



DOCKET NO. 20230100-GU

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September 1, 2023

VIA: ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Application of Peoples Gas System, Inc. for Authority to Issue and Sell Securities pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code.

Dear Mr. Teitzman:

Attached for filing in the above-styled matter is the Peoples Gas System, Inc's Application for Authority to Issue and Sell Securities for the year ending December 31, 2024.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Malcolm N. Means'.

Malcolm N. Means

MNM/bml
Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of
Peoples Gas System, Inc. for) DOCKET NO. _____
authority to issue and sell)
securities pursuant to Section 366.04,) Filed: September 1, 2023
Florida Statutes and Chapter 25-8,)
Florida Administrative Code)
_____)

**APPLICATION OF
PEOPLES GAS SYSTEM, INC.
FOR AUTHORITY TO ISSUE AND SELL SECURITIES**

Pursuant to Section 366.04, Florida Statutes and Rule 25-8.001, et seq., Florida Administrative Code, Peoples Gas System, Inc. (“PGS”) files this Application for authority to issue and/or sell securities for the company’s fiscal period of 12 months ending December 31, 2024, and says:

1. The exact name of the company and the address of its principal business office are as follows: Peoples Gas System Inc., 702 North Franklin Street, Tampa, Florida, 33602.
2. Peoples Gas System, Inc., a Florida corporation, was organized in 2023.
3. PGS’s local gas distribution activities are subject to regulation by the Florida Public Service Commission (“FPSC” or “Commission”) under Chapter 366, Florida Statutes.
4. The names and addresses of persons authorized to receive notices and communications with respect to this Joint Application are as follows:

J. Jeffrey Wahlen
jwahlen@ausley.com
Malcolm N. Means
mmeans@ausley.com
Virginia L. Ponder
vponder@ausley.com
Ausley & McMullen
P. O. Box 391
Tallahassee, FL 32302
(850) 224-9115

Paula K. Brown
regdept@tecoenergy.com
Manager, Regulatory Coordination
Tampa Electric Company
P. O. Box 111
Tampa, FL 33601
(813) 228-1444

5. As of December 31, 2022, the date of the balance sheet submitted with this Application, the following information is shown for each class and series of capital stock and funded debt. Please note this is the allocated portion of Tampa Electric's funded debt as of December 31, 2022. As stated in note 11, on January 1, 2023, a new corporate entity, Peoples Gas System Inc., was formed and is a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations Inc., which is a subsidiary of TECO Energy Inc. As part of this transaction, PGS issued 100 shares of common stock to TEC, which were subsequently distributed to TECO Energy, Inc. and then contributed to TECO Gas Operations, Inc.

(a) Brief description	(b) Amount authorized (face value and number of shares)	(c) Amount outstanding (exclusive of any amount held in the treasury)	(d) Amount held as reacquired securities	(e) Pledged by applicant	(f) Amount owned by affiliated corporations	(g) Amount held in any fund
Common Stock	7,500 shares, \$1.00 par value	None	None	None	None	None
Funded Debt:						
Unsecured Notes:						
3.875% Series, due 2024	37,500,000	37,500,000	None	None	None	None
2.40% Series, due 2031	115,000,000	115,000,000	None	None	None	None
6.15% Series, due 2037	60,000,000	60,000,000	None	None	None	None
4.10% Series, due 2042	50,000,000	50,000,000	None	None	None	None
4.35% Series, due 2044	10,000,000	10,000,000	None	None	None	None
4.20% Series, due 2045	20,000,000	20,000,000	None	None	None	None
4.30% Series, due 2048	75,000,000	75,000,000	None	None	None	None
4.45% Series, due 2049	25,000,000	25,000,000	None	None	None	None
3.625% Series, due 2050	25,000,000	25,000,000	None	None	None	None
3.45% Series, due 2051	115,000,000	115,000,000	None	None	None	None
5.00% Series, due 2052	37,500,000	37,500,000	None	None	None	None
Total Funded Debt	\$570,000,000	\$570,000,000				

6. Statement of Proposed Transactions

- (a) Peoples Gas System, Inc. seeks the authority to issue, sell and/or exchange equity securities and issue, sell, exchange and/or assume long-term or short-term debt securities and/or to assume liabilities or obligations as guarantor, endorser or surety during the period covered by this Application. PGS also seeks authority to enter into interest rate swaps or other derivative instruments related to debt securities. Any exercise of the requested authority will be for the benefit of Peoples Gas System, Inc. In connection with this application, PGS confirms that the capital raised pursuant to this application will be used in connection with the activities of regulated gas activities of PGS, and not the unregulated activities of the utility or its affiliates.

The equity securities may take the form of common stock, or options or rights with respect to the foregoing with such par values, terms and conditions, and conversion rights as may be permitted by Peoples Gas System, Inc.'s Articles of Incorporation, as the same may be amended to permit the issuance of any such securities. The long-term debt securities may take the form of first mortgage bonds, debentures, notes, bank borrowings, convertible securities, or options, rights, interest rate swaps, or other derivative instruments with respect to the foregoing, with maturities ranging from one to 100 years, and may be issued in both domestic and international markets.

The issuance and/or sale of equity securities and long-term debt requested may be through negotiated underwritten public offering, public offering at competitive bidding, direct public or private sale or placement, sale through agents, or distribution to security holders of Peoples Gas System, Inc., or affiliated companies.

The short-term debt may take the form of short-term tax-exempt notes, borrowings under bank credit facilities, or other bank borrowings.

- (b) The amount of all equity and long-term debt securities issued, sold, exchanged, or assumed and liabilities and obligations assumed or guaranteed as guarantor, endorser, or surety will not exceed in the aggregate \$750 million during the period covered by this Application, including any amounts issued to retire existing long-term debt securities. The maximum amount of short-term debt, as described above, outstanding at any one time will be \$500 million.

- (c) With respect to equity and long-term debt securities and liabilities and obligations to be assumed or guaranteed as grantor, endorser, or surety; the amount of \$750 million is needed based on the projected long-term debt levels and for other purposes including, but not limited to, the refinancing of outstanding short-term borrowings, the potential long-term emergency funding, the potential for unforeseen business and capital expenditures, and for other general corporate purposes. With respect to short-term debt, the amount of up to \$500 million at any time outstanding is needed to enable PGS to fully draw existing short-term credit facilities including what may be needed to avail the company of short-term emergency funding, the potential for

unforeseen business and capital expenditures, and for other general corporate purposes.

- (d) The interest rate that Peoples Gas System Inc. could pay on debt securities will vary depending on the type and terms of debt instrument, including the term of the debt along with market conditions at the time of the debt offering. Actual dividend rates for the aforementioned equity securities and interest rates will be determined at the time of the issuance and/or sale of the applicable securities.

7. Purpose of Issuance

Proceeds from any sale of securities will be added to Peoples Gas System Inc.'s general funds and used for working capital requirements and for other general business purposes, including financing of PGS's capital investments or the acquisition of additional properties or businesses. The net proceeds received from the sale of securities may also be used for the repurchase or repayment of debt or equity securities of Peoples Gas System, Inc.

(a) Construction

Although the 2024 business plan is still preliminary, PGS currently estimates that construction expenditures during the 12 months ending December 31, 2024, will be \$362 million for maintenance and expansion. There are no capital requirements for major generating plants and transmission lines requiring certification of need:

<u>Projects (Millions)</u>	<u>Actual Capital to date</u>	<u>2024 Amount</u>
Not Applicable	-	-

(b) Reimbursement of the Treasury

Among the general business purposes for which any net proceeds may be used is the reimbursement of the treasury for expenditures by Peoples Gas System Inc. against which securities will not have been issued in advance.

(c) Refunding Obligations

One of the purposes of issuing the securities referred to herein will be to repay previously issued short-term debt, of the type described in paragraph 6, which matures from time to time on a regular basis. Subject to market conditions, the company may refund such short-term debt with new short-term debt, long-term debt or preferred or preference stock.

In addition, the company continues to monitor and evaluate market conditions in anticipation of refunding or refinancing long-term obligations where it is legally and economically feasible to do so. Recognizing that changes in market conditions could make such refunding transactions feasible, the company is requesting authority to issue long-term debt and/or preferred or preference stock within a limitation that provides the company with sufficient flexibility to respond to refunding or refinancing opportunities.

8. Peoples Gas System, Inc. submits that the proposed issuance and sale of securities is for lawful objectives within the corporate purposes of PGS is necessary for the proper performance of Peoples Gas System, Inc. as a public utility, is compatible with the public interest and is reasonable, necessary, and appropriate. In support thereof, Peoples Gas System, Inc. states that the proposed issuance and sale of

securities and the proposed application of funds derived therefrom, as described in paragraphs 6 and 7 above, are consistent with similar actions PGS in the past has found to be lawful, reasonable, necessary, and appropriate for the conduct of its business. Peoples Gas System, Inc. further states that this application for authority to issue and sell securities is consistent in its objectives with those of applications PGS has filed, and this Commission has found to be lawful, reasonable, necessary, and appropriate, on numerous occasions in the past.

9. The names and addresses of counsel who will pass upon the legality of the proposed issuances are: David M. Nicholson, General Counsel, Tampa Electric Company, Tampa, Florida; Michelle V. Szekeres, Associate General Counsel, Tampa Electric Company, Tampa, Florida; Holland & Knight LLP, Tampa, Florida; and/or Locke Lorde LLP, Boston, Massachusetts and/or such other counsel as the Company may deem necessary in connection with any of the proposed issuances.
10. A Registration Statement with respect to each public offering of securities hereunder that is subject to and not exempt from the registration requirements of the Securities Act of 1933, as amended, will be filed with the Securities and Exchange Commission, 100 F St. N.E., Washington, D.C. 20549.
11. There is no measure of control or ownership exercised by or over People Gas System, Inc. as to any other public utility except as noted below.

On April 14, 1981, the shareholders of Tampa Electric (“Tampa Electric”) approved a restructuring plan under which Tampa Electric and its subsidiaries became separate

wholly owned subsidiaries of the holding company TECO Energy, Inc. PGS became an operating division of Tampa Electric in 1997 when TECO Energy, Inc. purchased Peoples Gas System, Inc. and merged that corporation into Tampa Electric. On July 1, 2016, TECO Energy, Inc. became a wholly owned subsidiary of Emera US Holdings Inc., a wholly owned subsidiary of Emera Inc. On May 24, 2021, the new corporate entity, Peoples Gas System, Inc., was formed and on January 1, 2023 became a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., which is a subsidiary of TECO Energy, Inc.

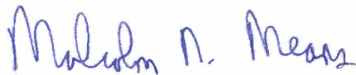
12. Required Exhibits.

The following exhibits required by Rule 25-8.003, Florida Administrative Code, are either attached hereto or incorporated by reference herein and made a part hereof:

- (a) Exhibit A: Items 1 through 5 are being satisfied through the 2022 Annual Report of Natural Gas Utilities.
- (b) Exhibit B: Projected Financial Information (Sources and Uses of Funds Statements and Construction Budgets)

WHEREFORE, Peoples Gas System, Inc. respectfully request that the Commission enter its Order approving their applications for authority to issue and sell securities during the 12-month period ending December 31, 2024, in the amounts specified in paragraph 12 and 20, above.

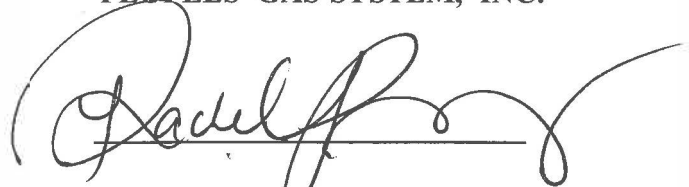
DATED this 1st day of September 2023.



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ATTORNEYS FOR
PEOPLES GAS SYSTEM,
INC.

PEOPLES GAS SYSTEM, INC.



Rachel Parsons
Head of Financial Performance

**APPLICATION OF PEOPLES GAS SYSTEM, INC. FOR AUTHORITY TO ISSUE
AND SELL SECURITIES**

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Exhibit A

**ANNUAL REPORT OF
NATURAL GAS UTILITIES**

PEOPLES GAS SYSTEM

(EXACT NAME OF RESPONDENT)

702 N. Franklin Street

Tampa, Florida 33602

(ADDRESS OF RESPONDENT)

TO THE

FLORIDA PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2022

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

Name Rosemary Barbour

Title Controller

Address P.O Box 2562

City Tampa

State FL 33601-2562

Telephone No. (813) 228-4191

PSC/AFD 020-G (12/03)



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

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Report of Independent Auditors

To the Board of Directors of Tampa Electric Company

We have audited the financial statements of the Peoples Gas System division of Tampa Electric Company (the “Company”), which comprise the comparative balance sheets as of December 31, 2022 and 2021, and the related statements of income and retained earnings for the years then ended and the related notes to the financial statements, included on pages 6 to 11 in the accompanying Annual Report of Natural Gas Utilities (collectively referred to as the “financial statements”) filed with the Florida Public Service Commission as required by Rule 25-7.135(2).

In our opinion, the accompanying financial statements present fairly, in all material respects, the regulatory basis financial position of the Company as of December 31, 2022 and 2021, and the results of its regulatory basis operations for the years then ended on the basis of the financial reporting provisions of the Federal Energy Regulatory Commission (FERC) as set forth in its applicable Uniform System of Accounts and published accounting releases described in the opening paragraph preceding the notes.

Basis for Opinion

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

Regulatory Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Restriction on Use

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

April 24, 2023

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

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

GENERAL INSTRUCTIONS

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

DEFINITIONS

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

ANNUAL REPORT OF NATURAL GAS UTILITIES

IDENTIFICATION

01 Exact Legal Name of Respondent Peoples Gas System, a Division of Tampa Electric Company		02 Year of Report 2022
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 702 N. Franklin Street Tampa, Florida 33602		
05 Name of Contact Person Rosemary Barbour	06 Title of Contact Person Controller	
07 Address of Contact Person (Street, City, State, Zip Code) P.O Box 2562 Tampa, Florida 33601-2562		
08 Telephone of Contact Person, Including Area Code (813) 228 - 4191	09 Date of Report (Mo., Day, Yr) Dec. 31, 2022	

ATTESTATION

I certify that I am the responsible accounting officer of
Peoples Gas System;
 that I have examined the following report; that to the best of my knowledge,
 information, and belief, all statements of fact contained in the said report are true
 and the said report is a correct statement of the business and affairs of the above-
 named respondent in respect to each and every matter set forth therein during the
 period from January 1, 2022 to December 31, 2022, inclusive.

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

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

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

Rosemary Barbour
 Signature

4/24/23
 Date

Rosemary Barbour
 Name

Controller
 Title

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2022	
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Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2022
CONTROL OVER RESPONDENT	
<p>1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s).</p> <p>2. If the above required information is available from the SEC 10K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed provided the fiscal years for both the 10-K report and this report are compatible.</p>	
<p>Peoples Gas System is a division of Tampa Electric Company, which is a wholly owned subsidiary of TECO Energy.</p> <p>On July 1, 2016, TECO Energy and Emera completed the Merger contemplated by the Merger Agreement entered into on September 4, 2015. As a result of the Merger, the Merger Sub Company merged with and into TECO Energy with TECO Energy continuing as the surviving corporation and becoming a wholly owned indirect subsidiary of Emera. The acquisition method of accounting was not pushed down to TECO Energy or its subsidiaries, including TEC (PGS).</p>	

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

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2022
OFFICERS		
<p>1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policymaking functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and date the change in incumbency was made.</p>		
Title (a)	Name of Officer (b)	Salary for Year (c)
President/COO, PGS	H. Wesley	\$ 338,123
VP Engineering, Construction & Technology, PGS	C. Richard	\$ 213,858
VP Strategy, Marketing & Comm.	J. Wehle	\$ 208,000
VP Gas Operations, PGS	R. Wall (retired in 2023)	\$ 280,000
VP Ops, Sustainability & External Affairs, PGS	T. O'Connor	\$ 263,000
VP, Human Resources, PGS	D. Bluestone (hired Sept 2022)	\$ 83,333
VP Customer Experience	K. Sparkman	\$ 70,358
VP Finance and Planning, PGS	R. Parsons	\$ 226,000
VP Business Development, PGS	L. Rutkin	\$ 220,000
VP Pipeline Safety & Regulatory Affairs, PGS	L. Buzard	\$ 217,500
Salaries for the year represent the Peoples Gas System share of individual salaries.		

DIRECTORS			
<p>1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated titles of the directors who are officers of the respondent.</p>		<p>2. Designate members of the Executive Committee by an asterisk and the Chairman of the Executive Committee by a double asterisk.</p>	
Name (and Title) of Director (a)	Principal Business Address (b)	No. of Directors Meetings During Yr. (c)	Fees During Year (d)
Peoples Gas System, as a division of Tampa Electric Company, has no Directors.			

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2022

SECURITY HOLDERS AND VOTING POWERS

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

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

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

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

VOTING SECURITIES

Name (Title) and Address of Security Holder (a)	Number of votes as of (date):			
	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
TOTAL votes of all voting securities				
TOTAL number of security holders				
TOTAL votes of security holders listed below				
Peoples Gas System, as a division of Tampa Electric Company, has no outstanding shares of common stock. All outstanding shares of Tampa Electric Company common stock were held by its parent, TECO Energy, Inc. As disclosed on page 3, on July 1, 2016, TECO Energy and Emera completed the Merger contemplated by the Merger Agreement entered into on September 4, 2015. Therefore, TEC continues to be a wholly owned subsidiary of TECO Energy and became an indirect wholly owned subsidiary of Emera as of July 1, 2016. Pursuant to the Merger Agreement, upon the closing of the Merger, each issued and outstanding share of TECO Energy common stock was cancelled and converted automatically into the right to receive \$27.55 in cash, without interest.				

IMPORTANT CHANGES DURING THE YEAR

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

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

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

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

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

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

- 1 Please see separation of PGS from TEC on page 11-G - effective 1/1/23
- 2 None
- 3 None
- 4 Please see the Commitments and Contingencies section of the included Notes to the Financial Statements - page 11-Y.
- 5 None

Name of Respondent			For the Year Ended	
Peoples Gas System			Dec. 31, 2022	
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	12	2,485,687,403	2,687,741,747
3	Construction Work in Progress (107)	12	147,483,850	246,108,952
4	TOTAL Utility Plant Total of lines 2 and 3)		2,633,171,253	2,933,850,699
5	(Less) Accum. Prov. for Depr., Amort., Depl. & Acq. Adj. (108, 111, 115)	12	854,647,546	881,239,460
6	Net Utility Plant (Total of line 4 less 5)		1,778,523,707	2,052,611,239
7	Utility Plant Adjustments (116)	11		
8	Gas Stored (117.1, 117.2, 117.3, 117.4)	-		
9	OTHER PROPERTY AND INVESTMENTS			
10	Nonutility Property (121)	-		
11	(Less) Accum. Prov. for Depr. and Amort. (122)	-		
12	Investments in Associated Companies (123)	-		
13	Investment in Subsidiary Companies (123.1)	-	1,027,777	846,205
14	Other Investments (124)	-		
15	Special Funds (125, 126, 128)	-		
16	TOTAL Other Property and Investments (Total of lines 10 through 15)		1,027,777	846,205
17	CURRENT AND ACCRUED ASSETS			
18	Cash (131)	-	2,104,297	3,398,831
19	Special Deposits (132-134)	-	25,000	25,000
20	Working Funds (135)	-	2,950	2,950
21	Temporary Cash Investments (136)	-		
22	Notes Receivable (141)	-		
23	Customer Accounts Receivable (142)	-	34,889,403	37,678,297
24	Other Accounts Receivable (143)	-	4,473,620	1,528,487
25	(Less) Accumulated Provision for Uncollectible Accounts-Credit (144)	-	(1,399,522)	(888,665)
26	Notes Receivable from Associated Companies (145)	-	9,985,215	9,393,666
27	Accounts Receivable from Associated Companies (146)	-	828,793	3,816,943
28	Fuel Stock (151)	-		
29	Fuel Stock Expense Undistributed (152)	-		
30	Residuals (Electric) and Extracted Products (Gas) (153)	-		
31	Plant Material and Operating Supplies (154)	-	2,635,012	4,817,154
32	Merchandise (155)	-		
33	Other Material and Supplies (156)	-		
34	Stores Expenses Undistributed (163)	-		
35	Gas Stored Underground & LNG Stored (164.1-164.3)	-	864,732	413,689
36	Prepayments (165)	18	3,413,030	3,955,618
37	Advances for Gas (166-167)	-		
38	Interest and Dividends Receivable (171)	-		
39	Rents Receivable (172)	-		
40	Accrued Utility Revenues (173)	-	17,180,538	16,225,985
41	Miscellaneous Current and Accrued Assets (174)	-		
42	TOTAL Current and Accrued Assets (Total of lines 18 through 41)		75,003,069	80,367,955
43	DEFERRED DEBITS			
44	Unamortized Debt Expense (181)	-	4,248,945	4,543,244
45	Extraordinary Property Losses (182.1)	18		
46	Unrecovered Plant and Regulatory Study Costs (182.2)	18		
47	Other Regulatory Assets (182.3)	19	56,466,289	60,509,344
48	Preliminary Survey and Investigation Charges (Gas) (183.1, 183.2)	-		
49	Clearing Accounts (184)	-		
50	Temporary Facilities (185)	-		
51	Miscellaneous Deferred Debits (186)	19	4,082,431	4,343,041
52	Deferred Losses from Disposition of Utility Plant. (187)	-		
53	Research, Development and Demonstration Expenditures (188)	-		
54	Unamortized Loss on Reacquired Debt (189)	20		
55	Accumulated Deferred Income Taxes (190)	24	58,824,206	62,146,609
56	Unrecovered Purchased Gas Costs (191)	-	12,048,954	2,081,893
57	TOTAL Deferred Debits (Total of lines 44 through 56)		135,670,825	133,624,131
58	TOTAL Assets and other Debits (Total of lines 6, 7, 8, 16, 42, 57)		1,990,225,377	2,267,449,530

Name of Respondent		For the Year Ended		
Peoples Gas System		Dec. 31, 2022		
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock (201, 202, 203, 205, 206, 207)	-		
3	Preferred Stock Issued (204)	-		
4	Other Paid-In Capital (208-214)	-	665,550,169	870,550,169
5	Retained Earnings (215, 216)	10	120,404,681	120,661,286
6	Other Comprehensive Income (219)		(299,358)	(274,732)
7	Unappropriated Undistributed Subsidiary Earnings (216.1)	10	579,088	397,515
8	(Less) Reacquired Capital Stock (217)	-		
9	TOTAL Proprietary Capital (Total of lines 2 through 8)		786,234,580	991,334,238
10	LONG-TERM DEBT			
11	Bonds (221)	21		
12	(Less) Reacquired Bonds (222)	21		
13	Advances from Associated Companies (223)	21		
14	Other Long-Term Debt (224)	21	520,000,000	570,000,000
15	Unamortized Premium on Long-Term Debt (225)	21		
16	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	21	(1,648,776)	(1,612,031)
17	TOTAL Long-Term Debt (Total of lines 11 through 16)		518,351,224	568,387,969
18	OTHER NONCURRENT LIABILITIES			
19	Obligations Under Capital Leases - Noncurrent (227)	-		
20	Accumulated Provision for Property Insurance (228.1)	-	521,856	
21	Accumulated Provision for Injuries and Damages (228.2)	-	6,304,588	3,723,647
22	Accumulated Provision for Pensions and Benefits (228.3)	-	19,655,937	23,561,790
23	Accumulated Miscellaneous Operating Provisions (228.4)	-	124,972	201,167
24	Accumulated Provision for Rate Refunds (229)	-		
25	TOTAL Other Noncurrent Liabilities (Total of lines 19 through 24)		26,607,352	27,486,604
26	CURRENT AND ACCRUED LIABILITIES			
27	Notes Payable (231)	-	189,522,084	166,097,150
28	Accounts Payable (232)	-	70,733,695	69,856,886
29	Notes Payable to Associated Companies (233)	-		
30	Accounts Payable to Associated Companies (234)	-	16,072,203	28,136,525
31	Customer Deposits (235)	-	27,054,409	29,859,419
32	Taxes Accrued (236)	-	5,470,037	5,191,933
33	Interest Accrued (237)	-	3,091,860	4,458,907
34	Dividends Declared (238)	-		
35	Matured Long-Term Debt (239)	-		
36	Matured Interest (240)	-		
37	Tax Collections Payable (241)	-	1,054,157	1,011,036
38	Miscellaneous Current and Accrued Liabilities (242)	22	23,188,050	20,767,789
39	Obligations Under Capital Leases-Current (243)	-		
40	Derivative Liabilities (245)			
41	TOTAL Current and Accrued Liabilities (Total of lines 27 through 40)		336,186,494	325,379,645
42	DEFERRED CREDITS			
43	Customer Advances for Construction (252)	-	18,210,108	22,520,306
44	Other Deferred Credits (253)	22	4,140,080	3,322,922
45	Other Regulatory Liabilities (254)	22	89,297,674	92,149,754
46	Accumulated Deferred Investment Tax Credits (255)	23		
47	Deferred Gains from Disposition of Utility Plant (256)	-		
48	Unamortized Gain on Reacquired Debt (257)	20		
49	Accumulated Deferred Income Taxes (281-283)	24	211,197,866	236,868,092
50	TOTAL Deferred Credits (Total of lines 43 through 49)		322,845,727	354,861,074
51	TOTAL Liabilities and Other Credits (Total of lines 9, 17, 25, 41 and 50)		1,990,225,377	2,267,449,530

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2022

STATEMENT OF INCOME

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

Line No.	Account (a)	Ref. Page No. (b)	Total Gas Utility Current Year (c)	Total Gas Utility Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	26	637,199,054	512,534,636
3	Operating Expenses			
4	Operation Expenses (401)	27-29	397,577,952	281,534,870
5	Maintenance Expenses (402)	27-29	11,953,103	10,694,983
6	Depreciation Expense (403)	15-16	42,022,468	51,120,589
7	Amortization & Depletion of Utility Plant (404-405)	-	4,013,369	3,535,332
8	Amortization of Utility Plant Acquisition Adjustment (406)	-	-	40,961
9	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)	-		
10	Amortization of Conversion Expenses (407.2)	-		
11	Regulatory Debits (407.3)	-	8,673,251	9,277,379
12	(Less) Regulatory Credits (407.4)	-	(6,691,412)	(2,122,743)
13	Taxes Other Than Income Taxes (408.1)	23	53,866,712	47,718,678
14	Income Taxes - Federal (409.1)	-	3,901,927	7,513,856
15	- Other (409.1)	-	461,000	724,697
16	Provision for Deferred Income Taxes (410.1)	24	21,535,034	13,291,796
17	(Less) Provision for Deferred Income Taxes - Cr.(411.1)	24		
18	Investment Tax Credit Adjustment - Net (411.4)	23		
19	(Less) Gains from Disposition of Utility Plant (411.6)	-		
20	Losses from Disposition of Utility Plant (411.7)	-		
21	Other Operating Income (412-414)	-	1,057,655	1,685,141
22	TOTAL Utility Operating Expenses (Total of lines 4 -21)		536,255,749	421,645,255
23	Net Utility Operating Income (Total of line 2 less 22)			
24	(Carry forward to page 9, line 25)		100,943,305	90,889,381

Name of Respondent		For the Year Ended		
Peoples Gas System		Dec. 31, 2022		
STATEMENT OF INCOME (Continued)				
Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 8)		100,943,305	90,889,381
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)	-	14,570	(3,906)
30	(Less) Costs and Exp. of Merchandising, Job & Contract Work (416)	-	(4,239)	(12,533)
31	Revenues From Nonutility Operations (417)	-		
32	(Less) Expenses of Nonutility Operations (417.1)	-		
33	Nonoperating Rental Income (418)	-		
34	Equity in Earnings of Subsidiary Companies (418.1)	10	3,255,184	3,644,155
35	Interest and Dividend Income (419)	-	337,887	79,624
36	Allowance for Other Funds Used During Construction (419.1)	-	3,104,356	3,294,762
37	Miscellaneous Nonoperating Income (421)	-	10,779	6,628
38	Gain on Disposition of Property (421.1)	-	285,810	-
39	TOTAL Other Income (Total of lines 29 through 38)		7,004,347	7,008,730
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)	-	61,983	61,983
42	Miscellaneous Amortization (425)	33		
43	Miscellaneous Income Deductions (426.1-426.5)	33	711,176	526,989
44	TOTAL Other Income Deductions (Total of lines 41 through 43)		773,159	588,972
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	-		
47	Income Taxes - Federal (409.2)	-	(82,433)	105,286
48	Income Taxes - Other (409.2)	-	(22,846)	18,373
49	Provision for Deferred Income Taxes (410.2)	24	-	-
50	(Less) Provision for Deferred Income Taxes - Credit (411.2)	24		
51	Investment Tax Credit Adjustment - Net (411.5)	-		
52	(Less) Investment Tax Credits (420)	-		
53	TOTAL Taxes on Other Inc. and Ded. (Total of 46 through 52)		(105,279)	123,658
54	Net Other Income and Deductions (Total of lines 39,44,53)		6,336,467	6,296,099
55	Interest Charges			
56	Interest on Long-Term Debt (427)	-	20,999,791	19,125,610
57	Amortization of Debt Discount and Expense (428)	21	425,290	347,684
58	Amortization of Loss on Reacquired Debt (428.1)	-		
59	(Less) Amortization of Premium on Debt - Credit (429)	21		
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	-		
61	Interest on Debt to Associated Companies (430)	33		
62	Other Interest Expense (431)	33	4,607,000	1,479,904
63	(Less) Allowance for Borrowed Funds Used During Const.-Credit (432)	-	(989,927)	(1,050,646)
64	Net Interest Charges (Total of lines 56 through 63)		25,042,154	19,902,551
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		82,237,618	77,282,929
66	Extraordinary Items			
67	Extraordinary Income (434)	-		
68	(Less) Extraordinary Deductions (435)	-		
69	Net Extraordinary Items (Total of line 67 less line 68)			
70	Income Taxes - Federal and Other (409.3)	-		
71	Extraordinary Items After Taxes (Total of line 69 less line 70)			
72	Net Income (Total of lines 65 and 71)		82,237,618	77,282,929

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2022

STATEMENT OF RETAINED EARNINGS

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance - Beginning of Year		120,684,412
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439):		
4	Credit:		
5	Credit:		
6	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 4 and 5)		
7	Debit:		
8	Debit:		
9	TOTAL Debits to Retained Earnings (Account 439) (Total of lines 7 and 8)		
10	Balance Transferred from Income (Account 433 less Account 418.1)		78,982,434
11	Appropriations of Retained Earnings (Account 436) TOTAL		
12	Dividends Declared - Preferred Stock (Account 437) TOTAL		
13	Dividends Declared - Common Stock (Account 438) TOTAL		(82,162,586)
14	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		3,255,184
15	FAS 133 Other Comprehensive Income		24,626
16	Balance - End of Year (Total of lines 01, 6, 9, 10, 11, 12, 13, 14 and 15)		120,784,070
	APPROPRIATED RETAINED EARNINGS (Account 215)		
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.		
17			
18			
19			
20			
21			
22			
23	TOTAL Appropriated Retained Earnings (Account 215)		
	TOTAL Retained Earnings (Account 215 and 216) (Total of lines 16 and 23)		120,784,070

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2022

NOTES TO THE FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS

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

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

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

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

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

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

DEFINITIONS

Acronyms and defined terms used in this and other filings with the U.S. Securities and Exchange Commission include the following:

Term	Meaning
AFUDC	allowance for funds used during construction
AFUDC-debt	debt component of allowance for funds used during construction
AFUDC-equity	equity component of allowance for funds used during construction
APBO	accumulated postretirement benefit obligation
ARO	asset retirement obligation
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
BCF	billion cubic feet
CCRs	coal combustion residuals
CMO	collateralized mortgage obligation
CNG	compressed natural gas
CO ₂	carbon dioxide
COVID-19	coronavirus disease 2019
CPI	consumer price index
CT	combustion turbine
D.C. Circuit Court	D.C. Circuit Court of Appeals
ECRC	environmental cost recovery clause
Emera	Emera Inc., a geographically diverse energy and services company headquartered in Nova Scotia, Canada and the indirect parent company of Tampa Electric Company
EPA	U.S. Environmental Protection Agency
ERISA	Employee Retirement Income Security Act
EROA	expected return on plan assets
EUSHI	Emera US Holdings Inc., a wholly owned subsidiary of Emera, which is the sole shareholder of TECO Energy's common stock
FASB	Financial Accounting Standards Board
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
FPSC	Florida Public Service Commission
GHG	greenhouse gas
IGCC	integrated gasification combined-cycle
IRS	Internal Revenue Service
ITCs	investment tax credits
kWac	kilowatt on an alternating current basis
LNG	liquefied natural gas
MBS	mortgage-backed securities
MD&A	the section of this report entitled Management's Discussion and Analysis of Financial Condition and Results of Operations
MGP	manufactured gas plant
MMBTU	one million British Thermal Units
MRV	market-related value
MW	megawatt(s)
MWH	megawatt-hour(s)
NAV	net asset value
Note	Note to consolidated financial statements
NPNS	normal purchase normal sale
O&M expenses	operations and maintenance expenses
OCI	other comprehensive income
OPC	Office of Public Counsel
OPEB	other postemployment benefits
Parent	TECO Energy, Inc., the direct parent company of Tampa Electric Company
PBGC	Pension Benefit Guarantee Corporation
PBO	projected benefit obligation
PGA	purchased gas adjustment
PGS	Peoples Gas System, the gas division of Tampa Electric Company

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

The accompanying financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). See Note 17 for additional information.

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

**TAMPA ELECTRIC COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. Significant Accounting Policies

Description of the Business

TEC had two operating segments as of December 31, 2022 and for the year then ended. Its Tampa Electric division provides retail electric services in West Central Florida, and PGS, its natural gas division, is engaged in the purchase, distribution and sale of natural gas for residential, commercial, industrial and electric power generation customers in Florida. See "Separation of PGS from TEC" below for information regarding the separation that occurred on January 1, 2023. TEC's significant accounting policies are as follows:

Principles of Consolidation and Basis of Presentation

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

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

Cash Equivalents

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

Property, Plant and Equipment

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

As regulated utilities, Tampa Electric and PGS must file depreciation and dismantlement studies periodically and receive approval from the FPSC before implementing new depreciation rates. Included in approved depreciation rates is either an implicit net salvage factor or a cost of removal factor, expressed as a percentage. The net salvage factor is principally comprised of two components—a salvage factor and a cost of removal or dismantlement factor. TEC uses current cost of removal or dismantlement factors as part of the estimation method to approximate the amount of cost of removal in accumulated depreciation. The original cost of utility plant retired or otherwise disposed of and the cost of removal or dismantlement, less salvage value, is charged to accumulated depreciation and the accumulated cost of removal reserve reported as a regulatory liability, respectively.

For other property dispositions, the cost and accumulated depreciation are removed from the balance sheet and a gain or loss is recognized.

Property, plant and equipment consisted of the following assets:

<i>(millions)</i>	<i>Estimated Useful Lives</i>	<i>December 31, 2022</i>		<i>December 31, 2021</i>	
Electric generation	21-60 years	\$	6,300	\$	5,395
Electric transmission	10-77 years		1,109		1,068
Electric distribution	10-59 years		3,296		3,064
Gas transmission and distribution	15-75 years		2,567		2,360
General plant and other	3-71 years		1,020		946
Total cost			14,292		12,833
Less Tampa Electric accumulated depreciation			(3,158)		(2,937)
Less PGS accumulated depreciation			(687)		(664)
Tampa Electric construction work in progress			949		1,219
PGS construction work in progress			248		151
Total property, plant and equipment, net		\$	11,644	\$	10,602

Depreciation

The provision for total regulated utility plant in service, expressed as a percentage of the original cost of depreciable property, was 3.2%, 3.5% and 3.2% for 2022, 2021 and 2020, respectively. Construction work in progress is not depreciated until the asset is placed in service. TEC's total depreciation expense for the years ended December 31, 2022, 2021 and 2020 was \$402 million, \$408 million and \$381 million, respectively. For the year ended December 31, 2022, 2021 and 2020, Tampa Electric's depreciation expense was \$359 million, \$357 million and \$339 million, respectively.

Tampa Electric and PGS compute depreciation and amortization using the following methods:

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

Allowance for Funds Used During Construction

AFUDC is a non-cash credit to income with a corresponding charge to utility plant which represents the cost of borrowed funds and a reasonable return on other funds used for construction. The rates used to calculate AFUDC are revised periodically to reflect significant changes in cost of capital. In 2022, 2021 and 2020, Tampa Electric's rate was 6.00%, 6.46% and 6.46%, respectively. PGS's rate used to calculate its AFUDC in 2022, 2021 and 2020 was 6.00%, 6.00% and 5.97%, respectively. Total AFUDC for the years ended December 31, 2022, 2021 and 2020 was \$46 million, \$66 million and \$44 million, respectively.

Inventory

TEC values materials, supplies and fossil fuel inventory (natural gas and coal) using a weighted-average cost method. These materials, supplies and fuel inventories are carried at the lower of weighted-average cost or net realizable value.

Regulatory Assets and Liabilities

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

Deferred Income Taxes

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

Investment Tax Credits

ITCs have been recorded as deferred credits and are being amortized as reductions to income tax expense over the service lives of the related property.

Stranded Tax Effects in Accumulated Other Comprehensive Income

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

Revenue Recognition

Regulated electric revenue

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

Regulated gas revenue

Gas revenues, including energy charges, demand charges, basic facilities charges and applicable clauses and riders, are recognized when obligations under the terms of a contract are satisfied. This occurs primarily when gas is delivered to customers over time as the customer simultaneously receives and consumes the benefits of the gas. Gas revenues are recognized on an accrual basis and include billed and unbilled revenues. Revenues related to the distribution and sale of gas are recognized at rates approved by the regulator and recorded based on metered usage, which occur on a periodic, systematic basis, generally monthly. At the end of each reporting period, the gas delivered to customers, but not billed, is estimated and the corresponding unbilled revenue is recognized. PGS's estimate of unbilled revenue at the end of the reporting period is calculated by estimating the number of therms delivered to customers at the established rate expected to prevail in the upcoming billing cycle. This estimate includes assumptions as to the pattern of usage, weather, and inter-period changes to customer classes.

Other

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

Revenues and Cost Recovery

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

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

Receivables and Allowance for Credit Losses

Receivables from contracts with customers, which consist of services to residential, commercial, industrial and other customers, were \$295 million and \$252 million as of December 31, 2022 and 2021, respectively. An allowance for credit losses is established based on TEC's collection experience and reasonable and supportable forecasts that affect the collectibility of the reported amount. Circumstances that impact Tampa Electric's and PGS's estimates of credit losses include, but are not limited to, customer credit issues, fuel prices, customer deposits and general economic conditions. Accounts are reserved in the allowance or written off once they are deemed to be uncollectible.

The regulated utilities accrue base revenues for services rendered but unbilled to provide for matching of revenues and expenses (see **Note 3**). As of December 31, 2022 and 2021, unbilled revenues of \$82 million and \$74 million, respectively, are included in the “Receivables” line item on TEC’s Consolidated Balance Sheets.

Accounting for Franchise Fees and Gross Receipts Taxes

Tampa Electric and PGS are allowed to recover certain costs incurred on a dollar-for-dollar basis from customers through rates approved by the FPSC. The amounts included in customers’ bills for franchise fees and gross receipt taxes are included as revenues on the Consolidated Statements of Income. Franchise fees and gross receipt taxes payable by Tampa Electric and PGS are included as an expense on the Consolidated Statements of Income in “Taxes, other than income”. These amounts totaled \$145 million, \$129 million and \$109 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Deferred Charges and Other Assets

Deferred charges and other assets consist primarily of pension assets net of accrued pension liabilities (see **Note 5**), right-of-use assets related to operating leases (see **Note 13**) and a contribution made by TEC in order to fully fund its SERP obligation (see **Note 5**).

Deferred Credits and Other Liabilities

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

TECO Energy and its subsidiaries, including TEC, have a self-insurance program supplemented by excess insurance coverage for the cost of claims whose ultimate value exceeds the company’s retention amounts. TEC estimates its liabilities for auto, general and workers’ compensation using discount rates mandated by statute or otherwise deemed appropriate for the circumstances. Discount rates used in estimating these other self-insurance liabilities at December 31, 2022 and 2021 ranged from 4.00% to 5.78% and 1.63% to 4.00%, respectively.

Derivatives and Hedging Activities

On November 6, 2017, the FPSC approved an amended and restated settlement agreement filed by Tampa Electric, which included a provision for a moratorium on hedging of natural gas purchases ending on December 31, 2022. On October 21, 2021, the FPSC approved a settlement agreement filed by Tampa Electric related to its 2021 rate case that extended the moratorium to December 31, 2024 (see **Note 3** for further information on the settlement agreements). TEC was hedging its exposure to the variability in future cash flows until November 30, 2018 for financial natural gas contracts. TEC had \$5 million and zero derivative assets as of December 31, 2022 and 2021, respectively, and \$1 million and zero derivative liabilities as of December 31, 2022 and December 31, 2021, respectively.

TEC’s physical contracts qualify for the NPNS exception to derivative accounting rules, provided they meet certain criteria. Generally, NPNS applies if TEC deems the counterparty creditworthy, if the counterparty owns or controls resources within the proximity to allow for physical delivery of the commodity, if TEC intends to receive physical delivery and if the transaction is reasonable in relation to TEC’s business needs. As of December 31, 2022 and 2021, all of TEC’s physical contracts qualified for the NPNS exception, which was elected.

TEC classifies cash inflows and outflows related to derivative and hedging instruments in the appropriate cash flow sections associated with the item being hedged. For natural gas, the cash inflows and outflows are included in the operating section of the Consolidated Statements of Cash Flows. For interest rate swaps that settle coincident with the debt issuance, the cash inflows and outflows are treated as premiums or discounts and included in the financing section of the Consolidated Statements of Cash Flows.

Separation of PGS from TEC

PGS became an operating division of TEC in 1997 when TECO Energy purchased PGS and merged that corporation into TEC. Since then, PGS has operated as a stand-alone regulated utility, including having its own tariff and its own books and records.

On January 1, 2023, TEC transferred the assets and liabilities of its PGS division into a separate corporation called Peoples Gas System, Inc. (PGSI) pursuant to a Contribution Agreement. This new corporation is a wholly owned subsidiary of a newly formed gas operations holding company, TECO Gas Operations, Inc., a wholly owned subsidiary of TECO Energy. On January 1, 2023, the assets, liabilities, and equity that had been recorded in the books of PGS were transferred from TEC to the newly formed PGSI at book value in a tax-free transaction. PGSI issued 100 shares of common stock to TEC related to the transfer of PGS, which were subsequently distributed to TECO Energy, Inc. and then contributed to TECO Gas Operations, Inc. This is a transaction between entities under common control; therefore, TEC did not recognize a gain or loss on the transaction.

Included in the liabilities transferred was PGS's allocation of outstanding unsecured notes issued by TEC and outstanding short-term borrowings. The obligations related to these combined borrowings are reflected in an intercompany loan agreement between TEC and PGSI. The initial obligation of PGSI under the loan agreement at January 1, 2023 was a term loan in the principal amount of \$670 million and a revolving loan in the principal amount of \$66 million. The maturity date for both is December 29, 2023. PGSI intends to access the third-party lending market during 2023 but cannot predict when during the year that it will do so. To assist its affiliate and to facilitate an orderly transfer of its gas assets, Tampa Electric will continue to be responsible for providing capital as needed to PGSI under an intercompany loan agreement guaranteed by TECO Energy and TECO Gas Operations, Inc.

See **Note 11** for certain financial information related to PGS. In addition, the following table presents the assets and liabilities of PGS in TEC's Consolidated Balance Sheet as of December 31, 2022:

<i>(millions)</i>	<i>December 31, 2022</i>
Property, plant and equipment	
Utility plant	\$ 2,938
Accumulated depreciation	(687)
Total property, plant and equipment, net	<u>2,251</u>
Current assets	
Cash and cash equivalents	4
Receivables, less allowance for credit losses of \$1 at December 31, 2022	62
Due from affiliates	4
Inventories, at average cost	
Materials and supplies	5
Regulatory assets	9
Prepayments and other current assets	4
Total current assets	<u>88</u>
Other assets	
Regulatory assets	53
Deferred charges and other assets	79
Total other assets	<u>132</u>
Total assets	<u>\$ 2,471</u>
Capitalization	
Common stock	\$ 871
Retained earnings	121
Total capital	<u>992</u>
Long-term debt	564
Total capital	<u>1,556</u>
Current liabilities	
Notes payable	166
Accounts payable	78
Due to affiliates	27
Customer deposits	30
Regulatory liabilities	11
Accrued interest	4
Accrued taxes	5
Other	4
Total current liabilities	<u>325</u>
Other liabilities	
Deferred income taxes	238
Regulatory liabilities	277
Deferred credits and other liabilities	75
Total other liabilities	<u>590</u>
Total liabilities and capital	<u>\$ 2,471</u>

2. New Accounting Pronouncements

TEC considers the applicability and impact of all ASUs issued by the FASB. TEC was not required to and did not adopt any new ASUs in 2022.

3. Regulatory

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

Tampa Electric Base Rates

Tampa Electric's results for 2021 and 2020 reflected an amended and restated settlement agreement, approved by the FPSC on November 6, 2017, that replaced the previous 2013 base rate settlement agreement and extended it another four years through 2021. The agreement provided for Tampa Electric's allowed regulatory ROE to be a mid-point of 10.25% with a range of plus or minus 1%. Under the agreement, the allowed equity in the capital structure was 54% from investor sources of capital. The amended agreement provided for SoBRAs for Tampa Electric's substantial investments in solar generation. Tampa Electric invested approximately \$850 million in these solar projects during 2017 to 2021 and accrued AFUDC during construction. The agreement included a sharing provision that allowed customers to benefit from 75% of any cost savings for projects below \$1,500/kWac.

Between 2017 and 2021, TEC filed annual SoBRA petitions along with supporting tariffs demonstrating the cost-effectiveness of four tranches representing 600 MW and \$104 million in estimated revenue requirements. The FPSC approved the tariffs on each of the SoBRA filings and Tampa Electric began receiving the applicable revenues after each of the tranches was commercially completed (tranche 1 for \$24 million in revenue starting September 2018, tranche 2 for \$46 million in revenue starting January 2019, tranche 3 for \$26 million in revenue starting January 2020 and tranche 4 for \$8 million in revenue starting January 2021).

The true-up filing for SoBRA tranche 1 and 2 revenue requirement estimates that were included in base rates as of September 2018 and January 2019, respectively, was submitted on April 30, 2020, and the FPSC approved the amount on August 18, 2020. The \$5 million true-up was returned to customers in 2020. The true-up filing for SoBRA tranche 3, included in base rates as of January 2020, was approved by the FPSC on October 12, 2021. A \$4 million true-up was returned to customers during 2021. No true-up for SoBRA tranche 4 was required.

The 2017 settlement agreement further contained a provision related to tax reform. An asset optimization provision that allows Tampa Electric to share in the savings for optimization of its system once certain thresholds are achieved is also included. Additionally, Tampa Electric agreed to a financial hedging moratorium for natural gas ending on December 31, 2022 and that it will make no investments in gas reserves.

On August 6, 2021, Tampa Electric filed with the FPSC a joint motion for approval of a settlement agreement dated as of August 6, 2021 (the Settlement Agreement) by and among Tampa Electric and the intervenors in Tampa Electric's rate case filed with the FPSC in April 2021. The Settlement Agreement agreed to an increase in base rates annually effective with January 2022 bills, to generate a \$191 million increase in revenue consisting of \$123 million of traditional base rate charges and \$68 million in a new charge to recover the costs of retiring assets. The Settlement Agreement further included two subsequent year adjustments of \$90 million and \$21 million, effective January 2023 and January 2024, respectively. Under the agreement, the allowed equity in the capital structure continued to be 54% from investor sources of capital. The Settlement Agreement included an allowed regulatory ROE range of 9.0% to 11.0% with a 9.95% midpoint. The Settlement Agreement allows a 25 basis point increase in the allowed ROE range and midpoint, and \$10 million of additional revenue, if the average 30-year United States Treasury Bond yield rate for any period of six consecutive months is at least 50 basis points greater than the yield rate on the date the FPSC votes to approve the agreement. Under the agreement, base rates will not change from January 1, 2022 through December 31, 2024, unless Tampa Electric's earned ROE were to fall below the bottom of the range during that time. The Settlement Agreement contained a provision whereby Tampa Electric agrees to quantify the future impact of a decrease or increase in corporate income tax rates on net operating income through a reduction or increase in base revenues within 180 days of when such tax change becomes law or its effective date. The Settlement Agreement further created a mechanism to recover the costs of retiring coal generation units and meter assets over a period of 15 years which survives the term of that agreement. The Settlement Agreement set new depreciation and dismantlement rates effective January 1,

2022 and contained the provisions that Tampa Electric will not have to file another depreciation study during the term of the agreement but will file a new depreciation study no more than one year, nor less than 90 days, before the filing of its next general base rate proceeding. Additionally, Tampa Electric agreed to a financial hedging moratorium for natural gas ending on December 31, 2024. On October 21, 2021, the FPSC approved the Settlement Agreement and the final order, reflecting such approval, was issued on November 10, 2021.

Tampa Electric's 2021 settlement agreement provision allowed Tampa Electric to request a revenue and ROE increase due to increases in the 30-year U.S. Treasury bond yield rate. On July 1, 2022, Tampa Electric requested to adjust its base rates to collect an additional \$10 million annually (prorated in the first year) effective September 1, 2022 and increase its mid-point ROE and upper and lower allowed ranges. On August 16, 2022, the FPSC approved the change. The new mid-point ROE is 10.20%, and the range is 9.25% to 11.25% effective July 1, 2022.

Tampa Electric Big Bend Modernization Project

Tampa Electric invested \$876 million, including \$91 million of AFUDC, during 2018 through 2022 to modernize the Big Bend Power Station. The Big Bend modernization project repowered Big Bend Unit 1 with natural gas combined-cycle technology and eliminated coal as this unit's fuel. As part of the Big Bend modernization project, Tampa Electric retired the Unit 1 components that will not be used in the modernized plant in 2020 and Big Bend Unit 2 in 2021. Tampa Electric plans to retire Big Bend Unit 3 in 2023 as it is in the best interest of customers from economic, environmental risk and operational perspectives.

At December 31, 2020, Tampa Electric's balance sheet included \$636 million in electric utility plant and \$267 million in accumulated depreciation related to Unit 1 components and Unit 2 and Unit 3 assets. In accordance with Tampa Electric's 2017 settlement agreement approved by the FPSC, Tampa Electric continued to account for its investment in Units 1, 2 and 3 in electric utility plant and depreciated the assets using the current depreciation rates until December 31, 2021, at which point they were reclassified to a regulatory asset on the balance sheet.

Tampa Electric's Settlement Agreement provided recovery for the Big Bend modernization project in two phases. The first phase was a revenue increase to cover the costs of the assets in service during 2022, among other items. The remainder of the project costs will be recovered as part of the 2023 subsequent year adjustment. The Settlement Agreement also included a new charge to recover the remaining costs of the retiring Big Bend coal generation assets, Units 1 through 3, which will be spread over 15 years and will survive the term of the Settlement Agreement. The special capital recovery schedule for all three units was applied beginning January 1, 2022.

Tampa Electric Mid-Course Adjustment to Fuel Recovery

In July 2021, Tampa Electric requested a mid-course adjustment to its fuel and capacity charges, effective with September 2021 customer bills, due to an increase in fuel commodity and capacity costs in 2021. On August 3, 2021, the FPSC approved the request to recover \$83 million of additional costs during the months of September through December 2021.

In January 2022, Tampa Electric requested a mid-course adjustment to its fuel and capacity charges to recover an additional \$169 million beginning April 1, 2022 through December 2022 due to an increase in fuel commodity and capacity costs. On March 1, 2022, the FPSC voted to approve the mid-course adjustment, and the order reflecting such approval was issued on March 18, 2022.

On January 23, 2023, Tampa Electric requested an adjustment to its fuel charges to recover the \$518 million final 2022 fuel under-recovery over a period of 21 months. The request also included an adjustment to 2023 projected fuel costs to reflect the reduction in natural gas prices since September 2022 for a projected reduction of \$170 million for the balance of 2023. The proposed changes will be decided by the FPSC in March 2023, and recovery is expected to begin in April 2023.

Tampa Electric Storm Protection Cost Recovery Clause and Settlement Agreement

On October 3, 2019, the FPSC issued a rule to implement a Storm Protection Plan (SPP) Cost Recovery Clause. This clause provides a process for Florida investor-owned utilities, including Tampa Electric, to recover transmission and distribution storm hardening costs for incremental activities not already included in base rates. A settlement agreement was approved on August 10, 2020 and Tampa Electric's cost recovery began in January 2021. The current approved plan addresses the years 2020, 2021 and 2022, and in April 2022 Tampa Electric submitted a new plan to determine cost recovery in 2023, 2024, and 2025. On October 4, 2022, the FPSC approved Tampa Electric's SPP.

The June 9, 2020 settlement agreement approved by the FPSC disclosed above also included approval of Tampa Electric's petition to eliminate its \$16 million accumulated amortization reserve surplus for intangible software assets through a credit to depreciation and amortization expense in 2020.

Tampa Electric Storm Restoration Cost Recovery

As a result of Tampa Electric's 2013 rate case settlement, in the event of a named storm that results in damage to its system, Tampa Electric can petition the FPSC to seek recovery of those costs over a 12-month period or longer as determined by the FPSC, as well as replenish its reserve to \$56 million, the level of the reserve as of October 31, 2013. This provision was also included in Tampa Electric's subsequent 2017 amended and restated settlement agreement and in Tampa Electric's 2021 rate case settlement agreement. In 2021, 2020 and 2019, Tampa Electric incurred total storm restoration preparation costs for multiple hurricanes of approximately \$10 million, which was charged to the storm reserve regulatory liability.

In September 2022, Tampa Electric was impacted by Hurricane Ian. The majority of Hurricane Ian restoration costs were charged against Tampa Electric's FPSC approved storm reserve, resulting in minimal impact on earnings and capital expenditures. Total restoration costs were \$126 million, with \$119 million charged to the storm reserve. Restoration costs charged to the storm reserve exceed the reserve balance and this amount will be deferred and collected from customers in subsequent periods. In November 2022, Tampa Electric incurred costs of approximately \$2 million related to Hurricane Nicole. In January 2023, Tampa Electric petitioned the FPSC for recovery of storm costs. Recovery will include costs associated with Hurricanes Ian and Nicole that exceeded the reserve, \$10 million of storm restoration costs charged to the reserve since 2018, and the replenishment of the balance in the reserve to the \$56 million level that existed as of October 31, 2013 for a total of approximately \$131 million. The proposed changes will be decided by the FPSC in March 2023, and recovery is expected to begin in April 2023 through March 2024.

PGS Base Rates

PGS's base rates for 2022 and 2021 were established in 2020, and its base rates for 2020 were originally established in May 2009.

On February 7, 2017, the FPSC approved a settlement agreement filed by PGS and the OPC in which PGS agreed to adopt new depreciation rates, accelerate the amortization of the regulatory asset associated with environmental remediation costs as described below, include obsolete plastic pipe replacements through the existing cast iron and bare steel replacement rider, and establish an ROE range of 9.25% to 11.75%. The settlement agreement provided that the bottom of the range would remain until the earlier of new base rates established in PGS's next general base rate proceeding or December 31, 2020 and the ROE of 10.75% would continue to be used for the calculation of return on investment for clauses and riders. The allowed equity in its capital structure was 54.7% from all investor sources of capital.

On June 8, 2020, PGS filed a petition for an increase in rates and service charges effective January 2021. On November 19, 2020, the FPSC approved a settlement agreement filed by PGS and OPC. The settlement agreement provides for an increase in base rates by \$58 million annually effective January 2021, which is a \$34 million increase in revenue and \$24 million increase of revenues previously recovered through the cast iron and bare steel replacement rider. This settlement agreement includes an allowed regulatory ROE range of 8.90% to 11.00% with a 9.90% midpoint, including the ability to reverse a total of \$34 million of accumulated depreciation through 2023. During 2022, PGS reversed \$14 million of the \$34 million accumulated depreciation. No amounts were reversed prior to 2022. In addition, the agreement sets new depreciation rates effective January 1, 2021 that are consistent with PGS's current overall average depreciation rate. Under the agreement, base rates are frozen from January 1, 2021 to December 31, 2023, unless its earned ROE were to fall below 8.90% before that time with an allowed equity in the capital structure of 54.7% from investor sources of capital. The settlement agreement further addresses tax rate changes. The agreement contains a provision whereby PGS agrees to quantify the future impact of a decrease in tax rates on net operating income through a reduction in base revenues within 120 days of when such tax change becomes law. If on the contrary, tax legislation results in a tax rate increase, PGS can establish a regulatory asset to neutralize the impact of the increase in income tax rate to be addressed in a future proceeding and with recovery beginning no sooner than January 2024.

PGS Storm Restoration Cost Recovery

On September 28, 2022, Hurricane Ian made landfall in Southwest Florida, impacting PGS's Fort Myers and Sarasota areas. The restoration costs were approximately \$2 million and were charged against PGS's FPSC-approved storm reserve, resulting in minimal impact on earnings. PGS recorded the \$1 million above the storm reserve balance of \$1 million as a regulatory asset for future recovery as of December 31, 2022.

Regulatory Assets and Liabilities

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

Regulatory Assets and Liabilities

<i>(millions)</i>	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Regulatory assets:		
Regulatory tax asset ⁽¹⁾	\$ 124	\$ 117
Cost-recovery clauses ⁽²⁾	525	89
Capital cost recovery for early retired assets ⁽³⁾	497	518
Environmental remediation ⁽⁴⁾	20	22
Postretirement benefits ⁽⁵⁾	272	230
Asset retirement obligation ⁽⁶⁾	13	11
Storm reserve ⁽⁷⁾	76	0
Other	25	15
Total regulatory assets	1,552	1,002
Less: Current portion	361	136
Long-term regulatory assets	<u>\$ 1,191</u>	<u>\$ 866</u>
Regulatory liabilities:		
Regulatory tax liability ⁽⁸⁾	\$ 601	\$ 638
Cost-recovery clauses - deferred balances ⁽²⁾	30	16
Accumulated reserve—cost of removal ⁽⁹⁾	498	468
Storm reserve ⁽⁷⁾	0	46
Other	11	2
Total regulatory liabilities	1,140	1,170
Less: Current portion	85	78
Long-term regulatory liabilities	<u>\$ 1,055</u>	<u>\$ 1,092</u>

- (1) The regulatory tax asset is primarily associated with the depreciation and recovery of AFUDC-equity. This asset does not earn a return but rather is included in the capital structure, which is used in the calculation of the weighted cost of capital used to determine revenue requirements. It will be recovered over the expected life of the related assets. The regulatory tax asset balance reflects the impact of the federal corporate income tax rate reduction.
- (2) These assets and liabilities are related to FPSC clauses and riders, primarily related to the fuel clause and the increase in natural gas prices as well as the storm protection plan cost recovery clause. They are recovered or refunded through cost-recovery mechanisms approved by the FPSC on a dollar-for-dollar basis in a subsequent period.
- (3) This regulatory asset is related to the remaining net book value of Big Bend Units 1 through 3 and smart meter assets that were retired. The balance earns a rate of return as permitted by the FPSC and will be recovered as a separate line item on customer bills for a period of 15 years. See "Tampa Electric Big Bend Modernization Project" above for further information.
- (4) This asset is related to costs associated with environmental remediation primarily at MGP sites. The balance is included in rate base, partially offsetting the related liability, and earns a rate of return as permitted by the FPSC. The timing of recovery is based on a settlement agreement approved by the FPSC.
- (5) This asset is related to the deferred costs of postretirement benefits and it is amortized over the remaining service life of plan participants. Deferred costs of postretirement benefits that are included in expense are recognized as cost of service for rate-making purposes as permitted by the FPSC.
- (6) This asset is related to costs associated with an asset retirement obligation, which is a legal obligation for the future retirement of certain tangible, long-lived assets. This regulatory asset does not earn a return because it is offset with related assets and liabilities within rate base. It is recovered and removed as the obligation is settled and removed as the activities for the retirement of the related assets have been completed.
- (7) See "Tampa Electric Storm Restoration Cost Recovery" and "PGS Storm Restoration Cost Recovery" above for information regarding this reserve. The regulatory asset is included in rate base and earns a rate of return as permitted by the FPSC. The timing of recovery is expected to be determined by a petition approved by the FPSC.
- (8) The regulatory tax liability is primarily related to the revaluation of TEC's deferred income tax balances recorded on December 31, 2017 at the lower corporate income tax rate due to U.S. tax reform. The liability related to the revaluation of the deferred income tax balances is amortized and returned to customers through rate reductions or other revenue offsets based on IRS regulations and the settlement agreement for tax reform benefits approved by the FPSC.
- (9) This item represents the non-ARO cost of removal in the accumulated reserve for depreciation. AROs are costs for legally required removal of property, plant and equipment. Non-ARO cost of removal represents estimated funds received from

customers through depreciation rates to cover future non-legally required cost of removal of property, plant and equipment, net of salvage value upon retirement, which reduces rate base for ratemaking purposes. This liability is reduced as costs of removal are incurred.

4. Income Taxes

FERC Consideration of the TCJA and State Tax Rate Change

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

On September 12, 2019, the state of Florida issued a corporate tax rate reduction from 5.5% to 4.46% effective January 1, 2019 through December 31, 2021.

Peoples Gas System remeasured all federal and state ADIT balances in accounts 190, 282 and 283 at December 31, 2017 and September 30, 2019, respectively and recorded the excess deferred taxes in account 282 and its corresponding gross-up to account 283. As the excess ADIT reverse through the amortization periods shown in the table below, the regulatory liability will reverse with an offset to the income statement account 411.1 - provision for deferred income taxes – credit. The liability related to the revaluation of the deferred income tax balances will be amortized and returned to customers through rate reductions or other revenue offsets based on IRS regulations and a settlement agreement for the tax reform benefits approved by the FPSC.

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

On September 14, 2021, the state of Florida issued a revised corporate tax rate reduction from 4.46% to 3.535% effective January 1, 2021 through December 31, 2021.

(millions)

	254		282		283
\$	89	\$	(66)	\$	(23)

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

(millions)				Debit/(Credit)		
As of December 31,		2022		2021	411.1	Amortization Period
Protected	\$	80	\$	81	(1)	Estimated 41 years under ARAM
Unprotected - Federal		(11)		(13)	2	10 years per FPSC
Unprotected - State		0		1	(1)	2 years per FPSC beginning in 2021
State rate remeasurement		(3)		(3)	-	
	\$	<u>66</u>	\$	<u>66</u>	\$ 0	

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

Change in Florida Corporate Income Tax Rate

On September 14, 2021, the state of Florida issued a corporate tax rate reduction from 4.46% to 3.53% effective January 1, 2021 through December 31, 2021. In 2021, TEC recorded a \$4 million regulatory liability in recognition of its obligation to pass the tax rate reduction expense benefit to customers per the 2017 settlement agreement. Effective January 1, 2022, the Florida corporate income tax rate is 5.5%.

Inflation Reduction Act

On August 16, 2022, the Inflation Reduction Act was signed into legislation and includes numerous tax incentives for clean energy, such as the extension and modification of existing investment and production tax credits for projects placed in service through 2024, and introduces new technology-neutral clean energy related credits beginning in 2025. TEC has determined that electing production tax credits for its solar plants placed in service in 2022 will be more beneficial for customers compared to ITCs and has recorded a \$7 million regulatory liability in recognition of its obligation to pass the tax benefits to customers.

Income Tax Expense

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

In 2022, 2021 and 2020, TEC recorded net tax provisions of \$121 million, \$80 million and \$82 million, respectively.

Income tax expense consists of the following components:

Income Tax Expense (Benefit)

(millions)
For the year ended December 31,

	2022	2021	2020
Current income taxes			
Federal	\$ (13)	\$ 48	\$ 35
State	(3)	4	(7)
Deferred income taxes			
Federal	105	24	32
State	38	13	29
Investment tax credits amortization	(6)	(9)	(7)
Total income tax expense	<u>\$ 121</u>	<u>\$ 80</u>	<u>\$ 82</u>

During 2022, TEC increased its net operating loss carryforward. Total current income tax expense for the year ended December 31, 2022, was reduced by \$59 million to reflect the benefits of operating loss carryforwards.

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

Effective Income Tax Rate

(millions)
For the year ended December 31,

	2022	2021	2020
Income before provision for income taxes	\$ 661	\$ 526	\$ 506
Federal statutory income tax rates	21%	21%	21%
Income taxes, at statutory income tax rate	139	110	106
Increase (decrease) due to			
State income tax, net of federal income tax	27	13	17
Excess deferred tax amortization	(25)	(26)	(26)
ITC amortization	(6)	(9)	(7)
AFUDC-equity	(7)	(9)	(6)
Tax credits	(9)	(3)	(8)
Other	2	4	6
Total income tax expense on consolidated statements of income	<u>\$ 121</u>	<u>\$ 80</u>	<u>\$ 82</u>
Income tax expense as a percent of income before income taxes	18.3%	15.2%	16.2%

Deferred Income Taxes

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

<i>(millions)</i> <i>As of December 31,</i>	<i>2022</i>	<i>2021</i>
Deferred tax liabilities ⁽¹⁾		
Property related	\$ 1,318	\$ 1,210
Deferred fuel	133	21
Pension and postretirement benefits	111	98
Insurance reserves	15	0
Total deferred tax liabilities	<u>1,577</u>	<u>1,329</u>
Deferred tax assets ⁽¹⁾		
Loss and credit carryforwards ⁽²⁾	408	340
Medical benefits	24	26
Insurance reserves	0	15
Pension and postretirement benefits	57	46
Capitalized energy conservation assistance costs	23	20
Other	20	24
Total deferred tax assets	<u>532</u>	<u>471</u>
Total deferred tax liability, net	<u>\$ 1,045</u>	<u>\$ 858</u>

- Certain property related assets and liabilities have been netted. At December 31, 2022, PGS total deferred tax liabilities and deferred tax assets were \$213 million and \$37 million, respectively, with the majority of the balances related to property and capitalized energy conservation assistance costs.
- Deferred tax assets for net operating loss and tax credit carryforwards have been reduced by unrecognized tax benefits of \$9 million and \$6 million at December 31, 2022 and 2021, respectively.

The expiration of TEC's tax credits and NOL carryforwards are as follows:

<i>(millions)</i>	<i>December 31, 2022</i>	<i>Expiration Year</i>
General business credits	\$ 304	2027-2042
Federal NOL carryforwards	312	2032-2037
Federal NOL carryforwards ⁽¹⁾	212	indefinite
State NOL carryforwards	83	2032-2037
State NOL carryforwards ⁽¹⁾	312	indefinite
Total tax credits and NOL carryforwards	<u>\$ 1,223</u>	

- Indefinite carryforward for Federal NOLs and NOLs for states that have adopted the U.S. Tax Cuts and Jobs Act of 2017 provisions, generated in tax years beginning after December 31, 2017.

TEC has unused general business credits of \$304 million expiring between 2027 and 2042, of which \$264 million relate to ITCs expiring between 2034 and 2041. As a result of TECO Energy's merger with Emera in 2016, TECs NOLs and credits will be utilized by EUSHI, in accordance with the benefits-for-loss allocation which provide that tax attributes are utilized by the consolidated tax return group of EUSHI.

Unrecognized Tax Benefits

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

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

<i>(millions)</i>	2022	2021	2020
Balance at January 1,	\$ 6	\$ 9	\$ 9
Decreases due to tax positions related to prior year	0	0	(2)
Increases due to tax positions related to prior year	2	1	1
Increases due to tax positions related to current year	1	1	1
Decreases due to settlements with tax authorities	0	(5)	0
Balance at December 31,	<u>\$ 9</u>	<u>\$ 6</u>	<u>\$ 9</u>

As of December 31, 2022 and 2021, TEC's uncertain tax positions for federal R&D tax credits were \$9 million and \$6 million, respectively, all of which was recorded as a reduction of deferred income tax assets for tax credit carryforwards. TEC's unrecognized federal tax benefits decreased in 2021 and 2020 by approximately \$5 million and \$2 million, respectively, due to the resolution of its 2016 federal tax credits issue with IRS Appeals. The recognition of the 2020 tax benefits decreased the effective tax rate resulting in an income tax benefit of approximately \$2 million in 2020. The settlement of the federal R&D credits audit did not impact the effective tax rate during 2021. TEC had \$9 million and \$6 million of unrecognized tax benefits at December 31, 2022 and 2021, respectively, that, if recognized, would reduce TEC's effective tax rate.

TEC recognizes interest accruals related to uncertain tax positions in "Other income" or "Interest expense", as applicable, and penalties in "Operation and maintenance expense" in the Consolidated Statements of Income. In 2022, 2021 and 2020, TEC did not recognize any pre-tax charges (benefits) for interest. Additionally, TEC did not have any accrued interest or amounts recorded for penalties at December 31, 2022, 2021 and 2020.

The IRS concluded the Compliance Assurance Program (CAP) audit for the short tax year ending June 30, 2016 and the EUSHI 2016 federal consolidated tax return, which includes TEC's short tax year ending December 31, 2016. The U.S. federal statute of limitations remains open for the year 2017 and forward. Florida's statute of limitations is three years from the filing of an income tax return. The state impact of any federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. Years still open to examination by Florida's tax authorities include 2005 and forward as a result of TECO Energy's consolidated Florida net operating loss still being utilized.

5. Employee Postretirement Benefits

Pension Benefits

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

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

Other Postretirement Benefits

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

Obligations and Funded Status

TEC recognizes in its statement of financial position the over-funded or under-funded status of its allocated portion of TECO Energy's postretirement benefit plans. This status is measured as the difference between the fair value of plan assets and the PBO in

the case of its defined benefit plan, or the APBO in the case of its other postretirement benefit plan. Changes in the funded status are reflected, net of estimated tax benefits, in benefit liabilities and regulatory assets. The results of operations are not impacted.

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

TECO Energy Obligations and Funded Status (millions)	Pension Benefits		Other Benefits ⁽²⁾	
	2022	2021	2022	2021
Change in benefit obligation				
Benefit obligation at beginning of year	\$ 850	\$ 919	\$ 200	\$ 212
Service cost	18	19	2	2
Interest cost	23	21	5	5
Plan participants' contributions	0	0	4	4
Benefits paid	(79)	(77)	(19)	(17)
Actuarial gain	(142)	(32)	(50)	(6)
Plan settlements ⁽³⁾	(4)	0	0	0
Benefit obligation at end of year	<u>\$ 666</u>	<u>\$ 850</u>	<u>\$ 142</u>	<u>\$ 200</u>
Change in plan assets				
Fair value of plan assets at beginning of year	\$ 924	\$ 903	\$ 0	\$ 0
Actual (loss) return on plan assets	(214)	76	0	0
Employer contributions	18	21	0	0
Employer direct benefit payments	5	1	15	13
Plan participants' contributions	0	0	4	4
Benefits paid	(78)	(76)	0	0
Direct benefit payments	(1)	(1)	(19)	(17)
Plan settlements ⁽³⁾	(4)	0	0	0
Fair value of plan assets at end of year ⁽¹⁾	<u>\$ 650</u>	<u>\$ 924</u>	<u>\$ 0</u>	<u>\$ 0</u>

- (1) The MRV of plan assets is used as the basis for calculating the EROA component of periodic pension expense. MRV reflects the fair value of plan assets adjusted for experience gains and losses (i.e. the differences between actual investment returns and expected returns) spread over five years.
- (2) Represent amounts for TECO Energy's Florida-based other postretirement benefit plan.
- (3) Represents TECO Energy's SERP and Restoration settlement charges as a result of the retirement of certain executives. These charges did impact TEC's financial statements.

Decreases in the benefit obligation for the period ended December 31, 2022 are the result of increases in the discount rate used to calculate the benefit obligation, annual benefits paid to participants, incorporation of new census data as of January 1, 2022 and the updating of the retirement rate as the result of an experience study performed during the year.

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

TECO Energy Funded Status (millions)	Pension Benefits		Other Benefits ⁽¹⁾	
	2022	2021	2022	2021
Benefit obligation (PBO/APBO)	\$ 666	\$ 850	\$ 142	\$ 200
Less: Fair value of plan assets	650	924	0	0
Funded status at end of year	<u>\$ (16)</u>	<u>\$ 74</u>	<u>\$ (142)</u>	<u>\$ (200)</u>

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

The accumulated benefit obligation for TECO Energy consolidated defined benefit pension plans was \$634 million at December 31, 2022 and \$819 million at December 31, 2021.

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

TEC Amounts recognized in balance sheet (millions)	Pension Benefits		Other Benefits	
	2022	2021	2022	2021
Noncurrent assets	\$ 0	\$ 78	\$ 0	\$ 0
Accrued benefit costs and other current liabilities	(7)	(3)	(12)	(12)
Deferred credits and other liabilities	(9)	(12)	(121)	(175)
	<u>\$ (16)</u>	<u>\$ 63</u>	<u>\$ (133)</u>	<u>\$ (187)</u>

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

TEC Amounts recognized in regulatory assets (millions)	Pension Benefits		Other Benefits	
	2022	2021	2022	2021
Net actuarial loss	\$ 242	\$ 150	\$ 30	\$ 79
Amount recognized	<u>\$ 242</u>	<u>\$ 150</u>	<u>\$ 30</u>	<u>\$ 79</u>

Assumptions used to determine benefit obligations at December 31:

	Pension Benefits		Other Benefits	
	2022	2021	2022	2021
Discount rate	5.55%	2.77%	5.53%	2.84%
Rate of compensation increase	3.79%	3.05%	3.79%	3.04%
Healthcare cost trend rate				
Immediate rate	n/a	n/a	6.39%	5.61%
Ultimate rate	n/a	n/a	4.00%	4.00%
Year rate reaches ultimate trend rate	n/a	n/a	2047	2045

The discount rate assumption used to determine the December 31, 2022 and 2021 benefit obligation was based on a cash flow matching technique that matches yields from high-quality (AA-rated, non-callable) corporate bonds to TECO Energy's projected cash flows for the plans to develop a present value that is converted to a discount rate assumption.

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

TECO Energy (millions)	Pension Benefits			Other Benefits ⁽¹⁾		
	2022	2021	2020	2022	2021	2020
Service cost	\$ 18	\$ 19	\$ 20	\$ 2	\$ 2	\$ 2
Interest cost	23	21	26	5	5	6
Expected return on plan assets	(51)	(52)	(50)	0	0	0
Amortization of:						
Actuarial loss	17	24	20	3	4	1
Prior service (benefit) cost	0	0	0	(2)	(2)	(3)
Settlement loss	2	0	0 ⁽²⁾	0	0	0
Net periodic benefit cost	<u>\$ 9</u>	<u>\$ 12</u>	<u>\$ 16</u>	<u>\$ 8</u>	<u>\$ 9</u>	<u>\$ 6</u>

Net loss (gain) arising during the year (includes curtailment gain)	\$ 123	\$ (56)	\$ (8)	\$ (50)	\$ (5)	\$ 38
Amounts recognized as component of net periodic benefit cost:						
Amortization or curtailment recognition of prior service credit	0	0	0	2	2	2
Amortization or settlement of actuarial loss	(19)	(23)	(20)	(3)	(4)	(1)
Total recognized in OCI and regulatory assets	\$ 104	\$ (79)	\$ (28)	\$ (51)	\$ (7)	\$ 39
Total recognized in net periodic benefit cost, OCI and regulatory assets	\$ 113	\$ (67)	\$ (12)	\$ (43)	\$ 2	\$ 45

- (1) Represents amounts for TECO Energy’s Florida-based other postretirement benefit plan
(2) Represents TECO Energy’s SERP and Restoration settlement charges as a result of the retirement of certain executives. These charges did impact TEC’s financial statements.

TEC’s portion of the net periodic benefit costs for pension benefits was \$8 million, \$10 million and \$12 million for 2022, 2021 and 2020, respectively. Tampa Electric’s portion of the net periodic benefit costs for pension benefits was \$4 million, \$7 million and \$10 million for 2022, 2021 and 2020, respectively. TEC’s portion of the net periodic benefit costs for other benefits was \$9 million, \$11 million and \$7 million for 2022, 2021 and 2020, respectively. Tampa Electric’s portion of the net periodic benefit costs for other benefits was \$8 million, \$9 million and \$6 million for 2022, 2021 and 2020, respectively. TEC’s and Tampa Electric’s portion of net periodic benefit costs for pension and other benefits is included as an expense on the Consolidated Statements of Income in “Operations & maintenance”.

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

	Pension Benefits			Other Benefits		
	2022	2021	2020	2022	2021	2020
Discount rate	2.77%	2.37%	3.21%	2.84%	2.47%	3.32%
Expected long-term return on plan assets	6.50%	6.70%	7.00%	n/a	n/a	n/a
Rate of compensation increase	3.05%	3.08%	3.79%	3.04%	3.07%	3.79%
Healthcare cost trend rate						
Initial rate	n/a	n/a	n/a	5.61%	5.74%	6.03%
Ultimate rate	n/a	n/a	n/a	4.00%	4.50%	4.50%
Year rate reaches ultimate trend rate	n/a	n/a	n/a	2045	2038	2038

The discount rate assumption used to determine the benefit cost for 2022, 2021 and 2020 was based on the same technique that was used to determine the December 31, 2022 and 2021 benefit obligation as discussed above.

The expected return on assets assumption was based on historical returns, fixed income spreads and equity premiums consistent with the portfolio and asset allocation. A change in asset allocations could have a significant impact on the expected return on assets. Additionally, expectations of long-term inflation, real growth in the economy and a provision for active management and expenses paid were incorporated in the assumption. For the year ended December 31, 2022, TECO Energy’s pension plan’s actual loss was approximately 23.5%.

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

Pension Plan Assets

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

TECO Energy Asset Category	2022 Target Allocation	2021 Target Allocation	Actual Allocation, End of Year	
			2022	2021
Equity securities	50%-70%	50%-70%	58%	59%
Fixed income securities	30%-50%	30%-50%	42%	41%
Total	100%	100%	100%	100%

TECO Energy reviews the plan's asset allocation periodically and re-balances the investment mix to maximize asset returns, optimize the matching of investment yields with the plan's expected benefit obligations, and minimize pension cost and funding. TECO Energy expects to take additional steps to more closely match plan assets with plan liabilities over the long term.

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

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

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

Pension Plan Investments

TECO Energy

(millions)

	At Fair Value as of December 31, 2022				
	Level 1	Level 2	Level 3	Using NAV ⁽¹⁾	Total
Cash	\$ 5	\$ 0	\$ 0	\$ 0	\$ 5
Accounts receivable	10	0	0	0	10
Accounts payable	(62)	0	0	0	(62)
Short-term investment funds (STIFs)	32	0	0	0	32
Real estate investment trusts (REITs)	2	0	0	0	2
Mutual funds	50	0	0	0	50
Municipal bonds	0	1	0	0	1
Government bonds	0	58	0	0	58
Corporate bonds	0	50	0	0	50
Mortgage backed securities (MBS)	0	5	0	0	5
Collateralized mortgage obligations (CMOs)	0	1	0	0	1
Short Sales	0	(3)	0	0	(3)
Written Options	0	2	0	0	2
Swaps	0	(1)	0	0	(1)
Investments not utilizing the practical expedient	37	113	0	0	150
Common and collective trusts ⁽¹⁾	0	0	0	444	444
Mutual fund ⁽¹⁾	0	0	0	56	56
Total investments	\$ 37	\$ 113	\$ 0	\$ 500	\$ 650

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

TECO Energy
(millions)

At Fair Value as of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Using NAV ⁽¹⁾</u>	<u>Total</u>
Cash	\$ 4	\$ 0	\$ 0	\$ 0	\$ 4
Accounts receivable	4	0	0	0	4
Accounts payable	(70)	0	0	0	(70)
Short-term investment funds (STIFs)	31	0	0	0	31
Common stocks	46	0	0	0	46
Real estate investment trusts (REITs)	6	0	0	0	6
Mutual funds	68	0	0	0	68
Municipal bonds	0	1	0	0	1
Government bonds	0	81	0	0	81
Corporate bonds	0	78	0	0	78
Mortgage backed securities (MBS)	0	1	0	0	1
Collateralized mortgage obligations (CMOs)	0	1	0	0	1
Short Sales	0	(2)	0	0	(2)
Long Futures	1	0	0	0	1
Swaps	0	1	0	0	1
Investments not utilizing the practical expedient	90	161	0	0	251
Common and collective trusts ⁽¹⁾	0	0	0	592	592
Mutual fund ⁽¹⁾	0	0	0	81	81
Total investments	\$ 90	\$ 161	\$ 0	\$ 673	\$ 924

(1) In accordance with accounting standards, certain investments that are measured at fair value using the net asset value per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts in this table are to permit reconciliation of the fair value hierarchy to amounts presented in the Consolidated Balance Sheet of TECO Energy.

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

- Cash collateral is valued at cash posted due to its short-term nature.
- The STIF is valued at net asset value (NAV). The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make the STIF a level 1 asset.
- The primary pricing inputs in determining the fair value of the Common stocks and REITs are closing quoted prices in active markets.
- The primary pricing inputs in determining the level 1 mutual funds are the mutual funds' NAVs. The funds are registered open-end mutual funds and the NAVs are validated with purchases and sales at NAV. Since the fair values are determined and published, they are considered readily-determinable fair values and therefore Level 1 assets.
- The primary pricing inputs in determining the fair value of Municipal bonds are benchmark yields, historical spreads, sector curves, rating updates, and prepayment schedules. The primary pricing inputs in determining the fair value of Government bonds are the U.S. treasury curve, CPI, and broker quotes, if available. The primary pricing inputs in determining the fair value of Corporate bonds are the U.S. treasury curve, base spreads, YTM, and benchmark quotes. CMOs are priced using to-be-announced (TBA) prices, treasury curves, swap curves, cash flow information, and bids and offers as inputs. MBS are priced using TBA prices, treasury curves, average lives, spreads, and cash flow information.
- Swaps are valued using benchmark yields, swap curves, and cash flow analyses.
- The primary pricing input in determining the fair value of the mutual fund utilizing the practical expedient is its NAV. It is an unregistered open-end mutual fund. The fund holds primarily corporate bonds, debt securities and other similar instruments issued by U.S. and non-U.S. public- or private-sector entities. The fund may purchase or sell securities on a when-issued basis. These transactions are made conditionally because a security has not yet been issued in the market, although it is authorized. A commitment is made regarding these transactions to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. Since this mutual fund is an open-end mutual fund and the prices are not published to an external source, it uses NAV as a practical expedient. The redemption frequency is daily. The redemption notice period is the same day. There were no unfunded commitments as of December 31, 2022.
- The common collective trusts are private funds valued at NAV. The NAVs are calculated based on bid prices of the underlying securities. Since the prices are not published to external sources, NAV is used as a practical expedient. Certain funds invest primarily in equity securities of domestic and foreign issuers while others invest in long duration U.S. investment-grade fixed income assets and seeks to increase return through active management of interest rate and credit risks.

The redemption frequency of the funds ranges from daily to weekly and the redemption notice period ranges from 1 business day to 30 business days. There were no unfunded commitments as of December 31, 2022.

- Treasury bills are valued using benchmark yields, reported trades, broker dealer quotes, and benchmark securities.
- Futures are valued using futures data, cash rate data, swap rates, and cash flow analyses.

Additionally, the non-qualified SERP had \$8 million and \$10 million of assets as of December 31, 2022 and 2021, respectively. Since the plan is non-qualified, its assets are included in the “Deferred charges and other assets” line item in the Consolidated Balance Sheets rather than being netted with the related liability. The non-qualified trust holds investments in a money market fund. The fund is an open-end investment, resulting in a readily-determinable fair value. Additionally, shares may be redeemed any business day at the NAV calculated after the order is accepted. The NAV is validated with purchases and sales at NAV. These factors make it a level 1 asset. The SERP was fully funded as of December 31, 2022 and 2021.

Other Postretirement Benefit Plan Assets

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

Contributions

The qualified pension plan’s actuarial value of assets, including credit balance, was 129.22% of the Pension Protection Act funded target as of January 1, 2022 and is estimated at 118.00% of the Pension Protection Act funded target as of January 1, 2023.

TECO Energy’s policy is to fund the qualified pension plan at or above amounts determined by its actuaries to meet ERISA guidelines for minimum annual contributions and minimize PBGC premiums paid by the plan. TEC’s contribution is first set equal to its service cost. If a contribution in excess of service cost for the year is made, TEC’s portion is based on TEC’s proportion of the TECO Energy unfunded liability. TECO Energy made contributions to this plan in 2022, 2021 and 2020, which met the minimum funding requirements for 2022, 2021 and 2020. TEC’s portion of the contribution in 2022 was \$15 million, in 2021 was \$17 million and in 2020 was \$16 million. Tampa Electric’s portion of the contribution was \$12 million in 2022, \$14 million in 2021 and \$13 million in 2020. These amounts are reflected in the “Other” line on the Consolidated Statements of Cash Flows. TEC estimates its portion of the 2023 contribution to be \$13 million. Tampa Electric estimates its portion of the 2023 contribution to be \$11 million. The amount TECO Energy expects to contribute is in excess of the minimum funding required under ERISA guidelines.

TEC’s portion of the contributions to the SERP in 2022, 2021 and 2020 was zero. Since the SERP is fully funded, TECO Energy does not expect to make significant contributions to this plan in 2023. TEC made SERP payments of approximately \$2 million, \$1 million and \$1 million from the trust in 2022, 2021 and 2020, respectively, and expects to make a SERP payment of approximately \$5 million from the trust in 2023.

The other postretirement benefits are funded annually to meet benefit obligations. TECO Energy’s contribution toward health care coverage for most employees who retired after the age of 55 between January 1, 1990 and June 30, 2001 is limited to a defined dollar benefit based on service. TECO Energy’s contribution toward pre-65 and post-65 health care coverage for most employees retiring on or after July 1, 2001 is limited to a defined dollar benefit based on an age and service schedule. In 2023, TEC expects to make a contribution of approximately \$12 million. Postretirement benefit levels are substantially unrelated to salary.

Benefit Payments

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

Expected Benefit Payments

TECO Energy (including projected service and net of employee contributions)	Pension Benefits	Other Postretirement Benefits
<i>(millions)</i>		
2023	\$ 68	\$ 14
2024	64	14
2025	66	14
2026	66	14
2027	66	14
2028-2032	304	63

Defined Contribution Plan

TECO Energy has a defined contribution savings plan covering substantially all employees of TECO Energy and its subsidiaries that enables participants to save a portion of their compensation up to the limits allowed by IRS guidelines. TECO Energy and its

subsidiaries match 75% of the first 6% of the participant’s payroll savings deductions. Effective January 1, 2017, the employer matching contributions increased from 70% to 75% with an additional incentive match of up to 25% of eligible participant contributions based on the achievement of certain operating company financial goals. For the years ended December 31, 2022, 2021 and 2020, TEC’s portion of expense totaled \$22 million, \$22 million and \$21 million, respectively, related to the matching contributions made to this plan. Tampa Electric’s portion of expense totaled \$19 million, \$18 million and \$20 million, respectively, related to the matching contributions made to this plan. The expense related to the matching contribution is included on the Consolidated Statements of Income in “Operations & maintenance”.

Effective October 21, 2019, TECO Energy amended the defined contribution plan such that certain participants covered by the IBEW collective bargaining agreement shall not be eligible to participate in the plan for purposes of receiving the fixed matching contribution. This has been replaced with a non-elective employer contribution on a bi-weekly basis equal to a percentage of the member’s compensation for that period based on years of tenure of employment. For the years ended December 31, 2022, 2021 and 2020, Tampa Electric recognized expense totaling \$10 million, \$10 million and \$9 million, respectively, related to the contributions made to this plan. The expense related to this contribution is included on the Consolidated Statements of Income in “Operations & maintenance”.

6. Short-Term Debt

Credit Facilities

(millions)	December 31, 2022				December 31, 2021			
	Credit Facilities	Borrowings	Borrowings	Letters	Credit Facilities	Borrowings	Borrowings	Letters
		Outstanding - Credit Facilities ⁽¹⁾	Outstanding - Commercial Paper ⁽¹⁾	of Credit Outstanding		Outstanding - Credit Facilities ⁽¹⁾	Outstanding - Commercial Paper ⁽¹⁾	of Credit Outstanding
5-year facility ⁽²⁾	\$ 800	\$ 0	\$ 619	\$ 1	\$ 800	\$ 0	\$ 245	\$ 1
1-year term facility ⁽³⁾	400	400	0	0	500	500	0	0
Total	\$ 1,200	\$ 400	\$ 619	\$ 1	\$ 1,300	\$ 500	\$ 245	\$ 1

- (1) Borrowings outstanding are reported as notes payable in the Consolidated Balance Sheets.
- (2) This 5-year facility matures on December 17, 2026. TEC also has an active commercial paper program for up to \$800 million, of which the full amount outstanding is backed by TEC’s credit facility. The amount of commercial paper issued results in an equal amount of its credit facility being considered drawn and unavailable.
- (3) This 1-year term facility was set to mature on December 16, 2022. On December 13, 2022, TEC extended the maturity date to December 13, 2023.

At December 31, 2022, this credit facility required a commitment fee of 12.5 basis points. The weighted-average interest rate on borrowings outstanding under the credit facilities and commercial paper at December 31, 2022 and 2021 was 5.00% and 0.58%, respectively.

Commercial Paper Program

On May 25, 2021, TEC established a commercial paper program (the Program) under which TEC may issue on a private placement basis unsecured commercial paper notes (the Notes). Amounts available under the Program may be borrowed, repaid and reborrowed with the aggregate amount of the Notes outstanding under the Program at any time not to exceed \$800 million. The maturities of the Notes will vary, but may not exceed 270 days from the date of issue. The rates of interest will depend on whether the Note will be a fixed or floating rate. TEC must have credit facilities in place, at least equal to the amount of its commercial paper program. TEC cannot issue commercial paper in an aggregate amount exceeding the then available capacity under its credit facility.

TEC Term Loan

On December 13, 2022, TEC extended the maturity date of its \$500 million credit agreement that was set to mature on December 16, 2022 and reduced the amount of the loan to \$400 million. The credit agreement has a maturity date of December 13, 2023; contains customary representations and warranties, events of default, and financial and other covenants; and provides for interest to accrue at variable rates based on either the term secured overnight financing rate (SOFR), Wells Fargo Bank’s prime rate, or the federal funds rate, plus a margin.

5-Year Credit Facility

On December 17, 2021, TEC amended and restated its \$800 million bank credit facility, entering into a Seventh Amended and Restated Credit Agreement. The amendment extended the maturity date of the credit facility from March 22, 2023 to December 17,

2026 (subject to further extension with the consent of each lender); and provided for an interest rate based on either the London interbank deposit rate, Wells Fargo Bank's prime rate, or the federal funds rate, plus a margin; allows TEC to borrow funds on a same-day basis under a swingline loan provision, which loans mature on the fourth banking day after which any such loans are made and bear interest at an interest rate as agreed by the borrower and the relevant swingline lender prior to the making of any such loans; continues to allow TEC to request the lenders to increase their commitments under the credit facility by up to \$100 million in the aggregate; and made other technical changes.

7. Long-Term Debt

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

TEC 3.875% Notes due 2024 and 5.00% Notes due 2052

On July 12, 2022, TEC completed a sale of (i) \$300 million aggregate principal amount of 3.875% Notes due July 12, 2024 (the 2024 Notes) and (ii) \$300 million aggregate principal amount of 5.00% Notes due July 15, 2052 (the 2052 Notes, and collectively, the Notes). Until July 12, 2024, in the case of the 2024 Notes, or January 15, 2052, in the case of the 2052 Notes, TEC may redeem all or any part of such series of Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of such series of Notes to be redeemed or (ii) the sum of the present values of the remaining payments of principal and interest on the Notes to be redeemed that would be due if the Notes matured on (a) July 12, 2024, in the case of the 2024 Notes, discounted to the redemption date on a semiannual basis at the applicable treasury rate (as defined in the Indenture), plus 15 basis points, or (b) July 15, 2052, in the case of the 2052 Notes, discounted to the redemption date on a semiannual basis at the applicable treasury rate, plus 30 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after January 15, 2052, in the case of the 2052 Notes, TEC may, at its option, redeem the 2052 Notes, in whole or in part, at 100% of the principal amount of such series of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption.

TEC 2.40% Notes due 2031 and 3.45% Notes due 2051

On March 18, 2021, TEC completed a sale of (i) \$400 million aggregate principal amount of 2.40% Notes due March 15, 2031 (the 2031 Notes) and (ii) \$400 million aggregate principal amount of 3.45% Notes due March 15, 2051 (the 2051 Notes, and collectively, the Notes). Until December 15, 2030, in the case of the 2031 Notes, or September 15, 2050, in the case of the 2051 Notes, TEC may redeem all or any part of such series of Notes at its option at a redemption price equal to the greater of (i) 100% of the principal amount of such series of Notes to be redeemed or (ii) the sum of the present values of the remaining payments of principal and interest on the Notes to be redeemed that would be due if the Notes matured on (a) December 15, 2030, in the case of the 2031 Notes, discounted to the redemption date on a semiannual basis at the applicable treasury rate (as defined in the Indenture), plus 15 basis points, or (b) September 15, 2050, in the case of the 2051 Notes, discounted to the redemption date on a semiannual basis at the applicable treasury rate, plus 20 basis points; in either case, the redemption price would include accrued and unpaid interest to the redemption date. At any time on or after December 15, 2030, in the case of the 2031 Notes or September 15, 2050, in the case of the 2051 Notes, TEC may, at its option, redeem such series of the Notes, in whole or in part, at 100% of the principal amount of such series of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption.

8. Commitments and Contingencies

Legal Contingencies

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

Superfund and Former Manufactured Gas Plant Sites

As of December 31, 2022, TEC, through its Tampa Electric division and former PGS division, was a PRP for certain superfund sites and, through its former PGS division, for certain former MGP sites. While the joint and several liability associated with these sites presents the potential for significant response costs, as of December 31, 2022 and 2021, TEC estimated its ultimate financial liability to be \$13 million and \$14 million, respectively, primarily at PGS. This amount has been accrued and is primarily reflected in the long-term liability section under "Deferred credits and other liabilities" on the Consolidated Balance Sheets. The environmental remediation costs associated with these sites are expected to be paid over many years.

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

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

Factors that could impact these estimates include the ability of other PRPs to pay their pro-rata portion of the cleanup costs, additional testing and investigation which could expand the scope of the cleanup activities, additional liability that might arise from

the cleanup activities themselves or changes in laws or regulations that could require additional remediation. Under current regulations, these costs are recoverable through customer rates established in subsequent base rate proceedings.

Long-Term Commitments

TEC has commitments for various purchases as disclosed below, including payment obligations for capital projects, such as Tampa Electric’s solar projects (see **Note 3**), and contractual agreements for fuel, fuel transportation and power purchases that are recovered from customers under regulatory clauses. The following is a schedule of future payments under minimum lease payments with non-cancelable lease terms in excess of one year and other net purchase obligations/commitments at December 31, 2022:

<i>(millions)</i>	<i>Purchased Power</i>	<i>Transportation⁽¹⁾⁽³⁾</i>	<i>Capital Projects</i>	<i>Fuel and Gas Supply⁽²⁾</i>	<i>Long-term Service Agreements</i>	<i>Operating Leases</i>	<i>Demand Side Management</i>	<i>Total</i>
<i>Year ended December 31:</i>								
2023	\$ 4	\$ 266	\$ 159	\$ 381	\$ 32	\$ 3	\$ 5	\$ 850
2024	0	257	63	54	27	3	4	408
2025	0	244	3	4	21	2	4	278
2026	0	241	1	4	22	1	1	270
2027	0	238	0	4	20	1	1	264
Thereafter	0	1,914	0	1	32	46	0	1,993
Total future minimum payments	\$ 4	\$ 3,160	\$ 226	\$ 448	\$ 154	\$ 56	\$ 15	\$ 4,063

- (1) As of December 31, 2022, \$106 million is related to a gas transportation contract through 2040 between PGS and SeaCoast, a related party.
- (2) As of December 31, 2022, \$45 million is related to fuel and gas supply contractual obligations between Tampa Electric and Emera Energy Services, a related party.
- (3) As of December 31, 2022, \$1,518 million is related to transportation contracts held by Tampa Electric.

Financial Covenants

TEC must meet certain financial tests, including a debt to capital ratio, as defined in the applicable debt agreements. TEC has certain restrictive covenants in specific agreements and debt instruments. At December 31, 2022 and 2021, TEC was in compliance with all required financial covenants.

9. Revenue

The following disaggregates TEC's revenue by major source:

<i>(millions)</i>	Tampa Electric	PGS	Eliminations	Tampa Electric Company
<i>For the year ended December 31, 2022</i>				
Electric revenue				
Residential	\$ 1,381	\$ 0	\$ 0	\$ 1,381
Commercial	666	0	0	666
Industrial	176	0	0	176
Regulatory deferrals and unbilled revenue	(12)	0	0	(12)
Other ⁽¹⁾	312	0	(4)	308
Total electric revenue	<u>2,523</u>	<u>0</u>	<u>(4)</u>	<u>2,519</u>
Gas revenue				
Residential	0	229	0	229
Commercial	0	200	0	200
Industrial ⁽²⁾	0	31	0	31
Other ⁽³⁾	0	196	(6)	190
Total gas revenue	<u>0</u>	<u>656</u>	<u>(6)</u>	<u>650</u>
Total revenue	<u>\$ 2,523</u>	<u>\$ 656</u>	<u>\$ (10)</u>	<u>\$ 3,169</u>
<i>For the year ended December 31, 2021</i>				
Electric revenue				
Residential	\$ 1,156	\$ 0	\$ 0	\$ 1,156
Commercial	602	0	0	602
Industrial	172	0	0	172
Regulatory deferrals and unbilled revenue	(8)	0	0	(8)
Other ⁽¹⁾	252	0	(4)	248
Total electric revenue	<u>2,174</u>	<u>0</u>	<u>(4)</u>	<u>2,170</u>
Gas revenue				
Residential	0	212	0	212
Commercial	0	191	0	191
Industrial ⁽²⁾	0	25	0	25
Other ⁽³⁾	0	100	(3)	97
Total gas revenue	<u>0</u>	<u>528</u>	<u>(3)</u>	<u>525</u>
Total revenue	<u>\$ 2,174</u>	<u>\$ 528</u>	<u>\$ (7)</u>	<u>\$ 2,695</u>
<i>For the year ended December 31, 2020</i>				
Electric revenue				
Residential	\$ 1,018	\$ 0	\$ 0	\$ 1,018
Commercial	506	0	0	506
Industrial	133	0	0	133
Regulatory deferrals and unbilled revenue	(25)	0	0	(25)
Other ⁽¹⁾	217	0	(4)	213
Total electric revenue	<u>1,849</u>	<u>0</u>	<u>(4)</u>	<u>1,845</u>
Gas revenue				
Residential	0	158	0	158
Commercial	0	135	0	135
Industrial ⁽²⁾	0	23	0	23
Other ⁽³⁾	0	117	(6)	111
Total gas revenue	<u>0</u>	<u>433</u>	<u>(6)</u>	<u>427</u>
Total revenue	<u>\$ 1,849</u>	<u>\$ 433</u>	<u>\$ (10)</u>	<u>\$ 2,272</u>

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

(2) Industrial includes sales to power generation customers.

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

Remaining Performance Obligations

Remaining performance obligations primarily represent lighting contracts and gas transportation contracts with fixed contract terms. As of December 31, 2022 and 2021, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$140 million and \$135 million, respectively. The 2022 amount includes \$11 million of future performance obligations related to an asset management agreement with Emera Energy, a related party, through 2025. As allowed under ASC 606, this amount excludes contracts with an original expected length of one year or less and variable amounts for which TEC recognizes revenue at the amount to which it has the right to invoice for services performed. TEC expects to recognize revenue for the remaining performance obligations through 2042.

10. Related Party Transactions

A summary of activities between TEC and its affiliates follows:

Net transactions with affiliates:

<i>(millions)</i>	2022	2021	2020
Natural gas sales to/(from) affiliates	\$ (232)	\$ (236)	\$ (139)
Services received from affiliates	4	7	6
Dividends to TECO Energy	517	450	408
Equity contributions from TECO Energy	605	580	505

Amounts due from or to affiliates at December 31,

<i>(millions)</i>	2022	2021
Accounts receivable related to asset management agreements to Emera Energy Services Inc. ⁽¹⁾	\$ 7	\$ 4
Accounts receivable excluding asset management agreements ⁽¹⁾	5	4
Taxes receivable ⁽²⁾	10	0
Accounts payable ⁽¹⁾	31	35
Note payable to TECO Energy ⁽³⁾	195	0
Taxes payable ⁽²⁾	0	9

- (1) Accounts receivable and accounts payable were incurred in the ordinary course of business and do not bear interest.
- (2) Taxes receivable were due from EUSHI and taxes payable were due to EUSHI. See **Note 4** for additional information.
- (3) The note payable with TECO Energy bears interest at a rate approximating the market rate of TEC's commercial paper.

On January 1, 2023, TEC entered into an intercompany loan agreement with PGSI. See "Separation of PGS from TEC" in **Note 1** for further information.

11. Segment Information

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

TEC is a public utility operating within the State of Florida and has two segments, Tampa Electric and PGS. Through its Tampa Electric division, it is engaged in the generation, purchase, transmission, distribution and sale of electric energy to approximately 826,700 customers in West Central Florida. Its PGS division is engaged in the purchase, distribution and marketing of natural gas for approximately 468,000 residential, commercial, industrial and electric power generation customers in the State of Florida.

<i>(millions)</i>	Tampa Electric	PGS	Eliminations	TEC
2022				
Revenues - external	\$ 2,519	\$ 650	\$ 0	\$ 3,169
Sales to affiliates	4	6	(10)	0
Total revenues	2,523	656	(10)	3,169
Depreciation and amortization	389	47	0	436
Total interest charges	142	25	0	167
Provision for income taxes	94	27	0	121
Net income	458	82	0	540
Total assets	12,064	2,471	(732) ⁽¹⁾	13,803
Capital expenditures	1,099	328	0	1,427
2021				
Revenues - external	\$ 2,170	\$ 525	\$ 0	\$ 2,695
Sales to affiliates	4	3	(7)	0
Total revenues	2,174	528	(7)	2,695
Depreciation and amortization	374	56	0	430
Total interest charges	110	20	0	130
Provision for income taxes	57	23	0	80
Net income	369	77	0	446
Total assets	10,650	2,209	(663) ⁽¹⁾	12,196
Capital expenditures	1,081	316	0	1,397
2020				
Revenues - external	\$ 1,845	\$ 427	\$ 0	\$ 2,272
Sales to affiliates	4	6	(10)	0
Total revenues	1,849	433	(10)	2,272
Depreciation and amortization	339	45	0	384
Total interest charges	113	17	0	130
Provision for income taxes	66	16	0	82
Net income	372	52	0	424
Total assets	9,800	1,901	(653) ⁽¹⁾	11,048
Capital expenditures	1,028	333	0	1,361

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

12. Asset Retirement Obligations

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

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

<i>(millions)</i>	<i>December 31,</i>	
	2022	2021
Beginning balance	\$ 31	\$ 39
Additional liabilities	1	0
Liabilities settled ⁽¹⁾	0	(9)
Other	3	1
Ending balance	\$ 35	\$ 31

(1) Tampa Electric produces ash and other by-products, collectively known as CCRs, at its Big Bend and Polk power stations. The decrease in the ARO in 2021 is due to the closure of CCR management facilities.

13. Leases

TEC determines whether a contract contains a lease at inception by evaluating if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. All contracts for which TEC is the lessee are held by Tampa Electric, and all contracts for which TEC is the lessor are held by PGS.

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

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

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

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

Lessee

Tampa Electric has operating leases for buildings, land, telecommunication services and rail cars. Tampa Electric's leases have remaining lease terms of 1 year to 64 years, some of which include options to extend the leases for up to an additional 65 years. These options are included as part of the lease term when it is considered reasonably certain that they will be exercised.

<i>(millions)</i>	<i>Classification</i>	<i>December 31, 2022</i>	<i>December 31, 2021</i>
Right-of-use asset	Deferred charges and other assets	\$ 23	\$ 24
Lease liabilities			
Current	Other current liabilities	\$ 2	\$ 2
Long-term	Deferred credits and other liabilities	22	23
Total lease liabilities		<u>\$ 24</u>	<u>\$ 25</u>

Tampa Electric has recorded operating lease expense for the year ended December 31, 2022, 2021 and 2020 of \$4 million, \$5 million and \$4 million, respectively.

Future minimum lease payments under non-cancellable operating leases for each of the next five years and in aggregate thereafter consisted of the following at December 31, 2022:

<i>(millions)</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>Thereafter</i>	<i>Total</i>
Year ended December 31:							
Minimum lease payments	\$ 3	\$ 3	\$ 2	\$ 1	\$ 1	\$ 46	\$ 56
Less imputed interest							(32)
Total future minimum payments							<u>\$ 24</u>

Additional information related to Tampa Electric's leases is as follows:

<i>Year ended December 31,</i>	<i>2022</i>	<i>2021</i>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases (millions)	\$ 4	\$ 4
Weighted average remaining lease term (years)	44	44
Weighted average discount rate - operating leases	4.4%	4.4%

Lessor

The net investment in direct finance leases consists of the following:

<i>(millions)</i>	<i>December 31,</i> <i>2022</i>	<i>December 31,</i> <i>2021</i>
Total minimum lease payments to be received	\$ 0	\$ 29
Less amounts representing estimated executory costs	0	(11)
Minimum lease payments receivable	\$ 0	\$ 18
Less unearned finance lease income	0	(9)
Net investment in direct finance and sales-type leases	\$ 0	\$ 9
Principal due within one year (included in "Receivables")	0	(2)
Net investment in direct finance and sales-type leases - long-term (included in "Deferred charges and other assets")	<u>\$ 0</u>	<u>\$ 7</u>

The unearned income related to these direct finance leases is recognized in income over the life of the lease using a constant rate of interest equal to the internal rate of return on the lease and is recorded as "Gas revenues" on the Consolidated Statements of Income. The PGS customers had the option to purchase the assets related to the CNG stations at any time after year five of the agreements, which was in 2021, by paying a make-whole payment at the date of the purchase based on a targeted internal rate of return. This option was exercised on both CNG stations in 2022.

14. Fair Value Measurements

Items Measured at Fair Value on a Recurring Basis

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

- Level 1: Observable inputs, such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

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

As of December 31, 2022 and 2021, the fair value of TEC's short-term debt was not materially different from the carrying value due to the short-term nature of the instruments and because the stated rates approximate market rates. The fair value of TEC's short-term debt is determined using Level 2 measurements.

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

15. Stock-Based Compensation

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

Performance Share Unit Plan

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

and are paid in the form of additional PSUs. The PSU value varies according to the Emera common share market price and corporate performance.

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

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

	Number of Units (Thousands)	Weighted Average Grant Date Fair Value (Per Unit)	Aggregate Intrinsic Value (Millions)
Outstanding as of December 31, 2021	285	47.74	18
Granted including DRIP	62	59.26	4
Exercised	(123)	42.86	7
Forfeited	(51)	44.41	3
Transferred	3	47.98	0
Outstanding as of December 31, 2022	<u>176</u>	56.21	9

Compensation cost recognized for the PSU plan for the years ended December 31, 2022, 2021 and 2020 was \$4 million, \$3 million and \$8 million, respectively. Tax benefits related to this compensation cost for share units realized for the years ended December 31, 2022, 2021 and 2020 were \$1 million, \$1 million and \$2 million, respectively. Cash payments made during the year ended December 31, 2022, 2021 and 2020 associated with the PSU plan were \$7 million, \$10 million and \$9 million, respectively. As of December 31, 2022 and 2021, there was \$3 million and \$3 million, respectively, of unrecognized compensation cost related to non-vested PSUs that is expected to be recognized over a weighted-average period of two years.

Restricted Share Unit Plan

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

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

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

	Number of Units (Thousands)	Weighted Average Grant Date Fair Value (Per Unit)	Aggregate Intrinsic Value (Millions)
Outstanding as of December 31, 2021	118	54.64	7
Granted including DRIP	61	59.31	4
Forfeited	(6)	56.47	0
Outstanding as of December 31, 2022	<u>173</u>	56.23	9

Compensation cost recognized for the RSU plan for the years ended December 31, 2022, 2021 and 2020 was \$3 million, \$2 million and \$1 million, respectively. Tax benefits related to this compensation cost for share units realized for the years ended December 31, 2022, 2021 and 2020 were \$1 million, zero and zero, respectively. As of December 31, 2022 and 2021, there was \$3 million and \$3 million, respectively, of unrecognized compensation cost related to non-vested RSUs that is expected to be recognized over a weighted-average period of two years.

16. Long-Term PPAs

In 2019, Tampa Electric entered into a long-term PPA with a wholesale energy provider in Florida with up to 515 MW of available capacity, which expires in 2023. Because some of these provisions provide for the transfer or sharing of a number of risks inherent in the generation of energy, these agreements meet the definition of being variable interests. These risks include: operating

and maintenance, regulatory, credit, commodity/fuel and energy market risk. Tampa Electric reviewed these risks and determined that the owners of these entities retain the majority of these risks over the expected life of the underlying generating assets, have the power to direct the most significant activities, and have the obligation or right to absorb losses or benefits. As a result, Tampa Electric was not the primary beneficiary and was not required to consolidate any of these entities. Tampa Electric purchased \$70 million, \$46 million and \$36 million under this long-term PPA for the three years ended December 31, 2022, 2021 and 2020, respectively.

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

17. Difference between Uniform System of Accounts and GAAP

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

- the balance sheet classification of cost of removal collections from customers,
- the balance sheet classification of plant leased to others under capital leases,
- the balance sheet classification of ASC 740-10-45 deferred income tax,
- the balance sheet classification of regulatory assets and liabilities,
- the balance sheet classification of debt issuance costs,
- the balance sheet classification of the current portion of long-term debt,
- the balance sheet classification of unbilled revenue,
- the balance sheet classification of insurance recoveries,
- the income statement classification of amortization of regulatory assets and liabilities,
- the accounting for uncertainty in income taxes in accordance with ASC 740-10-25,
- the equity method of accounting for wholly owned subsidiaries,
- The income statement classification of revenues and expenses.

Subsequent events have been included through the date of the TEC Form 10-K filing on February 23, 2023. In accordance with FERC requirements, subsequent events occurring in 2023 after that date have not been disclosed.

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2022	
SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
Line No.	Item (a)	Total (b)	Gas (c)
1	UTILITY PLANT		
2	In Service		
3	101 Plant in Service (Classified)	2,346,274,646	2,346,274,646
4	101.1 Property Under Capital Leases	-	-
5	102 Plant Purchased or Sold	-	-
6	106 Completed Construction not Classified	331,968,650	331,968,650
7	103 Experimental Plant Unclassified	-	-
8	104 Leased to Others	2,527,001	2,527,001
9	105 Held for Future Use	1,939,552	1,939,552
10	114 Acquisition Adjustments	5,031,897	5,031,897
11	TOTAL Utility Plant (Total of lines 3 through 10)	2,687,741,747	2,687,741,747
12	107 Construction Work in Progress	246,108,952	246,108,952
13	Accum. Provision for Depreciation, Amortization, & Depletion	881,239,460	881,239,460
14	Net Utility Plant (Total of lines 11 plus 12 less line 13)	2,052,611,238	2,052,611,238
15	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
16	In Service:		
17	108 Depreciation	875,553,924	875,553,924
18	111 Amort. and Depl. of Producing Nat. Gas Land & Land Rights	-	-
19	111 Amort. of Underground Storage Land and Land Rights	-	-
20	119 Amortization of Other Utility Plant	-	-
21	TOTAL in Service (Total of lines 17 through 20)	875,553,924	875,553,924
22	Leased to Others		
23	108 Depreciation	657,383	657,383
24	111 Amortization and Depletion	-	-
25	TOTAL Leased to Others (Total of lines 23 and 24)	657,383	657,383
26	Held for Future Use		
27	108 Depreciation	-	-
28	111 Amortization	-	-
29	TOTAL Held for Future Use (Enter. Tot. of lines 27 and 28)	-	-
30	111 Abandonment of Leases (Natural Gas)	-	-
31	115 Amortization of Plant Acquisition Adjustment	5,028,153	5,028,153
32	TOTAL Accum. Provisions (Should agree with line 13 above) (Total of lines 21, 25, 29, 30, and 31)	881,239,460	881,239,460

Annual Status Report										Page 1 of 2
Analysis of Plant in Service Accounts										
Company: Peoples Gas System										
For the Year Ended December 31, 2022										
Acct. No.	Account Description	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*	
Amortizable General Plant Assets:										
30100	Organization	0.0	12,620	-	-	-	-	-	12,620	
30200	Franchise & Consents	4.0	-	-	-	-	-	-	-	
30300	Misc Intangible Plant	4.0	815,325	-	-	-	-	-	815,325	
30301	Custom Intangible Plant	6.6	54,992,606	6,856,247	(147,825)	-	-	-	61,701,028	
37402	Land Rights	1.3	4,268,873	-	-	-	-	-	4,268,873	
39002	Structures & Improve Leases	2.4	134,160	-	-	-	-	-	134,160	
	Subtotal		60,223,584	6,856,247	(147,825)				66,932,006	
Depreciable Assets:										
37400	Land Distribution	0.0	14,985,873	1,171,277	-	-	-	-	16,157,149	
37500	Structures & Improvements	2.8	25,824,228	706,645	-	-	-	-	26,530,873	
37600	Mains Steel	2.1	677,690,713	59,588,526	(970,104)	-	-	-	736,309,135	
37602	Mains Plastic	1.6	7,16,903,779	38,039,873	(2,499,867)	-	-	-	752,443,785	
37700	37700 - Compressor Equipment	3.0	19,091,948	95,350	-	-	-	-	19,187,298	
37800	Meas & Reg Station Equip Gen	2.7	21,356,560	934,795	(160,303)	-	-	-	22,131,053	
37900	Meas & Reg Station Equip City	2.1	84,861,800	11,129,230	(24,255)	-	-	-	95,966,774	
38000	Services Steel	4.0	62,844,319	5,277,038	(36,015)	-	-	-	68,085,342	
38002	Services Plastic	2.7	487,344,021	62,233,681	(297,872)	-	-	-	549,279,831	
38100	Meters	5.0	84,626,200	7,955,614	-	-	-	-	92,581,814	
38200	Meter Installations	2.2	81,412,880	10,932,159	-	-	-	-	92,345,039	
38300	House Regulators	1.8	18,287,448	1,638,332	-	-	-	-	19,925,781	
38400	House Regulator Installs	1.9	32,160,125	6,517,029	-	-	-	-	38,677,155	
38500	Meas & Reg Station Equip Ind	2.3	15,049,730	147,097	-	-	-	-	15,196,827	
38700	Other Equipment	3.0	12,926,003	506,840	(1,000)	-	-	-	13,431,843	
39000	Structures & Improvements	2.4	28,184	-	-	-	-	-	28,184	
39100	Office Furniture	5.9	1,878,515	31,735	-	-	-	-	1,910,249	
39101	Computer Equipment	11.1	3,210,854	47,510	-	-	-	-	3,258,364	
39102	Office Equipment	6.7	1,464,000	67,255	(1,581)	-	-	-	1,529,674	
39201	Vehicles up to 1/2 Tons	7.0	8,019,568	1,724,118	(531,939)	-	-	-	9,211,747	
39202	Vehicles from 1/2 - 1 Tons	5.6	15,737,019	2,475,254	(408,618)	-	-	-	17,803,655	
39203	Airplane	0.0	-	-	-	-	-	-	-	
39204	Trailers & Other	2.9	3,282,003	14,459	-	-	-	-	3,296,463	
39205	Vehicles over 1 Ton	6.6	2,904,244	-	(340,104)	-	-	-	2,564,139	
39300	Stores Equipment	4.2	1,283	-	-	-	-	-	1,283	
39400	Tools, Shop & Garage Equip	5.6	7,040,326	70,096	-	-	-	-	7,110,422	
39401	CNG Stations	5.0	54,249	4,789	-	-	-	-	59,037	
39500	Laboratory Equipment	5.0	-	-	-	-	-	-	-	
39600	Power Operated Equipment	2.7	3,105,360	10,696	-	-	-	-	3,116,056	
39700	Communication Equipment	7.7	3,060,529	-	(100,378)	-	-	-	2,960,151	
39800	Miscellaneous Equipment	5.0	212,167	-	-	-	-	-	212,167	
39900	Other Tangible Property	0.0	-	-	-	-	-	-	-	

Annual Status Report
 Analysis of Plant in Service Accounts
 Company: Peoples Gas System
 For the Year Ended December 31, 2022
 Page 2 of 2

Acct. No. Account Description (Continued)	Depr. Rate	Beginning Balance*	Additions	Retirements	Reclass.	Adjustments	Transfers	Ending Balance*
Capital Recovery Schedules:								
Total Account 101 and 106*		2,465,587,512	218,175,644	(5,519,860)	-	-	-	2,678,243,296
10400 Lease to Others	5.0	13,128,442	-	(10,601,441)	-			2,527,001
10500 Property Held for Future Use	0.0	1,939,552						1,939,552
11400 Acquisition Adjustment	0.0	5,031,897						5,031,897
Subtotal		20,099,891	-	(10,601,441)	-	-	-	9,498,450
Total Utility Plant **		2,485,687,403	218,175,644	(16,121,301)	-	-	-	2,687,741,747
Note: * The total of ending balances must agree to acct. 101,106, Plant in Service, Line 3, and Line 6, Page 12.								
Note: ** The total of ending balances must agree to Line 11, Page 12.								

Annual Status Report										
Analysis of Entries in Accumulated Depreciation & Amortization										
Company: Peoples Gas System										
For the Year Ended December 31, 2022										
Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
Amortizable General Plant Assets:										
30100	Organization	-	-	-	-	-	-	-	-	-
30200	Franchise & Consents	-	-	-	-	-	-	-	-	-
30300	Misc Intangible Plant	815,325	-	-	-	-	-	-	-	815,325
30301	Custom Intangible Plant	20,377,774	3,954,520	(147,825)	-	-	-	-	-	24,184,470
37402	Land Rights	983,639	55,495	-	-	-	-	-	-	1,039,134
39002	Structures & Improve Leases	30,101	3,354	-	-	-	-	-	-	33,455
	Subtotal 108 - 404 *	22,206,839	4,013,369	(147,825)	-	-	-	-	-	26,072,384
Items necessary to reconcile the total amortization accrual amount to Acct. 404.3, Amortization Expense, shown on Line 7, Page 8.										
Depreciable Assets:										
37400	Land Distribution	(60,225)	-	-	-	-	-	-	-	(60,225)
37500	Structures & Improvements	7,748,723	728,237	-	-	-	-	-	-	8,476,960
37600	Mains Steel	213,548,874	191,267	(970,104)	(5,411,564)	(88,474)	-	-	-	207,270,000
37602	Mains Plastic	216,375,142	11,804,263	(2,499,867)	(3,974,158)	(53,063)	-	-	-	221,652,318
37700	37700 - Compressor Equipment	263,951	574,885	-	(67,210)	(1,471)	-	-	-	770,155
37800	Meas & Reg Station Equip Gen	4,887,996	589,425	(160,303)	(109,215)	-	-	-	-	5,207,902
37900	Meas & Reg Station Equip City	16,644,366	1,927,141	(24,255)	-	-	-	-	-	18,547,252
38000	Services Steel	37,842,038	2,606,835	(36,015)	(684,301)	(10,368)	-	-	-	39,718,188
38002	Services Plastic	196,096,102	13,873,788	(297,872)	(2,371,310)	(34,186)	-	-	-	207,266,522
38100	Meters	33,385,932	4,405,981	-	-	-	-	-	-	37,791,913
38200	Meter Installations	35,930,411	1,889,865	-	-	-	-	-	-	37,820,276
38300	House Regulators	8,755,221	341,869	-	-	-	-	-	-	9,097,090
38400	House Regulator Installs	14,788,684	665,251	-	-	-	-	-	-	15,453,935
38500	Meas & Reg Station Equip Ind	6,635,165	346,426	-	-	-	-	-	-	6,981,591
38700	Other Equipment	5,037,046	392,828	(1,000)	-	1,325	-	-	-	5,430,199
39000	Structures & Improvements	14,882	676	-	-	-	-	-	-	15,559
39100	Office Furniture	879,810	111,763	-	-	-	-	-	-	991,573
39101	Computer Equipment	2,468,546	358,849	-	-	-	-	-	-	2,827,395
39102	Office Equipment	765,812	98,560	(1,581)	-	-	-	-	-	862,791
39201	Vehicles up to 1/2 Tons	4,853,691	583,949	(531,939)	(44,931)	237,601	-	-	-	5,098,371
39202	Vehicles from 1/2 - 1 Tons	6,778,740	929,530	(408,618)	(76,132)	132,685	-	-	-	7,356,204
39203	Airplane	0	-	-	-	-	-	-	-	0
39204	Trailers & Other	598,599	95,235	-	-	-	-	-	-	693,834
39205	Vehicles over 1 Ton	1,242,102	181,202	(340,104)	(2,959)	17,858	-	-	-	1,098,099
39300	Stores Equipment	484	54	-	-	-	-	-	-	538
39400	Tools, Shop & Garage Equip	3,701,437	395,509	-	-	-	-	-	-	4,096,945
39401	CNG Stations	5,652	2,933	-	-	-	-	-	-	8,584
39500	Laboratory Equipment	0	-	-	-	-	-	-	-	0
39600	Power Operated Equipment	1,984,466	83,869	-	-	-	-	-	-	2,068,335
39700	Communication Equipment	2,578,736	231,796	(100,378)	-	-	-	-	-	2,710,155
39800	Miscellaneous Equipment	218,472	10,608	-	-	-	-	-	-	229,081
39900	Other Tangible Property	-	-	-	-	-	-	-	-	-

Annual Status Report										
Analysis of Entries in Accumulated Depreciation & Amortization										
Company: Peoples Gas System										
For the Year Ended December 31, 2022										
Acct. No.	Account Description	Beginning Balance*	Depreciation Accruals	Retirements	Cost of Removal	Salvage	Reclass.	Adjustments	Transfers	Ending Balance*
(Continued)										
		-	-	-	-	-	-	-	-	-
Capital Recovery Schedules:										
		846,177,695	47,435,964	(5,519,860)	(12,741,781)	201,906	-	-	-	875,553,924
Subtotal 108-403 *										
Items necessary to reconcile the total depreciation and amortization accrual amount to Acct. 403, Depreciation Expense, shown on Line 6, Page 8.										
10400	Lease to Others	3,441,698	389,788	(10,601,441)	-	-	7,427,337	-	-	657,383
10500	Property Held for Future Use	-	-	-	-	-	-	-	-	-
11400	Acquisition Adjustment	5,028,153	-	-	-	-	-	-	-	5,028,153
	Subtotal	8,469,851	389,788	(10,601,441)	-	-	7,427,337	-	-	5,685,536
	Total Accumulated Reserve**	854,647,546	47,825,753	(16,121,301)	(12,741,781)	201,906	7,427,337	-	-	881,239,460
Note: * The total of ending balances must agree to Line 17, Page 12.										
Note: ** The total of ending balances must agree to Line 32, Page 12.										
Per rule 25-7.045(9), there has been no change of plans or utility experience requiring a change of rates, amortization or capital recovery schedule.										

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2022	
CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (107). 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,		Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$500,000) may be grouped.	
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Cast Iron / Bare Steel Main Replacements	22,342,061	15,788,127
2	Cathodic Protection	222,249	549,033
3	City Gates	11,589,424	10,456,800
4	CNG	655,754	1,444,246
5	Distribution System Improvement	7,903,576	8,637,957
6	Governmental / Municipal Improvements	12,260,108	10,749,029
7	Improvements to Property	9,514,998	27,701,972
8	Main Replacements	18,325,834	17,031,870
9	Measuring & Regulating Station and Equipment	4,859,211	2,648,520
10	Miscellaneous Non-Revenue Producing	408,467	497,348
11	New Revenue Main Installations	38,619,204	91,180,998
12	New Revenue Mains - New Developments	7,668,806	8,870,000
13	New Revenue Mains - System Growth	25,850,235.15	1,900,000
14	Office / Furniture Equipment	2,852,622	1,260,000
15	TOTAL (Continued on 17b)	163,072,550	198,715,899

CONSTRUCTION OVERHEADS-GAS			
1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items. 2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed		and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction. 3. Enter on this page engineering, supervision, administrative,, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.	
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	See Page 17b		
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12	TOTAL		

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2022	
CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)			
1. Report below descriptions and balances at end of year of projects in process of construction (107). 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research,		Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$500,000) may be grouped.	
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1	Power / Testing / Tools Equipment	1,236,067	6,711,302
2	Problematic Plastic Pipe Replacements	15,956,694	4,957,315
3	Service Lines Blankets	2,266,241	-
4	Software	32,430,720	33,439,881
5	Strategic	28,386,856	3,345,818
6	Transportation Vehicles	2,759,824	7,087,088
7			
8			
9			
10			
11			
12			
13			
14			
15	TOTAL (including pg 17a)	246,108,952	254,257,303

CONSTRUCTION OVERHEADS-GAS			
1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items. 2. A respondent should not report "none" to this page if no overhead apportionments are made, but rather should explain the accounting procedures employed		and the amounts of engineering, supervision, and administrative costs, etc. which are directly charged to construction. 3. Enter on this page engineering, supervision, administrative,, and allowance for funds used during construction, etc. which are first assigned to a blanket work order and then prorated to construction jobs.	
Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)	Total Cost of Construction to Which Overheads Were Charged (Exclusive of Overhead Charges) (c)
1	Supervision and Management	15,552,779	299,056,070
2	(These costs are allocated to WIP as outlined		
3	in instruction 3 above)		
4			
5	Corporate G&A	11,041,092	314,198,346
6			
7			
8			
9			
10			
11			
12	TOTAL	26,593,871	

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2022
PREPAYMENTS (Account 165)		
1. Report below the particulars (details) on each prepayment.		
Line No.	Nature of Prepayment (a)	Balance at End of Year (In Dollars) (b)
1	Prepaid Insurance	2,603,057
2	Short term debt facility fees	718,316
3	Software/Technology Maint.	415,655
4	Easements	136,590
5	Permits	82,000
6		
7		
8	TOTAL	3,955,618

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

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

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2022

OTHER REGULATORY ASSETS (Account 182.3)

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

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

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

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance Beginning of Year (b)	Debits (c)	Credits		Balance End of Year (f)
				Account Charged (d)	Amounts (e)	
1	Cast Iron Bare Steel Replacement Rider	563,794	845,047	407	563,794	845,047
2						
3	Transm Integrity Mgmt Prgm	638,669	2,357,051	887	2,570,533	425,187
4						
5	Competitive Rate Adjustment	3,752,773	5,791,002	142/4XX	5,751,001	3,792,773
6						
7	FAS 158 - Current portion	-	1,143,383	182.3	1,143,383	-
8						
9	FAS 109 - Reg Asset FAS109 ITax	2,294,930	1,072,417	283	54,230	3,313,118
10						
11	Energy Conservation (ECCR)	601,758		407	601,758	-
12						
13	FAS 158 - Non-current portion	25,456,886	100,012,506	228	95,258,062	30,211,330
14						
15	Environmental MGP - Current	1,000,000	2,328,410	182/407	2,328,410	1,000,000
16						
17	Environmental MGP - Non-Current	6,887,518	522,137	182	817,132	6,592,523
18						
19	Environmental Liability	13,903,851	12,618,620	242	13,903,851	12,618,620
20						
21	Deferred Loss on Property Sale	134,298		421	61,983	72,315
22						
23	Prov Property Ins - Storm	-	746,637	880		746,637
24						
25	Software Implementation Costs	384,858	84,623	232	1,164	468,317
26						
27	Rate Case Expense	846,953		928	423,476	423,477
28	TOTAL	56,466,288	127,521,833		123,478,778	60,509,344

MISCELLANEOUS DEFERRED DEBITS (Account 186)

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

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

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

Line No.	Description of Miscellaneous Deferred Debit (a)	Beginning of Year (b)	Debits (c)	Account Charged (d)	Amount (e)	Balance End of Year (f)
1						
2	Deferred Debit SERP Trust	1,651,972		146	177,082	1,474,890
3						
4	Contract Amortization (167 months)	1,922,155		495	215,569	1,706,586
5						
6	Project-Year End timing	182,591	296,576		182,591	296,576
7						
8	Rate Case Costs - 2024		508,043			508,043
9						
10	Misc. Work in Progress	325,713				356,946
11						
12	TOTAL	4,082,431				4,343,041

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2022
SECURITIES ISSUED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR	
<p>1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses.</p> <p>2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded.</p>	<p>and gains or losses relating to securities retired or refunded.</p> <p>3. Included in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares.</p> <p>4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.</p>
<u>Securities Retired</u>	
Long Term Debt 2.60%	Due 9/1/2022 (25,000,000)
Total Retired <u>(25,000,000)</u>	
<u>Securities Issued</u>	
Long Term Debt 3.875%	Due 2024 37,500,000
Long Term Debt 5.008%	Due 2052 <u>37,500,000</u>
Total Issued <u>\$75,000,000</u>	

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)						
<p>1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.</p> <p>2. In column (c) show the principal amount of bonds or other long-term debt reacquired.</p> <p>3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with</p>			<p>General Instruction 17 of the Uniform Systems of Accounts</p> <p>4. Show loss amounts by enclosing the figures in parentheses.</p> <p>5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debit-Credit.</p>			
Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	None					
2						
3						
4						
5						-
6						
7						
8						-
9						
10						
11						-
12						-
13						-

Name of Respondent					For the Year Ended		
Peoples Gas System					Dec. 31, 2022		
LONG-TERM DEBT (Accounts 221, 222, 223, and 224)							
1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.				3. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.			
2. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated				4. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.			
Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Original Amount Issued (d)	Interest for Year		Total Amount Outstanding (g)
					Rate (in %) (e)	Amount (f)	
1	Other Long Term Debt - Acct 224						
2							
3	Note Issued by Tampa Electric PD0020	05/25/07	05/15/37	60,000,000	6.150	3,690,000	60,000,000
4	Note Issued by Tampa Electric PD0025	06/05/12	06/01/42	50,000,000	4.100	2,050,000	50,000,000
5	Note Issued by Tampa Electric PD0026	09/28/12	09/01/22	25,000,000	2.600	460,417	0
6	Note Issued by Tampa Electric PD0027	05/15/14	05/15/44	10,000,000	4.350	435,000	10,000,000
7	Note Issued by Tampa Electric PD0028	05/20/15	05/15/45	20,000,000	4.200	840,000	20,000,000
8	Note Issued by Tampa Electric PD0034	06/07/18	06/15/48	75,000,000	4.300	3,225,000	75,000,000
9	Note Issued by Tampa Electric PD0035	10/04/18	06/15/49	25,000,000	4.450	1,112,500	25,000,000
10	Note Issued by Tampa Electric PD0036	07/22/19	06/15/50	25,000,000	3.625	906,250	25,000,000
11	Note Issued by Tampa Electric PD0039	03/18/21	03/15/31	115,000,000	2.400	2,760,000	115,000,000
12	Note Issued by Tampa Electric PD0043	03/18/21	03/15/51	115,000,000	3.450	3,967,500	115,000,000
13	Note Issued by Tampa Electric PD0044	07/12/22	07/12/24	37,500,000	3.875	678,125	37,500,000
14	Note Issued by Tampa Electric PD0044	07/12/22	07/15/52	37,500,000	5.000	875,000	37,500,000
15							
16							
17							
18	TOTAL			595,000,000		20,999,792	570,000,000

UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)								
1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.				5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.				
2. Show premium amounts by enclosing the figures in parentheses.				6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.				
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.				7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.				
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.				Amortization Period		Balance at beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt issued (b)	Total Expense Premium or Discount (c)	Date From (d)	Date To (e)			
1	Unamortized Debt Exp-Acct 181							
2	36-Note/Tampa Electric 6.15%	60,000,000	347,571	05-2007	05-2037	178,609	(11,583)	167,026
3	39-Note/Tampa Electric 4.10%	50,000,000	513,521	06-2012	06-2042	349,483	(17,120)	332,363
4	40-Note/Tampa Electric 2.60%	25,000,000	196,352	12-2012	09-2022	14,728	(14,728)	0
5	27-Note/Tampa Electric 4.35%	10,000,000	108,129	05-2014	05-2044	80,498	(3,606)	76,892
6	28-Note/Tampa Electric 4.20%	20,000,000	220,028	05-2015	05-2045	171,728	(7,331)	164,397
7	34-Note/Tampa Electric 4.30%	75,000,000	823,199	06-2018	06-2048	724,871	(27,440)	697,431
8	35-Note/Tampa Electric 4.45%	25,000,000	263,993	10-2018	06-2049	236,015	(8,608)	227,407
9	36-Note/Tampa Electric 3.625%	25,000,000	290,436	07-2019	06-2050	268,172	(9,410)	258,762
10	39-Note/Tampa Electric 2.4%	115,000,000	1,036,993	03-2021	03-2031	950,577	(103,699)	846,878
11	43-Note/Tampa Electric 3.45%	115,000,000	1,295,743	03-2021	03-2051	1,259,752	(43,191)	1,216,561
12	44-Note/Tampa Electric 3.875%	37,500,000	165,454	07-2022	07-2024	0	(41,364)	(41,364)
13	45-Note/Tampa Electric 3.45%	115,000,000	399,829	07-2022	07-2052	0	(6,664)	(6,664)
13	<u>2022 Charges to 181</u>				Acct 428		(294,744)	
14								
15	44-Note/Tampa Electric 3.875%	37,500,000	165,455	07-2022	07-2024	0	165,455	165,455
16	45-Note/Tampa Electric 5.00%	37,500,000	399,830	07-2022	07-2052	0	399,830	399,830
17	Term Loan	60,000,000	17,605	01-2022	12-2023	14,513	23,758	38,271
18					Acct 181	4,248,946		4,543,245

Name of Respondent					For the Year Ended		
Peoples Gas System					Dec. 31, 2022		
LONG-TERM DEBT (Accounts 221, 222, 223, and 224)							
1. Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form Filing, a specific reference to the report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.				3. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.			
2. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated				4. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest in column (f). Explain in a footnote any difference between the total of column (f) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.			
Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Original Amount Issued (d)	Interest for Year		Total Amount Outstanding (g)
					Rate (in %) (e)	Amount (f)	
1							
2	blank						
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14	TOTAL			0		0	0

UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG-TERM DEBT (Accounts 181, 225, 226)								
1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.				5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year.				
2. Show premium amounts by enclosing the figures in parentheses.				6. Identify separately indisposed amounts applicable to issues which were redeemed in prior years.				
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.				7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.				
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.								
Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt issued (b)	Total Expense Premium or Discount (c)	Amortization Period		Balance at beginning of Year (f)	Debits (Credits) During Year (g)	Balance at End of Year (h)
				Date From (d)	Date To (e)			
1	Unamortized Debt Disc - Acct 226							
2	36-Note/Tampa Electric 6.15%	60,000,000	340,200	05-2007	05-2037	174,825	(11,340)	163,485
3	39-Note/Tampa Electric 4.10%	50,000,000	138,000	06-2012	06-2042	93,916	(4,600)	89,316
4	40-Note/Tampa Electric 2.60%	25,000,000	30,500	12-2012	09-2022	2,288	(2,288)	0
5	27-Note/Tampa Electric 4.35%	10,000,000	6,700	05-2014	05-2044	4,987	(223)	4,764
6	28-Note/Tampa Electric 4.20%	20,000,000	37,200	05-2015	05-2045	29,036	(1,240)	27,796
7	34-Note/Tampa Electric 4.30%	75,000,000	402,000	06-2018	06-2048	353,984	(13,400)	340,584
8	35-Note/Tampa Electric 4.45%	25,000,000	127,750	10-2018	06-2049	114,212	(4,166)	110,046
9	36-Note/Tampa Electric 3.625%	25,000,000	306,500	07-2019	06-2050	282,543	(9,914)	272,629
10	39-Note/Tampa Electric 2.4%	115,000,000	374,900	03-2021	03-2031	343,659	(37,489)	306,170
11	43-Note/Tampa Electric 3.45%	115,000,000	256,450	03-2021	03-2051	249,326	(8,548)	240,778
12	44-Note/Tampa Electric 3.875%	37,500,000	14,297	07-2022	07-2024	-	(3,574)	(3,574)
13	45-Note/Tampa Electric 3.45%	37,500,000	46,517	07-2022	07-2052	-	(777)	(777)
					Acct 428		(97,559)	
13	New							
14	44-Note/Tampa Electric 3.875%	37,500,000	14,297	07-2022	07-2024		14,297	14,297
15	45-Note/Tampa Electric 5.00%	37,500,000	46,517	07-2022	07-2052		46,517	46,517
16					Acct 226	1,648,776		1,612,031
17	Unamortized Debt Disc/Prem - OCI							
18	(6.10% & 4.20% Interest Rate Settlements)							
19	28-Note/Tampa Electric 4.20%	20,000,000	(347,040)	05-2015	05-2045	(270,884)	11,568	(259,316)
20	25-Note/Tampa Electric 4.10%	50,000,000	1,326,300	06-2012	06-2042	902,620	(44,210)	858,410
21	27-Note/Tampa Electric 4.35%	10,000,000	10,356	05-2014	05-2044	7,710	(345)	7,365
22					Acct 428		(32,987)	

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2022
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)		
1. Describe and report the amount of other current and accrued liabilities at the end of year.		2. Minor items (less than \$50,000) may be grouped under appropriate title.
Line No.	Item	Balance at End of Year
1	Vacation Liability	4,471,395
2		
3	SERP Liability FAS 158 - Current	301,237
4		
5	FAS 106 Liability FAS 158 - Current	1,139,947
6		
7	Manufactured Gas Plant Estimated Environmental Liability	12,618,620
8		
9	Long Term Incentive	1,684,668
10		
11	Restoration FAS 158 - Curr	131,961
12		
13	Other	419,960
14		
15	TOTAL	20,767,788

OTHER DEFERRED CREDITS (Account 253)						
1. Report below the particulars (details) called for concerning other deferred credits.						
2. For any deferred credit being amortized, show the period of amortization.						
3. Minor items (less than \$25,000) may be grouped by classes.						
Line No.	Description of Other Deferred Credit (a)	Balance Beginning of Year (b)	DEBITS		Credits (e)	Balance End of Year (f)
			Contra Account (c)	Amount (d)		
1	Contractor Retention	1,514,945	CWIP	2,486,396	1,874,020	902,569
2						
3	Settlement Reserve	92,000	131	-	-	92,000
4						
5	Deferred Billing Credit-JEA	187,917	488	205,000	205,000	187,917
6						
7	Long term incentive	1,333,900	242/926	5,307,788	5,096,528	1,122,640
8						
9	Settlement Holdback	-	131	-	-	-
10						
11	Advance Deposit	1,000,000	131	-	-	1,000,000
12						
13	Other	11,318		373,089	379,566	17,795
14	TOTAL	4,140,080		8,372,273	7,555,114	3,322,921

OTHER REGULATORY LIABILITIES (Account 254)						
1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).			2. For regulatory liabilities being amortized, show period of amortization in column (a).			
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$50,000, whichever is less) may be grouped by classes.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance Beginning of Year (b)	Debits		Credits (d)	Balance End of Year (e)
			Contra Account (b)	Amount (c)		
1						
2	FAS 106 Tax	88,446,090	282 283	769,557	983,316	88,659,849
3						
4	Reg Liab-Tax Reform	851,584	254	851,584	-	-
5						
6	Def Gain Property Sale	-	421.1	285,810	2,227,277	1,941,467
7						
8	Energy Conservation (ECCR)	-	407	3,186,108	4,734,546	1,548,438
9						
10						
11	TOTAL	89,297,674		5,093,059	7,945,139	92,149,754

Name of Respondent: Peoples Gas System
 For the Year Ended: Dec. 31, 2022

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

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

Line No.	Description	Balance at Beginning of Year	Changes During Year		Adjustments		Balance at End of Year
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	
1	GAS	10,237,379					
2	FAS 158	603,262			190	1,205,014	11,442,393
3	FAS 133						594,901
4							
5	Gas	41,991,069	1,884,578				43,875,647
6	INDL	3,963,755	-				3,963,755
7	Tax Credit	2,028,741	241,172				2,269,913
8							
9							
10							
11	TOTAL Gas (Lines 2 - 10)	58,824,206	2,125,750			1,205,014	62,146,609
12	Other (Specify)						
13	TOTAL (Account 190) (Total of lines 11 and 12)	58,824,206	2,125,750			1,205,014	62,146,609

Notes: Deferred Income Tax Other Adjustments includes:
 Federal (6,546) (8,360) FAS 133
 State 943,519 261,494 1,205,013 FAS 158
 Total 936,973 259,680 1,196,653

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

Line No.	Description	Balance at Beginning of Year	Changes During Year		Adjustments		Balance at End of Year
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1	Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	
1	Account 281 - Accelerated Amortization Property						
2	Electric						
3	Gas						
4	Other						
5	TOTAL Account 281 (Lines 2 thru 4)						
6	Account 282 - Other Property						
7	Electric						
8	Gas	272,470,787	25,742,266				298,213,053
9	Other	(64,288,814)					(63,683,071)
10	TOTAL Account 282 (Lines 7 thru 9)	208,181,973	25,742,266			282	234,529,982
11	Account 283 - Other						
12	Electric						
13	Gas	24,878,240		2,081,482		283	24,001,771
14	Other	(21,862,347)				283	(21,663,661)
15	TOTAL Account 283 - Other (Lines 12 thru 14)	3,015,893	0	2,081,482			2,338,110
16	GAS						
17	Federal Income Tax	170,332,582	18,408,184			282/283	189,815,940
18	State Income Tax	40,865,284	5,252,600			282/283	47,052,152
19							
20	TOTAL Gas (Lines 17 thru 19)	211,197,866	23,660,784				236,868,092
21	OTHER						
22	Federal Income Tax						
23	State Income Tax						
24	TOTAL Other (Lines 22 and 23)						
25	TOTAL (Total of lines 5, 10 and 15)	211,197,866	25,742,266				236,868,092

Notes: Deferred income tax adjustment includes:
 Federal 943,520 261,494 1,205,014 FAS 158
 State 131,655 672,773 804,428 FAS 109
 Total 283 1,075,175 934,267 2,009,442

Name of Respondent		For the Year Ended
Peoples Gas System		Dec. 31, 2022
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, allocation, assignment, or sharing of the consolidated tax among the group members.</p>		
Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 9)	82,237,618
2	Reconciling Items for the Year	
3	Federal Income Tax	20,624,274
4	<i>Taxable Income Not Reported on Books</i>	
5	AIAC	4,310,199
6	CIAC	(3,409,521)
7	Total	900,678
8	<i>Deductions Recorded on Books Not Deducted for Return</i>	
9	Amortization Capitalized Customer Assistant Costs	10,479,416
10	Insurance reserve	9,967,061
11	CI-BS Replacements	5,027,591
12	SEC 263a Interest Capitalized	4,013,369
13	Cost of removal	2,150,196
14	Amortization Improvements and Land Rights	1,941,467
15	Accrued Bonus	990,195
16	Energy Conservation	565,029
17	Other	6,744,632
18	Total	41,878,956
19	<i>Income Recorded on Books Not Included in Return</i>	
20	Equity Earnings	3,255,184
21		
22		
23		
24		
25	Total	3,255,184
26	<i>Deductions on Return Not Charged Against Book Income</i>	
27	Depreciation Book Tax Difference	50,693,928
28	Repairs Capitalized on Books	48,863,679
29	Deferred Fuel	3,104,356
30	AFUDC Equity	2,978,069
31	Enviromntal Disposition Costs	2,654,191
32	SEC 263a Indirect Costs	1,599,277
33	SERP	1,268,493
34	Other	6,594,871
35	Total	117,756,864
36		
37	Federal Taxable Net Income	24,629,478
38	<i>Show Computation of Tax:</i>	
39	State Tax Deduction	438,154
40	Federal Taxable Net Income	24,191,324
41	Federal Income Tax @ 21%	5,080,178
42	Prior Year True-up Provision to Actual Per Return and NOL Reclass to Deferred	(1,260,684)
43	Federal Income Tax	3,819,494
44	Federal Income Tax Allocation to Other Income	(82,433)

NAME OF RESPONDENT: Peoples Gas System	This Report is an Original	YEAR OF REPORT: December 31, 2022
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

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

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

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

Affiliates included in the consolidated return are:

Emera US Holdings Inc.
ETL IP Holdings Inc
ETL Energy Service Company Inc.
ETL Project Company Inc.
Emera Energy Generation Inc.
Clean Power Northeast Development
Emera CNG Holdings, Inc.
Emera Energy Services Inc.
EUSHI Finance, Inc.
New Mexico Gas Company, Inc.
New Mexico Gas Intermediate, Inc.
Peoples Gas System (Florida), Inc.
SECI Mitland Corporation
Tampa Electric Company
TECO Clean Advantage Corporation.
TECO Coalbed Methane Florida, Inc.
TECO Diversified, Inc.
TECO Energy Inc.
TECO EnergySource, Inc.
TECO Finance, Inc.
TECO Gemstone, Inc.
TECO Guatemala, Inc.
TECO Oil & Gas, Inc.
TECO Partners, Inc.
TECO Pipeline Holding Company, LLC
TECO Properties Corporation
TECO Services, Inc.
TECO Wholesale Generation, Inc.

Name of Respondent		For the Year Ended					
Peoples Gas System		Dec. 31, 2022					
GAS OPERATING REVENUES (Account 400)							
1. Report below natural gas operating revenues for each prescribed account in total. 2. Report number of customers, columns (f) and (g), on the basis of meters, except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month. 3. Report quantities of natural gas sold in therms (14.73 psia at 60 F). 4. Report gas service revenues and therms sold by rate schedule. 5. If increases or decreases from previous year (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.							
Line No.	Title of Account (a)	Operating Revenues		Therms of Natural Gas Sold		Avg. No. of Natural Gas Customers Per Mo.	
		Amount for Year (b)	Amount for Previous Year (c)	Current Year (d)	Previous Year (e)	Current Year (f)	Previous Year (g)
1	Gas Service Revenues						
2	Firm Sales Service						
3	480 Residential RS1 - RS3	214,525,318	200,323,596	81,524,823	83,577,475	415,172	395,685
4	480 Residential GS1	9,610,297	7,337,829	5,754,629	4,767,368	2,287	1,752
5	480 Residential GS2	900,175	597,120	598,830	431,822	47	39
6	480 Residential GS3	7,531	12,401	-1,208	1,455	5	23
7	481 Commercial Street Lighting	47,834	42,606	32,020	32,549	-	-
8	481 Small General Service	9,747,955	8,836,838	4,409,077	4,349,614	7,446	7,197
9	481 General Service 1	27,516,841	24,024,164	16,416,125	15,962,200	4,799	4,761
10	481 General Service 2	19,397,524	15,443,614	12,655,537	11,328,539	825	796
11	481 General Service 3	3,973,965	3,829,162	2,690,881	2,873,997	48	54
12	481 General Service 4	746,996	372,917	647,040	425,762	4	5
13	481 General Service 5	4,694,895	5,245,284	3,622,043	5,143,867	5	-
14	481 Commercial Gas Heat Pump	4,517	3,019	2,693	2,005	1	1
15	Interruptible Sales Service						
16	481 Small Interruptible Service	752,180	129,804	918,645	189,905	-	-
17	481 Interruptible Lg. Vol - 1	609,973	710,222	685,906	1,233,227	-	-
18	481 Interruptible Lg. Vol - 2	-	-	-	-	-	-
19	481 Interruptible Contract Service	(679,943)	(1,007,139)	664,361	401,725	-	1
20	481 Mutually Beneficial	121,612	527,436	109,880	795,320	1	1
21	481 Off System Sales	97,506,936	22,048,529	108,650,280	47,009,340	4	2
22	Firm Transportation Service						
23	489 Res-General Svc 1	833,716	920,736	1,845,899	2,068,875	405	407
24	489 Res-General Svc 2	1,723,662	1,914,769	5,133,960	5,674,405	253	260
25	489 Res-General Svc 3	1,120,611	1,104,750	3,588,257	3,514,823	50	48
26	489 Commercial Street Lighting	127,880	129,042	453,106	457,222	-	1
27	489 Natural Gas Vehicles	-	(390)	-	-	-	-
28	489 Small General Service	4,028,547	3,979,760	5,209,072	5,260,768	4,892	4,590
29	489 General Service 1	31,746,574	31,816,732	73,096,061	72,886,647	13,658	13,378
30	489 General Service 2	40,429,383	40,457,799	118,451,572	116,867,109	6,378	6,479
31	489 General Service 3	20,103,929	20,141,243	69,689,655	68,686,556	678	693
32	489 General Service 4	11,747,649	13,591,904	58,047,849	67,400,150	142	163
33	489 General Service 5	22,930,996	20,386,812	158,630,322	141,317,872	185	162
34	489 Interruptible Contract Serv.Trans.	19,763,679	15,755,993	1,051,669,708	1,088,039,263	14	18
35	489 Small Interruptible Transp	3,850,694	3,651,499	43,655,422	41,533,378	27	24
36	489 Interruptible Transp LG - 1	6,563,544	5,913,805	153,574,866	140,178,736	14	13
37	489 Interruptible Transp LG - 2	-	-	-	-	-	-
38	482 Other Sales to Public Authorities						
39	484 Flex Rate - Refund						
40	TOTAL Sales to Ultimate Consumers	554,455,467	448,241,856	1,982,427,309	1,932,411,974	457,339	436,553
41	483 Sales for Resale	3,336,959	2,866,861	4,907,054	4,914,046	11	11
42	Off-System Sales						
43	TOTAL Nat. Gas Service Revenues	557,792,426	451,108,717				
44	TOTAL Gas Service Revenues	557,792,426	451,108,717				
45	Other Operating Revenues						
46	485 Intracompany Transfers						
47	487 Forfeited Discounts	1,404,024	1,296,249				
48	488 Misc. Service Revenues	5,827,355	4,777,106				
49	488						
50	488 Individual Transp Charge	871,791	863,169				
51	489 Rev. from Trans. of Gas of Others	1,101	564				
52	not included in above rate schedules)						
53	493 Rent from Gas Property	217,611	208,347				
54	494 Interdepartmental Rents						
55	495 Other Gas Revenues						
56	Gross Recpts Tax/Franch Fee Coll	31,246,949	29,071,521				
57	Reconnect for Cause						
58	Collection in lieu of disconnect						
59	Returned Check						
60	Other	39,837,796	25,208,963				
61	495.1 Overrecoveries Purchased Gas						
62	TOTAL Other Operating Revenues	79,406,629	61,425,919				
63	TOTAL Gas Operating Revenues	633,862,095	509,667,775				
64	(Less) 496 Provision for Rate Refunds						
65	TOTAL Gas Operating Revenues	633,862,095	509,667,775				
66	Net of Provision for Refunds	633,862,095	509,667,775				
67	Sales for Resale	3,336,959	2,866,861				
68	Other Sales to Public Authority						
69	Interdepartmental Sales						
70	TOTAL	637,199,054	512,534,636	1,987,334,362	1,937,326,020		

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2022	
GAS OPERATION AND MAINTENANCE EXPENSES			
If the amount for previous year is not derived from previously reported figures, explain in footnotes.			
Line No.	Account	Amount for Current Year	Amount for Previous Year
1	1. Production Expenses		
2	A. TOTAL Manufactured Gas Production (Total of Accounts 700-742)		
3	B. TOTAL Natural Gas Prod. and Gathering (Total of Accts. 750 - 769)		
4	C. TOTAL Products Extraction (Total of Accounts 770 through 791)		
5	D. TOTAL Exploration and Development (Total of Accts. 795 through 798)		
6	E. Other Gas Supply Expenses		
7	Operation		
8	800 Natural Gas Well Head Purchases		
9	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
10	801 Natural Gas Field Line Purchases	176,008,593	84,700,090
11	802 Natural Gas Gasoline Plant Outlet Purchases		
12	803 Natural Gas Transmission Line Purchases		
13	804 Natural Gas City Gate Purchases	82,546,749	91,755,909
14	804.1 Liquefied Natural Gas Purchases		
15	805 Other Gas Purchases		
16	805.1 Purchased Gas Cost Adjustments - Debit/(Credit)	4,942,301	(14,019,933)
17	TOTAL Purchased Gas (Total of Lines 8 to 16)	263,497,644	162,436,066
18	806 Exchange Gas		
19	Purchased Gas Expenses		
20	807.1 Well Expenses--Purchased Gas		
21	807.2 Operation of Purchased Gas Measuring Stations		
22	807.3 Maintenance of Purchased Gas Measuring Stations		
23	807.4 Purchased Gas Calculations Expenses		
24	807.5 Other Purchased Gas Expenses		
25	TOTAL Purchased Gas Expenses (Total of lines 20 through 24)		
26	808.1 Gas Withdrawn from Storage--Debit	679,842	131,046
27	(Less) 808.2 Gas Delivered to Storage--Credit	(228,345)	(995,778)
28	809.1 Withdrawals of Liquefied Natural Gas for Processing--Debit		
29	(Less) 809.2 Deliveries of Natural Gas for Processing--Credit		
30	Gas Used in Utility Operations--Credit		
31	810 Gas Used for Compressor Station Fuel--Credit		
32	811 Gas Used for Products Extraction--Credit		
33	812 Gas Used for Other Utility Operations--Credit	(510,822)	(292,516)
34	TOTAL Gas Used in Utility Operations--Credit (Lines 31 through 33)	(510,822)	(292,516)
35	813 Other Gas Supply Expenses		
36	TOTAL Other Gas Supply Exp. (Total of Lines 17,18,25,26 through 29,34,35)	263,438,319	161,278,817
37	TOTAL Production Expenses (Total of Lines 2,3,4,5 and 36)	263,438,319	161,278,817
38	2. Natural Gas Storage, Terminating and Processing Expenses		
39	A. TOTAL Underground Storage Expenses (Total of Accounts 814 through 837)		
40	B. TOTAL Other Storage Expenses (Total of Accounts 840 through 843.9)		
41	C. TOTAL Liquefied Nat Gas Terminating & Processing Expenses (Total of Accounts 844.1 through 847.8)		
42	TOTAL Natural Gas Storage (Total of lines 39, 40, and 41)	-	-
43	3. Transmission Expenses		
44	TOTAL Transmission Expenses (Total of Accounts 850 through 867)	-	-
45			
46			

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2022	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account	Amount for Current Year	Amount for Previous Year
47	4. Distribution Expenses		
48	Operation		
49	870 Operation Supervision and Engineering	1,683,296	1,616,603
50	871 Distribution Load Dispatching	508,470	458,018
51	872 Compressor Station Labor and Expenses	478,898	199,221
52	873 Compressor Station Fuel and Power	49,049	25,314
53	874 Mains and Services Expenses	11,870,726	10,646,581
54	875 Measuring and Regulating Station Expenses--General	28,879	25,973
55	876 Measuring and Regulating Station Expenses--Industrial	28,531	38,470
56	877 Measuring and Regulating Station Expenses--City Gate Check Station	154,679	124,083
57	878 Meter and House Regulator Expenses	6,209,145	5,430,989
58	879 Customer Installations Expenses	3,135,605	2,976,699
59	880 Other Expenses	5,356,215	3,979,955
60	881 Rents	232,667	237,940
61	TOTAL Operation (Total of lines 49 through 60)	29,736,159	25,759,845
62	Maintenance		
63	885 Maintenance Supervision and Engineering	40,760	37,686
64	886 Maintenance of Structures and Improvements	247,156	191,289
65	887 Maintenance of Mains	4,957,600	4,713,516
66	888 Maintenance of Compressor Station Equipment	4,648	11,838
67	889 Maintenance of Meas. and Reg. Sta. Equip.--General	856,863	851,506
68	890 Maintenance of Meas. and Reg. Sta. Equip.--Industrial	824,095	767,344
69	891 Maintenance of Meas. and Reg. Sta. Equip.--City Gate Check Station	1,978,239	1,694,841
70	892 Maintenance of Services	1,473,218	1,271,719
71	893 Maintenance of Meters and House Regulators	1,032,712	791,234
72	894 Maintenance of Other Equipment	95,721	74,488
73	TOTAL Maintenance (Total of Lines 63 through 72)	11,511,012	10,405,461
74	TOTAL Distribution Expenses (Total of Lines 61 and 73)	41,247,171	36,165,306
75	5. Customer Accounts Expenses		
76	Operation		
77	901 Supervision		
78	902 Meter Reading Expenses	1,384,353	1,232,525
79	903 Customer Records and Collection Expenses	13,191,923	12,689,703
80	904 Uncollectible Accounts	990,792	1,572,723
81	905 Miscellaneous Customer Accounts Expenses		
82	TOTAL Customer Accounts Expenses (Total of Lines 77 through 81)	15,567,069	15,494,951
83	6. Customer Service and Informational Expenses		
84	Operation		
85	907 Supervision		
86	908 Customer Assistance Expenses	21,618,636	15,963,600
87	909 Informational and Instructional Expenses	1,206,015	1,034,272
88	910 Miscellaneous Customer Service and Informational Expenses		
89	TOTAL Customer Service and Informational Expenses (Total of Lines 85 through 88)	22,824,651	16,997,872
90	7. Sales Expenses		
91	Operation		
92	911 Supervision		
93	912 Demonstrating and Selling Expenses	7,907,602	7,835,743
94	913 Advertising Expenses	1,049,215	853,710
95	916 Miscellaneous Sales Expenses	43,550	51,175
96	TOTAL Sales Expenses (Total of lines 92 through 95)	9,000,367	8,740,628
97			

Name of Respondent		For the Year Ended	
Peoples Gas System		Dec. 31, 2022	
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account	Amount for Current Year	Amount for Previous Year
98	8. Administrative and General Expenses		
99	Operation		
100	920 Administrative and General Salaries	17,067,522	13,964,189
101	921 Office Supplies and Expenses	3,660,723	3,286,497
102	(Less) (922) Administrative Expenses Transferred--Credit	(12,782,188)	(10,145,002)
103	923 Outside Services Employed	4,898,718	2,684,482
104	924 Property Insurance	452,023	429,161
105	925 Injuries and Damages	8,888,973	9,172,128
106	926 Employee Pensions and Benefits	10,183,270	11,413,183
107	927 Franchise Requirements		
108	928 Regulatory Commission Expenses	423,476	423,476
109	(Less) (929) Duplicate Charges--Credit		
110	930.1 General Advertising Expenses	8,842	678
111	930.2 Miscellaneous General Expenses	23,704,250	21,542,148
112	931 Rents	505,779	491,817
113	TOTAL Operation (Total of lines 100 through 112)	57,011,388	53,262,755
114	Maintenance		
115	935 Maintenance of General Plant	442,091	289,522
116	TOTAL Administrative and General Expense (Total of lines 113 and 115)	57,453,479	53,552,277
117			
118	TOTAL Gas O&M Expenses (Lines 37, 42, 44, 74, 82, 89, 96, and 116)	409,531,055	292,229,853
119			
120			

NUMBER OF GAS DEPARTMENT EMPLOYEES	
	1. The data on number of employees should be reported for payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31. 2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote. 3. The number of employees assignable to the gas department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the gas department from joint functions.
1	
2	1. Payroll Period Ended (Date) 12/31/2022
3	2. Total Regular Full-Time Employees 710
4	3. Total Part-Time and Temporary Employees 1
5	4. Total Employees 711
6	
7	
8	
9	2021 total employee count reported as 681, should be 627
10	
11	
12	
13	

Name of Respondent		For the Year Ended		
Peoples Gas System		Dec. 31, 2022		
GAS PURCHASES (Accounts 800, 800.1, 801, 802, 803, 804, 804.1, 805, 805.1, 808.1, 808.2)				
1. Provide totals for the following accounts: 800 - Natural Gas Well Head Purchases 800.1- Natural Gas Well Head Purchases Intracompany Transfers 801 - Natural Gas Field Line Purchases 802 - Natural Gas Gasoline Plant Outlet Purchases 803 - Natural Gas Transmission Line Purchases 804 - Natural Gas City Gate Purchases 804.1- Liquefied Natural Gas Purchases 805 - Other Gas Purchases 805.1- Purchases Gas Cost Adjustments 808.1- Gas Withdrawn from Storage-Debit 808.2 Gas Delivered to Storage-Credit		The totals shown in columns (b) and (c) should agree with the books of account. Reconcile any differences in a footnote. 2. State in column (b) the volume of purchased gas as finally measured for the purpose of determining the amount payable for the gas. Include current year receipts of makeup gas that was paid for in prior years. 3. State in column (c) the dollar amount (omit cents) paid and previously paid for the volumes of gas shown in column (b). 4. State in column (d) the average cost per Therm to the nearest hundredth of a cent. (Average means column (c) divided by column (b) multiplied by 100.)		
Line No.	Account Title (a)	Gas Purchased- Therms (14.73 psia 60 F) (b)	Cost of Gas (In dollars) (c)	Average Cost Per Therm (To nearest .01 of a cent) (d)
1	801 - Natural Gas Field Line Purchases		176,008,593	
2	808.1 - Gas Withdrawn from Storage-Debit		679,842	
3	808.2 - Gas Delivered to Storage-Credit		(228,345)	
4	804 - Natural Gas City Gate Purchases-Commodity		82,546,749	
5	805.1 - Purchased Gas Cost Adjustments		4,942,301	
6				
7				
8				
9				
10				
11	TOTAL (Total of lines 1 through 10)	366,620,689	263,949,141	72.00
Notes to Gas Purchases				

GAS USED IN UTILITY OPERATIONS - CREDIT (Accounts 812)				
1. Report below particulars (details) of credits during the year to Accounts 810, 811 and 812 which offset charges to operating expenses or other accounts for the cost of gas from the respondent's own supply.		4. If any natural gas was used by the respondent for which a change was not made to the appropriate operating expense or other account, list separately in column (c) the Therms of gas used, omitting entries in columns (d) and (e).		
2. Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.		5. Report pressure base of measurement of gas volumes at 14.73 psia at 60 degrees F.		
3. If the reported Therms for any use is an estimated quantity, state such fact in a footnote.				
Line No.	Purpose for Which Gas Was Used (a)	Account Charged (b)	Therms of Gas Used (c)	Natural Gas Amount of Credit (d)
1	812 Gas used for Other Utility Operations Credit (Report separately for each principal uses. Group minor uses.)			
2				
3	Operations Expense	880	32,670	46,735
4				
5	Transportation Clearing Account CNG	184	979	1,387
6				
7	Other Income Deductions	426	21,650	26,505
8				
9	Administrative Use	921	N/A	
10				
11	Sales Tax Account	241	N/A	(3,094)
12				
13	Gas Lost - Damaged Facilities	143	N/A	439,289
14				
15				
16				
17				
18	TOTAL		55,298	510,822

Name of Respondent				For the Year Ended					
Peoples Gas System				Dec. 31, 2022					
REGULATORY COMMISSION EXPENSES (Account 928)									
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.				3. The totals of columns (c), (f), (h), and (i) must agree with the totals shown at the bottom of page 19 for Account 186					
2. Show in column (h) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.				4. List in Column (d) and (e) expenses incurred during year which were charged currently to income, plant, or other accounts.					
				5. Minor items (less than \$25,000) may be grouped.					
Line No.	Description (Name of regulatory commission, the docket number, and a description of the case.) (a)	Total Expenses to Date (b)	Deferred in Account 186 Beginning of Year (c)	Expenses Incurred During Year			Amortized During Year		Deferred in Account 186* End of Year (i)
				Charged Currently to Account No. (d)	Amount (e)	Deferred to Account 186 (f)	Contra Account (g)	Amount (h)	
1	Florida Public Service Commission								
2	Docket 20200051-GU / Order PSC-2020-0485-FOF-GU.								
3	Three year amortization of \$1,230,449								
4	beginning Jan 2021	1,230,449	846,953	0	-	846,953		423,476	423,477
5									
6									
7	*Note - balance was transferred to 182 at the end of 2020.								
8									
9									
10									
11									
12	TOTAL	1,230,449	846,953		-	846,953		423,476	423,477

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (Gas)		
Line No.	Description (a)	Amount (b)
1	Industry Association Dues	821,875
2	Experimental and General Research Expenses:	
3	Publishing and distributing information and reports to stockholders; trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the Respondent.	
4	Other expenses (items of \$5,000 or more must be listed separately in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Amounts of less than \$5,000 may be grouped by classes if the number of items so grouped is shown.)	
5	Emera Intercompany Charges	697,145
6	Direct Software/Hardware Maintenance/Support	606,846
7	Registration/Report Filing Fees/Bank and Letter of Credit Fees	452,589
8	Facility Costs	424,152
9	Director Fees and Expenses	129,850
10	New Mexico Gas Company (NMGC) - I.T. charges	64,032
11	Tampa Electric (TEC) - Telecom	743,505
12	Tampa Electric (TEC) - Facilities Charge	258,504
13	Tampa Electric Other Direct Intercompany Charges	4,618,712
14	Tampa Electric Shared Services (TEC) Corporate Overhead Allocation	4,059,400
15	Tampa Electric Shared Services (TEC) - Human Resources and Employee Relations	446,242
16	Tampa Electric Shared Services (TEC) - Procurement	839,071
17	Tampa Electric Shared Services (TEC) - I.T.	6,444,709
18	Tampa Electric Shared Services (TEC) - Admin, Emergency Mgmt, Security, Accounts Payable, Claims	1,590,799
19	Tampa Electric (TEC) - IT and Telecom Asset Usage	890,734
20	Peoples Gas miscellaneous internal costs	523,214
21	COVID Related Costs (PPE and other)	92,872
22		
23		
24	TOTAL	23,704,250

Name of Respondent		For the Year Ended		
Peoples Gas System		Dec. 31, 2022		
DISTRIBUTION OF SALARIES AND WAGES				
<p>Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.</p>				
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	TOTAL Operation and Maintenance - Electric			
3	Gas			
4	Operation			
5	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	855,404		
6	Transmission			
7	Distribution	17,673,935		
8	Customer Accounts	1,522,658		
9	Customer Service and Informational	412,281		
10	Sales	234		
11	Administrative and General	18,741,759		
12	TOTAL Operation (Total of lines 5 through 11)	39,206,270		
13	Maintenance			
14	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	-		
15	Transmission	-		
16	Distribution	5,879,795		
17	Administrative and General	6,234		
18	TOTAL Maintenance (Total of lines 14 through 17)	5,886,029		
19	Total Operation and Maintenance	45,092,298		
20	Production - Manufd. Gas & Nat.Gas (inc. Expl. and Dev.); Other Gas Supply; Storage, LNG, Terminaling & Processing	855,404		
21	Transmission (Enter Total of lines 6 and 15)	-		
22	Distribution (Total of lines 7 and 16)	23,553,729		
23	Customer Accounts (Transcribe from line 8)	1,522,658		
24	Customer Service and Informational (Transcribe from line 9)	412,281		
25	Sales (Transcribe from line 10)	234		
26	Administrative and General (Total of lines 11 and 17)	18,747,993		
27	TOTAL Operation and Maint. (Total of lines 20 through 26)	45,092,298		45,092,298
28	Other Utility Departments			
29	Operation and Maintenance			
30	TOTAL All Utility Dept. (Total of lines 2, 27, and 29)	45,092,298	-	45,092,298
31	Utility Plant			
32	Construction (By Utility Departments)			
33	Electric Plant			
34	Gas Plant	15,284,108		15,284,108
35	Other			
36	TOTAL Construction (Total of lines 33 through 35)	15,284,108	-	15,284,108
37	Plant Removal (By Utility Department)			
38	Electric Plant			
39	Gas Plant	2,147,292		2,147,292
40	Other			
41	TOTAL Plant Removal (Total of lines 38 through 40)	2,147,292	-	2,147,292
42				
43	Other Accounts (Specify):			
44				
45				-
46	Accounts Receivable - Associated Companies	2,655,650		2,655,650
47	Misc Deferred Debits/Credits	9,966		9,966
48	Merchandise / Jobbing	10,162		10,162
49	Reg Asset	81,476		81,476
50	Other		472,217	472,217
51				
52				
53	TOTAL Other Accounts	2,757,254	472,217	3,229,471
54	TOTAL SALARIES AND WAGES	65,280,953	472,217	65,753,169

Name of Respondent	For the Year Ended	
Peoples Gas System	Dec. 31, 2022	
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES		
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including</p>	<p>payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities.</p> <p>(a) Name of person or organization rendering services, (b) description of services received, (c) basis of charges, (d) total charges for the year, detailing account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract.</p> <p>3. Designate with an asterisk associated companies.</p>	
	Description	Amount
1		
2	American Innovations LTD	250,036
3	Analysis Group Inc	944,339
4	Anthony Case	31,948
5	Arcadis US Inc.	652,629
6	Ausley and McMullen PA	496,015
7	AVEVA Software	263,498
8	Ayres Associates Inc	315,579
9	Bajo Cohen Agliano PA	346,773
10	Bajocuva PA	38,936
11	Baker & Hostetler LLP	98,116
12	Barnett & Chistolini PLLC	125,185
13	Brandmark Advertising, Inc.	639,062
14	Calhoun Collier & Parham Inc	489,330
15	Circadian Technologies	28,913
16	Cleveland Integrity Services, Inc.	1,154,231
17	Concentric Energy Advisors Inc.	69,760
18	Corpro Companies Inc	619,521
19	Daniels Engineering, Inc.	520,495
20	Dive-tech International Inc.	69,940
21	Deloitte Consulting LLP	5,697,128
22	Durrance and Associates P.A.	475,680
23	EN Engineering LLC	92,302
24	Environmental Consulting (ECT)	26,159
25	Ernst & Young US LLP	30,000
26	Florida Public Broadcasting Services	116,602
27	Florida Trend	62,540
28	Gary L Wood Associates	30,000
29	Gaylord Merlin Ludovici & Diaz PL	29,500
30	Geosyntec	512,541
31	Summit Resources	1,271,002
32	GL Noble Denton USA LLC	32,667
33	HBK Engineering LLC	463,888
34	Heath Consultants	1,441,280

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS		
<p>Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.</p> <p>(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charges, the total of amortization charged for the year, and the period of amortization.</p> <p>(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.</p> <p>(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.</p>		
	Item	Amount
1		
2	Account 426.1 - Donations	416,457
3	Account 426.3 - Other Penalties	-
4	Account 426.4 - Lobbying	170,059
5	Account 426.5 - Other Deductions	124,660
6		711,175
7		
8		
9	Account 431 - Other Interest Expense	
10		
11	Credit Facility	3,660,093
12	Customer Deposits	704,327
13	Interest on Lines of Credit-Intercompany	114,146
14	Purchased Gas Adjustment (PGA)	87,658
15	Energy Conservation Cost Recovery	39,777
16	Cast Iron Bare Steel Recovery	999
17		4,607,000
18		

Name of Respondent	For the Year Ended	
Peoples Gas System	Dec. 31, 2022	
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES		
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual [other than for services as an employee or for payments made for medical and related services] amounting to more than \$25,000, including</p>		
<p>payments for legislative services, except those which should be reported in Account 426.4 - Expenditures for Certain Civic, Political and Related Activities.</p> <p>(a) Name of person or organization rendering services, (b) description of services received, (c) basis of charges, (d) total charges for the year, detailing account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract.</p> <p>3. Designate with an asterisk associated companies.</p>		
#	Description	Amount
1	continued from page 33a	
2	Holland & Knight	923/925-legal services 3,513,126
3	Insight	various-engineering consultants 131,750
4	Jeffrey H Jacobson	182-environmental consultant 28,178
5	Jones Day	804/146multi-legal services 541,936
6	JRGO LLC	107/182 multi engineering services 2,313,577
7	Lau, Lane, Pieper, Conley & McCreadie PA	923/925-legal services 1,999,086
8	Living HR	923-HR consultant 443,567
9	Macfarlane Ferguson	923/925-legal services 42,280
10	Mai Engineering	various-engineering services 958,560
11	Manson Volves Donaldson Varn PA	107-legal 275,874
12	Margaret Kaigh Doyle	107/923-LNG consultant 90,000
13	McDaniel and Cullen Supply Chain	107/923-process consultant 252,354
14	McKim&Creed	various-engineering services 3,642,457
15	Mirata Software	107-project-WAM 114,400
16	Morning Star Fleet Services	921/923-consulting services 170,891
17	Mott Macdonald Group Inc	107-engineering design services 28,915
18	Nopetro-CH4 Holdings LLC	413-lease eqmt maint. 367,881
19	Patrick Engineering Inc	107-capital 367,430
20	PierceGray LLC	923/various-HR consultant 154,213
21	PLUS Consulting	107-project-WAM-SW Consultants 195,585
22	Powerplan Inc	107-project-WAM-SW Consultants 491,603
23	Quorum Business Solutions	107-capital 47,330
24	Ramtech Software Solutions	107-capital 96,576
25	SAP America Inc	107-project-WAM 178,756
26	Schifino Lee Inc	913-mkting strategy/media buys 744,993
27	Shumaker Loop & Kendrick	107-legal services 595,011
28	Straad Consulting Inc	923-consulting services 950,765
29	Symplcity Organizational Designs	923-process consultant 27,250
30	The Carl Auxilliary LLC	913-advertising service 37,550
31	The Goldstein Environmental Law Group	182/923-legal services 55,740
32	The Hunter Group	923-RNG consulting 81,431
33	The Paradigm Alliance, Inc	925-pipeline awareness 229,488
34	Tripp Scott PA	923/925-legal services 406,600
35	Troutman Pepper Hamilton Sanders	923/various legal services 39,807
36	Tucker Hall	923/Other-consulting services 38,124
37	Universal Enso Inc	107-capital management 115,761
38	Vimocity LLC	923-health consultant 64,743
39	World Wide Nondestructive Testing	107/various operations services 587,354
40	Young Search Partners	923-HR consultant 165,000
41	Yuro and Associates LLC	various-engineering services 434,895
42	Emera Inc.*	930.2/various-labor and corp support 1,962,751
43	Tampa Electric*	930.2/various 33,114,054
44	Teco Partners*	912/107-marketing services 8,871,107
45	New Mexico Gas Company*	930.2-I.T. Support services 64,088
46		
47		

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS	
<p>Report the information specified below, in the order given for the respective income deduction and interest charges accounts. Provide a subheading for each account and total for the account. Additional columns may be added if deemed appropriate with respect to any account.</p> <p>(a) Miscellaneous Amortization (Account 425) - Describe the nature of items included in this account, the contra account charges, the total of amortization charged for the year, and the period of amortization.</p> <p>(b) Miscellaneous Income Deductions - Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2 Life Insurance; 426.3 Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than \$25,000 may be grouped by classes within the above accounts.</p> <p>(c) Other Interest Expense (Account 431) - Report particulars (Details) including the amount and interest rate for each other interest charges incurred during the year.</p>	
#	Item
1	
2	
3	
4	
5	Blank section - see 33a
6	
7	

Name of Respondent					For the Year Ended	
Peoples Gas System					Dec. 31, 2022	
Reconciliation of Gross Operating Revenues						
Annual Report versus Regulatory Assessment Fee Return						
For the current year, reconcile the gross operating revenues as reported on Page 26 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (f).						
	(a)	(b)	(c)	(d)	(e)	(f)
Line No.	Description	Gross Operating Revenues per Page 26	Interstate and Sales for Resale Adjustments	Adjusted Intrastate Gross Operating Revenues	Intrastate Gross Operating Revenues per RAF Return	Difference (d) - (e)
1	Total Sales to Ultimate Customers (480-482, 484)	389,484,604		389,484,604	389,484,604	-
2	Sales for Resale (483)	3,336,959		3,336,959	3,336,959	-
3	Total Natural Gas Service Revenues					
		392,821,563		392,821,563	392,821,563	-
4	Total Other Operating Revenues (485-495)	244,377,492		244,377,492	244,377,492	-
5	Total Gas Operating Revenues	637,199,054		637,199,054	637,199,054	-
6	Revenue from Property Leased to Other (412)	-			1,437,622	(1,437,622)
7	Provision for Rate Refunds (496)	-				
8	Wholesale Sales & Wholesale Transport Adj.				(3,336,959)	3,336,959
9	Mutually Beneficial Wholesale Adjustment				(121,612)	121,612
10	Unbilled Revenue Adjustment				954,553	(954,553)
11	Off System Sales for Resale Adjustment				(35,867,448)	35,867,448
12	Total Gross Operating Revenues	637,199,054		637,199,054	600,265,210	36,933,844
Notes:						
Column F differences are due to RAF return adjustments for exempt revenue, and addition of revenue from property leased to others (CNG station).						

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2022

CORPORATE STRUCTURE

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

Effective Date: Dec. 31, 2022

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

Name of Respondent			For the Year Ended		
Peoples Gas System			Dec. 31, 2022		
SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS					
Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved. (a) Enter name of affiliate. (b) Give description of type of service, or name the product involved. (c) Enter contract or agreement effective dates. (d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent. (e) Enter utility account number in which charges are recorded. (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.					
Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
TECO Partners, Inc	Real property sublease		s	493	98,243
	G&A Allocation		s	922	263,836
	Labor services		s	146	441,305
	Marketing		p	912	7,585,990
	Marketing Service		p	107	900,000
	Other service/labor		p	multiple	385,117
TECO Energy Inc.	Labor services		s	146	12,220
Tampa Electric Co.	Real property sublease		s	146	17,519
	Labor & Other Services		s	146	3,436,682
	Natural Gas sales		s	146	5,681,863
	Real property sublease		p	931/multiple	918,374
	Labor services		p	930.2/multiple	15,294,429
	Natural Gas purchases		p	801	284,323
	IT Usage Fee		p	930.2/multiple	3,312,282
	Telecom		p	930.2/multiple	849,854
	Facilities		p	930.2/multiple	277,269
	Corporate Overhead Allocation		p	930.2	4,059,400
	IT Assessment		p	930.2	6,444,709
	Benefits Admin Assessment		p	930.2	403,824
	Employee Relations Assessment		p	930.2	42,419
	Administrative Services Assessment		p	930.2	353,182
	Emergency Management Assessment		p	930.2	106,710
	Accounts Payable Assessment		p	930.2	616,648
Claims Assessment		p	930.2	514,258	
Procurement Assessment		p	930.2	839,071	
New Mexico Gas Company	Labor and IT Services		p	930.2	64,088
SeaCoast Gas Transmission	Labor services		s	146	743,911
	G&A Allocation		s	922	1,391,823
	Natural Gas Sales		s	146	2,828,137
	Natural Gas Purchases		p	801	6,910,911
Continued on next page (36b)					

Name of Respondent			For the Year Ended		
Peoples Gas System			Dec. 31, 2022		
SUMMARY OF AFFILIATED TRANSFERS AND COST ALLOCATIONS					
<p>Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.</p> <p>(a) Enter name of affiliate. (b) Give description of type of service, or name the product involved. (c) Enter contract or agreement effective dates. (d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent. (e) Enter utility account number in which charges are recorded. (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.</p>					
Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	"p" or "s" (d)	Total Charge for Year	
				Account Number (e)	Dollar Amount (f)
Continued from page 36a					
Emera Energy Services Inc.	Natural Gas Sales		s	146	16,498,243
	Natural Gas Purchases		p	801	25,613,297
Emera Inc.	Labor Services		s	146	1,497
	Labor Services		p	930.2/Multiple	1,280,784
	Other-Services		p	930.2/Multiple	681,967
Emera Carribean Holdings LTD (an Emera Company)	Labor Services		p	930.2/Multiple	19,910

Name of Respondent	For the Year Ended
Peoples Gas System	Dec. 31, 2022

NEW OR AMENDED CONTRACTS WITH AFFILIATED COMPANIES

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

Name of Affiliate	Synopsis of Contract
TECO Partners	An agreement entered into between Peoples Gas (Peoples) and TECO Partners (Partners) whereby Peoples retained Partners to market and sell services for and on behalf of Peoples to present and potential customers of Peoples, including but not limited to: Energy Services, Energy Conservation Program Services, Promotional Services Payment to Partners under the agreement is targeted at \$6,500,000 annually - increasing by the previous year's CPI. The agreement was entered into effective January 1, 2008 and renews annually.
Emera Energy US Sub No. 1	Secondment Agreement by and among, Emera Energy US Sub No. 1 and Peoples Gas System.
New Mexico Gas Company, Inc.	Affiliate Addendum effective July 1, 2016 to Amended & Restated Service Agreement effective January 1, 2013. New Mexico Gas Company, Inc. provide selected services such as Information Technology Services to Peoples Gas.
TECO EnergySource, Inc.	NCTS Agreement dated June 1, 2010.
SeaCoast Gas Transmission	NAESB between SeaCoast Gas Transmission and Peoples Gas dated October 15, 2010. Two Firm Transportation Service agreements with PGS - commencement dates October 27, 2021 and May 1, 2022.
Emera Energy Services, Inc.	NAESB between Emera Energy and Peoples Gas dated February 1, 2017. Asset Management Agreement (AMA) entered into December 18, 2018 and amended July 1, 2019 between Emera Energy Services, Inc and Peoples Gas. Asset Management (AMA) entered into July 29, 2020 was amended and restated commencing on October 1, 2022 and shall continue through September 30, 2025.
Emera Incorporated	Shared Service Agreement between Emera Incorporated and Tampa Electric dated January 1, 2021.
Nova Scotia Power Corp.	Shared Service Agreement between Nova Scotia Power and Tampa Electric date January 1, 2021.

INDIVIDUAL AFFILIATED TRANSACTIONS IN EXCESS OF \$25,000

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

Name of Affiliate	Description of Transaction	Dollar Amount
TECO Partners, Inc.	Real property sublease	98,243
	G&A Allocation	263,836
	Labor services	441,305
	Marketing	(8,485,990)
	Labor & other services	(385,117)
Tampa Electric Company	Labor & other services	3,436,682
	Natural Gas sales	5,681,863
	Real property sublease	(918,374)
	Labor services	(15,294,429)
	Natural Gas purchases	(284,323)
	IT Usage Fee	(3,312,282)
	Telecom	(849,854)
	Facilities	(277,269)
	Corporate Overhead Allocation	(4,059,400)
	IT Assessment	(6,444,709)
	Benefits Admin and Employee Relations	(446,242)
	Administrative Services Assessment	(353,182)
	Emergency Management Assessment	(106,710)
Accounts Payable Assessment	(616,648)	
Claims Assessment	(514,258)	
Procurement Assessment	(839,071)	
SeaCoast Gas Transmission	Labor services	743,911
	G&A Allocation	1,391,823
	Natural Gas Sales-Reservation	2,828,137
	Natural Gas purchases	(6,910,911)
New Mexico Gas Company	Labor and IT Services	(64,088)
Emera Energy Services Inc.	Natural Gas Sales	16,498,243
	Natural Gas Purchases	(25,613,297)
Emera Inc.	Labor Services	(1,280,784)
	Other Services	(681,967)

Name of Respondent		For the Year Ended					
Peoples Gas System		Dec. 31, 2022					
ASSETS OR RIGHTS PURCHASED FROM OR SOLD TO AFFILIATES							
Provide a summary of affiliated transactions involving asset transfers or the right to use assets.							
Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
Purchases from Affiliates:		\$	\$	\$	\$	\$	
None		-	-	-	N/A	-	
Total						-	
Sales to Affiliates:	None	\$	\$	\$	\$	Sales Price	
None							
Total						\$	

EMPLOYEE TRANSFERS				
List employees earning more than \$50,000 annually transferred to/from the utility to/from an affiliate company.				
Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
Tampa Electric	Peoples Gas	SAP Functional Analyst	Mgr Corporate Accounting	Permanent
Tampa Electric	Peoples Gas	Talent Acquisition Specialist	Talent Acquisition Specialist	Permanent
Peoples Gas	Tampa Electric	Measurement Ops Analyst	MDM Data Analyst	Permanent
Tampa Electric	Peoples Gas	Sr Environmental Specialist	Environmental Mgr	Permanent
Tampa Electric	Peoples Gas	Settlements Accountant	Business Planning/Budget Analyst II	Permanent
Tampa Electric	Peoples Gas	CE Training and Change Administrator	Mgr Org Effectiveness and Culture	Permanent
Peoples Gas	Tampa Electric	Mgr Regulatory Rates	Sr Mgr Pricing & Financial Analysis	Permanent
Tampa Electric	TECO Partners	Business Planning Lead	Manager Business Planning & Analysis	Permanent
TECO Partners	Tampa Electric	Manager Business Planning & Analysis	Mgr Business Planning	Permanent
Peoples Gas	Tampa Electric	Lead - CSP	CE Trainer Associate	Permanent
Peoples Gas	Tampa Electric	Utility Technician	Distribution Design Tech	Permanent
Tampa Electric	Peoples Gas	Customer Service Professional V	Work Coordinator	Permanent
Tampa Electric	Peoples Gas	Customer Service Professional V	Admin Specialist III	Permanent
Tampa Electric	Peoples Gas	Coord Emergency Management	Emergency Management Mgr	Permanent
Peoples Gas	Tampa Electric	Utility Technician	Meter Field Representative	Permanent
Peoples Gas	Tampa Electric	Dispatcher	Desktop Support Analyst Associate	Permanent
Peoples Gas	Tampa Electric	Utility Technician	Ground Equipment Operator	Permanent
Tampa Electric	Peoples Gas	Ground Equipment Operator	Utility Technician	Permanent
Peoples Gas	Tampa Electric	Admin Specialist Sr	Project Support Assistant	Permanent
Peoples Gas	Tampa Electric	Meter Technician	Meter Field Representative	Permanent
Peoples Gas	Tampa Electric	Meter Technician	Meter Field Representative	Permanent
Peoples Gas	Tampa Electric	Meter Technician	Meter Field Representative	Permanent
Peoples Gas	Tampa Electric	Mgr Regulatory Affairs	Mgr Utility Tax	Permanent
Peoples Gas	Tampa Electric	Apprentice	Warehouse Assoc (ES)	Permanent
Peoples Gas	Tampa Electric	Business Planning Analyst I	Plant Accountant I	Permanent
Peoples Gas	Tampa Electric	Apprentice	Apprentice Operator/Maintainer	Permanent
Peoples Gas	TECO Partners	Utility Technician	Project Manager (Municipal Syst)	Permanent
TECO Partners	Peoples Gas	Manager Business Planning & Analysis	Mgr Business Transformation	Permanent
Peoples Gas	TECO Partners	Dir Financial Analytics	Manager Business Planning & Analysis	Permanent

Exhibit B

EXHIBIT B

PAGE 1 OF 1

**PEOPLES GAS SYSTEM, INC.
 PROJECTED STATEMENT OF SOURCES AND USES OF FUNDS
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024
 (MILLIONS)**

Cash Flows from Operating Activities:	
Depreciation	\$ 88
Deferred Taxes	22
Other	<u>27</u>
	137
Cash Flows from Investing Activities:	
Capital Expenditures, excluding AFUDC	(362)
Cash Flows from Financing Activities:	
Changes in Financing	<u>225</u>
Total Cash Flows, excluding Net Income	\$ <u>0</u>

**PEOPLES GAS SYSTEM, INC.
 PROJECTED CONSTRUCTION BUDGET
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2024
 (MILLIONS)**

Revenue Producing	\$ 203
Maintenance	138
Cast Iron Bare Steel / Problematic Plastic Pipe	<u>21</u>
Total Projected Construction Budget, excluding AFUDC	\$ <u>362</u>