762.73)	$0.00	$0.00	($4,762.67)
T150	VACATION ACCRUAL	$2,310,351.34	$0.00	$2,310,351.34	$0.01	$0.00	($305,659.49)	$0.00	$0.00	($305,659.48)

TOTAL Deferred Taxes Balance Report

* 2017 Provision
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through FAS 158 ADJ

M Item		Schedule M Items			Deferred Taxes					
		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
2820610 DIT Other Prop - FAS109										
T425	WHOLE PRICING INTEREST COMPONENT	($1,833,177.00)	$0.00	($1,833,177.00)	$0.02	$0.00	$242,529.31	$0.00	$0.00	$242,529.33
T430	WORKERS COMPENSATION - NC	$528,155.00	$0.00	$528,155.00	$0.02	$0.00	($69,874.91)	$0.00	$0.00	($69,874.89)
N	z DEBT EXPENSE/BOND COSTS - DO NOT U	$0.00	$0.00	$0.00	($0.01)	$0.00	$0.00	$0.00	$0.00	($0.01)
Total For 2820610 DIT Other Prop - FAS109:		($1,217,979,188.20)	$0.00	($1,217,979,188.20)	($1.61)	$0.00	$66,603,643.71	$0.00	$0.00	$66,603,642.10
2830300 DTL - Federal										
T261	COMPETITIVE RATE ADJ - C	($2,885,478.39)	$0.00	($2,885,478.39)	($954,371.98)	$0.00	$0.00	$0.00	$0.00	($954,371.98)
T270	DEFERRED FUEL	($2,834,666.00)	$0.00	($2,834,666.00)	($937,565.78)	$0.00	$0.00	$0.00	$0.00	($937,565.78)
T285	DEFERRED REVENUE	$0.00	$0.00	$0.00	($0.02)	$0.00	$0.00	$0.00	$0.00	($0.02)
T125	PENSION - NC	($22,276,366.22)	$0.00	($22,276,366.22)	($7,367,908.12)	$0.00	$0.00	$0.00	$0.00	($7,367,908.12)
T375	RATE CASE EXPENSE - NC	$0.08	$0.00	$0.08	$0.02	$0.00	$0.00	$0.00	$0.00	$0.02
T425	WHOLE PRICING INTEREST COMPONENT	($1,833,177.00)	$0.00	($1,833,177.00)	($606,323.31)	$0.00	$0.00	$0.00	$0.00	($606,323.31)
N	z DEBT EXPENSE/BOND COSTS - DO NOT U	$0.00	$0.00	$0.00	($0.01)	$0.00	$0.00	$0.00	$0.00	($0.01)
Total For 2830300 DTL - Federal:		($29,829,687.53)	$0.00	($29,829,687.53)	($9,866,169.20)	$0.00	$0.00	$0.00	$0.00	($9,866,169.20)
2830330 DTL - FAS 158 - Fed										
N	FAS 106 FAS 158 - C 283	($825,877.00)	$0.00	($825,877.00)	($273,158.82)	$0.00	$0.00	$0.00	$12,026.34	($261,132.48)
N	FAS 106 FAS 158 - NC 283	$123,630.00	$0.00	$123,630.00	$40,890.62	$0.00	$0.00	$0.00	$279,581.65	$320,472.27
N	PENSION FAS 158 - NC 283	($22,299,756.00)	($1,701,284.00)	($24,001,040.00)	($7,375,644.30)	$0.00	$0.00	$0.00	($1,056,078.54)	($8,431,722.84)
N	RESTORATION PLAN FAS 158 - NC 283	($281,817.00)	$0.00	($281,817.00)	($93,210.98)	$0.00	$0.00	$0.00	$36,007.70	($57,203.28)
N	SERP FAS 158 - C 283	($388,457.00)	$0.00	($388,457.00)	($128,482.15)	$0.00	$0.00	$0.00	$0.00	($128,482.15)
N	SERP FAS 158 - NC 283	($1,219,014.00)	$306,713.00	($912,301.00)	($403,188.88)	$0.00	$0.00	$0.00	($3,200.80)	($406,389.68)
Total For 2830330 DTL - FAS 158 - Fed:		($24,891,291.00)	($1,394,571.00)	($26,285,862.00)	($8,232,794.51)	$0.00	$0.00	$0.00	($731,663.65)	($8,964,458.16)
2830331 DTL - FAS 158-MedPtD Fed										
N	FAS 158 - MED PT D NC 283	($96,722.60)	$0.00	($96,722.60)	($31,991.00)	$0.00	$0.00	$0.00	$0.00	($31,991.00)
Total For 2830331 DTL - FAS 158-MedPtD F		($96,722.60)	$0.00	($96,722.60)	($31,991.00)	$0.00	$0.00	$0.00	$0.00	($31,991.00)
2830340 DTL - FAS 133 - Federal										
N	OCI FAS 133 - C 283	($181,065.00)	$0.00	($181,065.00)	($59,887.27)	$0.00	$0.00	$0.00	($203,841.22)	($263,728.49)

TOTAL Deferred Taxes Balance Report

* 2017 Provision
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through FAS 158 ADJ

M Item		Schedule M Items			Deferred Taxes					
		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
2830340 DTL - FAS 133 - Federal										
N	OCI FAS 133 - NC 283	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($35,380.33)	($35,380.33)
Total For 2830340 DTL - FAS 133 - Federal:		($181,065.00)	$0.00	($181,065.00)	($59,887.27)	$0.00	$0.00	$0.00	($239,221.55)	($299,108.82)
2830400 DTL - State										
T216	AMORT - BOND PUT OPTION	$0.00	$0.00	$0.00	($0.01)	$0.00	$0.00	$0.00	$0.00	($0.01)
T261	COMPETITIVE RATE ADJ - C	($2,885,478.39)	$0.00	($2,885,478.39)	($158,701.32)	$0.00	$0.00	$0.00	$0.00	($158,701.32)
T260	COMPETITIVE RATE ADJ - NC	$0.00	$0.00	$0.00	($0.01)	$0.00	$0.00	$0.00	$0.00	($0.01)
T270	DEFERRED FUEL	($2,834,666.00)	$0.00	($2,834,666.00)	($155,906.63)	$0.00	$0.00	$0.00	$0.00	($155,906.63)
T285	DEFERRED REVENUE	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00	$0.00	$0.00	$0.01
T125	PENSION - NC	($22,276,366.22)	$0.00	($22,276,366.22)	($1,225,200.17)	$0.00	$0.00	$0.00	$0.00	($1,225,200.17)
T375	RATE CASE EXPENSE - NC	$0.08	$0.00	$0.08	$0.02	$0.00	$0.00	$0.00	$0.00	$0.02
T425	WHOLE PRICING INTEREST COMPONENT	($1,833,177.00)	$0.00	($1,833,177.00)	($100,824.74)	$0.00	$0.00	$0.00	$0.00	($100,824.74)
N	z DEBT EXPENSE/BOND COSTS - DO NOT U	$0.00	$0.00	$0.00	$0.02	$0.00	$0.00	$0.00	$0.00	$0.02
Total For 2830400 DTL - State:		($29,829,687.53)	$0.00	($29,829,687.53)	($1,640,632.83)	$0.00	$0.00	$0.00	$0.00	($1,640,632.83)
2830430 DTL - FAS 158 - State										
N	FAS 106 FAS 158 - C 283	($825,877.00)	$0.00	($825,877.00)	($45,423.25)	$0.00	$0.00	$0.00	$0.00	($45,423.25)
N	FAS 106 FAS 158 - NC 283	$123,630.00	$0.00	$123,630.00	$6,799.65	$0.00	$0.00	$0.00	$0.00	$6,799.65
N	PENSION FAS 158 - NC 283	($22,299,756.00)	($1,701,284.00)	($24,001,040.00)	($1,226,486.57)	$0.00	$0.00	$0.00	($93,570.62)	($1,320,057.19)
N	RESTORATION PLAN FAS 158 - NC 283	($281,817.00)	$0.00	($281,817.00)	($15,499.94)	$0.00	$0.00	$0.00	$0.00	($15,499.94)
N	SERP FAS 158 - C 283	($388,457.00)	$0.00	($388,457.00)	($21,365.13)	$0.00	$0.00	$0.00	$0.00	($21,365.13)
N	SERP FAS 158 - NC 283	($1,219,014.00)	$306,713.00	($912,301.00)	($67,045.76)	$0.00	$0.00	$0.00	$16,869.21	($50,176.55)
Total For 2830430 DTL - FAS 158 - State:		($24,891,291.00)	($1,394,571.00)	($26,285,862.00)	($1,369,021.00)	$0.00	$0.00	$0.00	($76,701.41)	($1,445,722.41)
2830431 DTL - FAS 158-MedPtD St										
N	FAS 158 - MED PT D NC 283	($96,722.60)	$0.00	($96,722.60)	($5,319.74)	$0.00	$0.00	$0.00	$0.00	($5,319.74)
Total For 2830431 DTL - FAS 158-MedPtD St		($96,722.60)	$0.00	($96,722.60)	($5,319.74)	$0.00	$0.00	$0.00	$0.00	($5,319.74)

Rpt # Tax Accrual - 51050

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PEOPLES GAS SYSTEM
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TOTAL Deferred Taxes Balance Report

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Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through FAS 158 ADJ

M Item		Schedule M Items			Deferred Taxes					
		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
2830440 DTL - FAS 133 - State										
N	OCI FAS 133 - C 283	($181,065.00)	$0.00	($181,065.00)	($9,958.57)	$0.00	$0.00	$0.00	$0.00	($9,958.57)
Total For 2830440 DTL - FAS 133 - State:		($181,065.00)	$0.00	($181,065.00)	($9,958.57)	$0.00	$0.00	$0.00	$0.00	($9,958.57)
2830610 DTL - FAS109 - Other										
T100	401K - PERFORMANCE MATCH	($0.12)	$0.00	($0.12)	$0.01	$0.00	$0.00	$0.00	$0.00	$0.01
T515	ABNORMAL RETIREMENTS	($8,879,987.00)	$0.00	($8,879,987.00)	($0.28)	$0.00	$0.00	$398,846.43	$0.00	$398,846.15
T105	ACCRUED BONUS	$2,291,486.68	$0.00	$2,291,486.68	$0.01	$0.00	$0.00	($102,922.56)	$0.00	($102,922.55)
T520	ACQUISITION ADJUSTMENT	$4,775,964.90	$0.00	$4,775,964.90	$0.02	$0.00	$0.00	($214,513.38)	$0.00	($214,513.36)
T525	AIAC	$11,943,516.21	$0.00	$11,943,516.21	($0.01)	$0.00	$0.00	($536,445.30)	$0.00	($536,445.31)
T530	ALTERNATIVE FUEL VEHICLE DEDUCTION	($1,419,951.00)	$0.00	($1,419,951.00)	$0.00	$0.00	$0.00	$63,777.37	$0.00	$63,777.37
T216	AMORT - BOND PUT OPTION	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00	($0.01)	$0.00	$0.00
T220	AMORT - CAPLIZED CUST ASSIST COSTS	$64,480,004.21	$0.00	$64,480,004.21	$0.00	$0.00	$0.00	($2,896,131.63)	$0.00	($2,896,131.63)
T535	AMORT - LH IMPROVE AND LAND RIGHTS	$7,169,624.96	$0.00	$7,169,624.96	$0.00	$0.00	$0.00	($322,025.06)	$0.00	($322,025.06)
T255	BAD DEBT	$252,188.43	$0.00	$252,188.43	$0.00	$0.00	$0.00	($11,327.09)	$0.00	($11,327.09)
T456	CI - BS REPLACEMENT - C	($1,030,552.00)	$0.00	($1,030,552.00)	$0.00	$0.00	$0.00	$46,287.44	$0.00	$46,287.44
T560	CIAC	$58,928,358.26	$0.00	$58,928,358.26	($0.01)	$0.00	$0.00	($2,646,778.40)	$0.00	($2,646,778.41)
T261	COMPETITIVE RATE ADJ - C	($2,885,478.39)	$0.00	($2,885,478.39)	$0.01	$0.00	$0.00	$129,601.80	$0.00	$129,601.81
T260	COMPETITIVE RATE ADJ - NC	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00	($0.01)	$0.00	$0.00
T563	CONSTRUCTION OVERHEAD CAPITALIZED	($5,318,397.00)	$0.00	($5,318,397.00)	$0.00	$0.00	$0.00	$238,876.82	$0.00	$238,876.82
T265	CONTRACTOR DAMAGE RESERVE	$47,680.43	$0.00	$47,680.43	($0.01)	$0.00	$0.00	($2,141.58)	$0.00	($2,141.59)
T565	COST OF REMOVAL	($78,237,000.85)	$0.00	($78,237,000.85)	$0.00	$0.00	$0.00	$3,514,029.74	$0.00	$3,514,029.74
NOL	DEF SEP CO - EMERA FED NOL-UNPROTEC	$9,500,474.34	$0.00	$9,500,474.34	$0.00	$0.00	$0.00	($451,550.91)	$0.00	($451,550.91)
NOL	DEF SEP CO - EMERA FL NOL-UNPROTECT	$4,625,015.23	$0.00	$4,625,015.23	$0.00	$0.00	$0.00	$12,090.30	$0.00	$12,090.30
T270	DEFERRED FUEL	($2,834,666.00)	$0.00	($2,834,666.00)	$0.00	$0.00	$0.00	$127,319.56	$0.00	$127,319.56
T285	DEFERRED REVENUE	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00	($0.01)	$0.00	$0.00
T500	DEPRECIATION - BOOK	$441,491,283.88	$0.00	$441,491,283.88	$0.00	$0.00	$0.00	($19,829,664.84)	$0.00	($19,829,664.84)

Rpt # Tax Accrual - 51050

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TOTAL Deferred Taxes Balance Report

* 2017 Provision
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through FAS 158 ADJ

M Item		Schedule M Items			Deferred Taxes					
		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
					2830610 DTL - FAS109 - Other					
T502	DEPRECIATION - BOOK TAX DIFF FED	($847,096,444.02)	$0.00	($847,096,444.02)	$0.12	$0.00	$0.00	$40,261,902.20	$0.00	$40,261,902.32
T503	DEPRECIATION - BOOK TAX DIFF STATE	($725,539,713.79)	$0.00	($725,539,713.79)	($0.98)	$0.00	$0.00	($1,896,641.32)	$0.00	($1,896,642.30)
T306	ENERGY CONSERVATION REV - C	($2,498,428.00)	$0.00	($2,498,428.00)	$0.00	$0.00	$0.00	$112,217.37	$0.00	$112,217.37
T311	ENVIROMNTAL DISP COSTS NET - C	($2,643,027.32)	$0.00	($2,643,027.32)	$0.00	$0.00	$0.00	$118,712.07	$0.00	$118,712.07
T115	FAS 106 - NC	$15,742,627.19	$0.00	$15,742,627.19	$0.00	$0.00	$0.00	($707,083.09)	$0.00	($707,083.09)
N	FAS 106 FAS 158 - C	$825,877.00	$0.00	$825,877.00	($0.01)	$0.00	$0.00	($33,011.54)	$0.00	($33,011.55)
N	FAS 106 FAS 158 - C 283	($825,877.00)	$0.00	($825,877.00)	$0.01	$0.00	$0.00	$33,011.54	$0.00	$33,011.55
N	FAS 106 FAS 158 - NC	($123,630.00)	$0.00	($123,630.00)	$0.00	$0.00	$0.00	$100,469.44	$0.00	$100,469.44
N	FAS 106 FAS 158 - NC 283	$123,630.00	$0.00	$123,630.00	$0.00	$0.00	$0.00	($100,469.44)	$0.00	($100,469.44)
T120	FAS 112	$3,049,962.00	$0.00	$3,049,962.00	($0.02)	$0.00	$0.00	($136,989.61)	$0.00	($136,989.63)
N	FAS 158 - MED PT D NC	$96,722.60	$0.00	$96,722.60	$0.00	$0.00	$0.00	($4,344.31)	$0.00	($4,344.31)
N	FAS 158 - MED PT D NC 283	($96,722.60)	$0.00	($96,722.60)	$0.00	$0.00	$0.00	$4,344.31	$0.00	$4,344.31
T575	G/L - SALE OF ASSETS	($16,807,003.67)	$0.00	($16,807,003.67)	$0.02	$0.00	$0.00	$754,889.75	$0.00	$754,889.77
T325	HEDGES	($763,334.84)	$0.00	($763,334.84)	$0.00	$0.00	$0.00	$34,285.33	$0.00	$34,285.33
T331	INSURANCE RESERVE - C	($621,882.00)	$0.00	($621,882.00)	$0.00	$0.00	$0.00	$27,931.95	$0.00	$27,931.95
T330	INSURANCE RESERVE - NC	$2,777,927.00	$0.00	$2,777,927.00	$0.00	$0.00	$0.00	($124,771.12)	$0.00	($124,771.12)
T576	LEASE-PLANT	$858,625.00	$0.00	$858,625.00	$0.00	$0.00	$0.00	($38,565.31)	$0.00	($38,565.31)
T345	LEGAL EXPENSES	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00	($0.01)	$0.00	$0.00
T122	LONG TERM INCENTIVE	$1,179,673.88	$0.00	$1,179,673.88	$0.01	$0.00	$0.00	($52,985.28)	$0.00	($52,985.27)
N	OCI FAS 133 - C	$181,065.00	$0.00	$181,065.00	($0.01)	$0.00	$0.00	($77,335.65)	$0.00	($77,335.66)
N	OCI FAS 133 - C 283	($181,065.00)	$0.00	($181,065.00)	$0.01	$0.00	$0.00	$77,335.65	$0.00	$77,335.66
N	OCI FAS 133 - NC	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($12,011.44)	$0.00	($12,011.44)
N	OCI FAS 133 - NC 283	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$12,011.44	$0.00	$12,011.44
N	OCI FAS 133 INTEREST - NC	$918,998.60	$0.00	$918,998.60	$0.01	$0.00	$0.00	($60,436.05)	$0.00	($60,436.04)
T125	PENSION - NC	($22,276,366.22)	$0.00	($22,276,366.22)	$0.01	$0.00	$0.00	$1,000,547.21	$0.00	$1,000,547.22

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PEOPLES GAS SYSTEM
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TOTAL Deferred Taxes Balance Report

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Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through FAS 158 ADJ

M Item		Schedule M Items			Deferred Taxes					
		Beginning Balance	Activity	Ending Balance	Beginning Balance	Activity - I/S Related	Activity - Regulatory Pre-Grossup	Activity - Regulatory Grossup	Activity - Other	Ending Balance
					2830610 DTL - FAS109 - Other					
N	PENSION FAS 158 - NC	$22,299,756.00	$1,701,284.00	$24,001,040.00	$0.00	$0.00	$0.00	($1,245,510.93)	$0.00	($1,245,510.93)
N	PENSION FAS 158 - NC 283	($22,299,756.00)	($1,701,284.00)	($24,001,040.00)	$0.00	$0.00	$0.00	$1,245,510.93	$0.00	$1,245,510.93
T375	RATE CASE EXPENSE - NC	$0.08	$0.00	$0.08	($0.01)	$0.00	$0.00	$0.00	$0.00	($0.01)
T580	REPAIRS CAPITALIZED ON BOOKS	($142,985,514.82)	$0.00	($142,985,514.82)	($0.01)	$0.00	$0.00	$6,422,221.55	$0.00	$6,422,221.54
T391	RESEARCH EXPENSE - C	$0.16	$0.00	$0.16	$0.00	$0.00	$0.00	($0.01)	$0.00	($0.01)
T390	RESEARCH EXPENSE - NC	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00	$0.00	$0.00	$0.01
T128	RESTORATION PLAN	$41,592.00	$0.00	$41,592.00	$0.00	$0.00	$0.00	($1,868.11)	$0.00	($1,868.11)
N	RESTORATION PLAN FAS 158 - NC	$281,817.00	$0.00	$281,817.00	($0.01)	$0.00	$0.00	($433.43)	$0.00	($433.44)
N	RESTORATION PLAN FAS 158 - NC 283	($281,817.00)	$0.00	($281,817.00)	$0.01	$0.00	$0.00	$433.43	$0.00	$433.44
T585	RETIREMENT OVERHEAD COSTS	($1,917,294.00)	$0.00	($1,917,294.00)	$0.00	$0.00	$0.00	$86,115.62	$0.00	$86,115.62
T591	SEC 263A INDIRECT COSTS	$2,235,573.96	$0.00	$2,235,573.96	($0.01)	$0.00	$0.00	($100,411.23)	$0.00	($100,411.24)
T590	SEC 263A INTEREST CAP	$20,987,130.13	$0.00	$20,987,130.13	($0.01)	$0.00	$0.00	($942,640.94)	$0.00	($942,640.95)
T140	SERP - NC	$899,342.42	$0.00	$899,342.42	$0.02	$0.00	$0.00	($40,394.14)	$0.00	($40,394.12)
N	SERP FAS 158 - C	$388,457.00	$0.00	$388,457.00	$0.00	$0.00	$0.00	($17,447.62)	$0.00	($17,447.62)
N	SERP FAS 158 - C 283	($388,457.00)	$0.00	($388,457.00)	$0.00	$0.00	$0.00	$17,447.62	$0.00	$17,447.62
N	SERP FAS 158 - NC	$1,219,014.00	($306,713.00)	$912,301.00	$0.01	$0.00	$0.00	($76,503.02)	$0.00	($76,503.01)
N	SERP FAS 158 - NC 283	($1,219,014.00)	$306,713.00	($912,301.00)	($0.01)	$0.00	$0.00	$76,503.02	$0.00	$76,503.01
T595	SOFTWARE DEVELOPED INTERNALLY	($9,462,526.00)	$0.00	($9,462,526.00)	$0.01	$0.00	$0.00	$425,011.15	$0.00	$425,011.16
T405	STORM RESERVE	$35,999.49	$0.00	$35,999.49	$0.05	$0.00	$0.00	($1,616.96)	$0.00	($1,616.91)
T150	VACATION ACCRUAL	$2,310,351.34	$0.00	$2,310,351.34	$0.01	$0.00	$0.00	($103,769.87)	$0.00	($103,769.86)
T425	WHOLE PRICING INTEREST COMPONENT	($1,833,177.00)	$0.00	($1,833,177.00)	$0.01	$0.00	$0.00	$82,337.50	$0.00	$82,337.51
T430	WORKERS COMPENSATION - NC	$528,155.00	$0.00	$528,155.00	$0.01	$0.00	$0.00	($23,722.19)	$0.00	($23,722.18)
N	z DEBT EXPENSE/BOND COSTS - DO NOT U	$0.00	$0.00	$0.00	($0.01)	$0.00	$0.00	$0.01	$0.00	$0.00
	Total For 2830610 DTL - FAS109 - Other:	($1,217,979,188.26)	$0.00	($1,217,979,188.26)	($0.98)	$0.00	$0.00	$22,611,605.15	$0.00	$22,611,604.17
	Total For Peoples Gas System:	($1,218,373,505.20)	$0.00	($1,218,373,505.20)	($187,176,955.39)	$0.00	$66,603,643.71	$22,611,605.15	$56,433.98	($97,905,272.55)

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3. Is the Company is still evaluating the net effect of the Tax Act, and if so please explain what is still being evaluated and identify any issues that are of concern?

A. Bonus depreciation rules are still uncertain. Under Pre – Tax Cuts and Jobs Act Law, Code Section 168(k) provides a phased down bonus depreciation deduction for qualifying property placed in service by 12/31/2020 at the respective rates of 50%, 40% and 30%. The Tax Cuts and Jobs Act enacted on December 22, 2017 raises the bonus depreciation rate to 100% however regulated public utilities are specifically excluded from the definition of qualifying property and therefore exempt from the 100% bonus depreciation rate. The Act however provides for a transition rule which maintains the phased down bonus depreciation rates allowed for property acquired before September 28, 2017 and placed in service after September 27, 2017. Treasury and/or Internal Revenue Service are expected to issue clarification on the transition rules applicable for the 4th quarter of 2017 as well as 2018 and forward. The company has made certain assumptions with respect to assets qualifying for bonus in 2017 and 2018 which may need to be changed once clarification rules are available.

The Tax Cuts and Jobs Act results in a reduction in the federal income tax rate, which also requires regulated companies to determine their excess accumulated deferred tax balances which such excess being returned to ratepayers in some manner. Those deferred tax balances consist of Internal Revenue Services ("IRS") determined "protected" and "unprotected" book/tax differences, with 'protected' differences meaning that the IRS code and regulations require certain rulemaking treatment in order for the company to continue to claim accelerated depreciation deductions. Accumulated deferred income taxes relating to accelerated depreciation method and life differences is a clear and protected difference for cost of removal. Since a provision does not exist in Peoples Gas Settlement regarding the flowback or reversal of deferred taxes, Peoples will utilize the Average Rate Assumption Method (ARAM) for the flowback of its protected excess deferred tax and the average regulatory life of the asset for unprotected deferred taxes.

4. Please explain any nuances the Company believes exist that will affect how the impact of the repair deduction will be factored in or taken into consideration in the determination of the excess deferred tax balances.

A. The company believes that the excess deferred balances related to tax repairs deduction and associated book depreciation reversal amounts are unprotected. Allowable Tax repairs deductions are provided in IRC Section 162 and therefore not considered protected under IRC Section 167 and 168 which strictly relates to method and life book-tax depreciation difference

5. Please explain in detail how the Company plans on returning the excess unprotected deferred income taxes to customers.

A. Since the Tax Cuts and Jobs Act is silent on the flow-back period associated with unprotected excess deferred taxes, Peoples Gas plans on flowing back both protected and unprotected excess deferred taxes in accordance with the Average Rate Assumption Method. That approach ensures that a normalization violation does not occur and minimizes the adverse cash flow and credit metric impacts associated with a more rapid flow-back period.

6. Please provide a detailed summary of: (1) any Net Operating Loss (NOL) deferred tax balance, (2) identify any excess amount resulting from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017, (3) show how that excess was calculated, and (4) explain how the Company proposes to recover the excess NOL from customers.

A. See the attached report. In accordance with IRS ruling guidance, the company used the with and without method in accordance with the normalization rules to estimate what portion of these NOLs relate to protected book/tax differences and which relate to unprotected book/tax differences. The excess deferred taxes related to the protected NOLs will be flowed back using ARAM and the unprotected portion will be flowed back using the provisions provided in Section 9(c) of the 2017 Amended and Restated Stipulation and Settlement Agreement

PEOPLES GAS SYSTEM
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2017 Provision
Peoples Gas System
Deferred Taxes

M Item	Gross Timing Difference	DIT Beginning Balance	Excess DIT	After Tax Deferred Tax Liability	Rate	Normalization
DEF SEP CO - EMERA FED NOL-UNPROTECTED	$9,500,474.34	$3,325,166.02	($1,330,066.41)	$1,995,099.61	21.00%	Unprotected
DEF SEP CO - EMERA FL NOL-UNPROTECTED	$4,625,015.23	$165,344.30	$35,612.61	$200,956.91	4.35%	Unprotected

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7. Please provide a detailed explanation on how the Company has provided for the flowback of the income tax expense currently in base rates.

A. Per Order No. PSC-2018-0125-PCO-EI, the Commission did not assert jurisdiction for the tax reform benefits from January 1, 2018 thru February 6, 2018. The tax reform benefits from February 7 – December 31, 2018 is being deferred until a regulatory agreement is made to determine the ultimate disposition.

8. In the Company's last rate filing application (i.e. rates currently in effect), did the Company reflect bonus tax depreciation for federal income taxes and if so explain how the Company is proposing to account for that as part of its request to account for changes that resulted from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017. If there are proposed changes to be considered explain why not.

A. Per OPC's email dated March 29th, the Company will not respond to Interrogatory No. 8.

9. In the Company's last rate filing application, did the Company reflect any impact on income tax expense associated with the domestic production activities deduction under what had been section 199 of the Internal Revenue Code?

a. If so, please identify, quantify and explain the amount of such domestic production activities deduction, the impact it had on federal income tax expense, and whether there is a proposal for handling this.

A. a. In the 2009 test year MFRs prepared for its last rate case, Peoples Gas did not reflect any impact on income tax expense associated with Section 199. The company estimated a federal taxable loss for that taxable year and therefore was not allowed to claim a Section 199 deduction. When allowed or claimed on a tax return, Section 199 is a permanent book tax difference and therefore did not generate any excess deferred taxes under the TCJA. The TCJA also repealed Section 199 effective January 1, 2018.

10. Referring to the information provided in the responses to the questions on bonus tax depreciation and the domestic production activities deduction, for the federal ADIT that was accumulated using a 35% federal corporate income tax rate, please identify the amount that represents excess ADIT, applying the 21% federal corporate income tax rate that became effective January 1, 2018 as part of the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017. For each item of such excess ADIT, please explain whether and/or how it relates to the use of accelerated tax depreciation for federal income tax purposes.

A. Per OPC's email dated March 29th, the company will not respond to Interrogatory No. 10.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF HILLSBOROUGH)

Before me the undersigned authority personally appeared Carlos Aldazabal who deposed and said that he is Managing Director, Regulatory Affairs, Tampa Electric Company, and that the individuals listed in Peoples Gas Company's response to OPC's First Set of Interrogatories, (Nos. 1-10) prepared or assisted with the responses to these interrogatories to the best of his information and belief.

Dated at Tampa, Florida this 20th day of April, 2018.

Sworn to and subscribed before me this 20th day of April, 2018.

Notary Public State of Florida
Sana Boric
My Commission GG 020235
Expires 08/10/2020

My Commission expires _____

7

PGS response to OPC 2nd Interrogatories Nos. 11-24.

(See additional files contained on Staff Hearing Exhibit CD/USB for 18 – 29.)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 7
PARTY: STAFF – (DIRECT)
DESCRIPTION: Valarie Strickland (11-14, 16, 18-20) Jeff Chronister (15, 17, 21-24)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System.	))))	**DOCKET NO. 20180044-GU FILED: APRIL 30, 2018**

PEOPLES GAS SYSTEM'S

ANSWERS TO SECOND SET OF INTERROGATORIES (NOS. 11-24)

OF

OFFICE OF PUBLIC COUNSEL

Peoples Gas System files this its Answers to Interrogatories (Nos. 11 - 24) propounded and served on March 30, 2018 by the Office of Public Counsel.

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
INDEX TO STAFF'S SECOND SET OF INTERROGATORIES (NOS. 11-24)

Number	Witness	Subject	Bates Stamped Page
11	Strickland	Details of ADIT balances at December 31, 2017. a. Identify the December 31, 2017 recorded per-book balance of Accumulated Deferred Income Taxes (ADIT) in each account (account 190, 282, 283 etc.). b. Show by each book-tax difference, the components which comprise the ADIT in each ADIT account. c. For each component of the ADIT listed in response to the above requests, please also provide the following information: 1. The state income tax rate used to compute the ADIT. 2. The federal income tax rate used to compute the ADIT. 3. The combined state and federal income tax rate used to compute the ADIT. 4. The balance (book-tax difference at 12/31/2017) to which the state and federal income tax rates were applied to compute the ADIT. d. For each component in the ADIT accounts, identify the amount representing "excess" ADIT (i.e., calculated using the new 21% flat federal corporate income tax rate versus the previous FIT rate [e.g., of 34% or 35%] that the Company used). e. For each amount of excess property-related ADIT in account 282, please indicate whether it is "protected" (i.e., related to the use of accelerated tax depreciation including Modified Accelerated Cost Recovery System (MACRS) and bonus tax depreciation) or "non-protected" (i.e., related to other book-tax differences such as repairs deductions, etc.)	1
12	Strickland	What software does the Company use to track the tax basis and tax depreciation of its utility plant assets? a. Explain the capabilities of that software for tracking tax basis and tax depreciation by plant account by vintage (year in which the plant was placed into service). b. Explain the capabilities of that software for calculating amortization of excess accumulated	4

		deferred income taxes (EADIT) using an average rate assumption method (ARAM).	
13	Strickland	What software does the Company use to track the book basis and book depreciation of its utility plant assets? a. Explain the capabilities of that software for tracking book basis and book depreciation by plant account by vintage (year in which the plant was placed into service). b. Explain the capabilities of that software for calculating amortization of excess accumulated deferred income taxes (EADIT) using an average rate assumption method (ARAM).	5
14	Strickland	Provide a listing of each regulatory asset and regulatory liability, by account, that was recorded on the Company's books as of December 31, 2017. For each item, also provide the following information: a. the amount b. the amortization period (if any) being applied c. whether the balance accrues carrying charges and, if so, the carrying charge rate and how it is determined d. the amount of ADIT related to the item and how that ADIT was determined (include details for the state and federal income tax rate applied to compute the ADIT and the balance to which the tax rates were applied) e. whether the item was included in utility rate base in the Company's last rate case f. whether the item represents cost deferrals (over- or under-recoveries) that are expected to be recovered via a rider or surcharge and an explanation of such recovery.	6
15	Chronister	Referring to the 21% federal corporate income tax rate that became effective January 1, 2018 as part of the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 and the identification of excess federal ADIT as of December 31, 2017: a. Explain whether and how the Company will be applying the Average Rate Assumption Method (ARAM) to the "protected" portions of the excess federal ADIT balances that relate to the use of accelerated tax depreciation for federal income tax purposes, and show in detail how the Company is calculating the ARAM. b. Is the Company proposing to use an alternative method for amortizing the "protected" portion of	9

		its excess ADIT? If so, identify and describe the method and show in detail how the Company is applying it. c. Please provide the Company's currently authorized depreciation rates, by plant account (and sub-account if applicable). For each depreciation rate, please provide a breakout of the rate between (1) the portion related to the recovery of original cost over the plant's estimated useful life and (2) the portion related to cost of removal/negative net salvage. d. How does the Company account for the cost of removal when actual removal costs are incurred, and how does the Company account for the component of depreciation rates (and depreciation expense) that relates to negative net salvage in recording Depreciation Expense and Accumulated Depreciation? Please explain fully, identify and provide accounting policies related to this, and provide illustrative journal entries made in 2017 showing the accounting. e. Does the cost of removal/negative net salvage component of the Company's depreciation rates have any impact on the derivation of the Average Rate Assumption Method that is specified in the Tax Cuts and Jobs Act for application to excess federal ADIT related to the use of accelerated tax depreciation? If "yes" explain fully, and provide an illustrative example showing how the cost of removal/negative net salvage component of the Company's depreciation rates impacts the ARAM. f. What method is the Company proposing to use for the amortization of the "unprotected" portion of its excess ADIT? Please describe the method and show in detail how the Company is applying it.	
16	Strickland	2017 and 2018 plant additions and bonus tax depreciation. a. Please identify by account the Company's actual 2017 plant additions. b. Does the Company anticipate claiming bonus tax depreciation on any of its 2017 plant additions? 1. If "yes", please identify the 2017 plant additions which are eligible for bonus tax depreciation and show the amounts of bonus tax depreciation that the	13

		Company intends to claim. c. Please also address whether and how the Company distinguished costs for public utility property (1) through September 27, 2017 and (2) from September 28, 2017 through December 31, 2017, in determining its 2017 bonus tax depreciation amounts. 1. If "no", please explain fully why not, and provide a copy of the related financial and economic analysis. d. Does the Company plan on claiming for tax year 2017 any MACRS tax depreciation on any of its 2017 plant additions? 1. If "yes", please identify the 2017 plant additions for which the Company intends to claim MACRS tax depreciation and show the amounts of MACRS tax depreciation that the Company intends to claim for tax year 2017. e. Does the Company plan on claiming for tax year 2018 any bonus tax depreciation on any of its 2018 plant additions (such as property that was under construction at September 27, 2017 and placed into service in 2018)? 1. If "yes", please identify the 2018 plant additions for which the Company intends to claim bonus tax depreciation and show the amounts of bonus tax depreciation that the Company intends to claim for tax year 2018.	
17	Chronister	How much income tax expense was allowed in the Company's last rate case? Please identify the amount, and provide a breakout showing the amounts for each of the following: a. Current federal income tax expense (also provide the amount of federal taxable income and the FIT rate used) b. Current state income tax expense (also provide the amount of state taxable income and the state income tax rate used) c. Deferred federal income tax expense (also provide each book-tax difference for which deferred federal income tax expense was computed and identify the FIT rate used) d. Deferred state income tax expense (also provide each book-tax difference for which deferred state income tax was computed the state income tax rate used)	15

		e. Investment tax credit amortization f. Any other components of income tax expense (identify, quantify and explain in detail).	
18	Strickland	Does the Company have a cost of service study file in Excel from its last rate case? If so, please provide it, with formulas and cross references intact. a. How were income taxes allocated among rate classes in the cost of service study in the Company's last rate case? Explain fully and show allocations in detail. b. How were the Company's ADIT balances allocated among rate classes in the cost of service study in the Company's last rate case? Explain fully and show allocations in detail.	17
19	Strickland	CIAC. Did the Company receive any collection of contributions in aide of construction (CIAC) during 2017? a. If "yes" please identify the amounts of CIAC and explain to which plant accounts the CIAC amounts relate. b. Does the Company have an opinion on whether any of the CIAC collected in 2017 will be required to be included as taxable income on its federal income tax return for tax year 2017? If not, explain fully why not. If "yes" please explain the opinion and the basis for it. c. Did the Company reflect any amounts of federal income tax for CIAC received in 2017? If so, please identify such amounts. d. Does the Company anticipate receiving any CIAC in 2018? If "yes" please identify the amounts of CIAC and explain to which plant accounts the CIAC amounts relate. e. Does the Company have an opinion on whether any of the CIAC collected in 2018 will be required to be included as taxable income on its federal income tax return for tax year 2018? If not, explain fully why not. If "yes" please explain the opinion and the basis for it. f. Is the Company reflecting any amounts of federal income tax for CIAC received in 2018? If so, please identify, quantify and explain such amounts.	30
20	Strickland	Does the Company have any journal entries and journal entry workpapers showing how it identified and recorded amounts of EADIT as of December 31, 2017 as a net regulatory liability? If not, explain fully why	32

		not. If so, identify and provide the journal entries and journal entry workpapers and supporting calculations. To the extent that the related workpapers are available in Excel (e.g., to support FAS 109 related entries), please include all of the related Excel files. a. As a continuing supplement, please provide adjusting journal entries (and the related workpapers) to adjust the 12/31/2017 recording of EADIT as regulatory liability as the Company refines its estimates.	
21	Chronister	Net operating loss (NOL) carry-forwards. a. Does the Company have a net operating loss carry forward for federal income tax purposes as of 12/31/2016 of 12/31/2017? If so: 1. identify the federal NOL carryforward amount as of each date. 2. show over what period the Company anticipates utilizing the 12/31/2017 NOL carryforward. 3. identify, quantify and explain how the Company has recorded an ADIT balance related to the NOL carryfoward as of each date. 4. identify, quantify and explain how the Company has or will adjust its 12/31/2017 recorded ADIT balance related to the NOL carryfoward for the reduction in the corporate FIT rate from 35% to 21%. b. Does the Company have a net operating loss carry forward for state income tax purposes as of 12/31/2016 of 12/31/2017? If so: 1. identify the state NOL carryforward amount as of each date. 2. show over what period the Company anticipates utilizing the 12/31/2017 state NOL carryforward. 3. identify, quantify and explain how the Company has recorded an ADIT balance related to the state NOL carryfoward as of each date.	33
22	Chronister	Identify each regulatory filing, including each filing for each surcharge or rider rate adjustment that the Company plans to file in 2018. For each such filing, please indicate whether the filing includes (1) income tax expense, (2) accumulated deferred income taxes, and (3) any other features which are impacted by the TCJA, and explain how each such surcharge or rider	35

		rate is impacted by those items.	
23	Chronister	When does the Company plan to file its next base rate case?	36
24	Chronister	Please quantify and explain all savings in 2018 and 2019 that the Company expects to realize from the TCJA.	37

Jeff Chronister
Controller

Valerie Strickland
Director, Corporate Taxes

Tampa Electric Company
702 N. Franklin Street
Tampa, Florida 33602

*Expediting the responses to requests in **bold** below would help facilitate a timely resolution of this matter.*

11. Details of ADIT balances at December 31, 2017.

a. **Identify the December 31, 2017 recorded per-book balance of Accumulated Deferred Income Taxes (ADIT) in each account (account 190, 282, 283 etc.).**

b. **Show by each book-tax difference, the components which comprise the ADIT in each ADIT account.**

c. **For each component of the ADIT listed in response to the above requests, please also provide the following information:**

1. **The state income tax rate used to compute the ADIT.**
2. **The federal income tax rate used to compute the ADIT.**
3. **The combined state and federal income tax rate used to compute the ADIT.**
4. **The balance (book-tax difference at 12/31/2017) to which the state and federal income tax rates were applied to compute the ADIT.**

d. **For each component in the ADIT accounts, identify the amount representing "excess" ADIT (i.e., calculated using the new 21% flat federal corporate income tax rate versus the previous FIT rate [e.g., of 34% or 35%] that the Company used).**

e. **For each amount of excess property-related ADIT in account 282, please indicate whether it is "protected" (i.e., related to the use of accelerated tax depreciation including Modified Accelerated Cost Recovery System (MACRS) and bonus tax depreciation) or "non-protected" (i.e., related to other book-tax differences such as repairs deductions, etc.)**

A. a. See Peoples Gas response provided in OPC's First Set of Interrogatories No 1.

b. See Peoples Gas response provided in OPC's First Set of Interrogatories No 2.

c. See Peoples Gas response provided in OPC's First Set of Interrogatories No 1.

d. See Peoples Gas response provided in OPC's First Request for POD No. 3 and No. 4

e. See attached.

TOTAL Deferred Taxes Balance Report

*** 2017 Provision**
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup
Through Rate Change YTD Trueup

	Schedule M Items		Deferred Taxes						
M Item	"Beginning Balance"	Gross Timing Difference	"DIT Beginning Balance"	"Current Activity"	"Adjustment Activity"	After Tax Deferred Tax Liability	Rate	Normalization	Excess DIT
ABNORMAL RETIREMENTS	($8,879,987.00)	($8,879,987.00)	($3,425,454.99)	$0.00	$1,174,822.28	($2,250,632.71)	25.35%	Unprotected	$1,174,822.28
ACQUISITION ADJUSTMENT	$4,775,964.90	$4,775,964.90	$1,842,328.47	($19,732.00)	($612,128.16)	$1,210,468.31	25.35%	Unprotected	($631,860.16)
AIAC	$11,943,516.21	$11,943,516.21	$4,607,211.37	$401,214.51	($1,981,341.70)	$3,027,084.18	25.35%	Unprotected	($1,580,127.19)
AMORT - LH IMPROVE AND LAND RIGHTS	$7,169,624.96	$7,169,624.96	$2,765,682.83	($250,345.42)	($698,195.97)	$1,817,141.44	25.35%	Unprotected	($948,541.39)
CIAC	$58,928,358.26	$58,928,358.26	$22,731,614.19	($267,340.58)	($7,528,881.22)	$14,935,392.39	25.35%	Unprotected	($7,796,221.80)
CONSTRUCTION OVERHEAD CAPITALIZED (263A)	($5,318,397.00)	($5,318,397.00)	($2,051,571.65)	$0.00	$703,623.93	($1,347,947.72)	25.35%	Unprotected	$703,623.93
COST OF REMOVAL	($78,237,000.85)	($78,237,000.85)	($30,179,923.08)	$855,370.51	$9,495,384.70	($19,829,167.87)	25.35%	Unprotected	$10,350,755.21
DEPRECIATION - BOOK	$441,491,283.88	$441,491,283.88	$170,305,262.76	($6,064,753.99)	($52,344,542.88)	$111,895,965.89	25.35%	Protected	($58,409,296.87)
DEPRECIATION - BOOK TAX DIFF FED	($847,096,444.02)	($847,096,444.02)	($296,483,755.41)	$10,935,323.85	$107,658,178.32	($177,890,253.24)	21.00%	Protected	$118,593,502.17
DEPRECIATION - BOOK TAX DIFF STATE	($725,539,713.79)	($725,539,713.79)	($25,938,044.77)	($665,555.26)	($4,921,100.54)	($31,524,700.57)	4.35%	Protected	($5,586,655.80)
G/L - SALE OF ASSETS	($16,807,003.67)	($16,807,003.67)	($6,483,301.66)	$283,199.45	$1,940,367.13	($4,259,735.08)	25.35%	Unprotected	$2,223,566.58
LEASE-PLANT	$858,625.00	$858,625.00	$331,214.60	($70,100.21)	($43,495.88)	$217,618.51	25.35%	Unprotected	($113,596.09)
REPAIRS CAPITALIZED ON BOOKS	($142,985,514.82)	($142,985,514.82)	($55,156,662.35)	$2,519,934.86	$16,397,048.76	($36,239,678.73)	25.35%	Unprotected	$18,916,983.62
RETIREMENT OVERHEAD COSTS	($1,917,294.00)	($1,917,294.00)	($739,596.16)	$0.00	$253,658.00	($485,938.16)	25.35%	Unprotected	$253,658.00
SEC 263A INDIRECT COSTS	$2,235,573.96	$2,235,573.96	$862,372.66	($19,641.53)	($276,124.91)	$566,606.22	25.35%	Unprotected	($295,766.44)
SEC 263A INTEREST CAP	$20,987,130.13	$20,987,130.13	$8,095,785.45	($57,978.22)	($2,718,619.09)	$5,319,188.14	25.35%	Unprotected	($2,776,597.31)
SOFTWARE DEVELOPED INTERNALLY	($9,462,526.00)	($9,462,526.00)	($3,650,169.40)	$0.00	$1,251,892.19	($2,398,277.21)	25.35%	Unprotected	$1,251,892.19
DEF SEP CO - EMERA FED NOL-UNPROTECTED	$9,500,474.34	$9,500,474.34	$3,325,166.02	$0.00	($1,330,066.41)	$1,995,099.61	21.00%	Unprotected	($1,330,066.41)
DEF SEP CO - EMERA FL NOL-UNPROTECTED	$4,625,015.23	$4,625,015.23	$165,344.30	$0.00	$35,612.61	$200,956.91	4.35%	Unprotected	$35,612.61

Our current estimate includes COR as unprotected, however this treatment is not consistent throughout the industry. The protected excess deferreds also currently include a portion of book/tax depreciation reversals that relate to basis adjustments.

The above estimates are covered under SAB118 disclosure.

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
OPC'S SECOND SET OF INTERROGATORIES
INTERROGATORY NO. 11
PAGE 3 OF 3
FILED: APRIL 30, 2018

20180044-GU Staff Hearing Exhibits 00043

12. What software does the Company use to track the tax basis and tax depreciation of its utility plant assets?

a. Explain the capabilities of that software for tracking tax basis and tax depreciation by plant account by vintage (year in which the plant was placed into service).

b. Explain the capabilities of that software for calculating amortization of excess accumulated deferred income taxes (EADIT) using an average rate assumption method (ARAM).

A. a. The Company uses PowerPlan's PowerTax module for Fixed Assets to track tax basis and tax depreciation. The system tracks all additions by tax class and vintage detail.

b. The software can derive the yearly ARAM amortization based on the asset details maintained in the system.

13. What software does the Company use to track the book basis and book depreciation of its utility plant assets?

a. Explain the capabilities of that software for tracking book basis and book depreciation by plant account by vintage (year in which the plant was placed into service).

b. Explain the capabilities of that software for calculating amortization of excess accumulated deferred income taxes (EADIT) using an average rate assumption method (ARAM).

A. a. The Company uses PowerPlan's Fixed Assets module to track book basis and book depreciation. The system tracks all additions by plant account and vintage detail.

b. The EADIT is calculated and maintained in PowerTax not in Books Fixed Asset Module. The software can derive the yearly ARAM amortization based on the asset details maintained in the system.

14. Provide a listing of each regulatory asset and regulatory liability, by account, that was recorded on the Company's books as of December 31, 2017. For each item, also provide the following information:

a. the amount

b. the amortization period (if any) being applied

c. whether the balance accrues carrying charges and, if so, the carrying charge rate and how it is determined

d. the amount of ADIT related to the item and how that ADIT was determined (include details for the state and federal income tax rate applied to compute the ADIT and the balance to which the tax rates were applied)

e. whether the item was included in utility rate base in the Company's last rate case

f. whether the item represents cost deferrals (over- or under-recoveries) that are expected to be recovered via a rider or surcharge and an explanation of such recovery.

A. a. See attached file.

b. See attached file.

c. See Attached file.

d. See Attached file.

e. See Attached file.

f. See Attached file.

		(a)	(b)	(c) 1	(c) 2	(d) 1
Account #	Description	YTD Dec 31, 2017	Amortization Period (if any)	Accrues Carrying Charges (Interest)?	(If yes) Interest Rate & Determnation of Rate	Amount of ADIT
1080110	Accum Reserve Cost of Removal Contra- Current	(8,780,649)	none	No	N/A	(19,829,167.87)
1080210	Accum Reserve Cost of Removal Contra- NonCurrent	(166,832,324)	none	No	N/A	same as 1080210
1823040	Oth Reg Asset-Conservation Clause	2,498,428	12 months	Yes	CP Fed Funds	(633,226.58)
1823070	Oth Reg Asset-Competitive Rate Adjustment	2,885,478	NA	Yes	CP 30-day AA Financial	(731,324.49)
1823071	Oth Reg Asset-Cast Iron Bare Steel Repl	1,030,552	12 months	Yes	CP Fed Funds	(261,193.40)
1823100	Oth Reg Asset-FAS 158 Benefit Current	1,086,987	Amortization periods ranging from 3.5 years to 14.10 years	No	N/A	
1823105	Current Derivative Asset - Regulatory	181,065	N/A	No	N/A	
1823200	Oth Reg Asset-FAS 158 Benefit Non-Current	25,198,875	Amortization periods ranging from 3.5 years to 14.10 years	No	N/A	
1823340	Oth Reg Asset-Environmental Remediation	30,039,284	NA	No	N/A	
1823345	Oth Reg Asset-Environmental Remediation	2,643,027	NA	No	N/A	(669,875.26)
1910100	Unrecovered Purchased Gas Costs - Current	(109,278,934)	12 months	Yes	CP 30-day AA Financial	(718,446.12)
1910110	Unrecov Purch Gas Cost-Deriv Settled - Current	112,113,600	12 months	Yes	CP 30-day AA Financial	same as 1910100
2281081	Accum Provision Prop Insur-Storm Reserve	(35,999)	none	none	N/A	
2540280	Oth Reg Liab-Defd Gain Prop Sales-NonCurrent	(5,351,464)	4 years	No	N/A	1,356,328.51
2540330	Oth Reg Liab-Gas Research Reg Liability	(1)	NA	No	N/A	
2540610	Oth Reg Liab-FAS 109 Income Tax	(89,215,248)	none	none	N/A	(89,215,247.84)

(d) 2	(e)	(f) 1	(f) 2
Determination of ADIT	**Included in Utility Rate Base?**	**Cost Deferrals?**	**Explanation of Recovery**
ADIT Balance is only for the Actual COR deducted for tax Fed (78,237,000.85) x .19845 = (15,526,132.82) St (78,237,000.85) x .055 = (4,303,035.05)	Yes	No	
same as 1080210	Yes	No	
Per IRS Audit adjustments, Account #4074140, 7500240, 7000240 should not be included in taxable income. These accounts represent the difference between receipts received from FEECA programs for year and the amount expended under the programs. It is a book entry that does not affect the amount of funds and reported taxable income through account 4950203 Other Revenues- Energy Conservation.Fed (2,498,428) x .19845 = (495,813.04) St (2,498,428) x .055 = (137,413.54)	No	Yes	Recovered through rate adjustment in the subsequent year
Fed (2,885,478.39) x .19845 = (572,623.19) St (2,885,478.39) x .055 = (158,701.31)	Yes	Yes	Recovered through an additional per therm charge in the following 11 months
Fed (1,030,552) x .19845 = (204,513.04) St (1,030,552) x .055 = (56,680.36)	No	Yes	Recovered through rate adjustment in the subsequent year
	Yes		
	Yes	No	N/A
	Yes		
	Yes	No	
For Tax purposes, Section 198 costs are deducted as they are paid and receipts (generally legal settlements) are taken into income as they are received. Fed (2,643,027.26) x .19845 = (524,508.76) St (2,643,027.26) x .055 = (145,366.50)	Yes	No	
Fed (2,834,666) x .19845 = (562,539.46) St (2,834,666) x .055 = (155,906.63)	No	Yes	Recovered through the projected clause rate adjustment filing in the following year
same as 1910100	No	Yes	Recovered through the projected clause rate adjustment filing in the following year
	Yes	Yes	Reserve established for future storms. Currently accrue $5K a month
Tax recognizes the gain when proceeds are received and disallows book's amortization Fed 5,351,463.85 x .19845 = 1,061,998.00 St 5,351,463.85 x .055 = 294,330.51	Yes	No	
	Yes	No	
Regulatory Liability related to EADIT and related gross up	Yes	No	

15. Referring to the 21% federal corporate income tax rate that became effective January 1, 2018 as part of the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 and the identification of excess federal ADIT as of December 31, 2017:

a. Explain whether and how the Company will be applying the Average Rate Assumption Method (ARAM) to the "protected" portions of the excess federal ADIT balances that relate to the use of accelerated tax depreciation for federal income tax purposes, and show in detail how the Company is calculating the ARAM.

b. Is the Company proposing to use an alternative method for amortizing the "protected" portion of its excess ADIT? If so, identify and describe the method and show in detail how the Company is applying it.

c. Please provide the Company's currently authorized depreciation rates, by plant account (and sub-account if applicable). For each depreciation rate, please provide a breakout of the rate between (1) the portion related to the recovery of original cost over the plant's estimated useful life and (2) the portion related to cost of removal/negative net salvage.

d. How does the Company account for the cost of removal when actual removal costs are incurred, and how does the Company account for the component of depreciation rates (and depreciation expense) that relates to negative net salvage in recording Depreciation Expense and Accumulated Depreciation? Please explain fully, identify and provide accounting policies related to this, and provide illustrative journal entries made in 2017 showing the accounting.

e. Does the cost of removal/negative net salvage component of the Company's depreciation rates have any impact on the derivation of the Average Rate Assumption Method that is specified in the Tax Cuts and Jobs Act for application to excess federal ADIT related to the use of accelerated tax depreciation? If "yes" explain fully, and provide an illustrative example showing how the cost of removal/negative net salvage component of the Company's depreciation rates impacts the ARAM.

f. What method is the Company proposing to use for the amortization of the "unprotected" portion of its excess ADIT? Please describe the method and show in detail how the Company is applying it.

A. a The Company has the vintage records necessary to use ARAM method for the protected portions of its excess deferred ADIT. The company will comply with the ARAM calculation, but actual calculations will not be available until ARAM is fully implemented during 2018.

b. No.

c. See attached Excel file.

d. Peoples Gas System accounts for the cost of removal and salvage rates separately from the life rate. Within the system, each component is calculated separately. The reserve cost of removal and reserve salvage are calculated monthly by utility account based on approved rates. When actual removal costs are incurred, or salvage is received, they net against the cost of removal or salvage reserve respectively.

Sample Journal Entries:

<u>To record Monthly Depreciation</u>		
Dr 403 Depreciation Expense	XX	
Cr 108 Accumulated Depreciation		XX
<u>To record Cost of Removal Reserve</u>		
Dr 403 Depreciation Expense	XX	
Cr 108 COR Reserve		XX
<u>To record Cost of Removal Spend</u>		
Dr 108 COR Reserve	XX	
Cr 130 Cash		XX
<u>To record Salvage Reserve</u>		
Dr 108 Salvage Reserve	XX	
Cr 403 Depreciation Expense		XX
<u>To record Salvage Received</u>		
Dr 130 Cash	XX	
Cr 108 Salvage Reserve		XX

e. No, Peoples is treating COR as unprotected, therefore, it is not included in the ARAM calculation.

f. See Peoples Gas response to OPC First Set of Interrogatories No. 5.

PEOPLES GAS SYSTEM
2016 Depreciation Rate Review
Comparison of Rates and Components

Account Number	Account Title	Depr Rate	Component Rates: Life Rate	Salv Rate	COR Rate
		(%)	(%)	(%)	(%)
	Distribution Plant				
37402	Land Rights	1.3	1.30	0.00	0.00
37500	Structures & Improvements	2.5	2.50	0.00	0.00
37600	Mains Steel	2.2	1.57	-0.08	0.71
37602	Mains Plastic	2.4	1.92	0.00	0.48
37800	Meas & Reg Station Eqp Gen	3.3	3.14	0.00	0.16
37900	Meas & Reg Station Eqp City	3.3	3.14	0.00	0.16
38000	Services Steel	3.7	1.85	-0.09	1.94
38002	Services Plastic	3.3	2.13	0.00	1.17
38100	Meters	5.9	6.21	-0.62	0.31
38200	Meter Installations	4.5	3.75	0.00	0.75
38300	House Regulators	3.6	3.60	0.00	0.00
38400	House Regulator Installs	4.4	3.67	0.00	0.73
38500	Meas & Reg Station Eqp Ind	3.1	3.10	0.00	0.00
38600	Other Property Cust Premise	6.7	6.70	0.00	0.00
38700	Other Equipment	6.3	6.30	0.00	0.00
	Transportation Equipment				
39201	Vehicles up to 1/2 Tons	11.4	12.67	-1.27	0.00
39202	Vehicles from 1/2 - 1 Tons	13.0	14.44	-1.44	0.00
39204	Trailers & Other	4.0	5.00	-1.00	0.00
39205	Vehicles over 1 Ton	7.5	8.33	-0.83	0.00
	General Plant				
30100	Organization Costs	0.0	0.00	0.00	0.00
30200	Franchise & Consents	4.0	4.00	0.00	0.00
30300	Misc Intangible Plant	4.0	4.00	0.00	0.00
30301	Custom Intangible Plant	6.7	6.70	0.00	0.00
39000	Structures & Improvements	2.5	2.50	0.00	0.00
39100	Office Furniture	6.7	6.70	0.00	0.00
39101	Computer Equipment	12.3	12.30	0.00	0.00
39102	Office Equipment	6.7	6.70	0.00	0.00
39300	Stores Equipment	3.9	3.90	0.00	0.00
39400	Tools, Shop & Garage Equip	6.7	6.70	0.00	0.00
39401	CNC Station Equipment	5.0	5.00	0.00	0.00
39500	Laboratory Equipment	5.0	5.00	0.00	0.00
39600	Power Operated Equipment	6.3	6.63	-0.33	0.00
39700	Communication Equipment	8.2	8.20	0.00	0.00
39800	Miscellaneous Equipment	6.0	6.00	0.00	0.00

16. 2017 and 2018 plant additions and bonus tax depreciation.

a. Please identify by account the Company's actual 2017 plant additions.

b. Does the Company anticipate claiming bonus tax depreciation on any of its 2017 plant additions?

1. If "yes", please identify the 2017 plant additions which are eligible for bonus tax depreciation and show the amounts of bonus tax depreciation that the Company intends to claim.

c. Please also address whether and how the Company distinguished costs for public utility property (1) through September 27, 2017 and (2) from September 28, 2017 through December 31, 2017, in determining its 2017 bonus tax depreciation amounts.

1. If "no", please explain fully why not, and provide a copy of the related financial and economic analysis.

d. Does the Company plan on claiming for tax year 2017 any MACRS tax depreciation on any of its 2017 plant additions?

1. If "yes", please identify the 2017 plant additions for which the Company intends to claim MACRS tax depreciation and show the amounts of MACRS tax depreciation that the Company intends to claim for tax year 2017.

e. Does the Company plan on claiming for tax year 2018 any bonus tax depreciation on any of its 2018 plant additions (such as property that was under construction at September 27, 2017 and placed into service in 2018)?

1. If "yes", please identify the 2018 plant additions for which the Company intends to claim bonus tax depreciation and show the amounts of bonus tax depreciation that the Company intends to claim for tax year 2018.

A. a. See attached.

b. Yes, the company plans to claim bonus tax depreciation in 2017 and is currently working on its 2017 Corporate Income Tax Return which when finalized will show the amount of actual bonus depreciation claimed.

c. The company has distinguished the actual work order cost through September 27, 2017 based on the CWIP charges for property placed in service in 2017 as qualifying for bonus depreciation excluding land and structures. All CWIP charges from property placed in service in 2017 from September 28, 2017 through December 31, 2017 were also evaluated as bonus eligible. If the charges were incurred in a blanket work order those charges were removed, under the premise that they did not have a binding contract prior to September 27, 2017 since those charges normally are placed in service as incurred.

d. Yes, the company plans on claiming MACRS in 2017 and is currently working on its 2017 corporate income tax return which when finalized will show the amount of actual MACRS tax deduction claimed

e. Yes, the company plans on claiming bonus tax depreciation in 2018. Under Pre – Tax Cuts and Jobs Act Law, Code Section 168(k) provides a phased down bonus depreciation deduction for qualifying property placed in service by 12/31/2020 at the respective rates of 50%, 40% and 30%. The Tax Cuts and Jobs Act enacted on December 22, 2017 raises the bonus depreciation rate to 100% however regulated public utilities are specifically excluded from the definition of qualifying property and therefore exempt from the 100% bonus depreciation rate. The Act however provides for a transition rule which maintains the phased down bonus depreciation rates allowed for property acquired before September 28, 2017 and placed in service after September 27, 2017. While there is no consensus as yet among utilities or accounting firms on this issue, the company's position is that bonus depreciation can still be claimed on public utility property in 2018 through 2020 under the old bonus depreciation rules, but only for assets acquired under a contract prior to September 21, 2017. Treasury and/or Internal Revenue Service are expected to issue clarification on the transition rules which could reduce the amount of qualifying property subject to bonus depreciation for 2018.

17. How much income tax expense was allowed in the Company's last rate case? Please identify the amount, and provide a breakout showing the amounts for each of the following:

a. Current federal income tax expense (also provide the amount of federal taxable income and the FIT rate used)

b. Current state income tax expense (also provide the amount of state taxable income and the state income tax rate used)

c. Deferred federal income tax expense (also provide each book-tax difference for which deferred federal income tax expense was computed and identify the FIT rate used)

d. Deferred state income tax expense (also provide each book-tax difference for which deferred state income tax was computed the state income tax rate used)

e. Investment tax credit amortization

f. Any other components of income tax expense (identify, quantify and explain in detail).

A. a. Peoples last filed rate case was for a 2009 projected test year. In that case the company filed federal income tax expense of $5,384,874. The federal taxable income was $15,385,354 and the income tax rate used was 35%. After Commission adjustments the approved income tax expense was $16,720,164.

b. Peoples last filed rate case was for a 2009 projected test year. In that case the company filed state income tax expense of $1,145,793. The state taxable income was $20,833,000 and the tax rate used was 5.5%. The rate After Commission adjustments the approved income tax expense was $16,720,164.

c. Peoples last filed rate case was for a 2009 projected test year. In that case the company filed deferred federal income tax expense of $1,927,731. MFR Schedule C-23, page 1 of 1, filed in Docket No. 080318-GU provides a

listing of each of the book-tax differences. The federal income tax rate used was 35%.

d. Peoples last filed rate case was for a 2009 projected test year. In that case the company filed state deferred income tax expense of $83,980. MFR Schedule C-23, page 1 of 1, filed in Docket No. 080318-GU provides a listing of each of the book-tax differences. The state income tax rate used was 5.5%.

e. Peoples last filed rate case was for a 2009 projected test year. In that case the company do not file for any investment tax credit amortization.

f. Peoples last filed rate case was for a 2009 projected test year. In that case the company did not file for any write-off of excess deferred taxes.

18. Does the Company have a cost of service study file in Excel from its last rate case? If so, please provide it, with formulas and cross references intact.

a. How were income taxes allocated among rate classes in the cost of service study in the Company's last rate case? Explain fully and show allocations in detail.

b. How were the Company's ADIT balances allocated among rate classes in the cost of service study in the Company's last rate case? Explain fully and show allocations in detail.

A. Yes. The income tax percentage allocations among the rate classes are the same for current and deferred taxes within the Peoples Gas cost of service study files which are attached.

(BS 18) SCH-E1.xls
(BS 19) SCH-E2.xls
(BS 20) SCH-E3.xls
(BS 21) SCH-E4.xls
(BS 22) SCH-E5 revised_5-6-09.xls
(BS 23) SCH-E6.xls
(BS 24) SCH-E7.xls
(BS 25) SCH-E8.xls
(BS 26) SCH-E9.xls
(BS 27) SCH-H1_Revised 5-6-09.xls
(BS 28) SCH-H2_Revised 5-6-09.xls
(BS 29) SCH-H3_Revised 5-6-09.xls

a. As described above, both current and deferred income taxes are allocated in the same way to rate classes in the cost of service study. See Schedule H-1 (Revised 5/6/09) page 1 and 2 of 13 from the PGS rate case which shows the allocation of these taxes to rate schedule.

b. See response to subpart a above.

19. CIAC. Did the Company receive any collection of contributions in aide of construction (CIAC) during 2017?

a. If "yes" please identify the amounts of CIAC and explain to which plant accounts the CIAC amounts relate.

b. Does the Company have an opinion on whether any of the CIAC collected in 2017 will be required to be included as taxable income on its federal income tax return for tax year 2017? If not, explain fully why not. If "yes" please explain the opinion and the basis for it.

c. Did the Company reflect any amounts of federal income tax for CIAC received in 2017? If so, please identify such amounts.

d. Does the Company anticipate receiving any CIAC in 2018? If "yes" please identify the amounts of CIAC and explain to which plant accounts the CIAC amounts relate.

e. Does the Company have an opinion on whether any of the CIAC collected in 2018 will be required to be included as taxable income on its federal income tax return for tax year 2018? If not, explain fully why not. If "yes" please explain the opinion and the basis for it.

f. Is the Company reflecting any amounts of federal income tax for CIAC received in 2018? If so, please identify, quantify and explain such amounts.

A. a. The CIAC amount for 2017 was $2,020,715. The amount does not fully unitize to a utility plant account until the work order is in a complete status. The CIAC is in the gas distribution Functional Class.

b. Yes, the company will include CIAC in taxable income. Under Internal Revenue Code 118(b), CIAC is required to be included in gross income.

c. The company included in taxable income $2,020,715 for CIAC.

d. Yes, the CIAC amount included in the 2018 Budget is $2,233,884. The CIAC is in the gas distribution Functional Class.

e. See response to question b above.

f. See response to question d above.

20. Does the Company have any journal entries and journal entry workpapers showing how it identified and recorded amounts of EADIT as of December 31, 2017 as a net regulatory liability? If not, explain fully why not. If so, identify and provide the journal entries and journal entry workpapers and supporting calculations. To the extent that the related workpapers are available in Excel (e.g., to support FAS 109 related entries), please include all of the related Excel files.

a. As a continuing supplement, please provide adjusting journal entries (and the related workpapers) to adjust the 12/31/2017 recording of EADIT as regulatory liability as the Company refines its estimates.

A. a. See Peoples Gas response to OPC First Request for POD No. 1,3,4.

21. Net operating loss (NOL) carry-forwards.

a. Does the Company have a net operating loss carry forward for federal income tax purposes as of 12/31/2016 of 12/31/2017? If so:

1. identify the federal NOL carryforward amount as of each date.
2. show over what period the Company anticipates utilizing the 12/31/2017 NOL carryforward.
3. identify, quantify and explain how the Company has recorded an ADIT balance related to the NOL carryfoward as of each date.
4. identify, quantify and explain how the Company has or will adjust its 12/31/2017 recorded ADIT balance related to the NOL carryfoward for the reduction in the corporate FIT rate from 35% to 21%.

b. Does the Company have a net operating loss carry forward for state income tax purposes as of 12/31/2016 of 12/31/2017? If so:

1. identify the state NOL carryforward amount as of each date.
2. show over what period the Company anticipates utilizing the 12/31/2017 state NOL carryforward.
3. identify, quantify and explain how the Company has recorded an ADIT balance related to the state NOL carryfoward as of each date.

A. a. See attached.

b. See attached.

20180044-GU Staff Hearing Exhibits 00061

Peoples Gas System

NOL-Question 21

	12/31/2016	12/31/2017
Federal	9,500,475	9,500,475
ADIT	**3,325,166**	**1,995,100**
State	4,625,016	4,625,016
ADIT	**165,344**	**200,957**

The Company anticipates utilizing the Federal NOL in 2025
The Company anticipates utilizing the State NOL during the 2024-2025 period

M Item	Gross Timing Difference	DIT Beginning Balance	Excess DIT	After Tax Deferred Tax Liability	Rate	Normalization
DEF SEP CO - EMERA FED NOL-UNPROTECTED	$9,500,474.34	$3,325,166.02	($1,330,066.41)	$1,995,099.61	21.00%	Unprotected
DEF SEP CO - EMERA FL NOL-UNPROTECTED	$4,625,015.23	$165,344.30	$35,612.61	$200,956.91	4.35%	Unprotected

20180044-GU Staff Hearing Exhibits 00062

22. Identify each regulatory filing, including each filing for each surcharge or rider rate adjustment that the Company plans to file in 2018. For each such filing, please indicate whether the filing includes (1) income tax expense, (2) accumulated deferred income taxes, and (3) any other features which are impacted by the TCJA, and explain how each such surcharge or rider rate is impacted by those items.

A. PGS clause projection filings do not include income tax expense or accumulated deferred income taxes. The CIBSR filing will be impacted by the TCJA, as the Return on Average Net Book Value of assets in those filings is grossed up for taxes through the use of an expansion factor. The cost recovery factors will be calculated using a lower expansion factor, which has been updated for the TCJA. This will result in a lower return on assets, which in turn will lower the expenses filed in those respective filings. The actual/estimated filing will include the current-year variance due to the new lower expansion factor applicable beginning January 1, 2018, and that variance will be trued-up as a component of the 2019 factors.

23. When does the Company plan to file its next base rate case?

A. The flow back of the tax benefits associated with the Tax Cuts and Jobs Act (TCJA), combined with the material reduction of deferred tax balances from the TCJA, significantly impacts the regulated ROE calculation of PGS. Prior to the signing of the TCJA, PGS anticipated filing its next base rate case in the fall of 2020 or spring of 2021. While the company is still reviewing assumptions and developing its strategic plan over the next five years, it believes the degradation in ROE caused by the TCJA could result in a base rate filing in 2019.

24. Please quantify and explain all savings in 2018 and 2019 that the Company expects to realize from the TCJA.

A. Peoples Gas anticipates realizing approximately $11.8 million in tax savings in 2018 associated with the reduced corporate tax rate from the TCJA. Additionally, in 2018, the company anticipates flowing back $1 million in excess ADIT's back to customers. For 2019, Peoples Gas can not estimate with certainty the tax savings that it expects to realize from the TCJA.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF HILLSBOROUGH)

Before me the undersigned authority personally appeared Carlos Aldazabal who deposed and said that he is Managing Director, Regulatory Affairs and that the individuals listed in Peoples Gas System's response to OPC's Second Set of Interrogatories, (Nos. 11-24) prepared or assisted with the responses to these interrogatories to the best of his information and belief.

Dated at Tampa, Florida this 30th day of April, 2018.

Carlos Aldazabal

Sworn to and subscribed before me this 30th day of April, 2018.

Sana Boric

Notary Public State of Florida
Sana Boric
My Commission GG 020235
Expires 08/10/2020

My Commission expires _____

8

PGS response to OPC 3rd Interrogatories Nos. 25-28.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 8
PARTY: STAFF – (DIRECT)
DESCRIPTION: Valarie Strickland (25) Jeff Chronister (26-28)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System.	))))	**DOCKET NO. 20180044-GU** **FILED: JUNE 6, 2018**

PEOPLES GAS SYSTEM'S

ANSWERS TO THIRD SET OF INTERROGATORIES (NOS. 25-28)

OF

OFFICE OF PUBLIC COUNSEL

Tampa Electric files this its Answers to Interrogatories (Nos. 25 - 28) propounded and served on May 7, 2018 by the Office of Public Counsel.

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
INDEX TO OPC'S THIRD SET OF INTERROGATORIES (NOS. 25-28)

Number	Witness	Subject	Bates Stamped Page
25	Strickland	Details of Average Rate Assumption Method ("ARAM") calculations for protected excess Accumulated Deferred Income Tax ("EDIT") balances at December 31, 2017. Please provide in Excel, the information from PowerPlan and PowerTax, showing how the Company will apply the ARAM to the December 31, 2017 protected EDIT balances for these generating plant assets and other accounts distribution and general plant accounts as listed below: a) Account 37600, Mains Steel; b) Account 37602, Mains Plastic; c) Account 38002, Services Plastic; d) Account 38100, Meters; and e) Account 30301, Custom Intangible Plant.	1
26	Chronister	What is the amount of the Company's excess accumulated depreciation (also known as depreciation reserve excess) as of December 31, 2017? Please show in total and by tracked accumulated depreciation component.	3
27	Chronister	How is the Company's depreciation reserve excess being amortized? Explain fully.	4
28	Chronister	Is the Company's depreciation reserve excess expected to have any impact on the ARAM calculations? If so, explain the expected impacts.	5

Jeff Chronister
Controller

Valerie Strickland
Director, Corporate Taxes

Tampa Electric Company
702 N. Franklin Street
Tampa, Florida 33602

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
OPC'S THIRD SET OF
INTERROGATORIES
INTERROGATORY NO. 25
BATES STAMPED PAGES: 1 - 2
FILED: JUNE 6, 2018
REVISED: JUNE 12, 2018

25. Details of Average Rate Assumption Method ("ARAM") calculations for protected excess Accumulated Deferred Income Tax ("EDIT") balances at December 31, 2017. Please provide in Excel, the information from PowerPlan and PowerTax, showing how the Company will apply the ARAM to the December 31, 2017 protected EDIT balances for these generating plant assets and other accounts distribution and general plant accounts as listed below:

a) Account 37600, Mains Steel;
b) Account 37602, Mains Plastic;
c) Account 38002, Services Plastic;
d) Account 38100, Meters; and
e) Account 30301, Custom Intangible Plant.

A. The company will apply ARAM to derive the amount of flow back for the protected EDIT. Under ARAM, the calculation of the average rate is made as of the beginning of the year in which temporary differences in the vintage account begin to reverse, for example, in the first year in which the tax depreciation is less than book depreciation. In PowerTax, EDIT's are not maintained by plant account. Those records are all maintained at a Tax Class Vintage level. The excel file titled "(BS 2) No 25 PGS Protected Excess Detail REV 6-12-2018.xlsx" has been provided.

26. What is the amount of the Company's excess accumulated depreciation (also known as depreciation reserve excess) as of December 31, 2017? Please show in total and by tracked accumulated depreciation component.

A. Peoples Gas has not completed a depreciation study or depreciation analysis as of December 31, 2017. The last completed depreciation study was December 2016, which reflected a depreciation reserve surplus of approximately $148.5 million consisting of four accounts. Peoples Gas as part of its Settlement Agreement submitted for filing on December 15, 2016 in Docket No. 160159-GU and approved in Order No. PSC-17-0066-AS-GU agreed to reduce its depreciation rates by $16,114,365 to address the reserve surplus balance. The schedule below reflects the excess reserve balance by account as of December 2016. Peoples implemented the approved depreciation rates retroactive to January 1, 2016.

PEOPLES GAS SYSTEM
2016 Depreciation Rate Review
Comparison of Reserve - Actual vs Theoretical

Account Number	Account Title	Reserve Surplus/Deficiency
	Distribution Plant	($)
37600	Mains Steel	50,118,249
37602	Mains Plastic	46,330,701
38000	Services Steel	10,609,584
38002	Services Plastic	41,493,768
Total Distribution Plant		$148,552,301

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
OPC'S THIRD SET OF
INTERROGATORIES
INTERROGATORY NO. 27
BATES STAMPED PAGE: 4
FILED: JUNE 6, 2018

27. How is the Company's depreciation reserve excess being amortized? Explain fully.

A. As part of the Settlement agreement described in Interrogatory Response No. 26 Peoples reduced its depreciation rates effective January 1, 2016 to address the existing depreciation reserve surplus.

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
OPC'S THIRD SET OF
INTERROGATORIES
INTERROGATORY NO. 28
BATES STAMPED PAGE: 5
FILED: JUNE 6, 2018

28. Is the Company's depreciation reserve excess expected to have any impact on the ARAM calculations? If so, explain the expected impacts.

A. No. The depreciation reserve surplus is a result of book depreciation not tax depreciation.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF HILLSBOROUGH)

Before me the undersigned authority personally appeared Carlos Aldazabal who deposed and said that he is Managing Director, Regulatory Affairs and that the individuals listed in Peoples Gas System's response to OPC's Third Set of Interrogatories, (Nos. 25-28) prepared or assisted with the responses to these interrogatories to the best of his information and belief.

Dated at Tampa, Florida this 4th day of June, 2018.

Sworn to and subscribed before me this 4th day of June, 2018.

Notary Public State of Florida
Cynthia R Kyle
My Commission FF 197516
Expires 03/01/2019

My Commission expires _____

PEOPLES GAS SYSTEM
2016 Depreciation Rate Review
Comparison of Reserve - Actual vs Theoretical

Account Number	Account Title	Reserve Surplus/Deficiency
	Distribution Plant	($)
37600	Mains Steel	50,118,249
37602	Mains Plastic	46,330,701
38000	Services Steel	10,609,584
38002	Services Plastic	41,493,768
	Total Distribution Plant	**$148,552,301**

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PGS response to OPC 4th Interrogatories No. 29.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 9
PARTY: STAFF – (DIRECT)
DESCRIPTION: Valarie Strickland

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System.	))))	DOCKET NO. 20180044-GU FILED: JUNE 22, 2018

PEOPLES GAS SYSTEM'S

ANSWERS TO FOURTH SET OF INTERROGATORIES (NO. 29)

OF

OFFICE OF PUBLIC COUNSEL

Peoples Gas System files this its Answers to Interrogatories (No. 29) propounded and served on May 23, 2018 by the Office of Public Counsel.

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
INDEX TO OPC'S FOURTH SET OF INTERROGATORIES (NO. 29)

Number	Witness	Subject	Bates Stamped Page
29	Strickland	Please provide an explanation as to how the Company treated Cost of Removal in the calculation of Excess Accumulated Deferred Income Taxes (ADIT) as creating either protected or unprotected deferred taxes. a. Explain in detail why you believe the determination by the Company as to whether the ADIT created by recording a Cost of Removal is protected or unprotected is the appropriate recognition, and provide any supporting guidance relied on. b. Provide an analysis showing the calculation of the amount of excess ADIT created by the federal Tax Cuts and Jobs Act related to Cost of Removal.	1

Valerie Strickland
Director, Corporate Taxes

Tampa Electric Company
702 N. Franklin Street
Tampa, Florida 33602

29. Please provide an explanation as to how the Company treated Cost of Removal in the calculation of Excess Accumulated Deferred Income Taxes (ADIT) as creating either protected or unprotected deferred taxes.

a. Explain in detail why you believe the determination by the Company as to whether the ADIT created by recording a Cost of Removal is protected or unprotected is the appropriate recognition, and provide any supporting guidance relied on.

b. Provide an analysis showing the calculation of the amount of excess ADIT created by the federal Tax Cuts and Jobs Act related to Cost of Removal.

A. a. See the company's response to OPC's Second Informal Data Request No. 3-30.

b. See the company's response to OPC's Fourth Request for Production of Documents No. 10.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF HILLSBOROUGH)

Before me the undersigned authority personally appeared, Carlos Aldazabal who deposed and said that he is Managing Director, Regulatory Affairs and that the individuals listed in Peoples Gas System's response to OPC's Fourth Set of Interrogatories, (No. 29) prepared or assisted with the responses to these interrogatories to the best of his information and belief.

Dated at Tampa, Florida this 20 day of June, 2018.

Sworn to and subscribed before me this 20th day of June, 2018.

Notary Public State of Florida
Sana Boric
My Commission GG 020235
Expires 08/10/2020

My Commission expires _____

10

PGS response to OPC 1st Production of Documents Nos. 1-5.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 10
PARTY: STAFF – (DIRECT)
DESCRIPTION: Valerie Strickland

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System.	))))	**DOCKET NO. 20180044-GU FILED: APRIL 23, 2018**

PEOPLES GAS SYSTEM'S

ANSWERS TO FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-5)

OF

OFFICE OF PUBLIC COUNSEL

Peoples Gas System files this its Answers to Production of Documents (Nos. 1 - 5) propounded and served on March 23, 2018 by the Office of Public Counsel.

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
INDEX TO OPC'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS
(NOS. 1-10)

Number	Subject	Bates Stamped Page
1	Please provide a copy of any journal entries recorded in 2017 that were to reflect the impact of from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017.	1 – 3
2	Please provide a copy of any journal entries recorded in 2018 that were to reflect the impact of from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 and explain why they were recorded in 2018 instead of 2017.	4
3	Is the Company is still evaluating the net effect of the Tax Act, and if so please explain what is still being evaluated and identify any issues that are of concern?	5 – 34
4	Please explain any nuances the Company believes exist that will affect how the impact of the repair deduction will be factored in or taken into consideration in the determination of the excess deferred tax balances.	35
5	Please explain in detail how the Company plans on returning the excess unprotected deferred income taxes to customers.	36 – 45

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
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DOCUMENT NO. 1
BATES STAMPED PAGES: 1 - 3
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1. Please provide a copy of any journal entries recorded in 2017 that were to reflect the impact of from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017.

A. The requested documents are attached.

JOURNAL ENTRY DETAIL REPORT
Peoples Gas System
For the Month of: Rate Change Beg Bal Trueup

Page No: 1
Run Date: 04/04/2018
Run Time: 07:48:06

GL Company No: 2301
Posting Date: 01/10/2018 19:38:56

Total Base Debits: 79,488,802.61
Total Base Credits: -79,488,802.61
Total Lines: 5

Line #	Account #	Profit Center	Journal Entry #	Cost Center	Cost Element	Account Description	Debit	Credit
1	2540330	P01001	50000	F390000		2540330-2540330	$0.00	$0.63
2	2540610	P01001	50000	F390000		Oth Reg Liab-FAS 109 Income	$0.00	$79,488,801.98
3	2820300	P01001	50000	F390000		DIT Other Prop - Fed	$0.63	$0.00
4	2820610	P01001	50000	F390000		DIT Other Prop - FAS109	$59,342,364.98	$0.00
5	2830610	P01001	50000	F390000		DTL - FAS109 - Other	$20,146,437.00	$0.00

Journal Entry Total - Balance Check: ($0.00)

Preparer: Melanie J Redding
Reviewer 1: Melanie J Redding
Reviewer 2: David Avellan
Approver: David Avellan

P&L Tax Impact - Expense/(Benefit):	$0.00
Bal Sheet Tax Impact - Debit/(Credit):	$0.00
Non Tax Impact	$0.00

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JOURNAL ENTRY DETAIL REPORT
Peoples Gas System
For the Month of: Rate Change YTD Trueup

Page No: 1
Run Date: 04/04/2018
Run Time: 07:48:26

GL Company No: 2301
Posting Date: 01/10/2018 19:39:35

Total Base Debits: 10,477,014.08
Total Base Credits: -10,477,014.08
Total Lines: 11

Line #	Account #	Profit Center	Journal Entry #	Cost Center	Cost Element	Account Description	Debit	Credit
1	1900306	P01001	50000	F390000		Def Tax FIT - FAS 133	$239,221.55	$0.00
2	1900307	P01001	50000	F390000		Def Tax FIT - FAS 133 Int	$56,433.98	$0.00
3	1900308	P01001	50000	F390000		Def Tax FIT - FAS158	$454,911.04	$0.00
4	2190041	P01001	50000	F390000		OCI CF Hedges Taxes	$0.00	$56,433.98
5	2540330	P01001	50000	F390000		2540330-2540330	$0.63	$0.00
6	2540610	P01001	50000	F390000		Oth Reg Liab-FAS 109 Income	$0.00	$9,726,446.88
7	2820300	P01001	50000	F390000		DIT Other Prop - Fed	$0.00	$0.63
8	2820610	P01001	50000	F390000		DIT Other Prop - FAS109	$7,261,278.73	$0.00
9	2830330	P01001	50000	F390000		DTL - FAS 158 - Fed	$0.00	$454,911.04
10	2830340	P01001	50000	F390000		DTL - FAS 133 - Federal	$0.00	$239,221.55
11	2830610	P01001	50000	F390000		DTL - FAS109 - Other	$2,465,168.15	$0.00

Journal Entry Total - Balance Check: ($0.00)

Preparer: Melanie J Redding
Reviewer 1: Melanie J Redding
Reviewer 2: David Avellan
Approver: David Avellan

P&L Tax Impact - Expense/(Benefit):	$0.00
Bal Sheet Tax Impact - Debit/(Credit):	$0.00
Non Tax Impact	$0.00

Rpt # Tax Accrual - 51017
04/04/2018

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2. Please provide a copy of any journal entries recorded in 2018 that were to reflect the impact of from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017 and explain why they were recorded in 2018 instead of 2017.

A. None.

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BATES STAMPED PAGES: 5 - 34
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3. Please provide all workpapers the Company has that would show any calculations in determining the excess deferred income taxes resulting from the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017.

A. The requested documents are attached.

Tax Reform Summary

	Protected	Unprotected	Total Excess	Protected Gross Up	Unprotected Gross Up	Total Grossup
PGS	54,597,550	12,062,528	**66,660,078**	18,535,596	4,076,009	**22,611,605**

PGS

Protected excess deferred taxes

To record initial impact	Dr	Cr
2820610 DTL (acct 282 net of 190)	54,597,550	
2830610 DTL 283 Gross Up	18,535,596	
2540610 Reg tax liabilities acct		73,133,146
Yearly Amortization of Protected Excess Deferred (ARAM) see Note		
2540610 Reg tax liabilities acct	1,044,759	
8010300 Deferred income tax exp		779,965
2830610 DTL 283 Gross Up		264,794

Unprotected excess deferred taxes

To record initial impact	Dr	Cr
2820610 DTL (acct 282 net of 190)	12,062,528	
2830610 DTL 283 Gross Up	4,076,009	
2540610 Reg tax liabilities acct		16,138,537
Yearly Amortization of Unprotected Excess Deferred 32 years SL based on Average Regulatory Book Life		
2540610 Reg tax liabilities acct	504,329	
8010300 Deferred income tax exp		376,954
2830610 DTL 283 Gross Up		127,375

Note:

The company is currently working with PowerPlan Consultants on setting up ARAM and the Reverse South Georgia Method within PowerTax. In a conservative effort to estimate the 1 year amortization of the protected excess DIT the company used 70 years as a placeholder for first year amortization.

Our current estimate includes COR as unprotected, however this treatment is not consistent throughout the industry. The protected excess deferreds also currently include a portion of book/tax depreciation reversals that relate to basis adjustments.

The above estimates are covered under SAB118 disclosure.

TOTAL Deferred Taxes Balance Report

*** 2017 Provision**
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Schedule M Items					Deferred Taxes
M Item	"Beginning Balance"	"Current Activity"	"True-Up Activity"	"Adjustment Activity"	Gross Timing Difference	"DIT Beginning Balance"
401K - PERFORMANCE MATCH	($0.12)	$0.00	$0.00	$0.00	($0.12)	($0.05)
ABNORMAL RETIREMENTS	($8,879,987.00)	$0.00	$0.00	$0.00	($8,879,987.00)	($3,425,454.99)
ACC DEF ITC - PGS	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
ACCRUED BONUS	$2,291,486.68	$0.00	$0.00	$0.00	$2,291,486.68	$883,940.99
ACQUISITION ADJUSTMENT	$4,775,964.90	$0.00	$0.00	$0.00	$4,775,964.90	$1,842,328.47
AIAC	$11,943,516.21	$0.00	$0.00	$0.00	$11,943,516.21	$4,607,211.37
ALTERNATIVE FUEL VEHICLE DEDUCTION	($1,419,951.00)	$0.00	$0.00	$0.00	($1,419,951.00)	($547,746.10)
AMORT - BOND PUT OPTION	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
AMORT - CAPLIZED CUST ASSIST COSTS	$64,480,004.21	$0.00	$0.00	$0.00	$64,480,004.21	$24,873,161.62
AMORT - LH IMPROVE AND LAND RIGHTS	$7,169,624.96	$0.00	$0.00	$0.00	$7,169,624.96	$2,765,682.83
BAD DEBT	$252,188.43	$0.00	$0.00	$0.00	$252,188.43	$97,281.68
CI - BS REPLACEMENT - C	($1,030,552.00)	$0.00	$0.00	$0.00	($1,030,552.00)	($397,535.43)
CIAC	$58,928,358.26	$0.00	$0.00	$0.00	$58,928,358.26	$22,731,614.19
COMPETITIVE RATE ADJ - C	($2,885,478.39)	$0.00	$0.00	$0.00	($2,885,478.39)	($1,113,073.29)
COMPETITIVE RATE ADJ - NC	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
CONSTRUCTION OVERHEAD CAPITALIZED (263A)	($5,318,397.00)	$0.00	$0.00	$0.00	($5,318,397.00)	($2,051,571.65)
CONTRACTOR DAMAGE RESERVE	$47,680.43	$0.00	$0.00	$0.00	$47,680.43	$18,392.72
COST OF REMOVAL	($78,237,000.85)	$0.00	$0.00	$0.00	($78,237,000.85)	($30,179,923.08)
CURRENCY ADJ - UNREAL G/L	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
DEF SEP CO - EMERA FED NOL-UNPROTECTED	$9,500,474.34	$0.00	$0.00	$0.00	$9,500,474.34	$3,325,166.02
DEF SEP CO - EMERA FL NOL-UNPROTECTED	$4,625,015.23	$0.00	$0.00	$0.00	$4,625,015.23	$165,344.30
DEFERRED FUEL	($2,834,666.00)	$0.00	$0.00	$0.00	($2,834,666.00)	($1,093,472.41)
DEFERRED REVENUE	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

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TOTAL Deferred Taxes Balance Report

*** 2017 Provision**
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Schedule M Items					Deferred Taxes
M Item	"Beginning Balance"	"Current Activity"	"True-Up Activity"	"Adjustment Activity"	Gross Timing Difference	"DIT Beginning Balance"
DEPRECIATION - BOOK	$441,491,283.88	$0.00	$0.00	$0.00	$441,491,283.88	$170,305,262.76
DEPRECIATION - BOOK TAX DIFF FED	($847,096,444.02)	$0.00	$0.00	$0.00	($847,096,444.02)	($296,483,755.41)
DEPRECIATION - BOOK TAX DIFF STATE	($725,539,713.79)	$0.00	$0.00	$0.00	($725,539,713.79)	($25,938,044.77)
ENERGY CONSERVATION REV - C	($2,498,428.00)	$0.00	$0.00	$0.00	($2,498,428.00)	($963,768.60)
ENVIROMNTAL DISP COSTS NET - C	($2,643,027.32)	$0.00	$0.00	$0.00	($2,643,027.32)	($1,019,547.78)
ENVIROMNTAL DISP COSTS NET - NC	$0.06	$0.00	$0.00	$0.00	$0.06	$0.02
FAS 106 - NC	$15,742,627.19	$0.00	$0.00	$0.00	$15,742,627.19	$6,072,718.45
FAS 106 FAS 158 - C	$825,877.00	$0.00	$0.00	$0.00	$825,877.00	$318,582.06
FAS 106 FAS 158 - C 283	($825,877.00)	$0.00	$0.00	$0.00	($825,877.00)	($318,582.06)
FAS 106 FAS 158 - NC	($123,630.00)	$0.00	$0.00	$0.00	($123,630.00)	($47,690.27)
FAS 106 FAS 158 - NC 283	$123,630.00	$0.00	$0.00	$0.00	$123,630.00	$47,690.27
FAS 112	$3,049,962.00	$0.00	$0.00	$0.00	$3,049,962.00	$1,176,522.84
FAS 158 - MED PT D NC	$96,722.60	$0.00	$0.00	$0.00	$96,722.60	$37,310.74
FAS 158 - MED PT D NC 283	($96,722.60)	$0.00	$0.00	$0.00	($96,722.60)	($37,310.74)
G/L - SALE OF ASSETS	($16,807,003.67)	$0.00	$0.00	$0.00	($16,807,003.67)	($6,483,301.66)
GENERAL BUSINESS CREDIT	($394,317.00)	$0.00	$0.00	$0.00	($394,317.00)	$394,317.00
HEDGES	($763,334.84)	$0.00	$0.00	$0.00	($763,334.84)	($294,456.41)
INSURANCE RESERVE - C	($621,882.00)	$0.00	$0.00	$0.00	($621,882.00)	($239,890.98)
INSURANCE RESERVE - NC	$2,777,927.00	$0.00	$0.00	$0.00	$2,777,927.00	$1,071,585.35
LEASE-PLANT	$858,625.00	$0.00	$0.00	$0.00	$858,625.00	$331,214.60
LEGAL EXPENSES	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
LONG TERM INCENTIVE	$1,179,673.88	$0.00	$0.00	$0.00	$1,179,673.88	$455,059.20
OCI FAS 133 - C	$181,065.00	$0.00	$0.00	$0.00	$181,065.00	$69,845.83

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TOTAL Deferred Taxes Balance Report

*** 2017 Provision**
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Schedule M Items					Deferred Taxes
M Item	"Beginning Balance"	"Current Activity"	"True-Up Activity"	"Adjustment Activity"	Gross Timing Difference	"DIT Beginning Balance"
OCI FAS 133 - C 283	($181,065.00)	$0.00	$0.00	$0.00	($181,065.00)	($69,845.83)
OCI FAS 133 - NC	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
OCI FAS 133 - NC 283	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
OCI FAS 133 INTEREST - NC	$918,998.60	$0.00	$0.00	$0.00	$918,998.60	$354,503.71
PENSION - NC	($22,276,366.22)	$0.00	$0.00	$0.00	($22,276,366.22)	($8,593,108.27)
PENSION FAS 158 - NC	$22,299,756.00	$0.00	$0.00	$0.00	$22,299,756.00	$8,602,130.88
PENSION FAS 158 - NC 283	($22,299,756.00)	$0.00	$0.00	$0.00	($22,299,756.00)	($8,602,130.88)
RATE CASE EXPENSE - NC	$0.08	$0.00	$0.00	$0.00	$0.08	$0.03
REPAIRS CAPITALIZED ON BOOKS	($142,985,514.82)	$0.00	$0.00	$0.00	($142,985,514.82)	($55,156,662.35)
RESEARCH EXPENSE - C	$0.16	$0.00	$0.00	$0.00	$0.16	$0.07
RESEARCH EXPENSE - NC	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
RESTORATION PLAN	$41,592.00	$0.00	$0.00	$0.00	$41,592.00	$16,044.11
RESTORATION PLAN FAS 158 - NC	$281,817.00	$0.00	$0.00	$0.00	$281,817.00	$108,710.91
RESTORATION PLAN FAS 158 - NC 283	($281,817.00)	$0.00	$0.00	$0.00	($281,817.00)	($108,710.91)
RETIREMENT OVERHEAD COSTS	($1,917,294.00)	$0.00	$0.00	$0.00	($1,917,294.00)	($739,596.16)
SEC 263A INDIRECT COSTS	$2,235,573.96	$0.00	$0.00	$0.00	$2,235,573.96	$862,372.66
SEC 263A INTEREST CAP	$20,987,130.13	$0.00	$0.00	$0.00	$20,987,130.13	$8,095,785.45
SERP - NC	$899,342.42	$0.00	$0.00	$0.00	$899,342.42	$346,921.34
SERP FAS 158 - C	$388,457.00	$0.00	$0.00	$0.00	$388,457.00	$149,847.29
SERP FAS 158 - C 283	($388,457.00)	$0.00	$0.00	$0.00	($388,457.00)	($149,847.29)
SERP FAS 158 - NC	$1,219,014.00	$0.00	$0.00	$0.00	$1,219,014.00	$470,234.65
SERP FAS 158 - NC 283	($1,219,014.00)	$0.00	$0.00	$0.00	($1,219,014.00)	($470,234.65)
SOFTWARE DEVELOPED INTERNALLY	($9,462,526.00)	$0.00	$0.00	$0.00	($9,462,526.00)	($3,650,169.40)

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TOTAL Deferred Taxes Balance Report

*** 2017 Provision**
Peoples Gas System
ACROSS OPERATING INDICATORS
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	Schedule M Items				Deferred Taxes	
M Item	**"Beginning Balance"**	**"Current Activity"**	**"True-Up Activity"**	**"Adjustment Activity"**	**Gross Timing Difference**	**"DIT Beginning Balance"**
STORM RESERVE	$35,999.49	$0.00	$0.00	$0.00	$35,999.49	$13,886.80
VACATION ACCRUAL	$2,310,351.34	$0.00	$0.00	$0.00	$2,310,351.34	$891,218.03
WHOLE PRICING INTEREST COMPONENT	($1,833,177.00)	$0.00	$0.00	$0.00	($1,833,177.00)	($707,148.03)
WORKERS COMPENSATION - NC	$528,155.00	$0.00	$0.00	$0.00	$528,155.00	$203,735.80
z DEBT EXPENSE/BOND COSTS - DO NOT USE	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	($1,218,373,505.20)	$0.00	$0.00	$0.00	($1,218,373,505.20)	($187,176,954.41)
Rpt # Tax Accrual - 51051	1/11/2018 11:23					

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	Current Law	Proposed Rate	
offset	-0.01925	-0.01155	0.0077
state	0.055	0.055	0
fed	0.33075	0.19845	-0.1323
st + offset	0.03575	0.04345	**0.0077**
fed stat.	0.35	0.21	-0.14
Net Fed & State	0.38575	0.25345	**-0.1323**
Norm Gross Up	0.62800	0.339495	**-0.288506618**

"Current Activity"	"True-Up Activity"	"Adjustment Activity"	After Tax Deferred Tax Liability	Rate	Normalization	Excess DIT	Gross Up
$6,879.60	$0.00	($6,879.59)	($0.04)	33.33%	**Unprotected**	$0.01	0.00
$0.00	$0.00	$1,174,822.28	($2,250,632.71)	25.35%	**Unprotected**	$1,174,822.28	398,846.30
($0.63)	$0.00	$0.63	$0.00	0.00%	**Unprotected**	$0.00	-
$29,968.19	$0.00	($333,131.88)	$580,777.30	25.35%	**Unprotected**	($303,163.69)	(102,922.56)
($19,732.00)	$0.00	($612,128.16)	$1,210,468.31	25.35%	**Unprotected**	($631,860.16)	(214,513.37)
$401,214.51	$0.00	($1,981,341.70)	$3,027,084.18	25.35%	**Unprotected**	($1,580,127.19)	(536,445.30)
$0.00	$0.00	$187,859.51	($359,886.59)	25.35%	**Unprotected**	$187,859.51	63,777.37
$0.00	$0.00	$0.00	$0.00	0.00%	**Unprotected**	$0.00	-
($657,889.84)	$0.00	($7,872,814.72)	$16,342,457.06	25.35%	**Unprotected**	($8,530,704.56)	(2,896,131.63)
($250,345.42)	$0.00	($698,195.97)	$1,817,141.44	25.35%	**Unprotected**	($948,541.39)	(322,025.07)
($24,974.05)	$0.00	($8,390.48)	$63,917.15	25.34%	**Unprotected**	($33,364.53)	(11,327.09)
$362,491.43	$0.00	($226,149.40)	($261,193.40)	25.35%	**Unprotected**	$136,342.03	46,287.44
($267,340.58)	$0.00	($7,528,881.22)	$14,935,392.39	25.35%	**Unprotected**	($7,796,221.80)	(2,646,778.40)
$20,999.28	$0.00	$360,749.52	($731,324.49)	25.35%	**Unprotected**	$381,748.80	129,601.81
$0.00	$0.00	$0.00	$0.00	0.00%	**Unprotected**	$0.00	-
$0.00	$0.00	$703,623.93	($1,347,947.72)	25.35%	**Unprotected**	$703,623.93	238,876.81
$0.00	$0.00	($6,308.12)	$12,084.60	25.34%	**Unprotected**	($6,308.12)	(2,141.58)
$855,370.51	$0.00	$9,495,384.70	($19,829,167.87)	25.35%	**Unprotected**	$10,350,755.21	3,514,029.75
$2.53	$0.00	($2.53)	$0.00	0.00%	**Unprotected**	$0.00	-
$0.00	$0.00	($1,330,066.41)	$1,995,099.61	21.00%	**Unprotected**	($1,330,066.41)	(451,550.91)
$0.00	$0.00	$35,612.61	$200,956.91	4.35%	**Unprotected**	$35,612.61	12,090.30
$375,026.32	$0.00	($0.01)	($718,446.10)	25.35%	**Unprotected**	$375,026.31	127,319.56
$0.00	$0.00	$0.00	$0.00	0.00%	**Unprotected**	$0.00	-

	Current Law	Proposed Rate	
offset	-0.01925	-0.01155	0.0077
state	0.055	0.055	0
fed	0.33075	0.19845	-0.1323
st + offset	0.03575	0.04345	**0.0077**
fed stat.	0.35	0.21	-0.14
Net Fed & State	0.38575	0.25345	**-0.1323**
Norm Gross Up	0.62800	0.339495	**-0.288506618**

"Current Activity"	"True-Up Activity"	"Adjustment Activity"	After Tax Deferred Tax Liability	Rate	Normalization	Excess DIT	Gross Up
($6,064,753.99)	$0.00	($52,344,542.88)	$111,895,965.89	25.35%	**Protected**	($58,409,296.87)	(19,829,664.85)
$10,935,323.85	$0.00	$107,658,178.32	($177,890,253.24)	21.00%	**Protected**	$118,593,502.17	40,261,902.25
($665,555.26)	$0.00	($4,921,100.54)	($31,524,700.57)	4.35%	**Protected**	($5,586,655.80)	(1,896,641.77)
$305,455.69	$0.00	$25,086.33	($633,226.58)	25.35%	**Unprotected**	$330,542.02	112,217.37
($362,934.32)	$0.00	$712,606.83	($669,875.27)	25.35%	**Unprotected**	$349,672.51	118,712.07
($0.01)	$0.00	$0.00	$0.01	16.67%	**Unprotected**	($0.01)	(0.00)
($15,216.49)	$0.00	($2,067,533.09)	$3,989,968.87	25.35%	**Unprotected**	($2,082,749.58)	(707,083.09)
($12,026.34)	$0.00	($97,237.19)	$209,318.53	25.35%	**Unprotected**	($109,263.53)	(37,094.42)
$12,026.34	$0.00	$97,237.19	($209,318.53)	25.35%	**Unprotected**	$109,263.53	37,094.42
($279,581.65)	$0.00	$295,937.90	($31,334.02)	25.34%	**Unprotected**	$16,356.25	5,552.87
$279,581.65	$0.00	($295,937.90)	$31,334.02	25.34%	**Unprotected**	($16,356.25)	(5,552.87)
($80,298.81)	$0.00	($323,211.16)	$773,012.87	25.35%	**Unprotected**	($403,509.97)	(136,989.62)
$0.00	$0.00	($12,796.40)	$24,514.34	25.34%	**Unprotected**	($12,796.40)	(4,344.31)
$0.00	$0.00	$12,796.40	($24,514.34)	25.34%	**Unprotected**	$12,796.40	4,344.31
$283,199.45	$0.00	$1,940,367.13	($4,259,735.08)	25.35%	**Unprotected**	$2,223,566.58	754,889.76
$0.00	$0.00	$0.00	$394,317.00 -1.00000000		**Unprotected**	$0.00	-
($55,372.41)	$0.00	$156,361.60	($193,467.22)	25.35%	**Unprotected**	$100,989.19	34,285.33
$29,956.81	$0.00	$52,318.18	($157,615.99)	25.35%	**Unprotected**	$82,274.99	27,931.95
$71,413.15	$0.00	($438,932.90)	$704,065.60	25.35%	**Unprotected**	($367,519.75)	(124,771.12)
($70,100.21)	$0.00	($43,495.88)	$217,618.51	25.35%	**Unprotected**	($113,596.09)	(38,565.31)
$0.00	$0.00	$0.00	$0.00	0.00%	**Unprotected**	$0.00	-
($118,140.72)	$0.00	($37,930.14)	$298,988.34	25.35%	**Unprotected**	($156,070.86)	(52,985.28)
$203,841.22	$0.00	($227,796.12)	$45,890.93	25.35%	**Unprotected**	($23,954.90)	(8,132.57)

	Current Law	Proposed Rate	
offset	-0.01925	-0.01155	0.0077
state	0.055	0.055	0
fed	0.33075	0.19845	-0.1323
st + offset	0.03575	0.04345	**0.0077**
fed stat.	0.35	0.21	-0.14
Net Fed & State	0.38575	0.25345	**-0.1323**
Norm Gross Up	0.62800	0.339495	**-0.288506618**

"Current Activity"	"True-Up Activity"	"Adjustment Activity"	After Tax Deferred Tax Liability	Rate	Normalization	Excess DIT	Gross Up
($203,841.22)	$0.00	$227,796.12	($45,890.93)	25.35%	Unprotected	$23,954.90	8,132.57
$35,380.34	$0.00	($35,380.34)	$0.00	0.00%	Unprotected	$0.00	-
($35,380.34)	$0.00	$35,380.34	$0.00	0.00%	Unprotected	$0.00	-
$56,433.97	$0.00	($178,017.48)	$232,920.20	25.35%	Unprotected	($121,583.51)	(41,276.99)
($37,850.37)	$0.00	$2,985,013.62	($5,645,945.02)	25.35%	Unprotected	$2,947,163.25	1,000,547.22
$718,458.72	$0.00	($3,668,716.44)	$5,651,873.16	25.35%	Unprotected	($2,950,257.72)	(1,001,597.78)
($718,458.72)	$0.00	$3,668,716.44	($5,651,873.16)	25.35%	Unprotected	$2,950,257.72	1,001,597.78
$0.00	$0.00	($0.01)	$0.02	25.00%	Unprotected	($0.01)	(0.00)
$2,519,934.86	$0.00	$16,397,048.76	($36,239,678.73)	25.35%	Unprotected	$18,916,983.62	6,422,221.55
$0.00	$0.00	($0.03)	$0.04	25.00%	Unprotected	($0.03)	(0.01)
$0.00	$0.00	$0.00	$0.00	0.00%	Unprotected	$0.00	-
($5,237.75)	$0.00	($264.87)	$10,541.49	25.34%	Unprotected	($5,502.62)	(1,868.11)
($36,007.70)	$0.00	($1,276.69)	$71,426.52	25.35%	Unprotected	($37,284.39)	(12,657.86)
$36,007.70	$0.00	$1,276.69	($71,426.52)	25.35%	Unprotected	$37,284.39	12,657.86
$0.00	$0.00	$253,658.00	($485,938.16)	25.35%	Unprotected	$253,658.00	86,115.63
($19,641.53)	$0.00	($276,124.91)	$566,606.22	25.35%	Unprotected	($295,766.44)	(100,411.23)
($57,978.22)	$0.00	($2,718,619.09)	$5,319,188.14	25.35%	Unprotected	($2,776,597.31)	(942,640.93)
($53,449.10)	$0.00	($65,533.90)	$227,938.34	25.35%	Unprotected	($118,983.00)	(40,394.13)
$0.00	$0.00	($51,392.86)	$98,454.43	25.35%	Unprotected	($51,392.86)	(17,447.62)
$0.00	$0.00	$51,392.86	($98,454.43)	25.35%	Unprotected	$51,392.86	17,447.62
$64,068.00	$0.00	($225,343.55)	$308,959.10	25.35%	Unprotected	($161,275.55)	(54,752.24)
($64,068.00)	$0.00	$225,343.55	($308,959.10)	25.35%	Unprotected	$161,275.55	54,752.24
$0.00	$0.00	$1,251,892.19	($2,398,277.21)	25.35%	Unprotected	$1,251,892.19	425,011.15

	Current Law	Proposed Rate	
offset	-0.01925	-0.01155	0.0077
state	0.055	0.055	0
fed	0.33075	0.19845	-0.1323
st + offset	0.03575	0.04345	**0.0077**
fed stat.	0.35	0.21	-0.14
Net Fed & State	0.38575	0.25345	**-0.1323**
Norm Gross Up	0.62800	0.339495	**-0.288506618**

"Current Activity"	"True-Up Activity"	"Adjustment Activity"	After Tax Deferred Tax Liability	Rate	Normalization	Excess DIT	Gross Up
$39,295.69	$0.00	($44,058.42)	$9,124.07	25.34%	**Unprotected**	($4,762.73)	(1,616.92)
($8,631.02)	$0.00	($297,028.47)	$585,558.54	25.35%	**Unprotected**	($305,659.49)	(103,769.87)
($69,293.98)	$0.00	$311,823.29	($464,618.72)	25.35%	**Unprotected**	$242,529.31	82,337.49
($70,517.05)	$0.00	$642.14	$133,860.89	25.35%	**Unprotected**	($69,874.91)	(23,722.18)
$0.00	$0.00	$0.00	$0.00	0.00%	**Unprotected**	$0.00	
$7,317,712.08	$0.00	$59,342,365.61	($120,516,876.72)	0.0989162		$66,660,077.69	$22,630,763.77
							$19,158.62

Total	$66,660,077.69	**Excludes Gross Up**
Total 2820610	$66,603,643.71	
	$56,433.98	**Difference**
	$56,433.98	**Account 1900307**
	$0.00	

Row Labels	Sum of Excess DIT	Sum of Gross Up
Protected	54,597,549.50	18,535,595.63
Unprotected	12,062,528.19	4,095,168.13
Grand Total	**66,660,077.69**	**22,630,763.77**

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
OPC'S FIRST REQUEST FOR
PRODUCTION OF DOCUMENTS
FILED: APRIL 23, 2018

TOTAL Deferred Taxes Balance Report

* 2017 Provision
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

		Schedule M Items			
M Item		"Beginning Balance"	"Current Activity"	"True-Up Activity"	"Adjustment Activity"
T100	401K - PERFORMANCE MATCH	($0.12)	$0.00	$0.00	$0.00
T515	ABNORMAL RETIREMENTS	($8,879,987.00)	$0.00	$0.00	$0.00
T105	ACCRUED BONUS	$2,291,486.68	$0.00	$0.00	$0.00
T520	ACQUISITION ADJUSTMENT	$4,775,964.90	$0.00	$0.00	$0.00
T525	AIAC	$11,943,516.21	$0.00	$0.00	$0.00
T530	ALTERNATIVE FUEL VEHICLE DEDUCTION	($1,419,951.00)	$0.00	$0.00	$0.00
T216	AMORT - BOND PUT OPTION	$0.00	$0.00	$0.00	$0.00
T220	AMORT - CAPLIZED CUST ASSIST COSTS	$64,480,004.21	$0.00	$0.00	$0.00
T535	AMORT - LH IMPROVE AND LAND RIGHTS	$7,169,624.96	$0.00	$0.00	$0.00
T255	BAD DEBT	$252,188.43	$0.00	$0.00	$0.00
T456	CI - BS REPLACEMENT - C	($1,030,552.00)	$0.00	$0.00	$0.00
T560	CIAC	$58,928,358.26	$0.00	$0.00	$0.00
T261	COMPETITIVE RATE ADJ - C	($2,885,478.39)	$0.00	$0.00	$0.00
T260	COMPETITIVE RATE ADJ - NC	$0.00	$0.00	$0.00	$0.00
T563	CONSTRUCTION OVERHEAD CAPITALIZED (263A)	($5,318,397.00)	$0.00	$0.00	$0.00
T265	CONTRACTOR DAMAGE RESERVE	$47,680.43	$0.00	$0.00	$0.00
T565	COST OF REMOVAL	($78,237,000.85)	$0.00	$0.00	$0.00
T490	CURRENCY ADJ - UNREAL G/L	$0.00	$0.00	$0.00	$0.00
NOL	DEF SEP CO - EMERA FED NOL-UNPROTECTED	$9,500,474.34	$0.00	$0.00	$0.00
NOL	DEF SEP CO - EMERA FL NOL-UNPROTECTED	$4,625,015.23	$0.00	$0.00	$0.00
T270	DEFERRED FUEL	($2,834,666.00)	$0.00	$0.00	$0.00
T285	DEFERRED REVENUE	$0.00	$0.00	$0.00	$0.00
T500	DEPRECIATION - BOOK	$441,491,283.88	$0.00	$0.00	$0.00

PEOPLES GAS SYSTEM
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TOTAL Deferred Taxes Balance Report

* 2017 Provision
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

		Schedule M Items			
M Item		"Beginning Balance"	"Current Activity"	"True-Up Activity"	"Adjustment Activity"
T502	DEPRECIATION - BOOK TAX DIFF FED	($847,096,444.02)	$0.00	$0.00	$0.00
T503	DEPRECIATION - BOOK TAX DIFF STATE	($725,539,713.79)	$0.00	$0.00	$0.00
T306	ENERGY CONSERVATION REV - C	($2,498,428.00)	$0.00	$0.00	$0.00
T311	ENVIROMNTAL DISP COSTS NET - C	($2,643,027.32)	$0.00	$0.00	$0.00
T310	ENVIROMNTAL DISP COSTS NET - NC	$0.06	$0.00	$0.00	$0.00
T115	FAS 106 - NC	$15,742,627.19	$0.00	$0.00	$0.00
N	FAS 106 FAS 158 - C	$825,877.00	$0.00	$0.00	$0.00
N	FAS 106 FAS 158 - C 283	($825,877.00)	$0.00	$0.00	$0.00
N	FAS 106 FAS 158 - NC	($123,630.00)	$0.00	$0.00	$0.00
N	FAS 106 FAS 158 - NC 283	$123,630.00	$0.00	$0.00	$0.00
T120	FAS 112	$3,049,962.00	$0.00	$0.00	$0.00
N	FAS 158 - MED PT D NC	$96,722.60	$0.00	$0.00	$0.00
N	FAS 158 - MED PT D NC 283	($96,722.60)	$0.00	$0.00	$0.00
T575	G/L - SALE OF ASSETS	($16,807,003.67)	$0.00	$0.00	$0.00
T325	HEDGES	($763,334.84)	$0.00	$0.00	$0.00
T331	INSURANCE RESERVE - C	($621,882.00)	$0.00	$0.00	$0.00
T330	INSURANCE RESERVE - NC	$2,777,927.00	$0.00	$0.00	$0.00
T576	LEASE-PLANT	$858,625.00	$0.00	$0.00	$0.00
T345	LEGAL EXPENSES	$0.00	$0.00	$0.00	$0.00
T122	LONG TERM INCENTIVE	$1,179,673.88	$0.00	$0.00	$0.00
N	OCI FAS 133 - C	$181,065.00	$0.00	$0.00	$0.00
N	OCI FAS 133 - C 283	($181,065.00)	$0.00	$0.00	$0.00
N	OCI FAS 133 - NC	$0.00	$0.00	$0.00	$0.00
N	OCI FAS 133 - NC 283	$0.00	$0.00	$0.00	$0.00

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PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
OPC'S FIRST REQUEST FOR
PRODUCTION OF DOCUMENTS
FILED: APRIL 23, 2018

TOTAL Deferred Taxes Balance Report

* 2017 Provision
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

		Schedule M Items			
M Item		"Beginning Balance"	"Current Activity"	"True-Up Activity"	"Adjustment Activity"
N	OCI FAS 133 INTEREST - NC	$918,998.60	$0.00	$0.00	$0.00
T125	PENSION - NC	($22,276,366.22)	$0.00	$0.00	$0.00
N	PENSION FAS 158 - NC	$22,299,756.00	$0.00	$0.00	$0.00
N	PENSION FAS 158 - NC 283	($22,299,756.00)	$0.00	$0.00	$0.00
T375	RATE CASE EXPENSE - NC	$0.08	$0.00	$0.00	$0.00
T580	REPAIRS CAPITALIZED ON BOOKS	($142,985,514.82)	$0.00	$0.00	$0.00
T391	RESEARCH EXPENSE - C	$0.16	$0.00	$0.00	$0.00
T390	RESEARCH EXPENSE - NC	$0.00	$0.00	$0.00	$0.00
T128	RESTORATION PLAN	$41,592.00	$0.00	$0.00	$0.00
N	RESTORATION PLAN FAS 158 - NC	$281,817.00	$0.00	$0.00	$0.00
N	RESTORATION PLAN FAS 158 - NC 283	($281,817.00)	$0.00	$0.00	$0.00
T585	RETIREMENT OVERHEAD COSTS	($1,917,294.00)	$0.00	$0.00	$0.00
T591	SEC 263A INDIRECT COSTS	$2,235,573.96	$0.00	$0.00	$0.00
T590	SEC 263A INTEREST CAP	$20,987,130.13	$0.00	$0.00	$0.00
T140	SERP - NC	$899,342.42	$0.00	$0.00	$0.00
N	SERP FAS 158 - C	$388,457.00	$0.00	$0.00	$0.00
N	SERP FAS 158 - C 283	($388,457.00)	$0.00	$0.00	$0.00
N	SERP FAS 158 - NC	$1,219,014.00	$0.00	$0.00	$0.00
N	SERP FAS 158 - NC 283	($1,219,014.00)	$0.00	$0.00	$0.00

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
OPC'S FIRST REQUEST FOR
PRODUCTION OF DOCUMENTS
FILED: APRIL 23, 2018

TOTAL Deferred Taxes Balance Report

* 2017 Provision
Peoples Gas System
ACROSS OPERATING INDICATORS
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

		Schedule M Items			
M Item		"Beginning Balance"	"Current Activity"	"True-Up Activity"	"Adjustment Activity"
T595	SOFTWARE DEVELOPED INTERNALLY	($9,462,526.00)	$0.00	$0.00	$0.00
T405	STORM RESERVE	$35,999.49	$0.00	$0.00	$0.00
T150	VACATION ACCRUAL	$2,310,351.34	$0.00	$0.00	$0.00
T425	WHOLE PRICING INTEREST COMPONENT	($1,833,177.00)	$0.00	$0.00	$0.00
T430	WORKERS COMPENSATION - NC	$528,155.00	$0.00	$0.00	$0.00
N	z DEBT EXPENSE/BOND COSTS - DO NOT USE	$0.00	$0.00	$0.00	$0.00
Total For Peoples Gas System:		($1,217,979,188.20)	$0.00	$0.00	$0.00
Rpt # Tax Acc	1/11/2018 11:24				

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PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
OPC'S FIRST REQUEST FOR
PRODUCTION OF DOCUMENTS
FILED: APRIL 23, 2018

Deferred Taxes

"Ending Balance"	"Beginning Balance"	"Current Activity"	"True-Up Activity"	"Adjustment Activity"	"Ending Balance"	Rate
($0.12)	$0.01	$6,879.60	$0.00	($6,879.59)	$0.02	-0.16666667
($8,879,987.00)	($0.45)	$0.00	$0.00	$1,174,822.28	$1,174,821.83	-0.13229995
$2,291,486.68	$0.02	$29,968.19	$0.00	($333,131.88)	($303,163.67)	-0.13229999
$4,775,964.90	$0.05	($19,732.00)	$0.00	($612,128.16)	($631,860.11)	-0.13229999
$11,943,516.21	($0.03)	$401,214.51	$0.00	($1,981,341.70)	($1,580,127.22)	-0.13230000
($1,419,951.00)	$0.00	$0.00	$0.00	$187,859.51	$187,859.51	-0.13229999
$0.00	$0.01	$0.00	$0.00	$0.00	$0.01	0
$64,480,004.21	($0.01)	($657,889.84)	$0.00	($7,872,814.72)	($8,530,704.57)	-0.13230000
$7,169,624.96	$0.00	($250,345.42)	$0.00	($698,195.97)	($948,541.39)	-0.13230000
$252,188.43	($0.01)	($24,974.05)	$0.00	($8,390.48)	($33,364.54)	-0.13230004
($1,030,552.00)	$0.01	$362,491.43	$0.00	($226,149.40)	$136,342.04	-0.13230001
$58,928,358.26	($0.03)	($267,340.58)	$0.00	($7,528,881.22)	($7,796,221.83)	-0.13230000
($2,885,478.39)	$0.01	$20,999.28	$0.00	$360,749.52	$381,748.81	-0.13230001
$0.00	$0.01	$0.00	$0.00	$0.00	$0.01	0
($5,318,397.00)	$0.00	$0.00	$0.00	$703,623.93	$703,623.93	-0.13230000
$47,680.43	($0.03)	$0.00	$0.00	($6,308.12)	($6,308.15)	-0.13230061
($78,237,000.85)	$0.00	$855,370.51	$0.00	$9,495,384.70	$10,350,755.21	-0.13230000
$0.00	$0.00	$2.53	$0.00	($2.53)	$0.00	0
$9,500,474.34	$0.00	$0.00	$0.00	($1,330,066.41)	($1,330,066.41)	-0.14000000
$4,625,015.23	$0.00	$0.00	$0.00	$35,612.61	$35,612.61	0.0077
($2,834,666.00)	$0.00	$375,026.32	$0.00	($0.01)	$375,026.31	-0.13230000
$0.00	$0.01	$0.00	$0.00	$0.00	$0.01	0
$441,491,283.88	$0.00	($6,064,753.99)	$0.00	($52,344,542.88)	($58,409,296.87)	-0.13230000

Deferred Taxes

"Ending Balance"	"Beginning Balance"	"Current Activity"	"True-Up Activity"	"Adjustment Activity"	"Ending Balance"	Rate
($847,096,444.02)	$0.19	$10,935,323.85	$0.00	$107,658,178.32	$118,593,502.36	-0.14000000
($725,539,713.79)	($1.56)	($665,555.26)	$0.00	($4,921,100.54)	($5,586,657.36)	0.0077
($2,498,428.00)	$0.00	$305,455.69	$0.00	$25,086.33	$330,542.02	-0.13230000
($2,643,027.32)	$0.00	($362,934.32)	$0.00	$712,606.83	$349,672.51	-0.13230000
$0.06	$0.00	($0.01)	$0.00	$0.00	($0.01)	-0.16666667
$15,742,627.19	$0.01	($15,216.49)	$0.00	($2,067,533.09)	($2,082,749.57)	-0.13230000
$825,877.00	($0.01)	$0.00	$0.00	($97,237.19)	($97,237.20)	-0.11773811
($825,877.00)	$0.01	$0.00	$0.00	$97,237.19	$97,237.20	-0.11773811
($123,630.00)	$0.00	$0.00	$0.00	$295,937.90	$295,937.90	-2.39373857
$123,630.00	$0.00	$0.00	$0.00	($295,937.90)	($295,937.90)	-2.39373857
$3,049,962.00	($0.03)	($80,298.81)	$0.00	($323,211.16)	($403,510.00)	-0.13230001
$96,722.60	$0.00	$0.00	$0.00	($12,796.40)	($12,796.40)	-0.13230000
($96,722.60)	$0.00	$0.00	$0.00	$12,796.40	$12,796.40	-0.13230000
($16,807,003.67)	$0.04	$283,199.45	$0.00	$1,940,367.13	$2,223,566.62	-0.13230000
($763,334.84)	$0.00	($55,372.41)	$0.00	$156,361.60	$100,989.19	-0.13229999
($621,882.00)	$0.01	$29,956.81	$0.00	$52,318.18	$82,275.00	-0.13230002
$2,777,927.00	$0.01	$71,413.15	$0.00	($438,932.90)	($367,519.74)	-0.13230000
$858,625.00	$0.00	($70,100.21)	$0.00	($43,495.88)	($113,596.09)	-0.13230000
$0.00	$0.01	$0.00	$0.00	$0.00	$0.01	0
$1,179,673.88	$0.01	($118,140.72)	$0.00	($37,930.14)	($156,070.85)	-0.13230000
$181,065.00	($0.01)	$0.00	$0.00	($227,796.12)	($227,796.13)	-1.25809035
($181,065.00)	$0.01	$0.00	$0.00	$227,796.12	$227,796.13	-1.25809035
$0.00	$0.00	$0.01	$0.00	($35,380.34)	($35,380.33)	0
$0.00	$0.00	($0.01)	$0.00	$35,380.34	$35,380.33	0

Deferred Taxes

"Ending Balance"	"Beginning Balance"	"Current Activity"	"True-Up Activity"	"Adjustment Activity"	"Ending Balance"	Rate
$918,998.60	$0.01	($0.01)	$0.00	($178,017.48)	($178,017.48)	-0.19370811
($22,276,366.22)	$0.02	($37,850.37)	$0.00	$2,985,013.62	$2,947,163.27	-0.13230000
$22,299,756.00	$0.01	($0.01)	$0.00	($3,668,716.44)	($3,668,716.44)	-0.16451823
($22,299,756.00)	($0.01)	$0.01	$0.00	$3,668,716.44	$3,668,716.44	-0.16451823
$0.08	($0.01)	$0.00	$0.00	($0.01)	($0.02)	-0.25000000
($142,985,514.82)	($0.03)	$2,519,934.86	$0.00	$16,397,048.76	$18,916,983.59	-0.13230000
$0.16	$0.01	$0.00	$0.00	($0.03)	($0.02)	-0.12500000
$0.00	$0.02	$0.00	$0.00	$0.00	$0.02	0
$41,592.00	$0.00	($5,237.75)	$0.00	($264.87)	($5,502.62)	-0.13229996
$281,817.00	($0.01)	$0.00	$0.00	($1,276.69)	($1,276.70)	-0.00453024
($281,817.00)	$0.01	$0.00	$0.00	$1,276.69	$1,276.70	-0.00453024
($1,917,294.00)	$0.00	$0.00	$0.00	$253,658.00	$253,658.00	-0.13230000
$2,235,573.96	($0.02)	($19,641.53)	$0.00	($276,124.91)	($295,766.46)	-0.13230001
$20,987,130.13	($0.02)	($57,978.22)	$0.00	($2,718,619.09)	($2,776,597.33)	-0.13230000
$899,342.42	$0.03	($53,449.10)	$0.00	($65,533.90)	($118,982.97)	-0.13229996
$388,457.00	$0.01	$0.00	$0.00	($51,392.86)	($51,392.85)	-0.13229997
($388,457.00)	($0.01)	$0.00	$0.00	$51,392.86	$51,392.85	-0.13229997
$1,219,014.00	$0.01	$0.00	$0.00	($225,343.55)	($225,343.54)	-0.18485722
($1,219,014.00)	($0.01)	$0.00	$0.00	$225,343.55	$225,343.54	-0.18485722

Deferred Taxes

"Ending Balance"	"Beginning Balance"	"Current Activity"	"True-Up Activity"	"Adjustment Activity"	"Ending Balance"	Rate
($9,462,526.00)	$0.02	$0.00	$0.00	$1,251,892.19	$1,251,892.21	-0.13230000
$35,999.49	$0.06	$39,295.69	$0.00	($44,058.42)	($4,762.67)	-0.13229826
$2,310,351.34	$0.01	($8,631.02)	$0.00	($297,028.47)	($305,659.48)	-0.13230000
($1,833,177.00)	$0.02	($69,293.98)	$0.00	$311,823.29	$242,529.33	-0.13230001
$528,155.00	$0.02	($70,517.05)	$0.00	$642.14	($69,874.89)	-0.13229997
$0.00	($0.01)	$0.00	$0.00	$0.00	($0.01)	0
($1,217,979,188.20)	($1.61)	$7,261,278.73	$0.00	$59,342,364.98	$66,603,642.10	-0.05468373

Total Account 2620610 $66,603,643.71

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Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
1900306 - Def Tax FIT - FAS 133			
OCI FAS 133 - C	$0.00	$203,841.22	$203,841.22
OCI FAS 133 - NC	$0.00	$35,380.33	$35,380.33
Total 1900306 - Def Tax FIT - FAS 133	$0.00	$239,221.55	$239,221.55
1900307 - Def Tax FIT - FAS 133 Int			
OCI FAS 133 INTEREST - NC	$0.00	$56,433.98	$56,433.98
Total 1900307 - Def Tax FIT - FAS 133 Int	$0.00	$56,433.98	$56,433.98
1900308 - Def Tax FIT - FAS158			
FAS 106 FAS 158 - C	$0.00	($12,026.34)	($12,026.34)
FAS 106 FAS 158 - NC	$0.00	($279,581.65)	($279,581.65)
PENSION FAS 158 - NC	$0.00	$718,458.73	$718,458.73
RESTORATION PLAN FAS 158 - NC	$0.00	($36,007.70)	($36,007.70)
SERP FAS 158 - NC	$0.00	$64,068.00	$64,068.00
Total 1900308 - Def Tax FIT - FAS158	$0.00	$454,911.04	$454,911.04
2190001 - OCI Other Taxes			
OCI FAS 133 - C	$0.00	($203,841.22)	($203,841.22)
OCI FAS 133 - C 283	$0.00	$203,841.22	$203,841.22
OCI FAS 133 - NC	$0.00	($35,380.33)	($35,380.33)
OCI FAS 133 - NC 283	$0.00	$35,380.33	$35,380.33
Total 2190001 - OCI Other Taxes	$0.00	$0.00	$0.00

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	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
2190011 - OCI Pension Taxes			
PENSION FAS 158 - NC	$0.00	($718,458.73)	($718,458.73)
PENSION FAS 158 - NC 283	$0.00	$718,458.73	$718,458.73
Total 2190011 - OCI Pension Taxes	$0.00	$0.00	$0.00
2190021 - OCI SERP Taxes			
SERP FAS 158 - NC	$0.00	($64,068.00)	($64,068.00)
SERP FAS 158 - NC 283	$0.00	$64,068.00	$64,068.00
Total 2190021 - OCI SERP Taxes	$0.00	$0.00	$0.00
2190031 - OCI FAS 106 Taxes			
FAS 106 FAS 158 - C	$0.00	$12,026.34	$12,026.34
FAS 106 FAS 158 - C 283	$0.00	($12,026.34)	($12,026.34)
FAS 106 FAS 158 - NC	$0.00	$279,581.65	$279,581.65
FAS 106 FAS 158 - NC 283	$0.00	($279,581.65)	($279,581.65)
Total 2190031 - OCI FAS 106 Taxes	$0.00	$0.00	$0.00
2190041 - OCI CF Hedges Taxes			
OCI FAS 133 INTEREST - NC	$0.00	($56,433.98)	($56,433.98)
Total 2190041 - OCI CF Hedges Taxes	$0.00	($56,433.98)	($56,433.98)
2190051 - OCI RestorPlan Taxes			
RESTORATION PLAN FAS 158 - NC	$0.00	$36,007.70	$36,007.70
RESTORATION PLAN FAS 158 - NC 283	$0.00	($36,007.70)	($36,007.70)
Total 2190051 - OCI RestorPlan Taxes	$0.00	$0.00	$0.00

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Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
2360310 - Federal Taxes Pay - CY			
Current Tax	$0.00	$0.00	$0.00
Total 2360310 - Federal Taxes Pay - CY	$0.00	$0.00	$0.00
2360410 - State Taxes Pay - CY			
Current Tax	$0.00	$0.00	$0.00
Total 2360410 - State Taxes Pay - CY	$0.00	$0.00	$0.00
2540330 - 2540330-2540330			
ACC DEF ITC - PGS	($0.63)	$0.63	$0.00
Total 2540330 - 2540330-2540330	($0.63)	$0.63	$0.00
2540610 - Oth Reg Liab-FAS 109 Income			
401K - PERFORMANCE MATCH	$9,215.17	($9,215.18)	($0.01)
ABNORMAL RETIREMENTS	($1,573,668.43)	($0.28)	($1,573,668.71)
ACCRUED BONUS	$446,228.48	($40,142.23)	$406,086.25
ACQUISITION ADJUSTMENT	$819,942.61	$26,430.93	$846,373.54
AIAC	$2,653,997.34	($537,424.85)	$2,116,572.49
ALTERNATIVE FUEL VEHICLE DEDUCTION	($251,636.88)	$0.00	($251,636.88)
AMORT - BOND PUT OPTION	$0.00	$0.01	$0.01
AMORT - CAPLIZED CUST ASSIST COSTS	$10,545,596.03	$881,240.16	$11,426,836.19
AMORT - LH IMPROVE AND LAND RIGHTS	$935,230.00	$335,336.45	$1,270,566.45
BAD DEBT	$11,238.99	$33,452.63	$44,691.62
CI - BS REPLACEMENT - C	$302,925.98	($485,555.45)	($182,629.47)
CIAC	$10,084,898.83	$358,101.37	$10,443,000.20
COMPETITIVE RATE ADJ - C	($483,222.18)	($28,128.42)	($511,350.60)
COMPETITIVE RATE ADJ - NC	$0.00	$0.01	$0.01

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Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
CONSTRUCTION OVERHEAD CAPITALIZED (263A)	($942,500.75)	$0.00	($942,500.75)
CONTRACTOR DAMAGE RESERVE	$8,449.71	($0.01)	$8,449.70
COST OF REMOVAL	($12,719,020.41)	($1,145,764.54)	($13,864,784.95)
CURRENCY ADJ - UNREAL G/L	$2.53	($2.53)	$0.00
DEF SEP CO - EMERA FED NOL-UNPROTECTED	$1,781,617.32	$0.00	$1,781,617.32
DEF SEP CO - EMERA FL NOL-UNPROTECTED	($47,702.91)	$0.00	($47,702.91)
DEFERRED FUEL	$0.01	($502,345.88)	($502,345.87)
DEFERRED REVENUE	$0.00	$0.01	$0.01
DEPRECIATION - BOOK	$70,115,253.99	$8,123,707.72	$78,238,961.71
DEPRECIATION - BOOK TAX DIFF FED	($144,207,592.64)	($14,647,811.73)	($158,855,404.37)
DEPRECIATION - BOOK TAX DIFF STATE	$6,591,790.15	$891,506.97	$7,483,297.12
ENERGY CONSERVATION REV - C	($33,603.02)	($409,156.37)	($442,759.39)
ENVIROMNTAL DISP COSTS NET - C	($954,533.29)	$486,148.71	($468,384.58)
ENVIROMNTAL DISP COSTS NET - NC	$0.00	$0.01	$0.01
FAS 106 - NC	$2,769,450.27	$20,382.40	$2,789,832.67
FAS 106 FAS 158 - C	$130,248.73	$0.00	$130,248.73
FAS 106 FAS 158 - C 283	($130,248.73)	$0.00	($130,248.73)
FAS 106 FAS 158 - NC	($396,407.34)	$0.00	($396,407.34)
FAS 106 FAS 158 - NC 283	$396,407.34	$0.00	$396,407.34
FAS 112	$432,939.74	$107,559.84	$540,499.58
FAS 158 - MED PT D NC	$17,140.71	$0.00	$17,140.71
FAS 158 - MED PT D NC 283	($17,140.71)	$0.00	($17,140.71)
G/L - SALE OF ASSETS	($2,599,112.09)	($379,344.24)	($2,978,456.33)
HEDGES	($209,445.58)	$74,171.06	($135,274.52)
INSURANCE RESERVE - C	($70,079.94)	($40,127.00)	($110,206.94)

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Rate Change Beg Bal Trueup Through Rate Change YTD Trueup
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	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
INSURANCE RESERVE - NC	$587,948.44	($95,657.57)	$492,290.87
LEASE-PLANT	$58,262.51	$93,898.89	$152,161.40
LEGAL EXPENSES	$0.00	$0.01	$0.01
LONG TERM INCENTIVE	$50,807.22	$158,248.92	$209,056.14
OCI FAS 133 - C	$305,131.77	$0.00	$305,131.77
OCI FAS 133 - C 283	($305,131.77)	$0.00	($305,131.77)
OCI FAS 133 - NC	$47,391.78	($0.01)	$47,391.77
OCI FAS 133 - NC 283	($47,391.78)	$0.01	($47,391.77)
OCI FAS 133 INTEREST - NC	$238,453.53	$0.01	$238,453.54
PENSION - NC	($3,998,410.85)	$50,700.39	($3,947,710.46)
PENSION FAS 158 - NC	$4,914,227.36	$0.02	$4,914,227.38
PENSION FAS 158 - NC 283	($4,914,227.36)	($0.02)	($4,914,227.38)
RATE CASE EXPENSE - NC	$0.02	($0.01)	$0.01
REPAIRS CAPITALIZED ON BOOKS	($21,963,764.99)	($3,375,440.18)	($25,339,205.17)
RESEARCH EXPENSE - C	$0.04	$0.00	$0.04
RESEARCH EXPENSE - NC	($0.01)	$0.01	$0.00
RESTORATION PLAN	$354.78	$7,015.95	$7,370.73
RESTORATION PLAN FAS 158 - NC	$1,710.12	$0.00	$1,710.12
RESTORATION PLAN FAS 158 - NC 283	($1,710.12)	$0.00	($1,710.12)
RETIREMENT OVERHEAD COSTS	($339,773.62)	$0.00	($339,773.62)
SEC 263A INDIRECT COSTS	$369,867.96	$26,309.71	$396,177.67
SEC 263A INTEREST CAP	$3,641,576.73	$77,661.52	$3,719,238.25
SERP - NC	$87,782.32	$71,594.82	$159,377.14
SERP FAS 158 - C	$68,840.48	$0.00	$68,840.48
SERP FAS 158 - C 283	($68,840.48)	$0.00	($68,840.48)
SERP FAS 158 - NC	$301,846.55	$0.02	$301,846.57
SERP FAS 158 - NC 283	($301,846.55)	($0.02)	($301,846.57)

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	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
SOFTWARE DEVELOPED INTERNALLY	($1,676,903.35)	$0.01	($1,676,903.34)
STORM RESERVE	$59,016.02	($52,636.33)	$6,379.69
VACATION ACCRUAL	$397,868.14	$11,561.22	$409,429.36
WHOLE PRICING INTEREST COMPONENT	($417,685.76)	$92,818.95	($324,866.81)
WORKERS COMPENSATION - NC	($860.14)	$94,457.24	$93,597.10
z DEBT EXPENSE/BOND COSTS - DO NOT USE	$0.00	($0.01)	($0.01)
Total 2540610 - Oth Reg Liab-FAS 109 Income	($79,488,801.98)	($9,726,446.88)	($89,215,248.86)
2820300 - DIT Other Prop - Fed			
ACC DEF ITC - PGS	$0.63	($0.63)	$0.00
Total 2820300 - DIT Other Prop - Fed	$0.63	($0.63)	$0.00
2820610 - DIT Other Prop - FAS109			
401K - PERFORMANCE MATCH	($6,879.59)	$6,879.60	$0.01
ABNORMAL RETIREMENTS	$1,174,822.28	$0.00	$1,174,822.28
ACCRUED BONUS	($333,131.88)	$29,968.19	($303,163.69)
ACQUISITION ADJUSTMENT	($612,128.16)	($19,732.00)	($631,860.16)
AIAC	($1,981,341.70)	$401,214.51	($1,580,127.19)
ALTERNATIVE FUEL VEHICLE DEDUCTION	$187,859.51	$0.00	$187,859.51
AMORT - CAPLIZED CUST ASSIST COSTS	($7,872,814.72)	($657,889.84)	($8,530,704.56)
AMORT - LH IMPROVE AND LAND RIGHTS	($698,195.97)	($250,345.42)	($948,541.39)
BAD DEBT	($8,390.48)	($24,974.05)	($33,364.53)
CI - BS REPLACEMENT - C	($226,149.40)	$362,491.43	$136,342.03
CIAC	($7,528,881.22)	($267,340.58)	($7,796,221.80)
COMPETITIVE RATE ADJ - C	$360,749.52	$20,999.28	$381,748.80
CONSTRUCTION OVERHEAD CAPITALIZED (263A)	$703,623.93	$0.00	$703,623.93
CONTRACTOR DAMAGE RESERVE	($6,308.12)	$0.00	($6,308.12)

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Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
COST OF REMOVAL	$9,495,384.70	$855,370.51	$10,350,755.21
CURRENCY ADJ - UNREAL G/L	($2.53)	$2.53	$0.00
DEF SEP CO - EMERA FED NOL-UNPROTECTED	($1,330,066.41)	$0.00	($1,330,066.41)
DEF SEP CO - EMERA FL NOL-UNPROTECTED	$35,612.61	$0.00	$35,612.61
DEFERRED FUEL	($0.01)	$375,026.32	$375,026.31
DEPRECIATION - BOOK	($52,344,542.88)	($6,064,753.99)	($58,409,296.87)
DEPRECIATION - BOOK TAX DIFF FED	$107,658,178.32	$10,935,323.85	$118,593,502.17
DEPRECIATION - BOOK TAX DIFF STATE	($4,921,100.54)	($665,555.26)	($5,586,655.80)
ENERGY CONSERVATION REV - C	$25,086.33	$305,455.69	$330,542.02
ENVIROMNTAL DISP COSTS NET - C	$712,606.83	($362,934.32)	$349,672.51
ENVIROMNTAL DISP COSTS NET - NC	$0.00	($0.01)	($0.01)
FAS 106 - NC	($2,067,533.09)	($15,216.49)	($2,082,749.58)
FAS 106 FAS 158 - C	($97,237.19)	$0.00	($97,237.19)
FAS 106 FAS 158 - C 283	$97,237.19	$0.00	$97,237.19
FAS 106 FAS 158 - NC	$295,937.90	$0.00	$295,937.90
FAS 106 FAS 158 - NC 283	($295,937.90)	$0.00	($295,937.90)
FAS 112	($323,211.16)	($80,298.81)	($403,509.97)
FAS 158 - MED PT D NC	($12,796.40)	$0.00	($12,796.40)
FAS 158 - MED PT D NC 283	$12,796.40	$0.00	$12,796.40
G/L - SALE OF ASSETS	$1,940,367.13	$283,199.45	$2,223,566.58
HEDGES	$156,361.60	($55,372.41)	$100,989.19
INSURANCE RESERVE - C	$52,318.18	$29,956.81	$82,274.99
INSURANCE RESERVE - NC	($438,932.90)	$71,413.15	($367,519.75)
LEASE-PLANT	($43,495.88)	($70,100.21)	($113,596.09)
LONG TERM INCENTIVE	($37,930.14)	($118,140.72)	($156,070.86)
OCI FAS 133 - C	($227,796.12)	$0.00	($227,796.12)
OCI FAS 133 - C 283	$227,796.12	$0.00	$227,796.12

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Account Activity Report by Month - Report #51024

Peoples Gas System
*** 2017 Provision**
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
OCI FAS 133 - NC	($35,380.34)	$0.01	($35,380.33)
OCI FAS 133 - NC 283	$35,380.34	($0.01)	$35,380.33
OCI FAS 133 INTEREST - NC	($178,017.48)	($0.01)	($178,017.49)
PENSION - NC	$2,985,013.62	($37,850.37)	$2,947,163.25
PENSION FAS 158 - NC	($3,668,716.44)	($0.01)	($3,668,716.45)
PENSION FAS 158 - NC 283	$3,668,716.44	$0.01	$3,668,716.45
RATE CASE EXPENSE - NC	($0.01)	$0.00	($0.01)
REPAIRS CAPITALIZED ON BOOKS	$16,397,048.76	$2,519,934.86	$18,916,983.62
RESEARCH EXPENSE - C	($0.03)	$0.00	($0.03)
RESTORATION PLAN	($264.87)	($5,237.75)	($5,502.62)
RESTORATION PLAN FAS 158 - NC	($1,276.69)	$0.00	($1,276.69)
RESTORATION PLAN FAS 158 - NC 283	$1,276.69	$0.00	$1,276.69
RETIREMENT OVERHEAD COSTS	$253,658.00	$0.00	$253,658.00
SEC 263A INDIRECT COSTS	($276,124.91)	($19,641.53)	($295,766.44)
SEC 263A INTEREST CAP	($2,718,619.09)	($57,978.22)	($2,776,597.31)
SERP - NC	($65,533.90)	($53,449.10)	($118,983.00)
SERP FAS 158 - C	($51,392.86)	$0.00	($51,392.86)
SERP FAS 158 - C 283	$51,392.86	$0.00	$51,392.86
SERP FAS 158 - NC	($225,343.55)	$0.00	($225,343.55)
SERP FAS 158 - NC 283	$225,343.55	$0.00	$225,343.55
SOFTWARE DEVELOPED INTERNALLY	$1,251,892.19	$0.00	$1,251,892.19
STORM RESERVE	($44,058.42)	$39,295.69	($4,762.73)
VACATION ACCRUAL	($297,028.47)	($8,631.02)	($305,659.49)
WHOLE PRICING INTEREST COMPONENT	$311,823.29	($69,293.98)	$242,529.31
WORKERS COMPENSATION - NC	$642.14	($70,517.05)	($69,874.91)
Total 2820610 - DIT Other Prop - FAS109	$59,342,364.98	$7,261,278.73	$66,603,643.71

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Peoples Gas System
*** 2017 Provision**
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
2830330 - DTL - FAS 158 - Fed			
FAS 106 FAS 158 - C 283	$0.00	$12,026.34	$12,026.34
FAS 106 FAS 158 - NC 283	$0.00	$279,581.65	$279,581.65
PENSION FAS 158 - NC 283	$0.00	($718,458.73)	($718,458.73)
RESTORATION PLAN FAS 158 - NC 283	$0.00	$36,007.70	$36,007.70
SERP FAS 158 - NC 283	$0.00	($64,068.00)	($64,068.00)
Total 2830330 - DTL - FAS 158 - Fed	$0.00	($454,911.04)	($454,911.04)
2830340 - DTL - FAS 133 - Federal			
OCI FAS 133 - C 283	$0.00	($203,841.22)	($203,841.22)
OCI FAS 133 - NC 283	$0.00	($35,380.33)	($35,380.33)
Total 2830340 - DTL - FAS 133 - Federal	$0.00	($239,221.55)	($239,221.55)

2830610 - DTL - FAS109 - Other	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
401K - PERFORMANCE MATCH	($2,335.58)	$2,335.58	$0.00
ABNORMAL RETIREMENTS	$398,846.15	$0.28	$398,846.43
ACCRUED BONUS	($113,096.60)	$10,174.04	($102,922.56)
ACQUISITION ADJUSTMENT	($207,814.45)	($6,698.93)	($214,513.38)
AIAC	($672,655.64)	$136,210.34	($536,445.30)
ALTERNATIVE FUEL VEHICLE DEDUCTION	$63,777.37	$0.00	$63,777.37
AMORT - BOND PUT OPTION	$0.00	($0.01)	($0.01)
AMORT - CAPLIZED CUST ASSIST COSTS	($2,672,781.31)	($223,350.32)	($2,896,131.63)
AMORT - LH IMPROVE AND LAND RIGHTS	($237,034.03)	($84,991.03)	($322,025.06)
BAD DEBT	($2,848.51)	($8,478.58)	($11,327.09)
CI - BS REPLACEMENT - C	($76,776.58)	$123,064.02	$46,287.44
CIAC	($2,556,017.61)	($90,760.79)	($2,646,778.40)
COMPETITIVE RATE ADJ - C	$122,472.66	$7,129.14	$129,601.80

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Account Activity Report by Month - Report #51024

Peoples Gas System
*** 2017 Provision**
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
COMPETITIVE RATE ADJ - NC	$0.00	($0.01)	($0.01)
CONSTRUCTION OVERHEAD CAPITALIZED (263A)	$238,876.82	$0.00	$238,876.82
CONTRACTOR DAMAGE RESERVE	($2,141.59)	$0.01	($2,141.58)
COST OF REMOVAL	$3,223,635.71	$290,394.03	$3,514,029.74
DEF SEP CO - EMERA FED NOL-UNPROTECTED	($451,550.91)	$0.00	($451,550.91)
DEF SEP CO - EMERA FL NOL-UNPROTECTED	$12,090.30	$0.00	$12,090.30
DEFERRED FUEL	$0.00	$127,319.56	$127,319.56
DEFERRED REVENUE	$0.00	($0.01)	($0.01)
DEPRECIATION - BOOK	($17,770,711.11)	($2,058,953.73)	($19,829,664.84)
DEPRECIATION - BOOK TAX DIFF FED	$36,549,414.32	$3,712,487.88	$40,261,902.20
DEPRECIATION - BOOK TAX DIFF STATE	($1,670,689.61)	($225,951.71)	($1,896,641.32)
ENERGY CONSERVATION REV - C	$8,516.69	$103,700.68	$112,217.37
ENVIROMNTAL DISP COSTS NET - C	$241,926.46	($123,214.39)	$118,712.07
FAS 106 - NC	($701,917.18)	($5,165.91)	($707,083.09)
FAS 106 FAS 158 - C	($33,011.54)	$0.00	($33,011.54)
FAS 106 FAS 158 - C 283	$33,011.54	$0.00	$33,011.54
FAS 106 FAS 158 - NC	$100,469.44	$0.00	$100,469.44
FAS 106 FAS 158 - NC 283	($100,469.44)	$0.00	($100,469.44)
FAS 112	($109,728.58)	($27,261.03)	($136,989.61)
FAS 158 - MED PT D NC	($4,344.31)	$0.00	($4,344.31)
FAS 158 - MED PT D NC 283	$4,344.31	$0.00	$4,344.31
G/L - SALE OF ASSETS	$658,744.96	$96,144.79	$754,889.75
HEDGES	$53,083.98	($18,798.65)	$34,285.33
INSURANCE RESERVE - C	$17,761.76	$10,170.19	$27,931.95
INSURANCE RESERVE - NC	($149,015.54)	$24,244.42	($124,771.12)
LEASE-PLANT	($14,766.63)	($23,798.68)	($38,565.31)
LEGAL EXPENSES	$0.00	($0.01)	($0.01)

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Account Activity Report by Month - Report #51024

Peoples Gas System
*** 2017 Provision**
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
LONG TERM INCENTIVE	($12,877.08)	($40,108.20)	($52,985.28)
OCI FAS 133 - C	($77,335.65)	$0.00	($77,335.65)
OCI FAS 133 - C 283	$77,335.65	$0.00	$77,335.65
OCI FAS 133 - NC	($12,011.44)	$0.00	($12,011.44)
OCI FAS 133 - NC 283	$12,011.44	$0.00	$12,011.44
OCI FAS 133 INTEREST - NC	($60,436.05)	$0.00	($60,436.05)
PENSION - NC	$1,013,397.23	($12,850.02)	$1,000,547.21
PENSION FAS 158 - NC	($1,245,510.92)	($0.01)	($1,245,510.93)
PENSION FAS 158 - NC 283	$1,245,510.92	$0.01	$1,245,510.93
RATE CASE EXPENSE - NC	($0.01)	$0.01	$0.00
REPAIRS CAPITALIZED ON BOOKS	$5,566,716.23	$855,505.32	$6,422,221.55
RESEARCH EXPENSE - C	($0.01)	$0.00	($0.01)
RESEARCH EXPENSE - NC	$0.01	($0.01)	$0.00
RESTORATION PLAN	($89.91)	($1,778.20)	($1,868.11)
RESTORATION PLAN FAS 158 - NC	($433.43)	$0.00	($433.43)
RESTORATION PLAN FAS 158 - NC 283	$433.43	$0.00	$433.43
RETIREMENT OVERHEAD COSTS	$86,115.62	$0.00	$86,115.62
SEC 263A INDIRECT COSTS	($93,743.05)	($6,668.18)	($100,411.23)
SEC 263A INTEREST CAP	($922,957.64)	($19,683.30)	($942,640.94)
SERP - NC	($22,248.42)	($18,145.72)	($40,394.14)
SERP FAS 158 - C	($17,447.62)	$0.00	($17,447.62)
SERP FAS 158 - C 283	$17,447.62	$0.00	$17,447.62
SERP FAS 158 - NC	($76,503.00)	($0.02)	($76,503.02)
SERP FAS 158 - NC 283	$76,503.00	$0.02	$76,503.02
SOFTWARE DEVELOPED INTERNALLY	$425,011.16	($0.01)	$425,011.15
STORM RESERVE	($14,957.60)	$13,340.64	($1,616.96)
VACATION ACCRUAL	($100,839.67)	($2,930.20)	($103,769.87)

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Account Activity Report by Month - Report #51024

Peoples Gas System
*** 2017 Provision**
Rate Change Beg Bal Trueup Through Rate Change YTD Trueup

	Rate Change Beg Bal Trueup	Rate Change YTD Trueup	Total
WHOLE PRICING INTEREST COMPONENT	$105,862.47	($23,524.97)	$82,337.50
WORKERS COMPENSATION - NC	$218.00	($23,940.19)	($23,722.19)
z DEBT EXPENSE/BOND COSTS - DO NOT USE	$0.00	$0.01	$0.01
Total 2830610 - DTL - FAS109 - Other	$20,146,437.00	$2,465,168.15	$22,611,605.15
8000300 - Federal Inc Tax Exp			
Current Tax	$0.00	$0.00	$0.00
Total 8000300 - Federal Inc Tax Exp	$0.00	$0.00	$0.00
8000310 - Fed Inc Tax Exp - Abv			
Current Tax	$0.00	$0.00	$0.00
Total 8000310 - Fed Inc Tax Exp - Abv	$0.00	$0.00	$0.00
8000400 - State Inc Tax Exp			
Current Tax	$0.00	$0.00	$0.00
Total 8000400 - State Inc Tax Exp	$0.00	$0.00	$0.00
8000410 - State Inc Tax Exp - Abv			
Current Tax	$0.00	$0.00	$0.00
Total 8000410 - State Inc Tax Exp - Abv	$0.00	$0.00	$0.00
Total Journal Entry Check	$0.00	$0.00	$0.00

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4. Please provide all workpapers the Company has that would show any calculations in determining the excess income taxes in base rates and how the flowback of those rates were determined as a result of the Tax Cuts and Jobs Act (TCJA) that was signed into law by President Trump on December 22, 2017.

A. See the company's response to Production of Documents Request No. 3.

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BATES STAMPED PAGES: 36 - 45
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5. Please provide a copy of any internally prepared documents the Company has that discuss the impact of the Tax Cuts and Jobs Act (TCJA), that discusses how the change should be accounted for, and/or that discusses any proposed ratemaking treatment.

A. The requested documents are attached.

20180044-GU Staff Hearing Exhibits 00119

TECO
TAMPA ELECTRIC
AN EMERA COMPANY

FEBRUARY 7, 2018

Tax Reform Impacts

Key Provisions of Tax Reform

- Corporate income tax rate reduction from 35% to 21%
- 100% asset expensing of qualified property- *regulated companies exempt beginning 2018*
- Limitation of interest deduction- *regulated companies exempt*
- Repeal of section 199 domestic production deduction
- Preservation of the 1986 Tax Reform Act normalization rules
- Re-measurement of 12/31/17 Deferred Income Tax balances at lower tax rate
  - Results in excess deferred taxes with corresponding regulatory liability
- Beginning in 2018: permanent income tax expense reduction will result in lower annual income tax expense and lower cash tax payments

TECO TAMPA ELECTRIC AN EMERA COMPANY

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Regulatory Issues - Tampa Electric / Peoples Gas

Tampa Electric

- Settlement with provision that addresses Tax Reform

- Provision requires the company to quantify the impacts of Tax Reform on base revenue requirements and flow those back to customers within 120 days of when Tax Reform becomes law. (Base rate reduction by April 23)
  - Any effects on revenue requirements between the effective date (January 1, 2018) and through the one-time base rate adjustment flowed back through a clause in 2019

Peoples Gas

- Settlement with no Tax Reform provision

- Peoples Gas Settlement was approved on February 7 ,2017. Tax Reform was not contemplated at that time.
  - On January 9, 2018 OPC filed a petition to establish a generic docket to investigate and adjust rates for all investor owned utilities related to the reduction in the federal corporate income tax rate. An expedited proceeding that 1) attaches jurisdiction; 2) identifies the impact on base rates; 3)identifies the impact on protected and unprotected deferred taxes; and 4) expeditiously orders adjustments to federal tax rates to pass through to customers

TECO TAMPA ELECTRIC AN EMERA COMPANY

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Recent Developments - IOU's & LDC's in Florida

- FPL settlement has no Tax Reform provision
  - On January 16, 2018 FPL announced they would not request storm surcharge for their $1.3 billion in storm related costs, instead use tax reform benefit to offset storm costs
    - Believe a generic proceeding is not warranted as long as they operate within their range
- TEC, DEF and Gulf Power all have settlement agreements with Tax Reform provisions
  - On January 24, 2018 DEF reached a deal with consumer parties to offset their estimated $513 million in storm costs with tax reform benefits.
- TEC Settlement with consumer parties
  - On January 30, 2018 TEC reached a Settlement with its consumer parties to offset its estimated $102.5 million in storm costs with tax reform benefits.

TECO TAMPA ELECTRIC AN EMERA COMPANY

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Recent Developments - Continued

- TEC's and DEF's netting agreements are very similar
  - Separate hearings to review final storm costs and tax reform benefits
    - True-up of any difference once a final determination of both the storm costs and tax reform is determined
    - DEF's netting anticipated to take three years, TEC anticipates to net all storm costs with tax reform benefits by December 2018
- Gulf Power will be required to reduce base rates according to their Settlement agreement by March 22, 2018. (Jan 1 – Mar 21 portion refunded in 2019)
- PGS in a similar position to FPL, their Settlement does not contemplate tax reform
- City Gas in the middle of base rate proceeding and FPUC has no settlement agreement
- Commission staff Recommendation on OPC's Petition to establish a generic docket issued January 25, 2018. The effective date for adjustments associated with tax reform should be February 6, 2018, for utilities that do not have a Settlement agreement addressing the issue. (February 6, 2018 agenda where the Commission will vote on OPC's Petition.)

TECO TAMPA ELECTRIC AN EMERA COMPANY

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Financial Statement Impacts - TEC

- Balance Sheet
  - Excess deferred taxes: $485M
    - Protected (depreciation related): $314M
    - Unprotected: $171M
- Income Statement
  - No material change in earnings
  - Lower revenue as tax reform benefits are flowed to customers
  - Lower income tax expense
    - Tax rate reduction: ($55M - $60M)
    - Amortization of excess deferreds: ($25M - $30M)
- Cash Flow
  - Lower cash flow from operations
    - Lower revenue from customers
    - Amortization of excess deferred taxes
    - Limited ability to generate deferred taxes

TECO TAMPA ELECTRIC AN EMERA COMPANY

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Financial Statement Impacts - PGS

- Balance Sheet
  - Excess deferred taxes: $ 67M
    - Protected (depreciation related): $ 55M
    - Unprotected: $ 12M
- Income Statement
  - No material change in earnings
  - Lower revenue as tax reform benefits are flowed to customers
  - Lower income tax expense
    - Tax rate reduction: ($ 9M - $10M)
    - Amortization of excess deferreds: ($ 2M - $ 3M)
- Cash Flow
  - Lower cash flow from operations
    - Lower revenue from customers
    - Amortization of excess deferred taxes
    - Limited ability to generate deferred taxes

TECO TAMPA ELECTRIC AN EMERA COMPANY

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Tax Reform Process Documentation

The Tax Cuts and Jobs Act (H.R.1) enacted by President Trump on December 22, 2017, resulted in lowering the corporate income tax rate from 35% to 21%.

The TECO Energy group includes 3 regulated subsidiaries, Tampa Electric (TEC), Peoples Gas System (PGS) and New Mexico Gas Company (NMGC). The rest of the companies are non-regulated.

The change in the federal tax rate was made in accordance with ASC Topic 740 and 980.

- TECO reviewed an inventory of deferred items prior to December closeout to determine which ones required a rate change (example: AMT/GBC no change vs normal timing differences).
- All TECO companies use the Provision module of Power Plan for tax provision. Therefore, in conjunction with PowerPlan Consultants' guidance, TECO determined configuration setup required to generate remeasure journal entries in accordance with ASC Topic 740 and 980.
- Non-regulated companies recorded the rate change impact to P&L.
- None of the FL regulated companies had existing DIT balances related to non -utility activities. Therefore, the impact of the rate change including the gross up factor was recorded to regulatory liability account.
- NMGC had DIT balances related to non- utility or below the line activities. Those DIT had been established during 3 previous transactions settlement stipulations of 2008, 2014 and 2016. The impact of the rate change was recorded to income tax expense. The adjustment of the regulated DIT balances and corresponding gross up factor was recorded to regulatory liability account.

During year-end closeout, each company generated 51051 reports to validate the new DIT balances and check the new combined enacted rate of 25.345% for Florida companies and 25.61 % for New Mexico companies.

Emera Florida and New Mexico
Quarterly Accounting Issues Review – Q4 2017

Company	Issue		Status	Contact
TECO Energy and Tampa Electric Company	Tax Reform	Changes in the US tax code is expected to pass in December. Current provisions are focused on a reduction of the corporate tax rate to 21%, allowing 100% of capital expenditures to be deducted, and eliminating the interest deduction and the section 199 domestic production deduction. Under the current proposals, regulated electric and gas companies would be exempt from the 100% asset expensing and interest limitation. If enacted into law in December, the company would recognize the income tax effects of changes in tax law on deferred tax assets and liabilities at Q4 2017. Regulated companies would estimate the excess deferred income taxes resulting from the rate change and record a reduction of existing deferred tax liability balances with a corresponding increase to regulated tax liabilities. The excess deferred tax liabilities of the regulated companies (excluding gross up) are estimated to be as follows (based on 21% rate): • Tampa Electric: $490M • PGS: $70M • NMGC: $25M (note: the re-measurement of non- utility deferred income taxes related to 2008 and 2016 stipulations will result in a one-time charge to earnings of approximately $5M) The re-measurement of TECO's NOL deferred tax asset balance as well as other non -regulated deferred income tax balances would result in a one-time charge to earnings of approximately $215M, which would be recorded at Q4 2017. Disclosures in the MD&A and Notes to the Financial Statements will be added addressing the tax impacts, regulatory implications and impact on the outlook.	Open	Valerie Strickland Derek Smith
	NOLs and Deferred Tax Assets	TECO continues to monitor the use of its NOLs. Excluding the potential impacts from the change in the US corporate tax rate described above, there is no indication at this time to change our position on recognition of NOLs as there is expected to be sufficient taxable income to utilize such losses.	Open	Valerie Strickland Derek Smith

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PGS response to OPC 2nd Production of Documents Nos. 6-8.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 11
PARTY: STAFF – (DIRECT)
DESCRIPTION: Jeff Chronister Kandi Floyd (6)Valerie Strickland (7-8)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System.	))))	DOCKET NO. 20180044-GU FILED: APRIL 30, 2018

PEOPLES GAS SYSTEM'S

ANSWERS TO SECOND REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 6 - 8)

OF

OFFICE OF PUBLIC COUNSEL

Peoples Gas System files this its Answers to Production of Documents (Nos. 6 - 8) propounded and served on March 30, 2018 by the Office of Public Counsel.

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INDEX TO OPC'S SECOND REQUEST FOR PRODUCTION OF DOCUMENTS
(NOS. 6 - 8

Number	Subject	Bates Stamped Page
6	Please provide a copy of the Company's cost of service study file in Excel from its last rate case with formulas and cross references intact.	1
7	Please provide a copy of journal entries and journal entry workpapers showing how the Company identified and recorded amounts of EADIT as of December 31, 2017.	2
8	From the Company's last rate case, please provide a copy of the Company's documents showing whether or not the Company included income tax debit/credit associated with the domestic production activities deduction under Section 199 of the Internal Revenue Code. If available in Excel, please provide with formulas and cross references intact.	3

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DOCUMENT NO. 6
BATES STAMPED PAGE: 1
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*Expediting the responses to requests in **bold** below would help facilitate a timely resolution of this matter.*

6. **Please provide a copy of the Company's cost of service study file in Excel from its last rate case with formulas and cross references intact.**

A. Please see Peoples Gas System's response to OPC's Second Set of Interrogatories No. 18.

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7. Please provide a copy of journal entries and journal entry workpapers showing how the Company identified and recorded amounts of EADIT as of December 31, 2017.

A. See responses to questions 1 and 3 OPC's First Request for production of documents.

8. From the Company's last rate case, please provide a copy of the Company's documents showing whether or not the Company included income tax debit/credit associated with the domestic production activities deduction under Section 199 of the Internal Revenue Code. If available in Excel, please provide with formulas and cross references intact.

A. PGS does not have any qualifying activities to claim a deduction under Section 199.

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PGS response to OPC 3rd Production of Documents No. 9.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 12
PARTY: STAFF – (DIRECT)
DESCRIPTION: Valerie Strickland

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System.	))))	DOCKET NO. 20180044-GU FILED: JUNE 6, 2018

PEOPLES GAS SYSTEM'S

ANSWERS TO THIRD REQUEST FOR PRODUCTION OF DOCUMENTS (NO. 9)

OF

OFFICE OF PUBLIC COUNSEL

Peoples Gas System files this its Answers to Production of Documents (No. 9) propounded and served on May 7, 2018 by the Office of Public Counsel.

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
INDEX TO OPC'S THIRD REQUEST FOR PRODUCTION OF DOCUMENTS
(NO. 9)

Number	Subject	Bates Stamped Page
9	Please refer to OPC's third set of interrogatories, No. 25, and provide the Excel files related to this response.	1

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
OPC'S THIRD REQUEST FOR
PRODUCTION OF DOCUMENTS
DOCUMENT NO. 9
BATES STAMPED PAGE: 1
FILED: JUNE 6, 2018

*Expediting the responses to requests in **bold** below would help facilitate a timely resolution of this matter.*

9. Please refer to OPC's third set of interrogatories, No. 25, and provide the Excel files related to this response.

A. See response to OPC's third set of interrogatories, No. 25.

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PGS response to OPC 4th Production of Documents No. 10.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 13
PARTY: STAFF – (DIRECT)
DESCRIPTION: Valerie Strickland

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System.	))))	**DOCKET NO. 20180044-GU FILED: JUNE 22, 2018**

PEOPLES GAS SYSTEM'S

ANSWERS TO FOURTH REQUEST FOR PRODUCTION OF DOCUMENTS (NO. 10)

OF

OFFICE OF PUBLIC COUNSEL

Peoples Gas System files this its Answers to Production of Documents (No. 10) propounded and served on May 23, 2018 by the Office of Public Counsel.

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
INDEX TO OPC'S FOURTH REQUEST FOR PRODUCTION OF DOCUMENTS
(NO. 10)

Number	Subject	Bates Stamped Page
10	Please produce any and all analyses prepared by or for the Company showing the calculation of the amount of excess ADIT created by the federal Tax Cuts and Jobs Act related to recording Cost of Removal. Please produce all documents related to the referenced analyses	1

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-EI
OPC'S FOURTH REQUEST FOR
PRODUCTION OF DOCUMENTS
DOCUMENT NO. 10
BATES STAMPED PAGE: 1 – 14
FILED: JUNE 22, 2018

10. Please produce any and all analyses prepared by or for the Company showing the calculation of the amount of excess ADIT created by the federal Tax Cuts and Jobs Act related to recording Cost of Removal. Please produce all documents related to the referenced analyses.

A. See attached file.

20180044-GU Staff Hearing Exhibits 00142

TECO Cost of Removal Accrual Breakout and Unprotected Excess DIT Amortization Project

After the 2017 tax year return case was finalized in addition to the allocation of 2017 book depreciation, the PowerTax Case #271 was rolled forward to the 2018 tax year.

Until the beginning of the 2018 tax year, the cost of removal accrual portion of the total book accumulated reserve was included in the timing differences of all method/life and book overhead cost components.

The cost of removal accrual balance, according to GAAP Financial Statements for ending 2017 was found to be as follows:

- TEC : $341,959,741.69 – $132,137,284.49 (Dismantling Cost held in the Provision system, not PowerTax) = $209,822,457.20
- PGS : $175,612,972.73
- NMG : $124,389,505.44

We removed the cost of removal accrual from all items that it was included in by taking the following steps:

- Reestablish the beginning 2018 life only book accumulated depreciation on all method/life and basis difference deferred tax records.
- Take the difference between what the reserve was by cost component and what it is determined to be using the life only total book accumulated depreciation and set it aside by company, tax class, vintage and ARAM rate.
- Reestablish the beginning deferred income tax balance on all method/life and basis difference deferred tax records using the new timing difference.
- Establish new tax depreciation and deferred income tax records on the cost of removal accrual using the original records ARAM rate.

After finishing this process, the total beginning 2018 deferred income tax balance has not changed, nor the total timing difference. We have extracted the cost of removal accrual balance from all cost components it was included with and isolated it into a separate reportable item.

We have embarked on this process because cost of removal is an unprotected deferred income tax item.

The next step was to extract the excess deferred income tax amounts from all unprotected items and isolate them for reversal using a prescribed straight line amortization.

The excess deferred income balance at the cost component and tax record level of detail was calculated to be:

Current Deferred Income Tax Balance – Current Timing Difference Balance * 21%

All excess deferred income tax was set aside and two tax records for each company, tax class, and vintage were created. The two tax records offset each other so no new basis or subsequent depreciation is reported. The records are set to depreciate in the following prescribed methods and lives by company:

- TEC – Straight Line amortization over 10 years with a full year of depreciation in the first year
- PGS - Straight Line amortization over 10 years with a full year of depreciation in the first year
- NMG - Straight Line amortization over 33 years with a full year of depreciation in the first year

The federal offset for state taxes was administered using the same methodology.

PowerTax Reports for analysis:

- Report #248 – Beginning Timing Difference Support – By cost component for a given company, jurisdiction and tax year the tax basis, tax accumulated depreciation, book basis and book accumulated depreciation are used to support the beginning timing difference calculation.
- Report #249 – Ending Timing Difference Support - By cost component for a given company, jurisdiction and tax year the tax basis, tax accumulated depreciation, book basis and book accumulated depreciation are used to support the ending timing difference calculation.
- Report #257A – Deferred Income Tax Summary Report – By cost component for a given company, jurisdiction and tax year the beginning timing difference, timing difference activity for providing, timing difference activity for reversing, ending timing difference, beginning deferred income tax balance, deferred income tax provision, deferred income tax reversal, ending deferred income tax balance, beginning FAS109 liability, ending FAS109 liability, beginning regulatory asset, beginning regulatory liability, ending regulatory asset, and ending regulatory liability are reported.

Peoples Gas System
PowerTax Deferred Tax Recovery Report for Basis Differences - Ending Balances
FL OPS MASTER CASE Amort w. 2018

BEFORE ARAM IMPLEMENTATION

Grouped By: Total Tax Classes

Tax Year End: 2017	Compliance Tax Basis w/o Ord Retires	Compliance Tax Reserve w/o Ord Retires	Tax Basis			Financial Book Basis	Financial Book Reserve	Book Basis			Timing Difference
			Gross Plant	Accum Depr	Net Plant			Gross Plant	Accum Depr	Net Plant	
Jurisdiction: Federal											
Fed Method/Life	$1,059,492,413	$769,503,816	$1,042,538,136	$752,549,538	$289,988,598	$1,452,047,015	$682,129,477	$1,452,047,015	$682,129,477	$769,917,537	($479,928,940)
Depreciation Difference	**$1,059,492,413**	**$769,503,816**	**$1,042,538,136**	**$752,549,538**	**$289,988,598**	**$1,452,047,015**	**$682,129,477**	**$1,452,047,015**	**$682,129,477**	**$769,917,537**	**($479,928,940)**
Fed BOOK ONLY	$0	$0	$0	$0	$0	$764,099	$689,981	$764,099	$689,981	$74,118	($74,118)
Fed CAC-BOOK ONLY	$0	$0	$0	$0	$0	$311	$250	$311	$250	$61	($61)
Fed FAS 107-BOOK	$0	$0	$0	$0	$0	$148,870	$73,099	$148,870	$73,099	$75,771	($75,771)
Fed FAS 87	$0	$0	$0	$0	$0	$317,807	$241,421	$317,807	$241,421	$76,387	($76,387)
Fed FAS106-BOOK	$0	$0	$0	$0	$0	$1,855,124	$955,642	$1,855,124	$955,642	$899,482	($899,482)
Fed FAS112-BOOK	$0	$0	$0	$0	$0	$18,562	($12,509)	$18,562	($12,509)	$31,072	($31,072)
Fed Repair 481A Adds	$0	$0	$0	$0	$0	$64,808,204	$21,134,651	$64,808,204	$21,134,651	$43,673,553	($43,673,553)
Fed SEC 179A	$0	$0	$0	$0	$0	$22,625	$16,466	$22,625	$16,466	$6,159	($6,159)
Fed Tax Expensing	$0	$0	$0	$0	$0	$93,169,036	$9,252,630	$93,169,036	$9,252,630	$83,916,405	($83,916,405)
Book Overhead	**$0**	**$0**	**$0**	**$0**	**$0**	**$161,104,637**	**$32,351,630**	**$161,104,637**	**$32,351,630**	**$128,753,008**	**($128,753,008)**
Fed ADMIN & GEN CAPITALIZED	$163,143	$159,503	$163,143	$159,503	$3,640	$0	$0	$0	$0	$0	$3,640
Fed CAC-TAX ONLY	$2,189,182	$2,187,354	$2,189,182	$2,187,354	$1,828	$0	$0	$0	$0	$0	$1,828
Fed CAP DEPR - FED	$3,663,338	$2,614,600	$3,663,338	$2,614,600	$1,048,738	$0	$0	$0	$0	$0	$1,048,738
Fed CAPT INTEREST FOR TAX ((	$16,089,243	$10,707,395	$16,089,243	$10,707,395	$5,381,848	$0	$0	$0	$0	$0	$5,381,848
Fed CIAC	$60,676,538	$42,339,484	$60,676,538	$42,339,484	$18,337,054	$0	$0	$0	$0	$0	$18,337,054
Fed DEPRECIATION CAPITALIZE	$158,502	$154,966	$158,502	$154,966	$3,536	$0	$0	$0	$0	$0	$3,536
Fed FAS 107	$1,595,650	$1,238,508	$1,595,650	$1,238,508	$357,143	$0	$0	$0	$0	$0	$357,143
Fed FAS106-TAX	($50,794)	($3,790)	($50,794)	($3,790)	($47,004)	$0	$0	$0	$0	$0	($47,004)
Fed PENSION-TAX	$3,035,936	$758,467	$3,035,936	$758,467	$2,277,469	$0	$0	$0	$0	$0	$2,277,469
Fed RAR	$1,141,746	$1,141,746	$1,141,746	$1,141,746	$0	$0	$0	$0	$0	$0	$0
Fed RECONCILE TAX DIFF	($19,145,464)	($19,189,576)	($19,145,464)	($19,189,576)	$44,112	$0	$0	$0	$0	$0	$44,112
Fed Repair 481A Adds Bonus Adjs	$755,646	$521,289	$755,646	$521,289	$234,358	$0	$0	$0	$0	$0	$234,358
Fed TAX ADJUSTMENTS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fed Tax Expensing CPI Reversal	($360,923)	($20,945)	($360,923)	($20,945)	($339,978)	$0	$0	$0	$0	$0	($339,978)
Fed TAX ONLY	$434,514	$561,966	$434,514	$561,966	($127,451)	$0	$0	$0	$0	$0	($127,451)
Fed WORKMENS COMPENSATIC	$62,167	$60,780	$62,167	$60,780	$1,387	$0	$0	$0	$0	$0	$1,387
Tax Overhead	**$70,408,425**	**$43,231,747**	**$70,408,425**	**$43,231,747**	**$27,176,678**	**$0**	**$0**	**$0**	**$0**	**$0**	**$27,176,678**
Total Tax Classes	**$1,129,900,838**	**$812,735,563**	**$1,112,946,561**	**$795,781,286**	**$317,165,275**	**$1,613,151,652**	**$714,481,107**	**$1,613,151,652**	**$714,481,107**	**$898,670,545**	**($581,505,270)**
Jurisdiction Total:	**$1,129,900,838**	**$812,735,563**	**$1,112,946,561**	**$795,781,286**	**$317,165,275**	**$1,613,151,652**	**$714,481,107**	**$1,613,151,652**	**$714,481,107**	**$898,670,545**	**($581,505,270)**
Company Total:	**$1,129,900,838**	**$812,735,563**	**$1,112,946,561**	**$795,781,286**	**$317,165,275**	**$1,613,151,652**	**$714,481,107**	**$1,613,151,652**	**$714,481,107**	**$898,670,545**	**($581,505,270)**

PEOPLES GAS SYSTEM
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PowerTax Deferred Tax Summary Report - Alternate

FL OPS MASTER CASE Amort w. 2018
Peoples Gas System

BEFORE ARAM IMPLEMENTATION

Grouped By: Total Tax Classes

Jurisdiction: Federal Tax Year: 2017	Beginning Difference	Provision Difference	Reversal Difference	Flow Through Difference Activity	Ending Difference	Beginning APB11 DFIT Balance	DFIT Prosivion	DFIT Reversal	Ending APB11 DFIT Balance	Beginning FAS109 Liability	End FAS109 Liability @ Stat Rate	Beginning Regulatory Asset	Beginning Regulatory Liability	Ending Regulatory Asset	Ending Regulatory Liability
Fed Method/Life	$431,165,537	$57,721,491	($8,958,088)	$0	$479,928,940	$150,907,939	$20,202,522	($3,135,331)	$167,975,130	$150,907,938	$167,975,129	$0	($1)	$0	($1)
Depreciation Difference	**$431,165,537**	**$57,721,491**	**($8,958,088)**	**$0**	**$479,928,940**	**$150,907,939**	**$20,202,522**	**($3,135,331)**	**$167,975,130**	**$150,907,938**	**$167,975,129**	**$0**	**($1)**	**$0**	**($1)**
Fed BOOK ONLY	$85,280	$0	($11,162)	$0	$74,118	$29,848	$0	($3,907)	$25,941	$29,848	$25,941	$0	($0)	$0	($0)
Fed CAC-BOOK ONLY	$73	$0	($12)	$0	$61	$25	$0	($4)	$21	$25	$21	$0	$0	$0	$0
Fed FAS 107-BOOK	$80,653	$0	($4,882)	$0	$75,771	$28,229	$0	($1,709)	$26,520	$28,229	$26,520	$0	($0)	$0	($0)
Fed FAS 87	$87,186	$0	($10,799)	$0	$76,387	$30,515	$0	($3,780)	$26,735	$30,515	$26,735	$0	($0)	$0	($0)
Fed FAS106-BOOK	$961,937	$0	($62,455)	$0	$899,482	$336,678	$0	($21,859)	$314,819	$336,678	$314,819	$0	($0)	$0	($0)
Fed FAS112-BOOK	$6,800	$24,033	$239	$0	$31,072	$2,380	$8,546	($51)	$10,875	$2,380	$10,875	$0	($0)	$0	($0)
Fed Repair 481A Adds	$45,893,189	$0	($2,219,636)	$0	$43,673,553	$16,062,616	$0	($776,873)	$15,285,744	$16,062,616	$15,285,744	$0	($0)	$0	($0)
Fed SEC 179A	$7,929	$0	($1,770)	$0	$6,159	$2,775	$0	($619)	$2,156	$2,775	$2,156	$0	($0)	$0	($0)
Fed Tax Expensing	$67,633,237	$18,746,901	($2,463,732)	$0	$83,916,405	$23,671,633	$6,666,494	($967,385)	$29,370,742	$23,671,633	$29,370,742	$0	$0	$0	$0
Book Overhead	**$114,756,282**	**$18,770,934**	**($4,774,209)**	**$0**	**$128,753,008**	**$40,164,699**	**$6,675,041**	**($1,776,187)**	**$45,063,553**	**$40,164,699**	**$45,063,553**	**$0**	**($0)**	**$0**	**($0)**
Fed ADMIN & GEN CAPITALIZED	($11,015)	$0	$7,375	$0	($3,640)	($3,855)	$0	$2,581	($1,274)	($3,855)	($1,274)	$0	$0	$0	($0)
Fed CAC-TAX ONLY	($14,944)	$0	$13,117	$0	($1,828)	($5,231)	$0	$4,591	($640)	($5,231)	($640)	$0	$0	$0	($0)
Fed CAP DEPR - FED	($1,175,081)	($35,080)	$161,424	$0	($1,048,738)	($411,278)	($12,756)	$56,977	($367,058)	($411,278)	($367,058)	($0)	$0	($0)	$0
Fed CAPT INTEREST FOR TAX ((	($5,294,295)	($797,146)	$709,593	$0	($5,381,848)	($1,853,003)	($289,871)	$259,228	($1,883,647)	($1,853,003)	($1,883,647)	($0)	$0	($0)	$0
Fed CIAC	($19,195,737)	($1,944,938)	$2,803,621	$0	($18,337,054)	($6,718,508)	($707,250)	$1,007,789	($6,417,969)	($6,718,508)	($6,417,969)	($0)	$0	($0)	$0
Fed DEPRECIATION CAPITALIZE	($10,701)	$0	$7,165	$0	($3,536)	($3,745)	$0	$2,508	($1,238)	($3,745)	($1,238)	$0	$0	$0	($0)
Fed FAS 107	($435,175)	$0	$78,033	$0	($357,143)	($152,311)	$0	$27,311	($125,000)	($152,311)	($125,000)	($0)	$0	($0)	$0
Fed FAS106-TAX	$27,107	$21,935	($2,038)	$0	$47,004	$9,487	$7,977	($1,013)	$16,451	$9,487	$16,451	$0	($0)	($0)	($0)
Fed PENSION-TAX	($1,768,899)	($647,542)	$138,972	$0	($2,277,469)	($619,114)	($235,470)	$57,470	($797,114)	($619,114)	($797,114)	($0)	$0	($0)	($0)
Fed RAR	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fed RECONCILE TAX DIFF	($47,957)	$0	$3,845	$0	($44,112)	($16,785)	$0	$1,346	($15,439)	($16,785)	($15,439)	($0)	$0	($0)	$0
Fed Repair 481A Adds Bonus Adjs	($275,485)	$0	$41,127	$0	($234,358)	($96,420)	$0	$14,395	($82,025)	($96,420)	($82,025)	($0)	$0	($0)	$0
Fed TAX ADJUSTMENTS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fed Tax Expensing CPI Reversal	$137,058	$213,239	($10,319)	$0	$339,978	$47,970	$77,541	($6,519)	$118,992	$47,970	$118,992	$0	$0	$0	($0)
Fed TAX ONLY	$120,308	$0	$7,143	$0	$127,451	$42,108	$0	$2,500	$44,608	$42,108	$44,608	($0)	$0	($0)	$0
Fed WORKMENS COMPENSATIC	($4,197)	$0	$2,810	$0	($1,387)	($1,469)	$0	$984	($485)	($1,469)	($485)	($0)	$0	($0)	$0
Tax Overhead	**($27,949,012)**	**($3,189,533)**	**$3,961,867**	**$0**	**($27,176,678)**	**($9,782,154)**	**($1,159,830)**	**$1,430,147**	**($9,511,837)**	**($9,782,154)**	**($9,511,837)**	**($0)**	**$0**	**($0)**	**$0**
Total Tax Classes	**$517,972,807**	**$73,302,893**	**($9,770,430)**	**$0**	**$581,505,270**	**$181,290,483**	**$25,717,733**	**($3,481,371)**	**$203,526,845**	**$181,290,483**	**$203,526,845**	**$0**	**($1)**	**$0**	**($1)**
Jurisdiction Totals:	**$517,972,807**	**$73,302,893**	**($9,770,430)**	**$0**	**$581,505,270**	**$181,290,483**	**$25,717,733**	**($3,481,371)**	**$203,526,845**	**$181,290,483**	**$203,526,845**	**$0**	**($1)**	**$0**	**($1)**
Company Totals:	**$517,972,807**	**$73,302,893**	**($9,770,430)**	**$0**	**$581,505,270**	**$181,290,483**	**$25,717,733**	**($3,481,371)**	**$203,526,845**	**$181,290,483**	**$203,526,845**	**$0**	**($1)**	**$0**	**($1)**

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PEOPLES GAS SYSTEM

M Item		REPORT 51051	ADJUSTMENT		REPORT 257	Provision	Adj	Total Excess	Normalization	
T500	DEPRECIATION - BOOK	441,491,284	(1,381,224,893)		(939,733,609)	(58,409,297)	182,736,053	124,326,756	Protected	
T502	DEPRECIATION - BOOK TAX DIFF FED	(847,096,444)	1,137,085,042		289,988,598	118,593,502	(159,191,906)	(40,598,404)	Protected	
T503	DEPRECIATION - BOOK TAX DIFF STATE	(725,539,714)	1,146,316,287	B	420,776,573	(5,586,656)	8,826,635	3,239,980	Protected	
T515	ABNORMAL RETIREMENTS	(8,879,987)	8,879,987		-	1,174,822	(1,174,822)	-	Unprotected	
T520	ACQUISITION ADJUSTMENT	4,775,965	-		4,775,965	(631,860)	-	(631,860)	Unprotected	
T525	AIAC	11,943,516	-		11,943,516	(1,580,127)	-	(1,580,127)	Unprotected	IRS Notice 87-82 Book is grossing-up for tax AIAC
T530	ALTERNATIVE FUEL VEHICLE DEDUCTION	(1,419,951)	-		(1,419,951)	187,860	-	187,860	Unprotected	
T535	AMORT - LH IMPROVE AND LAND RIGHTS	7,169,625	-		7,169,625	(948,541)	-	(948,541)	Unprotected	
T560	CIAC	58,928,358	(40,591,304)		$18,337,054	(7,796,222)	5,370,230	(2,425,992)	Unprotected	IRS Notice 87-82 Book is grossing-up for tax CIAC
T563	CONSTRUCTION OVERHEAD CAPITALIZED (263A)	(5,318,397)	5,318,397		-	703,624	(703,624)	-	Unprotected	
T565	COST OF REMOVAL	(78,237,001)	253,849,977		$175,612,976	10,350,755	(33,584,352)	(23,233,597)	Unprotected	
T575	G/L - SALE OF ASSETS	(16,807,004)	-		(16,807,004)	2,223,567	-	2,223,567	Unprotected	
T576	LEASE-PLANT	858,625	-		858,625	(113,596)	-	(113,596)	Unprotected	
T580	REPAIRS CAPITALIZED ON BOOKS	(142,985,515)	10,408,586		(132,576,929)	18,916,984	(1,377,056)	17,539,928	Unprotected	
T585	RETIREMENT OVERHEAD COSTS	(1,917,294)	1,917,294		-	253,658	(253,658)	-	Unprotected	
T590	SEC 263A INTEREST CAP	20,987,130	(15,945,260)		$5,041,870	(2,776,597)	2,109,558	(667,039)	Unprotected	CPI & CPI REVERSAL
T591	SEC 263A INDIRECT COSTS	2,235,574	2,530,946		4,766,520	(295,766)	(334,844)	(630,611)	Unprotected	
T595	SOFTWARE DEVELOPED INTERNALLY	(9,462,526)	-		(9,462,526)	1,251,892	-	1,251,892	Unprotected	
		(1,289,273,755)	1,128,545,058	A	(160,728,697)	75,518,000	2,422,214	77,940,215		
		-			Per Report 257					
	Fed	**(563,734,041)**	**(17,771,229)**		**(581,505,270)**	= A - B				
	State	**(442,177,311)**	**(8,539,984)**		**(450,717,295)**					

Note: *Historically in Provision all plant related timing difference would reverse through the depreciation line. In an effort to realign these items the adjustment column is allocating the respective depreciation reversal to each line, in addition to the 2017 tax return true-up (RTP).*

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Peoples Gas System
PowerTax Deferred Tax Recovery Report for Basis Differences
FL OPS MASTER CASE Amort w. 2018

AFTER ARAM IMPLEMENTATION

Grouped By: Total Tax Classes

Tax Year Beg: 2018	Compliance Tax Basis w/o Ord Retires	Compliance Tax Reserve w/o Ord Retires	Tax Basis			Financial Book Basis	Financial Book Reserve	Book Basis			Timing Difference
			Gross Plant	Accum Depr	Net Plant			Gross Plant	Accum Depr	Net Plant	
Jurisdiction: Federal											
COR Reserve	$3	$0	$3	$0	$3	$3	$175,612,976	$3	$175,612,976	($175,612,973)	$175,612,976
Fed Method/Life	$1,059,492,413	$769,503,816	$1,042,538,136	$752,549,538	$289,988,598	$1,452,047,015	$512,313,406	$1,452,047,015	$512,313,406	$939,733,609	($649,745,011)
Depreciation Difference	**$1,059,492,417**	**$769,503,816**	**$1,042,538,139**	**$752,549,538**	**$289,988,601**	**$1,452,047,018**	**$687,926,382**	**$1,452,047,018**	**$687,926,382**	**$764,120,636**	**($474,132,035)**
Federal Amortization	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Depreciation Difference	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Fed BOOK ONLY	$0	$0	$0	$0	$0	$764,099	$597,085	$764,099	$597,085	$167,014	($167,014)
Fed CAC-BOOK ONLY	$0	$0	$0	$0	$0	$311	$161	$311	$161	$150	($150)
Fed FAS 107-BOOK	$0	$0	$0	$0	$0	$148,870	$43,323	$148,870	$43,323	$105,546	($105,546)
Fed FAS 87	$0	$0	$0	$0	$0	$317,807	$154,396	$317,807	$154,396	$163,411	($163,411)
Fed FAS106-BOOK	$0	$0	$0	$0	$0	$1,855,124	$588,386	$1,855,124	$588,386	$1,266,738	($1,266,738)
Fed FAS112-BOOK	$0	$0	$0	$0	$0	$18,562	($6,935)	$18,562	($6,935)	$25,498	($25,498)
Fed Repair 481A Adds	$0	$0	$0	$0	$0	$64,808,204	$18,986,135	$64,808,204	$18,986,135	$45,822,068	($45,822,068)
Fed SEC 179A	$0	$0	$0	$0	$0	$22,625	$12,357	$22,625	$12,357	$10,268	($10,268)
Fed Tax Expensing	$0	$0	$0	$0	$0	$93,169,036	$6,179,817	$93,169,036	$6,179,817	$86,989,219	($86,989,219)
Book Overhead	**$0**	**$0**	**$0**	**$0**	**$0**	**$161,104,637**	**$26,554,725**	**$161,104,637**	**$26,554,725**	**$134,549,912**	**($134,549,912)**
Fed ADMIN & GEN CAPITALIZED	$163,143	$159,503	$163,143	$159,503	$3,640	$0	$0	$0	$0	$0	$3,640
Fed CAC-TAX ONLY	$2,189,182	$2,187,354	$2,189,182	$2,187,354	$1,828	$0	$0	$0	$0	$0	$1,828
Fed CAP DEPR - FED	$3,663,338	$2,614,600	$3,663,338	$2,614,600	$1,048,738	$0	$0	$0	$0	$0	$1,048,738
Fed CAPT INTEREST FOR TAX ((	$16,089,243	$10,707,395	$16,089,243	$10,707,395	$5,381,848	$0	$0	$0	$0	$0	$5,381,848
Fed CIAC	$60,676,538	$42,339,484	$60,676,538	$42,339,484	$18,337,054	$0	$0	$0	$0	$0	$18,337,054
Fed DEPRECIATION CAPITALIZE	$158,502	$154,966	$158,502	$154,966	$3,536	$0	$0	$0	$0	$0	$3,536
Fed FAS 107	$1,595,650	$1,238,508	$1,595,650	$1,238,508	$357,143	$0	$0	$0	$0	$0	$357,143
Fed FAS106-TAX	($50,794)	($3,790)	($50,794)	($3,790)	($47,004)	$0	$0	$0	$0	$0	($47,004)
Fed PENSION-TAX	$3,035,936	$758,467	$3,035,936	$758,467	$2,277,469	$0	$0	$0	$0	$0	$2,277,469
Fed RAR	$1,141,746	$1,141,746	$1,141,746	$1,141,746	$0	$0	$0	$0	$0	$0	$0
Fed RECONCILE TAX DIFF	($19,145,464)	($19,189,576)	($19,145,464)	($19,189,576)	$44,112	$0	$0	$0	$0	$0	$44,112
Fed Repair 481A Adds Bonus Adjs	$755,646	$521,289	$755,646	$521,289	$234,358	$0	$0	$0	$0	$0	$234,358
Fed TAX ADJUSTMENTS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fed Tax Expensing CPI Reversal	($360,923)	($20,945)	($360,923)	($20,945)	($339,978)	$0	$0	$0	$0	$0	($339,978)
Fed TAX ONLY	$434,514	$561,966	$434,514	$561,966	($127,451)	$0	$0	$0	$0	$0	($127,451)

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Peoples Gas System
PowerTax Deferred Tax Recovery Report for Basis Differences
FL OPS MASTER CASE Amort w. 2018

Grouped By: Total Tax Classes

Tax Year Beg: 2018	Compliance Tax Basis w/o Ord Retires	Compliance Tax Reserve w/o Ord Retires	Tax Basis			Financial Book Basis	Financial Book Reserve	Book Basis			Timing Difference
			Gross Plant	Accum Depr	Net Plant			Gross Plant	Accum Depr	Net Plant	
Jurisdiction: Federal											
Fed WORKMENS COMPENSATIC	$62,167	$60,780	$62,167	$60,780	$1,387	$0	$0	$0	$0	$0	$1,387
Tax Overhead	$70,408,425	$43,231,747	$70,408,425	$43,231,747	$27,176,678	$0	$0	$0	$0	$0	$27,176,678
Total Tax Classes	$1,129,900,842	$812,735,563	$1,112,946,564	$795,781,286	$317,165,279	$1,613,151,655	$714,481,107	$1,613,151,655	$714,481,107	$898,670,548	($581,505,270)
Jurisdiction Total:	$1,129,900,842	$812,735,563	$1,112,946,564	$795,781,286	$317,165,279	$1,613,151,655	$714,481,107	$1,613,151,655	$714,481,107	$898,670,548	($581,505,270)
Company Total:	$1,129,900,842	$812,735,563	$1,112,946,564	$795,781,286	$317,165,279	$1,613,151,655	$714,481,107	$1,613,151,655	$714,481,107	$898,670,548	($581,505,270)

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PowerTax Deferred Tax Summary Report - Alternate

FL OPS MASTER CASE Amort w. 2018
Peoples Gas System

AFTER ARAM IMPLEMENTATION

Grouped By: Total Tax Classes

Jurisdiction: Federal Tax Year: 2018	Beginning Difference	Provision Difference	Reversal Difference	Flow Through Difference Activity	Ending Difference	Beginning APB11 DFIT Balance	DFIT Prosivion	DFIT Reversal	Ending APB11 DFIT Balance	Beginning FAS109 Liability	End FAS109 Liability @ Stat Rate	Beginning Regulatory Asset	Beginning Regulatory Liability	Ending Regulatory Asset	Ending Regulatory Liability
COR Reserve	($175,612,976)	$0	$0	$0	($175,612,976)	($36,878,725)	$0	$0	($36,878,725)	($36,878,725)	($36,878,725)	($0)	$0	($0)	$0
Fed Method/Life	$649,745,011	$35,611,229	($15,163,921)	$0	$670,192,319	$227,410,744	$7,478,358	($5,307,371)	$229,581,731	$136,446,452	$140,740,387	$0	($90,964,292)	$0	($88,841,344)
Depreciation Difference	**$474,132,035**	**$35,611,229**	**($15,163,921)**	**$0**	**$494,579,343**	**$190,532,019**	**$7,478,358**	**($5,307,371)**	**$192,703,006**	**$99,567,727**	**$103,861,662**	**($0)**	**($90,964,292)**	**($0)**	**($88,841,344)**
Federal Amortization	$0	$0	$955,355	($955,355)	$0	($9,553,554)	$0	$955,355	($8,598,198)	$0	$0	$0	$9,553,554	$0	$8,598,198
Depreciation Difference	**$0**	**$0**	**$955,355**	**($955,355)**	**$0**	**($9,553,554)**	**$0**	**$955,355**	**($8,598,198)**	**$0**	**$0**	**$0**	**$9,553,554**	**$0**	**$8,598,198**
Fed BOOK ONLY	$167,014	$0	($19,035)	$0	$147,978	$35,073	$0	($3,997)	$31,075	$35,073	$31,075	$0	$0	$0	$0
Fed CAC-BOOK ONLY	$150	$0	($41)	$0	$108	$31	$0	($9)	$23	$31	$23	$0	$0	$0	$0
Fed FAS 107-BOOK	$105,546	$0	($4,377)	$0	$101,169	$22,165	$0	($919)	$21,246	$22,165	$21,246	$0	$0	($0)	($0)
Fed FAS 87	$163,411	$0	($29,422)	$0	$133,988	$34,316	$0	($6,179)	$28,138	$34,316	$28,138	($0)	$0	($0)	($0)
Fed FAS106-BOOK	$1,266,738	$0	($57,378)	$0	$1,209,361	$266,015	$0	($12,049)	$253,966	$266,015	$253,966	($0)	$0	$0	($0)
Fed FAS112-BOOK	$25,498	$0	($546)	$0	$24,952	$5,355	$0	($115)	$5,240	$5,355	$5,240	$0	$0	$0	($0)
Fed Repair 481A Adds	$45,822,068	$0	($1,905,513)	$0	$43,916,555	$9,622,634	$0	($400,158)	$9,222,477	$9,622,634	$9,222,477	$0	$0	$0	($0)
Fed SEC 179A	$10,268	$0	($1,320)	$0	$8,949	$2,156	$0	($277)	$1,879	$2,156	$1,879	($0)	$0	$0	($0)
Fed Tax Expensing	$86,989,219	$31,767,577	($2,739,388)	$0	$116,017,408	$18,267,736	$6,770,729	($674,809)	$24,363,656	$18,267,736	$24,363,656	($0)	$0	$0	$0
Book Overhead	**$134,549,912**	**$31,767,577**	**($4,757,021)**	**$0**	**$161,560,469**	**$28,255,482**	**$6,770,729**	**($1,098,512)**	**$33,927,698**	**$28,255,482**	**$33,927,698**	**($0)**	**$0**	**$0**	**($0)**
Fed ADMIN & GEN CAPITALIZED	($3,640)	$0	$3,640	$0	$0	($764)	$0	$764	$0	($764)	$0	($0)	$0	$0	$0
Fed CAC-TAX ONLY	($1,828)	$0	$1,828	$0	$0	($384)	$0	$384	$0	($384)	$0	$0	$0	$0	$0
Fed CAP DEPR - FED	($1,048,738)	($16,865)	$157,490	$0	($908,113)	($220,235)	($3,680)	$33,211	($190,704)	($220,235)	($190,704)	$0	$0	($0)	$0
Fed CAPT INTEREST FOR TAX ((	($5,381,848)	($1,693,878)	$732,817	$0	($6,342,909)	($1,130,188)	($369,573)	$167,751	($1,332,011)	($1,130,188)	($1,332,011)	($0)	$0	($0)	$0
Fed CIAC	($18,337,054)	($2,150,113)	$2,838,517	$0	($17,648,651)	($3,850,781)	($469,116)	$613,680	($3,706,217)	($3,850,781)	($3,706,217)	$0	$0	($0)	$0
Fed DEPRECIATION CAPITALIZE	($3,536)	$0	$3,536	$0	$0	($743)	$0	$743	$0	($743)	$0	$0	$0	$0	$0
Fed FAS 107	($357,143)	$0	$76,546	$0	($280,597)	($75,000)	$0	$16,075	($58,925)	($75,000)	($58,925)	($0)	$0	($0)	$0
Fed FAS106-TAX	$47,004	$0	($3,526)	$0	$43,478	$9,871	$0	($740)	$9,130	$9,871	$9,130	($0)	$0	$0	($0)
Fed PENSION-TAX	($2,277,469)	($90,470)	$173,488	$0	($2,194,450)	($478,268)	($19,739)	$37,173	($460,835)	($478,268)	($460,835)	($0)	$0	($0)	($0)
Fed RAR	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fed RECONCILE TAX DIFF	($44,112)	$0	$3,939	$0	($40,173)	($9,263)	$0	$827	($8,436)	($9,263)	($8,436)	$0	$0	($0)	$0
Fed Repair 481A Adds Bonus Adjs	($234,358)	$0	$40,196	$0	($194,162)	($49,215)	$0	$8,441	($40,774)	($49,215)	($40,774)	($0)	$0	($0)	($0)
Fed TAX ADJUSTMENTS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fed Tax Expensing CPI Reversal	$339,978	$0	($25,498)	$0	$314,480	$71,395	$0	($5,355)	$66,041	$71,395	$66,041	($0)	$0	$0	($0)
Fed TAX ONLY	$127,451	$0	($21,442)	$0	$106,009	$26,765	$0	($4,503)	$22,262	$26,765	$22,262	($0)	$0	($0)	$0

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PowerTax Deferred Tax Summary Report - Alternate

FL OPS MASTER CASE Amort w. 2018
Peoples Gas System

Grouped By: Total Tax Classes

Jurisdiction: Federal Tax Year: 2018	Beginning Difference	Provision Difference	Reversal Difference	Flow Through Difference Activity	Ending Difference	Beginning APB11 DFIT Balance	DFIT Prosivion	DFIT Reversal	Ending APB11 DFIT Balance	Beginning FAS109 Liability	End FAS109 Liability @ Stat Rate	Beginning Regulatory Asset	Beginning Regulatory Liability	Ending Regulatory Asset	Ending Regulatory Liability
Fed WORKMENS COMPENSATIC	($1,387)	$0	$1,387	$0	$0	($291)	$0	$291	$0	($291)	$0	$0	$0	$0	$0
Tax Overhead	($27,176,678)	($3,951,327)	$3,982,917	$0	($27,145,087)	($5,707,102)	($862,108)	$868,742	($5,700,468)	($5,707,102)	($5,700,468)	($0)	$0	($0)	$0
Total Tax Classes	**$581,505,270**	**$63,427,480**	**($14,982,669)**	**($955,355)**	**$628,994,725**	**$203,526,845**	**$13,386,979**	**($4,581,786)**	**$212,332,038**	**$122,116,107**	**$132,088,892**	**($0)**	**($81,410,738)**	**($0)**	**$80,243,146)**
Jurisdiction Totals:	$581,505,270	$63,427,480	($14,982,669)	($955,355)	$628,994,725	$203,526,845	$13,386,979	($4,581,786)	$212,332,038	$122,116,107	$132,088,892	($0)	($81,410,738)	($0)	$80,243,146)
Company Totals:	$581,505,270	$63,427,480	($14,982,669)	($955,355)	$628,994,725	$203,526,845	$13,386,979	($4,581,786)	$212,332,038	$122,116,107	$132,088,892	($0)	($81,410,738)	($0)	$80,243,146)

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PEOPLES GAS SYSTEM
DEPR - 1085 COR EXPORT

start_month	end_month	depr_group	company	set_of_books	external_account_code	end_bal
11/2017	11/2017	001 / 01 - DADE - BROWARD / 37600	Peoples Gas System	Financial	1080000	14,814,403.65
11/2017	11/2017	001 / 01 - DADE - BROWARD / 37602	Peoples Gas System	Financial	1080000	3,131,693.75
11/2017	11/2017	001 / 01 - DADE - BROWARD / 37602S	Peoples Gas System	Financial	1080000	884.04
11/2017	11/2017	001 / 01 - DADE - BROWARD / 37800	Peoples Gas System	Financial	1080000	(90,189.43)
11/2017	11/2017	001 / 01 - DADE - BROWARD / 37900	Peoples Gas System	Financial	1080000	34,290.98
11/2017	11/2017	001 / 01 - DADE - BROWARD / 38000	Peoples Gas System	Financial	1080000	4,551,855.57
11/2017	11/2017	001 / 01 - DADE - BROWARD / 38002	Peoples Gas System	Financial	1080000	7,302,043.47
11/2017	11/2017	001 / 01 - DADE - BROWARD / 38200	Peoples Gas System	Financial	1080000	366,744.27
11/2017	11/2017	001 / 01 - DADE - BROWARD / 38400	Peoples Gas System	Financial	1080000	(76,527.09)
11/2017	11/2017	001 / 01 - DADE - BROWARD / 38500	Peoples Gas System	Financial	1080000	(771.73)
11/2017	11/2017	001 / 01 - DADE - BROWARD / 39201	Peoples Gas System	Financial	1080000	1,942.92
11/2017	11/2017	001 / 01 - DADE - BROWARD / 39600	Peoples Gas System	Financial	1080000	191.61
11/2017	11/2017	001 / 02 - TAMPA / 37600	Peoples Gas System	Financial	1080000	10,419,293.57
11/2017	11/2017	001 / 02 - TAMPA / 37602	Peoples Gas System	Financial	1080000	4,192,033.51
11/2017	11/2017	001 / 02 - TAMPA / 37800	Peoples Gas System	Financial	1080000	(68,207.80)
11/2017	11/2017	001 / 02 - TAMPA / 37900	Peoples Gas System	Financial	1080000	37,804.83
11/2017	11/2017	001 / 02 - TAMPA / 38000	Peoples Gas System	Financial	1080000	4,821,715.51
11/2017	11/2017	001 / 02 - TAMPA / 38002	Peoples Gas System	Financial	1080000	7,187,383.42
11/2017	11/2017	001 / 02 - TAMPA / 38200	Peoples Gas System	Financial	1080000	858,423.90
11/2017	11/2017	001 / 02 - TAMPA / 38300	Peoples Gas System	Financial	1080000	(577.75)
11/2017	11/2017	001 / 02 - TAMPA / 38400	Peoples Gas System	Financial	1080000	341,915.34
11/2017	11/2017	001 / 02 - TAMPA / 38500	Peoples Gas System	Financial	1080000	(367.31)
11/2017	11/2017	001 / 02 - TAMPA / 39201	Peoples Gas System	Financial	1080000	(195.52)
11/2017	11/2017	001 / 03 - ST PETERSBURG / 37600	Peoples Gas System	Financial	1080000	3,241,479.93
11/2017	11/2017	001 / 03 - ST PETERSBURG / 37602	Peoples Gas System	Financial	1080000	2,037,868.78
11/2017	11/2017	001 / 03 - ST PETERSBURG / 37602D	Peoples Gas System	Financial	1080000	1,432.83
11/2017	11/2017	001 / 03 - ST PETERSBURG / 37800	Peoples Gas System	Financial	1080000	516.82
11/2017	11/2017	001 / 03 - ST PETERSBURG / 37900	Peoples Gas System	Financial	1080000	29,115.77
11/2017	11/2017	001 / 03 - ST PETERSBURG / 38000	Peoples Gas System	Financial	1080000	1,116,467.65
11/2017	11/2017	001 / 03 - ST PETERSBURG / 38002	Peoples Gas System	Financial	1080000	4,076,865.54
11/2017	11/2017	001 / 03 - ST PETERSBURG / 38200	Peoples Gas System	Financial	1080000	370,419.51
11/2017	11/2017	001 / 03 - ST PETERSBURG / 38300	Peoples Gas System	Financial	1080000	(534.93)
11/2017	11/2017	001 / 03 - ST PETERSBURG / 38400	Peoples Gas System	Financial	1080000	78,895.63
11/2017	11/2017	001 / 03 - ST PETERSBURG / 38500	Peoples Gas System	Financial	1080000	(557.77)
11/2017	11/2017	001 / 03 - ST PETERSBURG / 39201	Peoples Gas System	Financial	1080000	(105.75)
11/2017	11/2017	001 / 03 - ST PETERSBURG / 39202	Peoples Gas System	Financial	1080000	(2,029.61)
11/2017	11/2017	001 / 04 - ORLANDO / 37600	Peoples Gas System	Financial	1080000	10,175,505.87
11/2017	11/2017	001 / 04 - ORLANDO / 37602	Peoples Gas System	Financial	1080000	2,264,977.37
11/2017	11/2017	001 / 04 - ORLANDO / 37602D	Peoples Gas System	Financial	1080000	51.18
11/2017	11/2017	001 / 04 - ORLANDO / 37602S	Peoples Gas System	Financial	1080000	24.04
11/2017	11/2017	001 / 04 - ORLANDO / 37800	Peoples Gas System	Financial	1080000	(13,732.87)
11/2017	11/2017	001 / 04 - ORLANDO / 37900	Peoples Gas System	Financial	1080000	48,583.24
11/2017	11/2017	001 / 04 - ORLANDO / 38000	Peoples Gas System	Financial	1080000	4,668,313.72
11/2017	11/2017	001 / 04 - ORLANDO / 38002	Peoples Gas System	Financial	1080000	5,427,327.78
11/2017	11/2017	001 / 04 - ORLANDO / 38200	Peoples Gas System	Financial	1080000	809,695.03
11/2017	11/2017	001 / 04 - ORLANDO / 38400	Peoples Gas System	Financial	1080000	223,783.83
11/2017	11/2017	001 / 04 - ORLANDO / 38500	Peoples Gas System	Financial	1080000	(339.60)
11/2017	11/2017	001 / 04 - ORLANDO / 39201	Peoples Gas System	Financial	1080000	926.12
11/2017	11/2017	001 / 04 - ORLANDO / 39400	Peoples Gas System	Financial	1080000	(8,991.22)
11/2017	11/2017	001 / 05 - TRIANGLE / 37500	Peoples Gas System	Financial	1080000	(1,127.03)
11/2017	11/2017	001 / 05 - TRIANGLE / 37600	Peoples Gas System	Financial	1080000	807,646.84
11/2017	11/2017	001 / 05 - TRIANGLE / 37602	Peoples Gas System	Financial	1080000	413,850.90
11/2017	11/2017	001 / 05 - TRIANGLE / 37800	Peoples Gas System	Financial	1080000	(14,117.55)
11/2017	11/2017	001 / 05 - TRIANGLE / 37900	Peoples Gas System	Financial	1080000	7,506.41
11/2017	11/2017	001 / 05 - TRIANGLE / 38000	Peoples Gas System	Financial	1080000	309,317.85
11/2017	11/2017	001 / 05 - TRIANGLE / 38002	Peoples Gas System	Financial	1080000	845,297.60
11/2017	11/2017	001 / 05 - TRIANGLE / 38200	Peoples Gas System	Financial	1080000	62,977.07

11/2017	11/2017	001 / 05 - TRIANGLE / 38300	Peoples Gas System	Financial	1080000	(926.43)
11/2017	11/2017	001 / 05 - TRIANGLE / 38400	Peoples Gas System	Financial	1080000	24,432.62
11/2017	11/2017	001 / 05 - TRIANGLE / 38500	Peoples Gas System	Financial	1080000	(23.09)
11/2017	11/2017	001 / 05 - TRIANGLE / 39201	Peoples Gas System	Financial	1080000	116.30
11/2017	11/2017	001 / 06 - JACKSONVILLE / 37500	Peoples Gas System	Financial	1080000	(5,907.80)
11/2017	11/2017	001 / 06 - JACKSONVILLE / 37600	Peoples Gas System	Financial	1080000	16,284,020.04
11/2017	11/2017	001 / 06 - JACKSONVILLE / 37602	Peoples Gas System	Financial	1080000	3,482,141.65
11/2017	11/2017	001 / 06 - JACKSONVILLE / 37800	Peoples Gas System	Financial	1080000	46,551.93
11/2017	11/2017	001 / 06 - JACKSONVILLE / 37900	Peoples Gas System	Financial	1080000	52,370.39
11/2017	11/2017	001 / 06 - JACKSONVILLE / 38000	Peoples Gas System	Financial	1080000	2,471,788.58
11/2017	11/2017	001 / 06 - JACKSONVILLE / 38002	Peoples Gas System	Financial	1080000	5,035,652.92
11/2017	11/2017	001 / 06 - JACKSONVILLE / 38200	Peoples Gas System	Financial	1080000	340,609.50
11/2017	11/2017	001 / 06 - JACKSONVILLE / 38400	Peoples Gas System	Financial	1080000	119,643.94
11/2017	11/2017	001 / 06 - JACKSONVILLE / 38500	Peoples Gas System	Financial	1080000	(193.87)
11/2017	11/2017	001 / 06 - JACKSONVILLE / 39201	Peoples Gas System	Financial	1080000	(98.29)
11/2017	11/2017	001 / 06 - JACKSONVILLE / 39400	Peoples Gas System	Financial	1080000	(5,907.78)
11/2017	11/2017	001 / 06 - JACKSONVILLE / 39600	Peoples Gas System	Financial	1080000	(381.06)
11/2017	11/2017	001 / 08 - LAKELAND / 37600	Peoples Gas System	Financial	1080000	1,674,198.72
11/2017	11/2017	001 / 08 - LAKELAND / 37602	Peoples Gas System	Financial	1080000	634,631.18
11/2017	11/2017	001 / 08 - LAKELAND / 37800	Peoples Gas System	Financial	1080000	(10,113.23)
11/2017	11/2017	001 / 08 - LAKELAND / 37900	Peoples Gas System	Financial	1080000	(21,885.58)
11/2017	11/2017	001 / 08 - LAKELAND / 38000	Peoples Gas System	Financial	1080000	587,259.84
11/2017	11/2017	001 / 08 - LAKELAND / 38002	Peoples Gas System	Financial	1080000	909,449.41
11/2017	11/2017	001 / 08 - LAKELAND / 38200	Peoples Gas System	Financial	1080000	62,065.50
11/2017	11/2017	001 / 08 - LAKELAND / 38400	Peoples Gas System	Financial	1080000	19,433.78
11/2017	11/2017	001 / 08 - LAKELAND / 39202	Peoples Gas System	Financial	1080000	88.29
11/2017	11/2017	001 / 09 - DAYTONA / 37400	Peoples Gas System	Financial	1080000	(13,268.10)
11/2017	11/2017	001 / 09 - DAYTONA / 37600	Peoples Gas System	Financial	1080000	2,966,478.67
11/2017	11/2017	001 / 09 - DAYTONA / 37602	Peoples Gas System	Financial	1080000	695,764.44
11/2017	11/2017	001 / 09 - DAYTONA / 37800	Peoples Gas System	Financial	1080000	(48,481.34)
11/2017	11/2017	001 / 09 - DAYTONA / 37900	Peoples Gas System	Financial	1080000	2,075.57
11/2017	11/2017	001 / 09 - DAYTONA / 38000	Peoples Gas System	Financial	1080000	924,025.62
11/2017	11/2017	001 / 09 - DAYTONA / 38002	Peoples Gas System	Financial	1080000	1,146,050.87
11/2017	11/2017	001 / 09 - DAYTONA / 38200	Peoples Gas System	Financial	1080000	85,474.40
11/2017	11/2017	001 / 09 - DAYTONA / 38300	Peoples Gas System	Financial	1080000	(686.77)
11/2017	11/2017	001 / 09 - DAYTONA / 38400	Peoples Gas System	Financial	1080000	20,914.30
11/2017	11/2017	001 / 09 - DAYTONA / 38500	Peoples Gas System	Financial	1080000	(425.04)
11/2017	11/2017	001 / 10 - HIGHLANDS / 37600	Peoples Gas System	Financial	1080000	188,587.09
11/2017	11/2017	001 / 10 - HIGHLANDS / 37602	Peoples Gas System	Financial	1080000	141,371.17
11/2017	11/2017	001 / 10 - HIGHLANDS / 37800	Peoples Gas System	Financial	1080000	841.47
11/2017	11/2017	001 / 10 - HIGHLANDS / 37900	Peoples Gas System	Financial	1080000	1,903.16
11/2017	11/2017	001 / 10 - HIGHLANDS / 38000	Peoples Gas System	Financial	1080000	102,801.25
11/2017	11/2017	001 / 10 - HIGHLANDS / 38002	Peoples Gas System	Financial	1080000	108,045.12
11/2017	11/2017	001 / 10 - HIGHLANDS / 38200	Peoples Gas System	Financial	1080000	8,510.55
11/2017	11/2017	001 / 10 - HIGHLANDS / 38400	Peoples Gas System	Financial	1080000	2,634.54
11/2017	11/2017	001 / 10 - HIGHLANDS / 38500	Peoples Gas System	Financial	1080000	(50.89)
11/2017	11/2017	001 / 11 - SARASOTA / 37600	Peoples Gas System	Financial	1080000	2,536,980.26
11/2017	11/2017	001 / 11 - SARASOTA / 37602	Peoples Gas System	Financial	1080000	3,621,699.21
11/2017	11/2017	001 / 11 - SARASOTA / 37800	Peoples Gas System	Financial	1080000	(124,380.20)
11/2017	11/2017	001 / 11 - SARASOTA / 37900	Peoples Gas System	Financial	1080000	33,959.59
11/2017	11/2017	001 / 11 - SARASOTA / 38000	Peoples Gas System	Financial	1080000	289,075.02
11/2017	11/2017	001 / 11 - SARASOTA / 38002	Peoples Gas System	Financial	1080000	5,307,955.42
11/2017	11/2017	001 / 11 - SARASOTA / 38200	Peoples Gas System	Financial	1080000	361,647.25
11/2017	11/2017	001 / 11 - SARASOTA / 38300	Peoples Gas System	Financial	1080000	(84.58)
11/2017	11/2017	001 / 11 - SARASOTA / 38400	Peoples Gas System	Financial	1080000	159,903.59
11/2017	11/2017	001 / 11 - SARASOTA / 38500	Peoples Gas System	Financial	1080000	(117.27)
11/2017	11/2017	001 / 11 - SARASOTA / 39201	Peoples Gas System	Financial	1080000	358.57
11/2017	11/2017	001 / 11 - SARASOTA / 39202	Peoples Gas System	Financial	1080000	(105.75)
11/2017	11/2017	001 / 13 - PALM BEACH / 37600	Peoples Gas System	Financial	1080000	632,411.21
11/2017	11/2017	001 / 13 - PALM BEACH / 37602	Peoples Gas System	Financial	1080000	1,030,848.22
11/2017	11/2017	001 / 13 - PALM BEACH / 37602D	Peoples Gas System	Financial	1080000	1,408.60
11/2017	11/2017	001 / 13 - PALM BEACH / 37602S	Peoples Gas System	Financial	1080000	399.10

11/2017	11/2017	001 / 13 - PALM BEACH / 37800	Peoples Gas System	Financial	1080000	67.11
11/2017	11/2017	001 / 13 - PALM BEACH / 37900	Peoples Gas System	Financial	1080000	37,121.75
11/2017	11/2017	001 / 13 - PALM BEACH / 38000	Peoples Gas System	Financial	1080000	20,643.28
11/2017	11/2017	001 / 13 - PALM BEACH / 38002	Peoples Gas System	Financial	1080000	1,374,826.78
11/2017	11/2017	001 / 13 - PALM BEACH / 38200	Peoples Gas System	Financial	1080000	135,246.33
11/2017	11/2017	001 / 13 - PALM BEACH / 38400	Peoples Gas System	Financial	1080000	49,955.87
11/2017	11/2017	001 / 13 - PALM BEACH / 39201	Peoples Gas System	Financial	1080000	72.70
11/2017	11/2017	001 / 14 - PANAMA CITY / 37600	Peoples Gas System	Financial	1080000	955,756.06
11/2017	11/2017	001 / 14 - PANAMA CITY / 37602	Peoples Gas System	Financial	1080000	1,455,797.04
11/2017	11/2017	001 / 14 - PANAMA CITY / 37602D	Peoples Gas System	Financial	1080000	500.11
11/2017	11/2017	001 / 14 - PANAMA CITY / 37602S	Peoples Gas System	Financial	1080000	89.05
11/2017	11/2017	001 / 14 - PANAMA CITY / 37800	Peoples Gas System	Financial	1080000	1,654.70
11/2017	11/2017	001 / 14 - PANAMA CITY / 37801	Peoples Gas System	Financial	1080000	158.76
11/2017	11/2017	001 / 14 - PANAMA CITY / 37900	Peoples Gas System	Financial	1080000	19,158.37
11/2017	11/2017	001 / 14 - PANAMA CITY / 37901	Peoples Gas System	Financial	1080000	95.58
11/2017	11/2017	001 / 14 - PANAMA CITY / 38000	Peoples Gas System	Financial	1080000	(50,853.30)
11/2017	11/2017	001 / 14 - PANAMA CITY / 38002	Peoples Gas System	Financial	1080000	1,473,102.60
11/2017	11/2017	001 / 14 - PANAMA CITY / 38100	Peoples Gas System	Financial	1080000	(20,313.50)
11/2017	11/2017	001 / 14 - PANAMA CITY / 38200	Peoples Gas System	Financial	1080000	178,610.99
11/2017	11/2017	001 / 14 - PANAMA CITY / 38400	Peoples Gas System	Financial	1080000	100,544.86
11/2017	11/2017	001 / 15 - OCALA / 37600	Peoples Gas System	Financial	1080000	2,190,876.18
11/2017	11/2017	001 / 15 - OCALA / 37602	Peoples Gas System	Financial	1080000	2,426,742.35
11/2017	11/2017	001 / 15 - OCALA / 37602D	Peoples Gas System	Financial	1080000	34.20
11/2017	11/2017	001 / 15 - OCALA / 37800	Peoples Gas System	Financial	1080000	6,322.15
11/2017	11/2017	001 / 15 - OCALA / 37801	Peoples Gas System	Financial	1080000	201.67
11/2017	11/2017	001 / 15 - OCALA / 37900	Peoples Gas System	Financial	1080000	14,733.55
11/2017	11/2017	001 / 15 - OCALA / 37901	Peoples Gas System	Financial	1080000	91.48
11/2017	11/2017	001 / 15 - OCALA / 38000	Peoples Gas System	Financial	1080000	71,494.96
11/2017	11/2017	001 / 15 - OCALA / 38002	Peoples Gas System	Financial	1080000	3,584,046.31
11/2017	11/2017	001 / 15 - OCALA / 38100	Peoples Gas System	Financial	1080000	1,837.61
11/2017	11/2017	001 / 15 - OCALA / 38101	Peoples Gas System	Financial	1080000	(3.77)
11/2017	11/2017	001 / 15 - OCALA / 38200	Peoples Gas System	Financial	1080000	434,285.14
11/2017	11/2017	001 / 15 - OCALA / 38300	Peoples Gas System	Financial	1080000	(49.87)
11/2017	11/2017	001 / 15 - OCALA / 38400	Peoples Gas System	Financial	1080000	196,327.45
11/2017	11/2017	001 / 16 - S.W.FL / 37600	Peoples Gas System	Financial	1080000	6,580,175.05
11/2017	11/2017	001 / 16 - S.W.FL / 37602	Peoples Gas System	Financial	1080000	2,981,582.11
11/2017	11/2017	001 / 16 - S.W.FL / 37602D	Peoples Gas System	Financial	1080000	2,472.17
11/2017	11/2017	001 / 16 - S.W.FL / 37800	Peoples Gas System	Financial	1080000	12,475.19
11/2017	11/2017	001 / 16 - S.W.FL / 37900	Peoples Gas System	Financial	1080000	6,572.38
11/2017	11/2017	001 / 16 - S.W.FL / 38000	Peoples Gas System	Financial	1080000	137,651.29
11/2017	11/2017	001 / 16 - S.W.FL / 38002	Peoples Gas System	Financial	1080000	2,262,962.87
11/2017	11/2017	001 / 16 - S.W.FL / 38200	Peoples Gas System	Financial	1080000	162,404.61
11/2017	11/2017	001 / 16 - S.W.FL / 38300	Peoples Gas System	Financial	1080000	(19.35)
11/2017	11/2017	001 / 16 - S.W.FL / 38400	Peoples Gas System	Financial	1080000	68,441.67
11/2017	11/2017	001 / 16 - S.W.FL / 39102	Peoples Gas System	Financial	1080000	13.50
11/2017	11/2017	001 / 55 - CALL CENTER / 39700	Peoples Gas System	Financial	1080000	380.37
11/2017	11/2017	001 / 90 - CORPORATE / 37600	Peoples Gas System	Financial	1080000	1,311,456.36
11/2017	11/2017	001 / 90 - CORPORATE / 37800	Peoples Gas System	Financial	1080000	8,081.12
11/2017	11/2017	001 / 90 - CORPORATE / 37900	Peoples Gas System	Financial	1080000	95,764.97
11/2017	11/2017	001 / 90 - CORPORATE / 38100	Peoples Gas System	Financial	1080000	636,693.64
11/2017	11/2017	001 / 90 - CORPORATE / 39201	Peoples Gas System	Financial	1080000	53.76
						$ 175,612,972.73

COR RESERVE

In Millions	12/31/17	12/31/16
Regulatory liabilities:		
Regulatory tax liability [b]	$ 730	
Cost-recovery clauses [c]	32	
Cost-recovery clauses - offsets to derivative assets [d]	0	
Cost-recovery clauses - offsets to derivative assets [d]	0	
Storm reserve [e]	0	
Accumulated reserve—cost of removal [f]	518	
Other	5	
Total regulatory liabilities	1,285	
Less: Current portion	58	
Long-term regulatory liabilities	$ 1,227	

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Settlement Agreement attached to Joint Motion seeking Commission approval of settlement agreement.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 14
PARTY: STAFF – (DIRECT)
DESCRIPTION: Settlement Agreement attached to Joint Motion seeking Commission

FILED 8/8/2018
DOCUMENT NO. 05155-2018
FPSC - COMMISSION CLERK

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August 8, 2018

VIA E-PORTAL FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20180044-GU - Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System

Dear Ms. Stauffer:

Attached for electronic filing with the Commission in the above docket on behalf of Peoples Gas System, the Office of Public Counsel and the Florida Industrial Power Users Group (collectively, the "parties"), please find the parties Joint Motion Seeking Commission Approval of Settlement Agreement.

We appreciate your usual assistance.

Sincerely,

ANDREW M. BROWN

AB/a
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System.	)	DOCKET NO. 20180044-GU
	)	FILED: 8-8-2018

JOINT MOTION SEEKING COMMISSION APPROVAL OF SETTLEMENT AGREEMENT

Peoples Gas System ("Peoples" or the "Company"), the Office of Public Counsel ("OPC"), and the Florida Industrial Power Users Group ("FIPUG") (together, the "Parties") file this joint motion requesting that the Florida Public Service Commission approve the attached Settlement Agreement. In support of this joint motion, the Parties show the following:

1. The Parties have entered into a Settlement Agreement that avoids the time, expense and uncertainty associated with adversarial litigation, in keeping with the Commission's long-standing policy and practice of encouraging parties in contested proceedings to settle issues whenever possible. The Settlement Agreement is attached to this joint motion as Attachment 1.

2. The Parties believe that the Settlement Agreement is in the public interest and therefore request that the Commission accept and approve it expeditiously as filed.

WHEREFORE, the Parties respectfully request that the Commission issue its order approving the attached Settlement Agreement.

Respectfully submitted this 8th day of August, 2018.

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August 7, 2018

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Power Users Group

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the forgoing Joint Motion has been furnished by electronic mail this 8th day of August, 2018, to J.R. Kelly, Esquire, Charles Rehwinkel, Esquire, and Virginia Ponder, Esquire, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison St., Room 812, Tallahassee, Florida 32399-1400, Jon C. Moyle, Jr., Esquire, and Karen A. Putnal, Esquire, Moyle Law Firm, P.A., 118 North Gadsden Street, Tallahassee, Florida 32301, and Walter Trierweiler, Esquire, Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

Andrew M. Brown

20180044-GU Staff Hearing Exhibits 00160

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System.	DOCKET NO. 20180044-GU FILED: 8-8-2018

SETTLEMENT AGREEMENT

Pursuant to Section 120.57(4), *Florida Statutes*, Peoples Gas System ("Peoples" or the "Company"), the Office of Public Counsel ("OPC"), and the Florida Industrial Power Users Group ("FIPUG") (together, the "Parties") have entered into this Settlement Agreement to reach an informal disposition and complete a binding resolution of certain issues to be addressed by the Commission in Docket No. 20180044-GU. This Settlement Agreement also covers certain other matters over which the Commission has jurisdiction and which are the subject of that certain Settlement Agreement between the Parties approved by the Commission's Order No. PSC-17-0066-AS-GU issued February 28, 2017 (hereinafter, the "Prior Settlement Agreement"). This Settlement Agreement supplements the Prior Settlement Agreement to address certain impacts of the Tax Cuts and Jobs Act of 2017 ("TCJA") on Peoples, and avoids the time, expense and uncertainty associated with adversarial litigation, in keeping with the Commission's longstanding policy and practice of encouraging parties in contested proceedings to settle issues whenever possible. The terms of this Settlement Agreement are as follows:

BACKGROUND

1. The TCJA was enacted by the United States Congress on December 20, 2017 and was signed into law by the President on December 22, 2017. *See Tax Cuts and Jobs Act of 2017*, Pub. Law 115-97, 131 Stat. 2054 (2017). On February 6, 2018, the Commission asserted jurisdiction over this subject matter and put utilities on notice that all revenue requirements adjustments ultimately

imposed by the Commission due to the TCJA's provisions would be calculated as of February 6, 2018, or the date contained in each utility's settlement agreement, or January 1, 2018 if there is no settlement agreement and that date is agreed to by the utility. Order No. PSC-2018-0104-PCO-PU required each regulated utility to provide the Commission with its calculation of the impacts of the TCJA, and Peoples has provided such information.

2. OPC intervened in Docket No. 20180044-GU and both the Commission Staff and OPC have conducted extensive discovery. More recently, FIPUG has been permitted to intervene in this docket and is also a party to this Settlement Agreement. Peoples and OPC have filed Prehearing Statements containing their respective positions on 21 issues, many of which will be stipulated by the Parties. A Prehearing Conference was held on August 6, 2018 where the parties stipulated all issues concerning the calculation and amount of benefits associated with the TCJA.

The Prior Settlement Agreement

3. Among other things, the Prior Settlement Agreement:

a. resulted in a decrease in the Company's annual depreciation expense;

b. authorized Peoples to amortize at least $32,000,000 of the Company's manufactured gas plant ("MGP") environmental liability (inclusive of amounts the Company agreed to amortize over two years beginning in 2016) over the period 2016 through 2020 to the extent the expenses are/were reasonably and prudently incurred; and

c. reduced the bottom of Peoples' range of ROE established by the Commission's Order No. PSC-09-0411-FOF-GU to 9.25% for all regulatory purposes, such "bottom" to remain until the earlier to occur of (i) the effective date of new base rates established in Peoples' next general base rate proceeding (which Peoples agreed not to file

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before December 31, 2020 unless its earned ROE as reported on a future quarterly Earnings Surveillance Report is below 9.25%), or (ii) December 31, 2020.

4. As of December 31, 2017, $10,945,747 of the $32,000,000 MGP environmental liability had not been amortized.

Certain Impacts of the TCJA on Peoples

5. As pertinent to this Settlement Agreement, the forecasted full year annual revenue requirement decrease attributable to the TCJA for Peoples for 2018, net of the rate base and overall rate of return impact, is $11,599,038. Notwithstanding this forecasted decrease in its revenue requirement, the Company is expected to operate within its allowed ROE range for calendar year 2018.

6. This full year annual revenue requirement decrease attributable to the TCJA for Peoples for 2018, net of the rate base and overall rate of return impact, will continue in future years.

TERMS OF SETTLEMENT

A. Netting of 2018 Reduced Revenue Requirement and MGP Expense Amortization. The Parties agree that Peoples shall book the entire remaining unamortized MGP expense of $10,945,747 in 2018 and shall offset this amount by the forecasted full year 2018 annual revenue requirement reduction of $11,599,038, even though the Commission only took jurisdiction of $9.9 million of 2018 annual revenues. The Parties further agree that no action shall be required or taken to address any difference between the amortized MGP expense and the revenue requirement reduction for the year 2018.

B. Private Letter Ruling. Assuming no guidance from the Internal Revenue Service ("IRS") on the treatment of cost of removal is issued prior to September 30, 2018, Peoples will request, either individually, or through or together with its affiliate, Tampa Electric Company, a

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private letter ruling ("PLR") from the IRS in 2018 regarding the classification of the excess accumulated deferred income taxes ("ADIT") for cost of removal as unprotected for Peoples. If a PLR is received stating that the excess ADIT relating to cost of removal/negative net salvage is to be treated as protected, then a reclassification should be made in the Company's books and records and flow-back amounts should be trued up based on the ruling. In addition, the Company should further adjust base rates to reflect the 2018 revenue requirement impact by filing a petition for a limited scope proceeding (or stipulation among all parties in lieu thereof) to adjust base rates within 60 days of the determination in the PLR, whichever will result in a rate change earlier; and shall adjust for the associated 2018 revenue requirement difference from January 1, 2018 to the effective date of the further rate change through the conservation cost recovery clause. The aforesaid adjustments shall have no effect on the netting provided for in paragraph A above.

C. Depreciation.

(1) Exhibit B attached to this Settlement Agreement shall supersede and replace Exhibit B to the Prior Settlement Agreement and contains components and rates of depreciation which the Parties agree should be approved by the Commission for implementation by Peoples commencing January 1, 2019.

(2) The rates contained in Exhibit B to this Settlement Agreement, on which the Parties agree, will result in an estimated decrease to Peoples' 2019 depreciation expense of $10.3 million.

D. Peoples' Authorized ROE. The Parties agree that, notwithstanding the provisions of Paragraph D of the TERMS OF SETTLEMENT in the Prior Settlement Agreement, Peoples shall be permitted to initiate a general base rate proceeding during 2020 regardless of its earned ROE at the time provided the new rates established in such proceeding (if any) do not become effective before January 1, 2021.

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E. **New Base Rates Effective for 2019.** The Parties agree that commencing January 1, 2019, Peoples will ratably reduce base rates across all customer classes to give effect to the forecasted full year annual revenue requirement decrease attributable to the TCJA; *i.e.*, $11,599,038. Exhibit A attached hereto shows the currently effective base rates by customer class and the new base rates which the Parties agree the Commission should approve for implementation by Peoples effective January 1, 2019.

F. **The Prior Settlement Agreement.** Except to the extent modified by this Settlement Agreement, the Prior Settlement Agreement shall continue in effect in accordance with its terms as heretofore approved by the Commission.

G. In accordance with Section 120.57(4), *Florida Statutes*, approval of this Settlement Agreement in its entirety will resolve all matters in Docket No. 20180044-GU with respect to treatment of Peoples' expected reduced 2018 revenue requirement resulting from the TCJA. In addition, it will establish new depreciation rates for implementation by Peoples effective January 1, 2019, and new base rates to be charged by Peoples effective with the first billing cycle in January 2019. Finally, it will ensure customers receive the full benefits associated with the impacts of the TCJA.

H. This Settlement Agreement will take effect the day after it is approved by the Commission.

I. The provisions of this Settlement Agreement are contingent on the Commission's approval of this Settlement Agreement in its entirety without modification.

J. It is the desire of the Parties that this Settlement Agreement be considered at an appropriate proceeding that does not involve live testimony and cross examination on the merits of the matters covered by this Settlement Agreement.

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K. The Parties have entered into this Settlement Agreement in compromise of positions taken in accord with their rights and interests under Chapter 350, 366 and 120, Florida Statutes, as applicable, and, as a part of the negotiated exchange of consideration among the Parties to this Settlement Agreement, each has agreed to concessions to the others with the expectation that all provisions of this Settlement Agreement will be enforced by the Commission as to all matters addressed herein with respect to the Parties, upon acceptance of this Settlement Agreement as provided herein and upon approval in the public interest.

L. The Parties further agree they will support this Settlement Agreement and affirmatively assert that this Settlement Agreement is in the public interest and should be approved. In this regard, the Parties acknowledge that this Settlement Agreement has been agreed to by each Party and resolves each and every issue addressed herein. The Parties agree they will not request or support any order, relief, outcome, or result in conflict with the terms of this Settlement Agreement in any administrative or judicial proceeding relating to, reviewing, or challenging the establishment, approval, adoption, or implementation of this Settlement Agreement or the subject matter hereof.

M. The Parties' agreement to the terms in this Settlement Agreement shall be without prejudice to a Party's ability to advocate a different position in future proceedings not involving this Settlement Agreement. The Parties further expressly agree that no individual provision, by itself, necessarily represents a position of a Party in a future proceeding, and the Parties further agree that no Party shall assert or represent in any future proceeding in any forum that any other Party endorses any specific provision of this Settlement Agreement because of that Party's signature hereto. It is the intent of the Parties to this Settlement Agreement that the Commission's approval of all the terms and provisions of this Settlement Agreement is an express recognition that (a) no individual term or provision, by itself, necessarily represents a position, in isolation, of a Party and (b) that no Party to

20180044-GU Staff Hearing Exhibits 00166

this Settlement Agreement endorses a specific provision, in isolation, of this Settlement Agreement because of that Party's signature hereto.

N. If the Commission does not accept this Settlement Agreement in its entirety pursuant to its terms set out herein, then (i) the Settlement Agreement shall be considered rejected and shall be and become null and void and of no further force or effect as if this document had never been developed and written; (ii) this document shall not be admissible in any hearing on any matters at issue in Docket No. 20180044-GU, any matters at issue with respect to Peoples' environmental reserve, any matters at issue related to Peoples' authorized range of ROE, or any matters at issue with respect to Peoples' depreciation rates, or in any other docket or forum; and (iii) no Party to this Settlement Agreement waives any position on any issue that it could have otherwise asserted in any docket in which it is a party.

O. This Settlement Agreement may be executed in counterpart originals and a facsimile or scan of an original signature shall be deemed an original.

P. This Settlement Agreement constitutes a single, integrated written contract expressing the entire agreement between and among the Parties and superseding all other agreements, representations and understandings on the subject matter hereof. There is no other agreement, oral or written, expressed or implied, between the Parties with respect to the subject matter hereof, except this Settlement Agreement.

[signature page follows]

20180044-GU Staff Hearing Exhibits 00167

The Parties evidence their acceptance of and agreement with the provisions of this Settlement Agreement by their signatures:

OFFICE OF PUBLIC COUNSEL

By: _____
J. R. Kelly, Esquire
Public Counsel

FLORIDA INDUSTRIAL POWER USERS GROUP

By: _____ August 7, 2018
Jon C. Moyle, Jr., Esquire
Karen A. Putnal' Esquire
Moyle Law Firm, P.A.

PEOPLES GAS SYSTEM

By: _____
Thomas J. Szelistowski
President

20180044-GU Staff Hearing Exhibits 00168

The Parties evidence their acceptance of and agreement with the provisions of this Settlement Agreement by their signatures:

OFFICE OF PUBLIC COUNSEL

By: _____
J. R. Kelly, Esquire
Public Counsel

FLORIDA INDUSTRIAL POWER USERS GROUP

By: _____
Jon C. Moyle, Jr., Esquire
Karen A. Putnal' Esquire
Moyle Law Firm, P.A.

PEOPLES GAS SYSTEM

By: _____
Thomas J. Szelistowski
President

20180044-GU Staff Hearing Exhibits 00169

Exhibit A

Proposed Tariff Changes:
Legislative and Clean Format

Peoples Gas System **~~Eighth~~ Ninth Revised Sheet No. 7.201**
a Division of Tampa Electric Company **Cancels ~~Seventh~~ Eighth Revised Sheet No. 7.201**
Original Volume No. 3

RESIDENTIAL SERVICE
Rate Schedule RS

Availability:

Throughout the service areas of the Company.

Applicability:

Gas Service for residential purposes in individually metered residences and separately metered apartments. Also, for Gas used in commonly owned facilities of condominium associations, cooperative apartments, and homeowners associations, (excluding any premise at which the only Gas-consuming appliance or equipment is a standby electric generator), subject to the following criteria:

1. 100% of the Gas is used exclusively for the co-owner's benefit.
2. None of the Gas is used in a trade or business which sells or rents a commodity or provides service for a fee.
3. Each Point of Delivery will be separately metered and billed.
4. A responsible legal entity is established as the Customer to whom the Company can render its bills for said service.
5. RS-GHP refers to any Residential Customer utilizing a gas heat pump ("GHP") for heating and cooling.

Customers receiving service under this schedule will be classified for billing purposes according to annual usage as follows:

Billing Class	Annual Consumption
RS-1	0 – 99 Therms
RS-2	100 – 249 Therms
RS-3	250 – 1,999 Therms
RS-GHP	All Therms

Monthly Rate:

Billing Class	Customer Charge
RS-1	$~~12.00~~11.40 per month
RS-2	$~~15.00~~14.25 per month
RS-3	$~~20.00~~19.01 per month
RS-GHP	$~~20.00~~19.01 per month

Distribution Charge: $~~0.26782~~0.25465 per Therm for RS-1, RS-2, and RS-3
$~~0.09990~~0.09598 per Therm for RS-GHP

Minimum Bill: The Customer charge.

Issued By: T. J. Szelistowski, President **Effective:** Pending Commission Approval
Issued On: ~~May 9, 2018~~

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Sixth~~ Seventh Revised Sheet No. 7.301
Cancels ~~Fifth~~ Sixth Revised Sheet No. 7.301

SMALL GENERAL SERVICE
Rate Schedule SGS

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any non-residential Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 0 through 1,999 Therms per year or less. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

Monthly Rate:

Customer Charge:	$~~25.00~~23.70 per month
Distribution Charge:	$~~0.338~~32206 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The customer charge.

Special Conditions:

1. When the Customer receives transportation service under the Company's Natural Gas Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.

   The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth of Sheet No. 7.101-5.

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20180044-GU Staff Hearing Exhibits 00172

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Sixth~~ Seventh **Revised Sheet No. 7.302**
Cancels ~~Fifth~~ Sixth **Revised Sheet No. 7.302**

GENERAL SERVICE - 1
Rate Schedule GS-1

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 2,00[illegible] through 9,999 Therms per year. A Customer eligible for service pursuant to this rate [illegible]edule is eligible for transportation service under Rider NCTS.

Monthly Rate:

Customer Charge: $~~35~~ [illegible]3.26 per month

Distribution Charge: [illegible]~~268000~~ [illegible]~~68~~ per Therm

The bill for the Therms billed at the above [illegible]es shall be increased in accordance with the provisions of the Company's Purchased Ga[illegible] Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer [illegible]s transport[illegible]n service under the Company's Rider NCTS.

Minimum Bill: The Customer charge.

Special Condit[illegible]s:

1. When[illegible] Customer receives service under the Company's Natural Choice [illegible]ansp[illegible]ion Service Rider (Rider NCTS), the rates set forth above shall be s[illegible]ct to t[illegible]operation of the Company's Swing Service Charge set forth on Sheet No. [illegible]01-3.

2. The r[illegible]es set forth above shall be subject to the operation of the Energy Cons[illegible]vation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. [illegible]ontract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Sixth~~ Seventh Revised Sheet No. 7.303
Cancels ~~Fifth~~ Sixth Revised Sheet No. 7.303

GENERAL SERVICE - 2
Rate Schedule GS-2

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 10,000 through 49,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

Monthly Rate:

Customer Charge: ~~$50.00~~ $47.52 per month

Distribution Charge: ~~$0.27460~~ $0.27415 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The Customer charge.

Special Conditions:

1. When a Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.

2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Fourth~~ Fifth Revised Sheet No. 7.303-2
Cancels ~~Third~~ Fourth Revised Sheet No. 7.303-2

GENERAL SERVICE - 3
Rate Schedule GS-3

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, a[n] RNG delivered into Company's system by any Customer delivering, 50,000 through 24[illegible]999 Therms per year. A Customer eligible for service pursuant to this rate schedule is [illegible]le for transportation service under Rider NCTS and may be eligible for transportatio[illegible]ervic[illegible]der Rider ITS.

Monthly Rate:

Customer Charge:	$1[illegible].00142.55 per month
Distribution Charge:	$0.[illegible]670[illegible]8692 per Therm

The bill for the Therms bill[illegible] above rate[illegible]hall be increased in accordance with the provisions of the Company[illegible] Purch[illegible]t Gas Ad[illegible]stment Clause set forth on Sheet No. 7.101-1, unless Customer r[illegible]eives [illegible]tion service under the Company's Rider NCTS or Rider ITS. Company[illegible] P[illegible]hased Gas Adjustment Clause shall not apply to bills for Therms of R[illegible]vered int[illegible]ompany's system.

Minimum[illegible]ill: The Customer charge.

Special[illegible]ons:

1. Wh[illegible] the C[illegible]tomer receives service under the Company's Natural Choice Trans[illegible]rtation Service Rider (Rider NCTS), the rates set forth above shall be subje[illegible]o the operation of the Company's Swing Service Charge set forth on Sheet No. 7[illegible]01-3.

2. [illegible]cept in the case of Therms of RNG delivered into the Company's system, the [illegible]ates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Fourth~~ Fifth Revised Sheet No. 7.303-4
Cancels ~~Third~~ Fourth Revised Sheet No. 7.303-4

GENERAL SERVICE - 4
Rate Schedule GS-4

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, an RNG delivered into Company's system by any Customer delivering, 250,000 thro 499,999 Therms per year. A Customer eligible for service pursuant to this rate dule is eligible for transportation service under Rider NCTS or Rider ITS.

Monthly Rate:

Customer Charge:	$~~.00~~237.58 per month
Distribution Charge:	$~~0.~~~~215~~4459 per Therm

The bill for the Therms billed at ove rates s be increased in accordance with the provisions of the Company's Purch ed C ustmen Clause set forth on Sheet No. 7.101-1, unless Customer receives transporta n ser the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustme Cl e shall not apply to bills for Therms of RNG delivered into Company's syste

Minimu ill: The Customer charge.

Specia ns:

1. Wh the C tomer receives service under the Company's Natural Choice Trans rtation Service Rider (Rider NCTS), the rates set forth above shall be subje o the operation of the Company's Swing Service Charge set forth on Sheet No. 7 01-3.

2. cept in the case of Therms of RNG delivered into the Company's system, the ates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Eighth~~ Ninth **Revised Sheet No. 7.304**
Cancels ~~Seventh~~ Eighth **Revised Sheet No. 7.304**

GENERAL SERVICE - 5
Rate Schedule GS-5

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, a RNG delivered into Company's system by any Customer delivering, a minimum of 500 0 Therms per year or more at one billing location.

A Customer eligible for service under this rate schedule is ible for transportation service under either Rider NCTS or Rider ITS.

Monthly Rate:

Customer Charge:	$~~3~~ 002 09 per month
Distribution Charge:	$~~0.1132~~ 10758 per Therm

The bill for the Therms billed the a shall be increased in accordance with the provisions of the Company's rch sed Gas Adjustment Clause set forth on Sheet No. 7.101-1, unles mer rec s transportation service under either the Company's Rider NCTS Rider I . Comp y's Purchased Gas Adjustment Clause shall not apply to bills for Th ns of RN delivered o Company's system.

Minimum The Customer charge.

Spe Condi :

1. When he Customer receives service under the Company's Natural Choice Trans tation Service Rider (Rider NCTS), the rates set forth above shall be subje to the operation of the Company's Swing Service Charge set forth on Sheet No 101-3.

2. Except in the case of Therms of RNG delivered into the Company's system, the rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

Issued By: T. J. Szelistowski, President
Issued On: ~~September 19, 2017~~

Effective: ~~December 12, 2017~~January 1, 2019

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Fifth~~ Sixth Revised Sheet No. 7.306
Cancels ~~Fourth~~ Fifth Revised Sheet No. 7.306

COMMERCIAL STREET LIGHTING SERVICE
Rate Schedule CSLS

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered for use in commercial street lighting devices for public or private use in common areas around subdivisions, complexes, streets, highways or roadway lighting. To qualify for this rate, Customer must have at least ten (10) Gas street lights or a total of forty (40) individual mantles installed and separately metered from other gas-using equipment. A Customer eligible for service under this rate schedule is eligible for transportation service under the Company's Rider NCTS.

Monthly Rate:

Distribution Charge: ~~$0.19390~~0.17922 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS.

Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.

2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

6. Service under this schedule will require one street light to be metered per account. The metered volume multiplied by the number of lights will equal total Therm usage per month.

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Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Sixth~~ Seventh Revised Sheet No. 7.401
Cancels ~~Fifth~~ Sixth Revised Sheet No. 7.401

NATURAL GAS VEHICLE SERVICE-1
Rate Schedule NGVS-1

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer through a separate M[illegible] for compression and delivery (through the use of equipment furnished by Customer) to motor vehicle fuel tanks or other transportation containers. A Customer eligible for [illegible] pursuant to this rate schedule is eligible for transportation service under either Rider NCT[illegible] ITS Rider. Service under this rate schedule is only available to those Customers rece[illegible]g service thereunder as of August 1, 2013. Customers seeking natur[illegible]as vehicle ser[illegible] after that date shall take service under Rate Schedule NGVS-2.

Monthly Rate:

Customer Charge: $~~45.00~~42.76 [illegible]month

Distribution Charge: [illegible]~~020~~.17478 p[illegible] Therm

The bill for the Therms billed [illegible] the a[illegible] shall be increased in accordance with the provisions of the Company's [illegible]rc[illegible]sed Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless [illegible]er recei[illegible] transportation service under Rider NCTS and ITS Rider.

Minimum [illegible]: The [illegible]stomer charge.

Special Conditio[illegible]

1. When t[illegible] Customer receives service under the Company's Natural Choice T[illegible]sporta[illegible] Service Rider (Rider NCTS), the rates set forth above shall be sub[illegible] to the [illegible]eration of the Company's Swing Service Charge set forth on Sheet No. 7[illegible]1-3.

   The [illegible]es set forth above shall be subject to the operation of the Energy Co[illegible]ervation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.

4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

Issued By: ~~G. L. Gillette~~T. J. Szelistowski, President**Effective:** ~~September 25, 2013~~January 1, 2019
Issued On: ~~July 25, 2013~~

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~First~~ Second Revised Sheet No. 7.402-1
Cancels ~~Original~~ First Revised Sheet No. 7.402-1

RESIDENTIAL STANDBY GENERATOR SERVICE
Rate Schedule RS-SG

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer otherwise eligible to receive Gas Service under Rate Schedule RS whose only Gas-consuming appliance or equipment is a standby electric generator.

Monthly Rate:

Customer Charge:	$~~20.00~~19.00	
Distribution Charge:	0 – 20.0 Therms	$.00000 per Therm
	In excess of 20 Therms	$0.25465~~.26782~~ per Therm
Minimum Monthly Bill:	$20.00	

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set for the on Sheet No. 7.101-1.

Special Condition

1. The rates above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2 and will apply to each Therm delivered to Customer during a Billing Period.

2. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.

   The rates set forth in this tariff shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.

4. Subject to Special Condition 5 below, a Customer receiving Gas Service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month period unless customer terminates Gas Service at the end of any 12-month period.
5. If Customer installs an additional Gas appliance at the premise at which service is provided hereunder, then Customer will be transferred to the otherwise applicable rate schedule.

DRAFT

Issued By: ~~William N. Cantrell~~T. J. Szelistowski, President**Effective:** ~~June 18, 2009~~January 1, 2019
Issued On: ~~May 19, 2009~~

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Second~~Third **Revised Sheet No. 7.403**
Cancels ~~First~~ Second **Revised Sheet No. 7.403**

COMMERCIAL STANDBY GENERATOR SERVICE
Rate Schedule CS-SG

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer eligible to receive Gas Service under Rate Schedule SGS, GS-1, GS-2, GS-3, GS-4 or GS-5 whose only Gas-consuming appliance or equipment is a standby electric generator.

Monthly Rate:

Customer Charge:	~~$35.00~~33.29	
Distribution Charge:	0 – 40.0 Therms	$0.00000 per Therm
	In excess of 40.0 Therms	~~$0.33894~~0.32206 per Therm
Minimum Monthly Bill:	$35.00	

1. The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set for the on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The Minimum Monthly Bill.

Special Provisions:

1. When the Customer receives transportation service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.

2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2 and will apply to each Therm delivered to Customer during a Billing Period.

3. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.4 and will apply to each Therm delivered to Customer during a Billing Period.

4. The rates set forth in this tariff shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.

Issued By: ~~William N. Cantrell~~T. J. Szelistowski, President**Effective:** ~~June 18, 2009~~January 1, 2019
Issued On: ~~May 19, 2009~~

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Original~~ First Revised **Sheet No. 7.405**
Cancels Original Sheet No. 7.405

COMMERCIAL GAS HEAT PUMP SERVICE
RATE SCHEDULE CS-GHP

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial Customer utilizing a Gas Heat Pump for heating and cooling.

Monthly Rate:

Customer Charge:	$~~35.00~~33.26 per month
Distribution Charge:	$~~0.2063~~0.19605 per Th
Minimum Bill:	The Customer charg

Special Conditions:

1. The gas provided for GHP would b eparately metered a would appear separately on Customer bills.

2. The bill for the Therms billed at th b rates shall be increased in accordance with the provisions of the Company urchased Gas Adjustment Clause set forth on Sheet No. 7.101 less the custo r receives transportation service under the Company's Rider "CT

3. The rates set forth abo sh be subject to the operation of the Energy Conser st Reco Adjustment Clause set forth in Sheet No. 7.101-2.

4. Wh the Cu mer rece es service under the Company's Natural Choice T nsportatio ervice Rider (Rider NCTS), the rates set forth above shall be sub t to th operati he Company's Swing Service Charge set forth on Sheet No. 7 .

5. T rates forth under this schedule shall be subject to the operation of the Co ny's and Fee Adjustment Clause set forth on Sheet No. 7.101-5.

6. A con ct for an initial term of one year may be required as a condition precedent to se ce under this schedule, unless an extension of facilities is involved, in whi case the term of the contract shall be the term required under the agreement f he facilities extension.

7. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Seventh~~ Eighth **Revised Sheet No. 7.501**
Cancels ~~Sixth~~ Seventh **Revised Sheet No. 7.501**

WHOLESALE SERVICE - FIRM
Rate Schedule WHS

Availability:

For other Gas distribution or electric utility companies throughout service areas of the Company.

Applicability:

Service under this schedule will only be rendered when the Company has sufficient Gas and interstate pipeline capacity to meet all its other needs during the term of the sale under this schedule. Firm Gas Service for other Gas utility's residential or commercial resale or for use by an electric utility for its own consumption. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider

Monthly Rate:

Customer Charge: $~~150~~ 142.55 per month

Distribution Charge: ~~.49340~~ .14 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider

Special Conditions:

1. An executed contract for a period of at least one year is required as a condition precedent to service hereunder.

2. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

3. If any facilities other than metering and regulating equipment are required to render service under this schedule, the Customer shall pay for these facilities prior to the commencement of service.

4. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.

6. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Seventh~~ Eighth Revised Sheet No. 7.601
Cancels ~~Sixth~~ Seventh Revised Sheet No. 7.601

SMALL INTERRUPTIBLE SERVICE
Rate Schedule SIS

Availability:

Throughout the service areas of the Company.

Applicability:

Interruptible Service for non-residential commercial or industrial service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 1,000,000 through 3,999,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

Monthly Rate:

Customer Charge: $~~30.00~~ .09 per month

Distribution Charge: $~~0.0713~~ .06777 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider ITS.

Minimum Bill: The Customer charge.

Special Conditions:

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.

   If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

3. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Sixth~~ Seventh Revised Sheet No. 7.603
Cancels ~~Fifth~~ Sixth Revised Sheet No. 7.603

INTERRUPTIBLE SERVICE
Rate Schedule IS

Availability:

Throughout the service areas of the Company.

Applicability:

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 4,000 through 49,999,999 Therms per year (see Special Condition 7). A Customer eligible for service pursuant to this rate schedule is also eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

Monthly Rate:

Customer Charge: ~~$475.00~~ 1.39 per month

Distribution Charge: ~~$0.04910~~0.03518 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider ITS.

Minimum Bill: The Customer charge.

Special Conditions:

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.

2. If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

~~Fifth~~ Sixth **Revised Sheet No. 7.605**
Cancels ~~Fourth~~ Fifth **Revised Sheet No. 7.605**

INTERRUPTIBLE SERVICE - LARGE VOLUME
Rate Schedule ISLV

Availability:

Throughout the service areas of the Company.

Applicability:

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 50,000,000 Therms per year or more. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

Monthly Rate:

Customer Charge: $~~4.00493~~ 4.39 per month

Distribution Charge: $~~0.00950~~ 0.00947 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Company's Rider ITS.

Minimum Bill: The Customer charge.

Special Conditions:

1. A service agreement accepted by the Company is a condition precedent for service under this Schedule. The term of the agreement shall be set forth therein but not less than one year.

2. If the Customer's requirement for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Ninth Revised Sheet No. 7.201
Cancels Eighth Revised Sheet No. 7.201

RESIDENTIAL SERVICE
Rate Schedule RS

Availability:

Throughout the service areas of the Company.

Applicability:

Gas Service for residential purposes in individually metered residences and separately metered apartments. Also, for Gas used in commonly owned facilities of condominium associations, cooperative apartments, and homeowners associations, (excluding any premise at which the only Gas-consuming appliance or equipment is a standby electric generator), subject to the following criteria:

1. 100% of the Gas is used exclusively for the co-owner's benefit.
2. None of the Gas is used in any endeavor which sells or rents a commodity or provides service for a fee.
3. Each Point of Delivery will be separately metered and billed.
4. A responsible legal entity is established as the Customer to whom the Company can render its bills for said service.
5. RS-GHP refers to any Residential Customer utilizing a gas heat pump ("GHP") for heating and cooling.

Customers receiving service under this schedule will be classified for billing purposes according to their usage as follows:

Billing Class	Annual Consumption
RS-1	0 – 99 Therms
RS-2	100 – 249 Therms
RS-3	250 – 1,999 Therms
RS-GHP	All Therms

Monthly Rate:

Billing Class	Customer Charge
RS-1	$11.40 per month
RS-2	$14.25 per month
RS-3	$19.01 per month
RS-GHP	$19.01 per month

Distribution Charge: $0.25465 per Therm for RS-1, RS-2, and RS-3
$0.09598 per Therm for RS-GHP

Minimum Bill: The Customer charge.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Seventh Revised Sheet No. 7.301
Cancels Sixth Revised Sheet No. 7.301

SMALL GENERAL SERVICE
Rate Schedule SGS

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any non-residential Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 0 through 1,999 Therms per year or less. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

Monthly Rate:

Customer Charge:	$23.76 per month
Distribution Charge:	$0.322 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The customer charge.

Special Conditions:

1. When the Customer receives transportation service under the Company's Natural Gas Service Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.

   The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth of Sheet No. 7.101-5.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Seventh Revised Sheet No. 7.302
Cancels Sixth Revised Sheet No. 7.302

GENERAL SERVICE - 1
Rate Schedule GS-1

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 2,00[illegible]hrough 9,999 Therms per year. A Customer eligible for service pursuant to this rate [illegible]edule is eligible for transportation service under Rider NCTS.

Monthly Rate:

Customer Charge: $33[illegible] per month

Distribution Charge: [illegible]25468 p[illegible] therm

The bill for the Therms billed at the above [illegible]s shall be increased in accordance with the provisions of the Company's Purchased Ga[illegible] Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer[illegible]s transport[illegible]n service under the Company's Rider NCTS.

Minimum Bill: The Customer charge.

Special Condit[illegible]s:

1. When[illegible] Customer receives service under the Company's Natural Choice [illegible]ranspo[illegible]ion Service Rider (Rider NCTS), the rates set forth above shall be s[illegible]ct to t[illegible]operation of the Company's Swing Service Charge set forth on Sheet No. [illegible]01-3.

2. The r[illegible]es set forth above shall be subject to the operation of the Energy Cons[illegible]vation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. [illegible]ontract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Seventh Revised Sheet No. 7.303
Cancels Sixth Revised Sheet No. 7.303

GENERAL SERVICE - 2
Rate Schedule GS-2

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using 10,000 through 49,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider NCTS.

Monthly Rate:

Customer Charge: $47.[illegible] per month

Distribution Charge: [illegible]21615 per therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider NCTS.

Minimum Bill: The Customer charge.

Special Conditions:

1. When a Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.

2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Fifth Revised Sheet No. 7.303-2
Cancels Fourth Revised Sheet No. 7.303-2

GENERAL SERVICE - 3
Rate Schedule GS-3

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, an RNG delivered into Company's system by any Customer delivering, 50,000 through 24 99 Therms per year. A Customer eligible for service pursuant to this rate schedule is le for transportation service under Rider NCTS and may be eligible for transportatio ervic nder Rider ITS.

Monthly Rate:

Customer Charge:	$1 .55 per month
Distribution Charge:	$0. 692 r Therm

The bill for the Therms bill above rate hall be increased in accordance with the provisions of the Company Purch Gas Ad stment Clause set forth on Sheet No. 7.101-1, unless Customer r eives tion service under the Company's Rider NCTS or Rider ITS. Company P hased Gas Adjustment Clause shall not apply to bills for Therms of R vered in ompany's system.

Minimum ill: The Customer charge.

Special ons:

1. Wh the C tomer receives service under the Company's Natural Choice Trans rtation Service Rider (Rider NCTS), the rates set forth above shall be subje o the operation of the Company's Swing Service Charge set forth on Sheet No. 7 01-3.

2. Except in the case of Therms of RNG delivered into the Company's system, the ates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

DRAFT

20180044-GU Staff Hearing Exhibits 00191

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Fifth Revised Sheet No. 7.303-4
Cancels Fourth Revised Sheet No. 7.303-4

GENERAL SERVICE - 4
Rate Schedule GS-4

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, a RNG delivered into Company's system by any Customer delivering, 250,000 thro 499,999 Therms per year. A Customer eligible for service pursuant to this rat dule is eligible for transportation service under Rider NCTS or Rider ITS.

Monthly Rate:

Customer Charge:	$ .58 per month
Distribution Charge:	$0. 459 r Therm

The bill for the Therms billed at ve rates s be increased in accordance with the provisions of the Company's Purch ed G justmen Clause set forth on Sheet No. 7.101-1, unless Customer receives transporta n ser the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustme Cl e shall not apply to bills for Therms of RNG delivered into Company's syste

Minimu ill: The Customer charge.

Specia ons:

1. Wh the C tomer receives service under the Company's Natural Choice Trans rtation Service Rider (Rider NCTS), the rates set forth above shall be subje o the operation of the Company's Swing Service Charge set forth on Sheet No. 7 01-3.

2. cept in the case of Therms of RNG delivered into the Company's system, the ates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Ninth Revised Sheet No. 7.304
Cancels Eighth Revised Sheet No. 7.304

GENERAL SERVICE - 5
Rate Schedule GS-5

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer (except a Customer whose only Gas-consuming appliance or equipment is a standby electric generator) using, an RNG delivered into Company's system by any Customer delivering, a minimum of 500 Therms per year or more at one billing location.

A Customer eligible for service under this rate schedule is eligible for transportation service under either Rider NCTS or Rider ITS.

Monthly Rate:

Customer Charge:	$2 09 month
Distribution Charge:	$0.107 er Therm

The bill for the Therms billed at the above rate shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless the customer receives transportation service under either the Company's Rider NCTS or Rider ITS. Company's Purchased Gas Adjustment Clause shall not apply to bills for Therms of RNG delivered into Company's system.

Minimum Bill: The Customer charge.

Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.

2. Except in the case of Therms of RNG delivered into the Company's system, the rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Sixth Revised Sheet No. 7.306
Cancels Fifth Revised Sheet No. 7.306

COMMERCIAL STREET LIGHTING SERVICE
Rate Schedule CSLS

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered for use in commercial street lighting devices for public or private use in common areas around subdivisions, complexes, streets, highways or roadway lighting. To qualify for this rate, Customer must have at least ten (10) Gas street lights or a total of forty (40) individual mantles installed and separately metered from other gas-using equipment. A Customer eligible for service under this rate schedule is eligible for transportation service under the Company's Rider NCTS.

Monthly Rate:

Distribution Charge: $0.12122 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Rider NCTS.

Special Conditions:

1. When the customer receives service under the Company's Natural Choice Transportation Tariff (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3.

2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

4. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

6. Service under this schedule will require one street light to be metered per account. The metered volume multiplied by the number of lights will equal total Therm usage per month.

DRAFT

NATURAL GAS VEHICLE SERVICE-1
Rate Schedule NGVS-1

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer through a separate M[illegible] for compression and delivery (through the use of equipment furnished by Customer) to motor vehicle fuel tanks or other transportation containers. A Customer eligible for [illegible] pursuant to this rate schedule is eligible for transportation service under either Rider NCTS or ITS Rider. Service under this rate schedule is only available to those Customers receiving service thereunder as of August 1, 2013. Customers seeking natural gas vehicle service after that date shall take service under Rate Schedule NGVS-2.

Monthly Rate:

Customer Charge: $42.76 per month

Distribution Charge: [illegible]78 per Therm

The bill for the Therms billed at the above rate shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless customer receives transportation service under Rider NCTS and ITS Rider.

Minimum Bill: The customer charge.

Special Conditions:

1. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.[illegible]1-3.

   The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth of Sheet No. 7.101-2.

3. A contract for an initial term of one year may be required as a condition precedent to service under this rate schedule, unless an extension of facilities or an agreement for payment of a Monthly Facilities Charge pursuant to Rate Schedule NGVS-2 is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension or the Monthly Facilities Charge.

4. The rates set forth above schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No 7.101-5.

5. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Second Revised Sheet No. 7.402-1
Cancels First Revised Sheet No. 7.402-1

RESIDENTIAL STANDBY GENERATOR SERVICE
Rate Schedule RS-SG

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer otherwise eligible to receive Gas Service under Rate Schedule RS whose only Gas-consuming appliance or equipment is a standby electric generator.

Monthly Rate:

Customer Charge:	$19.01	
Distribution Charge:	0 – 20.0 rms	$.00000 per Therm
	In excess o herms	$0.25465 per Therm
Minimum Monthly Bill:	00.00	

The bill for the Therms billed at the a tes shall be increased in accordance with the provisions of the Company's rcha d Ga djustment Clause set for the on Sheet No. 7.101-1.

Special Condition

1. T rates above shall be subject to the operation of the Energy Con n Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2 and will app o each Therm delivered to Customer during a Billing Period.

2. Th ates forth in this schedule shall be subject to the operation of the Com ny's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5 and will ap y to each Therm delivered to Customer during a Billing Period.

The es set forth in this tariff shall be subject to the operation of the Company's T and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to ch Therm delivered to Customer during a Billing Period.

4. Subject to Special Condition 5 below, a Customer receiving Gas Service under this schedule shall remain obligated to remain on this schedule for 12 months. This 12-month requirement shall be renewed at the end of each 12-month period unless customer terminates Gas Service at the end of any 12-month period.
5. If Customer installs an additional Gas appliance at the premise at which service is provided hereunder, then Customer will be transferred to the otherwise applicable rate schedule.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Third Revised Sheet No. 7.403
Cancels Second Revised Sheet No. 7.403

COMMERCIAL STANDBY GENERATOR SERVICE
Rate Schedule CS-SG

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Customer eligible to receive Gas Service under Rate Schedule SGS, GS-1, GS-2, GS-3, GS-4 or GS-5 whose only Gas-consuming appliance or equipment is a standby electric generator.

Monthly Rate:

Customer Charge:	$33.26	
Distribution Charge:	0 – 40.0 Therms	$0.00000 per Therm
	In excess of 40.0 Therms	$0.32206 per Therm
Minimum Monthly Bill:	$35.00	

1. The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set for the on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's NCTS.

Minimum Bill: The Minimum Monthly Bill.

Special Provisions:

1. When the Customer receives transportation service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.101-3

2. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth on Sheet No. 7.101-2 and will apply to each Therm delivered to Customer during a Billing Period.

3. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.4 and will apply to each Therm delivered to Customer during a Billing Period.

4. The rates set forth in this tariff shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5 and will apply to each Therm delivered to Customer during a Billing Period.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

First Revised Sheet No. 7.405
Cancels Original Sheet No. 7.405

COMMERCIAL GAS HEAT PUMP SERVICE
RATE SCHEDULE CS-GHP

Availability:

Throughout the service areas of the Company.

Applicability:

Gas delivered to any Commercial Customer utilizing a Gas Heat Pump for heating and cooling.

Monthly Rate:

Customer Charge:	$33.26 per month
Distribution Charge:	$0.19605 per Therm
Minimum Bill:	The Customer charge

Special Conditions:

1. The gas provided for GHP would be separately metered and would appear separately on Customer bills.

2. The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101, unless the customer receives transportation service under the Company's Rider "NCTS".

3. The rates set forth above shall be subject to the operation of the Energy Conservation Cost Recovery Adjustment Clause set forth in Sheet No. 7.101-2.

4. When the Customer receives service under the Company's Natural Choice Transportation Service Rider (Rider NCTS), the rates set forth above shall be subject to the operation of the Company's Swing Service Charge set forth on Sheet No. 7.[illegible].

5. The rates set forth under this schedule shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.

6. A contract for an initial term of one year may be required as a condition precedent to service under this schedule, unless an extension of facilities is involved, in which case the term of the contract shall be the term required under the agreement for the facilities extension.

7. The rates set forth in this schedule shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Eighth Revised Sheet No. 7.501
Cancels Seventh Revised Sheet No. 7.501

WHOLESALE SERVICE - FIRM
Rate Schedule WHS

Availability:

For other Gas distribution or electric utility companies throughout service areas of the Company.

Applicability:

Service under this schedule will only be rendered when the Company has sufficient Gas and interstate pipeline capacity to meet all its other needs during the term of the sale under this schedule. Firm Gas Service for other Gas utility's residential commercial resale or for use by an electric utility for its own consumption. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider

Monthly Rate:

Customer Charge: $142 per month

Distribution Charge: 14192 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider

Special Conditions:

1. An executed contract for a period of at least one year is required as a condition precedent to service hereunder.

2. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

3. If any facilities other than metering and regulating equipment are required to render service under this schedule, the Customer shall pay for these facilities prior to the commencement of service.

4. Service under this schedule shall be subject to the Rules and Regulations set forth in this tariff.

The rates set forth above shall be subject to the operation of the Company's Tax and Fee Adjustment Clause set forth on Sheet No. 7.101-5.

6. The rates set forth under this schedule shall be subject to the operation of the Cast Iron Bare Steel Replacement Rider Surcharge set forth on Sheet Nos. 7.806 through 7.806-3.

DRAFT

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Eighth Revised Sheet No. 7.601
Cancels Seventh Revised Sheet No. 7.601

SMALL INTERRUPTIBLE SERVICE
Rate Schedule SIS

Availability:

Throughout the service areas of the Company.

Applicability:

Interruptible Service for non-residential commercial or industrial service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 1,000,000 through 3,999,999 Therms per year. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

Monthly Rate:

Customer Charge:	$2[illegible]99 per month
Distribution Charge:	$0.0677 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider ITS.

Minimum Bill: The Customer charge.

Special Conditions:

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.

   If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

3. The rates set forth above shall be subject to the operation of the Company's Competitive Rate Adjustment Clause set forth on Sheet No. 7.101-5.

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Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Seventh Revised Sheet No. 7.603
Cancels Sixth Revised Sheet No. 7.603

INTERRUPTIBLE SERVICE
Rate Schedule IS

Availability:

Throughout the service areas of the Company.

Applicability:

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 4,000 therms through 49,999,999 Therms per year (see Special Condition 7). A Customer eligible for service pursuant to this rate schedule is also eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

Monthly Rate:

Customer Charge: $451.39 per month

Distribution Charge: $0.0318 per therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under the Company's Rider ITS.

Minimum Bill: The Customer charge.

Special Conditions:

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but shall not be less than one year.

2. If the Customer's requirements for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

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20180044-GU Staff Hearing Exhibits 00201

Peoples Gas System
a Division of Tampa Electric Company
Original Volume No. 3

Sixth Revised Sheet No. 7.605
Cancels Fifth Revised Sheet No. 7.605

INTERRUPTIBLE SERVICE - LARGE VOLUME
Rate Schedule ISLV

Availability:

Throughout the service areas of the Company.

Applicability:

Interruptible Gas for non-residential commercial or industrial use. Service under this schedule is subject to interruption or curtailment at the sole discretion of the Company at any time and is available to Customers using 50,000,000 Therms per year or more. A Customer eligible for service pursuant to this rate schedule is eligible for transportation service under Rider ITS.

Service will be provided by the Company based on available pipeline capacity and the Customer delivering suitable Gas into the Company's distribution system.

Monthly Rate:

Customer Charge:	$450.89 per month
Distribution Charge:	$0.0094 per Therm

The bill for the Therms billed at the above rates shall be increased in accordance with the provisions of the Company's Purchased Gas Adjustment Clause set forth on Sheet No. 7.101-1, unless Customer receives transportation service under Company's Rider ITS.

Minimum Bill: The Customer charge.

Special Conditions:

1. A service agreement accepted by the Company is a condition precedent for service under this schedule. The term of the agreement shall be set forth therein but not less than one year.

2. If the Customer's requirement for Gas change, the Customer shall notify the Company so that the daily and annual quantities in the service agreement may be changed. If the Customer's usage indicates that the amounts set forth in the then existing agreement are not applicable, the Company may require that the daily and annual estimates be changed to reflect the existing conditions.

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Exhibit B

Depreciation Study Summary Schedules

PEOPLES GAS SYSTEM
2016 Depreciation Rate Review
Comparison of Rates and Components

Account Number	Account Title	Current Rates - Effective 2016 - 2018						Company Proposed - Effective 1/1/2019									
								Whole Life				Remaining Life					
		Curve Type	Average Service Life (yrs)	Average Remaining Life (yrs)	Future Net Salvage (%)	Reserve Ratio Approved (%)	Depreciation Rate (%)	Curve Type	Average Service Life (yrs)	Future Net Salvage (%)	Whole Life Rate (%)	Average Age (yrs)	Average Remaining Life (yrs)	Round Average Remaining Life (yrs)	Future Net Salvage (%)	Reserve Ratio OPC (%)	Depreciation Rate (%)	Round Depreciation Rate (%)
	Distribution Plant																
37402	Land Rights	Confirm	Confirm	Confirm	Confirm	Confirm	Confirm	Dep Va	Dep Val	Dep Val		Dep Val	Dep Val	File			File
37500	Structures & Improvements	R3	40	24.0			2.5	R3	40	0	2.5	17.8	24.2	24.0	0	39.58	2.5	2.5
37600	Mains Steel	R2	55	41.0	(40)		2.2	R2	55	(40)	2.5	16.8	41.2	41.0	(40)	66.28	1.8	1.8
37602	Mains Plastic	R3			(25)			R2	75	(25)	1.7	12.1	64.5	65.0	(25)	33.00	1.4	1.4
37800	Meas & Reg Station Eqp Gen	R1	31		(5)	21.46		R1	31	(5)	3.4	9.4	24.7	25.0	(5)	21.46	3.4	3.3
37900	Meas & Reg Station Eqp City	R1	31	26.0		18.70	3.3	R1	31	(5)	3.4	8.1	25.5	26.0	(5)	18.70	3.4	3.3
38000	Services Steel	R0.5	45	31.0		4.71	3.7	R0.5	50	(100)	4.0	24.0	35.9	36.0	(100)	106.03	2.6	2.6
38002	Services Plastic	R3	40	28.0	(55)	07	3.3	R1.5	55	(55)	2.8	12.7	45.0	45.0	(55)	52.88	2.3	2.3
38100	Meters	L1	16	10.	5			R1	21	5	4.5	8.5	15.2	15.2	5	26.09	4.5	4.5
38200	Meter Installations	R4	27	15.3	(20)			R0.5	43	(20)	2.8	13.3	35.1	35.0	(20)	22.14	2.8	2.8
38300	House Regulators	R2	28	16.6	0	4	3.6	R2	28	0	3.6	14.9	16.6	16.6	0	40.54	3.6	3.6
38400	House Regulator Installs	R4	27	15.7	(20)	2	4.4	R4	27	(20)	4.4	12.5	15.7	15.7	(20)	50.32	4.4	4.4
38500	Meas & Reg Station Eqp Ind	R4	32	12.9	0	54	3.1			0	3.1	20.6	12.9	12.9	0	59.64	3.1	3.1
38600	Other Property Cust Premise	R1	15	15.0	0	00	6.7		5	0	6.7	0.0	15.0	15.0	0	0.00	6.7	6.7
38700	Other Equipment	S2	16	10.2	0	.21		S2	16	0	6.3	6.8	10.2	10.2	0	36.21	6.3	6.3

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PEOPLES GAS SYSTEM
2016 Depreciation Rate Review
Comparison of Rates and Components

Account Number	Account Title	Current Rates - Effective 2016 - 2018						Company Proposed - Effective 1/1/2019										
								Whole Life				Remaining Life						
		Curve Type	Average Service Life (yrs)	Average Remaining Life (yrs)	Future Net Salvage (%)	Reserve Ratio Approved (%)	Depreciation Rate (%)	Curve Type	Average Service Life (yrs)	Future Net Salvage (%)	Whole Life Rate (%)	Average Age (yrs)	Average Remaining Life (yrs)	Round Average Remaining Life (yrs)	Future Net Salvage (%)	Reserve Ratio OPC (%)	Depreciation Rate (%)	Round Depreciation Rate (%)
	Transportation Equipment																	
39201	Vehicles up to 1/2 Tons	S	8	4.5		38.92	11.4	S1	8	10	11.3	4.9	4.5	4.5	10	38.92	11.4	11.4
39202	Vehicles from 1/2 - 1 Tons	S1	7	3.3	0		13.0	S1	7	10	12.9	5.4	3.3	3.3	10	47.17	13.0	13.0
39204	Trailers & Other	S3		15.5	20		4.0	S3	20	20	4.0	5.4	15.5	15.5	20	18.09	4.0	4.0
39205	Vehicles over 1 Ton	S4			10			S4	12	10	7.5	5.8	7.0	7.0	10	37.17	7.5	7.5
	General Plant																	
30100	Organization Costs		Not Depreciable				0.0		Not Depreciable		0.0						0.0	0.0
30200	Franchise & Consents	SQ	25	25	0			SQ	25	0	4.0	0.0	25.0	25.0	0	0.00	4.0	4.0
30300	Misc Intangible Plant	SQ	25	4.5	0			SQ	25	0	4.0	20.5	4.5	4.5	0	81.93	4.0	4.0
30301	Custom Intangible Plant	SQ	15	9.9	0		6.7	SQ	15	0	6.7	5.2	9.9	9.9	0	33.98	6.7	6.7
39000	Structures & Improvements	R3	40	34.0	0		2.5	R3		0	2.5	5.7	34.4	34.0	0	13.90	2.5	2.5
39100	Office Furniture	SQ	15	5.8	0		6.7			0	6.7	9.2	5.8	5.8	0	61.01	6.7	6.7
39101	Computer Equipment	SQ	8	1.8	0		12.3			0	12.5	6.6	1.8	1.8	0	77.82	12.3	12.3
39102	Office Equipment	SQ	15	8.5	0			SQ	15	0	6.7	6.8	8.5	8.5	0	43.42	6.7	6.7
39300	Stores Equipment	S4	25	22.0	0			S4	25	0	4.0	3.5	21.5	22.0	0	14.03	4.0	3.9
39400	Tools, Shop & Garage Equip	SQ	15	11.1	0		6.7	SQ	15	0	6.7	4.0	11.1	11.1	0	25.83	6.7	6.7
39401	CNC Station Equipment		20	20	0	0.00	5.0		20	0	5.0	0.0	20.0	20.0	0	0.00	5.0	5.0
39500	Laboratory Equipment	SQ	20	20.0	0	0.00	5.0		20			0.0	20.0	20.0	0	0.00	5.0	5.0
39600	Power Operated Equipment	S4	15	8.0	5	44.63	6.3		15			8.9	8.0	8.0	5	44.63	6.3	6.3
39700	Communication Equipment	SQ	12	4.6	0	62.08	8.2		12	0	8.3	7.8	4.6	4.6	0	62.08	8.2	8.2
39800	Miscellaneous Equipment	SQ	17	3.8	0	77.38	6.0	Q	1	0	5.9	15.0	3.8	3.8	0	77.38	6.0	6.0

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PEOPLES GAS SYSTEM
2016 Depreciation Rate Review
Change in Annual Accruals

Account Number	Account Title	Current Rates - Effective 2016 - 2018				Company Proposed - Effective 1/1/2019					
						Whole Life			Remaining Life		
		Plant Cost 12/31/2015	Post Transfer Accumulated Reserve 12/31/2015	Depreciation Rate	Depreciation Expense	Depreciation Rate	Depreciation Expense	Change in Depreciation Expense	Depreciation Rate	Depreciation Expense	Change in Depreciation Expense
		($)	($)	(%)	($)	(%)	($)	($)	(%)	($)	($)
	Distribution Plant										
37402	Land Rights	2,836,4	59	1.3	36,873	1.3	36,873	-	1.3	36,873	-
37500	Structures & Improvements	19,41	7	2.5	485,400	2.5	485,400	-	2.5	485,400	-
37600	Mains Steel	174	25 ,733	2.2	8,476,978	2.5	9,632,929	1,155,951	1.8	6,935,709	(1,541,269)
37602	Mains Plastic	310,012	440,315		9,631,440	1.7	6,822,270	(2,809,170)	1.4	5,618,340	(4,013,100)
37800	Meas & Reg Station Eqp Gen	12,924,984	73,069	3	426,524	3.4	439,449	12,925	3.3	426,524	-
37900	Meas & Reg Station Eqp City	34,586,1	6 ,837	3	1,141,342	3.4	1,175,928	34,586	3.3	1,141,342	-
38000	Services Steel	46,37	49,1 5	3	1,715,925	4.0	1,855,054	139,129	2.6	1,205,785	(510,140)
38002	Services Plastic	247,50 036	130,86		8,167,666	2.8	6,930,141	(1,237,525)	2.3	5,692,616	(2,475,050)
38100	Meters	63,032,755	16,44 12	5.9	3,718,933	4.5	2,836,474	(882,459)	4.5	2,836,474	(882,459)
38200	Meter Installations	49,175,177	10,8 33	4.5	2,212,88	2.8	1,376,905	(835,978)	2.8	1,376,905	(835,978)
38300	House Regulators	14,633,325	5,9 47	3.6	5	3.6	526,800	-	3.6	526,800	-
38400	House Regulator Installs	19,915,060	10,0 798	4.4	5,29	4.4	876,263	-	4.4	876,263	-
38500	Meas & Reg Station Eqp Ind	9,089,094	5, 679		281,7	3.1	281,762	-	3.1	281,762	-
38600	Other Property Cust Premise	-				6.7	-	-	6.7	-	-
38700	Other Equipment	5,889,159	2,132,6	6.3	37 7	6.3	371,017	-	6.3	371,017	-
	Total Distribution Plant	**1,312,006,627**	**636,215,072**	**2.9**	**38 ,806**		**7,265**	**(4,422,541)**	**2.1**	**27,811,810**	**(10,257,996)**

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PEOPLES GAS SYSTEM
2016 Depreciation Rate Review
Change in Annual Accruals

Account Number	Account Title	Current Rates - Effective 2016 - 2018				Company Proposed - Effective 1/1/2019					
						Whole Life			Remaining Life		
		Plant Cost 12/31/2015 ($)	Post Transfer Accumulated Reserve 12/31/2015 ($)	Depreciation Rate (%)	Depreciation Expense ($)	Depreciation Rate (%)	Depreciation Expense ($)	Change in Depreciation Expense ($)	Depreciation Rate (%)	Depreciation Expense ($)	Change in Depreciation Expense ($)
	Transportation Equipment										
39201	Vehicles up to 1/2 Tons	8,035,6	3,12	11.4	916,068	11.3	908,033	(8,035)	11.4	916,068	-
39202	Vehicles from 1/2 - 1 Tons	6,56	3,	13.0	853,996	12.9	847,426	(6,570)	13.0	853,996	-
39204	Trailers & Other	94	8,703	4.0	46,140	4.0	46,140	-	4.0	46,140	-
39205	Vehicles over 1 Ton	1,769,839	657,801	7.5	132,738	7.5	132,738	-	7.5	132,738	-
	General Plant										
30100	Organization Costs	520			-	0.0	-	-	0.0	-	-
30200	Franchise & Consents	-		4.0	-	4.0	-	-	4.0	-	-
30300	Misc Intangible Plant	815,325	6 02	4.0	32,61	4.0	32,613	-	4.0	32,613	-
30301	Custom Intangible Plant	25,717,580	8,7 83	6.7	1,7	6.7	1,723,078	-	6.7	1,723,078	-
39000	Structures & Improvements	149,951	841	2.5	3,7	2.5	3,749	-	2.5	3,749	-
39100	Office Furniture	1,470,244	947		98,5	6.7	98,506	-	6.7	98,506	-
39101	Computer Equipment	5,293,685	4,11		651	12.5	661,711	10,588	12.3	651,123	-
39102	Office Equipment	922,076	400,	6.7	9	6.7	61,779	-	6.7	61,779	-
39300	Stores Equipment	1,283	180	3.9	50	4.0	51	1	3.9	50	-
39400	Tools, Shop & Garage Equip	6,105,880	1,577,372	6.7	094	6	09,094	-	6.7	409,094	-
39401	CNG Station Equipment	-	-	5.0	-		-	-	5.0	-	-
39500	Laboratory Equipment	-	-	5.0	-	.0		-	5.0	-	-
39600	Power Operated Equipment	2,775,668	1,238,693	6.3	174,867		174,8	-	6.3	174,867	-
39700	Communication Equipment	4,841,709	3,005,855	8.2	397,0		401,862	4,842	8.2	397,020	-
39800	Miscellaneous Equipment	468,234	362,299	6.0	2	5.9	27,626	(468)	6.0	28,094	-
	Total General Plant	**66,102,470**	**28,120,903**	**8.4**	**5,528,915**	**8.4**	**5,529,273**		**8.4**	**5,528,915**	**-**
	Total Distribution & General Plant	**1,378,109,097**	**664,335,975**	**3.2**	**43,598,721**	**2.8**	**39,176,5**	**(4,422,183)**	**2.4**	**33,340,725**	**(10,257,996)**

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15

Preliminary Report of David J. Garrett concerning the 2016 Depreciation Study by Peoples Gas System attached to Joint Motion to Supplement the Record.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 15
PARTY: STAFF – (DIRECT)
DESCRIPTION: Preliminary Report of David J. Garrett concerning the 2016 Depreciation

MACFARLANE FERGUSON & MCMULLEN

ATTORNEYS & COUNSELORS AT LAW EST. 1884

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August 14, 2018

VIA E-PORTAL FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20180044-GU - Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System

Dear Ms. Stauffer:

Attached for electronic filing with the Commission in the above docket on behalf of Peoples Gas System, the Office of Public Counsel and the Florida Industrial Power Users Group (collectively, the "parties"), please find the parties' Joint Motion to Supplement Record.

We appreciate your usual assistance.

Sincerely,

ANDREW M. BROWN

AB/a
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Peoples Gas System.	DOCKET NO. 20180044-GU FILED: 8-14-2018

JOINT MOTION TO SUPPLEMENT RECORD

Peoples Gas System ("Peoples" or the "Company"), the Office of Public Counsel ("OPC"), and the Florida Industrial Power Users Group ("FIPUG") (together, the "Parties") file this joint motion requesting that the Florida Public Service Commission allow the submission into the record of the attached Preliminary Report of David J. Garrett (previously admitted in evidence as Staff Exhibit #10 in Docket No. 20160159-GU) to provide evidentiary support for Exhibit B to the Settlement Agreement among the Parties filed in this docket on August 8, 2018. In support of this joint motion, the Parties show the following:

1. The Parties have entered into a Settlement Agreement that avoids the time, expense and uncertainty associated with adversarial litigation, in keeping with the Commission's long-standing policy and practice of encouraging parties in contested proceedings to settle issues whenever possible. The Settlement Agreement was filed, together with a joint motion for its approval, on August 8, 2018.

2. Exhibit B to the Settlement Agreement contains new depreciation rates to be implemented that would establish new depreciation rates to be implemented by Peoples commencing January 1, 2019, which rates would result in an estimated decrease to Peoples' 2019 depreciation expense of $10.3 million.

3. The Preliminary Report of David J. Garrett provides evidentiary support for the depreciation components and rates set forth on Exhibit B to the Settlement Agreement.

WHEREFORE, the Parties respectfully request that the Commission include the Preliminary Report of David J. Garrett in the record of this proceeding.

[signature page(s) follow(s)]

Respectfully submitted this __th day of August, 2018.

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Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, Florida 32301

Attorneys for Florida Industrial
Power Users Group

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the forgoing Joint Motion has been furnished by electronic mail this __th day of August, 2018, to J.R. Kelly, Esquire, Charles Rehwinkel, Esquire, and Virginia Ponder, Esquire, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison St., Room 812, Tallahassee, Florida 32399-1400, Jon C. Moyle, Jr., Esquire, and Karen A. Putnal, Esquire, Moyle Law Firm, P.A., 118 North Gadsden Street, Tallahassee, Florida 32301, and Walter Trierweiler, Esquire, Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

Andrew M. Brown

20180044-GU Staff Hearing Exhibits 00213

Respectfully submitted this 14th day of August, 2018.

Andrew M. Brown
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Attorneys for Florida Industrial
Power Users Group

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the forgoing Joint Motion has been furnished by electronic mail this 14th day of August, 2018, to J.R. Kelly, Esquire, Charles Rehwinkel, Esquire, and Virginia Ponder, Esquire, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison St., Room 812, Tallahassee, Florida 32399-1400, Jon C. Moyle, Jr., Esquire, and Karen A. Putnal, Esquire, Moyle Law Firm, P.A., 118 North Gadsden Street, Tallahassee, Florida 32301, and Walter Trierweiler, Esquire, Office of General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

Andrew M. Brown

20180044-GU Staff Hearing Exhibits 00214

STATE OF FLORIDA
OFFICE OF PUBLIC COUNSEL

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ANDY GARDINER
President of the Senate

STEVE CRISAFULLI
Speaker of the House of Representatives

November 4, 2016

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket 160159-GU Petition for approval of 2016 depreciation study by Peoples Gas System

Dear Ms. Stauffer:

Please find attached a preliminary report by the Office of Public Counsel regarding the revised depreciation study filed by Peoples Gas System (PGS). In order to aid staff in its review of the study and the petition, we have outlined several issues of particular concern. In short, our analysis indicates that PGS's study results in unreasonably high proposed depreciation rates. OPC recommends an adjustment of at least $20,087,410 from PGS's revised proposal.

Should you have any questions, please call or e-mail me.

Sincerely,

Stephanie A. Morse
Associate Public Counsel

Enclosure

cc: All Counsel of Record
Division of Accounting & Finance (Mark Cicchetti)
Division of Economics (Jenny Wu, William McNulty)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re the Petition for Approval of
2016 Depreciation Study by Peoples Gas System

Docket No. 160-159-GU

Preliminary Report of

David J. Garrett

on behalf of the

Florida Office of Public Counsel

November 4, 2016

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Exhibit DJG 6	Account 37600 Rate Development
Exhibit DJG 7	Account 37602 Curve Fitting
Exhibit DJG 8	Account 37602 Rate Development
Exhibit DJG 9	Account 38000 Curve Fitting
Exhibit DJG 10	Account 38000 Rate Development
Exhibit DJG 11	Account 38002 Curve Fitting
Exhibit DJG 12	Account 38002 Rate Development
Exhibit DJG 13	Account 38100 Curve Fitting
Exhibit DJG 14	Account 38100 Rate Development
Exhibit DJG 15	Account 38200 Curve Fitting
Exhibit DJG 16	Account 38200 Rate Development

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EXECUTIVE SUMMARY

This preliminary report is prepared on behalf of the Florida Office of Public Counsel ("OPC") and sets forth my recommendations regarding the 2016 Depreciation Study filed by Peoples Gas System ("PGS" or the "Company"). In the context of utility ratemaking, "depreciation" refers to a cost allocation system designed to measure the rate by which a utility may recover its capital investments in a systematic and rational manner. I employed a well-established depreciation system and used actuarial analysis to statistically analyze all of the Company's depreciable accounts. In this case, PGS initially recommended a $4.9 million dollar decrease in depreciation expense.[1] This decrease was primarily driven by Account 37600 – Mains Steel, an account for which the Company proposed to extend the average life from 40 years to 45 years. Subsequently, PGS filed a revised depreciation study that extended the average life for this account to 50 years.[2] PGS filed a second revised depreciation study proposing an $8.5 million reduction to current depreciation expense.[3]

In looking at PGS's depreciation study, it is clear that the Company has significantly underestimated the average lives of several material accounts. The Iowa curves chosen by PGS for several accounts provide very poor fits to the Company's historical retirement patterns. Depreciation studies are often filed with graphs that visually display the utility's observed mortality patterns by account, along with the utility's selected Iowa curve. This allows regulators and intervenors to see if the utility's selected Iowa curve provides a good fit to the observed data. In this case, PGS did not include any such graphs with its depreciation study. However, a visual

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[1] 2016 Second Revised Depreciation Study p. 2.

[2] Revised 2016 Depreciation Study p. 2.

[3] *Id.* at p. 13.

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representation of the Company's proposal in this manner would have demonstrated that its selected Iowa curves for several accounts resulted in very poor fits. Ultimately, the Company's proposal results in an unreasonably high proposed depreciation expense.

In contrast, the curves I propose are much better fits to the Company's observed data, and as a result, the depreciation rates I recommend are much more reasonable. The Company's proposed depreciation expense is $51.3 million. I recommend an adjustment of $20.1 million, reducing the Company's depreciation expense to $31.2 million.[4]

Although PGS has 34 accounts, my total adjustment for this preliminary report is comprised of adjustments to six accounts. The table below summarizes and compares the proposed depreciation rates and expenses for these six accounts.[5]

Figure 1:
Proposed Depreciation Rate and Accrual Adjustments

Account	Original Cost 12/31/2015	PGS Proposal Rate	PGS Proposal Accrual	OPC Proposal Rate	OPC Proposal Accrual	OPC Adjustment
37600 - Mains Steel	$ 385,317,174	2.6%	$ 10,018,247	2.0%	$ 7,804,962	$ (2,213,285)
37602 - Mains Plastic	401,310,012	3.0%	12,039,300	1.3%	5,106,690	(6,932,610)
38000 - Services Steel	46,376,347	5.3%	2,457,946	1.4%	640,781	(1,817,165)
38002 - Services Plastic	247,505,036	4.5%	11,137,727	1.9%	4,736,295	(6,401,432)
38100 - Meters	63,032,755	5.9%	3,718,933	3.8%	2,374,559	(1,344,374)
38200 - Meter Installation	49,175,177	4.5%	2,212,883	1.7%	834,339	(1,378,544)
Total						**$ (20,087,410)**

While I am currently only recommending adjustments to these six accounts, it does not necessarily mean that PGS's proposed rates for all of its other accounts are ideal. Due to Staff's request to the Company for additional information regarding several accounts, I have limited my preliminary analysis at this time to the accounts and issues discussed herein.

[4] Exhibit DJG 3.

[5] *See also* Exhibits DJG 2.

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ANALYTIC METHODS

The legal standards governing depreciation analysis do not mandate a specific procedure for conducting depreciation analysis. Nonetheless, depreciation analysts must generally use a system for estimating depreciation rates that will result in the "systematic and rational" allocation of capital recovery for the utility. Over the years, analysts have developed "depreciation systems" designed to analyze grouped property in accordance with this standard. A depreciation system may be defined by four primary parameters: 1) a method of allocation; 2) a procedure for applying the method of allocation; 3) a technique of applying the depreciation rate; and 4) a model for analyzing the characteristics of vintage property groups.[6] In this case, I relied on the Company's observed life tables produced from its own historical retirement data. I then used the straight line method, the average life procedure, and the remaining life technique to develop my proposed depreciation rates. I provide a more detailed discussion of depreciation system parameters, theories, and equations in Appendix A.

The study of retirement patterns of industrial property is derived from the actuarial process used to study human mortality. Just as actuaries study historical human mortality data in order to predict how long a group of people will live, depreciation analysts study historical plant data in order to estimate the average lives of property groups. The most common actuarial method used by depreciation analysts is called the "retirement rate method." In the retirement rate method, original property data, including additions, retirements, transfers, and other transactions, are

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[6] *See* Frank K. Wolf & W. Chester Fitch, *Depreciation Systems* 70 (Iowa State University Press 1994).

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organized by vintage and transaction year.[7] The retirement rate method is ultimately used to develop an "observed life table," ("OLT") which shows the percentage of property surviving at each age interval. This pattern of property retirement is described as an "observed survivor curve." The observed survivor curve derived from the observed life table, however, must be fitted and smoothed with a complete curve in order to determine the average life of the group.[8] The curves most widely used for this fitting process were developed at Iowa State University in the early 1900s and are commonly known as the "Iowa curves."[9] A more detailed explanation of how the Iowa curves are used in the actuarial analysis of depreciable property is set forth in Appendix C.

MASS PROPERTY ANALYSIS

PGS's distribution accounts are referred to as "mass" property accounts. These accounts contain a large number of relatively small units that will not be retired concurrently. Estimating the service life of any single unit contained in a mass account, such as one gas meter, would not require any actuarial analysis or curve-fitting techniques. Since we must develop a single rate for an entire group of assets, however, actuarial analysis is required to calculate the average life of the group of assets within an account.

To develop depreciation rates for PGS's distribution accounts, I obtained the Company's historical plant data in order to analyze the observed retirement patterns for each account. I then used Iowa curves to smooth and complete the observed data to calculate the average remaining

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[7] The "vintage" year refers to the year that a group of property was placed in service (aka "placement" year). The "transaction" year refers to the accounting year in which a property transaction occurred, such as an addition, retirement, or transfer (aka "experience" year).

[8] *See* Appendix C for a more detailed discussion of the actuarial analysis used to determine the average lives of grouped industrial property.

[9] *See* Appendix B for a more detailed discussion of the Iowa curves.

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life of each account. Finally, I analyzed the Company's proposed net salvage rates for each mass account by reviewing the historical salvage data. Based upon my analysis, I do not recommend any changes to the Company's proposed salvage rates at this time.

The Company's property data includes observed life tables ("OLT") for each account. The data points on the OLT can be plotted to form an observed survivor curve (or "OLT curve"). The OLT curve is not a theoretical curve, rather, it is actual observed data from the Company's records that indicate the rate of retirement for each property group. The Iowa curves are empirically-derived curves based on the extensive studies of the actual mortality patterns of many different types of industrial property.[10] The curve-fitting process involves selecting the best Iowa curve to fit the OLT curve. This can be accomplished through a combination of visual and mathematical curve-fitting techniques, as well as professional judgement. The first step of my approach to curve-fitting involves visually inspecting the OLT curve for any irregularities. For example, if the "tail" end of the curve is erratic and shows a sharp decline over a short period of time, it may indicate that this portion of the data is less reliable, as further discussed below. After inspecting the OLT curve, I use a mathematical curve-fitting technique which essentially involves measuring the distance between the OLT curve and the selected Iowa curve in order to get an objective, mathematical assessment of how well the curve fits. After selecting an Iowa curve, I observe the OLT curve along with the Iowa curve on the same graph to determine how well the curve fits. I may repeat this process several times for any given account to ensure that the most reasonable Iowa curve is selected. Once I select the best Iowa curve, I can then calculate the average remaining life under the curve to develop depreciation rates for each account.[11] With each of the

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[10] A description of the curve fitting methodology is included in Appendix C, page 12.

[11] *See* Appendix A.

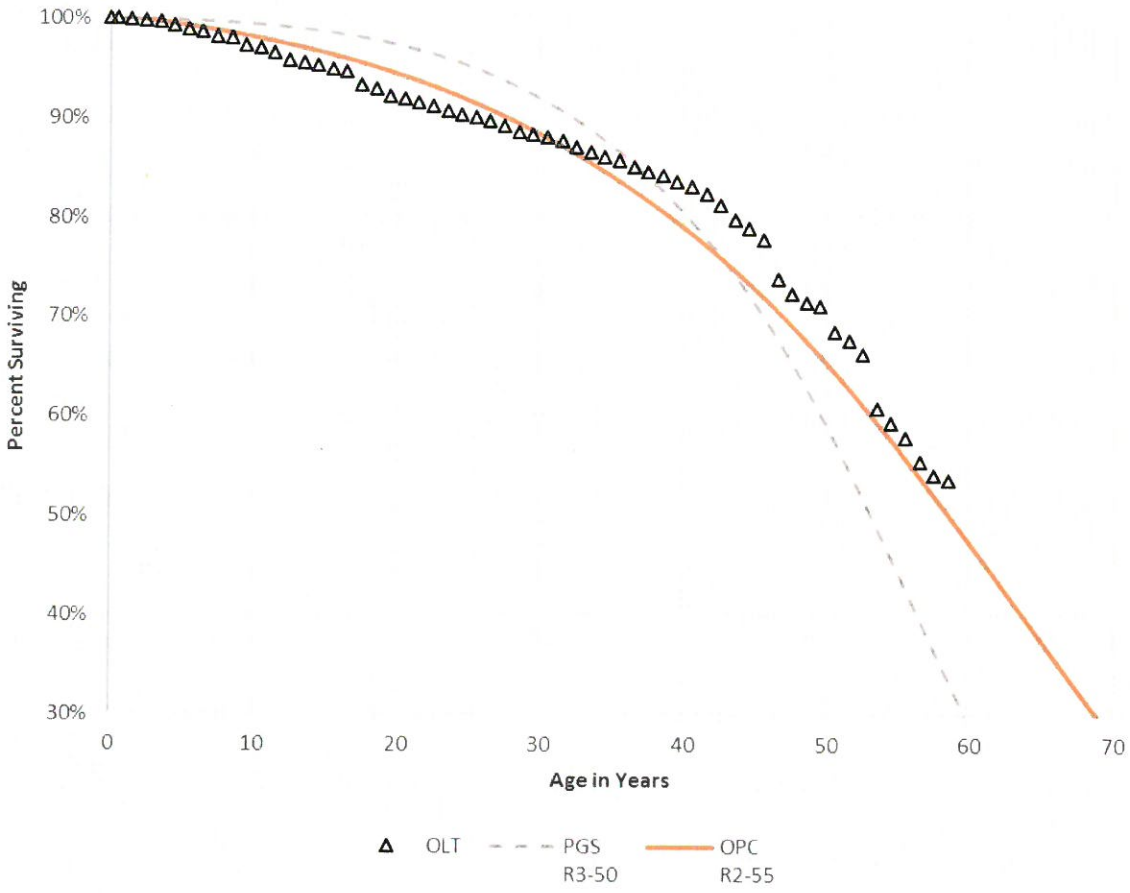
six accounts discussed below, the Iowa curves I selected provide significantly better visual and mathematical fits to the observed data than the Iowa curves selected by the Company. Thus, the depreciation rates arising from my selected curves are much more accurate and reasonable.

Account 37600 – Mains Steel

This is the account discussed the most by PGS in its depreciation study. The Company initially proposed a five-year increase in the average life for this account, from 45 years to 50 years, which resulted in a decrease in depreciation expense of $4.2 million. Subsequently, the Company revised its depreciation study to add an additional five years to the average life.[12] The Company attributed the initial and revised increases to the average life for this account to its Cast Iron and Base Steel replacement program. While it would make sense to assume that the average life for this account would increase under the terms of this program, it is imperative to actually analyze the historical data for this account and conduct the visual and mathematical curve-fitting processes. Doing so actually reveals that the most appropriate average life for this account is 55 years. The graphs below show the Iowa curve I selected as well as the Company's selected curve. Both Iowa curves are juxtaposed with the OLT curve.

[12] First Revised 2016 Depreciation Study p. 4.

Figure 2:
Account 37600 – Mains Steel



First, it is visually apparent that the R2-55 curve I selected is a better fit than the R3-50 curve PGS selected. As shown in the graph, the Company's R3 curve shape is too steep for this account. From age 10 to age 30, the R3 curve is not declining fast enough, then starting at age 30, the R3 curve declines much more rapidly than the historical pattern of this account indicates. Furthermore, a 50-year average life underestimates the average life indicated by the OLT curve. In contrast, the R2-55 curve I selected provides a far superior curve shape and average life that closely conforms with the observed data.

While it is visually clear that the Iowa R2-55 curve is a better fit than PGS's proposed R3-50 curve, this fact can also be confirmed mathematically. Mathematical curve fitting essentially involves measuring the distance between the OLT curve (i.e., the black triangles) and the selected Iowa curve. The best mathematically-fitted curve is the one that minimizes the distance between the OLT curve and the Iowa curve, thus providing the closest fit. The "distance" between the curves is calculated using the "sum-of-squared differences" ("SSD") technique. In Account 37600, the total SSD, or "distance" between the Company's curve and the OLT curve is 3.5968, while the total SSD between the R2-55 curve and the OLT curve is only 1.0373.[13] Thus, the R2-55 curve provides the superior mathematical fit. Applying the R2-55 curve to this account results in a remaining life of 45.5 years and a depreciation rate of 2.03%.[14]

Account 37602 – Mains Plastic

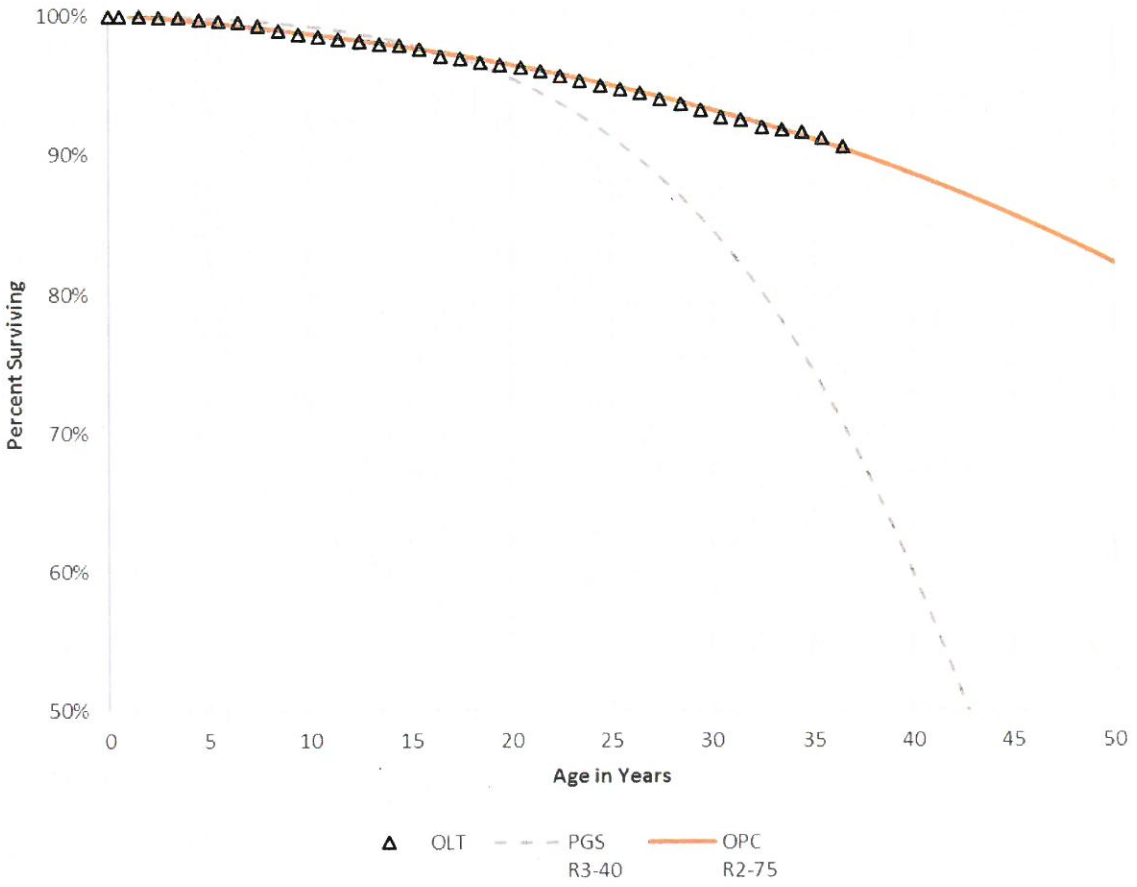
As with the other accounts discussed in this section, it is clear that the Company's selected Iowa curve for this account is far too short. In other words, the Company's own historical data indicates that the average life of the assets in this account is much longer than what the Company has proposed. The graph below again shows the OLT curve, which represents the actual historical retirement pattern for this account. The graph also shows the R3-40 curve the Company selected, as well as the R2-75 curve I selected.

[13] Exhibit DJG 5.

[14] Exhibit DJG 6.

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Figure 3:
Account 37602 – Mains Plastic



The OLT curve produced in this account is ideal for the Iowa curve fitting process. That is, it is a relatively smooth curve with a normal shape. Unsurprisingly, there is an Iowa curve that provides an excellent fit to this OLT curve. That Iowa curve is the R2-75 curve. As shown in the graph, the R2-75 curve passes through nearly all of the black triangles in the OLT curve. In stark contrast to the R2-75 curve, the Company's R3-40 curve does not fit the observed data. From age zero to age 20, the Company's curve provides a relatively good fit; however, starting at age 20, the Company's curve takes a sharp decline. This does not describe what is actually happening in this account. To reiterate, the OLT curve represented by the black triangles is the actual, historical

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retirement pattern in this account. We use Iowa curve to try to predict how the retirement pattern in this account will continue into the future (approximately after age 36 for this account). For example, suppose the Company had selected an Iowa curve that mirrored the R2-75 curve I selected until about age 36, then took a different direction. In that scenario, we might have a debate based on other factors regarding the future retirement pattern for this account. However, by selecting the R3-40 curve, the Company is not only wrong in its prediction of the future; more importantly, it is wrong in the way it portrays what actually happened in the past. At age 20, the retirement pattern in this account in fact did not take a sharp decline. Rather, it continued along in the same manner as best described by the R2-75 curve I selected. Thus, the Company's selected curve is far too short and results in unreasonably high proposed depreciation rates.

Although it is visually clear that PGS's proposed curve provides a very poor fit to the observed data in comparison to the R2-75 curve, I have also confirmed this fact mathematically. The sum of squared differences approach reveals that the R2-75 curve I selected is by far the better fit.[15] Selecting the R2-75 curve for this account would result in an average remaining life of 67.7 years and a depreciation rate of 1.27%.[16]

Account 38000 – Services Steel

In Account 38000, PGS again selected a poor Iowa curve shape and average life to represent the mortality characteristics of the assets in the account. The Company's curve results in an unreasonably short average life and an unreasonably high depreciation rate. The graph below shows the OLT curve along with the Company's R3-32 curve and my R0.5-50 curve.

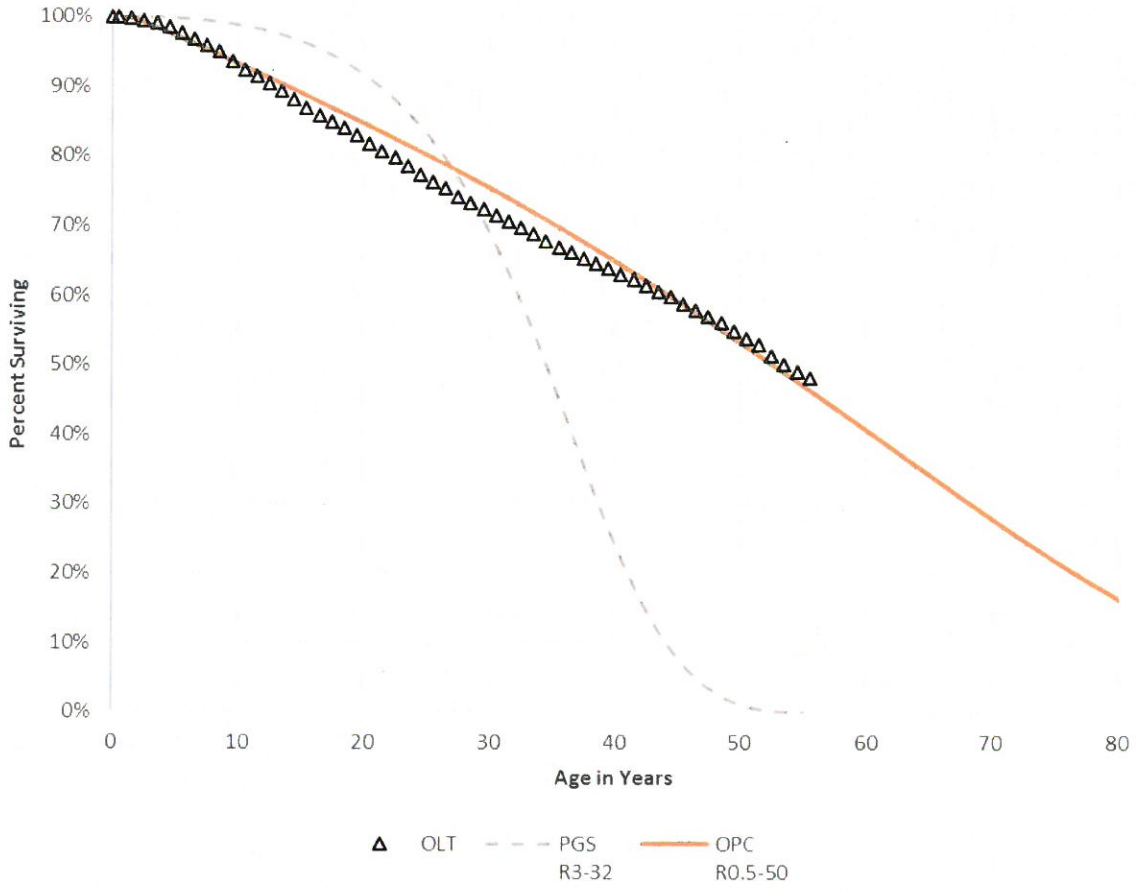
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[15] Exhibit DJG 7.

[16] Exhibit DJG 8.

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Figure 4:
Account 38000 – Services Steel



As shown in this graph, not only is the Company's R3-32 curve too short, but the shape of the curve does not match the shape of the OLT curve. This OLT curve has a very steady, almost linear decline from age zero to about age 55. By selecting an R3 curve, the Company is suggesting that the retirements in this account have dropped sharply starting at about age 20. Clearly however, the historical retirement pattern in the OLT curve shows us that is not the case. The entire point of the curve-fitting process is to use the historical retirement pattern in an account to predict what will happen in the future. The actual retirement pattern in this account (the OLT curve), according to the Company's own records, indicates a very different rate of retirement than what is represented

by the Company's R3-32 curve. Thus, the R3-32 curve does not provide an accurate estimation of what will happen in the future with regards to the retirements in this account. As a result, the Company's calculated remaining life for this account is far too short, and its calculated depreciation rate is far too high.

In contrast, the R0.5-50 curve I selected provides an excellent fit to the OLT curve; and thus, it provides a much better estimate of the future retirement rate for this account. As with all of the accounts discussed in this report, the Iowa curve I recommend for this account is a much better visual and mathematical fit than the Company's proposed Iowa curve.[17] Selecting the R0.5-50 curve for this account results in a remaining life of 54.3 years and a depreciation rate of 1.37%.[18]

Account 38002 – Services Plastic

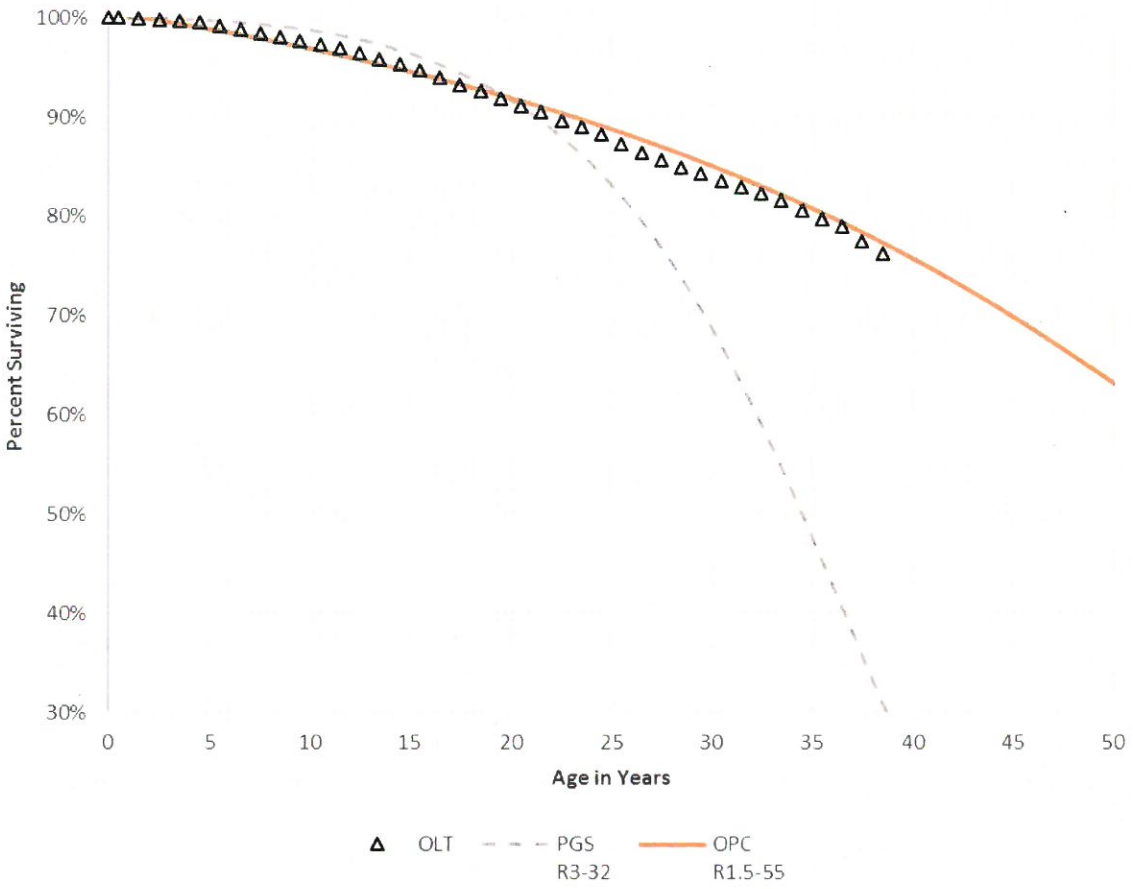
The situation in Account 38002 is similar to that in Account 37602 discussed above. The shape of the OLT curve for both accounts shows a steady, smooth decline that is ideal for the Iowa curve-fitting process. Also like Account 37602, the Company's chosen curve shape and average life for this account do not provide a good fit to the OLT curve. It is also interesting to note that PGS selected the same Iowa curve for this account (the R3-32 curve) as it did for the previous account (Account 38000), even though the retirement rates shown in the OLT curves for these two accounts indicate noticeably different mortality patterns and average lives. The graph below shows the OLT curve along with the Company's R3-32 curve and my R1.5-55 curve.

[17] Exhibit DJG 9.

[18] Exhibit DJG 10.

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Figure 5:
Account 38002 – Services Plastic



As shown in this graph, not only is the Company's R3-32 curve too short, but the shape of the curve does not match the shape of the OLT curve. The OLT curve has a very steady, consistent decline from age zero to about age 40. By selecting an R3 curve, the Company is suggesting that the retirements in this account have dropped sharply starting at about age 20. Clearly however, the historical retirement pattern in the OLT curve shows us that was not the case.

Since the OLT curve pattern for this account is ideal for curve fitting, it is not surprising that there is an Iowa curve, the R1.5-55 curve, that provides an excellent fit to the OLT curve for this account. The fact that the R1.5-55 curve provides a much better fit to the OLT curve can be

confirmed mathematically. I have calculated the sum of squared differences for PGS's selected curve and the R1.5-55 curve and confirmed that the curve I selected is a much better mathematical fit.[19] Selecting the R1.5-55 curve for this account results in an average remaining life of 48.9 years and a depreciation rate of 1.91%.[20]

Account 38100 – Meters

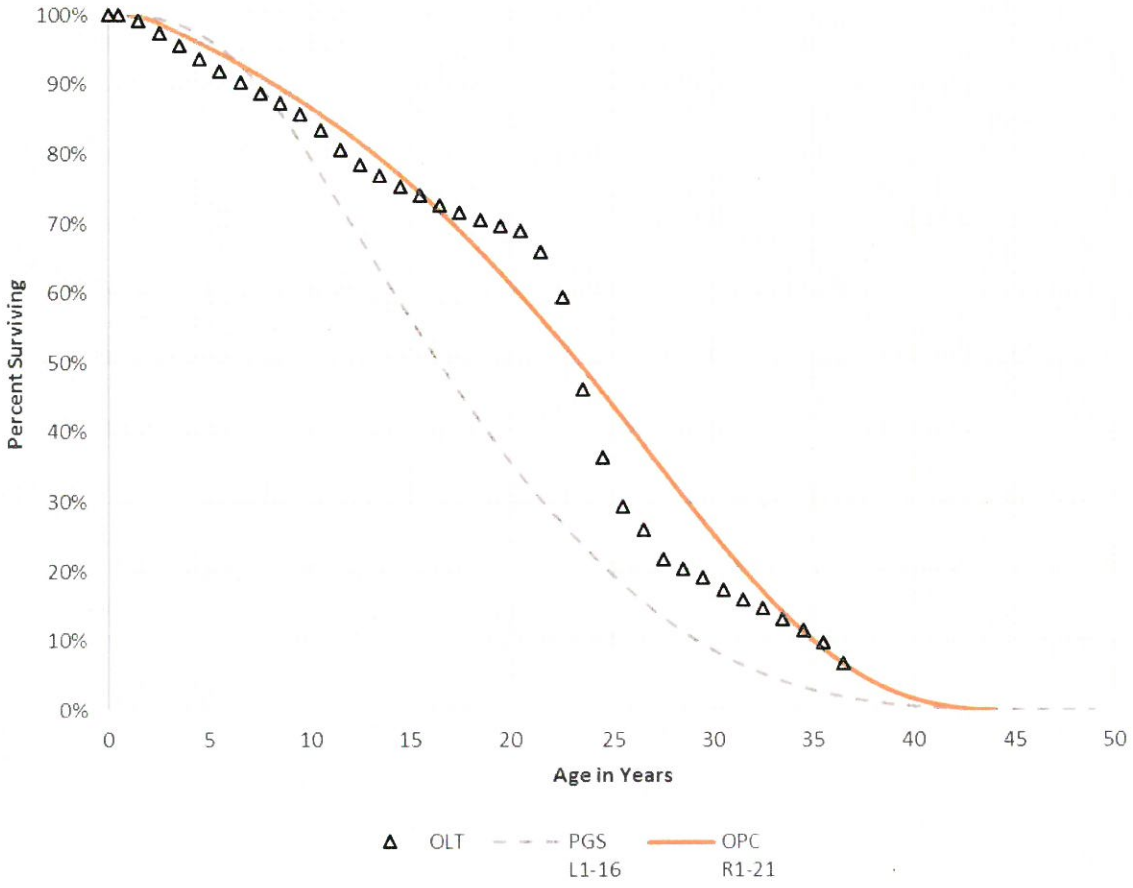
The OLT curve pattern for account 38100 is relatively unusual. This means that unlike Account 38002 discussed above, there is not an Iowa curve that will provide a near-perfect fit to the OLT curve. Nonetheless, it is imperative to use the same visual and mathematical curve-fitting techniques in order to select the Iowa curve that best fits the observed data. The Company's selected curve provides a poor fit to the observed data. The graph below shows the OLT curve along with the Company's L1-16 curve and my R1-21 curve.

[19] Exhibit DJG 11.

[20] Exhibit DJG 12.

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Figure 6:
Account 38100 – Meters



As shown in this graph, the L1 curve shape does not provide a good fit to the OLT curve. When dealing with an OLT curve of an unusual shape, it is often even more important to confirm any results mathematically. I have calculated the sum of squared differences for PGS's selected curve and the R1-21 curve and found that the R1-21 curve is in fact a better fit.[21] Selecting the R1-21 curve for this account would result in an average remaining life of 16.9 years and a depreciation rate of 3.77%.[22]

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[21] Exhibit DJG 13.

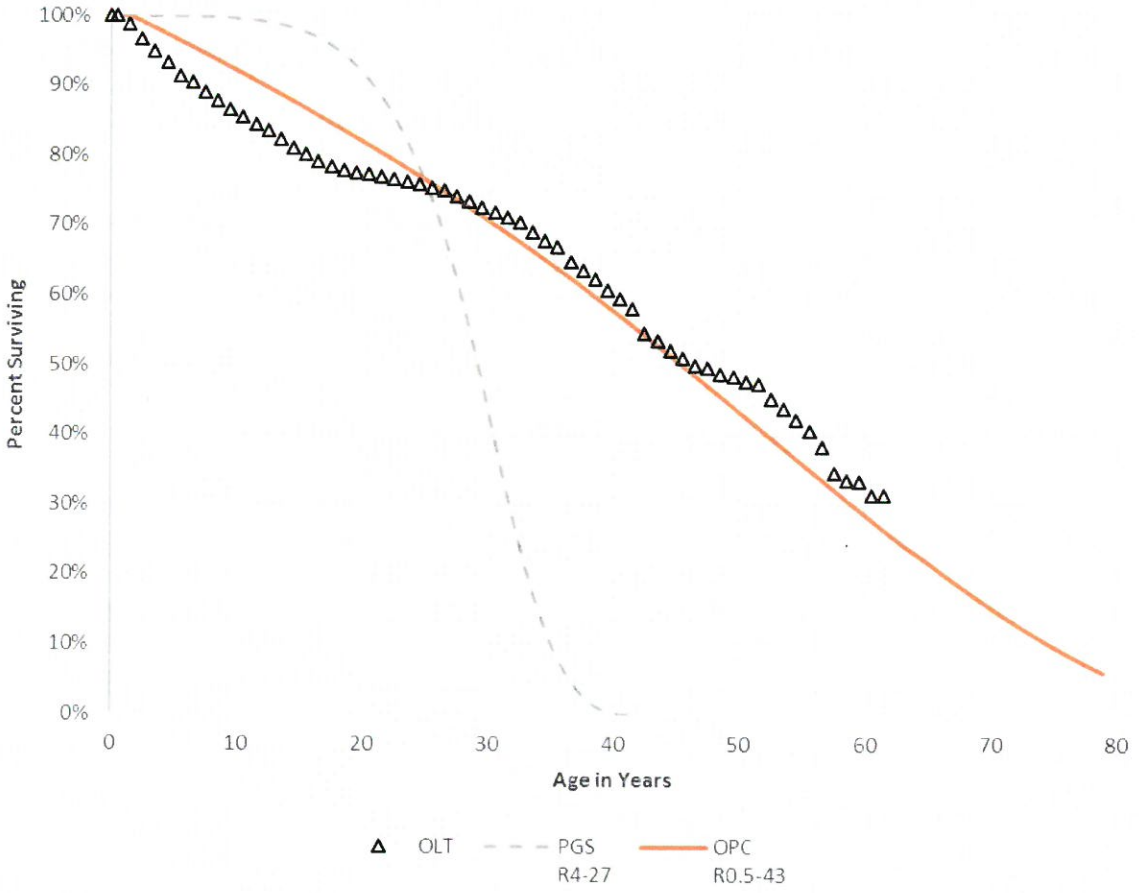
[22] Exhibit DJG 14.

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Account 38200 – Meter Installations

For Account 38200, PGS again selected a poor Iowa curve shape and average life to calculate the depreciation rate. The Company's selected curve results in an unreasonably short average life and an unreasonably high depreciation rate. The graph below shows the OLT curve along with the Company's R4-27 curve and my R0.5-43 curve.

Figure 7:
Account 38200 – Meter Installations



The Company's selected curve for this account is a very poor choice for several reasons. First, the shape of the R4 curve is not even close to the shape of the OLT curve. By selecting an R4 curve, the Company is suggesting that the retirements in this account have dropped very sharply

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starting at about age 20. Clearly however, the historical retirement pattern in the OLT curve indicates a very different result. Even more egregious is the fact that by using the R4-27 curve, the Company is saying that there no assets surviving after age 41 (i.e., the R4-27 curve reaches zero percent at age 41). However, the Company's own retirement records (the OLT curve) show that there are still assets exposed to retirement in this account past age 60.[23] Therefore, not only is PGS's curve selection unreasonable, but it represents an impossibility given the historical data in this account.

In stark contrast to the Company's curve, the R0.5-43 curve I recommend provides a good fit to the OLT curve and thus results in a more appropriate depreciation rate calculation. Unsurprisingly, the R0.5-43 curve provides a much better mathematical fit than the Company's curve.[24] Selecting the R0.5-43 curve for this account would result in an average remaining life of 40.2 years and a depreciation rate of 1.70%.[25]

CONCLUSION AND RECOMMENDATION

I employed a well-established depreciation system and used actuarial analysis to statistically analyze the Company's depreciable assets in order to develop reasonable depreciation rates. PGS did not select Iowa curves that provide good fits to its own historical data. Specifically, PGS's selected Iowa curves for each of the accounts discussed above were far too short, as shown in the corresponding graphs. All else held constant, shorter Iowa curves result in higher

[23] *See also* 2016 Depreciation Study at p. 420.

[24] Exhibit DJG 15.

[25] Exhibit DJG 16.

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depreciation rates. Because PGS's selected Iowa curves are unreasonably short given the observed historical data, its proposed depreciation rates are much too high.

It is also important to keep in mind that we should not give too much weight to the subjective elements of depreciation analysis. For example, the Company has attributed changes in the average life of Account 37600 to "the impact of the Cast Iron and Base Steel replacement program."[26] While I would agree that it is reasonable to assume that replacing old cast iron and bare steel main pipe with plastic main pipe would effectively tend to increase the average life of Account 37600, those assumptions do not outweigh the necessity of analyzing the Company's actual historical data in order to objectively determine the account's average life. As discussed above, this account's average life should be estimated at 55 years instead of 45 or 50 years. I reached this conclusion not by simply assuming that PGS's replacement program would add a few years to the currently approved average life for this account; rather, I reached this conclusion by using well-established, objective actuarial analysis along with visual and mathematical curve-fitting techniques based on the Company's own retirement data for this account.

Ultimately, the depreciation rates I recommend are prudent, fair, and reasonable. My proposed depreciation rates would result an adjustment to reduce the Company's proposed depreciation expense by $20,087,410.[27] Likewise, my proposed adjustments would result in an annual depreciation expense of $31,172,522.[28]

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[26] Revised 2016 Depreciation Study p. 4.

[27] Exhibit DJG 3. This depreciation expense is based on plant balances as of December 31, 2015, which are the plant balances that were provided in the depreciation study. In order to calculated the current depreciation expense, my proposed rates would need to be applied to current plant balances.

[28] Exhibit DJG 3.

APPENDIX A:

THE DEPRECIATION SYSTEM

A depreciation accounting system may be thought of as a dynamic system in which estimates of life and salvage are inputs to the system, and the accumulated depreciation account is a measure of the state of the system at any given time.[29] The primary objective of the depreciation system is the timely recovery of capital. The process for calculating the annual accruals is determined by the factors required to define the system. A depreciation system should be defined by four primary factors: 1) a method of allocation; 2) a procedure for applying the method of allocation to a group of property; 3) a technique for applying the depreciation rate; and 4) a model for analyzing the characteristics of vintage groups comprising a continuous property group.[30] The figure below illustrates the basic concept of a depreciation system and includes some of the available parameters.[31]

There are hundreds of potential combinations of methods, procedures, techniques, and models, but in practice, analysts use only a few combinations. Ultimately, the system selected must result in the systematic and rational allocation of capital recovery for the utility. Each of the four primary factors defining the parameters of a depreciation system is discussed further below.

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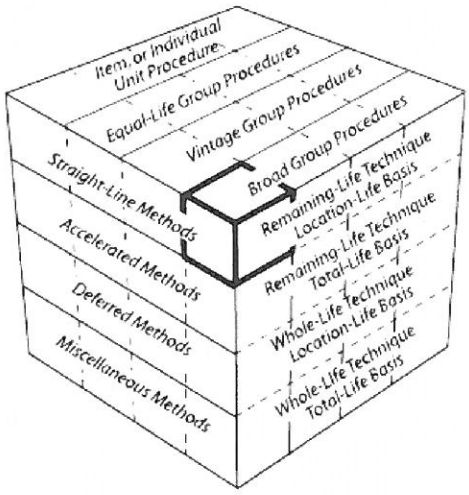
[29] Wolf *supra* n. 6, at 69-70.

[30] *See* Wolf *supra* n. 6, at 70, 139-40.

[31] Edison Electric Institute, *Introduction to Depreciation* (inside cover) (EEI April 2013). Some definitions of the terms shown in this diagram are not consistent among depreciation practitioners and literature due to the fact that depreciation analysis is a relatively small and fragmented field. This diagram simply illustrates the some of the available parameters of a depreciation system.

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Figure 8:
The Depreciation System Cube



1. Allocation Methods

The "method" refers to the pattern of depreciation in relation to the accounting periods. The method most commonly used in the regulatory context is the "straight-line method" – a type of age-life method in which the depreciable cost of plant is charged in equal amounts to each accounting period over the service life of plant.[32] Because group depreciation rates and plant balances often change, the amount of the annual accrual rarely remains the same, even when the straight-line method is employed.[33] The basic formula for the straight-line method is as follows:[34]

[32] NARUC *supra* n. 7, at 56.

[33] *Id.*

[34] *Id.*

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Equation 1:
Straight-Line Accrual

$$Annual\ Accrual = \frac{Gross\ Plant - Net\ Salavage}{Service\ Life}$$

Gross plant is a known figure from the utility's records, while both net salvage and service life must be estimated in order to calculate the annual accrual. The straight-line method differs from accelerated methods of recovery, such as the "sum-of-the-years-digits" method and the "declining balance" method. Accelerated methods are primarily used for tax purposes and are rarely used in the regulatory context for determining annual accruals.[35] In practice, the annual accrual is expressed as a rate which is applied to the original cost of plant in order to determine the annual accrual in dollars. The formula for determining the straight-line rate is as follows:[36]

Equation 2:
Straight-Line Rate

$$Depreciation\ Rate\ \% = \frac{100 - Net\ Salvage\ \%}{Service\ Life}$$

2. Grouping Procedures

The "procedure" refers to the way the allocation method is applied through subdividing the total property into groups.[37] While single units may be analyzed for depreciation, a group plan of depreciation is particularly adaptable to utility property. Employing a grouping procedure allows for a composite application of depreciation rates to groups of similar property, rather than

[35] *Id.* at 57.

[36] *Id.* at 56.

[37] Wolf *supra* n. 6, at 74-75.

excessively conducting calculations for each unit. Whereas an individual unit of property has a single life, a group of property displays a dispersion of lives and the life characteristics of the group must be described statistically.[38] When analyzing mass property categories, it is important that each group contains homogenous units of plant that are used in the same general manner throughout the plant and operated under the same general conditions.[39]

The "average life" and "equal life" grouping procedures are the two most common. In the average life procedure, a constant annual accrual rate based on the average life of all property in the group is applied to the surviving property. While property having shorter lives than the group average will not be fully depreciation, and likewise, property having longer lives than the group average will be over-depreciated, the ultimate result is that the group will be fully depreciated by the time of the final retirement.[40] Thus, the average life procedure treats each unit as though its life is equal to the average life of the group. In contrast, the equal life procedure treats each unit in the group as though its life was known.[41] Under the equal life procedure the property is divided into subgroups that each has a common life.[42]

3. Application Techniques

The third factor of a depreciation system is the "technique" for applying the depreciation rate. There are two commonly used techniques: "whole life" and "remaining life." The whole life technique applies the depreciation rate on the estimated average service life of group, while

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[38] *Id.* at 74.

[39] NARUC *supra* n. 7, at 61-62.

[40] *See* Wolf *supra* n. 6, at 74-75.

[41] *Id.* at 75.

[42] *Id.*

the remaining life technique seeks to recover undepreciated costs over the remaining life of the plant.[43]

In choosing the application technique, consideration should be given to the proper level of the accumulated depreciation account. Depreciation accrual rates are calculated using estimates of service life and salvage. Periodically these estimates must be revised due to changing conditions, which cause the accumulated depreciation account to be higher or lower than necessary. Unless some corrective action is taken, the annual accruals will not equal the original cost of the plant at the time of final retirement.[44] Analysts can calculate the level of imbalance in the accumulated depreciation account by determining the "calculated accumulated depreciation," (a.k.a. "theoretical reserve" and referred to in these appendices as "CAD"). The CAD is the calculated balance that would be in the accumulated depreciation account at a point in time using current depreciation parameters.[45] An imbalance exists when the actual accumulated depreciation account does not equal the CAD. The choice of application technique will affect how the imbalance is dealt with.

Use of the whole life technique requires that an adjustment be made to accumulated depreciation after calculation of the CAD. The adjustment can be made in a lump sum or over a period of time. With use of the remaining life technique, however, adjustments to accumulated depreciation are amortized over the remaining life of the property and are automatically included

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[43] NARUC *supra* n. 7, at 63-64.

[44] Wolf *supra* n. 6, at 83.

[45] NARUC *supra* n. 7, at 325.

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in the annual accrual.[46] This is one reason that the remaining life technique is popular among practitioners and regulators. The basic formula for the remaining life technique is as follows:[47]

Equation 3:
Remaining Life Accrual

$$Annual\ Accrual = \frac{Gross\ Plant - Accumulated\ Depreciation - Net\ Salvage}{Average\ Remaining\ Life}$$

The remaining life accrual formula is similar to the basic straight-line accrual formula above with two notable exceptions. First, the numerator has an additional factor in the remaining life formula: the accumulated depreciation. Second, the denominator is "average remaining life" instead of "average life." Essentially, the future accrual of plant (gross plant less accumulated depreciation) is allocated over the remaining life of plant. Thus, the adjustment to accumulated depreciation is "automatic" in the sense that it is built into the remaining life calculation.[48]

4. Analysis Model

The fourth parameter of a depreciation system, the "model," relates to the way of viewing the life and salvage characteristics of the vintage groups that have been combined to form a continuous property group for depreciation purposes.[49] A continuous property group is created when vintage groups are combined to form a common group. Over time, the characteristics of the property may change, but the continuous property group will continue. The two analysis models

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[46] NARUC *supra* n. 7, at 65 ("The desirability of using the remaining life technique is that any necessary adjustments of [accumulated depreciation] . . . are accrued automatically over the remaining life of the property. Once commenced, adjustments to the depreciation reserve, outside of those inherent in the remaining life rate would require regulatory approval.").

[47] *Id*. at 64.

[48] Wolf *supra* n. 6, at 178.

[49] *See* Wolf *supra* n. 6, at 139 (I added the term "model" to distinguish this fourth depreciation system parameter from the other three parameters).

used among practitioners, the "broad group" and the "vintage group," are two ways of viewing the life and salvage characteristics of the vintage groups that have been combined to from a continuous property group.

The broad group model views the continuous property group as a collection of vintage groups that each has the same life and salvage characteristics. Thus, a single survivor curve and a single salvage schedule are chosen to describe all the vintages in the continuous property group. In contrast, the vintage group model views the continuous property group as a collection of vintage groups that may have different life and salvage characteristics. Typically, there is not a significant difference between vintage group and broad group results unless vintages within the applicable property group experienced dramatically different retirement levels than anticipated in the overall estimated life for the group. For this reason, many analysts utilize the broad group procedure because it is more efficient.

APPENDIX B:

IOWA CURVES

Early work in the analysis of the service life of industrial property was based on models that described the life characteristics of human populations.[50] This explains why the word "mortality" is often used in the context of depreciation analysis. In fact, a group of property installed during the same accounting period is analogous to a group of humans born during the same calendar year. Each period the group will incur a certain fraction of deaths / retirements until there are no survivors. Describing this pattern of mortality is part of actuarial analysis, and is regularly used by insurance companies to determine life insurance premiums. The pattern of mortality may be described by several mathematical functions, particularly the survivor curve and frequency curve. Each curve may be derived from the other so that if one curve is known, the other may be obtained. A survivor curve is a graph of the percent of units remaining in service expressed as a function of age.[51] A frequency curve is a graph of the frequency of retirements as a function of age. Several types of survivor and frequency curves are illustrated in the figures below.

1. Development

The survivor curves used by analysts today were developed over several decades from extensive analysis of utility and industrial property. In 1931 Edwin Kurtz and Robley Winfrey used extensive data from a range of 65 industrial property groups to create survivor curves representing the life characteristics of each group of property.[52] They generalized the 65 curves

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[50] Wolf *supra* n. 6, at 276.

[51] *Id.* at 23.

[52] *Id.* at 34.

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into 13 survivor curve types and published their results in *Bulletin 103: Life Characteristics of Physical Property*. The 13 type curves were designed to be used as valuable aids in forecasting probable future service lives of industrial property. Over the next few years, Winfrey continued gathering additional data, particularly from public utility property, and expanded the examined property groups from 65 to 176.[53] This resulted in 5 additional survivor curve types for a total of 18 curves. In 1935, Winfrey published *Bulletin 125: Statistical Analysis of Industrial Property Retirements*. According to Winfrey, "[t]he 18 type curves are expected to represent quite well all survivor curves commonly encountered in utility and industrial practices."[54] These curves are known as the "Iowa curves" and are used extensively in depreciation analysis in order to obtain the average service lives of property groups. (Use of Iowa curves in actuarial analysis is further discussed in Appendix C.)

In 1942, Winfrey published *Bulletin 155: Depreciation of Group Properties*. In Bulletin 155, Winfrey made some slight revisions to a few of the 18 curve types, and published the equations, tables of the percent surviving, and probable life of each curve at five-percent intervals.[55] Rather than using the original formulas, analysts typically rely on the published tables containing the percentages surviving. This is because absent knowledge of the integration technique applied to each age interval, it is not possible to recreate the exact original published table values.

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[53] *Id.*

[54] Robley Winfrey, *Bulletin 125: Statistical Analyses of Industrial Property Retirements* 85, Vol. XXXIV, No. 23 (Iowa State College of Agriculture and Mechanic Arts 1935).

[55] Robley Winfrey, Bulletin 155: Depreciation of Group Properties 121-28, Vol XLI, No. 1 (The Iowa State College Bulletin 1942); see also Wolf supra n. 6, at 305-38 (publishing the percent surviving for each Iowa curve, including "O" type curve, at one percent intervals).

In the 1970s, John Russo collected data from over 2,000 property accounts reflecting observations during the period 1965 – 1975 as part of his Ph.D. dissertation at Iowa State. Russo essentially repeated Winfrey's data collection, testing, and analysis methods used to develop the original Iowa curves, except that Russo studied industrial property in service several decades after Winfrey published the original Iowa curves. Russo drew three major conclusions from his research:[56]

1. No evidence was found to conclude that the Iowa curve set, as it stands, is not a valid system of standard curves;

2. No evidence was found to conclude that new curve shapes could be produced at this time that would add to the validity of the Iowa curve set; and

3. No evidence was found to suggest that the number of curves within the Iowa curve set should be reduced.

Prior to Russo's study, some had criticized the Iowa curves as being potentially obsolete because their development was rooted in the study of industrial property in existence during the early 1900s. Russo's research, however, negated this criticism by confirming that the Iowa curves represent a sufficiently wide range of life patterns, and that though technology will change over time, the underlying patterns of retirements remain constant and can be adequately described by the Iowa curves.[57]

Over the years, several more curve types have been added to Winfrey's 18 Iowa curves. In 1967, Harold Cowles added four origin-modal curves. In addition, a square curve is sometimes used to depict retirements which are all planned to occur at a given age. Finally,

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[56] *See* Wolf *supra* n. 6, at 37.

[57] *Id.*

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analysts commonly rely on several "half curves" derived from the original Iowa curves. Thus, the term "Iowa curves" could be said to describe up to 31 standardized survivor curves.

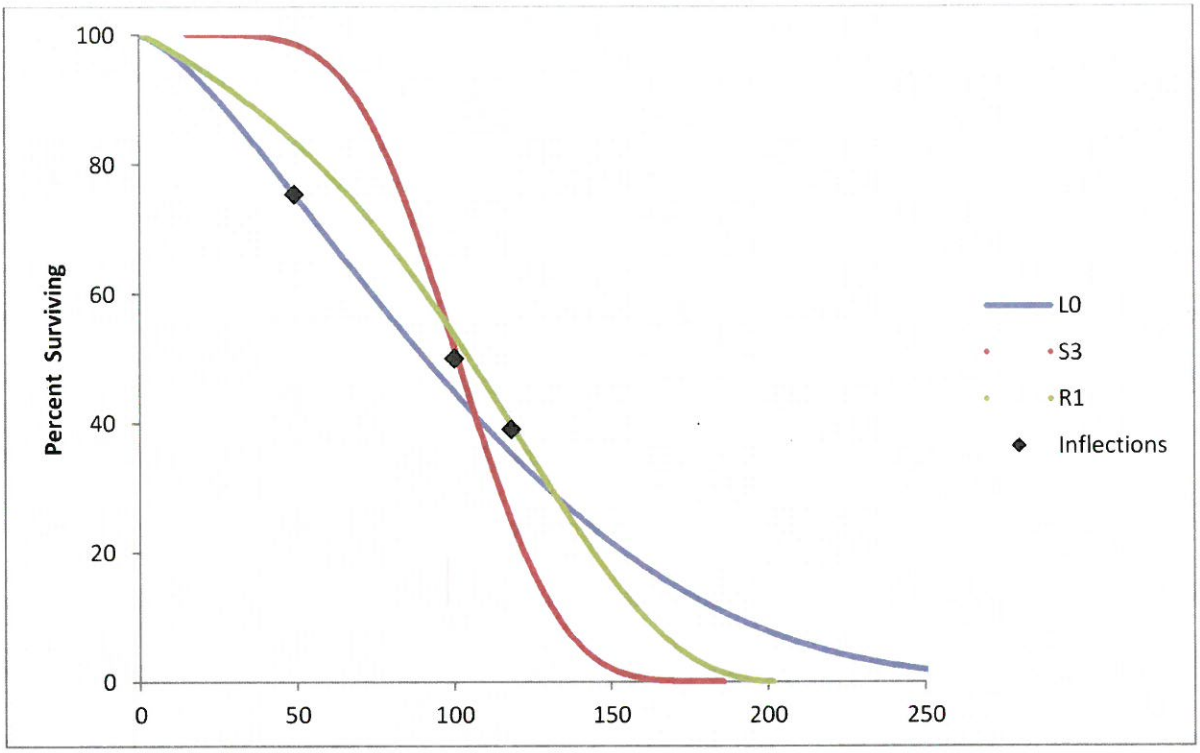
2. Classification

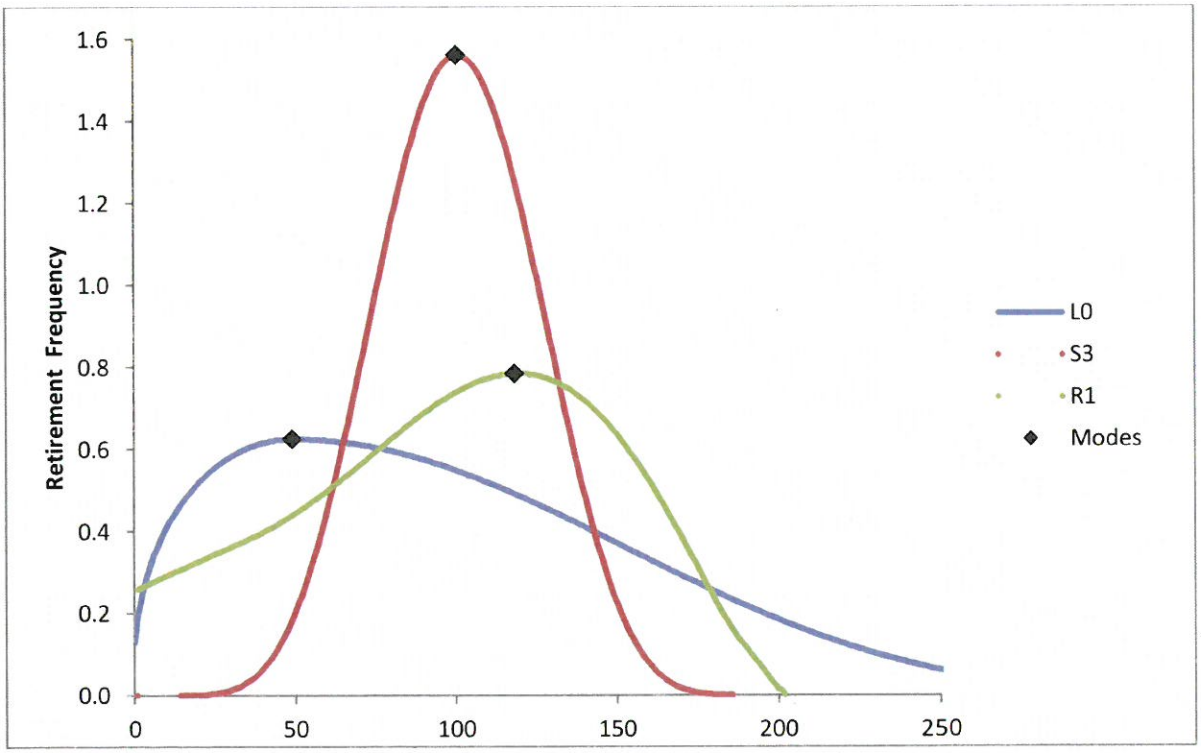
The Iowa curves are classified by three variables: modal location, average life, and variation of life. First, the mode is the percent life that results in the highest point of the frequency curve and the "inflection point" on the survivor curve. The modal age is the age at which the greatest rate of retirement occurs. As illustrated in the figure below, the modes appear at the steepest point of each survivor curve in the top graph, as well as the highest point of each corresponding frequency curve in the bottom graph.

The classification of the survivor curves was made according to whether the mode of the retirement frequency curves was to the left, to the right, or coincident with average service life. There are three modal "families" of curves: six left modal curves (L0, L1, L2, L3, L4, L5); five right modal curves (R1, R2, R3, R4, R5); and seven symmetrical curves (S0, S1, S2, S3, S4, S5, S6).[58] In the figure below, one curve from each family is shown: L0, S3 and R1, with average life at 100 on the x-axis. It is clear from the graphs that the modes for the L0 and R1 curves appear to the left and right of average life respectively, while the S3 mode is coincident with average life.

[58] In 1967, Harold A. Cowles added four origin-modal curves known as "O type" curves. There are also several "half" curves and a square curve, so the total amount of survivor curves commonly called "Iowa" curves is about 31 (see NARUC supra n. 7, at 68).

Figure 9:
Modal Age Illustration





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The second Iowa curve classification variable is average life. The Iowa curves were designed using a single parameter of age expressed as a percent of average life instead of actual age. This was necessary in order for the curves to be of practical value. As Winfrey notes:

> Since the location of a particular survivor on a graph is affected by both its span in years and the shape of the curve, it is difficult to classify a group of curves unless one of these variables can be controlled. This is easily done by expressing the age in percent of average life."[59]

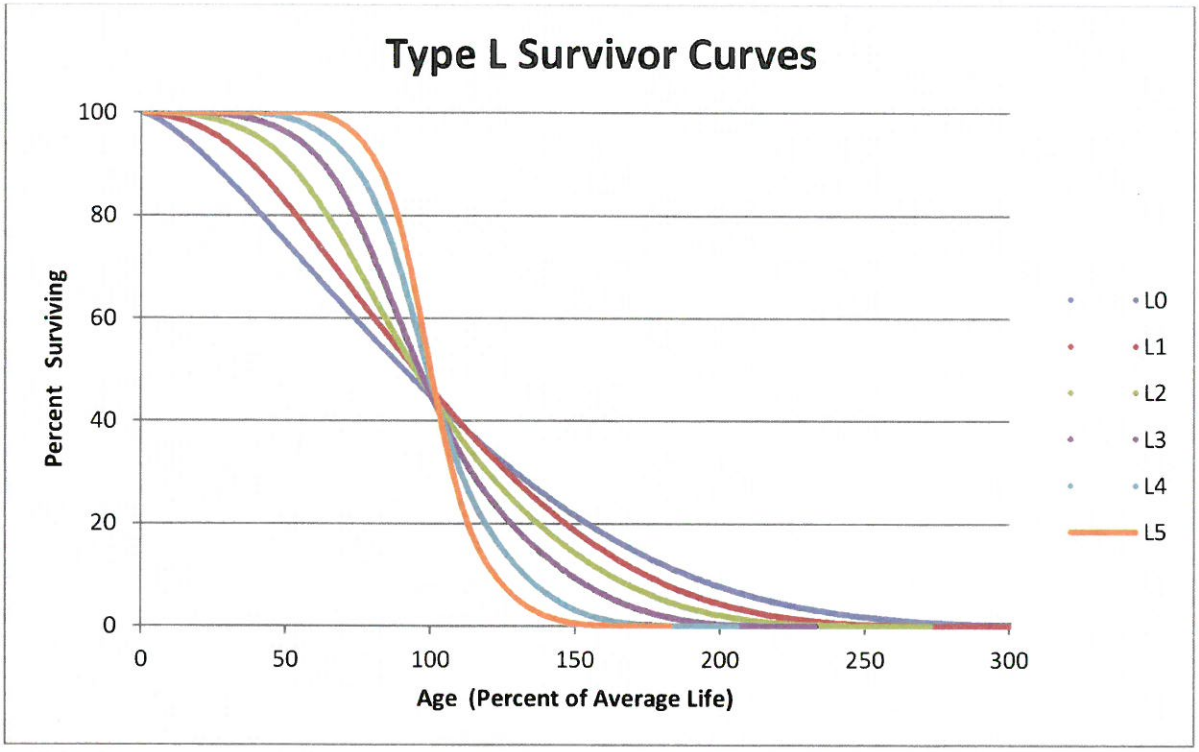
Because age is expressed in terms of percent of average life, any particular Iowa curve type can be modified to forecast property groups with various average lives.

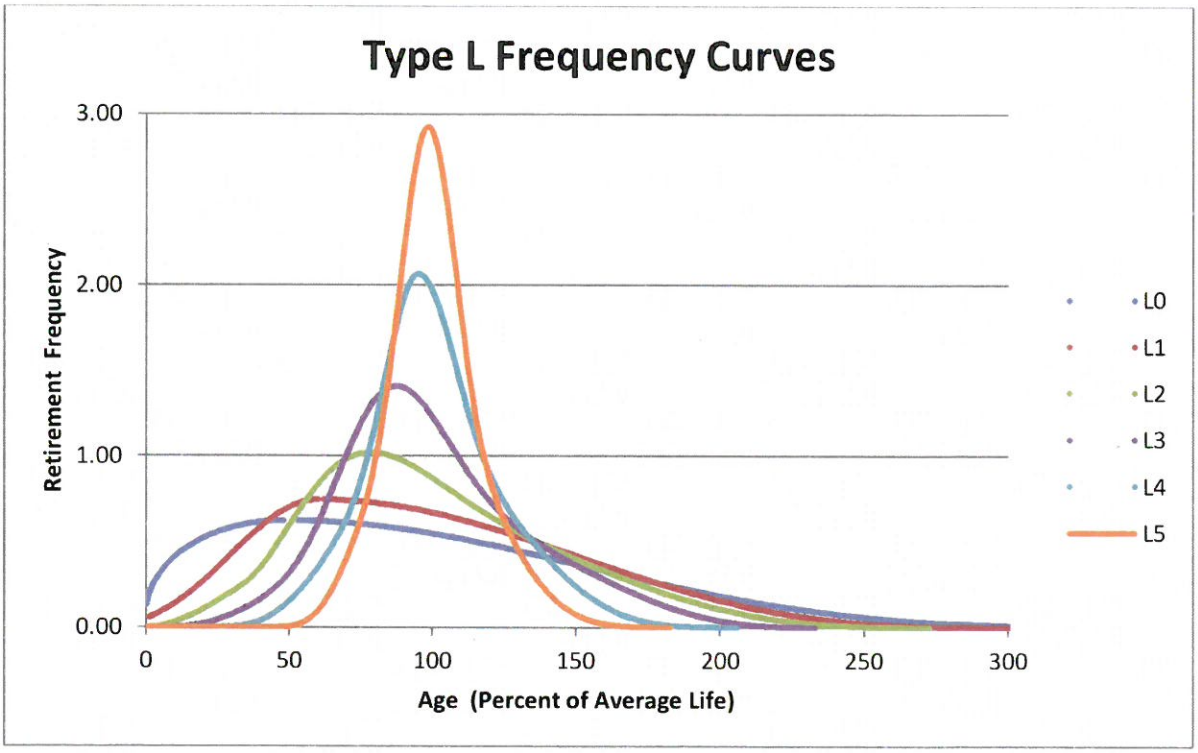
The third variable, variation of life, is represented by the numbers next to each letter. A lower number (e.g., L1) indicates a relatively low mode, large variation, and large maximum life; a higher number (e.g., L5) indicates a relatively high mode, small variation, and small maximum life. All three classification variables – modal location, average life, and variation of life – are used to describe each Iowa curve. For example, a 13-L1 Iowa curve describes a group of property with a 13-year average life, with the greatest number of retirements occurring before (or to the left of) the average life, and a relatively low mode. The graphs below show these 18 survivor curves, organized by modal family.

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[59] Winfrey *supra* n. 75, at 60.

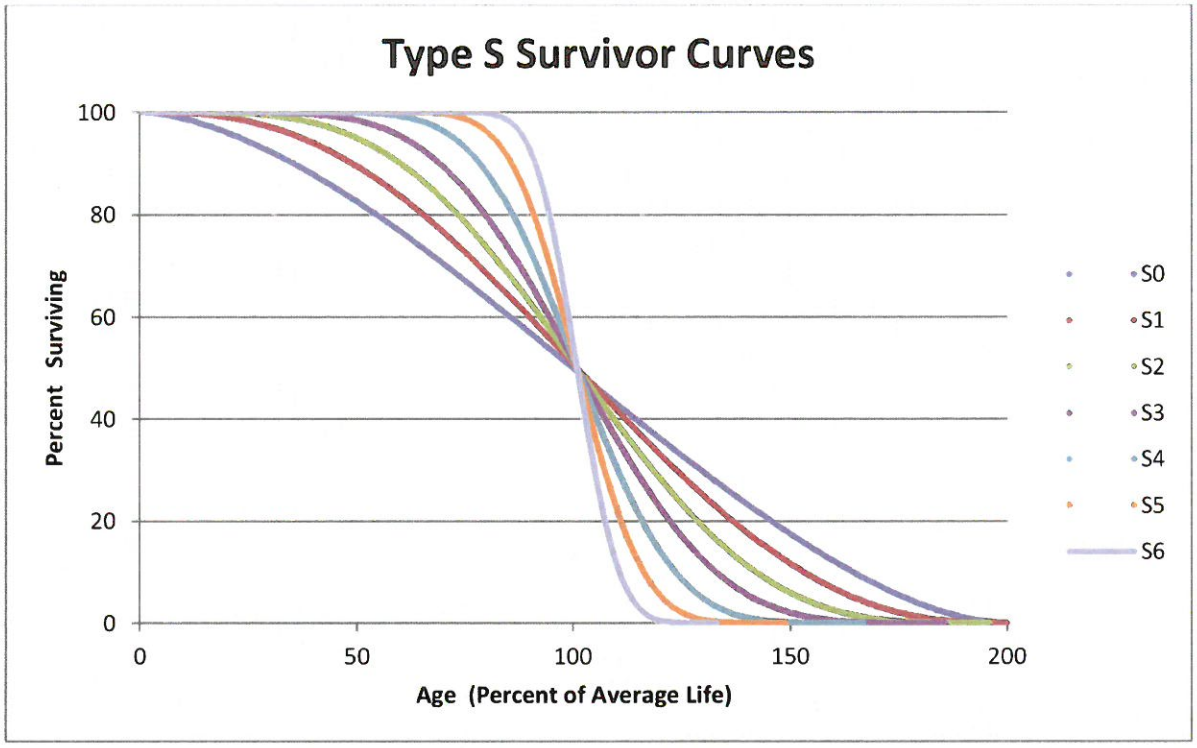
Figure 10:
Type L Survivor and Frequency Curves

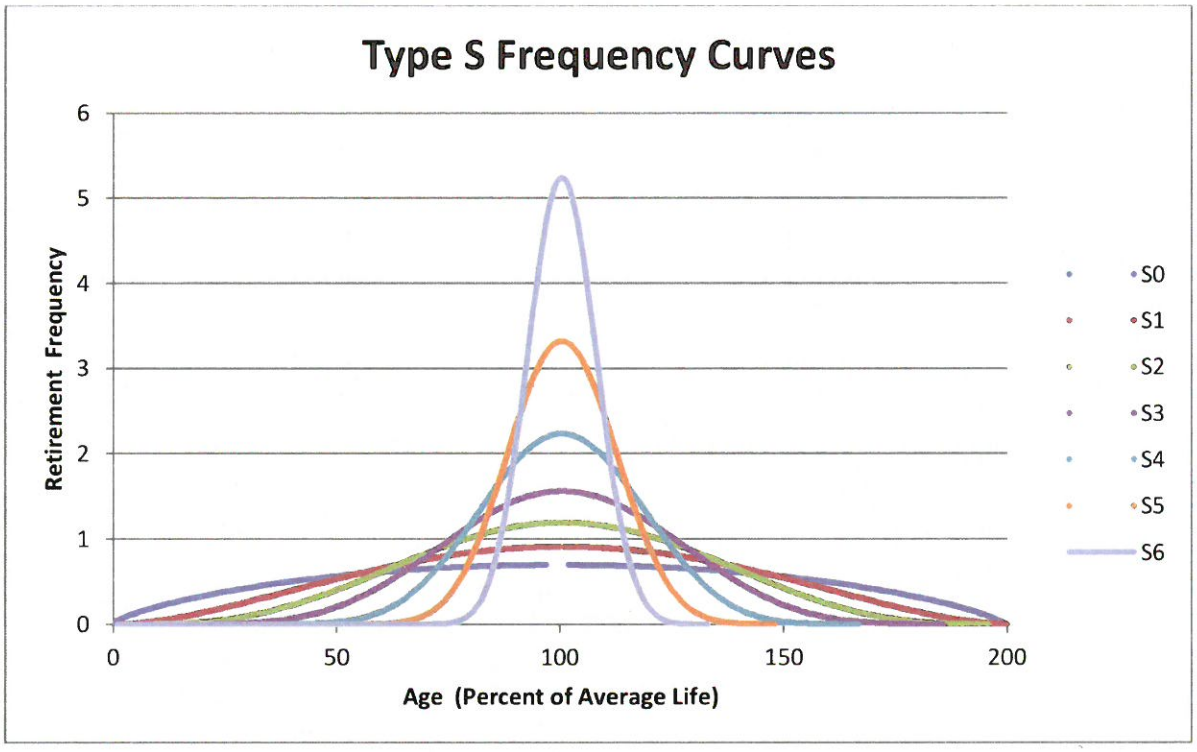




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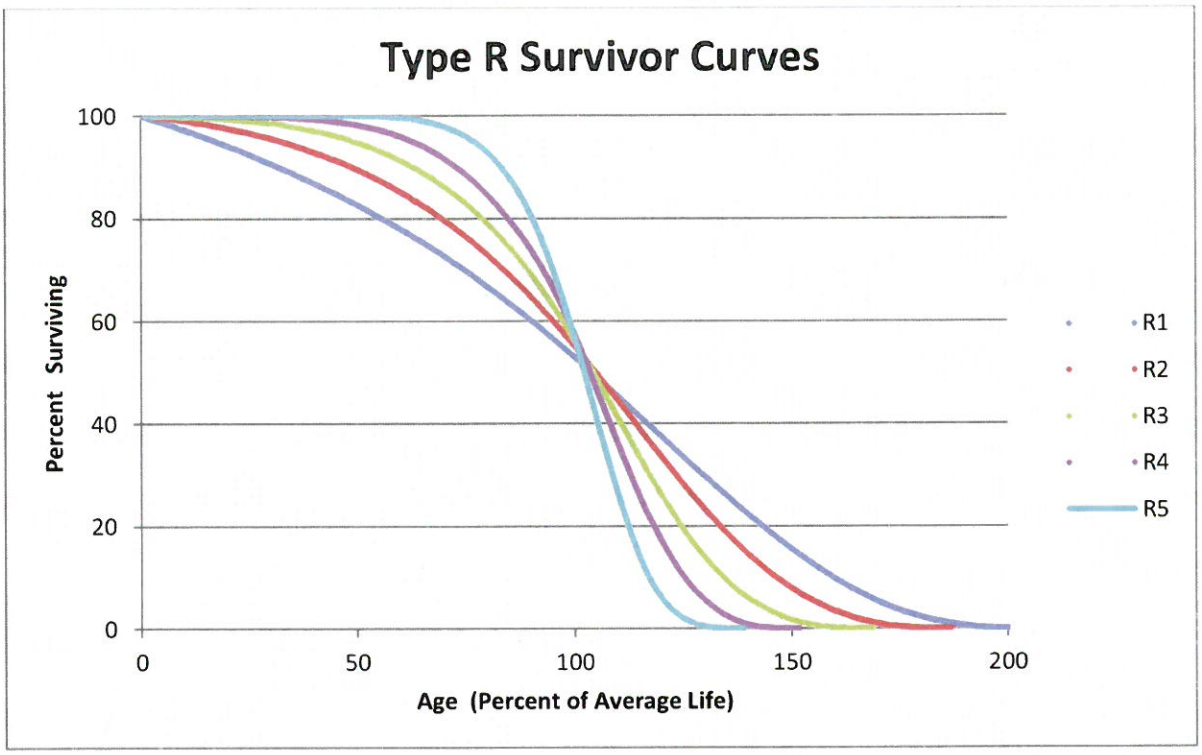
Figure 11:
Type S Survivor and Frequency Curves

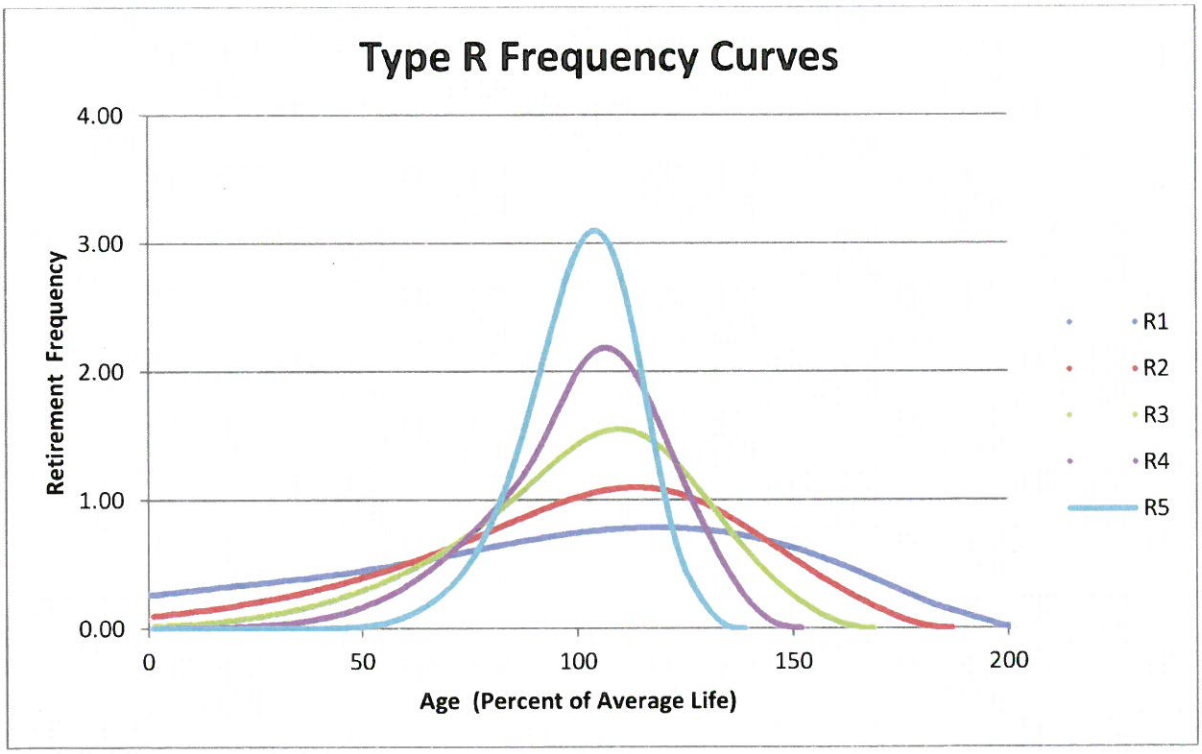




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Figure 12:
Type R Survivor and Frequency Curves





As shown in the graphs above, the modes for the L family frequency curves occur to the left of average life (100% on the x-axis), while the S family modes occur at the average, and the R family modes occur after the average.

3. Types of Lives

Several other important statistical analyses and types of lives may be derived from an Iowa curve. These include: 1) average life; 2) realized life; 3) remaining life; and 4) probable life. Figure 8 below illustrates these concepts. It shows the frequency curve, survivor curve, and probable life curve. Age M_x on the x-axis represents the modal age, while age AL_x represents the average age. Thus, this figure illustrates an "L type" Iowa curve since the mode occurs before the average.[60]

First, average life is the area under the survivor curve from age zero to maximum life. Because the survivor curve is measured in percent, the area under the curve must be divided by 100% to convert it from percent-years to years. The formula for average life is as follows:[61]

Equation 4:
Average Life

$$Average\ Life\ = \frac{Area\ Under\ Survivor\ Curve\ from\ Age\ 0\ to\ Max\ Life}{100\%}$$

Thus, average life may not be determined without a complete survivor curve. Many property groups being analyzed will not have experienced full retirement. This results in a "stub"

[60] From age zero to age M_x on the survivor curve, it could be said that the percent surviving from this property group is decreasing at an increasing rate. Conversely, from point M_x to maximum on the survivor curve, the percent surviving is decreasing at a decreasing rate.

[61] *See* NARUC *supra* n. 7, at 71.

survivor curve. Iowa curves are used to extend stub curves to maximum life in order for the average life calculation to be made (see Appendix C).

Realized life is similar to average life, except that realized life is the average years of service experienced to date from the vintage's original installations.[62] As shown in the figure below, realized life is the area under the survivor curve from zero to age RL_X. Likewise, unrealized life is the area under the survivor curve from age RL_X to maximum life. Thus, it could be said that average life equals realized life plus unrealized life.

Average remaining life represents the future years of service expected from the surviving property.[63] Remaining life is sometimes referred to as "average remaining life" and "life expectancy." To calculate average remaining life at age x, the area under the estimated future potion of the survivor curve is divided by the percent surviving at age x (denoted S_X). Thus, the average remaining life formula is:

Equation 5:
Average Remaining Life

$$Average\ Remaining\ Life\ = \frac{Area\ Under\ Survivor\ Curve\ from\ Age\ x\ to\ Max\ Life}{S_X}$$

It is necessary to determine average remaining life in order to calculate the annual accrual under the remaining life technique.

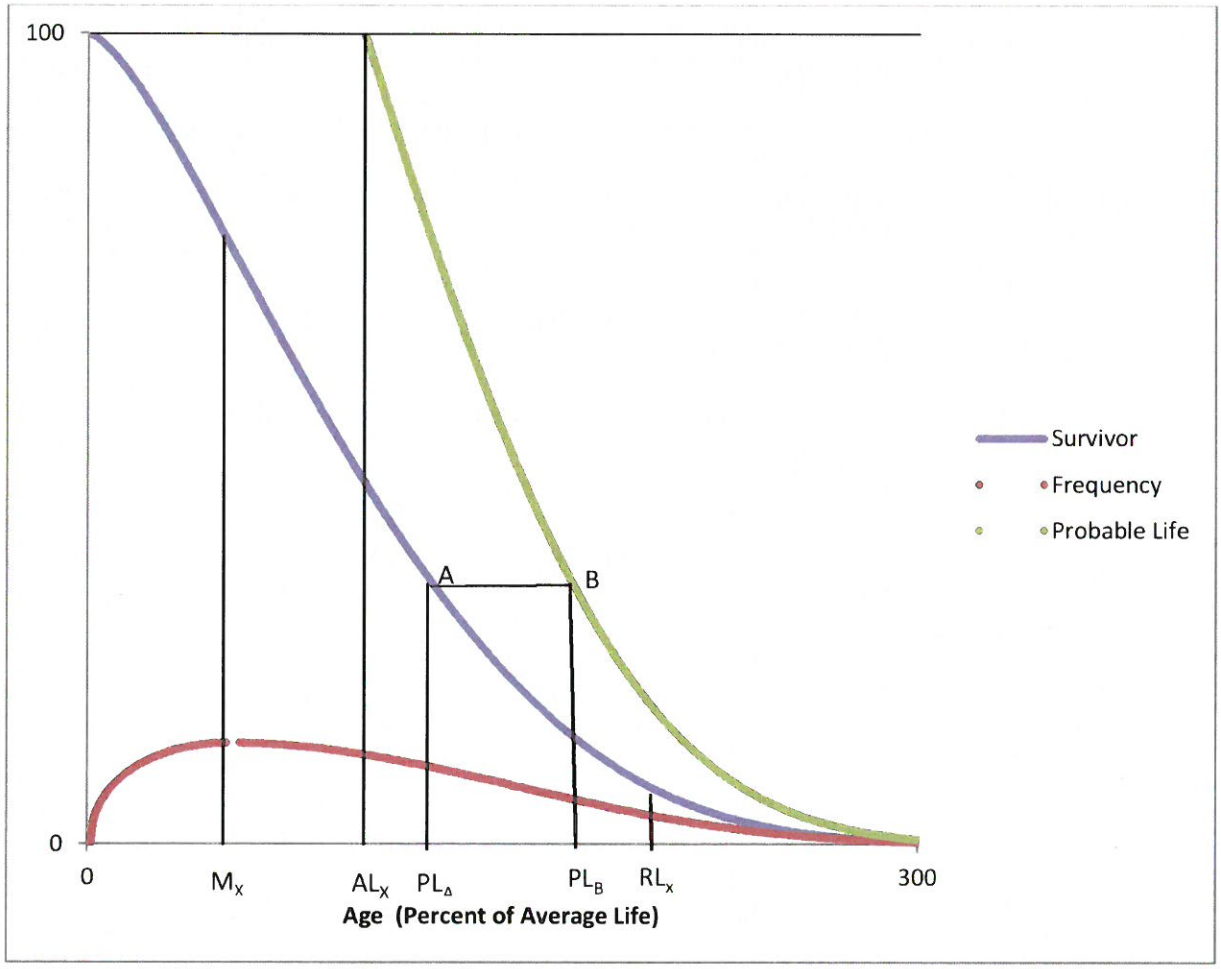
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[62] *Id.* at 73.

[63] *Id.* at 74.

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Figure 13:
Iowa Curve Derivations



Finally, the probable life may also be determined from the Iowa curve. The probable life of a property group is the total life expectancy of the property surviving at any age and is equal to the remaining life plus the current age.[64] The probable life is also illustrated in this figure. The probable life at age PL_A is the age at point PL_B. Thus, to read the probable life at age PL_A, see the

[64] Wolf *supra* n. 6, at 28.

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corresponding point on the survivor curve above at point "A," then horizontally to point "B" on the probable life curve, and back down to the age corresponding to point "B." It is no coincidence that the vertical line from AL_X connects at the top of the probable life curve. This is because at age zero, probable life equals average life.

APPENDIX C:
ACTUARIAL ANALYSIS

Actuarial science is a discipline that applies various statistical methods to assess risk probabilities and other related functions. Actuaries often study human mortality. The results from historical mortality data are used to predict how long similar groups of people who are alive will live today. Insurance companies rely of actuarial analysis in determining premiums for life insurance policies.

The study of human mortality is analogous to estimating service lives of industrial property groups. While some humans die solely from chance, most deaths are related to age; that is, death rates generally increase as age increases. Similarly, physical plant is also subject to forces of retirement. These forces include physical, functional, and contingent factors, as shown in the table below.[65]

Figure 14:
Forces of Retirement

Physical Factors	Functional Factors	Contingent Factors
Wear and tear Decay or deterioration Action of the elements	Inadequacy Obsolescence Changes in technology Regulations Managerial discretion	Casualties or disasters Extraordinary obsolescence

While actuaries study historical mortality data in order to predict how long a group of people will live, depreciation analysts must look at a utility's historical data in order to estimate the average lives of property groups. A utility's historical data is often contained in the

[65] NARUC *supra* n. 7, at 14-15.

Continuing Property Records ("CPR"). Generally, a CPR should contain 1) an inventory of property record units; 2) the association of costs with such units; and 3) the dates of installation and removal of plant. Since actuarial analysis includes the examination of historical data to forecast future retirements, the historical data used in the analysis should not contain events that are anomalous or unlikely to recur.[66] Historical data is used in the retirement rate actuarial method, which is discussed further below.

The Retirement Rate Method

There are several systematic actuarial methods that use historical data in order to calculating observed survivor curves for property groups. Of these methods, the retirement rate method is superior, and is widely employed by depreciation analysts.[67] The retirement rate method is ultimately used to develop an observed survivor curve, which can be fitted with an Iowa curve discussed in Appendix B in order to forecast average life. The observed survivor curve is calculated by using an observed life table ("OLT"). The figures below illustrate how the OLT is developed. First, historical property data are organized in a matrix format, with placement years on the left forming rows, and experience years on the top forming columns. The placement year (a.k.a. "vintage year" or "installation year") is the year of placement of a group of property. The experience year (a.k.a. "activity year") refers to the accounting data for a particular calendar year. The two matrices below use aged data – that is, data for which the dates of placements, retirements, transfers, and other transactions are known. Without aged data, the retirement rate actuarial method may not be employed.

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[66] *Id.* at 112-13.

[67] Anson Marston, Robley Winfrey & Jean C. Hempstead, *Engineering Valuation and Depreciation* 154 (2nd ed., McGraw-Hill Book Company, Inc. 1953).

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The first matrix is the exposure matrix, which shows the exposures at the beginning of each year.[68] An exposure is simply the depreciable property subject to retirement during a period. The second matrix is the retirement matrix, which shows the annual retirements during each year. Each matrix covers placement years 2003–2015, and experience years 2008-2015. In the exposure matrix, the number in the 2009 experience column and the 2003 placement row is $192,000. This means at the beginning of 2012, there was $192,000 still exposed to retirement from the vintage group placed in 2003. Likewise, in the retirement matrix, $19,000 of the dollars invested in 2003 was retired during 2012.

Figure 15:
Exposure Matrix

	Experience Years									
	Exposures at January 1 of Each Year (Dollars in 000's)									
Placement Years	2008	2009	2010	2011	2012	2013	2014	2015	Total at Start of Age Interval	Age Interval
2003	261	245	228	211	**192**	173	152	131	131	11.5 - 12.5
2004	267	252	236	220	202	**184**	165	145	297	10.5 - 11.5
2005	304	291	277	263	248	232	**216**	198	536	9.5 - 10.5
2006	345	334	322	310	298	284	270	**255**	**847**	8.5 - 9.5
2007	367	357	347	335	324	312	299	286	1,201	7.5 - 8.5
2008	375	366	357	347	336	325	314	302	1,581	6.5 - 7.5
2009		377	366	356	346	336	327	319	1,986	5.5 - 6.5
2010			381	369	358	347	336	327	2,404	4.5 - 5.5
2011				386	372	359	346	334	2,559	3.5 - 4.5
2012					395	380	366	352	2,722	2.5 - 3.5
2013						401	385	370	2,866	1.5 - 2.5
2014							410	393	2,998	0.5 - 1.5
2015								416	3,141	0.0 - 0.5
Total	1919	2222	2514	2796	3070	3333	3586	3827	23,268	

[68] Technically, the last numbers in each column are "gross additions" rather than exposures. Gross additions do not include adjustments and transfers applicable to plant placed in a previous year. Once retirements, adjustments, and transfers are factored in, the balance at the beginning of the next account period is called an "exposure" rather than an addition.

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Figure 16:
Retirement Matrix

Placement Years	Experience Years: Retirments During the Year (Dollars in 000's) 2008	2009	2010	2011	2012	2013	2014	2015	Total During Age Interval	Age Interval
2003	16	17	18	19	**19**	20	21	23	23	11.5 - 12.5
2004	15	16	17	17	18	**19**	20	21	43	10.5 - 11.5
2005	13	14	14	15	16	17	**17**	18	59	9.5 - 10.5
2006	11	12	12	13	13	14	15	**15**	**71**	8.5 - 9.5
2007	10	11	11	12	12	13	13	14	82	7.5 - 8.5
2008	9	9	10	10	11	11	12	13	91	6.5 - 7.5
2009		11	10	10	9	9	9	8	95	5.5 - 6.5
2010			12	11	11	10	10	9	100	4.5 - 5.5
2011				14	13	13	12	11	93	3.5 - 4.5
2012					15	14	14	13	91	2.5 - 3.5
2013						16	15	14	93	1.5 - 2.5
2014							17	16	100	0.5 - 1.5
2015								18	112	0.0 - 0.5
Total	74	89	104	121	139	157	175	194	1,052	

These matrices help visualize how exposure and retirement data are calculated for each age interval. An age interval is typically one year. A common convention is to assume that any unit installed during the year is installed in the middle of the calendar year (i.e., July 1st). This convention is called the "half-year convention" and effectively assumes that all units are installed uniformly during the year.[69] Adoption of the half-year convention leads to age intervals of 0-0.5 years, 0.5-1.5 years, etc., as shown in the matrices.

The purpose of the matrices is to calculate the totals for each age interval, which are shown in the second column from the right in each matrix. This column is calculated by adding each number from the corresponding age interval in the matrix. For example, in the exposure matrix, the total amount of exposures at the beginning of the 8.5-9.5 age interval is $847,000. This number was calculated by adding the numbers shown on the "stairs" to the left (192+184+216+255=847).

[69] Wolf *supra* n. 6, at 22.

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The same calculation is applied to each number in the column. The amounts retired during the year in the retirements matrix affect the exposures at the beginning of each year in the exposures matrix. For example, the amount exposed to retirement in 2008 from the 2003 vintage is $261,000. The amount retired during 2008 from the 2003 vintage is $16,000. Thus, the amount exposed to retirement in 2009 from the 2003 vintage is $245,000 ($261,000 - $16,000). The company's property records may contain other transactions which affect the property, including sales, transfers, and adjusting entries. Although these transactions are not shown in the matrices above, they would nonetheless affect the amount exposed to retirement at the beginning of each year.

The totaled amounts for each age interval in both matrices are used to form the exposure and retirement columns in the OLT, as shown in Figure 12 below. This figure also shows the retirement ratio and the survivor ratio for each age interval. The retirement ratio for an age interval is the ratio of retirements during the interval to the property exposed to retirement at the beginning of the interval. The retirement ratio represents the probability that the property surviving at the beginning of an age interval will be retired during the interval. The survivor ratio is simply the complement to the retirement ratio (1 – retirement ratio). The survivor ratio represents the probability that the property surviving at the beginning of an age interval will survive to the next age interval.

Figure 17:
Observed Life Table

Age at Start of Interval	Exposures at Start of Age Interval	Retirements During Age Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Start of Age Interval
A	B	C	D = C / B	E = 1 - D	F
0.0	3,141	112	0.036	0.964	**100.00**
0.5	2,998	100	0.033	0.967	**96.43**
1.5	2,866	93	0.032	0.968	**93.21**
2.5	2,722	91	0.033	0.967	**90.19**
3.5	2,559	93	0.037	0.963	**87.19**
4.5	2,404	100	0.042	0.958	**84.01**
5.5	1,986	95	0.048	0.952	**80.50**
6.5	1,581	91	0.058	0.942	**76.67**
7.5	1,201	82	0.068	0.932	**72.26**
8.5	847	71	0.084	0.916	**67.31**
9.5	536	59	0.110	0.890	**61.63**
10.5	297	43	0.143	0.857	**54.87**
11.5	131	23	0.172	0.828	**47.01**
					38.91
Total	23,268	1,052			

Column F on the right shows the percentages surviving at the beginning of each age interval. This column starts at 100% surviving. Each consecutive number below is calculated by multiplying the percent surviving from the previous age interval by the corresponding survivor ratio for that age interval. For example, the percent surviving at the start of age interval 1.5 is 93.21%, which was calculated by multiplying the percent surviving for age interval 0.5 (96.43%) by the survivor ratio for age interval 0.5 (0.967)[70].

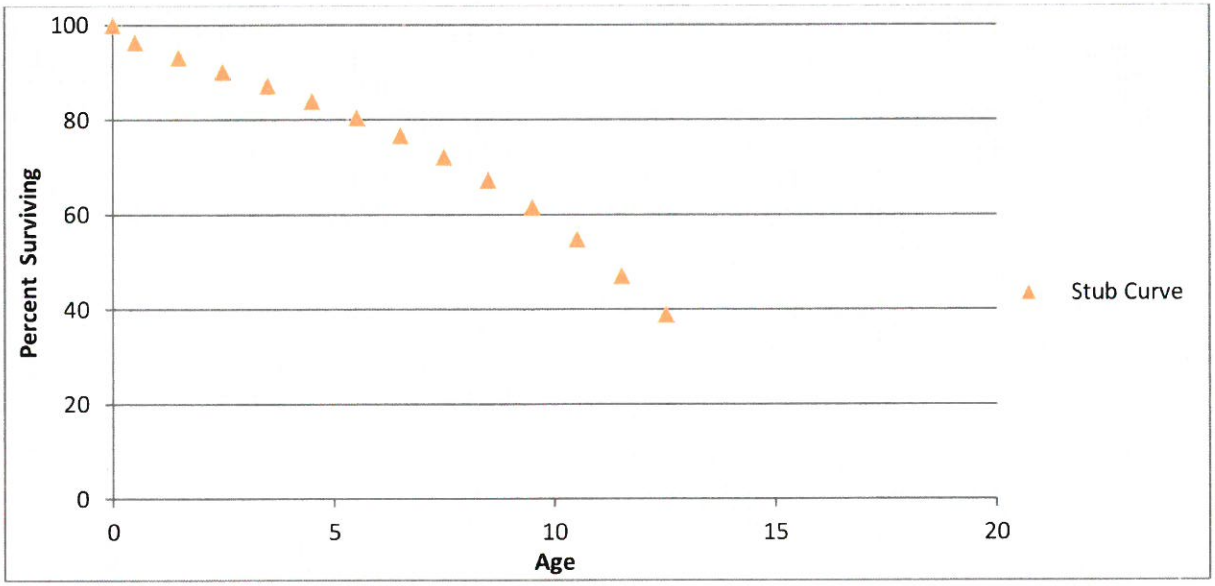
The percentages surviving in Column F are the numbers that are used to form the original survivor curve. This particular curve starts at 100% surviving and ends at 38.91%

[70] Multiplying 96.43 by 0.967 does not equal 93.21 exactly due to rounding.

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surviving. An observed survivor curve such as this that does not reach zero percent surviving is called a "stub" curve. The figure below illustrates the stub survivor curve derived from the OLT table above.

Figure 18:
Original "Stub" Survivor Curve



The matrices used to develop the basic OLT and stub survivor curve provide a basic illustration of the retirement rate method in that only a few placement and experience years were used. In reality, analysts may have several decades of aged property data to analyze. In that case, it may be useful to use a technique called "banding" in order to identify trends in the data.

Banding

The forces of retirement and characteristics of industrial property are constantly changing. A depreciation analyst may examine the magnitude of these changes. Analysts often

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use a technique called "banding" to assist with this process. Banding refers to the merging of several years of data into a single data set for further analysis, and it is a common technique associated with the retirement rate method.[71] There are three primary benefits of using bands in depreciation analysis:

1. Increasing the sample size. In statistical analyses, the larger the sample size in relation to the body of total data, the greater the reliability of the result;

2. Smooth the observed data. Generally, the data obtained from a single activity or vintage year will not produce an observed life table that can be easily fit; and

3. Identify trends. By looking at successive bands, the analyst may identify broad trends in the data that may be useful in projecting the future life characteristics of the property.[72]

Two common types of banding methods are the "placement band" method and the "experience band" method." A placement band, as the name implies, isolates selected placement years for analysis. The figure below illustrates the same exposure matrix shown above, except that only the placement years 2005-2008 are considered in calculating the total exposures at the beginning of each age interval.

[71] NARUC *supra* n. 7, at 113.

[72] *Id.*

Figure 19:
Placement Bands

Placement Years	Experience Years: Exposures at January 1 of Each Year (Dollars in 000's) 2008	2009	2010	2011	2012	2013	2014	2015	Total at Start of Age Interval	Age Interval
2003	261	245	228	211	192	173	152	131		11.5 - 12.5
2004	267	252	236	220	202	184	165	145		10.5 - 11.5
2005	304	291	277	263	248	232	216	198	198	9.5 - 10.5
2006	345	334	322	310	298	284	270	255	471	8.5 - 9.5
2007	367	357	347	335	324	312	299	286	788	7.5 - 8.5
2008	375	366	357	347	336	325	314	302	1,133	6.5 - 7.5
2009		377	366	356	346	336	327	319	1,186	5.5 - 6.5
2010			381	369	358	347	336	327	1,237	4.5 - 5.5
2011				386	372	359	346	334	1,285	3.5 - 4.5
2012					395	380	366	352	1,331	2.5 - 3.5
2013						401	385	370	1,059	1.5 - 2.5
2014							410	393	733	0.5 - 1.5
2015								416	375	0.0 - 0.5
Total	1919	2222	2514	2796	3070	3333	3586	3827	9,796	

The shaded cells within the placement band equal the total exposures at the beginning of age interval 4.5–5.5 ($1,237). The same placement band would be used for the retirement matrix covering the same placement years of 2005 – 2008. This of course would result in a different OLT and original stub survivor curve than those that were calculated above without the restriction of a placement band.

Analysts often use placement bands for comparing the survivor characteristics of properties with different physical characteristics.[73] Placement bands allow analysts to isolate the effects of changes in technology and materials that occur in successive generations of plant. For example, if in 2005 an electric utility began placing transmission poles with a special chemical treatment that extended the service lives of the poles, an analyst could use placement bands to isolate and analyze the effect of that change in the property group's physical characteristics.

[73] Wolf *supra* n. 6, at 182.

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While placement bands are very useful in depreciation analysis, they also possess an intrinsic dilemma. A fundamental characteristic of placement bands is that they yield fairly complete survivor curves for older vintages. However, with newer vintages, which are arguably more valuable for forecasting, placement bands yield shorter survivor curves. Longer "stub" curves are considered more valuable for forecasting average life. Thus, an analyst must select a band width broad enough to provide confidence in the reliability of the resulting curve fit, yet narrow enough so that an emerging trend may be observed.[74]

Analysts also use "experience bands." Experience bands show the composite retirement history for all vintages during a select set of activity years. The figure below shows the same data presented in the previous exposure matrices, except that the experience band from 2011 – 2013 is isolated, resulting in different interval totals.

Figure 20:
Experience Bands

	Experience Years									
	Exposures at January 1 of Each Year (Dollars in 000's)									
Placement Years	2008	2009	2010	2011	2012	2013	2014	2015	Total at Start of Age Interval	Age Interval
2003	261	245	228	211	192	173	152	131		11.5 - 12.5
2004	267	252	236	220	202	184	165	145		10.5 - 11.5
2005	304	291	277	263	248	232	216	198	173	9.5 - 10.5
2006	345	334	322	310	298	284	270	255	376	8.5 - 9.5
2007	367	357	347	335	324	312	299	286	645	7.5 - 8.5
2008	375	366	357	347	336	325	314	302	752	6.5 - 7.5
2009		377	366	356	346	336	327	319	872	5.5 - 6.5
2010			381	369	358	347	336	327	959	4.5 - 5.5
2011				386	372	359	346	334	1,008	3.5 - 4.5
2012					395	380	366	352	1,039	2.5 - 3.5
2013						401	385	370	1,072	1.5 - 2.5
2014							410	393	1,121	0.5 - 1.5
2015								416	1,182	0.0 - 0.5
Total	1919	2222	2514	2796	3070	3333	3586	3827	9,199	

[74] NARUC *supra* n. 7, at 114.

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The shaded cells within the experience band equal the total exposures at the beginning of age interval 4.5–5.5 ($1,237). The same experience band would be used for the retirement matrix covering the same experience years of 2011 – 2013. This of course would result in a different OLT and original stub survivor than if the band had not been used. Analysts often use experience bands to isolate and analyze the effects of an operating environment over time.[75] Likewise, the use of experience bands allows analysis of the effects of an unusual environmental event. For example, if an unusually severe ice storm occurred in 2013, destruction from that storm would affect an electric utility's line transformers of all ages. That is, each of the line transformers from each placement year would be affected, including those recently installed in 2012, as well as those installed in 2003. Using experience bands, an analyst could isolate or even eliminate the 2013 experience year from the analysis. In contrast, a placement band would not effectively isolate the ice storm's effect on life characteristics. Rather, the placement band would show an unusually large rate of retirement during 2013, making it more difficult to accurately fit the data with a smooth Iowa curve. Experience bands tend to yield the most complete stub curves for recent bands because they have the greatest number of vintages included. Longer stub curves are better for forecasting. The experience bands, however, may also result in more erratic retirement dispersion making the curve fitting process more difficult.

Depreciation analysts must use professional judgment in determining the types of bands to use and the band widths. In practice, analysts may use various combinations of placement and experience bands in order to increase the data sample size, identify trends and changes in life characteristics, and isolate unusual events.

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[75] *Id.*

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Regardless of which bands are used, observed survivor curves in depreciation analysis rarely reach zero percent. This is because, as seen in the OLT above, relatively newer vintage groups have not yet been fully retired at the time the property is studied. An analyst could confine the analysis to older, fully retired vintage groups in order to get complete survivor curves, but such analysis would ignore some the property currently in service and would arguably not provide an accurate description of life characteristics for current plant in service. Because a complete curve is necessary to calculate the average life of the property group, however, curve fitting techniques using Iowa curves or other standardized curves may be employed in order to complete the stub curve.

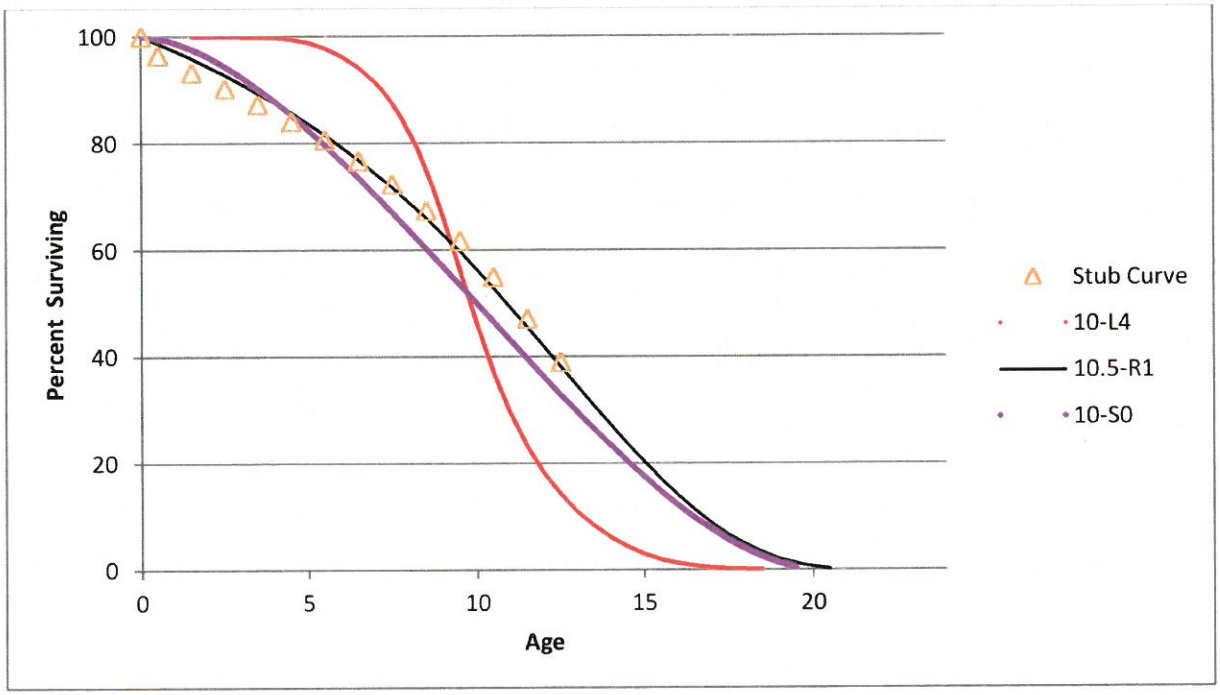
Curve Fitting

Depreciation analysts typically use the survivor curve rather than the frequency curve to fit the observed stub curves. The most commonly used generalized survivor curves used in the curve fitting process are the Iowa curves discussed above. As Wolf notes, if "the Iowa curves are adopted as a model, an underlying assumption is that the process describing the retirement pattern is one of the 22 [or more] processes described by the Iowa curves."[76]

Curve fitting may be done through visual matching or mathematical matching. In visual curve fitting, the analyst visually examines the plotted data to make an initial judgment about the Iowa curves that may be a good fit. The figure below illustrates the stub survivor curve from Figure 13 above. It also shows three different Iowa curves: the 10-L4, the 10.5-R1, and the 10-S0. Visually, it is clear that the 10.5-R1 curve is a better fit than the other two curves.

[76] Wolf *supra* n. 6, at 46 (22 curves includes Winfrey's 18 original curves plus Cowles's four "O" type curves).

Figure 21:
Visual Curve Fitting



In mathematical fitting, the least squares method is used to calculate the best fit. This mathematical method would be excessively time consuming if done by hand. With the use of modern computer software however, mathematical fitting is an efficient and useful process. The typical logic for a computer program, as well as the software employed for the analysis in this testimony is as follows:

> First (an Iowa curve) curve is arbitrarily selected. . . . If the observed curve is a stub curve, . . . calculate the area under the curve and up to the age at final data point. Call this area the realized life. Then systematically vary the average life of the theoretical survivor curve and calculate its realized life at the age corresponding to the study date. This trial and error procedure ends when you find an average life such that the realized life of the theoretical curve equals the realized life of the observed curve. Call this the average life.
>
> Once the average life is found, calculate the difference between each percent surviving point on the observed survivor curve and the corresponding point on the Iowa curve. Square each difference and sum them. The sum of squares is used as a measure of goodness of fit for that particular Iowa type curve. This procedure is

> repeated for the remaining 21 Iowa type curves. The "best fit" is declared to be the type of curve that minimizes the sum of differences squared.[77]

Mathematical fitting requires less judgment from the analyst, and is thus less subjective. Blind reliance on mathematical fitting, however, may lead to poor estimates. Thus, analysts should employ both mathematical and visual curve fitting in reaching their final estimates. This way, analysts may utilize the objective nature of mathematical fitting while still employing professional judgment. As Wolf notes: "The results of mathematical curve fitting serve as a guide for the analyst and speed the visual fitting process. But the results of the mathematical fitting should be checked visually and the final determination of the best fit be made by the analyst."[78]

In Figure 16 above, visual fitting was sufficient to determine that the 10.5-R1 Iowa curve was a better fit than the 10-L4 and the 10-S0 curves. Using the sum of least squares method, mathematical fitting confirms the same result. In the figure below, the percentages surviving from the OLT that formed the original stub curve are shown in the left column, while the corresponding percentages surviving for each age interval are shown for the three Iowa curves. The right portion of the figure shows the differences between the points on each Iowa curve and the stub curve. These differences are summed at the bottom. Curve 10.5-R1 is the best fit because the sum of the squared differences for this curve is less than the same sum of the other two curves. Curve 10-L4 is the worst fit, which was also confirmed visually.

---

[77] Wolf *supra* n. 6, at 47.

[78] *Id.* at 48.

Figure 22:
Mathematical Fitting

Age Interval	Stub Curve	Iowa Curves			Squared Differences		
		10-L4	10-S0	10.5-R1	10-L4	10-S0	10.5-R1
0.0	100.0	100.0	100.0	100.0	0.0	0.0	0.0
0.5	96.4	100.0	99.7	98.7	12.7	10.3	5.3
1.5	93.2	100.0	97.7	96.0	46.1	19.8	7.6
2.5	90.2	100.0	94.4	92.9	96.2	18.0	7.2
3.5	87.2	100.0	90.2	89.5	162.9	9.3	5.2
4.5	84.0	99.5	85.3	85.7	239.9	1.6	2.9
5.5	80.5	97.9	79.7	81.6	301.1	0.7	1.2
6.5	76.7	94.2	73.6	77.0	308.5	9.5	0.1
7.5	72.3	87.6	67.1	71.8	235.2	26.5	0.2
8.5	67.3	75.2	60.4	66.1	62.7	48.2	1.6
9.5	61.6	56.0	53.5	59.7	31.4	66.6	3.6
10.5	54.9	36.8	46.5	52.9	325.4	69.6	3.9
11.5	47.0	23.1	39.6	45.7	572.6	54.4	1.8
12.5	38.9	14.2	32.9	38.2	609.6	36.2	0.4
SUM					**3004.2**	**371.0**	**41.0**

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EDUCATION

University of Oklahoma — Norman, OK
Master of Business Administration — 2014
Areas of Concentration: Finance, Energy

University of Oklahoma College of Law — Norman, OK
Juris Doctor — 2007
Member, American Indian Law Review

University of Oklahoma — Norman, OK
Bachelor of Business Administration — 2003
Major: Finance

PROFESSIONAL DESIGNATIONS

Society of Depreciation Professionals
Certified Depreciation Professional (CDP)

Society of Utility and Regulatory Financial Analysts
Certified Rate of Return Analyst (CRRA)

The Mediation Institute
Certified Civil / Commercial & Employment Mediator

WORK EXPERIENCE

Resolve Utility Consulting PLLC — Oklahoma City, OK
Managing Member — 08/2016 – Present
Provide expert analysis and testimony specializing in depreciation and cost of capital issues for clients in utility regulatory proceedings.

Oklahoma Corporation Commission — Oklahoma City, OK
Public Utility Regulatory Analyst — 02/2012 – 07/2016
Assistant General Counsel — 02/2011 – 01/2012
Represented commission staff in utility regulatory proceedings and provided legal opinions to commissioners. Provided expert analysis and testimony in depreciation, cost of capital, incentive compensation, payroll and other issues.

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Perebus Counsel, PLLC — Oklahoma City, OK
Managing Member — 09/2009 – 01/2011
Represented clients in the areas of family law, estate planning, debt negotiations, business organization, and utility regulation.

Moricoli & Schovanec, P.C. — Oklahoma City, OK
Associate Attorney — 08/2007 – 08/2009
Represented clients in the areas of contracts, oil and gas, business structures and estate administration.

TEACHING EXPERIENCE

University of Oklahoma — Norman, OK
Adjunct Instructor – "Conflict Resolution" — 2014 – Present
Adjunct Instructor – "Ethics in Leadership"

Rose State College — Midwest City, OK
Adjunct Instructor – "Legal Research" — 2013 – 2015
Adjunct Instructor – "Oil & Gas Law"

PUBLICATIONS

American Indian Law Review — Norman, OK
"Vine of the Dead: Reviving Equal Protection Rites for Religious Drug Use" — 2006
(31 Am. Indian L. Rev. 143)

VOLUNTEER EXPERIENCE

Calm Waters — Oklahoma City, OK
Board Member — 2015 – Present
Participate in management of operations, attend meetings, review performance, compensation, and financial records. Assist in fundraising events.

Group Facilitator & Fundraiser — 2014 – Present
Facilitate group meetings designed to help children and families cope with divorce and tragic events. Assist in fundraising events.

St. Jude Children's Research Hospital — Oklahoma City, OK
Oklahoma Fundraising Committee — 2008 – 2010
Raised money for charity by organizing local fundraising events.

PROFESSIONAL ASSOCIATIONS

Oklahoma Bar Association — 2007 – Present

Society of Depreciation Professionals 2014 – Present
Board Member – Vice President 2016
Participate in management of operations, attend meetings, review performance, organize presentation agenda.

Society of Utility Regulatory Financial Analysts 2014 – Present

CONTINUING PROFESSIONAL EDUCATION

Society of Depreciation Professionals New Orleans, LA
"Introduction to Depreciation" and "Extended Training" 2014
Week-long training seminar with extensive instruction on utility depreciation, including average lives and net salvage.

Society of Utility and Regulatory Financial Analysts Indianapolis, IN
46th Financial Forum. "The Regulatory Compact: Is it Still Relevant?" 2014
Forum discussions on current issues.

Energy Management Institute Houston, TX
"Fundamentals of Power Trading" 2013
Instruction and practical examples on the power market complex, as well as comprehensive training on power trading.

New Mexico State University, Center for Public Utilities Santa Fe, NM
Current Issues 2012, "The Santa Fe Conference" 2012
Forum discussions on various current issues in utility regulation.

Energy Management Institute Houston, TX
"Introduction to Energy Trading and Hedging" 2012
Instruction in energy trading and hedging, including examination of various trading instruments and techniques.

Michigan State University, Institute of Public Utilities Clearwater, FL
"39th Eastern NARUC Utility Rate School" 2011
One-week, hands-on training emphasizing the fundamentals of the utility ratemaking process.

New Mexico State University, Center for Public Utilities Albuquerque, NM
"The Basics: Practical Regulatory Training for the Changing Electric Industries" 2010
One-week, hands-on training designed to provide a solid foundation in core areas of utility ratemaking.

The Mediation Institute Oklahoma City, OK
"Civil / Commercial & Employment Mediation Training" 2009
Extensive instruction and mock mediations designed to build foundations in conducting mediations in civil matters.

EXPERIENCE IN REGULATORY PROCEEDINGS

1. **Sierra Pacific Power Company, 2016** (Docket No. 16-06008) – Testified on depreciation rates and related issues.

2. **Oklahoma Gas and Electric Company, 2016** (Cause No. PUD 15-273) – Testified on cost of capital, capital structure, and depreciation rates.

3. **Public Service Company of Oklahoma, 2015** (Cause No. PUD 15-208) – Testified on cost of capital, capital structure, and depreciation rates.

4. **Oklahoma Natural Gas Company, 2015** (Cause No. PUD 15-213) – Testified on cost of capital, capital structure, and depreciation rates.

5. **Oak Hills Water System, Inc.** (Cause No. PUD 15-123) – Testified on cost of capital, capital structure, and depreciation rates.

6. **CenterPoint Energy Oklahoma Gas, 2014** (Cause No. PUD 14-227) – Testified on prudence of fuel-related costs and process in annual fuel audit and prudence review.

7. **Public Service Company of Oklahoma, 2014** (Cause No. PUD 14-233) – Testified on PSO's application for a certificate of authority to issue new debt securities.

8. **Empire District Electric Company, 2014** (Cause No. PUD 14-226) – Testified on prudence of fuel-related costs and process in annual fuel audit and prudence review.

9. **Fort Cobb Fuel Authority, 2014** (Cause No. PUD 14-219) – Testified on prudence of fuel-related costs and process in annual fuel audit and prudence review.

10. **Fort Cobb Fuel Authority, 2014** (Cause No. PUD 14-140) – Testified in FCFA's application for a rate increase on outside services, legislative advocacy, miscellaneous taxes, payroll expense and taxes, employee insurance expense, and insurance expense.

11. **Public Service Company of Oklahoma, 2013** (Cause No. PUD 13-217) – Lead auditor of PSO's application for a rate increase. Provided additional research support for cost of capital issue. Assisted in coordination of PUD staff analysts and issues.

12. **Public Service Company of Oklahoma, 2013** (Cause No. PUD 13-201) – Testified in PSO's application for authorization of a standby and supplemental service tariff.

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13. **Fort Cobb Fuel Authority, 2013** (Cause No. PUD 13-134) – Testified on prudence of fuel-related costs and process in annual fuel audit and prudence review.

14. **Empire District Electric Company, 2013** (Cause No. PUD 13-131) – Testified on prudence of fuel-related costs and process in annual fuel audit and prudence review.

15. **CenterPoint Energy Oklahoma Gas, 2013** (Cause No. PUD 13-127) – Testified on prudence of fuel-related costs and process in annual fuel audit and prudence review.

16. **Oklahoma Gas & Electric Company, 2012** (Cause No. PUD 12-185) – Testified in OG&E's application for extension of a gas transportation contract.

17. **Empire District Electric Company, 2012** (Cause No. PUD 12-170) – Testified on prudence of fuel-related costs and process in annual fuel audit and prudence review.

18. **Oklahoma Gas & Electric Company, 2012** (Cause No. PUD 12-169) – Testified on prudence of fuel-related costs and process in annual fuel audit and prudence review.

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Summary Rate and Accrual Comparison

Account	Original Cost 12/31/2015	PGS Proposal Rate	PGS Proposal Accrual	OPC Proposal Rate	OPC Proposal Accrual	OPC Adjustment
37600 - Mains Steel	$ 385,317,174	2.6%	$ 10,018,247	2.0%	$ 7,804,962	$ (2,213,285)
37602 - Mains Plastic	401,310,012	3.0%	12,039,300	1.3%	5,106,690	(6,932,610)
38000 - Services Steel	46,376,347	5.3%	2,457,946	1.4%	640,781	(1,817,165)
38002 - Services Plastic	247,505,036	4.5%	11,137,727	1.9%	4,736,295	(6,401,432)
38100 - Meters	63,032,755	5.9%	3,718,933	3.8%	2,374,559	(1,344,374)
38200 - Meter Installation	49,175,177	4.5%	2,212,883	1.7%	834,339	(1,378,544)
Total						**$ (20,087,410)**

Detailed Rate Comparison

(as of study date)

Exhibit DJG 3

Account No.	Description	[1] Original Cost	[2] PGS Proposed Rates Rate	[2] PGS Proposed Rates Annual Accrual	[3] OPC Proposed Rates Rate	[3] OPC Proposed Rates Annual Accrual	[4] Difference Rate	[4] Difference Annual Accrual
	Distribution Plant							
37402	Land Rights	2,836,412	1.3%	36,873	1.3%	36,873	0.04%	0
37500	Structures & Improvements	19,415,983	2.5%	485,400	2.5%	485,400	0.02%	0
37600	Mains Steel	385,317,174	2.6%	10,018,247	2.0%	7,804,962	-0.57%	-2,213,285
37602	Mains Plastic	401,310,012	3.0%	12,039,300	1.3%	5,106,690	-1.73%	-6,932,610
37800	Meas & Reg Station Eqp Gen	12,924,984	3.3%	426,524	3.3%	426,524	0.04%	0
37900	Meas & Reg Station Eqp City	34,586,108	3.3%	1,141,342	3.3%	1,141,342	0.02%	0
38000	Services Steel	46,376,347	5.3%	2,457,946	1.4%	640,781	-3.92%	-1,817,165
38002	Services Plastic	247,505,036	4.5%	11,137,727	1.9%	4,736,295	-2.59%	-6,401,432
38100	Meters	63,032,755	5.9%	3,718,933	3.8%	2,374,559	-2.13%	-1,344,374
38200	Meter Installations	49,175,177	4.5%	2,212,883	1.7%	834,339	-2.80%	-1,378,544
38300	House Regulators	14,633,325	3.6%	526,800	3.6%	526,800	-0.02%	0
38400	House Regulator Installs	19,915,060	4.4%	876,263	4.4%	876,263	0.04%	0
38500	Meas & Reg Station Eqp Ind	9,089,094	3.1%	281,762	3.1%	281,762	0.03%	0
38600	Other Property Cust Premise	-	6.7%	-	0.0%	-	-6.70%	0
38700	Other Equipment	5,889,159	6.3%	371,017	6.3%	371,017	-0.05%	0
	Total Distribution Plant	1,312,006,627	3.49%	45,731,017	1.96%	25,643,607	-1.53%	-20,087,410
	Transportation Equipment							
39201	Vehicles up to 1/2 Tons	8,035,686	11.4%	916,068	11.35%	916,068	-0.05%	0
39202	Vehicles from 1/2 - 1 Tons	6,569,197	13.0%	853,996	12.98%	853,996	-0.02%	0
39204	Trailers & Other	1,153,494	4.0%	46,140	3.99%	46,140	-0.01%	0
39205	Vehicles over 1 Ton	1,769,839	7.5%	132,738	7.04%	132,738	-0.46%	0
	General Plant							
30100	Organization Costs	12,620	0.0%	-	0.00%	-	0.00%	0
30200	Franchise & Consents	-	4.0%	-	4.00%	-	0.00%	0
30300	Misc Intangible Plant	815,325	4.0%	32,613	4.02%	32,613	0.02%	0
30301	Custom Intangible Plant	25,717,580	6.7%	1,723,078	6.67%	1,723,078	-0.03%	0
39000	Structures & Improvements	149,951	2.5%	3,749	2.53%	3,749	0.03%	0
39100	Office Furniture	1,470,244	6.7%	98,506	6.72%	98,506	0.02%	0
39101	Computer Equipment	5,293,685	12.3%	651,123	12.32%	651,123	0.02%	0
39102	Office Equipment	922,076	6.7%	61,779	6.66%	61,779	-0.04%	0
39300	Stores Equipment	1,283	3.9%	50	3.91%	50	0.01%	0
39400	Tools, Shop & Garage Equip	6,105,880	6.7%	409,094	6.68%	409,094	-0.02%	0
39401	CNG Station Equipment	-	5.0%	-	5.00%	-	0.00%	0
39500	Laboratory Equipment	-	5.0%	-	5.00%	-	0.00%	0
39600	Power Operated Equipment	2,775,668	6.3%	174,867	6.30%	174,867	0.00%	0
39700	Communication Equipment	4,841,709	8.2%	397,020	8.24%	397,020	0.04%	0
39800	Miscellaneous Equipment	468,234	6.0%	28,094	5.95%	28,094	-0.05%	0
	Total Transportation and General Plant	66,102,470	8.36%	5,528,915	8.33%	5,528,915	-0.03%	0
	TOTAL DEPRECIABLE PLANT	**1,378,109,097**	**3.72%**	**51,259,932**	**2.26%**	**31,172,522**	**-1.46%**	**-20,087,410**

[1] Original cost of plant at 12-31-15 from the Depreciation Study

[2] Proposed depreciation rates and annual accruals from the Depreciation Study

[3] Proposed rates and accruals from DJG 5 (annual accruals hard coded on unadjusted accounts due to rounding differences)

[4] = [3] - [2]

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Depreciation Rate Development

Account No.	Description	[1] Original Cost	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Net Salvage	[4] Depreciable Base	[5] Book Reserve	[6] Future Accruals	[7] Remaining Life	[8] Service Life Accrual	[9] Service Life Rate	[10] Net Salvage Accrual	[11] Net Salvage Rate	[12] Total Accrual	[13] Total Rate
	Distribution Plant														
37402	Land Rights	2,836,412	SQ	75	0.0%	2,836,412	592,695	2,243,717	59.0	38,029	1.3%	-	0.0%	38,029	**1.34%**
37500	Structures & Improvements	19,415,983	R3	40	0.0%	19,415,983	7,684,556	11,731,427	24.0	488,809	2.5%	-	0.0%	488,809	**2.52%**
37600	Mains Steel	385,317,174	R2	55	-40.0%	539,444,044	183,944,998	355,499,046	45.5	4,421,115	1.1%	3,383,847	0.9%	7,804,962	**2.03%**
37602	Mains Plastic	401,310,012	R2	75	-25.0%	501,637,515	155,889,590	345,747,925	67.7	3,624,855	0.9%	1,481,835	0.4%	5,106,690	**1.27%**
37800	Meas & Reg Station Eqp Gen	12,924,984	R1	31	-5.0%	13,571,233	2,773,069	10,798,164	25.0	406,077	3.1%	25,850	0.2%	431,927	**3.34%**
37900	Meas & Reg Station Eqp City	34,586,108	R1	31	-5.0%	36,315,414	6,466,837	29,848,577	26.0	1,081,510	3.1%	66,512	0.2%	1,148,022	**3.32%**
38000	Services Steel	46,376,347	R0.5	50	-100.0%	92,752,695	57,964,560	34,788,135	54.3	(213,449)	-0.5%	854,230	1.8%	640,781	**1.38%**
38002	Services Plastic	247,505,036	R1.5	55	55.0%	383,632,806	152,238,194	231,394,612	48.9	1,949,967	0.8%	2,786,328	1.1%	4,736,295	**1.91%**
38100	Meters	63,032,755	R1	21	5.0%	59,881,117	19,646,963	40,234,154	16.9	2,560,564	4.1%	(186,005)	-0.3%	2,374,559	**3.77%**
38200	Meter Installations	49,175,177	R0.5	43	-20.0%	59,010,212	25,507,475	33,502,737	40.2	589,411	1.2%	244,928	0.5%	834,339	**1.70%**
38300	House Regulators	14,633,325	R2	28	0.0%	14,633,325	5,932,047	8,701,278	16.6	524,173	3.6%	-	0.0%	524,173	**3.58%**
38400	House Regulator Installs	19,915,060	R4	27	-20.0%	23,898,072	10,020,798	13,877,274	15.7	630,208	3.2%	253,695	1.3%	883,903	**4.44%**
38500	Meas & Reg Station Eqp Ird	9,089,094	R4	32	0.0%	9,089,094	5,420,679	3,668,415	12.9	284,373	3.1%	-	0.0%	284,373	**3.13%**
38600	Other Property Cust Premise	-	R1	15	0.0%	-	-	-	15.0	-	0.0%	-	0.0%	-	**0.00%**
38700	Other Equipment	5,889,159	S2	16	0.0%	5,889,159	2,132,612	3,756,547	10.2	368,289	6.3%	-	0.0%	368,289	**6.25%**
	Total Distribution Plant	1,312,006,627				1,762,007,081	636,215,073	1,125,792,008		16,753,932	1.3%	8,911,220	0.7%	25,665,152	**1.96%**
	Transportation Equipment														
39201	Vehicles up to 1/2 Tons	8,035,686	S1	8	10.0%	7,232,118	3,127,353	4,104,765	4.5	1,090,741	13.6%	(178,571)	-2.2%	912,170	**11.35%**
39202	Vehicles from 1/2 - 1 Tons	6,569,197	S2	7	10.0%	5,912,277	3,098,777	2,813,500	3.3	1,051,642	16.0%	(199,067)	-3.0%	852,576	**12.98%**
39204	Trailers & Other	1,153,494	S3	20	20.0%	922,795	208,703	714,092	15.5	60,954	5.3%	(14,884)	-1.3%	46,070	**3.99%**
39205	Vehicles over 1 Ton	1,769,839	S4	12	10.0%	1,592,855	657,801	935,054	7.5	148,272	8.4%	(23,598)	-1.3%	124,674	**7.04%**
	General Plant														
30100	Organization Costs	12,620			0.0%	12,620	-	12,620	0.0		0.0%		0.0%		**0.00%**
30200	Franchise & Consents	-	SQ	25	0.0%	-	-	-	25.0	-	4.0%	-	0.0%	-	**4.00%**
30300	Misc Intangible Plant	815,325	SQ	25	0.0%	815,325	668,002	147,323	4.5	32,738	4.0%	-	0.0%	32,738	**4.02%**
30301	Custom Intangible Plant	25,717,580	SQ	15	0.0%	25,717,580	8,738,083	16,979,497	9.9	1,715,101	6.7%	-	0.0%	1,715,101	**6.67%**
39000	Structures & Improvements	149,951	R3	40	0.0%	149,951	20,841	129,110	34.0	3,797	2.5%	-	0.0%	3,797	**2.53%**
39100	Office Furniture	1,470,244	SQ	15	0.0%	1,470,244	896,947	573,297	5.8	98,844	6.7%	-	0.0%	98,844	**6.72%**
39101	Computer Equipment	5,293,685	SQ	8	0.0%	5,293,685	4,119,598	1,174,087	1.8	652,270	12.3%	-	0.0%	652,270	**12.32%**
39102	Office Equipment	922,076	SQ	15	0.0%	922,076	400,399	521,677	8.5	61,374	6.7%	-	0.0%	61,374	**6.66%**
39300	Stores Equipment	1,283	SQ	25	0.0%	1,283	180	1,103	22.0	50	3.9%	-	0.0%	50	**3.91%**
39400	Tools, Shop & Garage Equip	6,105,880	SQ	15	0.0%	6,105,880	1,577,372	4,528,508	11.1	407,974	6.7%	-	0.0%	407,974	**6.68%**
39401	CNG Station Equipment	-	SQ	20	0.0%	-	-	-	20.0	-	5.0%	-	0.0%	-	**5.00%**
39500	Laboratory Equipment	-	SQ	20	0.0%	-	-	-	20.0	-	5.0%	-	0.0%	-	**5.00%**
39600	Power Operated Equipment	2,775,668	S4	15	5.0%	2,636,885	1,238,693	1,398,192	8.0	192,122	6.9%	(17,348)	-0.6%	174,774	**6.30%**
39700	Communication Equipment	4,841,709	SQ	12	0.0%	4,841,709	3,005,855	1,835,854	4.6	399,099	8.2%	-	0.0%	399,099	**8.24%**
39800	Miscellaneous Equipment	468,234	SQ	17	0.0%	468,234	362,299	105,935	3.8	27,878	6.0%	-	0.0%	27,878	**5.95%**
	Total Transportation and General Plant	66,102,470				64,095,515	28,120,903	35,974,612		5,942,856	9.0%	(433,467)	-0.7%	5,509,389	**8.33%**
	TOTAL DEPRECIABLE PLANT	**1,378,109,097**				**1,826,102,596**	**664,335,976**	**1,161,766,620**		**22,696,787**	**1.6%**	**8,477,753**	**0.6%**	**31,174,540**	**2.26%**

[1] Original cost of plant at 12-31-15 from the Depreciation Study
[2] Selected Iowa curve type and average life through mathematical and visual curve fitting techniques and professional judgement.
[3] For life span accounts, weighted net salvage considering interim and terminal retirements. For mass accounts, estimated net salvage through historical analysis.
[4] = [1]*(1-[3])
[5] From the Company's property records
[6] = [4] - [5]
[7] Average remaining life based on Iowas Curve in Column [2]
[8] = ([1] - [5]) / [7]
[9] = [8] / [1]

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Depreciation Rate Development

Account No.	Description	[1] Original Cost	[2] Iowa Curve Type	[2] Iowa Curve AL	[3] Net Salvage	[4] Depreciable Base	[5] Book Reserve	[6] Future Accruals	[7] Remaining Life	[8] Service Life Accrual	[9] Service Life Rate	[10] Net Salvage Accrual	[11] Net Salvage Rate	[12] Total Accrual	[13] Total Rate

[10] = [12] - [8]
[11] = [13] - [9]
[12] = [6] / [7]
[13] = [12] / [1]. Some unadjusted rates may be hard coded to match the Company's proposed rate.

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Account 37600 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	Exposures (Dollars)	Observed Life Table (OLT)	PGS R3-50	OPC R2-55	PGS SSD	OPC SSD
0.0	345,836,157	100.00%	100.00%	100.00%	0.0000	0.0000
0.5	341,883,042	99.99%	99.98%	99.91%	0.0000	0.0000
1.5	328,962,431	99.93%	99.95%	99.73%	0.0000	0.0000
2.5	294,853,941	99.78%	99.91%	99.54%	0.0000	0.0000
3.5	282,917,234	99.71%	99.86%	99.34%	0.0000	0.0000
4.5	272,036,540	99.26%	99.80%	99.12%	0.0000	0.0000
5.5	244,197,219	98.88%	99.74%	98.89%	0.0001	0.0000
6.5	220,364,931	98.70%	99.66%	98.65%	0.0001	0.0000
7.5	216,639,484	98.17%	99.57%	98.39%	0.0002	0.0000
8.5	216,330,166	98.00%	99.47%	98.12%	0.0002	0.0000
9.5	212,220,138	97.37%	99.36%	97.83%	0.0004	0.0000
10.5	210,208,342	97.01%	99.23%	97.53%	0.0005	0.0000
11.5	208,530,648	96.60%	99.09%	97.21%	0.0006	0.0000
12.5	202,145,558	95.86%	98.92%	96.87%	0.0009	0.0001
13.5	196,092,101	95.60%	98.73%	96.52%	0.0010	0.0001
14.5	101,810,432	95.31%	98.53%	96.14%	0.0010	0.0001
15.5	165,770,775	94.96%	98.29%	95.75%	0.0011	0.0001
16.5	137,697,628	94.75%	98.04%	95.33%	0.0011	0.0000
17.5	123,858,504	93.32%	97.75%	94.89%	0.0020	0.0002
18.5	119,165,593	92.94%	97.43%	94.43%	0.0020	0.0002
19.5	115,643,072	92.24%	97.08%	93.95%	0.0023	0.0003
20.5	108,641,620	92.01%	96.70%	93.44%	0.0022	0.0002
21.5	105,498,668	91.67%	96.28%	92.91%	0.0021	0.0002
22.5	104,261,342	91.28%	95.81%	92.35%	0.0021	0.0001
23.5	105,645,355	90.76%	95.31%	91.76%	0.0021	0.0001
24.5	93,815,748	90.41%	94.76%	91.15%	0.0019	0.0001
25.5	90,218,248	90.18%	94.16%	90.50%	0.0016	0.0000
26.5	96,771,053	89.77%	93.51%	89.83%	0.0014	0.0000
27.5	80,803,118	89.22%	92.81%	89.13%	0.0013	0.0000
28.5	77,237,569	88.71%	92.05%	88.39%	0.0011	0.0000
29.5	69,067,168	88.40%	91.23%	87.62%	0.0008	0.0001
30.5	66,743,837	88.14%	90.35%	86.81%	0.0005	0.0002
31.5	63,576,411	87.82%	89.40%	85.97%	0.0002	0.0003
32.5	60,650,582	87.19%	88.38%	85.10%	0.0001	0.0004
33.5	57,874,199	86.65%	87.28%	84.18%	0.0000	0.0006
34.5	53,447,631	86.23%	86.11%	83.23%	0.0000	0.0009
35.5	50,866,578	85.82%	84.85%	82.24%	0.0001	0.0013
36.5	47,484,097	85.24%	83.51%	81.20%	0.0003	0.0016
37.5	44,008,460	84.72%	82.07%	80.13%	0.0007	0.0021
38.5	42,242,343	84.33%	80.53%	79.01%	0.0014	0.0028
39.5	40,173,932	83.73%	78.89%	77.85%	0.0023	0.0035
40.5	37,580,006	83.27%	77.14%	76.64%	0.0038	0.0044
41.5	34,012,154	82.48%	75.28%	75.39%	0.0052	0.0050
42.5	31,108,513	81.37%	73.30%	74.09%	0.0065	0.0053
43.5	28,744,772	79.87%	71.21%	72.75%	0.0075	0.0051
44.5	27,706,541	78.98%	68.99%	71.36%	0.0100	0.0058
45.5	25,719,846	77.88%	66.66%	69.92%	0.0126	0.0063
46.5	22,785,252	73.97%	64.20%	68.43%	0.0095	0.0031
47.5	18,910,974	72.41%	61.63%	66.90%	0.0116	0.0030
48.5	17,542,854	71.63%	58.95%	65.32%	0.0161	0.0040
49.5	16,558,940	71.28%	56.17%	63.70%	0.0228	0.0057
50.5	14,865,562	68.65%	53.29%	62.03%	0.0236	0.0044
51.5	13,656,154	67.72%	50.34%	60.32%	0.0302	0.0055
52.5	12,679,266	66.41%	47.32%	58.57%	0.0364	0.0061
53.5	11,006,771	60.98%	44.25%	56.78%	0.0280	0.0018
54.5	10,154,278	59.48%	41.16%	54.95%	0.0335	0.0021
55.5	7,495,739	57.99%	38.07%	53.09%	0.0397	0.0024
56.5	5,511,780	55.60%	35.00%	51.20%	0.0424	0.0019
57.5	3,831,078	54.27%	31.98%	49.28%	0.0497	0.0025
58.5	3,480,943	53.73%	29.03%	47.33%	0.0610	0.0041
59.5	3,192,216	53.12%	26.17%	45.37%	0.0727	0.0060
60.5	3,032,005	52.22%	23.42%	43.40%	0.0829	0.0078
61.5	2,883,722	51.58%	20.81%	41.41%	0.0947	0.0103
62.5	2,662,411	50.33%	18.35%	39.42%	0.1023	0.0119
63.5	2,510,596	49.79%	16.05%	37.43%	0.1138	0.0153

Account 37600 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	Exposures (Dollars)	Observed Life Table (OLT)	PGS R3-50	OPC R2-55	PGS SSD	OPC SSD
64.5	2,383,724	49.06%	13.92%	35.45%	0.1235	0.0185
65.5	2,269,968	48.46%	11.97%	33.49%	0.1331	0.0224
66.5	2,198,558	47.33%	10.20%	31.54%	0.1379	0.0249
67.5	2,027,514	45.43%	8.60%	29.62%	0.1356	0.0250
68.5	1,737,122	44.47%	7.17%	27.73%	0.1391	0.0280
69.5	1,531,595	43.08%	5.91%	25.88%	0.1382	0.0296
70.5	1,489,182	42.51%	4.80%	24.08%	0.1422	0.0340
71.5	1,449,510	41.55%	3.84%	22.32%	0.1422	0.0370
72.5	1,409,329	41.07%	3.01%	20.62%	0.1449	0.0418
73.5	1,335,636	40.40%	2.31%	18.98%	0.1451	0.0459
74.5	1,242,212	39.91%	1.72%	17.40%	0.1458	0.0507
75.5	1,004,941	38.63%	1.24%	15.88%	0.1397	0.0517
76.5	906,565	35.97%	0.86%	14.44%	0.1233	0.0464
77.5	849,686	34.59%	0.56%	13.07%	0.1158	0.0463
78.5	749,255	32.91%	0.34%	11.77%	0.1060	0.0447
79.5	689,523	31.85%	0.19%	10.55%	0.1003	0.0454
80.5	681,148	31.52%	0.09%	9.40%	0.0988	0.0489
81.5	458,712	28.45%	0.04%	8.33%	0.0807	0.0405
82.5	404,485	25.14%	0.01%	7.33%	0.0631	0.0317
83.5	373,619	23.30%	0.00%	6.41%	0.0543	0.0285
84.5	355,273	22.33%		5.56%		
85.5	326,393	21.06%		4.78%		
86.5	296,644	19.42%		4.06%		
87.5	275,500	18.59%		3.41%		
88.5	171,751	18.32%		2.83%		
89.5	21,800	14.88%		2.32%		
90.5	1	3.37%		1.86%		
91.5	1	3.37%		1.46%		
92.5	1.0	3.37%		1.11%		
93.5	1.0	3.37%		0.82%		
94.5	1.0	3.37%		0.59%		
95.5	1.0	3.37%		0.40%		
96.5	1.0	3.37%		0.25%		
97.5	1.0	3.37%		0.14%		
98.5	1.0	3.37%		0.07%		
99.5	1.0	3.37%		0.03%		
100.5	1.0	3.37%		0.01%		
Sum of Squared Differences				[8]	3.3622	0.8875
Up to 1% of Beginning Exposures				[9]	0.4860	0.0942

[1] Age in years using half-year convention

[2] Dollars exposed to retirement at the beginning of each age interval

[3] Observed life table based on the Company's property records. These numbers form the original survivor curve.

[4] The Company's selected Iowa curve to be fitted to the OLT.

[5] My selected Iowa curve to be fitted to the OLT.

[6] = ([4] - [3])^2. This is the squared difference between each point on the Company's curve and the observed survivor curve.

[7] = ([5] - [3])^2. This is the squared difference between each point on my curve and the observed survivor curve.

[8] = Sum of squared differences. The smallest SSD represents the best mathematical fit.

[9] = Sum of squared differences up to the 1% of beginning exposures cut-off.

*The bold horizontal line represents the 1% of beginning exposures cut-off.

Account 37600 Rate Development

	Curve Type	R2	[1]	Composite RL	45.5	[4]
	Average Life	55	[2]	Accrual Rate	2.03%	[5]
	Net Salvage	-40%	[3]	Total Reserve	$ 183,944,998	[6]

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2015	$ 6,668,021	$ 16	$ 23	$ 9,335,206	55.0	$ 169,731
2014	17,346,600	199,854	288,054	23,997,186	54.5	439,933
2013	36,459,850	1,257,342	1,812,238	49,231,552	53.6	917,725
2012	15,207,289	871,902	1,256,694	20,033,511	52.7	379,800
2011	13,122,313	1,050,634	1,514,304	16,856,934	51.9	325,081
2010	28,496,989	2,925,882	4,217,146	35,678,639	51.0	700,042
2009	25,385,637	3,177,207	4,579,387	30,960,505	50.1	618,183
2008	5,150,015	759,651	1,094,904	6,115,117	49.2	124,278
2007	3,643,115	618,312	891,188	4,209,173	48.3	87,088
2006	6,066,988	1,163,665	1,677,220	6,816,563	47.5	143,613
2005	3,620,456	773,867	1,115,394	3,953,245	46.6	84,829
2004	3,649,801	859,728	1,239,147	3,870,574	45.7	84,610
2003	6,722,219	1,729,043	2,492,112	6,918,994	44.9	154,114
2002	7,496,866	2,089,528	3,011,688	7,483,924	44.1	169,895
2001	18,296,363	5,490,349	7,913,377	17,701,531	43.2	409,652
2000	17,330,203	5,567,952	8,025,228	16,237,057	42.4	383,148
1999	29,122,741	9,969,860	14,369,806	26,402,031	41.6	635,413
1998	13,076,391	4,749,815	6,846,026	11,460,921	40.7	281,388
1997	5,370,323	2,061,988	2,971,994	4,546,458	39.9	113,901
1996	3,546,532	1,434,644	2,067,788	2,897,357	39.1	74,086
1995	7,480,831	3,178,717	4,581,563	5,891,600	38.3	153,800
1994	3,535,358	1,573,732	2,268,259	2,681,242	37.5	71,476
1993	4,159,082	1,934,785	2,788,654	3,034,061	36.7	82,617
1992	3,295,834	1,598,703	2,304,250	2,309,917	35.9	64,265
1991	13,981,345	7,057,154	10,171,651	9,402,232	35.2	267,334
1990	3,746,580	1,964,185	2,831,029	2,414,183	34.4	70,172
1989	3,376,494	1,835,403	2,645,412	2,081,680	33.6	61,872
1988	5,573,469	3,136,285	4,520,405	3,282,452	32.9	99,791
1987	3,262,606	1,897,730	2,735,245	1,832,403	32.1	56,997
1986	8,079,785	4,851,058	6,991,950	4,319,749	31.4	137,514
1985	2,269,624	1,404,739	2,024,685	1,152,789	30.7	37,569
1984	3,018,347	1,923,486	2,772,368	1,453,318	30.0	48,501
1983	2,633,048	1,725,685	2,487,273	1,198,994	29.3	40,988
1982	2,471,746	1,664,267	2,398,750	1,061,694	28.5	37,189
1981	4,304,203	2,974,282	4,286,906	1,738,978	27.9	62,434
1980	2,643,173	1,872,674	2,699,131	1,001,311	27.2	36,859
1979	3,298,881	2,394,168	3,450,773	1,167,660	26.5	44,082
1978	3,279,738	2,436,140	3,511,270	1,080,364	25.8	41,843
1977	1,588,096	1,206,305	1,738,677	484,658	25.2	19,264
1976	1,811,773	1,406,240	2,026,849	509,634	24.5	20,795
1975	2,438,703	1,932,648	2,785,574	628,610	23.9	26,339
1974	3,304,470	2,671,907	3,851,086	775,172	23.2	33,363
1973	3,011,007	2,482,318	3,577,827	637,583	22.6	28,196
1972	1,962,441	1,648,469	2,375,980	371,438	22.0	16,884
1971	1,912,444	1,635,819	2,357,747	319,675	21.4	14,940
1970	1,689,746	1,470,820	2,119,929	245,715	20.8	11,811
1969	1,719,894	1,522,545	2,194,483	213,369	20.2	10,551
1968	3,557,823	3,201,375	4,614,221	366,731	19.7	18,663
1967	1,729,454	1,580,908	2,278,602	142,634	19.1	7,472
1966	897,930	833,403	1,201,205	55,897	18.5	3,015
1965	1,088,172	1,024,950	1,477,286	46,155	18.0	2,565
1964	1,020,173	974,649	1,404,786	23,456	17.5	1,343
1963	770,057	745,863	1,075,031	3,049	16.9	180
1962	648,565	636,575	917,512	(9,521)	16.4	(579)
1961	641,400	637,662	919,078	(21,118)	15.9	(1,325)
1960	2,604,002	2,621,077	3,777,823	(132,220)	15.5	(8,554)
1959	2,247,318	2,289,255	3,299,561	(153,316)	15.0	(10,234)
1958	1,705,593	1,757,590	2,533,258	(145,428)	14.5	(10,018)
1957	348,676	363,334	523,683	(35,536)	14.1	(2,527)
1956	256,224	269,887	388,994	(30,281)	13.6	(2,223)
1955	106,394	113,239	163,215	(14,263)	13.2	(1,082)

Account 37600 Rate Development

	Curve Type	R2	[1]	Composite RL	45.5	[4]
	Average Life	55	[2]	Accrual Rate	2.03%	[5]
	Net Salvage	-40%	[3]	Total Reserve	$ 183,944,998	[6]

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1954	138,688	149,102	214,904	(20,741)	12.8	(1,625)
1953	152,429	165,473	238,500	(25,099)	12.4	(2,032)
1952	124,438	136,360	196,538	(22,325)	12.0	(1,868)
1951	90,969	100,592	144,986	(17,629)	11.6	(1,525)
1950	83,542	93,193	134,321	(17,362)	11.2	(1,554)
1949	22,840	25,695	37,035	(5,059)	10.8	(468)
1948	88,952	100,897	145,426	(20,893)	10.4	(2,001)
1947	270,273	309,016	445,392	(67,010)	10.1	(6,646)
1946	152,131	175,285	252,643	(39,659)	9.7	(4,074)
1945	23,802	27,631	39,825	(6,502)	9.4	(692)
1944	9,533	11,147	16,067	(2,720)	9.1	(300)
1943	32,977	38,834	55,972	(9,804)	8.7	(1,122)
1942	50,709	60,129	86,665	(15,672)	8.4	(1,862)
1941	77,140	92,088	132,728	(24,732)	8.1	(3,053)
1940	197,268	237,048	341,664	(65,489)	7.8	(8,405)
1939	29,338	35,482	51,141	(10,068)	7.5	(1,345)
1938	22,029	26,811	38,644	(7,803)	7.2	(1,086)
1937	59,149	72,439	104,408	(21,599)	6.9	(3,136)
1936	35,747	44,049	63,488	(13,443)	6.6	(2,040)
1935	1,109	1,375	1,982	(429)	6.3	(68)
1934	156,144	194,739	280,682	(62,081)	6.0	(10,340)
1933	831	1,043	1,503	(339)	5.7	(59)
1932	1,272	1,605	2,314	(533)	5.4	(98)
1931	2,753	3,495	5,037	(1,183)	5.1	(230)
1930	8,685	11,089	15,982	(3,823)	4.8	(790)
1929	4,399	5,649	8,142	(1,983)	4.6	(436)
1928	8,405	10,855	15,645	(3,878)	4.3	(909)
1927	99,780	129,587	186,777	(47,085)	4.0	(11,835)
1926	117,700	153,717	221,556	(56,776)	3.7	(15,376)
1925	4,931	6,476	9,334	(2,430)	3.4	(713)
Totals	**$ 385,317,174**	**$ 127,622,167**	**$ 183,944,998**	**$ 355,499,046**	**45.5**	**$ 7,804,962**

[1], [2] Selected Iowa curve type and average life through mathematical and visual curve fitting-techniques and professional judgment.
[3] Selected net salvage rate based on historical records and professional judgment.
[4] = total of [11] / total of [13]
[5] = total of [13] / total of [8]
[6] From the Company's property records
[7] Year of property installation
[8] Original cost of plant from the Company's property records
[9] = (1 - [12] / [2]) * ([8] * (1 - [3]))
[10] = [6] * [9] / total of [9]
[11] = [8] * (1 - [3]) - [10]
[12] Average remaining life based on selected Iowa curve in [1] and [2]
[13] = [11] / [12]

Account 37602 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	Exposures (Dollars)	Observed Life Table (OLT)	PGS R3-40	OPC R2-75	PGS SSD	OPC SSD
0.0	387,856,903	100.00%	100.00%	100.00%	0.0000	0.0000
0.5	366,083,267	99.99%	99.98%	99.94%	0.0000	0.0000
1.5	340,479,993	99.95%	99.93%	99.81%	0.0000	0.0000
2.5	315,032,274	99.91%	99.88%	99.67%	0.0000	0.0000
3.5	299,812,241	99.85%	99.81%	99.53%	0.0000	0.0000
4.5	275,639,602	99.75%	99.73%	99.38%	0.0000	0.0000
5.5	249,038,038	99.58%	99.63%	99.22%	0.0000	0.0000
6.5	231,108,823	99.49%	99.51%	99.06%	0.0000	0.0000
7.5	223,722,374	99.29%	99.38%	98.89%	0.0000	0.0000
8.5	216,887,274	98.91%	99.21%	98.72%	0.0000	0.0000
9.5	210,987,950	98.62%	99.03%	98.53%	0.0000	0.0000
10.5	205,003,293	98.49%	98.81%	98.34%	0.0000	0.0000
11.5	197,150,928	98.31%	98.55%	98.14%	0.0000	0.0000
12.5	188,125,522	98.15%	98.26%	97.93%	0.0000	0.0000
13.5	176,024,929	97.96%	97.93%	97.72%	0.0000	0.0000
14.5	154,745,279	97.84%	97.56%	97.49%	0.0000	0.0000
15.5	126,470,843	97.59%	97.13%	97.25%	0.0000	0.0000
16.5	106,242,459	97.03%	96.65%	97.01%	0.0000	0.0000
17.5	91,171,702	96.88%	96.11%	96.76%	0.0001	0.0000
18.5	82,909,940	96.60%	95.50%	96.49%	0.0001	0.0000
19.5	77,385,458	96.41%	94.83%	96.22%	0.0003	0.0000
20.5	69,705,068	96.24%	94.08%	95.93%	0.0005	0.0000
21.5	62,945,650	95.99%	93.25%	95.64%	0.0008	0.0000
22.5	56,393,364	95.64%	92.34%	95.33%	0.0011	0.0000
23.5	52,830,061	95.30%	91.34%	95.01%	0.0016	0.0000
24.5	49,056,066	94.90%	90.23%	94.68%	0.0022	0.0000
25.5	41,318,356	94.71%	89.02%	94.34%	0.0032	0.0000
26.5	36,651,258	94.41%	87.70%	93.98%	0.0045	0.0000
27.5	31,163,504	93.94%	86.26%	93.61%	0.0059	0.0000
28.5	26,653,433	93.63%	84.69%	93.23%	0.0080	0.0000
29.5	20,875,384	93.20%	82.97%	92.83%	0.0104	0.0000
30.5	17,229,431	92.66%	81.11%	92.42%	0.0133	0.0000
31.5	13,943,734	92.46%	79.10%	92.00%	0.0178	0.0000
32.5	11,512,517	91.97%	76.91%	91.56%	0.0227	0.0000
33.5	9,694,006	91.80%	74.55%	91.10%	0.0297	0.0000
34.5	8,320,055	91.56%	72.01%	90.63%	0.0382	0.0001
35.5	7,089,002	91.15%	69.28%	90.15%	0.0479	0.0001
36.5	4,948,833	90.55%	66.36%	89.65%	0.0586	0.0001
37.5	3,718,956	90.16%	63.25%	89.13%	0.0724	0.0001
38.5	2,911,593	89.66%	59.97%	88.59%	0.0882	0.0001
39.5	2,540,871	89.27%	56.52%	88.03%	0.1073	0.0002
40.5	1,839,211	88.81%	52.92%	87.46%	0.1288	0.0002
41.5	1,156,667	88.49%	49.21%	86.87%	0.1543	0.0003
42.5	883,136	85.58%	45.40%	86.26%	0.1614	0.0000
43.5	637,617	85.18%	41.55%	85.63%	0.1904	0.0000
44.5	452,371	84.54%	37.69%	84.98%	0.2195	0.0000
45.5	250,904	79.71%	33.87%	84.31%	0.2102	0.0021
46.5	126,129	78.45%	30.13%	83.62%	0.2335	0.0027

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Account 37602 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	**Exposures (Dollars)**	**Observed Life Table (OLT)**	**PGS R3-40**	**OPC R2-75**	**PGS SSD**	**OPC SSD**
47.5	16,308	77.43%	26.52%	82.90%	0.2592	0.0030
48.5	8,167	72.22%	23.09%	82.17%	0.2413	0.0099
49.5	5,772	72.22%	19.88%	81.41%	0.2740	0.0085
50.5	4,807	72.22%	16.90%	80.63%	0.3060	0.0071
51.5	4,806	72.22%	14.18%	79.83%	0.3368	0.0058
52.5	1	72.22%	11.74%	79.01%	0.3657	0.0046
53.5	1	72.22%	9.58%	78.16%	0.3923	0.0035
54.5	1	72.22%	7.69%	77.29%	0.4164	0.0026
55.5	1	72.22%	6.06%	76.39%	0.4377	0.0017
Sum of Squared Differences				[8]	4.8621	0.0530
Up to 1% of Beginning Exposures				[9]	0.2669	0.0006

[1] Age in years using half-year convention

[2] Dollars exposed to retirement at the beginning of each age interval

[3] Observed life table based on the Company's property records. These numbers form the original survivor curve.

[4] The Company's selected Iowa curve to be fitted to the OLT.

[5] My selected Iowa curve to be fitted to the OLT.

[6] = ([4] - [3])^2. This is the squared difference between each point on the Company's curve and the observed survivor curve.

[7] = ([5] - [3])^2. This is the squared difference between each point on my curve and the observed survivor curve.

[8] = Sum of squared differences. The smallest SSD represents the best mathematical fit.

[9] = Sum of squared differences up to the 1% of beginning exposures cut-off.

*The bold horizontal line represents the 1% of beginning exposures cut-off.

Account 37602 Rate Development

	Curve Type	R2	[1]	Composite RL	67.7	[4]
	Average Life	75	[2]	Accrual Rate	1.27%	[5]
	Net Salvage	-25%	[3]	Total Reserve	$ 155,889,590	[6]

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2015	$ 25,640,754	$ 38	$ 91	$ 32,050,852	75.0	$ 427,345
2014	28,855,720	217,680	524,707	35,544,943	74.5	476,810
2013	27,871,938	630,083	1,518,782	33,321,140	73.6	452,465
2012	16,930,733	636,669	1,534,658	19,628,758	72.7	269,834
2011	25,248,563	1,326,817	3,198,226	28,362,478	71.8	394,762
2010	27,390,977	1,847,336	4,452,909	29,785,813	71.0	419,794
2009	19,928,908	1,639,501	3,951,934	20,959,201	70.1	299,144
2008	8,165,651	792,368	1,909,962	8,297,102	69.2	119,939
2007	6,862,957	766,936	1,848,661	6,730,036	68.3	98,544
2006	5,669,277	716,545	1,727,194	5,359,402	67.4	79,497
2005	6,440,231	907,903	2,188,453	5,861,836	66.5	88,093
2004	8,244,020	1,281,926	3,090,017	7,215,008	65.7	109,867
2003	8,971,167	1,524,607	3,674,987	7,538,972	64.8	116,336
2002	12,041,815	2,219,690	5,350,450	9,701,818	63.9	151,733
2001	21,237,993	4,219,077	10,169,871	16,377,620	63.1	259,630
2000	28,074,107	5,977,028	14,407,320	20,685,314	62.2	332,423
1999	19,797,981	4,495,783	10,836,855	13,910,621	61.4	226,650
1998	15,156,092	3,655,645	8,811,746	10,133,369	60.5	167,416
1997	8,088,130	2,064,351	4,976,013	5,134,149	59.7	86,019
1996	5,370,352	1,445,690	3,484,761	3,228,179	58.8	54,856
1995	7,546,959	2,136,524	5,149,983	4,283,716	58.0	73,839
1994	6,579,712	1,953,571	4,708,983	3,515,657	57.2	61,478
1993	6,325,122	1,964,899	4,736,289	3,170,113	56.4	56,247
1992	3,360,929	1,090,023	2,627,445	1,573,716	55.5	28,334
1991	3,552,030	1,200,238	2,893,112	1,546,926	54.7	28,267
1990	7,639,381	2,684,554	6,470,980	3,078,246	53.9	57,094
1989	4,592,235	1,675,455	4,038,600	1,701,694	53.1	32,041
1988	5,304,290	2,006,002	4,835,365	1,794,997	52.3	34,315
1987	4,407,346	1,725,254	4,158,636	1,350,546	51.5	26,218
1986	5,654,900	2,288,193	5,515,572	1,553,053	50.7	30,619
1985	3,525,038	1,472,509	3,549,407	856,890	49.9	17,160
1984	3,248,481	1,399,252	3,372,825	687,776	49.2	13,992
1983	2,357,898	1,046,138	2,521,662	425,710	48.4	8,799
1982	1,796,840	820,264	1,977,205	268,845	47.6	5,647
1981	1,349,069	633,054	1,525,945	160,391	46.8	3,424
1980	1,193,974	575,400	1,386,973	105,494	46.1	2,289
1979	2,093,588	1,035,238	2,495,388	121,597	45.3	2,682
1978	1,208,336	612,573	1,476,577	33,843	44.6	759
1977	786,868	408,658	985,049	(1,464)	43.8	(33)
1976	358,042	190,345	458,816	(11,264)	43.1	(261)
1975	688,591	374,469	902,638	(41,899)	42.4	(989)
1974	675,804	375,695	905,594	(60,839)	41.6	(1,461)
1973	235,567	133,781	322,472	(28,013)	40.9	(685)
1972	241,408	139,970	337,391	(35,631)	40.2	(886)
1971	180,397	106,725	257,256	(31,760)	39.5	(804)
1970	175,640	105,963	255,419	(35,869)	38.8	(924)
1969	120,809	74,284	179,058	(28,047)	38.1	(736)

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Account 37602 Rate Development

	Curve Type	R2	[1]	Composite RL	67.7	[4]
	Average Life	75	[2]	Accrual Rate	1.27%	[5]
	Net Salvage	-25%	[3]	Total Reserve	$ 155,889,590	[6]

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1968	108,182	67,763	163,340	(28,113)	37.4	(751)
1967	7,043	4,492	10,827	(2,023)	36.7	(55)
1966	2,395	1,554	3,747	(753)	36.1	(21)
1965	966	638	1,537	(330)	35.4	(9)
1964	-	-	-	-	34.7	-
1963	4,806	3,279	7,903	(1,895)	34.1	(56)
Totals	**$ 401,310,012**	**$ 64,672,430**	**$ 155,889,590**	**$ 345,747,925**	**67.7**	**$ 5,106,690**

[1], [2] Selected Iowa curve type and average life through mathematical and visual curve fitting-techniques and professional judgment.
[3] Selected net salvage rate based on historical records and professional judgment.
[4] = total of [11] / total of [13]
[5] = total of [13] / total of [8]
[6] From the Company's property records
[7] Year of property installation
[8] Original cost of plant from the Company's property records
[9] = (1 - [12] / [2]) * ([8] * (1 - [3]))
[10] = [6] * [9] / total of [9]
[11] = [8] * (1 - [3]) - [10]
[12] Average remaining life based on selected Iowa curve in [1] and [2]
[13] = [11] / [12]

Account 38000 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	Exposures (Dollars)	Observed Life Table (OLT)	PGS R3-32	OPC R0.5-50	PGS SSD	OPC SSD
0.0	36,273,203	100.00%	100.00%	100.00%	0.0000	0.0000
0.5	35,151,494	99.99%	99.98%	99.62%	0.0000	0.0000
1.5	34,148,963	99.80%	99.91%	98.86%	0.0000	0.0001
2.5	32,813,359	99.44%	99.84%	98.09%	0.0000	0.0002
3.5	32,221,981	99.06%	99.74%	97.31%	0.0000	0.0003
4.5	32,193,218	98.50%	99.62%	96.52%	0.0001	0.0004
5.5	31,683,582	97.71%	99.46%	95.73%	0.0003	0.0004
6.5	31,128,399	96.68%	99.28%	94.93%	0.0007	0.0003
7.5	30,675,879	95.87%	99.05%	94.12%	0.0010	0.0003
8.5	30,639,566	94.98%	98.78%	93.31%	0.0014	0.0003
9.5	31,161,937	93.56%	98.45%	92.49%	0.0024	0.0001
10.5	31,151,942	92.39%	98.06%	91.66%	0.0032	0.0001
11.5	31,197,186	91.38%	97.61%	90.82%	0.0039	0.0000
12.5	30,905,013	90.49%	97.07%	89.98%	0.0043	0.0000
13.5	29,922,366	89.28%	96.45%	89.13%	0.0051	0.0000
14.5	30,202,859	88.19%	95.74%	88.28%	0.0057	0.0000
15.5	28,516,410	86.90%	94.92%	87.41%	0.0064	0.0000
16.5	27,929,024	85.89%	93.98%	86.54%	0.0065	0.0000
17.5	26,915,472	84.88%	92.92%	85.67%	0.0065	0.0001
18.5	26,129,024	84.05%	91.72%	84.78%	0.0059	0.0001
19.5	25,523,236	82.91%	90.38%	83.89%	0.0056	0.0001
20.5	24,837,511	81.70%	88.87%	82.99%	0.0051	0.0002
21.5	23,836,206	80.70%	87.18%	82.08%	0.0042	0.0002
22.5	23,568,855	79.76%	85.29%	81.17%	0.0031	0.0002
23.5	23,827,484	78.62%	83.20%	80.24%	0.0021	0.0003
24.5	22,566,077	77.36%	80.87%	79.30%	0.0012	0.0004
25.5	21,529,502	76.28%	78.30%	78.36%	0.0004	0.0004
26.5	20,606,649	75.34%	75.46%	77.40%	0.0000	0.0004
27.5	19,678,003	74.23%	72.34%	76.44%	0.0004	0.0005
28.5	18,888,029	73.25%	68.92%	75.46%	0.0019	0.0005
29.5	18,214,709	72.32%	65.21%	74.47%	0.0051	0.0005
30.5	17,430,000	71.54%	61.22%	73.47%	0.0106	0.0004
31.5	16,854,342	70.62%	56.96%	72.45%	0.0187	0.0003
32.5	16,286,804	69.69%	52.47%	71.43%	0.0297	0.0003
33.5	15,671,318	68.76%	47.79%	70.39%	0.0440	0.0003
34.5	15,061,037	67.83%	43.00%	69.34%	0.0616	0.0002
35.5	14,685,604	66.88%	38.17%	68.27%	0.0824	0.0002
36.5	13,952,720	66.19%	33.39%	67.20%	0.1076	0.0001
37.5	13,081,532	65.37%	28.76%	66.11%	0.1340	0.0001
38.5	12,574,434	64.68%	24.36%	65.01%	0.1626	0.0000
39.5	12,013,556	63.95%	20.27%	63.89%	0.1908	0.0000
40.5	11,184,830	63.06%	16.55%	62.76%	0.2164	0.0000
41.5	10,041,592	62.30%	13.24%	61.62%	0.2407	0.0000
42.5	8,816,250	61.50%	10.36%	60.47%	0.2616	0.0001
43.5	8,005,529	60.60%	7.91%	59.30%	0.2776	0.0002
44.5	7,361,132	59.79%	5.87%	58.12%	0.2907	0.0003
45.5	6,916,511	58.85%	4.21%	56.93%	0.2985	0.0004
46.5	6,333,617	57.93%	2.89%	55.73%	0.3029	0.0005
47.5	5,754,840	56.99%	1.88%	54.52%	0.3037	0.0006
48.5	4,950,545	56.04%	1.13%	53.30%	0.3015	0.0008
49.5	4,208,327	54.85%	0.61%	52.07%	0.2942	0.0008
50.5	3,861,706	53.86%	0.28%	50.83%	0.2872	0.0009
51.5	3,582,020	52.88%	0.10%	49.58%	0.2786	0.0011
52.5	3,392,965	51.31%	0.02%	48.32%	0.2631	0.0009
53.5	3,123,877	50.17%	0.00%	47.06%	0.2517	0.0010
54.5	2,897,488	49.13%		45.79%		
55.5	2,492,574	48.18%		44.52%		
56.5	1,439,157	47.48%		43.24%		
57.5	1,246,100	46.35%		41.96%		
58.5	1,111,823	44.97%		40.68%		
59.5	998,013	43.71%		39.39%		
60.5	923,194	42.89%		38.11%		
61.5	871,180	41.97%		36.83%		
62.5	794,421	40.35%		35.55%		
63.5	712,544	38.04%		34.27%		
64.5	566,226	33.29%		33.00%		

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Account 38000 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	Exposures (Dollars)	Observed Life Table (OLT)	PGS R3-32	OPC R0.5-50	PGS SSD	OPC SSD
65.5	521,839	31.59%		31.73%		
66.5	483,791	30.49%		30.48%		
67.5	396,435	29.60%		29.23%		
68.5	364,932	29.03%		27.99%		
69.5	339,521	28.44%		26.76%		
70.5	331,125	27.86%		25.55%		
71.5	316,718	27.34%		24.35%		
72.5	288,394	27.12%		23.16%		
73.5	277,111	26.84%		22.00%		
74.5	262,328	26.17%		20.85%		
75.5	257,615	25.71%		19.72%		
76.5	246,933	24.85%		18.61%		
77.5	202,055	24.19%		17.52%		
78.5	191,316	23.60%		16.45%		
79.5	183,571	23.44%		15.41%		
80.5	182,892	23.35%		14.40%		
81.5	178,499	23.27%		13.41%		
82.5	167,928	22.48%		12.44%		
83.5	153,056	20.69%		11.51%		
84.5	108,241	19.87%		10.60%		
85.5	33,936	19.60%		9.72%		
86.5	33,909	19.58%		8.87%		
87.5	32,335	18.83%		8.06%		
88.5	17,293	17.50%		7.27%		
89.5	1	16.03%		6.51%		
90.5	1	16.03%		5.77%		
91.5	1	16.03%		5.07%		
92.5	1	16.03%		4.39%		
93.5	1	16.03%		3.74%		
94.5	1	16.03%		3.11%		
95.5	1	16.03%		2.50%		
96.5	1	16.03%		1.91%		
97.5	1	16.03%		1.34%		
98.5	1	16.03%		0.79%		
99.5	1	16.03%		0.26%		
100.5	1	16.03%		0.00%		
101.5	1	16.03%		0.00%		
102.5	1	16.03%		0.00%		
103.5	1	16.03%		0.00%		
104.5	1	16.03%		0.00%		
Sum of Squared Differences				[8]	4.7930	0.0156
Up to 1% of Beginning Exposures				[9]	4.7930	0.0156

[1] Age in years using half-year convention
[2] Dollars exposed to retirement at the beginning of each age interval
[3] Observed life table based on the Company's property records. These numbers form the original survivor curve.
[4] The Company's selected Iowa curve to be fitted to the OLT.
[5] My selected Iowa curve to be fitted to the OLT.
[6] = ([4] - [3])^2. This is the squared difference between each point on the Company's curve and the observed survivor curve.
[7] = ([5] - [3])^2. This is the squared difference between each point on my curve and the observed survivor curve.
[8] = Sum of squared differences. The smallest SSD represents the best mathematical fit.
[9] = Sum of squared differences up to the 1% of beginning exposures cut-off.
*The bold horizontal line represents the 1% of beginning exposures cut-off.

Account 38000 Rate Development

	Curve Type	R0.5	[1]	Composite RL	54.3	[4]
	Average Life	50	[2]	Accrual Rate	1.37%	[5]
	Net Salvage	-100%	[3]	Total Reserve	$ 57,964,560	[6]

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2015	$ 1,835,027	$ (23)	$ (54)	$ 3,670,108	50.0	$ 73,402
2014	1,827,839	22,630	52,894	3,602,784	49.7	72,505
2013	1,912,733	71,123	166,234	3,659,232	49.1	74,571
2012	1,424,624	88,207	206,166	2,643,082	48.5	54,550
2011	886,896	76,786	179,472	1,594,320	47.8	33,329
2010	873,694	97,131	227,024	1,520,364	47.2	32,197
2009	886,167	120,253	281,066	1,491,268	46.6	31,996
2008	1,102,243	176,537	412,618	1,791,868	46.0	38,957
2007	1,143,027	210,955	493,064	1,792,990	45.4	39,505
2006	758,079	158,357	370,126	1,146,032	44.8	25,594
2005	718,683	167,572	391,664	1,045,702	44.2	23,674
2004	637,008	163,952	383,204	890,812	43.6	20,448
2003	749,780	211,089	493,377	1,006,183	43.0	23,420
2002	1,249,064	381,758	892,281	1,605,847	42.4	37,910
2001	43,906	14,475	33,832	53,980	41.8	1,293
2000	2,171,338	767,957	1,794,943	2,547,733	41.2	61,901
1999	1,159,308	437,786	1,023,234	1,295,382	40.6	31,938
1998	1,189,989	477,809	1,116,780	1,263,198	40.0	31,610
1997	944,258	401,657	938,791	949,725	39.4	24,126
1996	567,791	255,026	596,071	539,511	38.8	13,915
1995	609,954	288,436	674,159	545,749	38.2	14,295
1994	1,014,635	503,807	1,177,545	851,725	37.6	22,660
1993	900,246	468,241	1,094,418	706,074	37.0	19,085
1992	1,011,356	549,806	1,285,058	737,654	36.4	20,260
1991	1,193,339	676,686	1,581,615	805,063	35.8	22,473
1990	871,591	514,570	1,202,702	540,480	35.2	15,337
1989	798,480	489,954	1,145,166	451,794	34.7	13,035
1988	728,662	463,960	1,084,412	372,912	34.1	10,942
1987	595,906	393,141	918,886	272,926	33.5	8,145
1986	523,737	357,515	835,618	211,856	32.9	6,433
1985	700,927	494,423	1,155,612	246,242	32.4	7,608
1984	477,432	347,576	812,388	142,476	31.8	4,480
1983	436,663	327,716	765,969	107,357	31.2	3,437
1982	490,428	379,025	885,893	94,963	30.7	3,095
1981	577,225	458,916	1,072,623	81,827	30.1	2,716
1980	263,184	215,042	502,616	23,752	29.6	803
1979	665,804	558,582	1,305,570	26,038	29.0	897
1978	754,629	649,489	1,518,049	(8,791)	28.5	(309)
1977	390,124	344,176	804,441	(24,193)	27.9	(866)
1976	457,004	412,948	965,182	(51,174)	27.4	(1,867)
1975	698,301	645,789	1,509,400	(112,798)	26.9	(4,196)
1974	1,053,798	996,709	2,329,603	(222,007)	26.4	(8,424)
1973	1,167,628	1,128,711	2,638,132	(302,876)	25.8	(11,724)
1972	782,863	772,947	1,806,605	(240,879)	25.3	(9,515)
1971	634,490	639,448	1,494,578	(225,598)	24.8	(9,095)
1970	367,521	377,852	883,151	(148,109)	24.3	(6,096)
1969	497,241	521,218	1,218,240	(223,758)	23.8	(9,404)
1968	512,899	547,850	1,280,487	(254,689)	23.3	(10,933)
1967	732,640	797,026	1,862,884	(397,604)	22.8	(17,437)
1966	656,912	727,486	1,700,350	(386,526)	22.3	(17,322)
1965	282,663	318,505	744,440	(179,114)	21.8	(8,205)
1964	269,512	308,856	721,887	(182,863)	21.4	(8,565)
1963	207,915	242,217	566,132	(150,302)	20.9	(7,200)
1962	199,333	235,970	551,531	(152,865)	20.4	(7,492)
1961	187,652	225,639	527,385	(152,081)	19.9	(7,627)
1960	436,511	532,933	1,245,622	(372,600)	19.5	(19,130)
1959	1,097,639	1,360,167	3,179,112	(983,834)	19.0	(51,725)
1958	221,419	278,387	650,673	(207,835)	18.6	(11,193)
1957	103,802	132,371	309,390	(101,786)	18.1	(5,618)

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Account 38000 Rate Development

	Curve Type	R0.5	[1]	Composite RL	54.3	[4]
	Average Life	50	[2]	Accrual Rate	1.37%	[5]
	Net Salvage	-100%	[3]	Total Reserve	$ 57,964,560	[6]

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1956	88,966	115,033	268,866	(90,934)	17.7	(5,145)
1955	56,327	73,823	172,546	(59,892)	17.2	(3,475)
1954	32,530	43,202	100,976	(35,916)	16.8	(2,138)
1953	43,899	59,060	138,041	(50,243)	16.4	(3,070)
1952	36,369	49,553	115,821	(43,083)	15.9	(2,703)
1951	57,368	79,141	184,975	(70,239)	15.5	(4,528)
1950	15,444	21,566	50,406	(19,518)	15.1	(1,293)
1949	19,819	28,007	65,460	(25,822)	14.7	(1,760)
1948	73,188	104,640	244,575	(98,199)	14.3	(6,888)
1947	24,000	34,710	81,127	(33,127)	13.8	(2,393)
1946	18,032	26,374	61,644	(25,580)	13.4	(1,904)
1945	1,458	2,156	5,040	(2,124)	13.0	(163)
1944	8,254	12,340	28,843	(12,335)	12.6	(977)
1943	28,010	42,328	98,933	(42,913)	12.2	(3,512)
1942	8,297	12,671	29,616	(13,022)	11.8	(1,102)
1941	7,960	12,283	28,710	(12,790)	11.4	(1,120)
1940	81	126	295	(133)	11.0	(12)
1939	2,089	3,290	7,690	(3,512)	10.6	(330)
1938	38,310	60,942	142,439	(65,819)	10.2	(6,433)
1937	5,689	9,140	21,362	(9,984)	9.8	(1,015)
1936	6,522	10,581	24,732	(11,688)	9.4	(1,238)
1935	-	-	-	-	9.0	-
1934	3,787	6,264	14,641	(7,067)	8.6	(817)
1933	4,486	7,492	17,511	(8,539)	8.2	(1,035)
1932	1,479					
1931	38,742					
1930	72,850					
1929	-					
1928	270					
1927	12,760					
1926	15,842					
Totals	**$ 46,376,347**	**$ 24,799,846**	**$ 57,964,560**	**$ 34,504,248**	**54.3**	**$ 635,552**

[1], [2] Selected Iowa curve type and average life through mathematical and visual curve fitting-techniques and professional judgment.
[3] Selected net salvage rate based on historical records and professional judgment.
[4] = total of [11] / total of [13]
[5] = total of [13] / total of [8]
[6] From the Company's property records
[7] Year of property installation
[8] Original cost of plant from the Company's property records
[9] = (1 - [12] / [2]) * ([8] * (1 - [3]))
[10] = [6] * [9] / total of [9]
[11] = [8] * (1 - [3]) - [10]
[12] Average remaining life based on selected Iowa curve in [1] and [2]
[13] = [11] / [12]

Account 38002 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	Exposures (Dollars)	Observed Life Table (OLT)	PGS R3-32	OPC R1.5-55	PGS SSD	OPC SSD
0.0	244,604,810	100.00%	100.00%	100.00%	0.0000	0.0000
0.5	230,796,377	100.00%	99.98%	99.84%	0.0000	0.0000
1.5	219,125,075	99.91%	99.91%	99.51%	0.0000	0.0000
2.5	207,278,056	99.79%	99.84%	99.17%	0.0000	0.0000
3.5	197,299,634	99.65%	99.74%	98.82%	0.0000	0.0001
4.5	189,312,056	99.47%	99.62%	98.45%	0.0000	0.0001
5.5	181,870,901	99.17%	99.46%	98.07%	0.0000	0.0001
6.5	176,137,256	98.77%	99.28%	97.68%	0.0000	0.0001
7.5	168,280,648	98.41%	99.05%	97.28%	0.0000	0.0001
8.5	158,373,152	98.00%	98.78%	96.86%	0.0001	0.0001
9.5	147,265,180	97.65%	98.45%	96.43%	0.0001	0.0001
10.5	136,853,346	97.33%	98.06%	95.99%	0.0001	0.0002
11.5	125,870,231	96.87%	97.61%	95.53%	0.0001	0.0002
12.5	114,780,839	96.42%	97.07%	95.06%	0.0000	0.0002
13.5	104,753,338	95.83%	96.45%	94.57%	0.0000	0.0002
14.5	101,814,092	95.29%	95.74%	94.06%	0.0000	0.0002
15.5	79,172,007	94.69%	94.92%	93.55%	0.0000	0.0001
16.5	71,549,937	93.95%	93.98%	93.01%	0.0000	0.0001
17.5	65,368,573	93.22%	92.92%	92.46%	0.0000	0.0001
18.5	59,026,117	92.61%	91.72%	91.89%	0.0001	0.0001
19.5	53,463,075	91.84%	90.38%	91.30%	0.0002	0.0000
20.5	48,323,067	91.17%	88.87%	90.70%	0.0005	0.0000
21.5	42,878,662	90.47%	87.18%	90.08%	0.0011	0.0000
22.5	37,519,770	89.63%	85.29%	89.43%	0.0019	0.0000
23.5	33,533,621	88.95%	83.20%	88.77%	0.0033	0.0000
24.5	29,485,976	88.21%	80.87%	88.08%	0.0054	0.0000
25.5	25,256,912	87.32%	78.30%	87.38%	0.0081	0.0000
26.5	21,982,435	86.47%	75.46%	86.65%	0.0121	0.0000
27.5	18,445,232	85.62%	72.34%	85.90%	0.0176	0.0000
28.5	15,577,373	84.90%	68.92%	85.12%	0.0255	0.0000
29.5	12,930,368	84.35%	65.21%	84.31%	0.0366	0.0000
30.5	11,002,367	83.60%	61.22%	83.48%	0.0501	0.0000
31.5	9,378,163	82.98%	56.96%	82.63%	0.0677	0.0000
32.5	7,825,197	82.35%	52.47%	81.74%	0.0893	0.0000
33.5	6,450,558	81.53%	47.79%	80.83%	0.1139	0.0000
34.5	5,233,670	80.59%	43.00%	79.89%	0.1413	0.0000
35.5	4,325,491	79.69%	38.17%	78.92%	0.1724	0.0001
36.5	3,480,816	78.94%	33.39%	77.91%	0.2075	0.0001
37.5	2,907,350	77.47%	28.76%	76.88%	0.2372	0.0000
38.5	2,580,167	76.22%	24.36%	75.81%	0.2690	0.0000
39.5	2,312,034	75.18%	20.27%	74.71%	0.3015	0.0000
40.5	2,020,582	74.42%	16.55%	73.58%	0.3350	0.0001
41.5	1,614,004	73.70%	13.24%	72.42%	0.3656	0.0002
42.5	1,446,755	72.54%	10.36%	71.22%	0.3866	0.0002
43.5	1,156,260	70.30%	7.91%	69.98%	0.3892	0.0000
44.5	867,971	67.60%	5.87%	68.72%	0.3810	0.0001
45.5	474,844	66.35%	4.21%	67.41%	0.3861	0.0001
46.5	135,952	65.62%	2.89%	66.08%	0.3935	0.0000

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Account 38002 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	**Exposures (Dollars)**	**Observed Life Table (OLT)**	**PGS R3-32**	**OPC R1.5-55**	**PGS SSD**	**OPC SSD**
47.5	12,318	65.61%	1.88%	64.71%	0.4062	0.0001
48.5	190	65.61%	1.13%	63.31%	0.4158	0.0005
49.5	112	65.61%	0.61%	61.88%	0.4225	0.0014
50.5	112	65.61%	0.28%	60.41%	0.4268	0.0027
51.5	111	65.61%	0.10%	58.92%	0.4292	0.0045
52.5	1	65.61%	0.02%	57.39%	0.4302	0.0068
53.5	1	65.61%		55.84%		
54.5	1	65.61%		54.26%		
55.5	1	65.61%		52.65%		
Sum of Squared Differences				[8]	6.9305	0.0191
Up to 1% of Beginning Exposures				[9]	1.4614	0.0025

[1] Age in years using half-year convention

[2] Dollars exposed to retirement at the beginning of each age interval

[3] Observed life table based on the Company's property records. These numbers form the original survivor curve.

[4] The Company's selected Iowa curve to be fitted to the OLT.

[5] My selected Iowa curve to be fitted to the OLT.

[6] = ([4] - [3])^2. This is the squared difference between each point on the Company's curve and the observed survivor curve.

[7] = ([5] - [3])^2. This is the squared difference between each point on my curve and the observed survivor curve.

[8] = Sum of squared differences. The smallest SSD represents the best mathematical fit.

[9] = Sum of squared differences up to the 1% of beginning exposures cut-off.

*The bold horizontal line represents the 1% of beginning exposures cut-off.

Account 38002 Rate Development

	Curve Type	R1.5	[1]	Composite RL	48.9	[4]
	Average Life	55	[2]	Accrual Rate	1.91%	[5]
	Net Salvage	-55%	[3]	Total Reserve	$ 152,238,194	[6]

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2015	$ 16,104,752	$ (171)	$ (406)	$ 24,962,772	55.0	$ 453,865
2014	13,446,333	155,867	369,513	20,472,304	54.6	375,028
2013	13,439,026	466,723	1,106,454	19,724,036	53.8	366,838
2012	11,292,798	652,161	1,546,072	15,957,765	53.0	301,370
2011	9,121,970	735,737	1,744,204	12,394,850	52.1	237,731
2010	8,235,452	851,912	2,019,619	10,745,332	51.3	209,341
2009	6,158,919	776,744	1,841,418	7,704,907	50.5	152,497
2008	7,969,624	1,184,780	2,808,744	9,544,173	49.7	191,940
2007	9,625,487	1,646,817	3,904,091	11,015,413	48.9	225,130
2006	10,890,121	2,106,134	4,992,988	11,886,700	48.1	246,932
2005	10,304,401	2,221,522	5,266,536	10,705,285	47.4	226,088
2004	10,865,727	2,582,371	6,121,997	10,719,880	46.6	230,204
2003	10,728,281	2,785,169	6,602,770	10,026,066	45.8	218,967
2002	9,654,967	2,717,227	6,441,699	8,523,500	45.0	189,354
2001	2,680,678	812,610	1,926,446	2,228,605	44.2	50,371
2000	22,632,222	7,349,106	17,422,442	17,657,502	43.5	406,128
1999	7,571,643	2,621,157	6,213,947	5,522,100	42.7	129,274
1998	5,876,206	2,159,632	5,119,816	3,988,303	42.0	95,053
1997	5,935,123	2,307,148	5,469,530	3,729,911	41.2	90,518
1996	5,079,509	2,081,626	4,934,887	2,938,352	40.5	72,626
1995	4,759,849	2,050,352	4,860,748	2,517,018	39.7	63,377
1994	5,076,457	2,292,420	5,434,615	2,433,893	39.0	62,446
1993	4,958,394	2,341,655	5,551,336	2,134,175	38.2	55,807
1992	3,701,880	1,824,269	4,324,773	1,413,141	37.5	37,670
1991	3,771,325	1,935,355	4,588,125	1,257,429	36.8	34,178
1990	3,929,631	2,096,090	4,969,177	1,121,751	36.1	31,097
1989	3,027,945	1,675,907	3,973,054	720,260	35.4	20,369
1988	3,321,216	1,904,361	4,514,648	633,237	34.7	18,273
1987	2,713,913	1,609,729	3,816,167	390,398	34.0	11,498
1986	2,545,006	1,559,325	3,696,675	248,085	33.3	7,459
1985	1,814,183	1,146,715	2,718,505	93,479	32.6	2,870
1984	1,541,522	1,003,970	2,380,101	9,258	31.9	290
1983	1,481,859	993,291	2,354,783	(57,901)	31.2	(1,855)
1982	1,297,346	894,032	2,119,472	(108,586)	30.5	(3,555)
1981	1,142,467	808,573	1,916,875	(146,052)	29.9	(4,887)
1980	849,861	617,128	1,463,020	(145,735)	29.2	(4,985)
1979	803,966	598,436	1,418,706	(172,558)	28.6	(6,036)
1978	508,253	387,465	918,559	(130,767)	27.9	(4,679)
1977	280,597	218,900	518,944	(84,019)	27.3	(3,076)
1976	232,766	185,673	440,172	(79,385)	26.7	(2,974)
1975	268,138	218,531	518,069	(102,455)	26.1	(3,928)
1974	387,076	322,078	763,547	(163,580)	25.5	(6,421)
1973	141,803	120,381	285,387	(65,592)	24.9	(2,637)
1972	245,765	212,722	504,297	(123,361)	24.3	(5,079)
1971	243,891	215,094	509,920	(131,889)	23.7	(5,564)
1970	377,083	338,639	802,807	(218,328)	23.1	(9,438)
1969	333,680	304,955	722,953	(205,749)	22.6	(9,116)

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Account 38002 Rate Development

	Curve Type	R1.5	[1]	Composite RL	48.9	[4]
	Average Life	55	[2]	Accrual Rate	1.91%	[5]
	Net Salvage	-55%	[3]	Total Reserve	$ 152,238,194	[6]

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1968	123,607	114,896	272,383	(80,792)	22.0	(3,670)
1967	12,128	11,460	27,167	(8,369)	21.5	(390)
1966	79	76	180	(57)	20.9	(3)
1965	-	-	-	-	20.4	-
1964	-	-	-	-	19.9	-
1963	111	111	264	(92)	19.4	(5)
Totals	**$ 247,505,036**	**$ 64,216,863**	**$ 152,238,194**	**$ 231,394,612**	**48.9**	**$ 4,736,295**

[1], [2] Selected Iowa curve type and average life through mathematical and visual curve fitting-techniques and professional judgment.
[3] Selected net salvage rate based on historical records and professional judgment.
[4] = total of [11] / total of [13]
[5] = total of [13] / total of [8]
[6] From the Company's property records
[7] Year of property installation
[8] Original cost of plant from the Company's property records
[9] = (1 - [12] / [2]) * ([8] * (1 - [3]))
[10] = [6] * [9] / total of [9]
[11] = [8] * (1 - [3]) - [10]
[12] Average remaining life based on selected Iowa curve in [1] and [2]
[13] = [11] / [12]

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Account 38100 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	Exposures (Dollars)	Observed Life Table (OLT)	PGS L1-16	OPC R1-21	PGS SSD	OPC SSD
0.0	76,630,542	100.00%	100.00%	100.00%	0.0000	0.0000
0.5	72,373,260	99.99%	99.79%	99.38%	0.0000	0.0000
1.5	69,345,775	99.09%	99.14%	98.08%	0.0000	0.0001
2.5	65,294,295	97.45%	98.06%	96.69%	0.0000	0.0001
3.5	59,110,776	95.65%	96.44%	95.22%	0.0001	0.0000
4.5	58,441,657	93.75%	94.22%	93.68%	0.0000	0.0000
5.5	51,721,158	91.88%	91.35%	92.05%	0.0000	0.0000
6.5	49,017,903	90.33%	87.87%	90.35%	0.0006	0.0000
7.5	45,000,032	88.79%	83.87%	88.56%	0.0024	0.0000
8.5	41,498,480	87.35%	79.48%	86.69%	0.0062	0.0000
9.5	37,565,346	85.75%	74.86%	84.73%	0.0119	0.0001
10.5	33,538,283	83.36%	70.21%	82.67%	0.0173	0.0000
11.5	29,835,728	80.58%	65.58%	80.48%	0.0225	0.0000
12.5	26,323,998	78.45%	60.99%	78.17%	0.0305	0.0000
13.5	23,354,210	76.95%	56.48%	75.73%	0.0419	0.0001
14.5	22,963,387	75.40%	52.06%	73.15%	0.0545	0.0005
15.5	18,042,467	74.16%	47.75%	70.42%	0.0698	0.0014
16.5	16,778,769	72.61%	43.58%	67.54%	0.0843	0.0026
17.5	16,082,978	71.64%	39.56%	64.52%	0.1029	0.0051
18.5	15,339,777	70.62%	35.72%	61.36%	0.1219	0.0086
19.5	11,841,875	69.60%	32.06%	58.06%	0.1410	0.0133
20.5	11,790,659	68.97%	28.59%	54.64%	0.1630	0.0205
21.5	11,317,589	65.92%	25.34%	51.12%	0.1647	0.0219
22.5	10,521,045	59.49%	22.30%	47.51%	0.1383	0.0143
23.5	6,697,013	46.09%	19.48%	43.83%	0.0708	0.0005
24.5	6,889,448	36.39%	16.89%	40.11%	0.0381	0.0014
25.5	5,551,844	29.36%	14.52%	36.38%	0.0220	0.0049
26.5	4,855,177	26.07%	12.37%	32.67%	0.0188	0.0044
27.5	4,015,555	21.85%	10.44%	29.00%	0.0130	0.0051
28.5	3,731,655	20.44%	8.72%	25.43%	0.0138	0.0025
29.5	3,374,665	19.09%	7.20%	21.97%	0.0141	0.0008
30.5	2,981,291	17.34%	5.87%	18.67%	0.0131	0.0002
31.5	2,707,351	15.98%	4.73%	15.56%	0.0127	0.0000
32.5	2,483,365	14.64%	3.76%	12.67%	0.0118	0.0004
33.5	2,245,165	13.21%	2.93%	10.05%	0.0106	0.0010
34.5	1,981,555	11.58%	2.25%	7.71%	0.0087	0.0015
35.5	1,671,087	9.73%	1.69%	5.68%	0.0065	0.0016
36.5	1,172,222	6.81%	1.25%	3.98%	0.0031	0.0008
37.5	242,636	4.25%	0.90%	2.62%	0.0011	0.0003
38.5	126,949	2.20%	0.63%	1.58%	0.0002	0.0000
39.5	77,676	1.09%	0.42%	0.84%	0.0000	0.0000
40.5	61,316	0.86%	0.27%	0.33%	0.0000	0.0000
41.5	51,511	0.70%	0.17%	0.06%	0.0000	0.0000
42.5	43,589	0.51%	0.10%	0.00%	0.0000	0.0000
43.5	41,019	0.45%	0.06%		0.0000	0.0000
44.5	46,747	0.40%	0.03%		0.0000	0.0000
45.5	41,758	0.36%	0.01%		0.0000	0.0000
46.5	40,371	0.32%	0.01%		0.0000	0.0000
47.5	39,808	0.30%	0.00%		0.0000	0.0000
48.5	33,034	0.24%				
49.5	34,911	0.21%				
50.5	32,449	0.20%				
51.5	29,931	0.18%				
52.5	26,045	0.15%				
53.5	23,822	0.12%				
54.5	29,105	0.10%				
55.5	27,555	0.10%				
56.5	26,567	0.09%				
57.5	23,529	0.08%				
58.5	20,055	0.07%				
59.5	35,273	0.06%				
60.5	33,563	0.06%				

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Account 38100 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	Exposures (Dollars)	Observed Life Table (OLT)	PGS L1-16	OPC R1-21	PGS SSD	OPC SSD
61.5	33,091	0.06%				
62.5	31,618	0.05%				
63.5	29,949	0.05%				
64.5	27,908	0.05%				
65.5	27,231	0.05%				
66.5	27,037	0.05%				
67.5	24,993	0.04%				
68.5	21,647	0.04%				
69.5	18,278	0.03%				
70.5	17,052	0.03%				
71.5	16,190	0.03%				
72.5	12,399	0.02%				
73.5	8,212	0.01%				
74.5	1,804	0.00%				
75.5	1	0.00%				
76.5	1	0.00%				
77.5	1	0.00%				
78.5	1	0.00%				
79.5	1	0.00%				
80.5	1	0.00%				
81.5	1	0.00%				
82.5	1	0.00%				
83.5	1	0.00%				
84.5	1	0.00%				
85.5	1	0.00%				
86.5	1	0.00%				
87.5	1	0.00%				
88.5	1	0.00%				
89.5	1	0.00%				
90.5	1	0.00%				
91.5	1	0.00%				
92.5	1.0	0.00%				
93.5	1.0	0.00%				
94.5	1.0	0.00%				
95.5	1.0	0.00%				
96.5	1.0	0.00%				
97.5	1.0	0.00%				
Sum of Squared Differences				[8]	1.4322	0.1144
Up to 1% of Beginning Exposures				[9]	1.4307	0.1139

[1] Age in years using half-year convention

[2] Dollars exposed to retirement at the beginning of each age interval

[3] Observed life table based on the Company's property records. These numbers form the original survivor curve.

[4] The Company's selected Iowa curve to be fitted to the OLT.

[5] My selected Iowa curve to be fitted to the OLT.

[6] = ([4] - [3])^2. This is the squared difference between each point on the Company's curve and the observed survivor curve.

[7] = ([5] - [3])^2. This is the squared difference between each point on my curve and the observed survivor curve.

[8] = Sum of squared differences. The smallest SSD represents the best mathematical fit.

[9] = Sum of squared differences up to the 1% of beginning exposures cut-off.

*The bold horizontal line represents the 1% of beginning exposures cut-off.

Account 38100 Rate Development

	Curve Type	R1	[1]	Composite RL	16.9	[4]
	Average Life	21	[2]	Accrual Rate	3.77%	[5]
	Net Salvage	5%	[3]	Total Reserve	$ 19,646,963	[6]

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2015	$ 4,357,370	$ 19	$ 25	$ 4,139,477	21.0	$ 197,119
2014	2,438,310	40,698	54,664	2,261,731	20.6	109,628
2013	3,051,973	152,092	204,283	2,695,092	19.9	135,443
2012	5,116,238	422,098	566,943	4,293,483	19.2	223,896
2011	8,627,408	989,765	1,329,407	6,866,630	18.5	371,893
2010	5,634,277	825,625	1,108,942	4,243,621	17.8	238,932
2009	1,863,115	331,588	445,374	1,324,586	17.1	77,616
2008	3,505,569	732,926	984,433	2,345,857	16.4	143,229
2007	2,867,561	687,777	923,790	1,800,393	15.7	114,688
2006	3,406,861	920,773	1,236,740	1,999,778	15.0	133,091
2005	3,030,058	909,906	1,222,144	1,656,411	14.4	115,333
2004	2,648,673	873,684	1,173,492	1,342,747	13.7	97,951
2003	2,771,609	994,705	1,336,043	1,296,986	13.1	99,259
2002	2,546,594	986,411	1,324,902	1,094,362	12.4	87,988
2001	-	-	-	-	11.8	-
2000	4,614,774	2,041,214	2,741,666	1,642,369	11.2	146,348
1999	966,436	453,026	608,484	309,630	10.6	29,106
1998	502,312	248,376	333,608	143,589	10.1	14,259
1997	577,288	299,860	402,758	145,666	9.5	15,304
1996	3,348,964	1,820,624	2,445,379	736,136	9.0	81,950
1995	32,609	18,492	24,838	6,141	8.5	725
1994	9,534	5,623	7,553	1,505	8.0	189
1993	125	76	103	16	7.5	2
1992	41,008	25,958	34,866	4,092	7.0	584
1991	62,676	40,962	55,018	4,524	6.6	690
1990	53,772	36,210	48,636	2,448	6.1	400
1989	103,567	71,730	96,344	2,044	5.7	359
1988	58,191	41,382	55,583	(301)	5.3	(57)
1987	33,530	24,446	32,834	(981)	4.9	(201)
1986	126,716	94,581	127,037	(6,657)	4.5	(1,479)
1985	92,595	70,664	94,913	(6,948)	4.1	(1,682)
1984	45,758	35,661	47,898	(4,428)	3.8	(1,174)
1983	-	-	-	-	3.4	-
1982	-	-	-	-	3.1	-
1981	-	-	-	-	2.8	-
1980	-	-	-	-	2.5	-
1979	-	-	-	-	2.2	-
1978	497,284	430,524	578,261	(105,841)	1.9	(56,832)
Totals	**$ 63,032,755**	**$ 14,627,477**	**$ 19,646,963**	**$ 40,234,154**	**16.9**	**$ 2,374,559**

[1], [2] Selected Iowa curve type and average life through mathematical and visual curve fitting-techniques and professional judgment.

[3] Selected net salvage rate based on historical records and professional judgment.

[4] = total of [11] / total of [13]

[5] = total of [13] / total of [8]

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Account 38100 Rate Development

	Curve Type	R1	[1]	Composite RL	16.9	[4]
	Average Life	21	[2]	Accrual Rate	3.77%	[5]
	Net Salvage	5%	[3]	Total Reserve	$ 19,646,963	[6]

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual

[6] From the Company's property records
[7] Year of property installation
[8] Original cost of plant from the Company's property records
[9] = (1 - [12] / [2]) * ([8] * (1 - [3]))
[10] = [6] * [9] / total of [9]
[11] = [8] * (1 - [3]) - [10]
[12] Average remaining life based on selected Iowa curve in [1] and [2]
[13] = [11] / [12]

Account 38200 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	Exposures (Dollars)	Observed Life Table (OLT)	PGS R4-27	OPC R0.5-43	PGS SSD	OPC SSD
0.0	53,613,490	100.00%	100.00%	100.00%	0.0000	0.0000
0.5	51,645,623	99.98%	100.00%	99.56%	0.0000	0.0000
1.5	49,076,718	98.81%	99.99%	98.67%	0.0001	0.0000
2.5	46,599,537	96.71%	99.99%	97.77%	0.0011	0.0001
3.5	44,457,793	94.86%	99.97%	96.86%	0.0026	0.0004
4.5	41,838,074	93.23%	99.95%	95.94%	0.0045	0.0007
5.5	39,595,892	91.36%	99.92%	95.01%	0.0073	0.0013
6.5	37,245,704	90.43%	99.87%	94.08%	0.0089	0.0013
7.5	34,505,798	88.99%	99.79%	93.13%	0.0117	0.0017
8.5	32,155,720	87.85%	99.68%	92.17%	0.0140	0.0019
9.5	29,160,371	86.57%	99.52%	91.20%	0.0168	0.0021
10.5	26,075,899	85.50%	99.30%	90.23%	0.0190	0.0022
11.5	23,646,496	84.56%	99.00%	89.24%	0.0209	0.0022
12.5	21,179,702	83.56%	98.59%	88.25%	0.0226	0.0022
13.5	18,952,127	82.37%	98.04%	87.24%	0.0245	0.0024
14.5	18,700,178	81.18%	97.32%	86.23%	0.0260	0.0025
15.5	14,934,472	80.26%	96.39%	85.21%	0.0260	0.0025
16.5	11,993,188	79.22%	95.21%	84.17%	0.0256	0.0024
17.5	10,987,183	78.55%	93.73%	83.13%	0.0231	0.0021
18.5	10,205,110	77.99%	91.91%	82.07%	0.0194	0.0017
19.5	9,782,266	77.58%	89.69%	81.01%	0.0147	0.0012
20.5	9,024,356	77.37%	87.05%	79.93%	0.0094	0.0007
21.5	8,094,286	77.04%	83.94%	78.83%	0.0048	0.0003
22.5	7,522,293	76.66%	80.34%	77.73%	0.0014	0.0001
23.5	7,142,390	76.29%	76.21%	76.60%	0.0000	0.0000
24.5	7,007,532	75.98%	71.38%	75.47%	0.0021	0.0000
25.5	6,605,170	75.52%	65.68%	74.32%	0.0097	0.0001
26.5	6,281,189	75.03%	59.03%	73.15%	0.0256	0.0004
27.5	5,956,156	74.27%	51.55%	71.97%	0.0516	0.0005
28.5	5,639,235	73.58%	43.58%	70.76%	0.0900	0.0008
29.5	5,357,225	72.67%	35.55%	69.55%	0.1378	0.0010
30.5	4,850,672	72.01%	27.91%	68.31%	0.1945	0.0014
31.5	4,462,759	71.24%	21.03%	67.06%	0.2522	0.0018
32.5	4,024,180	70.60%	15.13%	65.79%	0.3077	0.0023
33.5	3,624,970	69.09%	10.31%	64.50%	0.3455	0.0021
34.5	3,219,448	67.80%	6.57%	63.20%	0.3749	0.0021
35.5	2,612,047	67.00%	3.83%	61.87%	0.3991	0.0026
36.5	2,270,936	64.87%	1.96%	60.53%	0.3958	0.0019
37.5	1,806,595	63.62%	0.82%	59.18%	0.3944	0.0020
38.5	1,692,395	62.42%	0.25%	57.80%	0.3865	0.0021
39.5	1,622,695	60.81%	0.04%	56.42%	0.3692	0.0019
40.5	1,411,047	59.61%	0.00%	55.01%	0.3553	0.0021
41.5	1,352,347	58.07%		53.60%		
42.5	1,154,576	54.53%		52.17%		
43.5	1,096,552	53.51%		50.73%		
44.5	962,065	52.11%		49.27%		
45.5	927,505	51.14%		47.81%		
46.5	887,946	50.00%		46.34%		
47.5	845,257	49.74%		44.86%		
48.5	444,930	48.83%		43.37%		
49.5	411,245	48.38%		41.88%		
50.5	392,474	47.73%		40.39%		
51.5	355,595	47.30%		38.90%		
52.5	310,425	45.20%		37.41%		
53.5	261,096	43.86%		35.92%		
54.5	230,694	42.17%		34.43%		
55.5	180,395	40.65%		32.96%		

20180044-GU Staff Hearing Exhibits 00301

Account 38200 Curve Fitting

[1]	[2]	[3]	[4]	[5]	[6]	[7]
Age (Years)	**Exposures (Dollars)**	**Observed Life Table (OLT)**	**PGS R4-27**	**OPC R0.5-43**	**PGS SSD**	**OPC SSD**
56.5	106,985	38.33%		31.49%		
57.5	75,249	34.74%		30.03%		
58.5	51,684	33.61%		28.58%		
59.5	35,013	33.36%		27.15%		
60.5	19,710	31.55%		25.73%		
61.5	8,820	31.43%		24.33%		
62.5	1	31.43%		22.96%		
63.5	1	31.43%		21.61%		
64.5	1	31.43%		20.28%		
65.5	1	31.43%		18.98%		
66.5	1	31.43%		17.71%		
67.5	1	31.43%		16.46%		
68.5	1	31.43%		15.26%		
69.5	1	31.43%		14.08%		
70.5	1	31.43%		12.94%		
71.5	1	31.43%		11.84%		
72.5	1	31.43%		10.78%		
73.5	1	31.43%		9.75%		
74.5	1	31.43%		8.77%		
75.5	1	31.43%		7.82%		
76.5	1	24.85%		6.92%		
77.5	1	24.19%		6.05%		
				5.23%		
				4.43%		
				3.68%		
				2.95%		
				2.25%		
				1.57%		
				0.92%		
				0.30%		
				0.00%		
Sum of Squared Differences				[8]	4.3962	0.0573
Up to 1% of Beginning Exposures				[9]	4.3962	0.0573

[1] Age in years using half-year convention
[2] Dollars exposed to retirement at the beginning of each age interval
[3] Observed life table based on the Company's property records. These numbers form the original survivor curve.
[4] The Company's selected Iowa curve to be fitted to the OLT.
[5] My selected Iowa curve to be fitted to the OLT.
[6] = ([4] - [3])^2. This is the squared difference between each point on the Company's curve and the observed survivor curve.
[7] = ([5] - [3])^2. This is the squared difference between each point on my curve and the observed survivor curve.
[8] = Sum of squared differences. The smallest SSD represents the best mathematical fit.
[9] = Sum of squared differences up to the 1% of beginning exposures cut-off.
*The bold horizontal line represents the 1% of beginning exposures cut-off.

Account 38200 Rate Development

Curve Type	R0.5	[1]	Composite RL	40.2	[4]	
Average Life	43	[2]	Accrual Rate	1.70%	[5]	
Net Salvage	-20%	[3]	Total Reserve	$ 25,507,475	[6]	

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
2015	$ 2,463,695	$ (19)	$ (49)	$ 2,956,483	43.0	$ 68,755
2014	2,335,571	20,160	50,951	2,751,734	42.7	64,457
2013	1,835,919	47,599	120,301	2,082,802	42.1	49,507
2012	1,920,239	82,890	209,496	2,094,791	41.5	50,534
2011	2,198,795	132,697	335,378	2,303,176	40.8	56,399
2010	2,009,987	155,727	393,583	2,018,401	40.2	50,179
2009	2,048,063	193,648	489,425	1,968,251	39.6	49,688
2008	2,178,810	243,099	614,408	2,000,164	39.0	51,284
2007	2,148,284	276,148	697,937	1,880,004	38.4	48,966
2006	2,557,529	372,034	940,277	2,128,758	37.8	56,335
2005	2,910,611	472,512	1,194,226	2,298,507	37.2	61,816
2004	2,194,647	393,211	993,800	1,639,776	36.6	44,827
2003	2,365,962	463,618	1,171,748	1,667,406	36.0	46,345
2002	1,948,835	414,513	1,047,640	1,290,962	35.4	36,490
2001	860	197	499	533	34.8	15
2000	3,602,665	886,477	2,240,482	2,082,716	34.2	60,929
1999	3,177,344	834,628	2,109,439	1,703,374	33.6	50,715
1998	949,062	265,025	669,823	469,051	33.0	14,216
1997	719,954	212,938	538,180	325,765	32.4	10,054
1996	407,347	127,185	321,447	167,370	31.8	5,261
1995	763,223	250,809	633,895	281,972	31.2	9,030
1994	917,610	316,522	799,978	301,154	30.6	9,829
1993	576,433	208,202	526,210	165,509	30.1	5,506
1992	423,245	159,711	403,655	104,239	29.5	3,536
1991	356,275	140,166	354,256	73,274	28.9	2,535
1990	406,394	166,378	420,503	67,170	28.3	2,371
1989	318,830	135,589	342,687	39,909	27.8	1,438
1988	289,228	127,559	322,393	24,681	27.2	908
1987	280,862	128,266	324,179	12,856	26.6	483
1986	251,601	118,810	300,279	1,642	26.1	63
1985	491,048	239,445	605,172	(15,914)	25.5	(623)
1984	350,077	176,054	444,958	(24,865)	25.0	(995)
1983	412,321	213,600	539,852	(45,067)	24.4	(1,844)
1982	321,389	171,316	432,984	(47,318)	23.9	(1,980)
1981	354,002	193,965	490,227	(65,424)	23.4	(2,800)
1980	598,750	336,883	851,438	(132,938)	22.8	(5,821)
1979	273,085	157,631	398,397	(70,695)	22.3	(3,168)
1978	428,129	253,306	640,206	(126,452)	21.8	(5,801)
1977	80,367	48,698	123,079	(26,638)	21.3	(1,251)
1976	25,980	16,110	40,715	(9,539)	20.8	(459)
1975	179,718	113,952	288,003	(72,342)	20.3	(3,567)
1974	22,162	14,359	36,290	(9,696)	19.8	(490)
1973	115,532	76,433	193,177	(54,539)	19.3	(2,827)
1972	37,599	25,383	64,154	(19,035)	18.8	(1,012)
1971	106,259	73,158	184,901	(57,390)	18.3	(3,131)
1970	16,537	11,604	29,329	(9,485)	17.9	(531)
1969	18,823	13,455	34,006	(11,418)	17.4	(657)

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Account 38200 Rate Development

	Curve Type	R0.5	[1]	Composite RL	40.2	[4]
	Average Life	43	[2]	Accrual Rate	1.70%	[5]
	Net Salvage	-20%	[3]	Total Reserve	$ 25,507,475	[6]

[7]	[8]	[9]	[10]	[11]	[12]	[13]
Year Installed	Original Cost	Calculated Accrued	Allocated Book Reserve	Future Book Accruals	Remaining Life	Annual Accrual
1968	38,241	27,830	70,337	(24,448)	16.9	(1,445)
1967	384,780	284,948	720,177	(258,441)	16.5	(15,698)
1966	29,569	22,272	56,289	(20,806)	16.0	(1,300)
1965	13,227	10,128	25,598	(9,726)	15.6	(625)
1964	33,370	25,965	65,625	(25,581)	15.1	(1,692)
1963	29,389	23,228	58,706	(23,439)	14.7	(1,597)
1962	20,155	16,174	40,878	(16,692)	14.2	(1,172)
1961	39,516	32,185	81,345	(33,926)	13.8	(2,456)
1960	41,983	34,694	87,685	(37,305)	13.4	(2,786)
1959	63,139	52,920	133,749	(57,982)	13.0	(4,472)
1958	21,707	18,447	46,623	(20,574)	12.5	(1,640)
1957	21,118	18,191	45,975	(20,633)	12.1	(1,700)
1956	16,283	14,213	35,921	(16,381)	11.7	(1,397)
1955	13,412	11,859	29,973	(13,879)	11.3	(1,227)
1954	10,810	9,681	24,467	(11,495)	10.9	(1,054)
1953	8,820	7,998	20,213	(9,629)	10.5	(916)
Totals	**$ 49,175,177**	**$ 10,092,381**	**$ 25,507,475**	**$ 33,502,737**	**40.2**	**$ 834,339**

[1], [2] Selected Iowa curve type and average life through mathematical and visual curve fitting-techniques and professional judgment.
[3] Selected net salvage rate based on historical records and professional judgment.
[4] = total of [11] / total of [13]
[5] = total of [13] / total of [8]
[6] From the Company's property records
[7] Year of property installation
[8] Original cost of plant from the Company's property records
[9] = (1 - [12] / [2]) * ([8] * (1 - [3]))
[10] = [6] * [9] / total of [9]
[11] = [8] * (1 - [3]) - [10]
[12] Average remaining life based on selected Iowa curve in [1] and [2]
[13] = [11] / [12]

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Peoples Gas System's Response to Staffs First Data Request (Nos. 1-2).

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 16
PARTY: STAFF – (DIRECT)
DESCRIPTION: Peoples Gas System's Response to Staffs First Data Request (Nos.

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
STAFF'S FIRST DATA REQUEST
REQUEST NO. 1
BATES STAMPED PAGES: 1 - 10
FILED: AUGUST 24, 2018

1. In paragraph E., titled New Base Rates Effective f or 2019, in the Settlement Agreement, it states that the parties have agreed to a base rate reduction across all customer classes amounting to $11,599,038 that is attributable to the Tax Cuts and Jobs Act of 20 17. Please provide work papers to show the calculation of the revised base rates that implement the $11,599,038 reduction.

A. The requested information is attached.

Peoples Gas System
Tax Reform Rate Adjustment
Allocation of Revenue Change to Rate Schedules

Description	Forecasted Revenues	Allocation of Revenue Decrease
Residential Rates:		
RS-1	$14,841,870	($737,594)
RS-2	$41,520,089	($2,063,418)
RS-3	$29,431,864	($1,462,672)
Residenital Standby Generators	$195,988	($9,740)
Subtotal - Residential	$85,989,810	($4,273,424)
Commercial Rates:		
SGS	$6,754,837	($335,694)
GS-1	$31,891,284	($1,584,897)
GS-2	$37,656,637	($1,871,417)
GS-3	$19,494,459	($968,814)
GS-4	$12,632,284	($627,785)
GS-5	$14,620,022	($726,569)
Commercial Streetlighting	$115,643	($5,747)
Commercial Standby Generators	$457,001	($22,712)
Natural Gas Vehicles	$9,996	($497)
Commercial Wholesale	$575,448	($28,598)
Subtotal - Commercial	$124,207,612	($6,172,730)
Industrial Rates:		
Small Interruptible Service	$3,151,657	($156,627)
Interruptible Service	$3,724,082	($185,075)
Subtotal - Industrial	$6,875,739	($341,703)
Total Excluding Contract Rates	$217,073,161	($10,787,857)

Peoples Gas System
Tax Reform Rate Adjustment
Allocation of Revenue Change to Rate Schedules

Description	**Forecasted Revenues**	**Allocation of Revenue Decrease**
Contract Rates:		
Special Contracts	$15,722,583	($781,363)
Off-System Sales	$600,000	($29,818)
Subtotal - Contract Sales	$16,322,583	($811,181)
Grand Total	**$233,395,744**	**($11,599,038)**

Peoples Gas System
Tax Reform Rate Adjustment
Derivation of Proposed Rates

RATE SCHEDULE		PRESENT RATES BILLING DETERMINANTS		PRESENT RATES PRESENT RATES	PRESENT RATES REVENUE	PROPOSED RATES BILLING DETERMINANTS		PROPOSED RATES PROPOSED RATES	PROPOSED RATES REVENUE
RESIDENTIAL (1)									
	CUSTOMER CHARGE	1,094,053	$	12.00	$13,128,635	1,094,053	$	11.40	$12,472,204
	DISTRIB. CHARGE	6,396,964		0.26782	1,713,235	6,396,964		0.25465	1,628,987
	TOTAL				$14,841,870				$14,101,190
RESIDENTIAL (2)									
	CUSTOMER CHARGE	2,200,965	$	15.00	$33,014,480	2,200,965	$	14.25	$31,363,756
	DISTRIB. CHARGE	31,758,678		0.26782	8,505,609	31,758,678		0.25465	8,087,347
	TOTAL				$41,520,089				$39,451,103
RESIDENTIAL (3)									
	CUSTOMER CHARGE	1,018,827	$	20.00	$20,376,539	1,018,827	$	19.01	$19,367,900
	DISTRIB. CHARGE	33,811,233		0.26782	9,055,324	33,811,233		0.25465	8,610,031
	TOTAL				$29,431,864				$27,977,931
RESIDENTIAL STAND BY GENERATORS	CUSTOMER CHARGE	9,799	$	20.00	$195,988	9,799	$	19.01	$186,286
	DISTRIB. CHARGE	0		0.26782	0	0		0.25465	0
	TOTAL				$195,988				$186,286

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PEOPLES GAS SYSTEM
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REQUEST NO. 1
FILED: AUGUST 24, 2018

Peoples Gas System
Tax Reform Rate Adjustment
Derivation of Proposed Rates

RATE SCHEDULE		PRESENT RATES BILLING DETERMINANTS	PRESENT RATES PRESENT RATES	PRESENT RATES REVENUE	PROPOSED RATES BILLING DETERMINANTS	PROPOSED RATES PROPOSED RATES	PROPOSED RATES REVENUE
RESIDENTIAL							
GHP	CUSTOMER CHARGE	0	$ 20.00	$0	0	$ 19.01	$0
	DISTRIB. CHARGE	0	0.10100	0	0	0.09598	0
	TOTAL			$0			$0
COMMERCIAL STREET LIGHTING							
	CUSTOMER CHARGE	0	N/A	$0	0	N/A	$0
	DISTRIB. CHARGE	613,200	0.18859	115,643	613,200	0.17922	109,898
	TOTAL			$115,643			$109,898

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PEOPLES GAS SYSTEM
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Peoples Gas System
Tax Reform Rate Adjustment
Derivation of Proposed Rates

RATE SCHEDULE		PRESENT RATES BILLING DETERMINANTS		PRESENT RATES PRESENT RATES	PRESENT RATES REVENUE	PROPOSED RATES BILLING DETERMINANTS		PROPOSED RATES PROPOSED RATES	PROPOSED RATES REVENUE
COMMERCIAL STANDBY GENERATORS	CUSTOMER CHARGE	11,268	$	35.00	$394,380	11,268	$	33.26	$374,774
	DISTRIB. CHARGE	184,756		0.33894	62,621	184,756		0.32206	59,502
	TOTAL				$457,001				$434,276
SMALL GENERAL SERVICE COMMERCIAL	CUSTOMER CHARGE	143,843	$	25.00	$3,596,085	143,843	$	23.76	$3,417,719
	DISTRIB. CHARGE	9,319,501		0.33894	3,158,752	9,319,501		0.32206	3,001,439
	TOTAL				$6,754,837				$6,419,158
GENERAL SERVICE (1) COMMERCIAL	CUSTOMER CHARGE	218,119	$	35.00	$7,634,148	218,119	$	33.26	$7,254,622
	DISTRIB. CHARGE	90,511,702		0.26800	24,257,136	90,511,702		0.25468	23,051,520
	TOTAL				$31,891,284				$30,306,142
COMMERCIAL GHP	CUSTOMER CHARGE	0	$	35.00	$0	0	$	33.26	$0
	DISTRIB. CHARGE	0		0.20630	0	0		0.19605	0

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Peoples Gas System
Tax Reform Rate Adjustment
Derivation of Proposed Rates

RATE SCHEDULE		PRESENT RATES BILLING DETERMINANTS		PRESENT RATES PRESENT RATES	PRESENT RATES REVENUE	PROPOSED RATES BILLING DETERMINANTS		PROPOSED RATES PROPOSED RATES	PROPOSED RATES REVENUE
RESIDENTIAL (1)									
	CUSTOMER CHARGE	1,094,053	$	12.00	$13,128,635	1,094,053	$	11.40	$12,472,204
	DISTRIB. CHARGE	6,396,964		0.26782	1,713,235	6,396,964		0.25465	1,628,987
	TOTAL				$14,841,870				$14,101,190
RESIDENTIAL (2)									
	CUSTOMER CHARGE	2,200,965	$	15.00	$33,014,480	2,200,965	$	14.25	$31,363,756
	DISTRIB. CHARGE	31,758,678		0.26782	8,505,609	31,758,678		0.25465	8,087,347
	TOTAL				$41,520,089				$39,451,103
RESIDENTIAL (3)									
	CUSTOMER CHARGE	1,018,827	$	20.00	$20,376,539	1,018,827	$	19.01	$19,367,900
	DISTRIB. CHARGE	33,811,233		0.26782	9,055,324	33,811,233		0.25465	8,610,031
	TOTAL				$29,431,864				$27,977,931
RESIDENTIAL STAND BY GENERATORS	CUSTOMER CHARGE	9,799	$	20.00	$195,988	9,799	$	19.01	$186,286
	DISTRIB. CHARGE	0		0.26782	0	0		0.25465	0
	TOTAL				$195,988				$186,286

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PEOPLES GAS SYSTEM
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REQUEST NO. 1
FILED: AUGUST 24, 2018

Peoples Gas System
Tax Reform Rate Adjustment
Derivation of Proposed Rates

RATE SCHEDULE		PRESENT RATES BILLING DETERMINANTS	PRESENT RATES PRESENT RATES	PRESENT RATES REVENUE	PROPOSED RATES BILLING DETERMINANTS	PROPOSED RATES PROPOSED RATES	PROPOSED RATES REVENUE
RESIDENTIAL							
GHP	CUSTOMER CHARGE	0	$ 20.00	$0	0	$ 19.01	$0
	DISTRIB. CHARGE	0	0.10100	0	0	0.09598	0
	TOTAL			$0			$0
COMMERCIAL STREET LIGHTING							
	CUSTOMER CHARGE	0	N/A	$0	0	N/A	$0
	DISTRIB. CHARGE	613,200	0.18859	115,643	613,200	0.17922	109,898
	TOTAL			$115,643			$109,898

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PEOPLES GAS SYSTEM
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REQUEST NO. 1
FILED: AUGUST 24, 2018

Peoples Gas System
Tax Reform Rate Adjustment
Derivation of Proposed Rates

RATE SCHEDULE		PRESENT RATES BILLING DETERMINANTS		PRESENT RATES PRESENT RATES	PRESENT RATES REVENUE	PROPOSED RATES BILLING DETERMINANTS		PROPOSED RATES PROPOSED RATES	PROPOSED RATES REVENUE
COMMERCIAL STANDBY GENERATORS	CUSTOMER CHARGE	11,268	$	35.00	$394,380	11,268	$	33.26	$374,774
	DISTRIB. CHARGE	184,756		0.33894	62,621	184,756		0.32206	59,502
	TOTAL				$457,001				$434,276
SMALL GENERAL SERVICE COMMERCIAL	CUSTOMER CHARGE	143,843	$	25.00	$3,596,085	143,843	$	23.76	$3,417,719
	DISTRIB. CHARGE	9,319,501		0.33894	3,158,752	9,319,501		0.32206	3,001,439
	TOTAL				$6,754,837				$6,419,158
GENERAL SERVICE (1) COMMERCIAL	CUSTOMER CHARGE	218,119	$	35.00	$7,634,148	218,119	$	33.26	$7,254,622
	DISTRIB. CHARGE	90,511,702		0.26800	24,257,136	90,511,702		0.25468	23,051,520
	TOTAL				$31,891,284				$30,306,142
COMMERCIAL GHP	CUSTOMER CHARGE	0	$	35.00	$0	0	$	33.26	$0
	DISTRIB. CHARGE	0		0.20630	0	0		0.19605	0

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Peoples Gas System
Tax Reform Rate Adjustment
Derivation of Proposed Rates

RATE SCHEDULE		PRESENT RATES BILLING DETERMINANTS		PRESENT RATES PRESENT RATES	PRESENT RATES REVENUE	PROPOSED RATES BILLING DETERMINANTS		PROPOSED RATES PROPOSED RATES	PROPOSED RATES REVENUE
	TOTAL				$0				$0
GENERAL SERVICE (2)									
COMMERCIAL									
	CUSTOMER CHARGE	96,392	$	50.00	$4,819,596	96,392	$	47.52	$4,580,544
	DISTRIB. CHARGE	144,364,026		0.22746	32,837,041	144,364,026		0.21615	31,204,284
	TOTAL				$37,656,637				$35,784,828
GENERAL SERVICE (3)									
COMMERCIAL									
	CUSTOMER CHARGE	11,020	$	150.00	$1,652,976	11,020	$	142.55	$1,570,879
	DISTRIB. CHARGE	90,704,031		0.19670	17,841,483	90,704,031		0.18692	16,954,397
	TOTAL				$19,494,459				$18,525,276

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Peoples Gas System
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RATE SCHEDULE		PRESENT RATES BILLING DETERMINANTS		PRESENT RATES PRESENT RATES	PRESENT RATES REVENUE	PROPOSED RATES BILLING DETERMINANTS		PROPOSED RATES PROPOSED RATES	PROPOSED RATES REVENUE
GENERAL SERVICE (4)									
COMMERCIAL									
	CUSTOMER CHARGE	2,280	$	250.00	$570,000	2,280	$	237.58	$541,682
	DISTRIB. CHARGE	79,278,898		0.15215	12,062,284	79,278,898		0.14459	11,462,936
	TOTAL				$12,632,284				$12,004,618
GENERAL SERVICE (5)									
COMMERCIAL									
	CUSTOMER CHARGE	1,644	$	300.00	$493,200	1,644	$	285.09	$468,688
	DISTRIB. CHARGE	124,784,228		0.11321	14,126,822	124,784,228		0.10758	13,424,287
	TOTAL				$14,620,022				$13,892,975
NATURAL GAS									
VEHICLE SALES									
	CUSTOMER CHARGE	48	$	45.00	$2,160	48	$	42.76	$2,052
	DISTRIB. CHARGE	42,604		0.18392	7,836	42,604		0.17478	7,446
	TOTAL				$9,996				$9,499

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Peoples Gas System
Tax Reform Rate Adjustment
Derivation of Proposed Rates

RATE SCHEDULE		PRESENT RATES BILLING DETERMINANTS		PRESENT RATES PRESENT RATES	PRESENT RATES REVENUE	PROPOSED RATES BILLING DETERMINANTS		PROPOSED RATES PROPOSED RATES	PROPOSED RATES REVENUE
SMALL INTERRUPTIBLE SERVICE									
	CUSTOMER CHARGE	312	$	300.00	$93,600	312	$	285.09	$88,948
	DISTRIB. CHARGE	42,883,980		0.07131	3,058,057	42,883,980		0.06777	2,906,247
	TOTAL				$3,151,657				$2,995,195
INTERRUPTIBLE SERVICE									
	CUSTOMER CHARGE	156	$	475.00	$74,100	156	$	451.39	$70,417
	DISTRIB. CHARGE	104,554,066		0.03491	3,649,982	104,554,066		0.03318	3,469,104
	TOTAL				$3,724,082				$3,539,521

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RATE SCHEDULE		PRESENT RATES BILLING DETERMINANTS	PRESENT RATES PRESENT RATES	PRESENT RATES REVENUE	PROPOSED RATES BILLING DETERMINANTS	PROPOSED RATES PROPOSED RATES	PROPOSED RATES REVENUE
INTERRUPTIBLE SERVICE							
LARGE VOLUME							
	CUSTOMER CHARGE	0	$ 475.00	$0	0	$ 451.39	$0
	DISTRIB. CHARGE	0	0.00996	0	0	0.00947	0
	TOTAL			$0			$0
WHOLESALE							
	CUSTOMER CHARGE	180	$ 150.00	$27,000	180	$ 142.55	$25,659
	DISTRIB. CHARGE	3,672,477	0.14934	548,448	3,672,477	0.14192	521,198
	TOTAL			$575,448			$546,857
SUB TOTAL				$217,073,161			$206,284,754

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2. In paragraph G., it states that the new base will be effective with the first billing cycle of January 20 19. Please state when and how PGS will inform the customers of the new rates.

A. If approved, Peoples Gas System will notify customers through notices on their bills in month preceding when the new rates are to go into effect.

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Peoples Gas System's Response to Staff's Second Data Request (Nos. 3-7).

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 20180044-GU EXHIBIT: 17
PARTY: STAFF – (DIRECT)
DESCRIPTION: Peoples Gas System's Response to Staff's Second Data Request

PEOPLES GAS SYSTEM
DOCKET NO. 20180044-GU
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REQUEST NO. 3
BATES STAMPED PAGE: 1
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3. Please explain the rationale for changing from the currently approved depreciation rates and components to the proposed rates shown in Table 1.

Table 1. Comparison of Depreciation Components, Rates and Expenses

		Current Rate - Effective 2016 - 2018						Company Proposed - Effective 1/1/2019						Difference	
Act No.	Description	Curve Type	Ave. Service Life (yrs)	Ave. Remaining Life (yrs)	Reserve Ratio Approved %	Depreciation Rate (%)	Annual Depreciation Expense ($)	Curve Type	Ave. Service Life (yrs)	Ave. Remaining Life (yrs)	Reserve Ratio OPC %	Depreciation Rate (%)	Annual Depreciation Expense ($)	Change in Depreciation Expense ($)	Change in Ave. Service Life (yrs)
37600	Mains Steel	R2	55	41	48.16	2.2	8,476,978	R2	55	41	66.28	1.8	6,935,709	(1,541,269)	0
37602	Mains Plastic	R3	45	34	42.75	2.4	9,631,440	R2	75	65	33.00	1.4	5,618,340	(4,013,100)	30
38000	Service Steel	R0.5	45	31	84.71	3.7	1,715,925	R0.5	50	36	106.03	2.6	1,205,785	(510,140)	5
38002	Service Plastic	R3	40	28	62.07	3.3	8,167,666	R1.5	55	45	52.88	2.3	5,692,616	(2,475,050)	15
38100	Meters	L1	16	10.8	31.17	5.9	3,718,933	R1	21	15.2	26.09	4.5	2,836,474	(882,459)	5
38200	Meter Installations	R4	27	15.3	51.87	4.5	2,212,883	R0.5	43	35	22.14	2.8	1,376,905	(835,978)	16
Total:													(10,257,396)		

Source of data: Joint Motion Seeking Commission Approval of Settlement Agreement Filed 8/8/2018, Attachment 1, Exhibit B, pages 1 and 3.

A. During the 2016 PGS Depreciation Study, PGS evaluated the reserve surplus and remaining useful lives of the existing assets. At that time, comparing to other gas utilities across the country and in Florida, PGS realized the lives were too short for some of the asset accounts. This was leading to the company's reserve surplus. At several points throughout the process, there were discussions with both Staff and OPC regarding the possibility of extending the average service lives/remaining lives on some of the accounts. A Settlement was ultimately reached for the current approved rates, which reflected a portion but not all the OPC consultant recommendations put forth in the negotiations.

PGS evaluated the OPC consultant recommendation above and believes the life extension is reasonable at this time given the current reserve surplus position. Depending on the asset activity through the next depreciation study filing, future adjustments may be warranted.

4. Referring to Table 1 above, please provide the reason that warrants the change from the approved Reserve Ratio for Account 37600.

A. The company utilized reserve transfers to clear the reserve surplus in most of the other accounts, isolating the remaining reserve surplus to the Mains and Services (37600) accounts. PGS will reevaluate its position, inclusive of reserve surplus and remaining lives, at the next depreciation study.

5. As shown in Table 2 below, the average service lives (ASLs) of five of the six accounts for which PGS is seeking a change in depreciation rates at this time are considerably longer than the current Commission-approved ASLs. Also, most of the proposed ASLs are at the high end or exceed the range of the industry averages.

a. Please explain why it is appropriate to substantially change depreciation rates in 2019 as proposed in the Settlement Agreement without the benefit of a supporting depreciation study.

b. Please explain whether the proposed changes in depreciation components and rates are, or are not, consistent with the Commission's practice of gradualism

Table 2. Comparison of Depreciation Components with Industry Range

		Current Rate Effective 2016 - 2018		Company Proposed Effective 1/1/2019		Change in	Comparison	
			Ave.		Ave.	Ave.	Approved Ave. Service Life for Florida's gas utilities	
Act No.	Description	Curve Type	Service Life (yrs)	Curve Type	Service Life (yrs)	Service Life (yrs)	Arithmetic Mean (yrs)	Range (yrs)
37600	Mains Steel	R2	55	R2	55	0	48.0	40 - 55
37602	Mains Plastic	R3	45	R2	75	30	46.0	40 - 55
38000	Service Steel	R0.5	45	R0.5	50	5	46.2	40 - 53
38002	Service Plastic	R3	40	R1.5	55	15	44.2	40 - 54
38100	Meters	L1	16	R1	21	5	22.8	20 - 28
38200	Meter Installations	R4	27	R0.5	43	16	34.2	27 - 40

Source of data: Order No. PSC-14-0698-PAA-GU, issued December 18, 2014, in Docket No. 140016-GU, In re: 2014 depreciation study by Florida Public Utilities Company; Order No. PSC-17-0066-AS-GU, issued February 28, 2017, in Docket No. 160159-GU, In re: Petition for approval of settlement agreement pertaining to Peoples Gas System's 2016 depreciation study, environmental reserve account, problematic plastic pipe replacement, and authorized ROE; Order No. PSC-16-0574-PAA-GU, issued December 19, 2016, in Docket No. 160174-GU, In re: Request for approval of 2016 depreciation study by Sebring Gas System, Inc.; Order No. PSC-2018-0190-FOF-GU, issued April 20, 2018, in Docket No. 20170179-GU, In re: Petition for rate increase by Florida City Gas, and Order No. PSC-2018-0368-PAA-GU, issued July 25, 2018, in Docket No. 20170265-GU, In re: Application for approval of new depreciation rates effective January 1, 2018, by St. Joe Natural Gas Company, Inc.

A. a. The analysis by the OPC consultant was performed at the time PGS filed its Depreciation Study approximately two years ago. It is the company's opinion that the information contained in that study has not changed significantly enough to result in further changes to the rates.

b. While the company agrees most of the ASL's are at the high end of Florida LDC averages it also notes that a significant theoretical depreciation reserve surplus has been built up and should be reduced. PGS believes that a reserve surplus will still be available at the time of its next depreciations study where the practice of gradualism can be employed to mitigate significant rate change.

6. PGS's proposed changes in depreciation components and rates will result in $10.3 million dollar decrease in depreciation expense annually throughout the period of the Settlement Agreement. Please explain how PGS's customers would benefit from the proposed changes in depreciation components/rates and the resulting annual depreciation expense reduction of $10.3 million.

A. As previously noted, Peoples' existing depreciation rates have resulted in a theoretical depreciation reserve surplus. The reduction in depreciation rates will reduce depreciation expense and reduce the existing surplus. Customers benefit because the proposed reduction in depreciation rates along with other aspects of the proposed Settlement, including the base rate reduction to customers, are anticipated to allow the company to remain within its allowed ROE range over the term of its current Settlement Agreement.

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7. What is PGS's expected return on equity for 2019 both with and without the proposed change in depreciation rates?

A. With the change in depreciation rates as well as the proposed MGP amortization treatment and tax reform base rate reductions in the proposed Settlement, Peoples expects to earn at or around the midpoint of its allowed ROE range in 2019. If the proposed Settlement did not include a provision to change Peoples' depreciation rates for 2019, the company anticipated to earn slightly below its allowed ROE floor of 9.25% agreed upon in the existing Settlement Agreement.